

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: Ron Johnson, City Administrator**

**SUBJECT: Resolution Adopting 2017 Preliminary Tax Levy and Budget and Setting Public Meeting Date**

**DATE: September 16, 2016**

**BACKGROUND**

Each year the Council is required to adopt a preliminary levy and budget for the following year and provide that information to Goodhue County. The City is also required to allow public comment regarding the proposed final levy and budget at a designated meeting at which time the final budget and property tax levy may be adopted. The final levy must be adopted by December 28, 2016.

Staff has prepared a proposed preliminary budget based on discussions that occurred over two Council budget work sessions. The proposed preliminary increase is 9.9%. The amount of levy can be reduced when the final budget/levy is adopted in December, but cannot be higher. More discussion will take place prior to final adoption in December.

Highlights regarding the preliminary budget-

- Necessary increases in bond levies
- 8.5% health insurance premium increase (actual premiums aren't usually known until November)
- Inclusion of a half-time planning dept employee to allow Director of Economic Development and Planning to focus primarily on economic development;
- 2% Cost of Living Adjustment
- 1.5% increase in Capital Improvement Plan
- \$38,300 of reserves (this amount could be reduced after further discussions prior to final adoption in December)

**REQUESTED COUNCIL ACTION**

Adopt the resolution approving the 2017 preliminary property tax levy and budget and setting the meeting date for public input for December 6, 2016 in the City Council Chambers.

Attachment(s): Resolution and Additional Budget/Levy Information

## 2017 BUDGET SUMMARY

### General Fund

Expenditures -	\$3,164,261
Revenues without Taxes -	\$1,686,554
Use of General Fund Reserves -	\$ 38,300
	<b>Levy - \$1,439,407</b>

### Library

Expenditures -	\$450,850
Revenues without Taxes -	\$119,100
	<b>Levy - \$331,750</b>

### Fire Department

Expenditures -	\$265,569
Revenues without Taxes -	\$137,735
	<b>Levy - \$127,834</b>

### Planning & Economic Development

Expenditures -	\$142,225
Revenues without Taxes -	\$0
	<b>Levy - \$142,225</b>

### 2011A G.O. Improvement Bond

Expenditures -	\$227,425
Revenues without Taxes -	\$125,850
	<b>Levy - \$89,000</b>

### 2012A Capital Improvement Bond

Expenditures -	\$83,675
Revenues without Taxes -	\$0
	<b>Levy - \$41,850</b>

### 2012B G.O. Ref. Bond

Expenditures -	\$495,700
Revenues without Taxes -	\$226,825
	<b>Levy - \$208,000</b>

### 2013A East Side I Bond

Expenditures -	\$205,900
Revenues without Taxes -	\$127,025
	<b>Levy - \$88,400</b>

### 2016A West Side II Bond

Expenditures -	\$63,200
Revenues without Taxes -	\$18,625
	<b>Levy - \$85,000</b>

## 2017 LEVY DETAIL

General Levy -	\$2,041,216
Bond Levy -	\$ 512,250
Total 2017 Levy -	\$2,553,466
2016 Levy -	\$2,324,415
Increase -	\$ 229,051 - 9.9%

## 2017 LEVY SUMMARY

	Budget 2016	Preliminary 2017	Difference 2016 to 2017	%
<b>Budget 2017</b>				
General Levy	\$ 1,357,567	\$ 1,439,407	\$ 81,840	6.0%
Bond Levy*	\$ 392,050	\$ 512,250	\$ 120,200	30.7%
Non-General Fund Levy**	\$ 574,798	\$ 601,809	\$ 27,011	4.7%
Total Levy	\$ 2,324,415	\$ 2,553,466	\$ 229,051	9.9%

### \*Breakdown of Bond Levies:

2011A Bonds-Westside I	\$ 89,000	\$ 89,000	\$ -	0.0%
2012A Bonds-Library	\$ 4,750	\$ 41,850	\$ 37,100	781.1%
2012B Bonds-Refunding	\$ 208,000	\$ 208,000	\$ -	0.0%
2013A Bonds-Eastside I	\$ 90,300	\$ 88,400	\$ (1,900)	-2.1%
2016A Bonds-Westside II	\$ -	\$ 85,000	\$ 85,000	#DIV/0!
Totals	\$ 392,050	\$ 512,250	\$ 120,200	30.7%

### \*\*Breakdown of Non-General Fund Levies:

Library Fund	\$ 321,250	\$ 331,750	\$ 10,500	3.3%
Fire Dept Operations Fund	\$ 115,923	\$ 127,834	\$ 11,911	10.3%
Economic Development Fd	\$ 137,625	\$ 142,225	\$ 4,600	3.3%
Totals	\$ 574,798	\$ 601,809	\$ 27,011	4.7%

<b>Est.Tax Capacity</b>	\$ 3,780,956	\$ 3,925,130	
<b>Est.Tax Capacity Rate</b>	61.477%	65.054%	5.819%

2017					
<b>LEVY SUPPORTED FUNDS</b>					
		<b>Budget</b>	<b>Preliminary</b>	<b>Difference</b>	
		<b>2016</b>	<b>2017</b>	<b>2016 to 2017</b>	<b>%</b>
<b>GENERAL FUND-100</b>					
<b>Revenue Detail</b>					
General Fund Levy		\$ 1,357,567	\$ 1,439,407	\$ 81,840	6.0%
LGA		\$ 640,227	\$ 640,873	\$ 646	0.1%
Other General Fd Rev		\$ 493,961	\$ 496,356	\$ 2,395	0.5%
Invenergy Rev		\$ 538,550	\$ 549,325	\$ 10,775	2.0%
Total Revenue		\$ 3,030,305	\$ 3,125,961	\$ 95,656	3.2%
<b>Expense Detail</b>					
Mayor & Council		\$ 30,625	\$ 40,400	\$ 9,775	31.9%
Elections		\$ 21,250	\$ 950	\$ (20,300)	-95.5%
Administration		\$ 511,725	\$ 504,750	\$ (6,975)	-1.4%
Audit		\$ 17,700	\$ 19,500	\$ 1,800	10.2%
Financial Consultant		\$ 3,400	\$ 3,400	\$ -	0.0%
Legal		\$ 66,000	\$ 66,000	\$ -	0.0%
Planning & Zoning		\$ 1,650	\$ 44,450	\$ 42,800	2593.9%
Information Technology		\$ 38,310	\$ 44,000	\$ 5,690	14.9%
Government Bldgs		\$ 75,580	\$ 79,125	\$ 3,545	4.7%
Police		\$ 979,050	\$ 1,004,970	\$ 25,920	2.6%
Building Inspection		\$ 32,775	\$ 28,840	\$ (3,935)	-12.0%
Engineering		\$ 45,000	\$ 45,000	\$ -	0.0%
Pet Adoption		\$ 1,000	\$ 1,000	\$ -	0.0%
Public Works/Parks		\$ 865,625	\$ 864,650	\$ (975)	-0.1%
CV Trail		\$ 179,665	\$ 187,266	\$ 7,601	4.2%
Unallocated		\$ 78,800	\$ 116,785	\$ 37,985	48.2%
CIP Transfers		\$ 111,475	\$ 113,175	\$ 1,700	1.5%
<b>Total Expenditures</b>		\$ 3,059,630	\$ 3,164,261	\$ 104,631	3.4%
Excess or (Deficiency)		\$ (29,325)	\$ (38,300)	\$ (8,975)	
<b>LIBRARY FUND-211</b>					
Revenue		\$ 441,100	\$ 450,850	\$ 9,750	2.2%
				\$ -	
Expenditures		\$ 441,100	\$ 450,850	\$ 9,750	2.2%
Excess or (Deficiency)		\$ -	\$ -	\$ -	#DIV/0!

<b>FIRE OPERATIONS FUND-232</b>					
Revenue		\$ 248,044	\$ 265,569	\$ 17,525	7.1%
Expenditures		\$ 248,044	\$ 265,569	\$ 17,525	7.1%
Excess or (Deficiency)		\$ -	\$ -		
		<b>Budget</b>	<b>Preliminary</b>	<b>Difference</b>	
		<b>2016</b>	<b>2017</b>	<b>2016 to 2017</b>	<b>%</b>
<b>ECONOMIC DEVELOPMENT FUND-235</b>					
Revenue		\$ 137,625	\$ 142,225	\$ 4,600	3.3%
Expenditures		\$ 137,625	\$ 142,225	\$ 4,600	3.3%
Excess or (Deficiency)		\$ -	\$ -	\$ -	#DIV/0!
<b>BOND LEVIES:</b>					
<b>2011A G.O. IMPROVEMENT BONDS-524</b>					
Revenue		\$ 216,225	\$ 214,850	\$ (1,375)	-0.6%
Expenditures		\$ 230,625	\$ 227,425	\$ (3,200)	-1.4%
Excess or (Deficiency)		\$ (14,400)	\$ (12,575)	\$ 1,825	-12.7%
<b>2012A G.O. CAPITAL IMPROVEMENT BONDS-526</b>					
Revenue		\$ 79,750	\$ 41,850	\$ (37,900)	-47.5%
Expenditures		\$ 73,625	\$ 83,675	\$ 10,050	13.7%
Excess or (Deficiency)		\$ 6,125	\$ (41,825)	\$ (47,950)	-782.9%
<b>2012B G.O. REFUNDING BONDS-528</b>					
Revenue		\$ 438,900	\$ 434,825	\$ (4,075)	-0.9%
Expenditures		\$ 515,525	\$ 495,700	\$ (19,825)	-3.8%
Excess or (Deficiency)		\$ (76,625)	\$ (60,875)	\$ 15,750	-20.6%

<b>2013A G. O. IMPROVEMENT BONDS-529</b>					
Revenue		\$ 221,325	\$ 215,425	\$ (5,900)	-2.7%
Expenditures		\$ 203,550	\$ 205,900	\$ 2,350	1.2%
Excess or (Deficiency)		\$ 17,775	\$ 9,525	\$ (8,250)	-46.4%
<b>2016A G.O. IMPROVEMENT BONDS-530</b>					
Revenue		\$ -	\$ 103,625	\$ 103,625	#DIV/0!
Expenditures		\$ -	\$ 63,200	\$ 63,200	#DIV/0!
Excess or (Deficiency)		\$ -	\$ 40,425	\$ 40,425	#DIV/0!
<b>OTHER FUNDS - NOT LEVY SUPPORTED</b>					
		<b>Budget</b>	<b>Preliminary</b>	<b>Difference</b>	
		<b>2016</b>	<b>2017</b>	<b>2016 to 2017</b>	<b>%</b>
<b>RECYCLING FUND-215</b>					
Revenue		\$ 83,500	\$ 83,900	\$ 400	0.5%
Expenditures		\$ 76,250	\$ 65,500	\$ (10,750)	-14.1%
Excess or (Deficiency)		\$ 7,250	\$ 18,400	\$ 11,150	153.8%
<b>CABLE PUBLIC TELEVISION FUND-220</b>					
Revenue		\$ 33,300	\$ 32,500	\$ (800)	-2.4%
Expenditures		\$ 51,500	\$ 51,500	\$ -	0.0%
Excess or (Deficiency)		\$ (18,200)	\$ (19,000)	\$ (800)	4.4%
<b>INDUSTRIAL REVOLVING FUND-260</b>					
Revenue		\$ 12,350	\$ 12,600	\$ 250	2.0%
Expenditures		\$ 5,500	\$ 5,000	\$ (500)	-9.1%
Excess or (Deficiency)		\$ 6,850	\$ 7,600	\$ 750	10.9%
<b>PUBLIC IMPROVEMENT REVOLVING FUND-502</b>					

Revenue		\$ 2,200	\$ 1,900	\$ (300)	-13.6%
Expenditures		\$ 11,400	\$ 11,400	\$ -	0.0%
Excess or (Deficiency)		\$ (9,200)	\$ (9,500)	\$ (300)	3.3%
<b>STREET CAPITAL FUND (CIP)-504</b>					
Revenue		\$ 5,300	\$ 5,475	\$ 175	3.3%
Expenditures		\$ -	\$ -	\$ -	#DIV/0!
Excess or (Deficiency)		\$ 5,300	\$ 5,475	\$ 175	3.3%
<b>PUBLIC WORKS CAPITAL FUND (CIP)-505</b>					
Revenue		\$ 53,900	\$ 54,825	\$ 925	1.7%
Expenditures		\$ 185,000	\$ 90,000	\$ (95,000)	-51.4%
Excess or (Deficiency)		\$ (131,100)	\$ (35,175)	\$ 95,925	-73.2%
		<b>Budget</b>	<b>Preliminary</b>	<b>Difference</b>	
		<b>2016</b>	<b>2017</b>	<b>2016 to 2017</b>	<b>%</b>
<b>POLICE CAPITAL FUND (CIP)-506</b>					
Revenue		\$ 26,550	\$ 27,350	\$ 800	3.0%
Expenditures		\$ 69,500	\$ 80,855	\$ 11,355	16.3%
Excess or (Deficiency)		\$ (42,950)	\$ (53,505)	\$ (10,555)	24.6%
<b>FIRE CAPITAL FUND (CIP)-507</b>					
Revenue		\$ 18,300	\$ 18,850	\$ 550	3.0%
Expenditures		\$ 175,000	\$ 500,000	\$ 325,000	185.7%
Excess or (Deficiency)		\$ (156,700)	\$ (481,150)	\$ (324,450)	207.1%
<b>AMBULANCE CAPITAL FUND (CIP)-508</b>					
Revenue		\$ 13,600	\$ 13,800	\$ 200	1.5%
Expenditures		\$ 227,000	\$ -	\$ (227,000)	-100.0%

Excess or (Deficiency)		\$ (213,400)	\$ 13,800	\$ 227,200	-106.5%
ADMINISTRATION/CITY HALL CAPITAL FUND (CIP					
Revenue		\$ 12,675	\$ 13,050	\$ 375	3.0%
Expenditures		\$ 11,000	\$ 10,000	\$ (1,000)	-9.1%
Excess or (Deficiency)		\$ 1,675	\$ 3,050	\$ 1,375	82.1%
PARK CAPITAL FUND (CIP)-510					
Revenue		\$ 6,300	\$ 6,500	\$ 200	3.2%
Expenditures		\$ 115,000	\$ 20,000	\$ (95,000)	-82.6%
Excess or (Deficiency)		\$ (108,700)	\$ (13,500)	\$ 95,200	-87.6%
LIBRARY CAPITAL FUND (CIP)-511					
Revenue		\$ 2,250	\$ 2,325	\$ 75	3.3%
Expenditures		\$ 2,000	\$ 2,000	\$ -	0.0%
Excess or (Deficiency)		\$ 250	\$ 325	\$ 75	30.0%

<b>STORM WATER FUND-603</b>					
Revenue		\$ 142,000	\$ 145,000	\$ 3,000	2.1%
Expenditures		<u>\$ 79,800</u>	<u>\$ 85,725</u>	<u>\$ 5,925</u>	7.4%
Excess or (Deficiency)		\$ 62,200	\$ 59,275	\$ (2,925)	-4.7%
<b>AMBULANCE FUND-652</b>					
Revenue		\$ 700,000	\$ 725,000	\$ 25,000	3.6%
Expenditures		<u>\$ 651,600</u>	<u>\$ 751,125</u>	<u>\$ 99,525</u>	15.3%
Excess or (Deficiency)		\$ 48,400	\$ (26,125)	\$ (74,525)	-154.0%
<b>MOTOR VEHICLE FUND-655</b>					
Revenues		\$ 115,000	\$ 147,510	\$ 32,510	28.3%
Expenditures		<u>\$ 120,025</u>	<u>\$ 147,510</u>	<u>\$ 27,485</u>	22.9%
Excess or (Deficiency)		\$ (5,025)	\$ -	\$ 5,025	-100.0%

**CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2220**

**A RESOLUTION ADOPTING THE PRELIMINARY TAX LEVY AND BUDGET  
COLLECTIBLE IN 2017 AND SETTING A PUBLIC MEETING DATE**

**WHEREAS**, the City Staff has prepared a preliminary budget for City Council review, and

**WHEREAS**, the City Council and City Staff will continue to review and refine the preliminary budget, and

**WHEREAS**, the City Council recognizes that the preliminary levy must be certified to Goodhue County no later than September 30 of each year; and

**WHEREAS**, the City Council further recognizes that once the preliminary levy is certified it may not be increased, but may be decreased; and

**WHEREAS**, the City Council will hold a public meeting as required by the Charter and other laws to consider the final levy and budget.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANNON FALLS, COUNTY OF GOODHUE, MINNESOTA:**

1. That the preliminary budget is approved and the following sums of money may be levied for collection in 2017 upon the taxable property in the City of Cannon Falls, for the following purposes:

General Levy	\$2,041,216
Bond Levy	\$ 512,250
Total Levy	\$2,553,466

2. That the Council will hold a public meeting to consider and adopt the final budget and levy on Tuesday, December 6, 2016 at 6:30 p.m. The public will be allowed to speak at this meeting before the final budget and levy is adopted.

3. That the City Administrator by hereby instructed to transmit a certified copy of this resolution to the County Auditor of Goodhue County, Minnesota.

Adopted by the Council this 20<sup>th</sup> day of September, 2016.

BY: \_\_\_\_\_  
Lyman M. Robinson, Mayor

ATTEST: \_\_\_\_\_  
Ronald S. Johnson, City Administrator