

**TO: Honorable Mayor and City Council**

**FROM: City Administrator Ron Johnson**

**SUBJECT: Budget Workshop Info (meeting to be conducted after adjournment of regular 11/1 meeting)**

**DATE: October 27, 2016**

**BACKGROUND**

City Council has conducted a budget workshop on August 16 and discussed and adopted the Proposed Budget/Levy at the September 20 regular Council meeting. The final budget and levy must be adopted on or before December 28. Historically, a workshop meeting is conducted in November, prior to adoption meeting in December.

The final levy adopted in December can be lower than the proposed levy adopted in September, but it cannot be higher.

Highlights regarding the preliminary budget-

- The increase in bond levy, due primarily to the inclusion of the new Westside II bond issue, increases our levy by 5.17%
- 6.06% health insurance premium increase (actual premiums aren't usually known until November)
- 2% Cost of Living Adjustment
- Inclusion of a half-time planning dept employee to allow Director of Economic Development and Planning to focus primarily on economic development; employee would work with Planning Commission items, zoning ordinance update, comprehensive plan update and other miscellaneous planning activities. Potential collaboration with Goodhue County Land Use Department.

The amount of levy increase proposed will not translate into that same amount of a tax increase. Some of a levy increase will be offset with a 3.81% increase in the city's overall tax capacity. .

**REQUESTED COUNCIL ACTION**

No action necessary but to provide a consensus direction for the amount of budget/levy to include in the resolution for approval at the December 6 budget/levy adoption meeting.