

TO: MAYOR AND CITY COUNCIL

FROM: DAVE MARONEY, CITY ADMINISTRATOR

SUBJECT: ADOPT RESOLUTION APPROVING PRELIMINARY 2020 BUDGET AND LEVY

MEETING DATE: SEPTEMBER 17, 2019

BACKGROUND

A preliminary/proposed budget and levy must be adopted on or before September 30. The final budget and levy must be adopted on or before December 28. Historically, the proposed budget/levy has been adopted in September, other workshop meetings conducted in November, and the final budget/levy adopted at the first 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 2020 budget:

- Council, by consensus, requested a resolution reflecting a **10.72%** levy increase
- 9.5% health insurance premium increase
- 3% COLA and step increases are included (this is the final year of the 3-year approved agreements)
- There will be three elections in 2020 vs. the 2 that are typically held in an election year
- \$5,000 was included for a new line item for garbage can and picnic table replacement in the Parks
- \$130,000 was included in the Public Works Department for a mill and overlay project
- There was an increase in wages and health insurance in the Public Works Department for the anticipated hire of a new Public Works Director
- The transfer from the General Fund to the Motor Vehicle Fund increased by \$11,750 due to changes within that department
- The Economic Development Department reflects an overall decrease due to the position being vacant and exploring options for contractual services or the hiring of a full-time employee
- No new bonds were issued in 2019 (as of this date)
- Staffing levels remained the same in the levy impacted funds
- The transfers from the General Fund to the various Capital Improvement Plans (CIP) were increased by 3% but are still not up to the appropriate levels

- The overall levy amount includes \$39,600 for the Grand Stay Hotel Tax Abatement. This is the first year of the abatement and Staff anticipate that the new market value/tax capacity that the development has created will result in no increased property tax liability to the taxpayers of Cannon Falls.

A preliminary estimate of the City's tax capacity is not yet available. We anticipate this number to be available within the next month or two.

Staff will continue to evaluate the preliminary budget prior to the required public hearing in December. In the event that the City Council wishes to discuss the 2020 Budget further before the final levy is adopted, time will be scheduled to do so.

REQUESTED COUNCIL ACTION

Adopt resolution approving the 2020 preliminary property tax levy and budget and setting the meeting date for public input for 6:30 p.m., December 3, 2019 in the City Council Chambers.

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

RESOLUTION NUMBER 2442

**A RESOLUTION ADOPTING THE PRELIMINARY TAX LEVY AND BUDGET
COLLECTIBLE IN 2020 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 2020 upon the taxable property in the City of Cannon Falls, for the following purposes:

| | |
|--------------------|-------------|
| General Levy | \$2,614,214 |
| Bond Levy | \$ 632,850 |
| Tax Abatement Levy | \$ 39,600 |
| Total Levy | \$3,286,664 |

2. That the City Council will hold a public meeting to consider and adopt the final budget and levy on Tuesday, December 3, 2019 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 or Finance Director be hereby instructed to transmit a certified copy of this resolution to the County Auditor of Goodhue County, Minnesota.

Adopted by the Council this 17th day of September, 2019.

BY: _____
John O. Althoff, Mayor

ATTEST: _____
David Maroney, City Administrator