

City of New Richland  
203 N Broadway  
New Richland, MN 56072

Phone: (507) 465-3514  
Fax: (507) 465-3375  
E-mail: [nrcity@hickorytech.net](mailto:nrcity@hickorytech.net)

# **2017 GENERAL FUND BUDGET**

*Proposed*

# 2017 Budget

*Proposed*

## BUDGET SUMMARY

The proposed General Fund Budget

included with this report, for the City reflects a 1% COLA. Medical insurance premiums for 2017 have adjusted for inflation of 5% from the 2016 rate and included so far at 100% utilization for the proposed budget. The majority of the expense categories reflect

FORMULA EXPLANATION	2016 Levy	2017 LEVY
Proposed General Fund Expenses	859,899	864,663
Fire Relief Assn	450	450
Bond Debt levy amount	134,366	134,631
<b>TOTAL</b>	<b>994,715</b>	<b>999,744</b>
Minus - Misc. Income & Spec Assmt& LGA	628,648	627,870
<b>LEVY AMOUNTS</b>	<b>366,067</b>	<b>371,874</b>
% Of Levy Increase/Decrease	2.04%	1.59%
Increased Levy Amount	7,324.00	5,807

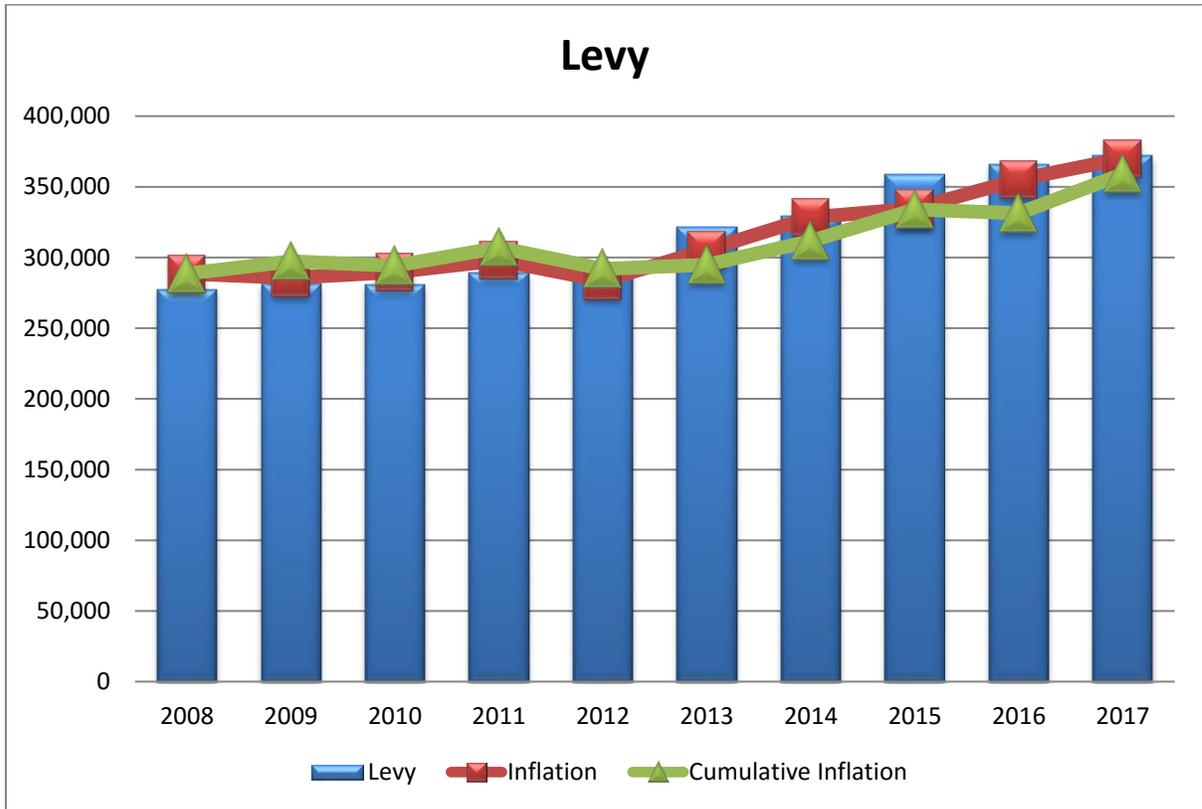
projections of what is expected to be needed for 2017. Capital Reserve are discussed in each department's section, but have largely been reduced to zero at the present time and will be added back into the final budget reflecting actual health insurance costs. Revenue projections are based on past collections and estimated 2017 amounts being conservative. The general fund will in all likelihood again need to execute a loan to the TIF debt service. The final budget/levy will need to be certified after the December meeting.

### Information about the current draft budget

Currently the General Fund budget stands at \$864,663 with a projected tax levy of \$371,874. The target levy increase is inflation for the last year of 1.107%. As it now stands the levy is 1.59% over 2016 and the budget is .554% over 2016. If the budget and levy amounts were to increase the inflation rate from last year dollars the budget would be \$869,418 and the levy would be \$369,984.

The amount of the levy adjusting for inflation from 2009 (\$281,132) to 2016 would be \$355,156 compared to the current projected levy of \$366,067 (+\$10,911 over inflation for the period). The major reason for the continued increase again is the debt service of the City.

The budget has for the last ten years increased slightly more than inflation for the same period, but in very close relation if inflation is applied one year at a time to the previous year budget.



• Ten Year Inflation/Actual

#### Adjustments to Levy

When the actual utilization of health insurance is known any savings in budget dollars is proposed to be added to the budget as Capital Reserve amounts starting with additional street reserve and proceeding by priority.

In December the levy cannot be increased over the preliminary levy certified in September. It is proposed that any increases or decreases in any line be offset with a corresponding change on an additional line to equalize.

#### Adoption of Budget

Final approval of the budget in December will be authorization of the pay scales and other expenses for the next year.

### REVENUE

#### Property Taxes

The City certifies the amount it needs to collect for the year to cover expenses. The amount certified is determined by setting the General fund budget and subtracting all other sources of General fund revenue and adding the debt service levy.

Property tax is calculated using the market value of a property, use classification, and any qualified exemptions to get a tax rate to determine the share of the certified levy each individual property is charged

Tax capacity is the valuation of property based on market value and class rates. The property tax for each parcel is based on its tax capacity. Eligible homesteads pay property tax only on a portion of the value due to the Homestead market Value Exclusion. The maximum exclusion of 40% of value occurs at a home value of \$76,000 and phases out as value increases.

<u>Revenue</u>	<u>Actual 2015</u>	<u>Adopted 2016</u>	<u>Proposed 2017</u>
General Property Tax	249,644.25	231,251	371,424
Property Tax - Fire Relief	452.01	450	450
<b>Total</b>	<b>250,096.26</b>	<b>231,701.00</b>	<b>371,874</b>

• Property Tax Revenue

**In Lieu of Taxes**

The city captures a payment from the New Richland Care Center in lieu of taxes based on the property value of the Care Center and the budgeted amount for Fire and Public Safety. The budget numbers are forwarded to the County Auditor and they tell the City how much the Care Center can be charged.

In Lieu Of Taxes - NRCC	6,901.08	6,900	7,000
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• PILOT

**Government Aid**

Historical LGA Data for New Richland.

<b>Year</b>	<b>Amount Certified</b>	<b>Amount Received</b>
<b>2008</b>	346,461	320,554
<b>2009</b>	356,437	335,316
<b>2010</b>	325,599	325,599
<b>2011</b>	372,664	325,599
<b>2012</b>	325,599	325,599
<b>2013</b>	325,599	325,599
<b>2014</b>	377,598	377,598
<b>2015</b>	384,457	384,457
<b>2016</b>	386,750	386,750
<b>2017</b>	<b>386,750</b>	<b>386,750</b>

• LGA

The amount certified for 2017 has not been increased from \$386,750. There is still a possibility that a special session of the legislature could be held that would address an increase.

**LGA/ property Tax Levy**

As a comparison with other cities of how much the City spends every year per person tax levy amounts and LGA represents the bulk of the City’s income. The 2014 LGA and Property Tax

information shows how New Richland LGA and property taxes per capita compare to other cities in the area. The projected levy

	<b>Population</b>	<b>Per Capita LGA</b>	<b>Per Capita Tax Levy</b>	<b>Total</b>
<b>Janesville</b>	2269	341.59	304.23	645.82
<b>New Richland</b>	1217	310.27	270.44	580.71
<b>Waseca</b>	9365	280.96	347.59	628.55
<b>Ellendale</b>	677	236.86	470.85	707.71
<b>Geneva</b>	548	169.71	178.84	345.55
<b>Hartland</b>	310	190.85	446.70	637.55
<b>Waldorf</b>	224	209.25	355.35	564.60

and LGA for 2016 calculates to a per capita income for New Richland of \$623.36.

**Other State Aids**

In addition to LGA the State does have aid for Fire Pensions and training reimbursements for Police Fire and Ambulance. These aids are reimbursement for expenses in the budget. There is also a small PERA aid based on 1997 payroll that is to offset part of the City’s PERA contribution for employees.

**General Government 000000**

Pera Aid	436.00	478	478	0
• PERA Aid				

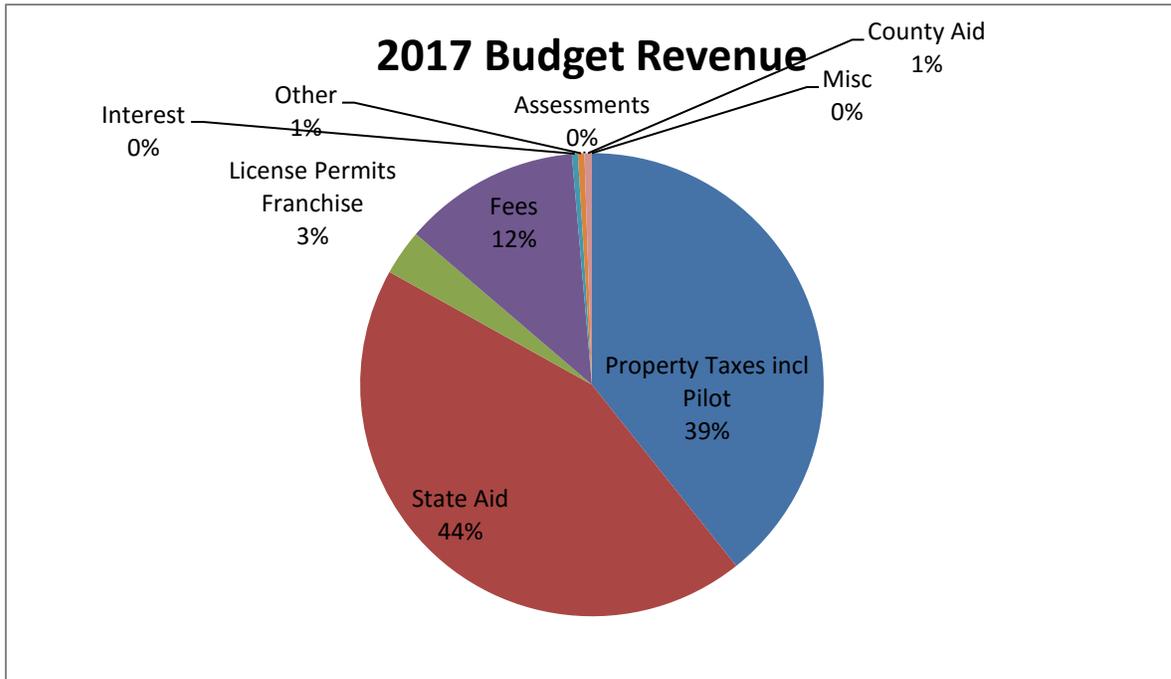
**Other Revenue Sources**

In Lieu Of Taxes - NRCC	6,901.08	6,900	7,000
Franchise	18,862.02	18,000	18,000
• Other Revenue			

**Department specific Revenue**

Most of the other revenue line items are specific to departments and will be examined with the department discussion below.

## General Fund Revenue Category Percentages



• 2016 Revenue Source

## EXEPNSES

### Debt Levy

The continued increase in the amount required to be levied as property taxes.

2016 Budget	ACCOUNTS	Budget	Increase/ Decrease
		2017	
26,000	2012A 320	27,000	1,000
108,366	2014A 314	107,631	-735

Bond	2016 Levy	% Increase	2017 Levy	% Increase	2018 Levy	% Increase
<b>2014</b>	\$108,366	23.49%	\$107,630.50	-0.69%	\$106,890	-0.69%
<b>2012</b>	\$26,000	4.00%	\$27,000	3.85%	\$28,000	3.70%
Total	+\$21,613.33		+\$64.50		+\$259.50	
Increase						

• Table 1 Required Debt Levy

**Personnel**

The costs associated with employees, as with any entity that provides goods and services to a number of customers, comprise a major portion of the budget of the City. The City employs four full time employees, part time police officers, one permanent part time maintenance worker and one casual maintenance worker, one permanent part time clerk, approximately 10 seasonal part time lake workers, and 15 volunteer ambulance attendants and 25 volunteer unpaid firefighters.

**Wages**

The salary of employees is determined by the Council. The City has used a pay scale based on 13 pay grades and 8+ steps. The grade is determined on evaluation of each job as applied to Minnesota Pay Equity and the steps have determined solely by longevity in the job and the steps are automatic until the eighth step and then the Council approves an additional 1% step upon completion of a favorable employee review.

	1	2	3	4	5	6	7	8
Grade	Entry	6 Months	1 Year	2 Year	3 Year	4 Year	5 Year	Ea. Yr. After
		5%	5%	2%	2%	2%	2%	1%
1	11.44	12.01	12.61	12.86	13.12	13.38	13.65	
2	12.60	13.23	13.89	14.17	14.45	14.74	15.04	
3	13.84	14.53	15.26	15.56	15.88	16.19	16.52	
4	15.25	16.01	16.81	17.15	17.49	17.84	18.20	20.53
5	16.79	17.63	18.51	18.88	19.26	19.64	20.04	
6	18.92	19.87	20.85	21.28	21.70	22.14	22.58	23.25
7	21.36	22.43	23.55	24.02	24.50	24.99	25.49	26.02
13	34.11	35.82	37.61	38.36	39.13	39.91	40.71	

• Table 2 Current Pay Scale

**Adjustments to Scale**

The Council determines whether the scale will be adjusted periodically for inflation in the form of a Cost Of Living Adjustment.

Historically the adjustments have been:

- (Revised 01/01/06 - 3% Annual Scale Adjustment)**
- (Revised 01/01/07 - 2% Annual Scale Adjustment)**
- (Revised 01/01/08 - 2.5% Annual Scale Adjustment)**
- (Revised 01/01/09 - 2% Annual Scale Adjustment)**
- (Revised 01/01/10 - .5% Annual Scale Adjustment)**
- (Revised 01/01/11 - 1.7% Annual Scale Adjustment)**
- (Revised 01/01/12 - No COLA)**
- (Revised 01/01/13 - No COLA)**
- (Revised 01/01/14 - 2% Annual Scale Adjustment)**
- (Revised 01/01/15 - 1% Annual Scale Adjustment)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>Grade</b>	Entry	6 Months	1 Year	2 Year	3 Year	4 Year	5 Year	Ea. Yr. After
		5%	5%	2%	2%	2%	2%	1%
<b>1</b>	11.55	12.13	12.73	12.99	13.25	13.51	13.78	
<b>2</b>	12.73	13.37	14.03	14.32	14.60	14.89	15.19	
<b>3</b>	13.98	14.68	15.41	15.72	16.04	16.36	16.68	
<b>4</b>	15.40	16.17	16.98	17.32	17.66	18.02	18.38	20.74
<b>5</b>	16.96	17.81	18.70	19.07	19.45	19.84	20.24	
<b>6</b>	19.11	20.07	21.06	21.49	21.92	22.36	22.81	23.72
<b>7</b>	21.57	22.65	23.78	24.26	24.74	25.24	25.74	26.54
<b>13</b>	34.45	36.17	37.98	38.74	39.52	40.31	41.11	

• Table 3 Budgeted Scale

### Budget Considerations

Currently the projected budget incorporates a 1% pay scale adjustment. The adjustment will increase the base pay for the full time and permeant part time employees. The casual employees are currently paid minimum wage. Minimum wage increased to \$9.50 per hour August 1, 2016, a 5.6%% increase. Beginning January 1, 2018 the hourly pay for the employees affected will be indexed to inflation.

The 1% COLA impacts by **\$4,038** taking into account all Full time employees, and related payroll; expenses.

### Benefits

The City provides retirement, health insurance, life insurance, and paid leave to the full time employees. In addition, all employees are covered by workers compensation insurance.

The retirement is funded by Public Employee Retirement Association and FICA. Both of the programs are mandatory and participation is directed by the State for PERA and the Federal for FICA.

2017 Proposed Personnel cost is 47.6% of Budgeted expenses.

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Wages</b>	310,435	324,211	322,821
<b>PERA</b>	26,324	26,376	27,939
<b>Social Security</b>	12,460	16,316	16,262
<b>Medicare</b>	4,330	4,677	4,681
<b>Official's Insurance</b>	62	67	71
<b>Health Ins</b>	54,343	58,277	66,590
<b>Life Ins</b>	231	280	320
<b>Work Comp</b>	17,117	19,143	20,148
<b>Total</b>	<b>425,301</b>	<b>449,348</b>	<b>458,831</b>

The City currently provides eligible employees with health insurance coverage and \$10,000 term life insurance. The City pays the entire employee only premium for full time employees and participates in coverage cost for permanent part time employees based on their authorized hours. The City also pays a portion of family health coverage for eligible employees depending on hours authorized.

### Health Insurance Cost

The plan is a \$3,500/7,000 deductible plan with a Health Savings Account funded by the City at \$1,600 per year. Cost of the policy per family in 2017 will be \$28,264 per year including \$1,600 per family reimbursement. The table above cost reflects the cost sharing by full time employees of \$4,040.92 of the cost of family coverage if taken. This is up from \$3,486.08 for 2016. Permanent part time employees pay based on the hours authorized per week. The cost share is calculated by percentage of full time. An employee authorized for 20 hours per week would pay 50% of the single premium and receive \$800 HSA contribution and pay 50% of the 75% City paid family premium for a full time employee.

The maximum employee contribution per pay period based on the current projected 1% pay scale adjustment is \$78.69. The cost sharing reflected in the current policy and budget year are in compliance.

#### Other Line Items

Other expense line items in the budget use recent historical payments and account for inflation and upcoming needs to arrive at an approximation of the amount predicted to be needed to operate the City. Each department in the General Fund are examined below.

#### Projected By Department

<b>Mayor and Council 41100</b>			
<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages	8,670.00	9,500	9,500
Social Security	537.10	589	589
Medicare	125.72	138	138
Workers Comp Insurance	61.67	67	71
Operating Expense	109.80	40	50
Schooling	0.00	600	800
Mileage	0.00	0	
Motel Expense	0.00	0	
Advertising	0.00	0	
Prop/Liab Ins	496.04	506	415
Misc.	0.00	0	
<b>Totals</b>	<b>10,000.33</b>	<b>11,440</b>	<b>11,563</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>500</i>	<i>0</i>
<b>Grand Total</b>	<b>10,000.33</b>	<b>11,940</b>	<b>11,563</b>

#### Personnel Cost

The projected wages are based on the current per meeting rate and expected attendance at the meetings. Rate of pay can be increased for 2017 to take effect after the 2016 election.

*Operating Expenses*

The dues for membership in the Mayors Association are coded to Operating Expense. Training budget anticipates at least three new members attending the Leagues Leadership conference.

*Capital Reserve*

The capital reserve for the Council is zero to hold the tax levy, if money is found from other lines or sources capital budget can be added. The Council is in need of new computers and plan to start replacement of one or two each year is being drafted. Another long term need will be updating and redecorating the Council Chambers. The last time this was done was almost 15 years ago.

**Administration**

<u>Expense</u>	<u>Actual 2015</u>	<u>Adopted 2016</u>	<u>Proposed 2017</u>
Wages	75,450.30	73,258	74,979
PERA	5,317.57	5,494	5,623
Social Security	4,148.70	4,542	4,649
Medicare	970.25	1,062	1,087
Health Ins	22,071.81	21,118	24,223
Life Ins	164.75	200	242
Work Comp	576.51	570	607
Office Supp	667.41	800	800
Ordinance Expense	1,032.00	1,000	1,000
Operating Expense	3,589.78	3,000	3,000
Janitor Supplies/Repairs	784.65	1,000	1,000
Cleaning Services	5,499.46	4,000	5,200
Vehicle Operation	62.67	100	100
Professional Exp	0.00	0	0
Audit Expense	5,450.00	4,628	5,668
Engineer Fees	0.00	0	0
Legal Fees	0.00	0	0
Contract Fees	450.00	1,600	0
Schooling	421.52	450	450
Computer/Software Exp	1,640.00	500	3,405
Permits/Membership	1,401.00	1,500	1,541
Telephone	1,397.82	1,299	1,218
Mileage	0.00	0	0
Motel	0.00	400	400
Advertising	2,628.62	3,800	3,500
Prop/Liab Ins	1,572.80	1,604	1,371
Electric	804.49	591	924
Heat	915.57	1,162	988
Garbage	1,260.88	1,156	1,179
Uniform	218.88	250	250
Contingency	0.00	1,497	2,417

Regional Development	300.00	300	300
<b>Totals</b>	<b>138,797.44</b>	<b>136,881</b>	<b>146,120</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>700</i>	<i>0</i>
<b>Grand Total</b>	<b>138,797.44</b>	<b>137,581.00</b>	<b>146,120</b>

*Personnel Cost*

The personnel cost projected in the Administration budget include a 1% Cost of Living Adjustment. The City Clerk/Treasurer salary is based on 40 hours per week at grade 7 step 8 and does not pay overtime. The Assistant Clerk is based on an authorized 32 hours per week and is pay grade 3 step 3. Twenty-five percent of the Assistant Clerk’s personnel cost is coded to the Water department.

Health Insurance

The budgeted cost for Health Insurance is at the utilization level of 2016.

*Capital Reserve*

Nothing is included in the budget amount to Capital Reserve. The following balances are current:

1. Community Room Tables and chairs \$ 786
2. Office Equipment \$ 230
3. City Hall (Building) \$9,945

Kitchen work has been discussed. The \$9,945 can be used for any desired kitchen renovation, keeping in mind the City Hall building is 46 years old. The Carpet in the office is showing signs of wear and décor has been the same for 15 years. The walls and lighting in the hallway could use updating. The entry door in the Police garage is in need of an upgrade and the Police Department office is very inadequate.

Admin Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Rents	1,740.00	1,800	-
			1,800

City Hall rent is coded to the Administrative Department.

**Election**

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages	0	1,550	0
Oper Expense	0	1,000	500
Mileage	0	250	0
Advertising	0	250	0
<b>Totals</b>	<b>0</b>	<b>3,050</b>	<b>500</b>

The City will not conduct an election in 2017. Unless there is a required special election in an odd numbered year New Richland only conducts elections in even numbered years.

Operating expense includes ballot counter maintenance.

**Police**

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages Full Time	97,627.77	99,958	101,876
Wages Part Time	12,494.56	18,133	19,232
PERA	16,752.86	17,553	17,946
Social Security	774.73	3,634	3,755
Medicare	1,596.86	1,712	1,756
Health Ins	19,785.79	21,320	24,200
Life Ins	48.40	50	56
Work Comp	3,685.75	4,409	4,613
Office Sup	35.45	100	100
Operating Expense	2,318.64	1,800	1,800
Repairs & Maint Supplies	0.00	100	100
Vehicle Oper	4,727.85	9,000	4,600
Vehicle Maint	3,585.97	5,938	7,000
Minor Equipment	0.00	100	100
Professional Services	320.00	50	50
Audit Fees	1,870.00	1,851	1,945
Legal Fees	8,500.00	8,500	8,500
Medical Expenses	226.00	500	500
Animal Expenses	0.00	400	400
Contract Fees	0.00	0	0
Schooling	1,241.60	900	900
Computer Expenses	795.20	0	425
Permit/Membership Fees	2.26	0	100
Lap Top Expense	457.00	360	360
Telephone	1,784.52	1,747	1,533
Mileage	0.00	0	0
Motel	0.00	0	0
Advertising	0.00	0	0
Prop/Liab Ins	6,786.83	6,923	6,277
Electric	822.20	591	1,231
Heat	915.56	1,162	988
Uniform Allowance	465.98	2,500	2,500
Misc.	37.97	0	0
<b>Totals</b>	<b>187,659.75</b>	<b>209,291</b>	<b>212,843</b>
<i>Capital Reserve</i>	<i>1,923.55</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b>189,583.30</b>	<b>209,291</b>	<b>212,843</b>

*Personnel Cost*

The personnel cost projected in the Police Department include a 1% Cost of Living Adjustment. The Police Chief is a full time position paid at grade 6 step 8. The chief is eligible for overtime pay and full benefits of the City. The department also has one authorized full time patrol officer at grade 4 step 7, eligible for full time benefits. In addition to the two full time officers the department utilizes part time patrol officers classified as part time casual employees that are scheduled as needed and available. The casual officers are expected to work fewer than 30 hours per work week and are not eligible for City health Insurance coverage. The part time officers are covered by Coordinated PERA pension plan authorized by Council Resolution.

Health Insurance

The budgeted cost for Health Insurance includes coverage as taken by the full time officers in 2016. No coverage is budgeted for part time officers. If Full time officers elect to take family coverage the budget amount for health insurance will need to be increased.

*Capital Reserve*

The Capital Reserve balances for the Police Department currently stand at:

- 1. Squad Car \$2,107
- 2. Office Equipment/Computer \$ 499
- 3. Radios & Equipment \$ 3,862
- 4. Police Reserve \$ 1,239

Nothing is in the budget at this time to increase any of the Capital Reserve amounts.

*Squad Car*

The replacement vehicle was leased in 2016. The lease cost is included in the Vehicle Maintenance line. The City's 2008 Impala was sold and the \$2,107 proceeds were placed in the squad car reserve.

Police Revenue

• Table 4 Budget Police Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Animal License	109.00	100.00	-
Police State Aid	13,425.35	7,500	7,500
Police Training Reimb	866.36	1,000	1,000
Police Fines	2,285.93	2,800	2,800
Misc. Revenues	70.00	70	70
Contributions/Donations	3,994.64	0	0
Sale of Assets		0	0
<b>Total</b>	<b>20,751.28</b>	<b>11,470.00</b>	<b>11,420.00</b>

**Ambulance**

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages	46,455.10	57,684	54,032
PERA	0.00	895	945
Social Security	2,878.78	3,576	3,350
Medicare	673.30	836	783
Work Comp	5,039.10	6,665	6,915
Office Supplies	53.58	200	200
Oper Expense	4,274.79	5,000	5,000
Medical Supply	13,406.92	13,000	14,250
Repairs/Maint/Janitorial	1,808.37	650	700
Vehicle Oper	1,564.80	3,000	3,000
Vehicle Maint	669.55	1,000	1,800
Professional	289.50	110	500
Audit	1,683.00	1,666	1,750
Legal Fees	0.00	0	0
Contract Fees	680.88	1,000	3,250
Schooling	5,110.48	6,000	6,000
Computer Expense	0.00	200	200
Permits/Membership	0.00	700	700
Electronic Collection Fees	86.57	90	95
Telephone	670.99	659	550
Mileage	0.00	0	0
Motel	0.00	0	0
Advertising	30.00	0	0
Prop/Liab Ins	1,746.94	1,782	1,631
Electric	804.49	591	924
Heat	915.56	1,162	988
Uniform Allowance	857.00	500	500
Misc	0.00	0	0
Bad Debt	3,978.00	3,000	3,000
Write Off	29,344.83	30,616	25,075
<b>Totals</b>	<b>123,022.53</b>	<b>140,583</b>	<b>136,138</b>
<i>Capital Reserve</i>	<i>985.97</i>	<i>15,500</i>	<i>0</i>
<b>Grand Totals</b>	<b>124,008.50</b>	<b>156,083</b>	<b>136,138</b>

*Personnel Cost*

The personnel cost projected in the Ambulance budget uses the same cost structure as the last few years. The Director salary is based on minimum wage (\$9.50) at the authorized 28 hours per week. The rest of the cost is call time pay at \$1.50 per hour week days and \$2.50 per hour on weekends and holidays. The director would be covered by PERA if the director pay reaches the statutory threshold. The current director has not met the criteria, but could in the coming year if 28 hours per week are worked.

Health Insurance

The Ambulance positions are not eligible for City offered health insurance benefit.

*Capital Reserve*

The 2017 budget currently has no Capital Reserve amount and will result in the following balances:

1. Vehicle	\$17,000
2. Office & Equipment	\$18,322
3. Donated Funds	\$ 8,571

The cost of crew quarters will still reduce the reserve amount..

Ambulance Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Other County Aids	4,460.00	5,000	5,000
Ambulance Charges	126,280.89	146,280	112,092
Amb/Fire School Reimb	3,311.69	1,000	1,000
Contributions/Donations	5,200.00	0	0
Refunds/Reimbursements	1,865.47	0	0
Sale of Assets	0.00	0	0
<b>Total</b>	<b>141,118.05</b>	<b>152,280.00</b>	<b>118,091.94</b>

**Fire**

<u>Expense</u>	<u>Actual 2014</u>	<u>Adopted 2015</u>	<u>Proposed 2016</u>
Pension Pymt	23,288.88	25,000	24,450
Work Comp	1,630.61	1,585	2,334
Oper Expense	5,502.12	5,000	6,000
Repair/Maint/Janitorial	657.94	500	1,200
Vehicle Oper	898.68	1,500	1,500
Vehicle Maint	1,297.86	4,000	4,000
Professional Services	0.00	0	0
Audit Fees	1,990.00	3,500	2,070
Medical Fees	69.00	1,000	1,000
Contract Fees	452.52	1,000	1,000
Schooling	2,337.50	3,500	4,000
Computer Expense	0.00	250	500
Telephone	529.34	720	481
Mileage	0.00	0	0
Advertising	0.00	0	0
Prop/Liab Ins	2,102.09	2,144	2,082
Electric	692.48	678	585
Heat	2,241.64	3,622	1,702

Uniform Allowance	5,460.51	6,000	7,000
Misc.	0.00	0	
<b>Totals</b>	<b>49,151.17</b>	<b>59,999</b>	<b>59,903</b>
<i>Capital Reserve</i>	<u>20,412.49</u>	<u>6,000</u>	<u>1,000</u>
<b>Grand Totals</b>	<b>69,563.66</b>	<b>65,999</b>	<b>60,903</b>

*Personnel Cost*

Currently the Fire Department does not have any budget for pay of personnel. The largest personnel related cost is the pension contribution and that is almost entirely offset by the receipt of State collected premium taxes. The Department has had conversation about starting to pay members for fire and training time.

An actuarial study of the Fire Pension was not undertaken. It is too soon to determine if there will be any consequence to the City not having an unmodified Audit Report.

*Capital Reserve*

Nothing is currently budgeted to Capital Reserve will result in the following balances:

- |                |          |
|----------------|----------|
| 1. Vehicle     | \$40,399 |
| 2. Dry Hydrant | \$ 125   |
| 3. Equip/Radio | \$40,500 |

The Department is looking at a new vehicle shortly after. The Department has radio cost for the next five years after 2016 payment.

Fire Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Fire State Aid	25,344.31	24,000	24,000
Fire Charges	502.50	500	1,000
Amb/Fire School Reimb	740.00	1,400	1,400
Interest On investments	0.25	0	0
Contributions/Donations	16,300.00	0	0
Refunds/Reimbursements	982.72	0	0
Sale of Assets	0.00	0	0
<b>Total</b>	<b>43,869.78</b>	<b>25,900.00</b>	<b>26,400.00</b>

### Building Inspection

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Officials Insurance	0.00	0	0
Operating Expense	0.00	0	0
Professional Services	0.00	0	0
Audit	187.00	185	194
Bldg Permit Surcharge	572.20	250	250
Engineering Fees	0.00	0	0
Legal Fees	0.00	0	0
Contract Fees	7,517.93	7,615	7,615
Schooling	0.00	0	0
Electronic pay fees	85.29	90	90
Mileage	0.00	0	0
Advertising	0.00	0	0
Insurance	496.04	330	400
Misc.	0.00	0	0
<b>Totals</b>	<b>8,858.46</b>	<b>8,470</b>	<b>8,549</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>100</i>	<i>0</i>
<b>Grand Totals</b>	<b>8,858.46</b>	<b>8,570</b>	<b>8,549</b>

### Contract Fees

The major expense involves paying the contracted Building Official for services rendered. The expense amount is calculated from the anticipated issued permit revenue.

#### Capital

The Capital Reserve balance after no budgeted addition will be \$3,000. This reserve is attempting to accumulate a balance to allow mitigation of hazardous properties if the City needs to pursue any major problems.

### Building Inspection Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Building Permits	12,496.61	6,000	6,000
Rental Housing License	2,299.75	3,065	3,065
<b>Total</b>	<b>14,796.36</b>	<b>9,065</b>	<b>9,065</b>

Rental License revenue based on inspection schedule.

**Maintenance Department**

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages Full Time	35,621.39	44,389	45,658
Wages Part Time	24,380.17	3,227	3,402
PERA	4,253.35	3,329	3,424
Social Security	3,516.59	2,952	3,042
Medicare	822.42	690	711
Health Ins	12,485.82	15,839	18,167
Life Ins	17.60	30	23
Work Comp	5,166.13	4,374	4,739
Office Supp	39.72	100	100
Operating Expense	7,066.51	3,500	7,500
Snow Removal	3,771.14	5,000	5,000
Tree Expense	2,133.97	0	0
Gravel	1,272.21	3,000	3,000
Spring Clean-up	0.00	2,500	0
Chemicals/Spray	621.58	600	600
County Ditches	0.00	0	0
Bldg Repairs & Maint	555.83	3,000	3,000
Vehicle Oper	2,699.53	6,000	6,000
Vehicle Maint	98.33	2,000	366
Lawn Equip Maint	1,171.96	500	578
Tractor Maint	444.23	500	1,180
Dump Truck Maint	2,505.53	500	79
Pickup Maint	729.27	1,300	1,732
Snow Equip Maint	1,166.69	1,000	1,478
Sweeper Maint	1,456.40	750	2,603
Small Tools & Equip	0.00	200	200
Professional Services	0.00	0	0
Audit	1,870.00	1,789	1,945
Engineer Fees	0.00	0	0
Legal Fees	0.00	0	0
Medical Fees	57.30	200	200
Contract Fees	0.00	0	0
Schooling	0.00	1,000	1,000
Permits/Membership	0.00	0	0
Telephone	1,749.08	1,625	1,953
Mileage	0.00	0	0
Motel	0.00	0	0
Advertising	0.00	0	0
Prop/Liab Ins	4,965.87	5,065	4,824
Electric	2,261.94	1,998	1,868
Heat	2,593.49	3,214	2,899
Garbage F & C Toilet	407.98	624	955
Street Lighting	14,439.77	13,344	14,063
Uniform Allowance	678.32	500	500
Misc	0.00	0	
<b>Totals</b>	<b>141,020.12</b>	<b>134,639</b>	<b>142,789</b>
<i>Capital Reserve</i>	<i>59,786.95</i>	<i>72,900</i>	<i>45,600</i>
<b>Grand Totals</b>	<b>200,807.07</b>	<b>207,539</b>	<b>188,389</b>

*Personnel Cost*

The personnel cost projected in the Maintenance Department include a 1% Cost of Living Adjustment. The full time position is at grade 4 step 8. This position is eligible for overtime pay and full benefits of the City. The department also has one authorized half time worker at grade 3 step 3, eligible for half benefits. In addition to the two permanent employees the department utilizes a part time casual employee that is scheduled as needed and available. The casual employee is expected to work fewer than 30 hours per work week and are not eligible for City health Insurance coverage. The permanent employee’s personnel costs are split with the Water Fund. The General fund is responsible for 75% of the cost

Health Insurance

The cost for Health Insurance is budgeted at the same level of utilization as 2016. If the half time employee takes coverage the budget will need to be adjusted.

*Capital Reserve*

*Pickup*

The Department needs to replace a pick up. The plan will be to purchase a 1 ton pickup and attach the current snow plow. The 2006 pickup will be retained as the secondary vehicle and the 1998 Chevrolet pickup will be sold.

The Capital Reserve balances for the Maintenance Department will stand at with the amounts budgeted:

1. Dump Truck	\$ 13,914
2. Pickup	\$ 28,202
3. Mower	\$ 1,288
4. Snow blower	\$ 1,416
5. Street Sweeper	\$ 3,159
6. County Ditch	\$ 3,257
7. Building	\$ 70
8. Central Park	\$ 6,215
9. Tree	\$ 2,825
10. Street	\$ 80,609
11. Storm Sewer	\$ 12,542

Maintenance Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Right-Of-Way Permit Fee	700.00	300	300
Street Charges	1,496.48	500	500
Rents	0.00	0	0

### Recycling

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages	1,403.50	2,652	0
Social Security	87.01	164	0
Medicare	20.34	38	0
Professional Exp	0.00	500	0
Advertising	0.00	0	0
Misc.	0.00	0	1,800
<b>Totals</b>	<b>1,510.85</b>	<b>3,354</b>	<b>1,800</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b>1,510.85</b>	<b>3,354</b>	<b>1,800</b>

Recycling no longer has two employees and contemplates continuing to utilize one container on City Hall Property. The plans for the garage that has been used for recycling on North Broadway can be determined.

### Legion Field

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Oper Expense	77.20	1,500	1,500
Gravel/Rock For Lot	709.63	500	500
Chemicals/Sprays	0.00	500	500
Repairs/Maint/Janitorial	672.55	1,500	1,500
Vehicle Operation	1.38	150	150
Vehicle Maintenance	0.00	750	750
Professional Services	0.00	0	0
Audit	935.00	988	972
Engineering	0.00	0	0
Advertising	52.50	0	0
Prop/Liab Ins	3,540.92	3,612	3,515
Electric	886.13	987	1,461
Garbage	0.00	650	618
L. Field Pump Expense	(340.37)	1,000	1,000
Baseball Association	0.00	0	0
<b>Totals</b>	<b>6,534.94</b>	<b>12,137</b>	<b>12,466</b>
<i>Capital Reserve</i>	<i>10,534.09</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b>17,069.03</b>	<b>12,137</b>	<b>12,466</b>

### Expenses

The ballfield maintenance and drainage pump maintenance account for the majority of the Legion Field expense. The plan is to at some point look at upgrading the south softball field, particularly the infield with better infield and fences.

**Skating Rink**

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Oper Expense	0.00	1,000	1,000
Electric	250.15	173	269
Advertising	0.00	0	-
<b>Totals</b>	<b>250.15</b>	<b>1,173.00</b>	<b>1,269.26</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b>250.15</b>	<b>1,173.00</b>	<b>1,269.26</b>

**St Olaf Lake Park**

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Wages	8,332.21	13,860	14,142
Social Security	516.61	859	877
Medicare	120.82	201	205
Work Comp	540.38	791	814
Oper Expense	2,595.90	2,000	2,000
Lifeguard Supplies/Exp	304.94	700	312
Concessions Expense	0.00	0	0
Chemicals/Sprays	464.91	400	400
Repairs/Maint/Janitorial	109.84	600	600
Professional	0.00	0	0
Audit	935.00	926	972
Contract fees	0.00	0	0
Schooling	480.00	800	800
Permit/License	35.00	0	0
Telephone	0.00	0	82
Mileage	0.00	0	0
Advertising	101.25	100	100
Prop/Liab Ins	2,264.37	2,310	2,229
Electric	885.67	795	781
Garbage	1,022.56	600	1,085
Misc.	0.00	0	0
<b>Totals</b>	<b>18,709.46</b>	<b>24,942</b>	<b>25,401</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b>18,709.46</b>	<b>24,942</b>	<b>25,401</b>

## St Olaf Revenue

<u>Revenue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
St. Olaf Conc/Swimming Fee	2,950.00	3,000	3,000
Contributions/Donations	227.00	0	0
Interest On Investment	4.68	0	0
Refunds/Reimbursements	712.95	575	575
<b>Total</b>	<b>944.63</b>	<b>3,575</b>	<b>3,575</b>

Revenue from swimming lessons is budgeted at the same level as 2016 based on the number of 2016 participants. An increase in participation and/or an increase in fee would increase the revenue to offset park expenses.

## Transportation

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Misc.	<u>3,000.00</u>	<u>3,000</u>	<u>3,000</u>
<i>Capital Reserve</i>	<i>0.00</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b><u>3,000.00</u></b>	<b><u>3,000</u></b>	<b><u>3,000</u></b>

## Library

<u>Expense</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Oper Expense	24.81	1,500	1,500
Repairs/Maint Expense	200.14	500	500
Professional	2,139.57	0	0
Audit	374.00	370	389
Telephone	485.54	454	423
Prop/Liab Ins	1,895.38	1,933	1,888
Electric	2,885.41	3,123	2,677
Heat	556.37	703	688
Misc.		0	0
<b>Totals</b>	<b>8,561.22</b>	<b>8,583</b>	<b>8,066</b>
<i>Capital Reserve</i>	<i>0.00</i>	<i>0</i>	<i>0</i>
<b>Grand Totals</b>	<b><u>8,561.22</u></b>	<b><u>8,583</u></b>	<b><u>8,066</u></b>

## Capital Reserve

The current reserved balance is \$19,982.



**Cash Balances**

The City has a Cash Balance Policy that strives for a cash balance in the General Fund equaling 55% of the total budget

The chart below shows historical data for the General Fund Cash Balance:

