

1. Agenda And Packet

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City of Excelsior

City Council Work Session

AGENDA

Monday, August 5, 2019

Council Chambers

343 Third Street

5:30 P.M.

1. Call to Order/Roll Call
2. Agenda Approval
3. Review 2020 Preliminary General Fund Budget
4. Adjournment

Note: The purpose of a Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council including Work Sessions will be open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.

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MEMORANDUM

Work Session Item 3 – Preliminary
Re: 2020 General Fund Budget

Date: August 5, 2019

To: City Council

From: Kelly Horn, Finance Director

Staff has prepared the first draft of the preliminary 2020 General Fund budget. Included in this packet is a Summary of Expenditure Changes, General Fund Summary Budget, and detailed General Fund Expenditure Budget.

Staff has included most of the items that have been recommended to be included for consideration and discussion during the 2020 budget process, and therefore the first draft of the budget presented here is designed to be a tool to help continue to direct and guide the priority setting process rather than presenting a budget that is recommended for approval. The purpose of this Work Session is to discuss the preliminary 2020 budget and to gain guidance from the Council on overall direction.

The most recent version of the Capital Improvement Plan, including Pavement Management Plan options, has been included following the budget documents so that Council can begin to plan for what capital improvement projects should occur and when and how they will be financed.

2020 Preliminary Levy Increase – as presented

The attached preliminary 2020 budget includes most of the items proposed by the Council and reflects a 28.15% or \$441,072 increase in the City's total levy (total levy includes both General Fund levy and Debt Service levy). This preliminary increase in the levy would result in a projected local net tax capacity rate of 29%, which would be higher than the previous three years, but still less than the local tax rates for the period of 2010-2016.

2020 Preliminary General Fund Revenues

Major revenue changes and assumptions for the preliminary 2020 budget include:

1. Licenses and Permits – this revenue category was increased by \$2,380, or 1.43%, reflecting a slight increase in building permits. The City budgets for permit revenues conservatively but based upon historical trends and 2019 year-to-date results this category was slightly increased.
2. Charges for Services – this revenue category was increased by \$16,000, or 21.51%, primarily due to an increase in the Special Event – Park Grounds Revenue of \$10,000. The increase in this category presents a budgeted revenue that is more in line with actual revenues realized in the last few years.
3. Parking Meters – this category was reduced by \$10,000, or 3.77%, to reflect the actual revenues received since the electronic parking meters have been in place. 2017 was the first full year of these revenues, so the City now has two full years of results, and one year, 2019, currently in progress. The City held its 2019 budget

steady with the 2018 budget; however, now that there is more history to base this budget off, a reduction of \$10,000 has been included for the 2020 budget.

4. Fines and Forfeits – this category has been increased by \$10,000, or 14.37%, to reflect recent years' results. Similar to Licenses and Permits, the City budgets this revenue conservatively but staff is confident that there is a substantial enough history to now increase this revenue projection.
5. Rent – this category consists of water tower antenna rental and kayak rental revenue sharing from Tommy's Kayak and Paddleboard business. Overall, this revenue category was increased by \$1,000, (2.59%). This increase is reflects the increase in the T-Mobile water tower lease contract.
6. Interest Earnings – the City believes that it will not see investment returns at the level of the prior year budget due to the current prevailing interest rates and investment returns for the types of investments the City is authorized to hold. A reduction of \$10,000, or 50% of the prior year budget, is presented.
7. Miscellaneous Revenues – this category presents a reduction of \$5,000, (11.48%), resulting from the loss of Concerts in The Commons revenue. In prior years, the City received a commission on the alcohol sales at the concert series; however, the series has been turned over to the Rotary, and therefore the City will no longer receive revenue from alcohol sales at the concerts.
8. Transfers from Other Funds – this revenue category has been decreased in the 2020 budget by \$85,579, or 51.68%. The 2019 budget included an additional one-time transfer from the Dock Fund's "excess" net position in order to dedicate for transfer the entire 2019 levy increase to the Capital Improvement Fund for the 2019 Street Project. This year, the historical and recurring \$80,000 transfer from the Dock Fund has remained in the budget. This area of the budget is very modifiable and could be increased by a moderate additional transfer from the Dock Fund.

2020 Preliminary General Fund Expenditures

Staff continues to examine each line item and has developed a preliminary General Fund budget which results in an increase of 6.83% or \$163,737 in budgeted expenditures. These increases result from the Police and Fire contract increases, the newly included credit card processing fees, 2020 elections, three-percent COLA increases to salaries and their corresponding payroll tax and PERA increases for City staff (benefits portion of this line item may be revised downward after 2020 health and dental rates are known, budgeted at a 10% increase for this draft), and the increased transfer to the Capital Improvement Fund that supports the upcoming 2019 Street Project debt service.

Additionally, Staff has included multiple Council and Staff requests that have been proposed recently. These items, highlighted on the attached Summary of Expenditure Changes, account for the remaining \$168,319 of the expenditure increase presented on the first draft of the 2020 budget.

Council should start to discuss and confirm what items should be removed, reduced, or left as-is for the preliminary budget and levy approval that is needed at the September 16th, 2019 meeting.

Other Potential General Fund Revenue and Expense Changes

There are several other potential changes that have not been factored into the preliminary 2020 budget. Items that staff has indicated could possibly be reduced or removed from the budget are included on the Summary of Expenditure Changes and include the modification of the annual transfer to the Capital Improvement Fund to fund small Capital Improvement Plan (CIP) projects for the current-year and/or subsequent years. Furthermore, there are additional items that have not been included in the budget that staff is seeking Council guidance on to determine if they should be included in the next draft of the budget, these items are also listed on the Summary of Expenditure Changes document.

Staff would also recommend the Council discuss the following:

- What level of levy increase is the Council comfortable with?
- What other items does the Council want included in the budget discussions that Staff hasn't already included?

Capital Improvement Plan and Pavement Management Plan

The Pavement Management Program is a component of the Capital Improvement Plan. The most recent versions of both the Capital Improvement Plan, and the Pavement Management Plan Estimates are included following the Budget documents. The Capital Improvement Plan will continue to be updated throughout the budgeting process as additional fund-based budgets are completed.

Please keep in mind that once the preliminary levy is set in mid-September, it can only be decreased, not increased.

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2020 Budget Calendar of Important Dates

June 17th Council Meeting: Council adopts resolution establishing the 2020 Budget Goal and Objective list. **(Completed)**

June 30th Council's 2020 Budget Goal and Objective list is published in the newspaper and on the City's website. **(Completed)**

August 5th and August 19th Work Session: Council reviews 2020 Preliminary General Fund Budget. **(Continuing)**

By August 31st: Council reviews 2020 Police and Fire Budgets. **(Scheduled for 8/5/2019)**

September 16th Council Meeting: Council approves Proposed 2020 Budget and Preliminary Property Tax Levy. Council adopts resolution setting the maximum tax levy which must be certified to Hennepin County by September 30, 2019.

October 7st Work Session: Council reviews Preliminary 2020 Special Revenue, Debt Service, Capital Improvement and Enterprise Fund Budgets.

October 21th Council Meeting: Council holds a public meeting primarily dedicated to public input on the preliminary annual budget.

November 4th Work Session: Council continues review of General Fund Budget.

November 18th Work Session (If needed): Council reviews 2020 General Fund, Special Revenue, Debt Service, Capital Project and Enterprise Fund Budgets.

December 2nd Council Meeting: Staff presents final 2020 Budget to the City Council. Public meeting is held to discuss the 2020 Levy and Budget.

December 16th Council Meeting: Council adopts Final 2020 Levy, Budget and Capital Improvement Plan.

**City of Excelsior
2020 General Fund Revenue & Expense Budget Summary**

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget	\$ Chg vs 2019 Budget	% Chg vs 2019 Budget
GENERAL FUND									
Revenues									
Property Taxes*	1,226,716	1,290,413	1,289,227	1,324,632	1,276,883	1,386,700	1,798,485	411,785	29.70%
Franchise Fees	69,532	70,070	70,196	69,630	70,225	69,750	70,750	1,000	1.43%
Licenses and Permits	315,699	267,432	260,570	413,801	241,985	261,075	263,925	2,850	1.09%
Intergovernmental Revenues	4,095	13,095	6,821	7,877	3,095	3,095	3,095	-	0.00%
Charges for Services	168,183	77,507	87,856	159,586	104,520	74,400	90,400	16,000	21.51%
Parking Kiosks	-	62,782	141,501	259,462	240,327	265,000	255,000	(10,000)	-3.77%
Fines and Forfeits	73,175	69,038	68,635	95,891	83,752	69,575	79,575	10,000	14.37%
Rents	33,993	38,494	37,193	46,453	45,279	38,600	39,600	1,000	2.59%
Interest Earnings	46,443	19,965	16,579	6,072	8,241	20,000	10,000	(10,000)	-50.00%
Miscellaneous Revenue	29,808	35,473	28,606	41,103	35,147	43,550	38,550	(5,000)	-11.48%
Transfers From Other Funds	85,200	110,400	106,600	102,800	80,000	165,579	80,000	(85,579)	-51.68%
	<u>2,052,844</u>	<u>2,054,670</u>	<u>2,113,784</u>	<u>2,527,307</u>	<u>2,189,454</u>	<u>2,397,324</u>	<u>2,729,380</u>	<u>332,056</u>	<u>13.85%</u>
Expenditures									
Council	20,165	20,087	21,172	20,139	21,912	27,435	56,860	29,425	107.25%
City Manager/Clerk	115,463	104,291	102,596	106,491	111,332	115,860	127,237	11,377	9.82%
Elections	5,264	1,176	5,568	867	6,820	1,300	10,275	8,975	690.38%
Finance	52,611	55,888	40,814	39,398	35,307	50,414	65,709	15,295	30.34%
Planning and Zoning	98,227	93,139	101,491	96,844	84,581	120,642	169,419	48,777	40.43%
City Administration	199,255	220,649	116,765	267,766	304,955	284,820	319,888	35,068	12.31%
Parking Kiosks	-	-	154,570	30,617	31,173	35,000	35,000	-	0.00%
Heritage Preservation	1,263	10,984	11,288	427	1,129	1,185	31,300	30,115	2541.35%
Police	685,236	702,788	736,594	728,244	757,333	783,637	794,147	10,510	1.34%
Fire Contract	168,924	178,642	189,522	197,592	208,681	223,100	232,802	9,702	4.35%
Building Inspection	36,682	51,234	29,823	41,621	92,239	40,000	60,000	20,000	50.00%
Engineering	10,827	9,774	12,815	17,680	15,439	13,000	16,000	3,000	23.08%
Streets	218,134	197,832	195,762	190,410	241,993	220,328	250,734	30,406	13.80%
Park Maintenance	142,309	157,000	159,988	126,096	206,441	223,559	238,427	14,868	6.65%
Recreation Programs	30,216	34,709	31,069	92,380	33,013	33,200	34,500	1,300	3.92%
Cemetery	20,631	17,885	19,608	21,278	22,312	24,460	26,082	1,622	6.63%
Transfers To Other Funds	379,116	190,060	94,363	229,195	375,377	199,384	261,000	61,616	30.90%
	<u>2,184,323</u>	<u>2,046,138</u>	<u>2,023,808</u>	<u>2,207,045</u>	<u>2,550,037</u>	<u>2,397,324</u>	<u>2,729,380</u>	<u>332,056</u>	<u>13.85%</u>
Net Income (Loss)	(131,479)	8,532	89,975	320,262	(360,583)	-	-		

* Property Taxes include current taxes, delinquent taxes and fiscal disparities.

Beginning Fund Balance	1,562,311	1,186,877	1,195,404	1,285,379	1,605,641
Ending Fund Balance	1,430,832	1,195,404	1,285,379	1,605,641	1,245,058
Nonspendable	25,421	29,331	7,015	7,884	5,893
Committed					
Self Insurance	101,780	92,362	84,264	75,688	66,756
Compensated Absences	43,973	45,991	31,520	31,889	33,605
Cemetery	40,037	23,952	6,828	-	-
Unassigned	975,666	1,003,768	1,155,752	1,490,180	1,138,804
Total Fund Balance	1,186,877	1,195,404	1,285,379	1,605,641	1,245,058

Unassigned Fund Balance as a Percentage of Expenditures	48%	50%	52%	58%	48%
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	Levy Amounts	Capture Rate	Revenue Amounts	(Levy x Capture Rate = Expected Revenue)
Current Ad Valorem Taxes	1,789,270	98.0%	1,753,485	Delinquent Tax Revenue
Delinquent Taxes			5,000	Fiscal Disparity
Fiscal Disparities	40,000		40,000	Total GF Revenue Amount
Total General Fund Levy	1,829,270		1,798,485	Debt Levy Revenue Amount
Debt Levy (Special Levy)	178,767		178,767	Grand Total Levy-Related Revenue
Grand Total Excelsior Levy	2,008,037		1,977,252	
Prior Year Grand Total Levy	1,566,965			
Increase (Decrease) in Levy	441,072			
% Increase (Decrease) in Levy	28.15%			

2018 Taxable Market Value	514,172,880
2019 Taxable Market Value*	541,093,000
\$ Increase (Decrease) in Taxable Market Value	26,920,120
% Increase (Decrease) in Taxable Market Value	5.24%

*Data per Henn City Assessment Report

Levy	1,351,808	1,378,895	1,406,426	1,434,540	1,477,591	1,566,965	(Projected) 2,008,037
Excelsior Tax Rate	37.04%	32.46%	30.25%	28.80%	27.13%	27.11%	29.37%

2020 Preliminary General Fund Budget Summary of Expenditure Changes

	\$ Increase (decrease)	Item	Portion of Overall Increase in General Fund Expenditures	Incremental Increase in the General Fund Levy from 2019's Budgeted Levy
"Non-Negotiable"	14,635	Increase in Contract with South Lake Minnetonka Police Department	4.41%	1.06%
	9,702	Increase in Fire Protection Contract with Excelsior Fire District	2.92%	0.70%
	8,975	3 elections in 2020	2.70%	0.65%
	6,000	Credit Card Processing fees (City began accepting credit cards in Mar 2019, fees averaging \$500 per month)	1.81%	0.43%
"Somewhat Negotiable"	61,616	Increase in the transfer to Capital Improvement Fund to accommodate future 2019 street project debt service offset by \$30,000 reduction in small Capital Improvement Plan (CIP) projects for 2020	18.56%	4.46%
	73,952	Payroll increase for full-time city staff (includes 3% salary COLA and related increases (PERA, FICA, etc) as well as 10% estimated increases in health and dental), additionally 2019 budget included employees who declined health and dental benefits, all current staff accepts health and dental benefits	22.27%	5.36%
	12,000	Increase in City Attorney Contract - Note that City Attorney has not increased rates for 5 years	3.61%	0.87%
	4,125	Police presence at Council Meetings (based on actual 2019 billings, 2019 budget assumed 2 hrs per meeting, 2019 actual is 3+ hours per meeting)	1.24%	0.30%
"Council and/or Staff Requests"	25,000	Hanging Baskets for Water Street	7.53%	1.81%
	7,557	New PT City Hall employee, "Accounting/Utility Billing Clerk" - 25% of wages/payroll taxes coded to "Finance" remaining 75% will be coded to other funds	2.28%	0.55%
	24,638	New FT Public Works Employee - 40% of salary/benefits coded to Streets, remaining 60% will be coded to other funds	7.42%	1.78%
	50,000	Consulting Budget for additional studies not yet determined - based on most recent consulting engagements City has had in place (East Town Study, Commons Master Plan both over \$50,000)	15.06%	3.62%
	5,000	Staffing Study	1.51%	0.36%
	30,000	Historic Preservation Committee (HPC) Consultant - estimate, proposals have not been solicited	9.03%	2.17%
	10,000	Tree Removals (evenly split between Streets and Parks)	3.01%	0.72%
	(5,000)	Reduction in retainer of current planning consultant	-1.51%	-0.36%

Recommended Reductions	(5,000)	Reallocation of portion of Park Patrol (General Fund) to Dock Master (Dock Fund)	-1.51%	-0.36%
	(1,142)	Cumulative sum of remaining budget line items	-0.34%	-0.08%

332,057 Increase over 2019 Expenditure Budget

Potential Expenditure Reductions

- 1,500 Council Work Session tapings
- 1,825 Planning Commission meeting tapings
- \$325 per meeting Police Presence at Council meetings
- 1,100 Arctic Fever Contribution
- 22,000 Park Patrol and Dockmaster
- up to \$86,000 Reduce or remove the transfer to the Capital Improvement Fund for small CIP projects

Items Not Yet Considered / Included in Preliminary Budget

- Increase in Transfer-In from Dock Fund
- Market Rate Adjustments to Staff Salaries
- Discontinuation of Legal Fees related to 810 Excelsior Boulevard Title Research
- Potential Renegotiation of Lifeguard Contract
- Budget "Preparation" for future Street and Utility Projects or other 2020 projects that could have General Fund implications

**CITY OF EXCELSIOR
2020 BUDGET
General Fund Expenditures by Department**

	2014 <u>ACTUAL</u>	2015 <u>ACTUAL</u>	2016 <u>ACTUAL</u>	2017 <u>ACTUAL</u>	2018 <u>ACTUAL</u>	2019 <u>BUDGET</u>	2020 <u>BUDGET</u>	Dollar Change	Percent Change
GENERAL FUND									
<u>COUNCIL</u>									
Wages and Benefits	14,210	13,887	14,210	14,210	14,209	14,210	14,210	-	0%
Professional Services	-	450	300	-	1,603	6,500	10,925	4,425	68%
Education and Training	-	-	-	30	-	625	625	-	0%
Community Events and Support	5,955	5,750	6,663	5,900	6,100	6,100	31,100	25,000	410%
Total Council	20,165	20,087	21,172	20,140	21,912	27,435	56,860	29,425	107%
<u>CITY MANAGER/CITY CLERK</u>									
Wages and Benefits	109,415	100,105	97,383	101,190	106,063	109,990	121,317	11,328	10%
Education and Training	6,048	4,186	5,214	5,301	5,269	5,870	5,920	50	1%
Total City Manager/City Clerk	115,463	104,291	102,596	106,491	111,332	115,860	127,237	11,378	10%
<u>ELECTIONS</u>									
Election Judge Pay	2,179	-	2,738	-	2,759	-	4,500	4,500	#DIV/0!
Operating Supplies	2,579	669	2,830	867	4,061	700	5,175	4,475	639%
Repairs and Maintenance	507	507	-	-	-	600	600	-	0%
Total Elections	5,265	1,176	5,568	867	6,820	1,300	10,275	8,975	690%
<u>FINANCE</u>									
Wages and Benefits	50,699	54,106	40,080	39,036	34,269	48,914	63,859	14,945	31%
Professional Services	-	-	-	-	-	-	-	-	#DIV/0!
Education and Training	1,912	1,782	735	362	1,038	1,500	1,850	350	23%
Total Finance	52,611	55,888	40,814	39,398	35,307	50,414	65,709	15,295	30%
<u>PLANNING AND ZONING</u>									
Wages and Benefits	52,434	57,711	55,435	61,899	50,885	83,192	86,969	3,777	5%
Professional Services	44,522	34,080	44,120	32,850	31,766	35,000	80,000	45,000	129%
Education and Training	395	545	1,123	1,292	954	1,550	1,550	-	0%
Meeting Expense (Taping Meetings)	876	803	812	803	976	900	900	-	0%
Total Planning and Zoning	98,227	93,139	101,490	96,844	84,581	120,642	169,419	48,777	40%
<u>CITY ADMINISTRATION</u>									
Operating Supplies	20,295	20,054	20,698	22,969	20,947	22,125	24,600	2,475	11%
Professional Services	125,714	141,337	183,132	183,301	214,543	205,835	228,288	22,453	11%
Utilities	26,869	27,972	25,819	48,944	45,939	44,000	46,950	2,950	7%
Repair and Maintenance	11,585	13,858	9,329	11,080	9,460	10,500	11,250	750	7%
Other Services and Charges	14,598	15,589	32,360	33,455	34,302	36,360	42,800	6,440	18%
Capital Outlay	195	1,839	7,256	990	9,178	1,000	1,000	-	0%
Total City Administration	199,256	220,649	278,594	300,739	336,128	319,820	354,888	35,068	11%
<u>HERITAGE PRESERVATION</u>									
Professional Services	-	-	-	-	-	-	30,000	30,000	#DIV/0!
Education and Training	1,263	984	11,108	427	1,129	1,185	1,300	115	10%
Total City Administration	1,263	984	11,108	427	1,129	1,185	31,300	30,115	2541%
<u>POLICE</u>									
Contracted Services	622,272	637,504	674,123	662,530	690,022	714,160	723,795	9,635	1%
Debt Service	62,964	65,284	62,470	65,714	67,311	69,477	70,352	875	1%
Total Police	685,236	702,788	736,593	728,244	757,333	783,637	794,147	10,510	1%
<u>FIRE CONTRACT</u>									
Contracted Services	91,932	99,576	107,051	114,423	118,885	130,746	138,388	7,642	6%
Debt Service	76,992	79,066	82,471	83,169	89,796	92,354	94,414	2,060	2%
Total Fire Contract	168,924	178,642	189,522	197,592	208,681	223,100	232,802	9,702	4%

**CITY OF EXCELSIOR
2020 BUDGET
General Fund Expenditures by Department**

	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2020 BUDGET	Dollar Change	Percent Change
BUILDING INSPECTION									
Professional Services	36,682	51,234	29,823	41,621	92,329	40,000	60,000	20,000	50%
								-	
ENGINEERING									
Professional Services	10,827	9,774	12,815	17,680	15,439	13,000	16,000	3,000	23%
STREETS									
Wages and Benefits	132,140	119,936	113,730	111,532	115,414	126,718	161,879	35,161	28%
Operating Supplies	31,574	38,824	38,526	39,280	39,233	44,300	45,000	700	2%
Professional Services	4,402	3,648	4,311	4,339	5,579	5,600	5,840	240	4%
Education and Training	318	568	450	510	316	600	600	-	0%
Utilities	7,359	4,984	4,526	3,859	4,544	4,900	5,200	300	6%
Repair and Maintenance	14,976	10,316	9,326	11,924	15,651	16,210	16,215	5	0%
Tree Care	27,364	19,556	16,638	18,966	16,925	22,000	16,000	(6,000)	-27%
Capital Outlay	-	-	2	-	44,241	-	-	-	#DIV/0!
Total Streets	218,133	197,833	187,508	190,410	241,903	220,328	250,734	30,406	14%
PARK MAINTENANCE									
Wages and Benefits	92,739	98,195	96,773	126,096	153,921	144,623	156,027	11,404	8%
Operating Supplies	21,761	23,052	24,143	31,761	19,672	25,900	26,100	200	1%
Professional Services	9,865	16,416	10,697	13,922	8,560	12,300	12,300	-	0%
Education and Training	249	507	347	373	474	500	600	100	20%
Utilities	8,551	9,712	9,019	7,271	10,698	8,250	9,500	1,250	15%
Repair and Maintenance	9,145	9,118	17,866	8,833	15,326	16,700	17,900	1,200	7%
Tree Care	-	-	-	-	-	-	16,000	16,000	#DIV/0!
Capital Outlay	-	-	-	-	-	15,286	-	(15,286)	-100%
Total Park Maintenance	142,310	157,000	158,845	188,256	208,651	223,559	238,427	14,868	7%
RECREATION									
Lifeguards	19,798	20,742	20,702	20,889	21,100	21,200	26,000	4,800	23%
Concerts in the Park	10,418	11,750	10,367	9,331	9,703	12,000	8,500	(3,500)	-29%
Concession Stand	-	2,217	-	-	-	-	-	-	#DIV/0!
Total Recreation	30,216	32,492	31,069	30,220	30,803	33,200	34,500	1,300	4%
CEMETERY									
Wages and Benefits	18,466	15,457	18,213	19,414	20,991	22,060	23,482	1,422	6%
Operating Supplies	1,185	1,175	415	754	1,151	1,400	1,600	200	14%
Professional Services	980	1,253	980	1,110	170	1,000	1,000	-	0%
Repair and Maintenance	-	-	-	-	-	-	-	-	#DIV/0!
Total Cemetery	20,631	17,885	19,608	21,278	22,312	24,460	26,082	1,622	7%
INTERFUND TRANSFERS									
Transfer to PW Equipment Fund	-	-	-	-	-	-	-	-	
Transfer to Capital Improvement Fur	379,116	379,116	94,363	229,195	375,377	199,384	261,000	61,616	31%
Transfer to Park Improvement Fund	-	-	-	-	-	-	-	-	#DIV/0!
Transfer to Debt Service Fund	-	-	-	-	-	-	-	-	#DIV/0!
Total Interfund Transfers	379,116	379,116	94,363	229,195	375,377	199,384	261,000	61,616	31%
TOTAL GENERAL FUND	2,184,325	2,222,977	2,021,489	2,209,402	2,550,037	2,397,324	2,729,380	332,057	13.85%

**CITY OF EXCELSIOR
CAPITAL IMPROVEMENT PLAN (CIP)
2020 - 2029**

Year	Project Number	Project	Department/Fund	Priority	Capital Improv Fund	Park Improv Fund	Water Fund	Sewer Fund	Storm Water Fund	Parking Lot Maint Fund	Street Light Fund	Dock Fund	Total
2019		Equipment/Minor Projects	Capital Projects	A	110,286	15,286	97,786	53,286	9,786	6,786	15,786	-	309,000
2019	2019-1	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2019	2019-2	Automate Iron Filters	Water Fund	A	-	-	200,000	-	-	-	-	-	200,000
2019	2019-4	Replace 1978 Lift Station at Excelsior Blvd	Sewer Fund	A	-	-	-	300,000	-	-	-	-	300,000
2019	2019-5	2019 Pavement Management Project - College Lake	Multi	A	3,128,746	-	1,054,707	1,080,518	590,201	-	-	-	5,854,172
2019	2019-6	College Lake Restricted Cash Projects	Cap Imp - Restricted \$\$	A	261,000	-	-	-	-	-	-	-	261,000
2019	2019-8	Storm Sewer Lining	StormWater	A	-	-	-	-	42,000	-	-	-	42,000
2019	2018-9	Enhance Water Street Trail Crossing	Cap Imp	B	105,000	-	-	-	42,000	-	-	-	147,000
					<u>3,605,032</u>	<u>15,286</u>	<u>1,352,493</u>	<u>1,553,804</u>	<u>683,987</u>	<u>6,786</u>	<u>15,786</u>	<u>-</u>	<u>7,233,172</u>
2020		Equipment/Minor Projects	Capital Projects	A	166,000	-	72,500	103,500	3,000	1,000	7,000	-	353,000
2020	2020-1	Crack Seal 2010/2011 Pavement Project	Capital Improv.	A	45,000	-	-	-	-	-	-	-	45,000
2020	2020-2	Crack Seal Met Council Project Streets	Capital Improv.	A	45,000	-	-	-	-	-	-	-	45,000
2020	2020-3	Crack Seal 2017 Pavement Project	Capital Improv.	A	45,000	-	-	-	-	-	-	-	45,000
2020	2020-4	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2020	2020-5	Recondition Interior/Exterior Tower	Water Fund	A	-	-	325,000	-	-	-	-	-	325,000
2020	2020-6	Water Street Tree Improvement	Cap Imp	A	160,000	-	-	-	-	-	-	-	160,000
2020	2020-7	2020 Pavement Management - Area 2	Multi	A	1,149,000	-	522,000	731,000	345,000	-	-	-	2,747,000
2020	2020-8	City Hall Remodel	Cap Imp	B	1,200,000	-	-	-	-	-	-	-	1,200,000
2020	2020-9	St. Albans Bridge - Planning & Design	Capital Improv.	B	225,000	-	-	-	-	-	-	-	225,000
2020	2020-10	Replace Highway 7 Lift Station	Sewer Fund	B	-	-	-	200,000	-	-	6,000	-	206,000
					<u>3,035,000</u>	<u>-</u>	<u>919,500</u>	<u>1,154,500</u>	<u>348,000</u>	<u>1,000</u>	<u>13,000</u>	<u>-</u>	<u>5,471,000</u>
2021		Equipment/Minor Projects	Capital Projects	A	65,000	8,500	77,500	78,500	50,000	-	6,000	-	285,500
2021	2021-1	Paint Water Tower	Water Fund	A	-	-	250,000	-	-	-	6,000	-	256,000
2021	2021-2	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2021	2021-3	2021 Pavement Management - Area 3	Multiple	A	1,075,000	-	483,000	677,000	320,000	-	-	-	2,555,000
2021	2021-4	St. Albans Bridge - Construction	Capital Improv.	B	500,000	-	-	-	-	-	-	-	500,000
2021	2021-5	Street Sweeper	Multiple	B	75,000	-	-	-	75,000	-	-	-	150,000
					<u>1,715,000</u>	<u>8,500</u>	<u>810,500</u>	<u>875,500</u>	<u>445,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>3,866,500</u>
2022		Equipment/Minor Projects	Capital Projects	A	15,000	-	42,500	55,500	15,000	-	6,000	-	134,000
2022	2022-1	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
					<u>15,000</u>	<u>-</u>	<u>42,500</u>	<u>175,500</u>	<u>15,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>254,000</u>
2023		Equipment/Minor Projects	Capital Projects	A	15,000	8,500	42,500	27,500	15,000	-	6,000	-	114,500
2023	2023-1	Paint Ground Storage Tank	Water Fund	A	-	-	150,000	-	-	-	-	-	150,000
2023	2023-2	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2023	2023-3	2023 Pavement Management - Area 4	Multi	A	1,282,000	-	429,000	601,000	284,000	-	-	-	2,596,000
					<u>1,297,000</u>	<u>8,500</u>	<u>621,500</u>	<u>748,500</u>	<u>299,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>2,980,500</u>
2024		Equipment/Minor Projects	Capital Projects	A	31,500	-	53,250	35,750	28,750	8,250	6,000	-	163,500
2024	2024-1	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2024	2024-2	Replace Public Works Building	Cap Imp	B	1,000,000	-	-	-	-	-	-	-	1,000,000
					<u>1,031,500</u>	<u>-</u>	<u>53,250</u>	<u>155,750</u>	<u>28,750</u>	<u>8,250</u>	<u>6,000</u>	<u>-</u>	<u>1,283,500</u>
2025		Equipment/Minor Projects	Capital Projects	A	15,000	8,500	42,500	27,500	15,000	-	6,000	-	114,500
2025	2025-1	Crack Seal 2010/2011 Pavement Project	Capital Improv.	A	45,000	-	-	-	-	-	-	-	45,000
2025	2025-2	Crack Seal Met Council Project Street	Capital Improv.	A	45,000	-	-	-	-	-	-	-	45,000
2025	2025-3	Crack Seal 2017 Pavement Project	Capital Improv.	A	45,000	-	-	-	-	-	-	-	45,000
2025	2025-4	Replace Tank Media Iron Filters	Water Fund	A	-	-	60,000	-	-	-	-	-	60,000
2025	2025-5	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2025	2025-6	2025 Pavement Management - Area 5	Multi	A	875,000	-	371,000	520,000	246,000	-	-	-	2,012,000
					<u>1,025,000</u>	<u>8,500</u>	<u>473,500</u>	<u>667,500</u>	<u>261,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>2,441,500</u>
2026		Equipment/Minor Projects	Capital Projects	A	22,500	-	90,000	35,000	22,500	-	6,000	-	176,000
2026	2026-1	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
					<u>22,500</u>	<u>-</u>	<u>90,000</u>	<u>155,000</u>	<u>22,500</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>296,000</u>
2027		Equipment/Minor Projects	Capital Projects	A	15,000	8,500	42,500	27,500	15,000	-	6,000	-	114,500
2027	2027-1	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
2027	2027-2	2027 Pavement Management - Area 6	Multi	A	1,298,000	-	908,000	1,272,000	601,000	-	-	-	4,079,000
					<u>1,313,000</u>	<u>8,500</u>	<u>950,500</u>	<u>1,419,500</u>	<u>616,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>4,313,500</u>
2028		Equipment/Minor Projects	Capital Projects	A	15,000	-	42,500	27,500	15,000	-	6,000	-	106,000
2028	2028-1	Sewer Lining	Sewer Fund	A	-	-	-	120,000	-	-	-	-	120,000
					<u>15,000</u>	<u>-</u>	<u>42,500</u>	<u>147,500</u>	<u>15,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>226,000</u>
2029		Equipment/Minor Projects	Capital Projects	A	15,000	8,500	42,500	27,500	15,000	-	6,000	-	114,500
2029	2029-1	2027 Pavement Management - Area 7	Multi	A	875,000	-	685,000	959,000	454,000	-	-	-	2,973,000
					<u>890,000</u>	<u>8,500</u>	<u>727,500</u>	<u>986,500</u>	<u>469,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>3,087,500</u>
2030	-2034												
2035	-2039												
2040	-2044												
TOTALS					10,359,000	42,500	4,731,250	6,485,750	2,519,250	9,250	73,000	-	24,220,000

Pavement Management Plan

7/2/2019

Road	Length	Width	Area	Proposed Improvements	Surface Improvements	Watermain Improvements	Sanitary Improvements	Storm Improvements	Grand Total Improvement Cost
Area 1 (As Bid Scope and Cost):									
Area 1 Totals:					\$2,715,717.78	\$1,215,788.94	\$1,241,600.38	\$681,068.02	\$5,854,175.12
Area 2:									
George Street	750	28	21,000	Surface Recon (w/walk), Water, Sanitary, Storm	\$410,000.00	\$183,000.00	\$256,000.00	\$121,000.00	\$970,000.00
W. Lake Street (S)	640	24	15,360	Surface Recon (w/walk), Water, Sanitary, Storm	\$300,000.00	\$156,000.00	\$219,000.00	\$103,000.00	\$778,000.00
Lafayette Avenue	750	30	22,500	Surface Recon (w/walk), Water, Sanitary, Storm	\$439,000.00	\$183,000.00	\$256,000.00	\$121,000.00	\$999,000.00
Area 2 Totals:					\$1,149,000.00	\$522,000.00	\$731,000.00	\$345,000.00	\$2,747,000.00
Area 3:									
Maple Street	900	36	32,400	Surface Recon (w/walk), Water, Sanitary, Storm	\$632,000.00	\$220,000.00	\$308,000.00	\$145,000.00	\$1,305,000.00
W. Lake Street (N)	400	28	11,200	Surface Recon (w/walk), Water, Sanitary, Storm	\$219,000.00	\$98,000.00	\$137,000.00	\$65,000.00	\$519,000.00
Smith Street	475	14	6,650	Surface Recon (w/walk), Water, Sanitary, Storm	\$130,000.00	\$116,000.00	\$163,000.00	\$77,000.00	\$486,000.00
Courtland Street	200	24	4,800	Surface Recon (w/walk), Water, Sanitary, Storm	\$94,000.00	\$49,000.00	\$69,000.00	\$33,000.00	\$245,000.00
Area 3 Totals:					\$1,075,000.00	\$483,000.00	\$677,000.00	\$320,000.00	\$2,555,000.00
Area 4:									
Third Street	1,760	32	56,320	Surface Recon (w/walk -both sides), Watermain, Sanitary, Storm	\$1,282,000.00	\$429,000.00	\$601,000.00	\$284,000.00	\$2,596,000.00
Area 4 Totals:					\$1,282,000.00	\$429,000.00	\$601,000.00	\$284,000.00	\$2,596,000.00
Area 5:									
Center Street	1,120	32	35,840	Surface Recon, Watermain, Sanitary, Storm	\$583,000.00	\$273,000.00	\$383,000.00	\$181,000.00	\$1,420,000.00
Third Street	400	32	12,800	Surface Recon (w/walk -both sides), Watermain, Sanitary, Storm	\$292,000.00	\$98,000.00	\$137,000.00	\$65,000.00	\$592,000.00
Area 5 Totals:					\$875,000.00	\$371,000.00	\$520,000.00	\$246,000.00	\$2,012,000.00
Area 6:									
Lake Street	980	38	37,240	Surface Recon, Water, Sanitary, Storm	\$454,000.00	\$239,000.00	\$335,000.00	\$158,000.00	\$1,186,000.00
Minnetonka Blvd	970	22	21,340	Surface Recon, Water, Sanitary, Storm	\$261,000.00	\$237,000.00	\$332,000.00	\$157,000.00	\$987,000.00
Hidden Lane	660	22	14,520	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$177,000.00	\$161,000.00	\$226,000.00	\$107,000.00	\$671,000.00
3rd Avenue	1110	30	33,300	Surface Recon, Water, Sanitary, Storm	\$406,000.00	\$271,000.00	\$379,000.00	\$179,000.00	\$1,235,000.00
Area 6 Totals:					\$1,298,000.00	\$908,000.00	\$1,272,000.00	\$601,000.00	\$4,079,000.00
Area 7:									
Wheeler Drive	880	32	28,160	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$344,000.00	\$215,000.00	\$301,000.00	\$142,000.00	\$1,002,000.00
Lyman Place	170	36	6,120	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$75,000.00	\$42,000.00	\$59,000.00	\$28,000.00	\$204,000.00
Cedar Lane	200	16	3,200	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$39,000.00	\$49,000.00	\$69,000.00	\$33,000.00	\$190,000.00
Grace St/3rd Ave	630	22	13,860	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$169,000.00	\$154,000.00	\$215,000.00	\$102,000.00	\$640,000.00
Elm Place	270	22	5,940	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$73,000.00	\$66,000.00	\$93,000.00	\$44,000.00	\$276,000.00
Linden Street	650	22	14,300	Surface Recon, New Curb & Gutter, Watermain, Sanitary, Storm	\$175,000.00	\$159,000.00	\$222,000.00	\$105,000.00	\$661,000.00
Area 7 Totals:					\$875,000.00	\$685,000.00	\$959,000.00	\$454,000.00	\$2,973,000.00

City of Excelsior
2019 - 2028 Equipment/Minor Projects

Year	Capital Item Description	Budget	Cap Improv.	Park Improv	Water	Sewer	StrmWtr	Prk Lot Mnt	Str Lgt	Total
2020										
	Replace Windows Water Plant	50,000			50,000					50,000
	1-Ton Pickup	60,000	60,000							60,000
	Public Works Entrance Gate	5,000	5,000							5,000
	Tree Maintenace and Replacement	20,000	20,000							20,000
	Pickup - (replace 2012 Pickup)	40,000	40,000							40,000
	Televise Sewer Lines	16,000				16,000				16,000
	Hydrant Replacement	15,000			15,000					15,000
	60" Mower	24,000	24,000							24,000
	Kubota	12,000	12,000							12,000
	Replace Control Panel Park Lift	50,000				50,000				50,000
	Sewer Main Lining	30,000				30,000				30,000
	Asset Management Cartegraphy Prog	20,000	5,000		5,000	5,000	3,000	1,000	1,000	20,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Street Lighting Conduit	6,000							6,000	6,000
		353,000	166,000	-	72,500	103,500	3,000	1,000	7,000	353,000
2021										
	Freightliner Tandem	150,000	45,000		35,000	35,000	35,000			150,000
	Walk Behind Mower	5,000	5,000							5,000
	Televise Sewer Lines	16,000				16,000				16,000
	Hydrant Replacement	15,000			15,000					15,000
	Ash Tree Injections	8,500		8,500						8,500
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Street Lighting Conduit	6,000							6,000	6,000
		285,500	65,000	8,500	77,500	78,500	50,000	-	6,000	285,500
2022										
	Sewer (Third Avenue)	28,000				28,000				28,000
	Hydrant Replacement	15,000			15,000					15,000
	Street Lighting Conduit	6,000							6,000	6,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
		134,000	15,000	-	42,500	55,500	15,000	-	6,000	134,000
2023										
	Hydrant Replacement	15,000			15,000					15,000
	Ash Tree Injections	8,500		8,500						8,500
	Street Lighting Conduit	6,000							6,000	6,000

City of Excelsior
2019 - 2028 Equipment/Minor Projects

Year	Capital Item Description	Budget	Cap Improv.	Park Improv	Water	Sewer	StrmWtr	Prk Lot Mnt	Str Lgt	Total
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
		114,500	15,000	8,500	42,500	27,500	15,000	-	6,000	114,500
2024										
	Hydrant Replacement	15,000			15,000					15,000
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
	Test Iron & Softener Media in tanks	2,500			2,500					2,500
	Skid Steer (replace 2014)	55,000	16,500		8,250	8,250	13,750	8,250		55,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Street Lighting Conduit	6,000							6,000	6,000
		163,500	31,500	-	53,250	35,750	28,750	8,250	6,000	163,500
2025										
	Hydrant Replacement	15,000			15,000					15,000
	Ash Tree Injections	8,500		8,500						8,500
	Street Lighting Conduit	6,000							6,000	6,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
		114,500	15,000	8,500	42,500	27,500	15,000	-	6,000	114,500
2026										
	Replace Softener Filter Media	40,000			40,000					40,000
	Hydrant Replacement	15,000			15,000					15,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
	Pickup (replace 2014)	30,000	7,500		7,500	7,500	7,500			30,000
	Street Lighting Conduit	6,000							6,000	6,000
		176,000	22,500	-	90,000	35,000	22,500	-	6,000	176,000
2027										
	Hydrant Replacement	15,000			15,000					15,000
	Ash Tree Injections	8,500		8,500						8,500
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Street Lighting Conduit	6,000							6,000	6,000
		114,500	15,000	8,500	42,500	27,500	15,000	-	6,000	114,500
2028										
	Hydrant Replacement	15,000			15,000					15,000

City of Excelsior
2019 - 2028 Equipment/Minor Projects

Year	Capital Item Description	Budget	Cap Improv.	Park Improv	Water	Sewer	StrmWtr	Prk Lot Mnt	Str Lgt	Total
	Water Meter Inventory Replacement	5,000			2,500	2,500				5,000
	Placeholders	80,000	15,000		25,000	25,000	15,000			80,000
	Street Lighting Conduit	6,000							6,000	6,000
		106,000	15,000	-	42,500	27,500	15,000	-	6,000	106,000

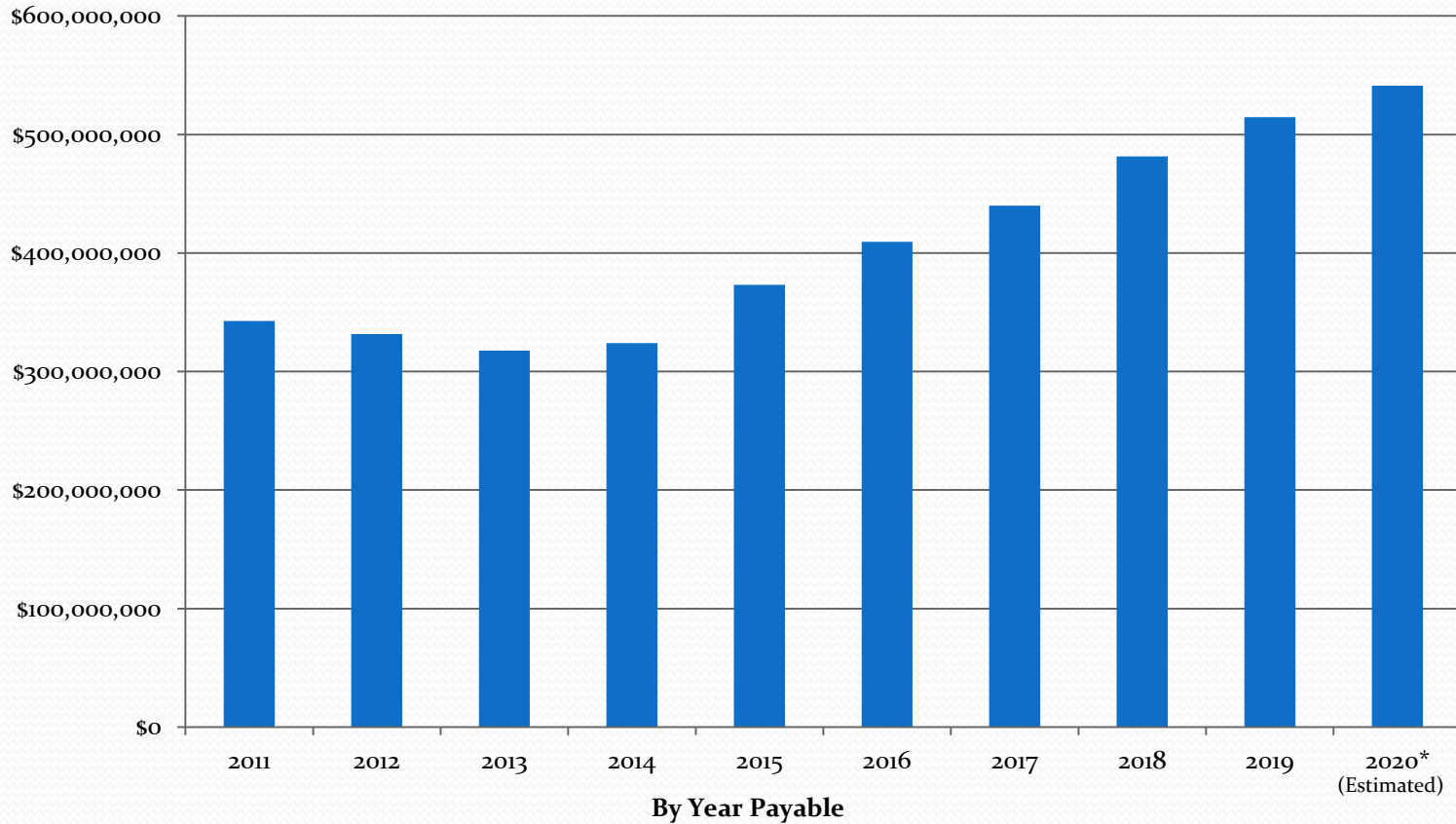
City of Excelsior

2020 Budget Work Session #1
Preliminary General Fund Summary
August 5, 2019

Agenda

- City of Excelsior Market Value, Tax Capacity and Tax Levy Trends
- General Fund Expenditures
- General Fund Revenues
- Capital Improvement (CIP) and Pavement Management Plan (PMP)

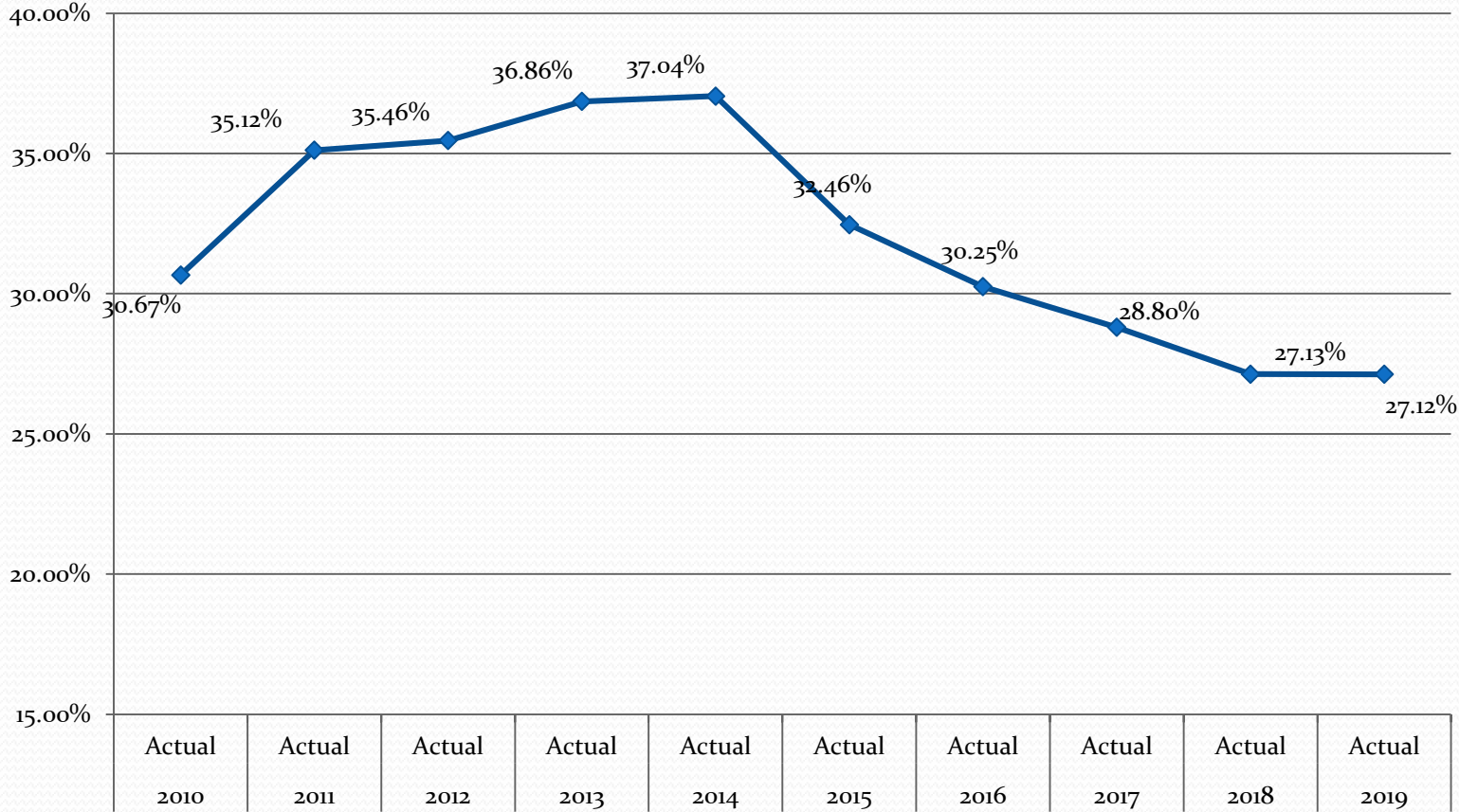
Taxable Market Value - Citywide



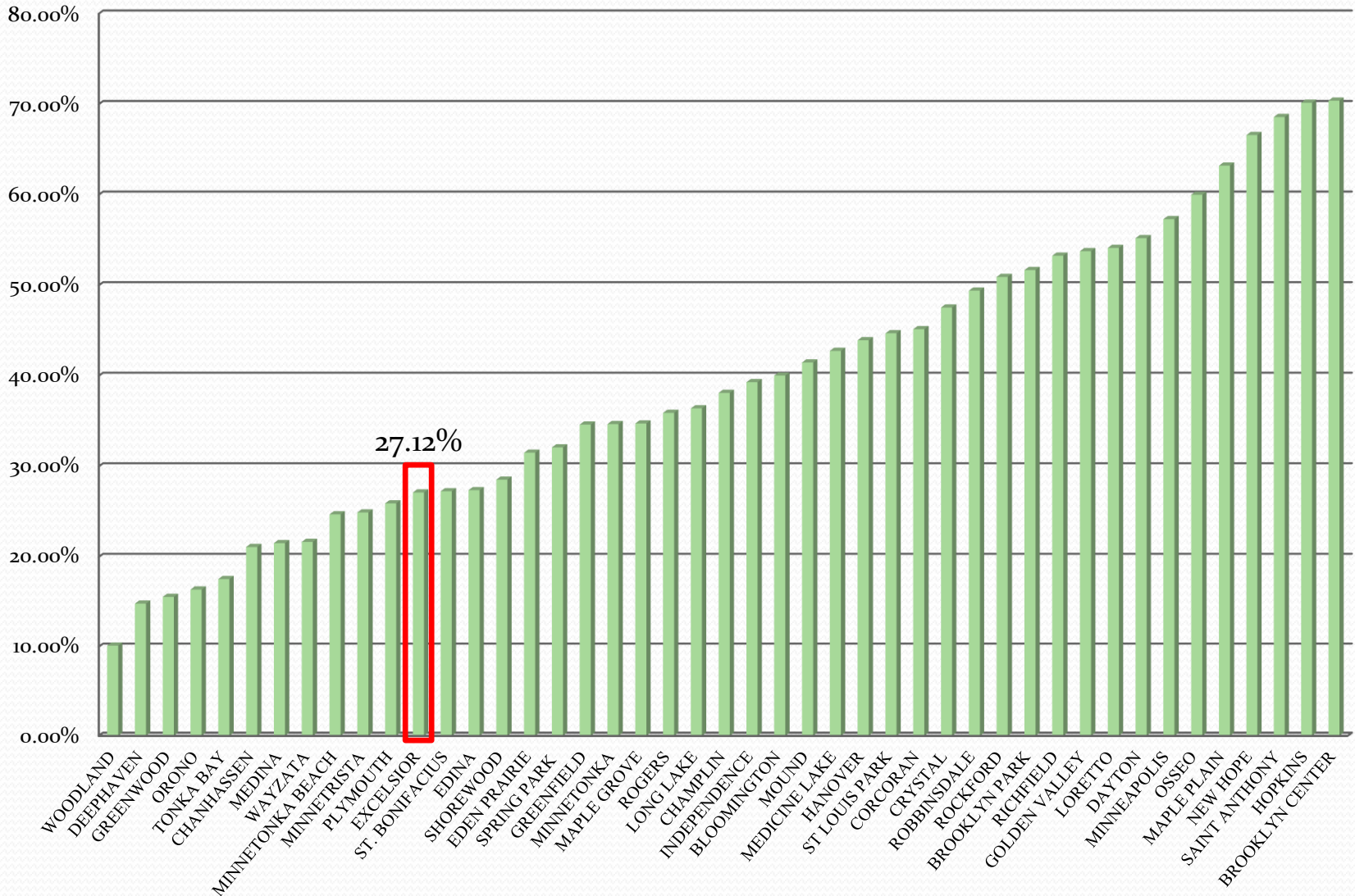
Changes in Taxable Tax Capacity

	2015	2016	2017	2018	2019
City of Excelsior	Actual	Actual	Actual	Actual	Actual
Personal Property	47,211	47,883	48,968	66,794	68,406
Real Estate	4,630,478	5,121,606	5,514,660	6,029,461	6,410,434
Tax Capacity	4,677,689	5,169,489	5,563,628	6,096,255	6,478,840
Less: Fiscal Disparity Contribution	(510,901)	(581,167)	(634,148)	(694,186)	(753,414)
Less: Tax Increment	(89,957)	(89,957)	(106,294)	(114,042)	(122,192)
Taxable Tax Capacity	4,076,831	4,498,365	4,823,186	5,288,027	5,603,234
Increase (Decrease) in Taxable Tax Capacity over Prior Year	16.46%	10.34%	7.22%	9.64%	5.96%
City Levy	1,378,895	1,406,426	1,434,540	1,477,591	1,566,239
City Levy Received from Fiscal Disparities	55,551	45,763	45,397	42,845	46,501
City Levy Paid By Property Owners	1,323,344	1,360,663	1,389,143	1,434,746	1,519,738
Excelsior Tax Rate	32.46%	30.25%	28.80%	27.13%	27.12%

Excelsior Tax Rate

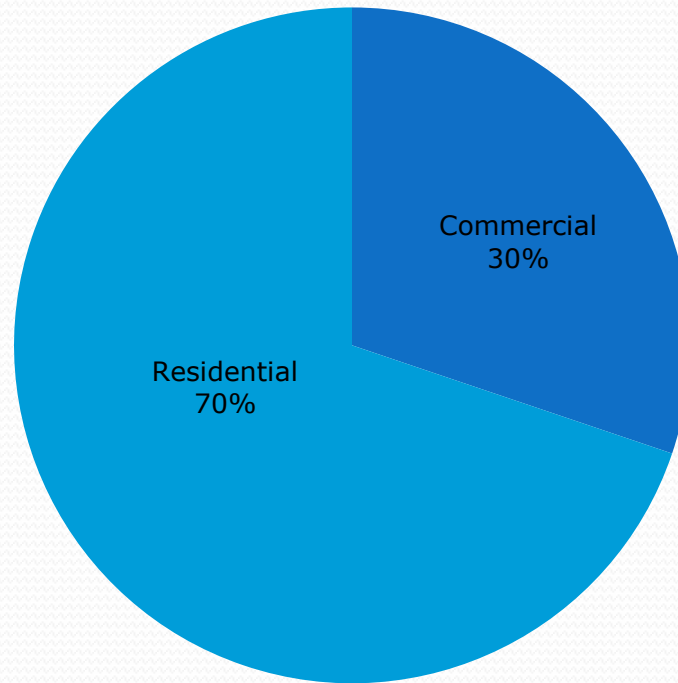


2019 Hennepin County Municipal Tax Rates



Residential vs Commercial Mix

Who Pays the City's Property Taxes?



City of Excelsior – Funding Sources

- General Fund –
 - Property Taxes
 - Licenses and Permits
 - Charges for Services
 - Parking Meters
- Capital Improvement Funds (Park, TIF #1 & #2, Capital Improvement)–
 - Transfers-In
 - Bond Proceeds
 - Rents
- Enterprise Funds
 - Utility Funds (Water, Sewer, Street Lights, Solid Waste, Surface Water Quality)
 - User Fees
 - Dock Fund
 - User Fees
- Special Revenue Fund (Parking Lot Maintenance) –
 - Parking Lot Maintenance fees

Revenue Budget Changes

- Preliminary General Fund Property Tax Revenue- \$1,798,485
 - Preliminary – 1st draft - as presented in Summary
 - Increase of \$411,785 over 2019 budget
 - Budget still anticipates only 66% of general fund revenue will be from property tax revenue
- Charges for Services - \$16,000 increase (21.51%)
 - \$10,000 increase to Special Event Revenue
- Parking Meters - \$10,000 decrease (3.77%)
 - Consistent with prior years' actual revenues

Revenue Budget Changes

- Fines and Forfeits - \$10,000 increase (14.77%)
 - Consistent with prior years' actual revenues
- Interest Earnings- \$10,000 decrease (50%)
 - Consistent with prior years' actual revenues and low-interest rate environment
- Miscellaneous- \$5,000 decrease (11.48%)
 - Loss of Concerts in The Commons revenues

Revenue Budget Changes

- Decrease in Transfers From Other Funds
 - 2019 Budget included transfer from the Docks Fund of \$80,000 as historical subsidy for general operating levy and \$85,579 of Dock Fund's "excess" net position
 - 2020 Budget includes ONLY the historical \$80,000 transfer from the Dock Fund
 - Could be increased to \$100,000 for 2020 (one-time additional transfer)

Expenditure Budget Changes

- South Lake Minnetonka Police Dept
 - \$14,635 increase – 2.13%
- Excelsior Fire District
 - \$9,702 increase – 4.35%
- Elections
 - \$8,975 increase over 2019
 - Three elections scheduled for 2020 – (New) Presidential Primary
- Bank Fees
 - \$6,000 increase – 27.27% related to credit card processing fees

Expenditure Budget Changes

- **Payroll Expense (salaries, wages and benefits)**
 - 3% COLA, assumed benefit increases = \$41,898 (current FT staff)
 - Plus \$32,052 for the Part-time City Hall staff added in 2019
 - Total increase to General Fund \$73,952
- **City Attorney**
 - \$12,000 increase – 20% increase
 - Attorney has not raised rates for 5+ years
- **Police Presence at Council**
 - \$4,125 increase – 75% increase to budget based upon actual 2019 results, 2019 budget assumed only two hours per meeting – actuals for 2019 are averaging 3.25 – 3.5 hours per meeting

Expenditure Budget Changes

- Hanging Baskets - \$25,000
- Tree Removals - \$10,000
 - Increase is over current annual tree (replacement and removal) budget of \$22,000
 - Allocated evenly between Parks and Streets
- Part-Time City Hall Staff
 - Utility Billing/Accounting – included 25% of salary and benefits to Finance Function, remaining 75% would be coded to Utility Funds
 - \$7,557 impact to General Fund
 - This addition plus the Part-Time position added in 2019 would be equivalent to one Full-Time Employee
- Full-Time Public Works Employee
 - 40% of salary/benefits coded to General Fund = \$24,638

Expenditure Budget Changes

- Consulting engagements - \$50,000
 - Based on previous consulting expenses (Commons Master Plan, East Town Study both cost over \$50,000)
- Historic Preservation Consultant - \$30,000
 - Based on current rate of City's planning consultant
- Staffing Study - \$5,000
 - Estimate received in July 2019

Expenditure Budget Changes

- Increase in Transfers To Other Funds
 - Recent history of “increasing the levy” and designating the incremental revenue to a Capital Improvement Fund transfer
 - 2019 budget included \$115,000 to Capital Improvement Fund for Small (under \$50,000) CIP projects
 - 2019 budget also included \$84,000 increase to prepare for the debt service increase related to bonds that would be issued for the 2019 Street Project
 - 2020 budget similarly contains a transfer to the Capital Improvement Fund for small CIP projects and the \$175,000 in annual debt service for the 2019 Street Reconstruction Bonds – street portion

Expenditure Budget Changes

- Increase in Transfers To Other Funds, Continued...
 - Options:
 - Reduce the levy for 2020 by \$86,000 for the small CIP projects
 - Capital Improvement Fund has residual funds that can be used
 - Discontinue this annual transfer from the General Fund
 - Distorts General Fund activity
 - Start showing this as a Capital Improvement Levy
 - Still affects overall Levy
 - Does not distort General Fund activity
 - More transparent on what the ultimate use of this portion of the levy is for
 - Can be modified more easily based on changes in General Fund and Debt Service levies

Preliminary Levy – Draft #1

- Operating Levy- \$1,829,270 (assumes 98% capture rate of the property tax levy)
- Debt Levy- \$178,767 (Governmental portion of 2010A Bonds - \$100,000 and 2017A Bonds - \$78,767)
- Total Preliminary Levy= \$2,008,037
- \$441,072 over prior year
- 28.15% increase over prior year
- Projected tax rate of 29.37%
 - Would be 16th lowest of 45 cities in Hennepin County (using 2019 municipal tax rates)
 - Would still be lower than City's tax rate 2010-2016

Items not yet included in Budget...

- Market Rate Adjustments to Staff Salaries
- Discontinuation of Legal Fees related to 810 Excelsior Boulevard Title Research
- Potential Renegotiation of Lifeguard Contract
- Budget "Preparation" for future Street and Utility Projects or other 2020 projects that could have General Fund implications
- Increase in Transfer-in from Dock Fund
- Reduction of Transfer-out to Capital Improvement Fund
- Other Potential Areas of Reduction:
 - Council Work Session and Planning Commission Changes - \$3,325
 - Arctic Fever - \$1,100
 - Park Patrol / Dockmaster - \$22,000
 - Police Presence at Council meetings - \$325 per meeting

Discussion Points

- What levy increase is the Council comfortable with?
- What other items does the Council want included in the preliminary budget?
- What items does the Council want removed from the preliminary budget?
- Transfers-
 - Continue with currently budgeted transfer of \$80,000 from Dock to General Fund?
 - Continue with budgeted transfer from General to Capital Improvement Fund? At what level?

Capital Improvement Plan

- Current Budgeted Capital Improvement Plan (CIP) includes the 2019 Long-term Financial Plan Goals and Objectives
- Council should select the large CIP projects to be included in the 2019 budget
- Timing of next phase of Pavement Management Program

Debrief and Next Steps...

- Top Priorities for Next Work Session/Council Meeting
 - Confirm Preliminary Levy to be submitted to Hennepin County by the end of September

Thank you!