



MAYOR & COUNCIL COMMUNICATION

DATE: 9/07/2010
REGULAR
ITEM #: 7
MOTION: Resolution 2010-044

AGENDA ITEM: 2011 Proposed General Levy and Annual Budget

SUBMITTED BY: Tom Bouthilet, Finance Director

THROUGH: Bruce Messelt, City Administrator

REVIEWED BY: Joe Rigdon, Financial Consultant
Dave Snyder, City Attorney

SUMMARY AND ACTION REQUESTED: Pursuant to State law regarding September 15th, 2010 adoption of the *Preliminary* 2011 General Levy, and subsequent to deliberations by and recommendation from the Budget & Finance Sub-committee, and Council discussion of the proposed 2011 General Levy and Annual Budget at this evening's Workshop, the City Council is asked to affirmatively consider and adopt the *Preliminary* 2011 Levy and Annual Budget. To do so, the Council motion and consideration/action should be to:

Move to approve Resolution 2010-044 adopting the preliminary 2011 General Levy and Annual Budget

BACKGROUND INFORMATION: The City of Lake Elmo has both the legal and fiduciary responsibility under Minnesota State Statute to adopt a *Preliminary* 2011 General Levy by September 15th, 2010. Typically, the City Council also adopts a *Preliminary* Annual Budget at the same time. Following such adoption, the City Council may lower, but not raise the General Levy and a final Levy and Budget must be adopted by December 31st, 2010.

SUBCOMMITTEE/STAFF REPORT: Attached for Council consideration is the proposed Preliminary 2011 General Levy and Annual Budget. The Budget & Finance Sub-committee evaluated several options before focusing on three specific scenarios. City Staff will present and review the proposed Preliminary General Levy and Budget scenarios with the City Council at a Workshop prior to tonight's meeting. A detailed Subcommittee/Staff Report is also attached

The Budget & Finance Sub-committee is recommending affirmative Council consideration of Scenario C, which presents a fiscally austere budget with only a marginal increase in the overall tax rate, due in large part to efforts to recoup lost local government aid from the State of

Minnesota, increasing debt service for continuation of the City's street reconstruction program, and a decline in overall taxable market value by approximately 5%.

RECOMMENDATION: It is recommended that the City Council conduct its Budget Workshop prior to tonight's meeting, receive City staff's presentation, and review the recommendations of the Budget & Finance Sub-committee. Upon completion of this and any additional discussion or public input at tonight's meeting, it is recommended that the City Council pass Resolution 2010-044, thereby approving the Preliminary 2011 General Levy and Annual Budget by undertaking the follow motion:

“Move to approve Resolution 2010-044, adopting the Preliminary 2011 General Levy and Annual Budget.”

Alternatively, the City Council does have the authority to adjust the *Preliminary 2011 General Levy and Annual Budget*, either tonight or prior to September 15th, 2010. The City Council may also continue to modify its final Levy and Budget during subsequent actions prior to December 31st, 2010. However, the City may not increase its Tax Levy higher than that submitted to Washington County by September 15th, 2010, thereby constraining somewhat major increases in the City's budget. It should also be noted that both the Annual Budget and the forthcoming 2011-2015 CIP can be amended and/or modified by the City Council during the 2011 fiscal year. To make adjustments at tonight's meeting, the suggested motion would be:

“Move to approve Resolution 2010-044, adopting the Preliminary 2011 General Levy and Annual Budget [as amended at tonight's meeting].”

ATTACHMENTS:

1. Resolution 2010-044
2. Subcommittee/Staff Report
3. Preliminary 2011 Budget
4. Preliminary 2011 General Levy & Analysis

SUGGESTED ORDER OF BUSINESS:

- Introduction..... Bruce Messelt, City Administrator
- Staff Report/Presentation Tom Bouthilet, Finance Director
- Questions from Council to Staff Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion Mayor Facilitates