



MAYOR & COUNCIL COMMUNICATION

DATE: December 1, 2015
REGULAR
ITEM #9

AGENDA ITEM: Approve 2016 Final General Fund, Debt Service Fund & Library Fund Annual Budget and Tax Levy

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Cathy Bendel, Finance Director

REVIEWED BY: Finance Committee and Clark Schroeder, Interim City Administrator

SUGGESTED ORDER OF BUSINESS:

- Introduction of ItemFinance Director
- Report/Presentation.....Finance Director/Interim City Administrator
- Questions from Council to Staff Mayor Facilitates
- Call for Public Hearing Mayor Facilitates
- Close Public Hearing.....Mayor Facilitates
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Finance Director and Finance Committee

FISCAL IMPACT: NA

SUMMARY AND ACTION REQUESTED: Pursuant to State law, the City is required to hold a Truth in Taxation hearing regarding the adoption of the 2016 General Fund, Debt Service Fund and Library Fund Budgets. The City Council is being asked to approve the Final 2016 Annual Budget and Levy for these funds and hold a public hearing.

BACKGROUND INFORMATION: The City of Lake Elmo has both the legal and fiduciary authority and responsibility under Minnesota State Statute to adopt a 2016 General Fund, Debt Service Fund and Library Fund annual budgets; all of which impact the annual Property Tax Levy. On September 1, 2015, the Preliminary Annual Budgets for these funds were approved and subsequently certified to Washington County. The final levy and budgets for these funds must be adopted and certified to Washington County by December 28th, 2015, after holding a Truth in Taxation hearing.

STAFF REPORT: At budget review meetings, the Finance Committee reviewed an in-depth budget and levy presentation for 2016 related to the General Fund. The City Council was invited to those meetings and provided their input as well. As a result of those meetings, the preliminary budget was finalized and presented to the City Council on September 15, 2015 for approval and preliminary certification to the County. Due to uncertainty surrounding the developer build out activity, conservative revenue numbers were used for the preliminary 2016 budget resulting in the certification to the County representing the maximum Levy possible.

On October 14, 2015 the Finance Committee had a follow up 2016 budget meeting to review updated actual results to date. The City Council was again invited to those meetings to provide their input. As a result of those meetings, final revisions were made resulting in a reduction to the preliminary levy certification of \$521,694. It was recommended that any and all excess funds available in the general fund budget be used to reduce the 2016 General Fund Levy. As a result, the final 2016 levy certification is being proposed at \$3,112,204.

RECOMMENDATION: It is recommended that the City Council hold a public hearing related to these budgets and if no issues arise as a result, pass Resolution 2015-84, thereby approving the final 2016 General Fund, Debt Service Fund and Library Fund Annual Budget's and Levies by undertaking the following motion:

“Move to approve Resolution No. 2015-84 adopting the final 2016 General Fund, Debt Service Fund and Library Fund Annual Budget's and Levies”

ATTACHMENT:

1. Resolution No. 2015-84