

## **Falcon Heights City Council Workshop**

**City Hall  
2077 W Larpenteur Ave.  
6:30 p.m.**

### **AGENDA Wednesday, September 7, 2011**

- 1) Northeast Suburban Campus Connector (NESCC)  
Construction Agreement**
- 2) Draft 2012 General Fund Budget**

If you have a disability and need accommodation in order to attend this meeting, please notify City Hall 48 hours in advance between the hours of 8:00 a.m. and 4:30 p.m. at 651-792-7600. We will be happy to help.



**The City That Soars!**

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	September 7, 2011
<b>Agenda Item</b>	Workshop 1
<b>Attachment</b>	Draft NESCC Construction Agreement NESCC Cost Breakdown
<b>Submitted By</b>	Justin Miller, City Administrator

<b>Item</b>	Northeast Suburban Campus Connector (NESCC) Construction Agreement
<b>Description</b>	<p>Since 2009, the cities of Falcon Heights and Roseville, along with the University of Minnesota, have been developing plans for a pedestrian and bicycle trail along Fairview Avenue. This project, the Northeast Suburban Campus Connector (NESCC), was awarded grant funds in the amount of \$1,079,000.</p> <p>Due to construction timing issues, along with easement acquisition delays along the corridor, the two cities agreed to split the project into phases. Phase I will include work on Fairview Avenue south of County Road B through the University of Minnesota.</p> <p>Earlier this summer the City of Roseville solicited bids for this project. Phase I of this project will cost \$595,010.90, but only \$520,000 of the grant proceeds were allocated to this portion of the project. City Engineer Deb Bloom submitted a request to Transit for Livable Communities (TLC), the local organization tasked with allocating this grant funding, asking for a supplemental grant award in the amount of \$83,336. Additional funding was awarded making Phase I fully grant funded.</p> <p>As the funding agency for this project, TLC is that if Phase II is not implemented, the entire grant award will be reimbursed by each participating city. Phase II in Falcon Heights includes acquiring an easement adjacent to Gibbs Farm for the completion of a sidewalk between Cleveland Avenue and the golf course driving range. The construction cost of Phase I attributed to Falcon Heights is roughly \$205,284.10 while Phase II (absent any easement acquisition costs) is currently budgeted at \$88,168.30.</p> <p>A construction agreement with Roseville is attached, which spells out the role of each city in this project. Before formal action is requested on this agreement, staff wanted to discuss it with the council to see if any additional information was needed.</p>

<b>Budget Impact</b>	Phase I is completely funded by a grant from Transit for Livable Communities.
<b>Attachment(s)</b>	Draft NESCC Construction Agreement NESCC Cost Breakdown
<b>Action(s) Requested</b>	No action requested.

## **NESCC CONSTRUCTION AGREEMENT**

This Agreement is made on August \_\_\_\_, 2011, between the City of Roseville, a Minnesota municipal corporation (“Roseville”), and the City of Falcon Heights, a Minnesota municipal corporation (“Falcon Heights”).

### **1. PURPOSE**

Roseville and Falcon Heights (Collectively the “Cities”) have determined that it is in the best interests of the residents of each city to undertake in a cooperative fashion the construction of the Northeast Suburban Campus Connector Bicycle/ Pedestrian Project (the “Project”). The goal of the Cities is to provide for a coordinated cost effective completion of the Project. The purpose of this agreement is to set forth the terms governing the design and construction of the Project.

### **2. PROJECT**

2.1 The Project shall consist of the facilities identified in Exhibit A hereto, subject to modification as provided herein.

2.2 The costs of the Project will be paid by the Cities as provided in Section 5.1 hereof.

### **3. DESIGN**

3.1 Roseville, has prepared, engineering drawings, specifications and construction plans for the Project. The construction plans will include a cost estimate. The final cost estimate will include all costs associated with the Project as well as a contingency budget for unforeseeable circumstances associated with the construction. Roseville will comply with any requirements of Minnesota law with respect to approvals of such plans and specifications.

### **4 CONSTRUCTION**

4.1 Roseville will be the contracting party and will use ordinary and prudent efforts to require that the Project is constructed in compliance with approved plans and specifications and completed with reasonable promptness.

4.2 Roseville will notify Falcon Heights of any change order which increases the cost of any individual construction contract for the Project by more than \$5,000 of the original amount thereof or which materially changes the scope of the Project. Roseville shall obtain the written authorization of Falcon Heights prior to approving such a change order. However, prior written authorization is not necessary if the change order presents imminent health/safety issues making prior authorization impractical. In such cases, the change order shall be reasonably presented to Falcon Heights for ratification. Falcon Heights must not unreasonably withhold its consent to change orders resulting from unforeseen circumstances arising from the construction.

## **5. PAYMENT OF COSTS OF PROJECT**

5.1 The costs of the Project will be paid for with available Federal Funds. Total Amount awarded: \$1,331,878 Federal Funds are designated for the following categories:

Project development, planning, and design, \$131,000

Education and promotion: \$10,000

Construction: \$1,190,878

5.2 Any Federal eligible construction costs for the project that are not covered by Federal Funds shall be shared by the Cities. The cost split will be based on a proportionate share of the project cost in each individual City. Cost split based on the Engineer's Estimate: 38% Falcon Heights, 62% Roseville.

5.4 Any Federal eligible project development, planning and design costs shall be shared equally by the Cities. These will include, but not be limited to, the services identified in Article 6 hereof, all costs related to obtaining all necessary permits and approvals for the Project, costs incurred in agreements, and any and all other costs associated with the Project.

5.3 Any non- Federal eligible costs for the project shall be paid for by the City in which the cost is incurred.

5.5 All invoices or requests for payment will be approved and paid by Roseville. Within 10 days of the end of each calendar month, Roseville shall provide a statement to Falcon Heights showing the prior month's activity, the invoices received, the full costs of services provided by Roseville staff, and the amount Falcon Heights owes to Roseville for the Project and for items outside of the Project, such as those in sections 2.3 hereof. Within 30 days of the receipt of that statement, Falcon Heights shall provide in writing a list and explanation of any amounts it disputes and pay the undisputed amount. Any disputes regarding payment shall be resolved through the dispute resolution process contained in Article 7 hereof.

5.6 If this Agreement is terminated for any reason, both cities shall nevertheless be liable for the payment of their cost share which is incurred up to the date of termination of this Agreement, or as a result of termination of this Agreement.

## **6. SERVICES TO BE PROVIDED BY ROSEVILLE**

6.1 Roseville will provide qualified engineering employees to perform design and related technical services to the Project. These services include:

- a) Complete design and feasibility studies;
- b) Conduct public meetings, including informational meetings and meetings with each city council if necessary;
- c) Prepare plans and specifications;

d) Manage contracts made for completion of the Project and for items outside the Project.

d) Supervise construction, including inspection of the work;

6.2 Compensation for Roseville employees shall be calculated consistent with the Joint Powers Agreement For The City Of Falcon Heights Part-Time Utilization Of City Of Roseville Engineering Employees.

6.3 Roseville may, at its discretion, contract with a qualified third party to conduct or complete any or all of these services.

## **7. DISPUTE RESOLUTION**

7.1 If a dispute arises between the Cities regarding this agreement or the construction of the Project, the City Manager and City Administrator of each city, or their designees, must promptly meet and attempt in good faith to negotiate a resolution of the dispute.

7.2 If the Cities have not negotiated a resolution of the dispute within 30 days after this meeting, the Cities may jointly select a mediator to facilitate further discussion.

7.3 If a mediator is not used or if the Cities are unable to resolve the dispute within 30 days after the first meeting with the selected mediator, the dispute shall be adjudicated in civil court.

## **8. GENERAL PROVISIONS**

8.1 All notices under this agreement must be delivered personally or sent by first class mail addressed to:

If to Roseville: Bill Malinen  
City of Roseville  
2660 Civic Center Drive  
Roseville, MN 55113

If to Falcon Heights Justin Miller  
City of Falcon Heights  
2770 Larpenteur Avenue  
Falcon Heights, MN 55113

or addressed to such party at such other address as such party shall hereafter furnish by notice to the other party.

8.2 This Agreement may be amended only in writing, executed by the proper representatives of each city.

8.3 This Agreement must be interpreted under the laws of the State of Minnesota.

Date: \_\_\_\_\_

CITY OF ROSEVILLE

By: \_\_\_\_\_  
Its Mayor

And: \_\_\_\_\_  
Its City Manager

Date: \_\_\_\_\_

CITY OF FALCON HEIGHTS

By: \_\_\_\_\_  
Its Mayor

And: \_\_\_\_\_  
Its City Administrator

**EXHIBIT A  
THE PROJECT**

The proposed work will include the construction of a pathway along Fairview Avenue between County Road B and Larpenteur Avenue. The striping of bike lanes between County Road B and Larpenteur Avenue. The striping of bike lanes along Larpenteur Avenue between Cleveland and Fairview Avenue.

Location	Limits	Improvement Description	Break out
Fairview Ave	Co Rd B-2 to Co Rd B	Construct continuous pathways on both sides of street.	Phase 2
Fairview Ave	County Rd B to Larpenteur Ave	Construct a off- street pathway (8 feet wide) on the east side of Fairview- upgrade signal system at both County Road B and Larpenteur.	Phase 1
Fairview Ave	County Rd B to Larpenteur	Stripe on-street bike lanes.	Phase 1
Larpenteur Ave	Fairview Ave to Cleveland Ave	Stripe on-street bike lanes- upgrade signal system at both Cleveland and Gortner.	Phase 1
Larpenteur Ave	Gortner Ave to Cleveland Ave	construct new sidewalk along the north side	Phase 2



# NORTHEAST SUBURBAN CAMPUS CONNECTOR COST ESTIMATE

Low Bid Breakdown Totals & projected Phase 2

Jurisdiction	STREET SEGMENT	Phase 1- Low Bid				Phase 2- Engineer's Estimate			Phase 1 total	Phase 2 total	Project Total
		TRAIL COSTS	STREET COSTS	NON- PAR	STORM SEWER COSTS	TRAIL COSTS	STREET COSTS	STORM SEWER COSTS			
U of Mn	GORTNER AVENUE	\$106,711.90		\$82,067.10	\$5,325.00				\$194,104.00		\$194,104.00
Falcon Heights	LARPEN TEUR AVENUE (CLEVE TO COFFMAN)					\$88,168.30				\$88,168.30	\$88,168.30
Falcon Heights	LARPEN TEUR AVENUE (FV TO CLEVE)	\$14,521.00							\$14,521.00		\$14,521.00
Falcon Heights	FALCON HEIGHTS-FAIRVIEW AVENUE	\$166,788.00	\$21,407.10		\$2,568.00				\$190,763.10		\$190,763.10
Roseville	ROSEVILLE-FAIRVIEW AVENUE CRB TO RL	\$163,845.40	\$45,772.50	\$34,680.00	\$68,072.00				\$312,369.90		\$312,369.90
Roseville	FAIRVIEW EAST SIDE UNDER 36					\$144,279.00				\$144,279.00	\$144,279.00
Roseville	FAIRVIEW WEST SIDE UNDER 36					\$77,834.10				\$77,834.10	\$77,834.10
Roseville	FAIRVIEW EAST SIDE NORTH FROM 36					\$81,373.55				\$81,373.55	\$81,373.55
Roseville	FAIRVIEW WEST SIDE NORTH FROM 36					\$74,519.60				\$74,519.60	\$74,519.60

\$1,177,932.55

CONSTRUCTION ESTIMATE	\$451,866.30	\$67,179.60	\$116,747.10	\$75,965.00	\$466,174.55	\$0.00	\$0.00	\$711,758.00	\$466,174.55	\$1,177,932.55
CONTINGENCY 10%	NA	NA	NA	NA	\$46,617.46	\$0.00	\$0.00		\$46,617.46	\$46,617.46

SUBTOTAL	\$451,866.30	\$67,179.60	\$116,747.10	\$75,965.00	\$512,792.01	\$0.00	\$0.00	\$711,758.00	\$512,792.01	\$1,224,550.01
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Phase 1 Federal Funds	\$520,000.00
Phase 1 Additional Funds	\$83,336.00
Phase 1 Total Federal Funds	\$603,336.00

Phase 1 Federal costs	\$595,010.90	\$595,010.90
Phase 1 Local costs	\$116,747.10	\$116,747.10

Phase 2 Federal Funds	\$418,000.00
Phase 2 Additional Funds	\$169,542.00 these funds can be used for engineering with a 50/50 split
Phase 2 Total Federal Funds	\$587,542.00

Phase 2 Federal estimated costs	no cont.	w/ cont	\$466,174.55	\$512,792.01
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**The City That Soars!**

## REQUEST FOR COUNCIL ACTION

<b>Meeting Date</b>	September 7, 2011
<b>Agenda Item</b>	Workshop 2
<b>Attachment</b>	Draft 2012 General Fund Budget Net Tax Capacity Diagram Fiscal Disparities Information Market Value Homestead Credit Information
<b>Submitted By</b>	Justin Miller, City Administrator

<b>Item</b>	Draft 2012 General Fund Budget
<b>Description</b>	<p>At the August 3<sup>rd</sup> workshop, the city council reviewed for the first time a draft 2012 general fund budget. At this workshop the council asked staff to further revise the budget and present an update during the September 7<sup>th</sup> workshop. A preliminary levy must be set by September 15<sup>th</sup>, so the city council will formally act on the preliminary budget at the September 14<sup>th</sup> city council meeting. Since the last workshop, several details have developed and have been incorporated in to the draft:</p> <ol style="list-style-type: none"> <li>1) Staff reviewed the budget and found roughly \$20,000 in expenditure reductions. They mostly were in the area of building inspections (to better correlate with expected revenues) and other small reductions throughout the budget.</li> <li>2) With these reductions and small revenue adjustments, the overall general fund levy is proposed to increase by 3.5%.</li> <li>3) Levy limits were removed for 2012, so a special unallotment levy will not be needed this year. Staff will still be recommending that a special levy for the equipment certificates be approved to pay the annual principal and interest payments that will be due in the amount of roughly \$72,300.</li> <li>4) Staff's goal was to keep expenditures as close to a zero increase as possible, with the notable exception of the police contract (\$15,864 increase due to contract language and increased dispatching costs) and the inclusion of \$10,000 for the fire department study. In total, general fund expenditures are proposed to increase by \$17,912, or 1.07%. In other words, non-public safety expenditures are proposed to <u>decrease</u> by \$7,952.</li> <li>5) Included in the budget is a 1% cost-of-living (COLA) increase for all city employees. Staff is also estimating an 8% increase in health insurance expenses.</li> <li>6) Non-property tax revenues are projected to decrease by \$15,900. This is mainly due to lower than expected interest revenues and fine charges (parking tickets, other police citations).</li> <li>7) For purposes of this draft budget, staff attempted to keep the amount of budgeted transfers from enterprise funds to the general fund constant at</li> </ol>

- \$71,917.
- 8) In total, when taking into account projected expenditures and revenues, and attempting to keep the budgeted transfer constant, a levy of \$999,802 is required for our general operating budget.

Impacts to the overall property tax levy

2011 Budget:

Property Tax Levy	\$917,674
Levy for equipment certificates	\$72,300
2011 unallotment levy	<u>\$48,318</u>
<b>Total Levy</b>	<b>\$1,038,292</b>

Proposed 2012 Budget:

Draft Property Tax Levy:	\$999,802
Levy for equipment certificates:	\$72,300
<b>Total Proposed Levy:</b>	<b>\$1,072,102 (+\$33,810, 3.26% increase)</b>

The \$33,810 increase in the proposed levy can be attributed to three main areas:

Increase in police contract and dispatch costs:	\$15,864
Fire department study:	\$10,000
Decrease in expected fines and forfeitures:	<u>\$10,000</u>
<b>Total</b>	<b>\$35,864</b>

Fiscal Disparities and Market Value Exclusion Impacts

Two major areas of the budget will impact the city's taxpayers in 2012. During the 2011 legislative session, the Market Value Homestead Credit (MVHC) program was eliminated. Metro Cities has a good explanation of this change:

*Beginning in 2012, the current MVHC program is repealed, and qualifying homeowners will see a portion of their market value "excluded" from property taxes (computations will mirror the existing MVHC). Impacts of this change will vary by jurisdiction, depending on local tax bases and tax rates. (Since some values will be reduced under the new program, a city's tax base will be reduced accordingly, meaning tax rates would need to increase to see the same levy amount).*

*Instead of the state reimbursing local governments for the credit provided to the homeowner, the new program will instead shift taxes to other properties within a jurisdiction to accommodate the value reductions for qualifying homes. C/I and other property classes not eligible for the exclusion will likely see more of an impact from the changes. Because the state will no longer be financially involved, cities will also no longer be playing "middle man" in the reimbursement structure. (The changes allow the state to book \$260 million in savings).*

A more impactful change to all property taxpayers in Falcon Heights involves our

fiscal disparities distribution. For a more detailed analysis of the fiscal disparities program, a "Fiscal Disparities 101" fact sheet from the League of Minnesota Cities is attached. In the simplest terms, we are set to receive \$176,630 in fiscal disparities dollars in 2012, a decrease of \$51,158 (-22.5%) from 2011. This is money that is subtracted from the amount the city council levies, so any decrease in this distribution increases the portion of the levy that is applied against all properties in Falcon Heights.

The impact of the proposed levy to a median valued home in Falcon Heights will be:

	Payable 2011	Payable 2012	Payable 2012 if no change in levy
Median Valued Home	\$254,550	\$229,592	\$229,592
Tax Capacity (1% of value)	\$2545	\$2296	\$2296
City Tax Rate	21.56%	25.05%	24.11%
City Taxes	\$549	\$575	\$553
Homestead Credit	(\$32)	-	-
Net City Tax	\$517	\$575	\$553
Net Change		\$58 or 11.2%	\$36 or 6.96%

For every \$10,000 change in the levy, the percentage levy change from 2011 would equal about 1%, and city taxes on a median valued home would change by approximately \$6.50.

Staff will be prepared to answer any questions and take suggestions regarding any changes to the proposed 2012 budget.

<b>Budget Impact</b>	Dependent on eventual adoption of 2012 budget
<b>Attachment(s)</b>	Draft 2012 General Fund Budget Net Tax Capacity Diagram Fiscal Disparities Information Market Value Homestead Credit Information
<b>Action(s) Requested</b>	No action required, but guidance on how to proceed will be beneficial as staff continues to refine the 2012 budget proposal.

GENERAL FUND REVENUE BUDGET							COMPARE 2012	COMPARE 2012
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	BUDGET 2011	ESTIMATED 2011	BUDGET 2012	BUDGET TO 2011 BUDGET	BUDGET TO ESTIMATED 2011
<i>PROPERTY TAXES</i>								
30111	CURRENT AD VALOREM TAXES	644,129	638,189	689,886	689,886	823,172	19.32%	19.32%
30111	FISCAL DISPARITY TAX	197,502	216,008	227,788	227,788	176,630	-22.5%	-22.5%
30112	DELINQUENT AD VALOREM	675	6,030	0	9,000	0	#DIV/0!	-100.0%
30113	UNALLOTMENT LEVY	0	3,798	48,318	48,318	0		
	<i>TOTAL PROPERTY TAX LEVY</i>	<i>842,306</i>	<i>864,025</i>	<i>965,992</i>	<i>974,992</i>	<i>999,802</i>	<i>3.50%</i>	<i>2.5%</i>
<i>LICENSES &amp; PERMITS</i>								
32110	CONTRACTOR LICENSES	1,640	1,820	1,250	1,600	1,600	28.0%	0.0%
32120	LIQUOR LICENSES	3,111	2,911	3,000	3,000	7,000	133.3%	133.3%
32122	OFF-SALE LIQUOR LICENSES	0	0	0	0	0		
32130	CIGARETTE & AMUSEMENT LICENSES	250	250	500	500	500	0.0%	0.0%
32140	MISCELLANEOUS BUSINESS LICENSES	4,445	5,920	6,000	5,000	5,000	-16.7%	0.0%
32150	RENTAL HOUSING LICENSE	1,350	1,805	1,300	2,150	2,000	53.8%	-7.0%
32210	BUILDING PERMITS	10,684	17,075	10,000	15,000	13,000	30.0%	-13.3%
32212	ROOFING PERMITS	8,947	10,276	5,000	6,000	5,000	0.0%	-16.7%
32214	WINDOW/SIDING PERMITS	9,487	15,298	7,000	8,000	7,000	0.0%	-12.5%
32216	DRIVEWAYS/FENCES	475	527	500	500	500	0.0%	0.0%
32220	MECHANICAL PERMITS	10,124	11,271	7,000	5,000	5,000	-28.6%	0.0%
32230	PLUMBING PERMITS	1,087	1,864	1,200	1,500	1,300	8.3%	-13.3%
32235	SIGN PERMITS	100	50	200	50	50	-75.0%	0.0%
32240	OTHER PERMITS	1,733	2,008	3,000	1,800	2,000	-33.3%	11.1%
	<i>TOTAL LICENSES &amp; PERMITS</i>	<i>53,432</i>	<i>71,075</i>	<i>45,950</i>	<i>50,100</i>	<i>49,950</i>	<i>8.7%</i>	<i>-0.3%</i>
<i>INTERGOVERNMENTAL</i>								
33400	STATE GRANTS & AIDS (LGA)	391,278	310,126	310,126	310,126	310,126	0.0%	0.0%
33405	MARKET VALUE HOMESTEAD CREDIT	30,463	104	0	0	0	#DIV/0!	#DIV/0!
33410	OTHER GRANTS (PERA & TREE DISASTER)	1,707	1,707	1,707	8,606	1,707	0.0%	-80.2%
33430	MINNESOTA STATE AID - DOT	0	0	0	0	0	#DIV/0!	#DIV/0!
33440	INSURANCE PREMIUM - FIRE	35,464	36,866	60,000	60,000	60,000	0.0%	0.0%
33700	CABLE TV FRANCHISE FEES	47,777	48,469	46,000	48,000	48,000	4.3%	0.0%
	<i>TOTAL INTERGOVERNMENTAL</i>	<i>506,689</i>	<i>397,272</i>	<i>417,833</i>	<i>426,732</i>	<i>419,833</i>	<i>0.5%</i>	<i>-1.6%</i>
<i>CHARGES FOR SERVICES</i>								
34101	CITY FACILITY RENTAL	9,274	9,433	10,000	11,000	10,000	0.0%	-9.1%
34120	PLAN CHECK FEES	5,710	10,034	4,000	7,000	6,000	50.0%	-14.3%
34150	ZONING REVIEW FEES	1,100	0	200	25	200	0.0%	700.0%
34160	ADMINISTRATIVE FEES	96	140	200	0	0	-100.0%	#DIV/0!
34170	SALE OF MAPS & COPIES	17	21	50	25	50	0.0%	100.0%
34210	LAUDERDALE - FIRE CONTRACT	35,529	28,793	27,000	28,000	28,000	3.7%	0.0%
34215	FIRE RENTAL HOUSING INSPECTIONS	50	0	50	0	0	-100.0%	#DIV/0!
34217	ACCIDENT CLEAN UP	350	4,340	1,500	1,500	2,000	33.3%	33.3%
34221	FALSE ALARMS - FIRE	39	505	1,750	500	500	-71.4%	0.0%
34222	FALSE ALARMS - SECURITY	1,246	2,163	1,900	800	1,000	-47.4%	25.0%
34223	CONDUIT BONDING	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL CHARGES FOR SERVICES</i>	<i>53,410</i>	<i>55,429</i>	<i>46,650</i>	<i>48,850</i>	<i>47,750</i>	<i>2.4%</i>	<i>-2.3%</i>

	<i>FINES &amp; FORFEITS</i>								
35110	COURT FINES	78,486	61,792	85,000	76,000	75,000		-11.8%	-1.3%
	<i>TOTAL FINES &amp; FORFEITS</i>	78,486	61,792	85,000	76,000	75,000		-11.8%	-1.3%
	<i>SPECIAL ASSESSMENTS</i>								
36100	SPECIAL ASSESSMENTS	0	0	0	0	0		#DIV/0!	#DIV/0!
	<i>TOTAL SPECIAL ASSESSMENTS</i>	0	0	0	0	0		#DIV/0!	#DIV/0!
	<i>MISCELLANEOUS</i>								
36211	INTEREST ON INVESTMENTS	32,698	23,747	25,000	12,000	15,000		-40.0%	25.0%
36213	CHANGE IN FAIR VALUE OF i	7,000	-3,798	0	0	0		#DIV/0!	#DIV/0!
36400	MISCELLANEOUS	4,456	1,743	4,000	1,000	1,000		-75.0%	0.0%
36410	TIES PAYMENT	0	0	0	0	0		#DIV/0!	#DIV/0!
36420	INSURANCE REFUND	10,559	11,579	7,500	7,500	7,500		0.0%	0.0%
36425	INSURANCE SETTLEMENT	8,119	0	0	0	0		#DIV/0!	#DIV/0!
36430	CERT TRAINING	0	25	0	350	0		#DIV/0!	-100.0%
36450	EVENT COMMUNITY SUPPORT	1,586	775	1,000	961	1,000		0.0%	4.1%
36460	EVENTS REVENUE	1,000	1,365	1,000	1,000	1,000		0.0%	0.0%
36465	5K RUN SPECIAL EVENT	755	1,255	800	800	800		0.0%	0.0%
36470	RAIN BARREL WORKSHOP	0	2,640	0	720	0		#DIV/0!	-100.0%
	<i>TOTAL MISCELLANEOUS</i>	66,172	39,331	39,300	24,331	26,300		-33.1%	8.1%
	<i>TOTAL REVENUES</i>	1,600,495	1,488,924	1,600,725	1,601,005	1,618,635		1.1%	1.1%
	<i>OTHER FINANCING SOURCES</i>								
39200	TRANSFERS	0	77,400	71,917	71,917	71,917		0.0%	0.0%
	<i>TOTAL OTHER FINANCING SOURCES</i>	0	77,400	71,917	71,917	71,917		0.0%	0.0%
	<i>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</i>	1,600,495	1,566,324	1,672,642	1,672,922	1,690,552		1.07%	1.1%

LEGISLATIVE EXPENDITURES (111)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>COMPENSATION</i>							
60510	MAYOR & CITY COUNCIL	19,800	19,800	19,800	19,800	19,800	0.0%	0.0%
64012	FICA CONTRIBUTIONS	1,515	1,515	1,515	1,515	1,515	0.0%	0.0%
	<i>TOTAL COMPENSATION</i>	21,315	21,315	21,315	21,315	21,315	0.0%	0.0%
	<i>MATERIALS &amp; SUPPLIES</i>							
70100	SUPPLIES	319	215	500	300	400	-20.0%	33.3%
70410	LEGAL NOTICES	972	863	1,100	1,000	1,000	-9.1%	0.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	1,290	1,078	1,600	1,300	1,400	-12.5%	7.7%
	<i>OTHER SERVICES &amp; CHARGES</i>							
86100	CONFERENCES/EDUCATION/TRAINING	572	409	600	600	600	0.0%	0.0%
86140	COMMISSIONS/MEMBERSHIPS/ASSOCIATIONS	7,651	7,810	7,867	7,867	7,960	1.2%	1.2%
86500	COOPERATIVE SERVICE	10,341	10,224	10,224	10,224	10,471	2.4%	2.4%
88000	INSURANCE & BONDS	362	37	50	35	50	0.0%	42.9%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	18,926	18,480	18,741	18,726	19,081	1.8%	1.9%
	<i>TOTAL EXPENDITURES</i>	41,531	40,873	41,656	41,341	41,796	0.3%	1.1%

ADMINISTRATIVE EXPENDITURES (112)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>COMPENSATION</i>							
60100	REGULAR SALARIES	102,155	108,299	91,300	100,900	92,380	1.2%	-8.4%
60520	PART-TIME EMPLOYEES	0	3,888	13,200	11,000	14,435	9.4%	31.2%
64011	PERA CONTRIBUTIONS	6,764	7,689	6,650	7,060	6,715	1.0%	-4.9%
64012	FICA CONTRIBUTIONS	7,459	8,253	7,985	8,560	8,170	2.3%	-4.6%
64031	HOSPITALIZATION	3,246	5,221	6,180	2,300	6,300	1.9%	173.9%
64032	DENTAL	202	424	390	165	390	0.0%	136.4%
64033	LONG-TERM DISABILITY	156	164	220	165	180	-18.2%	9.1%
64034	LIFE INSURANCE	204	244	270	230	250	-7.4%	8.7%
	<i>TOTAL COMPENSATION</i>	120,185	134,181	126,195	130,380	128,820	2.1%	-1.2%
	<i>MATERIALS &amp; SUPPLIES</i>							
70100	SUPPLIES	3,571	4,061	5,500	5,000	5,500	0.0%	10.0%
70500	POSTAGE	2,347	2,534	3,000	2,600	3,000	0.0%	15.4%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	5,918	6,595	8,500	7,600	8,500	0.0%	11.8%
	<i>OTHER SERVICES &amp; CHARGES</i>							
80330	CONSULTANT	0	0	0	0	0	#DIV/0!	#DIV/0!
80340	ADMINISTRATIVE SUPPORT	40	0	0	0	0		
86010	MILEAGE	595	687	600	800	800	33.3%	0.0%
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	3,698	4,284	4,500	4,500	4,500	0.0%	0.0%
86110	MEMBERSHIPS	100	30	50	145	150	200.0%	3.4%
87000	REPAIR OFFICE EQUIPMENT	2,562	2,709	2,800	2,700	1,900	-32.1%	-29.6%
88000	INSURANCE & BONDS	16,113	17,680	20,000	12,383	15,000	-25.0%	21.1%
88500	PAYPAL EXPS	684	773	800	900	1,000	25.0%	11.1%
89000	MISCELLANEOUS	1,364	1,879	1,800	1,800	1,800	0.0%	0.0%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	25,155	28,042	30,550	23,228	25,150	-17.7%	8.3%
	<i>TOTAL EXPENDITURES</i>	151,258	168,817	165,245	161,208	162,470	-1.7%	0.8%



FINANCE EXPENDITURES (113)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>COMPENSATION</i>							
60100	REGULAR SALARIES	68,234	69,134	72,300	71,000	72,800	0.7%	2.5%
60520	PART-TIME FINANCE INTERN	11,546	6,801	8,500	7,000	8,000	-5.9%	14.3%
64011	PERA CONTRIBUTIONS	4,606	4,869	5,235	5,220	5,290	1.1%	1.3%
64012	FICA CONTRIBUTIONS	6,025	5,732	6,175	6,000	6,225	0.8%	3.8%
64031	HOSPITALIZATION	7,444	5,546	8,550	7,150	8,770	2.6%	22.7%
64032	DENTAL	477	459	565	450	580	2.7%	28.9%
64033	LONG-TERM DISABILITY	197	195	205	290	300	46.3%	3.4%
64034	LIFE INSURANCE	386	368	390	390	400	2.6%	2.6%
	<i>TOTAL COMPENSATION</i>	<i>98,916</i>	<i>93,102</i>	<i>101,920</i>	<i>97,500</i>	<i>102,365</i>	<i>0.4%</i>	<i>5.0%</i>
	<i>MATERIALS &amp; SUPPLIES</i>							
70100	SUPPLIES	1,348	162	1,300	1,500	1,500	15.4%	0.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	<i>1,348</i>	<i>162</i>	<i>1,300</i>	<i>1,500</i>	<i>1,500</i>	<i>15.4%</i>	<i>0.0%</i>
	<i>OTHER SERVICES &amp; CHARGES</i>							
80310	AUDIT	8,100	8,100	8,325	8,325	8,550	2.7%	2.7%
80330	FINANCIAL CONSULTANT	1,500	0	0	0	0	#DIV/0!	#DIV/0!
80600	SOFTWARE MAINTENANCE	3,890	3,931	4,200	4,057	5,300	26.2%	30.6%
86010	MILEAGE	184	130	240	220	220	-8.3%	0.0%
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	1,254	1,642	2,600	1,600	2,000	-23.1%	25.0%
86110	MEMBERSHIPS	95	95	95	95	95	0.0%	0.0%
88000	INSURANCE & BONDS	0	0	350	350	350	0.0%	0.0%
89000	MISCELLANEOUS	350	795	400	465	500	25.0%	7.5%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	<i>15,374</i>	<i>14,693</i>	<i>16,210</i>	<i>15,112</i>	<i>17,015</i>	<i>5.0%</i>	<i>12.6%</i>
	<i>TOTAL EXPENDITURES</i>	<i>115,638</i>	<i>107,957</i>	<i>119,430</i>	<i>114,112</i>	<i>120,880</i>	<i>1.2%</i>	<i>4.7%</i>

LEGAL EXPENDITURES (114)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>OTHER SERVICES &amp; CHARGES</i>							
80200	LEGAL FEES	7,735	12,594	10,000	10,000	10,000	0.0%	0.0%
80210	ZONING CODE UPDATE	2,106	1,464	2,000	1,800	2,000	0.0%	11.1%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	9,841	14,058	12,000	11,800	12,000	0.0%	1.7%
	<i>TOTAL EXPENDITURES</i>	9,841	14,058	12,000	11,800	12,000	0.0%	1.7%

ELECTIONS EXPENDITURES (115)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>COMPENSATION</i>							
60100	REGULAR SALARIES	1,253	0	0	0	0	#DIV/0!	#DIV/0!
60520	PART-TIME EMPLOYEES	1,442	0	0	0	0	#DIV/0!	#DIV/0!
64011	PERA CONTRIBUTIONS	85	0	0	0	0	#DIV/0!	#DIV/0!
64012	FICA CONTRIBUTIONS	100	0	0	0	0	#DIV/0!	#DIV/0!
64031	HOSPITALIZATION	385	0	0	0	0	#DIV/0!	#DIV/0!
64032	DENTAL	33	0	0	0	0	#DIV/0!	#DIV/0!
64033	LONG-TERM DISABILITY	4	0	0	0	0	#DIV/0!	#DIV/0!
64034	LIFE INSURANCE	7	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL COMPENSATION</i>	3,309	0	0	0	0	#DIV/0!	#DIV/0!
	<i>MATERIALS &amp; SUPPLIES</i>							
70100	SUPPLIES	257	507	200	304	500	150.0%	64.5%
70500	POSTAGE	16	0	15	0	15	0.0%	#DIV/0!
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	273	507	215	304	515	139.5%	69.4%
	<i>OTHER SERVICES &amp; CHARGES</i>							
80300	ELECTION CONTRACT	0	20,364	16,250	16,250	16,250		
80400	CONSULTING	3,712	0	0	0	0	#DIV/0!	#DIV/0!
86010	MILEAGE	0	0	100	0	0	-100.0%	#DIV/0!
87090	REPAIR OTHER EQUIPMENT	821	0	0	0	0	#DIV/0!	#DIV/0!
88000	INSURANCE & BONDS	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	4,533	20,364	16,350	16,250	16,250	-0.6%	0.0%
	<i>TOTAL EXPENDITURES</i>	8,114	20,870	16,565	16,554	16,765	1.2%	1.3%

COMMUNICATIONS EXPENDITURES (116)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
60100	REGULAR SALARIES	16,520	17,078	16,900	16,906	17,375	2.8%	2.8%
60520	PART-TIME EMPLOYEES(Cable & Special Events)	1,871	2,049	1,650	1,750	1,750	6.1%	0.0%
64011	PERA CONTRIBUTIONS	1,115	1,202	1,220	1,150	1,265	3.7%	10.0%
64012	FICA CONTRIBUTIONS	1,405	1,460	1,420	1,430	1,465	3.2%	2.4%
64031	HOSPITALIZATION	541	28	800	400	815	1.9%	103.8%
64032	DENTAL	25	0	50	26	50	0.0%	92.3%
64033	LONG-TERM DISABILITY	43	42	50	50	52	4.0%	4.0%
64034	LIFE INSURANCE	94	89	95	98	100	5.3%	2.0%
	<i>TOTAL COMPENSATION</i>	21,615	21,948	22,185	21,810	22,872	3.1%	4.9%
<i>MATERIALS &amp; SUPPLIES</i>								
70100	SUPPLIES	216	227	300			-100.0%	#DIV/0!
70420	NEWSLETTERS/INFORMATION	790	2,009	2,700	1,200	2,700	0.0%	125.0%
70500	POSTAGE	0	383	1,000	400	1,000	0.0%	150.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	1,006	2,619	4,000	1,600	3,700	-7.5%	131.3%
<i>OTHER SERVICES &amp; CHARGES</i>								
85010	TELEPHONE	4,914	4,249	4,250	4,250	4,250	0.0%	0.0%
85050	CABLE TV	12,247	12,529	13,000	12,500	13,500	3.8%	8.0%
85060	WEBSITE	1,113	2,657	3,000	2,700	3,000	0.0%	11.1%
85070	NETWORK/TECHNICAL SUPPORT(I-NET)	14,273	14,273	14,270	14,270	15,198	6.5%	6.5%
86010	MILEAGE	72	64	0	0	0	#DIV/0!	#DIV/0!
86100	COMMISSIONS/MEMBERSHIPS/TRAINING	0	0	50	0	50	0.0%	#DIV/0!
87090	REPAIR EQUIPMENT	0	0	0	0	0	#DIV/0!	#DIV/0!
88000	INSURANCE & BONDS	0	0	0	0	0	#DIV/0!	#DIV/0!
89010	SPECIAL EVENTS	2,960	4,555	4,500	4,500	4,500	0.0%	0.0%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	35,579	38,327	39,070	38,220	40,498	3.7%	6.0%
	<i>TOTAL EXPENDITURES</i>	58,201	62,894	65,255	61,630	67,070	2.8%	8.8%
<i>OTHER FINANCING USES</i>								
97000	TRANSFERS	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL OTHER FINANCING USES</i>	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</i>	58,201	62,894	65,255	61,630	67,070	2.8%	8.8%

PLANNING & INSPECTIONS EXPENDITURES (117)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
60100	REGULAR SALARIES	46,888	47,717	47,700	47,800	48,875	2.5%	2.2%
60520	PART-TIME FIRE INSPECTOR	2,836	1,560	8,000	5,000	8,000	0.0%	60.0%
64011	PERA CONTRIBUTIONS	3,165	3,356	3,445	3,300	3,545	2.9%	7.4%
64012	FICA CONTRIBUTIONS	3,763	3,727	4,250	4,039	4,355	2.5%	7.8%
64031	HOSPITALIZATION	842	72	1,890	810	1,935	2.4%	138.9%
64032	DENTAL	49	0	120	55	120	0.0%	118.2%
64033	LONG-TERM DISABILITY	106	102	120	118	120	0.0%	1.7%
64034	LIFE INSURANCE	207	195	210	208	212	1.0%	1.9%
	<i>TOTAL COMPENSATION</i>	57,856	56,730	65,735	61,330	67,162	2.2%	9.5%
<i>MATERIALS &amp; SUPPLIES</i>								
70100	SUPPLIES	265	22	200	170	200	0.0%	17.6%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	265	22	200	170	200	0.0%	17.6%
<i>OTHER SERVICES &amp; CHARGES</i>								
80400	CONSULTING PLANNER	0	0	0	0	0	#DIV/0!	#DIV/0!
80500	GIS SUPPORT	967	967	2,000	1,250	2,000	0.0%	60.0%
81210	BUILDING INSPECTORS	30,160	44,299	35,000	43,121	28,000	-20.0%	-35.1%
81220	MECHANICAL INSPECTORS	8,688	8,685	6,400	6,400	4,000	-37.5%	-37.5%
81230	PLUMBING INSPECTORS	0	0	0	0	0	#DIV/0!	#DIV/0!
86010	MILEAGE	104	414	400	250	400	0.0%	60.0%
86100	CONFERENCES/EDUCATION/ ASSOCIATIONS	313	351	1,000	200	400	-60.0%	100.0%
88000	INSURANCE & BONDS	0	0	0	0	0	#DIV/0!	#DIV/0!
89100	ENERGY REBATE PROGRAM	195	721	400	200	400	0.0%	100.0%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	40,426	55,437	45,200	51,421	35,200	-22.1%	-31.5%
	<i>TOTAL EXPENDITURES</i>	98,547	112,189	111,135	112,921	102,562	-7.7%	-9.2%

EMERGENCY PREPAREDNESS EXPENDITURES (121)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
60100	REGULAR SALARIES	2,769	2,725	2,800	2,800	2,825	0.9%	0.9%
64011	PERA CONTRIBUTIONS	187	191	204	190	206	1.0%	8.4%
64012	FICA CONTRIBUTIONS	204	200	215	200	217	0.9%	8.5%
64031	HOSPITALIZATION	3	3	6	3	61	916.7%	1933.3%
64032	DENTAL	0	0	4	0	5	25.0%	#DIV/0!
64033	LONG-TERM DISABILITY	4	4	4	5	5	25.0%	0.0%
64034	LIFE INSURANCE	4	4	4	4	4	0.0%	0.0%
	<i>TOTAL COMPENSATION</i>	3,172	3,126	3,237	3,202	3,323	2.7%	3.8%
<i>MATERIALS &amp; SUPPLIES</i>								
70120	SUPPLIES	21	2	300	20	50	-83.3%	150.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	21	2	300	20	50	-83.3%	150.0%
<i>OTHER SERVICES &amp; CHARGES</i>								
85015	CELL PHONE	783	735	850	800	850	0.0%	6.3%
85020	ELECTRIC	7	0	85	70	75	-11.8%	7.1%
86100	MILEAGE/CONF/EDU/ASSO	100	154	0	140	50	#DIV/0!	-64.3%
87091	CIVIL DEFENSE SIREN REPAIR	0	282	200	0	200	0.0%	#DIV/0!
88000	INSURANCE & BONDS	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	890	1,170	1,135	1,010	1,175	3.5%	16.3%
	<i>TOTAL EXPENDITURES</i>	4,083	4,298	4,672	4,232	4,548	-2.7%	7.5%

POLICE EXPENDITURES (122)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>OTHER SERVICES &amp; CHARGES</i>							
81000	POLICE SERVICES	571,536	565,955	590,167	590,167	596,069	1.0%	1.0%
81200	DISPATCH 911	0	14,692	19,789	19,789	29,751		
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	571,536	580,647	609,956	609,956	625,820	2.6%	2.6%
	<i>TOTAL EXPENDITURES</i>	571,536	580,647	609,956	609,956	625,820	2.6%	2.6%

PROSECUTION EXPENDITURES (123)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>OTHER SERVICES &amp; CHARGES</i>							
80200	LEGAL FEES	31,928	30,748	34,000	33,000	35,000	2.9%	6.1%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	31,928	30,748	34,000	33,000	35,000	2.9%	6.1%
	<i>TOTAL EXPENDITURES</i>	31,928	30,748	34,000	33,000	35,000	2.9%	6.1%



FIRE SERVICES EXPENDITURES (124)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
61510	DRILL COMPENSATION	15,592	15,263	14,500	14,993	15,000	3.4%	0.0%
61520	FIRE COMPENSATION	9,059	13,447	12,130	13,808	12,251	1.0%	-11.3%
61530	FIRE HALL CLEANING	650	975	1,400	1,400	1,400		
61540	HAZMAT TNG COMPENSATION	31	649	0	1,400	1,400	#DIV/0!	0.0%
61550	OFFICER COMPENSATION	12,707	12,199	14,615	12,024	13,000	-11.1%	8.1%
64011	PERA CONTRIBUTIONS	0	0	0	0	0	#DIV/0!	#DIV/0!
64012	FICA CONTRIBUTIONS	2,910	3,302	3,100	3,337	3,225	4.0%	-3.4%
	<i>TOTAL COMPENSATION</i>	40,949	45,835	45,745	46,962	46,276	1.2%	-1.5%
<i>MATERIALS &amp; SUPPLIES</i>								
70100	SUPPLIES	4,861	4,492	5,000	4,000	5,000	0.0%	25.0%
70120	TOOLS	165	0	0	0	0		
70500	POSTAGE	0	0	0	0	0	#DIV/0!	#DIV/0!
74000	MOTOR FUEL & LUBRICANTS	1,835	1,271	1,700	1,700	1,700	0.0%	0.0%
77000	CLOTHING	3,244	1,706	2,400	2,400	2,400	0.0%	0.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	10,104	7,469	9,100	8,100	9,100	0.0%	12.3%
<i>OTHER SERVICES &amp; CHARGES</i>								
80330	FIRE CONSULTANT	0	0	0	0	10,000	#DIV/0!	#DIV/0!
82010	CLEANING/WASTE REMOVAL	0	0	0	0	0	#DIV/0!	#DIV/0!
82011	LINEN CLEANING	776	966	900	800	800	-11.1%	0.0%
85010	TELEPHONE	0	0	0	0	0	#DIV/0!	#DIV/0!
85015	CELL PHONE	1,499	867	900	900	900	0.0%	0.0%
86010	MILEAGE	133	28	100	0	0	-100.0%	#DIV/0!
86020	TRAINING	11,688	20,554	18,000	18,000	18,000	0.0%	0.0%
86110	MEMBERSHIPS	1,046	485	800	800	800	0.0%	0.0%
86120	SUBSCRIPTIONS	207	50	200	140	140	-30.0%	0.0%
86200	MEDICAL EXAMINATIONS	2,727	978	2,600	2,000	2,600	0.0%	30.0%
86700	EMERGENCY DISPATCH SVCS (911)	0	0	0	0	0	#DIV/0!	#DIV/0!
86800	RADIO SUPPORT FEE	968	968	1,100	1,000	1,100	0.0%	10.0%
87025	HAZMAT EQUIPMENT MAINT	123	138	1,500	1,300	1,400	-6.7%	7.7%
87029	REPAIR OTHER EQUIPMENT	10,890	16,226	16,000	16,000	16,000	0.0%	0.0%
87092	REPAIR RADIOS	2,111	4,004	2,500	2,500	2,500	0.0%	0.0%
87100	HAZMAT	187	1,760	0	400	400	#DIV/0!	0.0%
88000	INSURANCE & BONDS	14,177	15,302	16,500	15,073	15,500	-6.1%	2.8%
89000	MISCELLANEOUS	749	768	800	675	800	0.0%	18.5%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	47,280	63,093	61,900	59,588	70,940	14.6%	19.1%
	<i>TOTAL EXPENDITURES</i>	98,333	116,397	116,745	114,650	126,316	8.2%	10.2%

FIRE RELIEF (125)									
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011	
	<i>COMPENSATION &amp; AID</i>								
64040	MN STATE FIRE AID	35,464	36,866	60,000	60,000	60,000	0.0%	0.0%	
	<i>TOTAL COMPENSATION &amp; AID</i>	35,464	36,866	60,000	60,000	60,000	0.0%	0.0%	
	<i>TOTAL EXPENDITURES</i>	35,464	36,866	60,000	60,000	60,000	0.0%	0.0%	

CITY HALL & GROUNDS EXPENDITURES (131)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
60100	REGULAR SALARIES	20,380	20,789	21,350	21,100	21,920	2.7%	3.9%
60520	PART-TIME EMPLOYEES	330	0	2,432	2,432	2,520	3.6%	3.6%
64011	PERA CONTRIBUTIONS	1,376	1,455	1,550	1,410	1,590	2.6%	12.8%
64012	FICA CONTRIBUTIONS	1,414	1,430	1,815	1,800	1,870	3.0%	3.9%
64031	HOSPITALIZATION	4,780	3,958	5,550	5,100	5,690	2.5%	11.6%
64032	DENTAL	289	305	340	320	340	0.0%	6.3%
64033	LONG-TERM DISABILITY	17	18	20	20	20	0.0%	0.0%
64034	LIFE INSURANCE	30	30	31	30	31	0.0%	3.3%
	<i>TOTAL COMPENSATION</i>	28,616	27,985	33,088	32,212	33,981	2.7%	5.5%
<i>MATERIALS &amp; SUPPLIES</i>								
70110	SUPPLIES	5,929	7,050	6,600	7,000	7,000	6.1%	0.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	5,929	7,050	6,600	7,000	7,000	6.1%	0.0%
<i>OTHER SERVICES &amp; CHARGES</i>								
82010	WASTE REMOVAL	2,844	3,207	4,000	3,700	4,500	12.5%	21.6%
85010	TELEPHONE	0	0	0	0	0	#DIV/0!	#DIV/0!
85015	CELL PHONE	188	145	250	198	230	-8.0%	16.2%
85020	ELECTRIC	10,352	10,493	11,500	10,500	10,500	-8.7%	0.0%
85030	NATURAL GAS	5,902	5,182	6,000	6,000	6,000	0.0%	0.0%
85040	WATER	1,342	3,506	2,000	2,000	2,000	0.0%	0.0%
85070	SEWER	208	247	240	255	255	6.3%	0.0%
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	597	281	1,700	600	1,000	-41.2%	66.7%
87010	CITY HALL GROUNDS/FACILITIES/BLDG. MAIN	9,312	6,333	9,000	6,000	8,000	-11.1%	33.3%
88000	INSURANCE & BONDS	3,936	6,412	6,800	5,736	6,400	-5.9%	11.6%
89000	MISCELLANEOUS	0	283	1,000	300	1,000	0.0%	233.3%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	34,682	36,088	42,490	35,289	39,885	-6.1%	13.0%
	<i>TOTAL EXPENDITURES</i>	69,227	71,123	82,178	74,501	80,866	-1.6%	8.5%

STREET EXPENDITURES (132)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
60100	REGULAR SALARIES	23,965	28,983	28,900	30,200	29,600	2.4%	-2.0%
60520	PART-TIME EMPLOYEES	3,506	1,202	9,152	9,152	9,500	3.8%	3.8%
64011	PERA CONTRIBUTIONS	1,677	2,057	2,090	2,020	2,150	2.9%	6.4%
64012	FICA CONTRIBUTIONS	1,837	2,060	2,905	3,010	2,995	3.1%	-0.5%
64031	HOSPITALIZATION	5,724	5,601	7,950	7,300	8,130	2.3%	11.4%
64032	DENTAL	453	435	475	450	485	2.1%	7.8%
64033	LONG-TERM DISABILITY	27	25	30	26	30	0.0%	15.4%
64034	LIFE INSURANCE	43	42	46	44	46	0.0%	4.5%
	<i>TOTAL COMPENSATION</i>	37,233	40,405	51,548	52,202	52,936	2.7%	1.4%
<i>MATERIALS &amp; SUPPLIES</i>								
70120	SUPPLIES	3,968	1,953	2,000	3,100	3,500	75.0%	12.9%
74000	MOTOR FUEL & LUBRICANTS	4,316	2,381	5,000	5,500	6,000	20.0%	9.1%
75000	BITUMINOUS PATCHING	232	674	700	1,100	1,000	42.9%	-9.1%
75100	STREET SIGNS	0	446	5,600	5,600	800	-85.7%	-85.7%
77000	CLOTHING	1,118	505	800	800	900	12.5%	12.5%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	9,634	5,958	14,100	16,100	12,200	-13.5%	-24.2%
<i>OTHER SERVICES &amp; CHARGES</i>								
83030	SNOW REMOVAL	17,261	29,329	30,000	20,000	30,000	0.0%	50.0%
85015	CELL PHONE	165	88	225	100	100	-55.6%	0.0%
85020	STREET LIGHTING POWER	30,490	0	0	0	0	#DIV/0!	#DIV/0!
85040	WATER FOR BLVD PLANTS	0	1,123	2,000	2,000	2,000		
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	85	95	100	95	100	0.0%	5.3%
86101	MILEAGE	221	96	200	130	200	0.0%	53.8%
87000	REPAIR EQUIPMENT	2,828	1,787	3,500	3,000	3,500	0.0%	16.7%
87005	CROSSWALK PAINTING	0	0	0	0	400	#DIV/0!	#DIV/0!
87010	BOULEVARD MAINTENANCE	73	407	800	400	600	-25.0%	50.0%
87011	REPAIR PICKUP TRUCK	371	219	500	0	500	0.0%	#DIV/0!
87016	REPAIR JOHN DEERE	36	0	600	0	600	0.0%	#DIV/0!
87120	STREET LIGHT MAINTENANCE	2,986	0	0	0	0	#DIV/0!	#DIV/0!
87500	RENTAL OF EQUIPMENT	0	0	0	0	0	#DIV/0!	#DIV/0!
88000	INSURANCE & BONDS	7,444	3,924	7,500	5,803	6,000	-20.0%	3.4%
89000	MISCELLANEOUS	193	1,006	0	11	0	#DIV/0!	-100.0%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	62,155	38,074	45,425	31,539	44,000	-3.1%	39.5%
	<i>TOTAL EXPENDITURES</i>	109,021	84,437	111,073	99,841	109,136	-1.7%	9.3%
<i>OTHER FINANCING USES</i>								
97000	TRANSFERS	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL OTHER FINANCING USES</i>	0	0	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</i>	109,021	84,437	111,073	99,841	109,136	-1.7%	9.3%

ENGINEERING EXPENDITURES (133)									
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012		COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>OTHER SERVICES &amp; CHARGES</i>								
80100	ENGINEERING SERVICES	4,934	4,593	6,000	6,000	6,000		0.0%	0.0%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	4,934	4,593	6,000	6,000	6,000		0.0%	0.0%
	<i>TOTAL EXPENDITURES</i>	4,934	4,593	6,000	6,000	6,000		0.0%	0.0%

TREE PROGRAM EXPENDITURES (134)									
							COMPARE 2012	COMPARE 2012	
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	BUDGET TO 2011 BUDGET	BUDGET TO ESTIMATED 2011	
	<i>COMPENSATION</i>								
60100	REGULAR SALARIES	3,669	3,732	0	0	0	#DIV/0!	#DIV/0!	
60520	PART-TIME EMPLOYEES	0	0	0	0	0	#DIV/0!	#DIV/0!	
64011	PERA CONTRIBUTIONS	248	261	0	0	0	#DIV/0!	#DIV/0!	
64012	FICA CONTRIBUTIONS	262	269	0	0	0	#DIV/0!	#DIV/0!	
64031	HOSPITALIZATION	683	0	0	0	0	#DIV/0!	#DIV/0!	
64032	DENTAL	41	0	0	0	0	#DIV/0!	#DIV/0!	
64033	LONG-TERM DISABILITY	3	0	0	0	0	#DIV/0!	#DIV/0!	
64034	LIFE INSURANCE	4	0	0	0	0	#DIV/0!	#DIV/0!	
	<i>TOTAL COMPENSATION</i>	4,910	4,261	0	0	0	#DIV/0!	#DIV/0!	
	<i>MATERIALS &amp; SUPPLIES</i>								
70110	SUPPLIES	0	0	500	0	500	0.0%	#DIV/0!	
74000	MOTOR FUEL & LUBRICANTS	0	0	0	0	0	#DIV/0!	#DIV/0!	
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	0	0	500	0	500	0.0%	#DIV/0!	
	<i>OTHER SERVICES &amp; CHARGES</i>								
80330	FORESTRY CONSULTANT	5,189	2,638	6,500	6,500	6,500	0.0%	0.0%	
84010	TREE TRIMMING	0	0	0	0	0	#DIV/0!	#DIV/0!	
84020	TREE REMOVAL	0	0	0	0	0	#DIV/0!	#DIV/0!	
84030	TREE PLANTING	0	0	0	0	0	#DIV/0!	#DIV/0!	
84040	STORM DAMAGE	0	0	0	0	0	#DIV/0!	#DIV/0!	
86010	MILEAGE	0	77	0	0	0	#DIV/0!	#DIV/0!	
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	0	0	0	0	0	#DIV/0!	#DIV/0!	
88000	INSURANCE & BONDS	0	0	0	0	0	#DIV/0!	#DIV/0!	
89000	MISCELLANEOUS	1,114	25	0	0	0	#DIV/0!	#DIV/0!	
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	6,304	2,739	6,500	6,500	6,500	0.0%	0.0%	
	<i>TOTAL EXPENDITURES</i>	11,214	7,000	7,000	6,500	7,000	0.0%	7.7%	

PARK MAINTENANCE & ADMINISTRATION EXPENDITURES (141)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
<i>COMPENSATION</i>								
60100	REGULAR SALARIES	28,948	27,419	28,350	27,400	28,890	1.9%	5.4%
60520	PART-TIME EMPLOYEES	5,077	6,218	6,055	6,055	6,300	4.0%	4.0%
60540	RINK ATTENDENTS-SEASONAL	5,057	2,883	5,200	4,000	5,400	3.8%	35.0%
64011	PERA CONTRIBUTIONS	1,954	1,938	2,100	1,800	2,095	-0.2%	16.4%
64012	FICA CONTRIBUTIONS	2,692	2,567	3,030	2,560	3,108	2.6%	21.4%
64031	HOSPITALIZATION	8,184	3,958	8,750	6,600	8,960	2.4%	35.8%
64032	DENTAL	499	305	525	430	535	1.9%	24.4%
64033	LONG-TERM DISABILITY	32	16	30	31	32	6.7%	3.2%
64034	LIFE INSURANCE	58	28	30	53	55	83.3%	3.8%
	<i>TOTAL COMPENSATION</i>	52,501	45,332	54,070	48,929	55,375	2.4%	13.2%
<i>MATERIALS &amp; SUPPLIES</i>								
70100	SUPPLIES	1,459	4,882	300	4,000	4,100	1266.7%	2.5%
74000	MOTOR FUEL & LUBRICANTS	0	1,462	1,000	1,000	1,500	50.0%	50.0%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	1,459	6,344	1,300	5,000	5,600	330.8%	12.0%
<i>OTHER SERVICES &amp; CHARGES</i>								
82010	WASTE REMOVAL	35	36	300	100	200	-33.3%	100.0%
85010	TELEPHONE	0	0	0	0	0	#DIV/0!	#DIV/0!
85011	TELEPHONE - LANDLINE	1,577	1,332	1,400	1,350	700	-50.0%	-48.1%
85015	CELL PHONE	353	269	450	300	350	-22.2%	16.7%
85020	ELECTRIC	7,933	5,159	7,500	7,000	7,500	0.0%	7.1%
85030	NATURAL GAS	1,000	2,821	2,500	2,500	2,500	0.0%	0.0%
85040	WATER	1,227	1,620	1,200	1,500	1,500	25.0%	0.0%
85070	SEWER	368	523	460	550	550	19.6%	0.0%
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	216	610	500	500	500	0.0%	0.0%
86101	MILEAGE	241	295	300	275	300	0.0%	9.1%
86110	MEMBERSHIPS	35	0	50	35	48	-4.0%	37.1%
87120	FACILITIES & GROUNDS MAINTENANCE	1,259	4,546	7,000	3,000	5,000	-28.6%	66.7%
87130	MINI WARMING HOUSE	545	0	0	0	0	#DIV/0!	#DIV/0!
88000	INSURANCE & BONDS	9,334	10,298	11,500	8,461	10,000	0%	600.0%
89000	MISCELLANEOUS	508	61	200	870	200	0.0%	-77.0%
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	24,632	27,569	33,360	26,441	29,348	-12.0%	11.0%
	<i>TOTAL EXPENDITURES</i>	78,592	79,246	88,730	80,370	90,323	1.8%	12.4%
<i>OTHER FINANCING USES</i>								
97000	TRANSFERS	20,800	20,800	21,000	21,000	22,000	4.8%	4.8%
	<i>TOTAL OTHER FINANCING USES</i>	20,800	20,800	21,000	21,000	22,000	4.8%	4.8%
	<i>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</i>	99,392	100,046	109,730	101,370	112,323	2.4%	10.8%

CONTINGENCY EXPENDITURES (192)								
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	COMPARE 2012 BUDGET TO 2011 BUDGET	COMPARE 2012 BUDGET TO ESTIMATED 2011
	<i>WAGES, SALARIES, &amp; COMP</i>							
64011	PERA	96	0	0	0	0		
64012	FICA CONTRIBUTION	576	90	0	0	0		
	<i>TOTAL WAGES, SALARIES &amp; COMP</i>	672	90	0	0	0		
	<i>OTHER SERVICES &amp; CHARGES</i>							
89000	MISCELLANEOUS	0	0	0	0	0	#DIV/0!	#DIV/0!
89010	UNALLOCATED COMPENSATION	7,535	1,194	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	7,535	1,194	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL EXPENDITURES</i>	8,207	1,284	0	0	0	#DIV/0!	#DIV/0!
	<i>OTHER FINANCING USES</i>							
97000	TRANSFERS	0	295	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL OTHER FINANCING USES</i>	0	295	0	0	0	#DIV/0!	#DIV/0!
	<i>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</i>	8,879	1,669	0	0	0	#DIV/0!	#DIV/0!

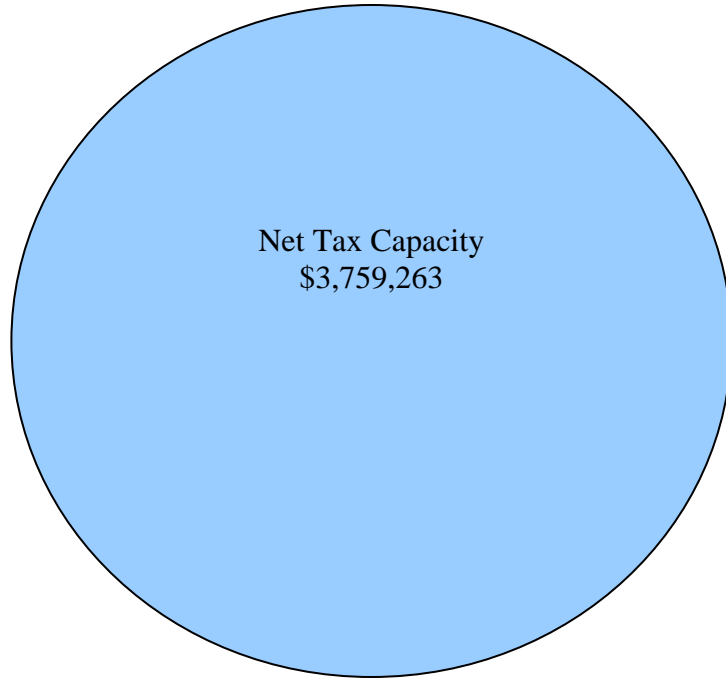


TOTAL GENERAL FUND EXPENDITURES BY LINE ITEM							COMPARE 2012	COMPARE 2012
ACCOUNT NUMBER	ACCOUNT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012	BUDGET TO 2011 BUDGET	BUDGET TO ESTIMATED 2011
	<i>COMPENSATION</i>			*				
60100	REGULAR SALARIES	314,782	325,876	309,600	318,106	314,665	1.6%	-1.1%
60510	MAYOR & CITY COUNCIL	19,800	19,800	19,800	19,800	19,800	0.0%	0.0%
60520	PART-TIME EMPLOYEES	26,609	21,718	48,989	42,389	50,505	3.1%	19.1%
60540	RINK ATTENDANTS-SEASONAL	5,057	2,883	5,200	4,000	5,400	3.8%	35.0%
61510	DRILL COMPENSATION	15,592	15,263	14,500	14,993	15,000	3.4%	0.0%
61520	FIRE COMPENSATION	9,059	13,447	12,130	13,808	12,251	1.0%	-11.3%
61530	FIRE HALL CLEANING	650	975	1,400	1,400	1,400	0.0%	0.0%
61540	OTHER TRAINING COMPENSATION	31	649	0	1,400	1,400	#DIV/0!	0.0%
61550	OFFICER COMPENSATION	12,707	12,199	14,615	12,024	13,000	-11.1%	8.1%
64011	PERA CONTRIBUTIONS	21,271	23,018	22,494	22,150	22,856	1.6%	3.2%
64012	FICA CONTRIBUTIONS	30,162	30,604	32,410	32,451	33,145	2.3%	2.1%
64031	HOSPITALIZATION	31,832	24,387	39,676	29,663	40,661	2.5%	37.1%
64032	DENTAL	2,069	1,928	2,469	1,896	2,505	1.5%	32.1%
64033	LONG-TERM DISABILITY	589	565	679	705	739	8.8%	4.8%
64034	LIFE INSURANCE	1,037	999	1,076	1,057	1,098	2.0%	3.9%
64040	FIRE RELIEF ASSOCIATION AID	35,464	36,866	60,000	60,000	60,000	0.0%	0.0%
	<i>TOTAL COMPENSATION</i>	526,711	531,176	585,038	575,842	594,425	1.6%	3.2%
	<i>MATERIALS &amp; SUPPLIES</i>							
70100	SUPPLIES	22,215	23,573	22,700	25,394	28,250	24.4%	11.2%
70120	TOOLS	165	0	0	0	0	#DIV/0!	#DIV/0!
70410	LEGAL NOTICES	972	863	1,100	1,000	1,000	-9.1%	0.0%
70420	NEWSLETTERS	790	2,009	2,700	1,200	2,700	0.0%	125.0%
70500	POSTAGE	2,363	2,917	4,015	3,000	4,015	0.0%	33.8%
74000	MOTOR FUEL & LUBRICANTS	6,150	5,113	7,700	8,200	9,200	19.5%	12.2%
75000	BITUMINOUS PATCHING	232	674	700	1,100	1,000	42.9%	-9.1%
75100	STREET SIGNS	0	446	5,600	5,600	800	-85.7%	-85.7%
77000	CLOTHING	4,362	2,211	3,200	3,200	3,300	3.1%	3.1%
	<i>TOTAL MATERIALS &amp; SUPPLIES</i>	37,249	37,806	47,715	48,694	50,265	5.3%	3.2%
	<i>OTHER SERVICES &amp; CHARGES</i>							
80100	ENGINEERING SERVICES	4,934	4,593	6,000	6,000	6,000	0.0%	0.0%
80200	LEGAL FEES	39,663	43,342	44,000	43,000	45,000	2.3%	4.7%
80210	ZONING CODE UPDATE	2,106	1,464	2,000	1,800	2,000	0.0%	11.1%
80300	ELECTION CONTRACT	0	20,364	16,250	16,250	16,250		
80330	ADMIN./AUDIT/FIN/FOREST CONSULTANT	14,789	10,738	14,825	14,825	25,050	69.0%	69.0%
80340	ADMINISTRATIVE SUPPORT	40	0	0	0	0	#DIV/0!	#DIV/0!
80400	CONSULTANT PLANNER	3,712	0	0	0	0	#DIV/0!	#DIV/0!
80500	GIS SUPPORT	967	967	2,000	1,250	2,000	0.0%	60.0%
80600	FINANCIAL SOFTWARE MAINTENANCE	3,890	3,931	4,200	4,057	5,300	26.2%	30.6%
81000	POLICE SERVICES	571,536	565,955	590,167	590,167	596,069	1.0%	1.0%
81210	BLDG/MECHANICAL INSPECTORS	38,848	52,984	41,400	49,521	32,000	-22.7%	-35.4%
81200	DISPATCH 911	0	14,692	19,789	19,789	29,751	50.3%	50.3%
82010	CLEANING/WASTE REMOVAL	3,655	4,209	5,200	4,600	5,500	5.8%	19.6%
83030	SNOW REMOVAL	17,261	29,329	30,000	20,000	30,000	0.0%	50.0%
84000	TREE TRIM/REMOVAL/PLANTING/CLEARANC	0	0	0	0	0	#DIV/0!	#DIV/0!
84040	STORM DAMAGE	0	0	0	0	0	#DIV/0!	#DIV/0!

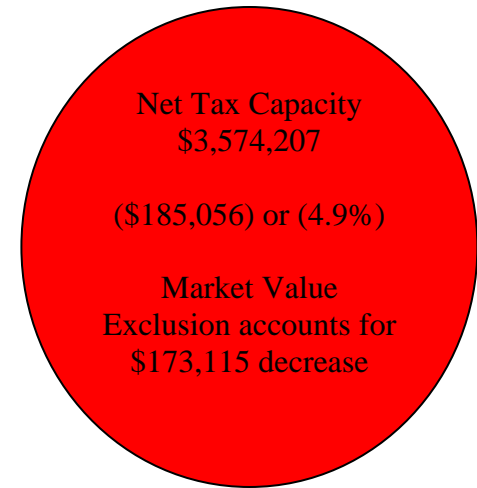
85010	TELEPHONE	4,914	4,249	4,250	4,250	4,250		0.0%	0.0%
85011	TELEPHONE - LANDLINE	1,577	1,332	1,400	1,350	700		-50.0%	-48.1%
85015	CELL PHONE	2,988	2,103	2,675	2,298	2,430		-9.2%	5.7%
85020	STREET LIGHTING POWER	30,490	0	0	0	0		#DIV/0!	#DIV/0!
85030	UTILITIES	28,340	30,673	33,485	32,375	32,880		-1.8%	1.6%
85050	CABLE TV	12,247	12,529	13,000	12,500	13,500		3.8%	8.0%
85060	WEBSITE	1,113	2,657	3,000	2,700	3,000		0.0%	11.1%
85070	NETWORK/ TECHNICAL SUPPORT (I-NET)	14,273	14,273	14,270	14,270	15,198		6.5%	6.5%
86010	MILEAGE	1,087	1,399	1,440	1,270	1,420		-1.4%	11.8%
86020	TRAINING-FIRE DEPT	11,688	20,554	18,000	18,000	18,000		0.0%	0.0%
86100	CONFERENCES/EDUCATION/ASSOCIATIONS	15,840	16,201	19,967	17,187	18,250		-8.6%	6.2%
86101	MILEAGE	462	391	500	405	500		0.0%	23.5%
86110	MEMBERSHIPS	130	95	145	130	143		-1.4%	10.0%
86200	MEDICAL EXAMINATIONS	2,727	978	2,600	2,000	2,600		0.0%	30.0%
86500	COOPERATIVE SERVICE	10,341	10,224	10,224	10,224	10,471		2.4%	2.4%
86800	RADIO SUBSCRIBER FEE	968	968	1,100	1,000	1,100		0.0%	10.0%
87000	REPAIR AND MAINTENANCE	33,299	36,244	43,600	34,500	39,600		-9.2%	14.8%
87005	CROSSWALK PAINTING	0	0	0	0	400			
87010	BOULEVARD LANDSCAPING	73	407	800	400	600		-25.0%	50.0%
87100	HAZMAT	187	1,760	0	400	400			
87130	MINI WARMING HOUSE	545	0	0	0	0		#DIV/0!	#DIV/0!
87500	RENTAL OF EQUIPMENT	0	0	0	0	0		#DIV/0!	#DIV/0!
88000	INSURANCE & BONDS	51,366	53,652	62,700	47,841	53,300		-15.0%	11.4%
88500	PAYPAL EXPENSE	684	773	800	900	1,000			
89000	MISCELLANEOUS	11,813	6,011	4,200	4,121	4,300		2.4%	4.3%
89010	SPECIAL EVENTS	2,960	4,555	4,500	4,500	4,500		0.0%	0.0%
89100	ENERGY REBATE PROGRAM	195	721	400	200	400		0	1
	<i>TOTAL OTHER SERVICES &amp; CHARGES</i>	941,709	975,316	1,018,887	984,080	1,023,862		0.5%	4.0%
	<i>TOTAL EXPENDITURES</i>	1,505,669	1,544,298	1,651,640	1,608,616	1,668,552		1.0%	3.7%
	<i>OTHER FINANCING USES</i>								
97000	TRANSFERS								
	<i>TOTAL OTHER FINANCING USES</i>	20,800	21,095	21,000	21,000	22,000		4.8%	4.8%
		20,800	21,095	21,000	21,000	22,000		4.8%	4.8%
	<i>TOTAL EXPENDITURES &amp; OTHER USES</i>	1,526,469	1,565,393	1,672,640	1,629,616	1,690,552		1.07%	3.7%

TOTAL GENERAL FUND EXPENDITURES BY DEPARTMENT						
DEPT NUMBER	DEPARTMENT TITLE	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ESTIMATED 2011	BUDGET 2012
<i>GENERAL GOVERNMENT</i>						
111	LEGISLATIVE	41,531	40,873	41,656	41,341	41,796
112	ADMINISTRATIVE	151,258	168,817	165,245	161,208	162,470
113	FINANCE	115,638	107,957	119,430	114,112	120,880
114	LEGAL	9,841	14,058	12,000	11,800	12,000
115	ELECTIONS	8,114	20,870	16,565	16,554	16,765
116	COMMUNICATIONS	58,201	62,894	65,255	61,630	67,070
117	PLANNING & INSPECTIONS	98,547	112,189	111,135	112,921	102,562
	<i>TOTAL GENERAL GOVERNMENT</i>	<i>483,130</i>	<i>527,658</i>	<i>531,286</i>	<i>519,566</i>	<i>523,543</i>
<i>PUBLIC SAFETY</i>						
121	EMERGENCY PREPAREDNESS	4,083	4,298	4,672	4,232	4,548
122	POLICE	571,536	580,647	609,956	609,956	625,820
123	PROSECUTION	31,928	30,748	34,000	33,000	35,000
124	FIREFIGHTING	98,333	116,397	116,745	114,650	126,316
125	FIRE RELIEF	35,464	36,866	60,000	60,000	60,000
	<i>TOTAL PUBLIC SAFETY</i>	<i>741,344</i>	<i>768,956</i>	<i>825,373</i>	<i>821,838</i>	<i>851,684</i>
<i>PARKS &amp; PUBLIC WORKS</i>						
131	CITY HALL & GROUNDS	69,227	71,123	82,178	74,501	80,866
132	STREETS	109,021	84,437	111,073	99,841	109,136
133	ENGINEERING	4,934	4,593	6,000	6,000	6,000
134	TREE PROGRAM	11,214	7,000	7,000	6,500	7,000
141	PARK MAINTENANCE & ADMINISTRATION	78,592	79,246	88,730	80,370	90,323
	<i>TOTAL PARKS &amp; PUBLIC WORKS</i>	<i>272,988</i>	<i>246,400</i>	<i>294,981</i>	<i>267,212</i>	<i>293,325</i>
<i>MISCELLANEOUS</i>						
192	CONTINGENCY	8,207	1,284	0	0	0
	<i>TOTAL MISCELLANEOUS</i>	<i>8,207</i>	<i>1,284</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>TOTAL EXPENDITURES</i>	<i>1,505,669</i>	<i>1,544,298</i>	<i>1,651,640</i>	<i>1,608,616</i>	<i>1,668,552</i>
<i>OTHER FINANCING USES</i>						
	TRANSFERS	20,800	21,095	21,000	21,000	22,000
	<i>TOTAL OTHER FINANCING USES</i>	<i>20,800</i>	<i>21,095</i>	<i>21,000</i>	<i>21,000</i>	<i>22,000</i>
	<i>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</i>	<i>1,526,469</i>	<i>1,565,393</i>	<i>1,672,640</i>	<i>1,629,616</i>	<i>1,690,552</i>

2011



2012



Total Levy	\$1,038,290
Less Fiscal Disparities	<u>(\$227,788)</u>
Final Levy applied to taxpayers	\$810,502

Total Levy	\$1,072,102
Less Fiscal Disparities	<u>(\$176,630)</u>
Final Levy applied to taxpayers	\$895,472

Resulting Tax Rate (NTC/Final Levy)

21.560%

25.054%



# Fiscal Disparities 101

August 2009

Local government units within the Twin Cities metropolitan area, which is comprised of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, have participated in a property tax base sharing program known as Metropolitan Fiscal Disparities since 1975. A similar program began in 1998 for local government units in the Taconite Area, which includes portions of the counties of St. Louis, Itasca, Crow Wing, and Aitkin, and all of Lake and Cook counties. Under these programs, a portion of the growth in commercial, industrial, and public utility property value of each community is contributed to a tax base sharing pool. Each community receives a distribution of property value from the pool based on the market value and population of each city.

## Contribution

The contribution to the pool is equal to 40 percent of the growth in commercial, industrial, and public utility value since the base year (1971 for the Twin Cities; 1995 for the Taconite Area). This measure of growth includes both new construction and inflationary increases in existing property values. In 2009, for example, the total amount of tax capacity contributed to the Metropolitan fiscal disparities pool was \$395.8 million, which represents approximately eight percent of the total tax capacity within the seven-county area. The contribution value is not available for local tax purposes and therefore, the contribution value must be subtracted from the total tax capacity of each community before the local tax rate is computed. The Taconite Area program is much smaller, with just over \$4 million of tax capacity contributed in 2008.

## Distribution

The tax capacity contributed to the pool is based on a distribution index. This index

compares each city's total market value per capita to the average market value per capita for all cities and towns in the seven counties. Cities that have relatively less market value per capita receive a relatively larger distribution from the pool than cities with greater market value wealth per capita.

## How are property taxes generated?

The tax capacity contributed to the pool ultimately translates into property tax dollars for each local government. These property taxes, also known as the distribution levy, are computed for each local government by multiplying its distribution value by its prior year tax capacity rate. The distribution levy represents the amount of each local government's certified levy raised through

the fiscal disparities program. The balance of the certified levy is used to compute the local tax rate.

### **How are commercial/industrial and utility parcels taxed?**

Commercial and industrial properties are not taxed twice. Instead, a portion of each commercial or industrial property's tax capacity is taxed at the area-wide tax capacity rate and the balance is taxed at the total local tax rate. As a simple example, in a community where exactly 40 percent of all commercial, industrial, and utility property is contributed to the fiscal disparities pool, 40 percent of each parcel's value is taxed at the area-wide tax rate and 60 percent is taxed at the total local tax rate. In 2008, for example, the Twin Cities area-wide tax rate was 115.921 percent and the Taconite Area-wide tax rate was 132.643 percent.

### **Policy Issues**

The original intent of the program was articulated through the following six objectives:

- Provide a way for local governments to share resources generated by regional growth;
- Encourage orderly urban development by reducing competition for commercial and industrial development;
- Establish incentives for regional cooperation;
- Provide a way for regional resources to be available through the existing system of local governments;
- Make resources available to communities at the beginning stages of development or redevelopment; and
- Encourage environmental protection

Descriptions of the program, such as those offered by the Minnesota House of Representatives Research Department and the Metropolitan Council, often highlight two main goals that encapsulate several of the original objectives:

- Promote orderly urban planning and development; and
- Work towards a more equitable distribution of fiscal resources.

Assessment of the program's success in accomplishing the second of these goals often points out the "winners," cities that are net recipients, and "losers," cities that are net contributors. Proponents of the program focus on the relative uniformity of the taxation of commercial and industrial property across the metropolitan area and the stability the net contributors provide to the region as a whole. They argue that greater uniformity and stability give the entire region a competitive edge in national and global marketplaces.

The critics of the system argue that the contribution rate of 40 percent is arbitrary and that the distribution formula is solely based on the relative property tax base wealth of each city. Also, the formula uses non-adjusted assessment levels. Cities with high assessment levels contribute more tax base than cities with lower levels, creating a disincentive to raise the assessment level.

Although fiscal disparities is generally considered to impact commercial and industrial properties, a House Research study found that homestead tax rates are also affected. For example, the homestead tax rate in St. Paul was 8.8 percent lower in 2004 because of the program. In the same year Bloomington, a net contributor, experienced a 5.5 percent increase in the average homestead tax rate. The study found that tax base sharing did not lead to such extreme

changes in most cities.

Within cities, property classes can experience the impacts of tax base sharing differently. Declines in the market values for Twin Cities area commercial/industrial properties in the early 1990's not only directly shifted property tax burdens to other types of property, they also reduced the amount of commercial and industrial valuation contributed to the fiscal disparities pool. As a result, the total distribution levy generated through the fiscal disparities program was also reduced. In the mid-1990's, market value rebounds reversed this trend. But reductions in the

commercial/industrial and public utility property tax class rates by the 1997-2001 Legislatures have slowed growth in the tax capacity of both the Metropolitan and Taconite Area fiscal disparities pools. When the amount of this distribution levy declines or grows more slowly than the total tax base, a greater share of the local tax bill is paid by other types of properties, including the portion of each commercial, industrial, and utility property value taxed at the local tax rate.

### **Resources**

House Research:

[http://www.house.leg.state.mn.us/hrd/issinfo/tx\\_prop.htm](http://www.house.leg.state.mn.us/hrd/issinfo/tx_prop.htm)

- The Fiscal Disparities Program: Commercial-Industrial Tax Base
- Minnesota's Fiscal Disparities Programs

The Metropolitan Council

<http://www.metrocouncil.org/metroarea/FiscalDisparities/index.htm>

- Fiscal Disparities: Tax Base Sharing in the Twin Cities Metropolitan Area

HISTORY OF FISCAL DISPARITY PAYMENTS TO THE CITY  
(Last 12 years)

<u>YEAR</u>	<u>Payment</u>	<u>Difference From Prior Year</u>
2001	136,202	
2002	161,245	25,043
2003	161,539	294
2004	167,057	5,518
2005	157,727	(9,330)
2006	146,011	(11,716)
2007	149,132	3,121
2008	176,846	27,714
2009	197,502	20,656
2010	216,008	18,506
2011	227,788	11,780
2012	176,630	(51,158)
		<u>40,428</u>



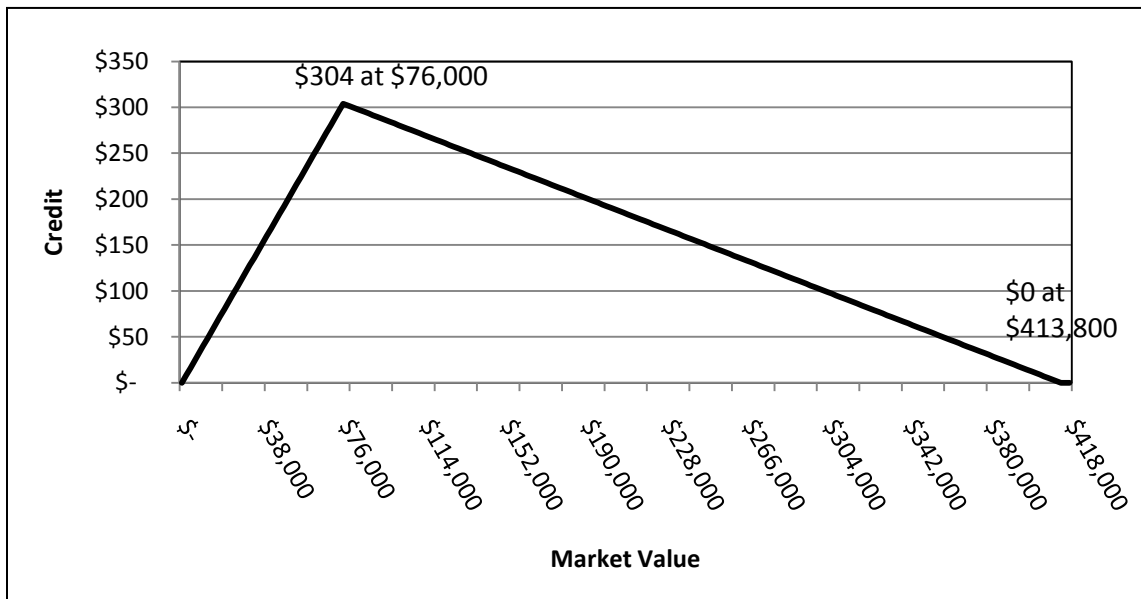
# MINNESOTA • REVENUE

## 2011 Law Change: A New Homestead Market Value Exclusion replaces the Homestead Market Value Credit

The 2011 Legislature repealed the homestead residential Market Value Credit (the agricultural credit did not change), and enacted a similarly designed homestead Market Value Exclusion. This change is effective for taxes payable in 2012. The following synopsis is intended to help local governments understand this law change.

### Expiring Law: The Homestead Residential Market Value Credit

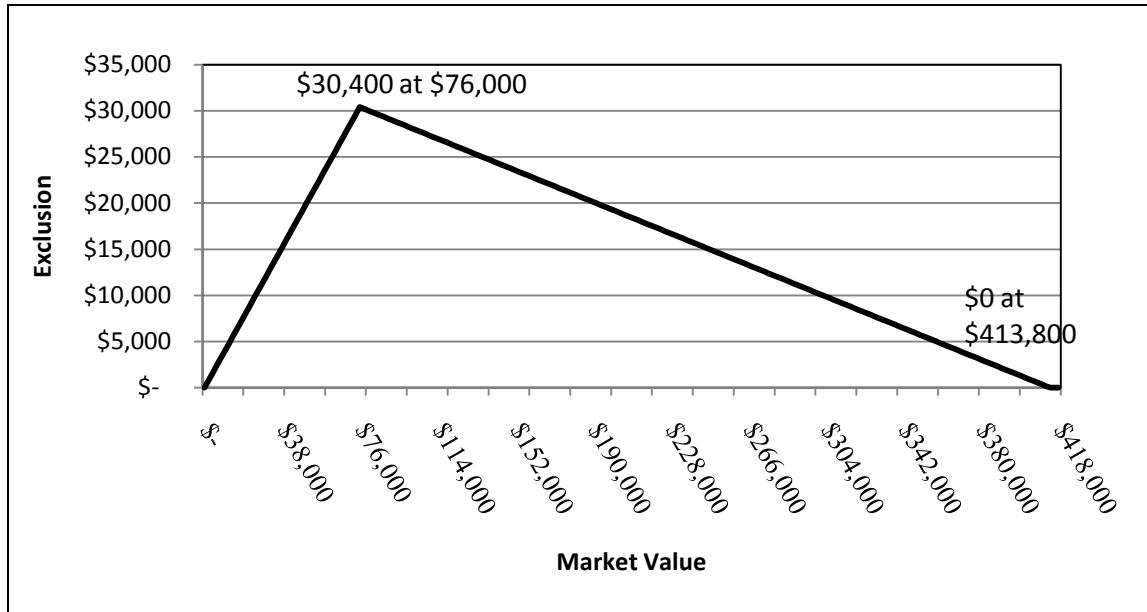
- Homesteads received a credit on their tax statements reducing their gross tax.
- As shown in the chart below, the credit equaled 0.4% of the first \$76,000 in market value. It was reduced by 0.09% of the market value over \$76,000 until it hit \$0 at \$413,800 of market value.



- The state reimbursed local governments for the sum of the market value credits granted to individual taxpayers on tax statements. As a result, some of the local governments' levy came from the state as credit reimbursement payments, and some from property tax payments.
- When the state cut its reimbursement payments, local governments had to budget for a gap between their levy and what they received. Local governments may have levied more, cut some spending or both.

### New Law: The Homestead Market Value Exclusion

- A portion of homestead market value will be excluded from taxation.
- As shown in the chart on the next page, the exclusion equals 40% of the first \$76,000 in market value. It is reduced by 9% of the market value over \$76,000 until it hits \$0 at \$413,800 of market value.



- The state will no longer pay a share of the tax on homesteads, but homesteads have less value subject to taxation.
- The removal of the state spending on credits means property taxpayers, as a whole, will pay more if levies remain the same.
- The reduction in the tax base for homesteads means non-homesteads will pay a higher share of the levy, and a large share of homesteads could pay more given that exclusion amounts and other factors vary.
- Local governments will receive the full amount that they levy from their taxpayers.

### How do credits and exclusions affect tax calculations?

The prior law credit was deducted from a gross tax while the exclusion will reduce the taxable value. Changing taxable value means outcomes won't be identical.

	Old Law: The Credit	New Law: The Exclusion
Estimated Market Value	\$116,000	\$116,000
Exclusions	\$0	<b>\$26,800</b>
Taxable Market Value	\$116,000	\$89,200
Class Rate	1%	1%
Net Tax Capacity	\$1,160	\$892
Tax Rate*	105.810%	110.920%
Gross Tax	\$1,227	\$989
Credit	<b>\$268</b>	\$0
Net Tax	\$959	\$989

\*The tax rate change used here reflects estimated average statewide rates for 2011 under either approach, assuming no changes in levies. Levy decisions and local tax base dynamics will affect the change in rates.

## How might the change impact local government levies and budgeting and property taxes?

There are three key considerations:

- Local governments will receive the full amount they levy from their taxpayers.
- Local governments do not need to plan for further state reimbursement cuts –because there is no longer a payment to cut.
- Local governments should recognize that removing \$292 million of credits from the system, and changing the composition of the tax base, will create large tax increases for some properties. This may increase sensitivity by taxpayers to levy decisions.

### Example: Budgeting and Tax Shift Scenario

Context for Taxes Payable in 2011. In August 2010, “City A” was planning for a 2011 levy of \$2,000,000. Approximately \$1,900,000 was going to be paid by taxpayers and \$100,000 by the state in the form of Market Value Credit reimbursements. Local officials then learned the city would have a \$50,000 cut to its MVC Reimbursements, which meant the city would only receive \$1,950,000 of a \$2 million levy.

City A decided to levy \$2,040,000 for 2011. Officials anticipated they would make up almost \$40,000 of the \$50,000 cut with the levy increase, and cut their planned spending by \$10,000. City A expected the levy of \$2,040,000 would bring in approximately \$1,990,000 (with \$1,940,000 from taxpayers and \$50,000 from the state).

Decisions for Taxes Payable in 2012. Because there is no longer a credit, and thus no longer a portion of the levy coming from the state, the full levy will come from taxpayers. As a starting point, eliminating the credit for 2012 means city officials will have three general approaches:

- **Constant Levy:** If City A keeps its levy constant at \$2,040,000, taxpayers are actually asked to pay \$100,000 more than the \$1,940,000 they paid in 2011 (a 5.2% increase).
- **Constant Taxes:** Levying \$1,940,000, keeps the total coming from taxpayers the same (a 0% increase), but the city loses \$50,000 in revenue.
- **Constant Revenue:** Levying \$1,990,000 keeps the amount of revenue constant, but the city is asking taxpayers to pay \$50,000 more (a 2.6% increase).

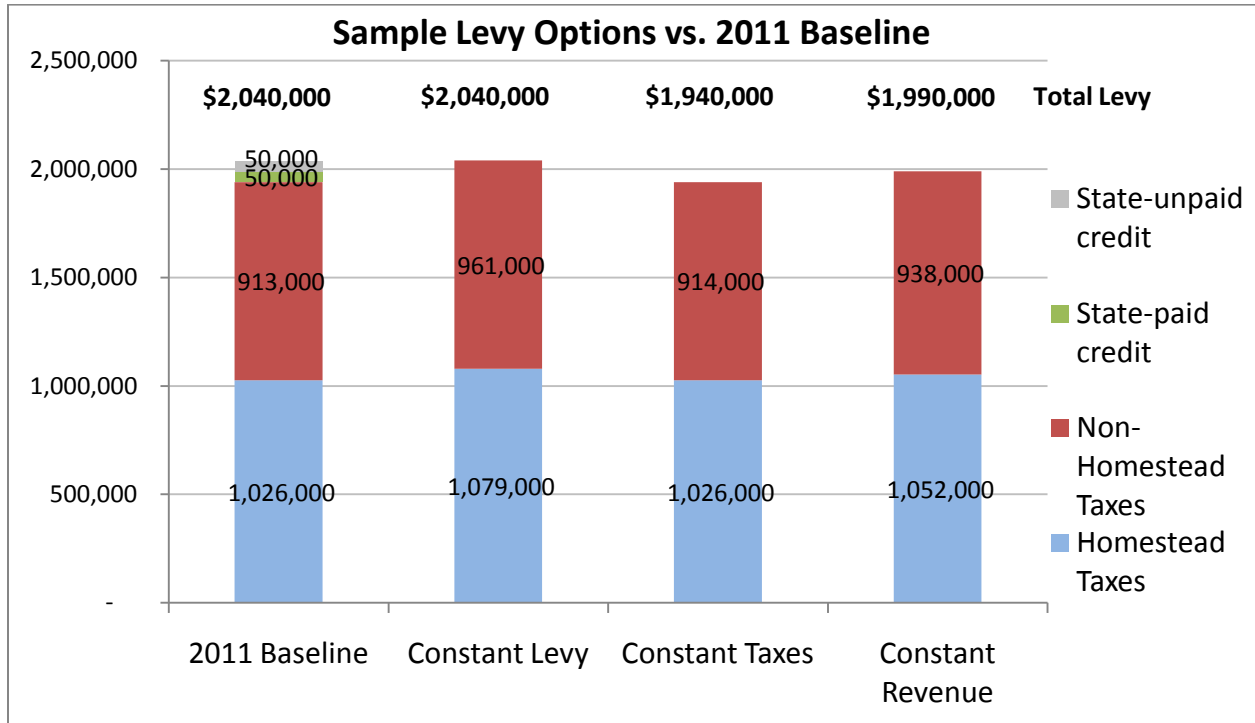
### Example Assumptions

To give some perspective of the tax shifts that might enter into this decision, assume the following net tax capacity (NTC) tax base information:

	Taxes Payable 2011	Taxes Payable 2012
Total NTC tax base	\$6,700,000	\$6,366,384
Non-Homestead NTC	\$3,000,000	\$3,000,000
Homestead NTC	\$3,700,000	\$3,366,384
620 homes at \$70,000 MV	\$434,000	\$260,400
644 homes at \$150,000 MV	\$966,000	\$813,114
575 homes at \$400,000 MV	\$2,300,000	\$2,292,870

Also assume that the city rate is 30% of the total tax rate (for allocating the credits for 2011).

Tax Shifts Under Various Options. The following chart summarizes the levy options listed above. It identifies the total size of the levy and the shares paid homesteads and non-homesteads (and the paid and unpaid state shares for the 2011 baseline). Under all of the options, even where taxpayers pay the same total amount of taxes, there will be tax increases for non-homestead properties and some homestead properties.



The tax shifts of the three alternatives can also be summarized as follows:

	2011	Constant Levy	Constant Taxes	Constant Revenue
Total Levy	\$2,040,000	\$2,040,000	\$1,940,000	\$1,990,000
Total Revenues (% chg)	\$1,990,000	\$2,040,000 (2.5%)	\$1,940,000 (-2.5%)	\$1,990,000 (0%)
City Tax Rate	30.448%	32.043%	30.473%	31.258%
Average Tax (% change)				
\$70,000 home	\$129.14	\$134.58 (4.2%)	\$127.98 (-0.9%)	\$131.28 (1.7%)
\$150,000 home	\$385.50	\$404.58 (4.9%)	\$384.73 (-0.2%)	\$394.67 (2.4%)
\$400,000 home	\$1,214.20	\$1,277.77 (5.2%)	\$1,215.08 (0.1%)	\$1,246.45 (2.7%)
Non-Homestead Tax Change		5.2%	0.1%	2.7%

A Final Note. This example illustrates tax shifts due to the conversion from credits to the exclusion in isolation from other discussions that might affect property taxes. Aid reductions and service demands will also be a significant factor in the local budgeting calculus. These other changes will also affect a property's tax calculation.

## Property tax change will shift the burden

by Charley Shaw

Published: August 17th, 2011

### **Businesses, apartments will probably be hit harder in some areas**

As local elected officials prepare their 2012 budgets, they're feeling the aftermath of a property tax law change by state lawmakers.

In order to save about \$500 million toward solving a \$5 billion state budget deficit, lawmakers killed off the market value homestead credit (MVHC), which had been a product of 2001 property tax reform legislation passed during Gov. Jesse Ventura's administration. The program cost the state money in the form of a reimbursement to local units of government.

MVHC had given homeowners a property tax credit based on a sliding scale down from homes worth \$413,800. The cutoff point was for homes valued at \$76,000, which were eligible for the largest amount of credit at \$304.

According to the League of Minnesota Cities, between 5 and 15 percent of a city's levy was paid by the MVHC reimbursement.

At least that's how it was supposed to work.

But given the perennial budget deficits of recent years, state lawmakers got into the habit of cutting payments, leaving local units of government scrambling to cover the cost of giving qualifying homeowners their tax credit. Therefore few in St. Paul protested the elimination of MVHC in the omnibus tax bill that Gov. Mark Dayton signed in July to end the government shutdown.

"It's a program that promised a lot but hadn't delivered much for eight of the last nine years," said House Property and Local Tax Division Chairwoman Linda Runbeck, R-Circle Pines. "That's really why it was targeted."

In seven of the last eight years, the state failed to fully reimburse local governments for the MVHC in order to balance the state budget, according to a recent report by the nonpartisan House Research Office.

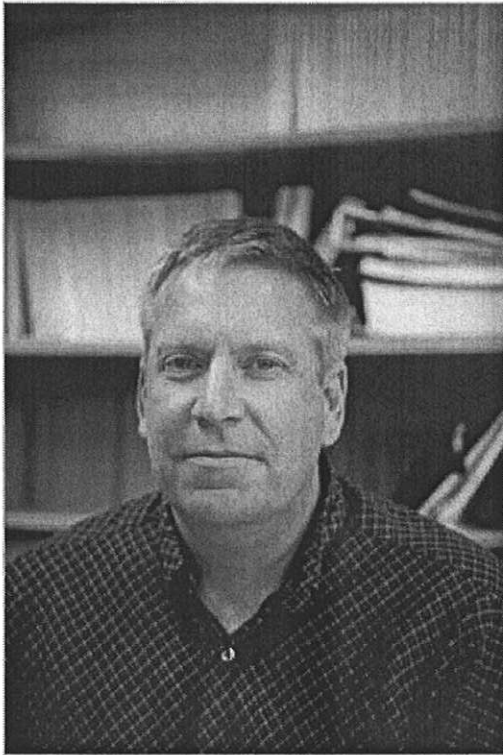
Local government groups like the Association of Minnesota Counties and League of Minnesota Cities did not mind the change because of the reality that local governments had a slim chance of receiving payments from the state. Gary Carlson, director of intergovernmental relations for the league, said the program was starting to resemble a "shell game."

"We did support fully funding the program," Carlson said, "which means paying for the credit. Or if the state wasn't willing to do that, then eliminate it."

Going forward, homeowners will now get tax relief through an exclusion, which amounts to lowering the taxable value of their homes. The troublesome part for county and city officials is they will have to shift the tax burden to other properties in the absence of state assistance.



"(The market value homestead credit is) a program that promised a lot but hadn't delivered much for eight of the last nine years. That's really why it was targeted," said House Property and Local Tax Division Chairwoman Linda Runbeck



"There's always been an interest in property tax policy to strike an acceptable balance of distribution of state aids among various regions of the state," said Mark Haveman, executive director of the Minnesota Taxpayers Association.

### **The likely targets will be business properties and apartments.**

Kaye Rakow, director of public policy for the Minnesota Chapter of the National Association of Industrial and Office Properties, said that the tax hit to commercial properties will depend on the particular tax bases in each county. But it's likely some business properties will have their taxes increase.

"I would assume where you have the lowest valued homes, you'll have the greatest exclusion," Rakow said. "Properties in that jurisdiction will have to make it up, and businesses will be one of them [along with] higher valued homes and apartments."

The unfunded exclusion creates the possibility for property taxes to increase even if the city isn't raising its levy.

In Washington County, commissioners are proposing to decrease operating expenditures and hold the levy flat. But Deputy County Administrator Molly O'Rourke figures that property taxes will rise an average of \$30 per home because of the MVHC change. Many homesteads that receive the exclusion on their property tax value will still see their property tax bills increase.

"The reality is, because the value of tax base in total is going down, the tax rate goes up," O'Rourke said. "They will pay more tax. ... It's like when you

put water in a bathtub and you put someone in the bathtub, the water doesn't go away. It just goes someplace else."

On the other side of the state, the Fargo Forum reported Tuesday that Moorhead expects to see its property tax base drop more than \$2 million because of the new exclusion. The city will have to either raise taxes or cut services or personnel to make up the difference.

A recent analysis by a House tax researcher, Steve Hinze, showed that a \$200,000 house in a county where the levy is held flat would have its property taxes increase because of the new market value exclusion by about 4 percent, from \$1,924 to \$2,005.

MVHC was one component of the 2001 reforms, of which the biggest was removing the general education property tax levy from local taxpayers and establishing a statewide tax on business properties.

Mark Haveman, executive director of the Minnesota Taxpayers Association, who has been critical of both the old credit and has doubts about the new exclusion, said the MVHC was an attempt to alleviate the tax bite felt in places with comparatively low property values. He noted that MVHC was particularly popular in greater Minnesota, where fewer properties benefit from the so-called circuit-breaker law that provides refunds to people whose property values are high compared to their income.

"There's always been an interest in property tax policy to strike an acceptable balance of distribution of state aids among various regions of the state," Haveman said. "[MVHC] has been sort of the hallmark to make sure that those areas of the state that may not be able to take advantage of the circuit-breaker program have access to property tax relief of some sort."

The new exclusion will likely be a subject of debate among property tax policy advocates. Haveman and Rakow, among others, are critical of the approach because there isn't a proven connection between home values and household income.

"People who own low-valued homes may be needy," Haveman said. "But they may not be needy."

We've always felt that if they are, they could be helped by income-sensitive circuit-breaker programs without imposing a heavier burden on property owners. One of the concerns we have with this exclusion now is that we still provide some of the relief, but in a contorted, un-transparent, distorting sort of way."

Complete URL: <http://politicsinminnesota.com/2011/08/property-tax-change-will-shift-the-burden/>