



## Request for Council Action Memorandum

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Item: General Fund Budget 2018

Meeting Date: December 11, 2017

Presented By: Margaret McCallum, City Administrator

### **Recommendations/Council Action/Motion Requested:**

To approve the General Fund for 2018.

### **Details:**

This is the proposed General Fund Budget for the City of Mayer for the tax collection year of 2018. Staff has made some adjustments to the budget since the preliminary budget passage in September.

### General Narrative on Budgets

**City Council-** The City Council budget was increased by \$1,260.00 to cover payroll from their budget. In 2017, we outsourced our payroll.

**City Administrator/Deputy Clerk –** The Administrative Clerk Position was eliminated and thus wages and benefits for 2018 will go down compared to the preliminary budget. Payroll costs were added. In 2018, there is a slight increase for training and education.

**Elections –** It is an election year so election judge pay is shown for 2018.

**Planning and Zoning –** There is a one-time jump for the Professional Services in 2018 related to the state mandated Comprehensive Plan. The Engineering Comprehensive Plan is estimated at \$33,300.00. There are also additional fees for the City Planner to finish the Comprehensive Plan.

**City Administration –** Some increases in City Administration include \$1,300.00 for the cost of newsletter inserts in with the utility billing (bimonthly). In addition, there is a general increase to insurance and a three-year \$3,000.00 budget item for the new City website. There is also a proposed Job Description and Wage Administrative study that is proposed in 2018.

**Assessment Services –** There is a slight increase in contract services from the County for assessment services from \$12,500.00 to \$13,500.00.

**Police Contract –** In 2016-2017, there was discussion about the use of overtime for additional hours. The City had budgeted additional funds for additional hours. The City has since decided to

not add extra hours, and therefore the budget will go back to the contracted price with a little extra. In 2017, the police budget was \$118,903.00. For 2018, it will be \$100,000.00.

**Fire Department** – There is a slight increase in the Fire Department budget. The City approved a Pension Benefit Contribution increase in the amount of \$3,800.00 for 2018. In addition, the City increased the Capital Outlay of the Department from \$85,000.00 to \$100,000.00. This money is proposed to be spent on the replacement of turnout gear.

**Building Inspection** – Due to an increase in housing and improvements, the City expects additional payment for City Building Inspection. Please note that this money comes from the building permit fees.

**Community Center**- Staff is proposing an increase in the Community Center Maintenance and Capital Outlay to reinvest in the Community Center. Staff is proposing some changes in 2018, including the installation of new carpet, new folding chairs, safety glass, and new audio/visual equipment.

**Streets** – Overall, streets will see a decrease, only because the wages for the Public Works Department will now be shared with Parks and Recreation. There is an increase to replace some tools and the additional of payroll charges. In 2018, the City Engineer will be performing a pavement study. Capital Outlay projects will include \$30,000.00 for seal coating and \$25,000 to replace the skid loader.

**Storm Drainage** – As a one-time project, the City will be dredging a pond in 2018 in the amount of \$7,500.00. This is a maintenance item.

**Street Lighting** – This item has gone up because of new houses and developments coming in with new street lights. It is also based on historical data.

**Building Maintenance** – This budget will see an overall decrease of about \$12,000.00.

**Park and Recreation** – This budget will see an increase due to changes in where wages and benefits are reported for the Public Works Department. This budget will take on 25% of wages and benefits for this Department. This also accounts for a seasonal employee that can be hired for 11 weeks during the summer for \$11.00 per hour at 30 hours per week. The Capital Outlay line item was also increased by about \$10,000.00 due to upcoming projects in the Capital Improvement Plan.

**EDA** – The EDA is proposing a slight increase of \$3,500.00 for a community video in 2018.

**Compost** – The compost budget has gone up from \$3,287.00 to \$5,390.00 for weed management.

Final Budget Amount

With the changes that were made after the passage of the preliminary budget, the final General Budget amount is 1,580,683.97. That is \$30,352.75 less than the preliminary budget.

<b>General Fund</b>	<b>Preliminary Levy</b>	<b>Proposed Levy</b>
General government	\$384,712.81	\$384,305.85
Public Safety	\$343,032.00	\$316,932.00
Public Works Streets	\$262,309.91	\$226,577.06
Parks and Recreation	\$100,100.00	\$134,487.06
Compost	\$5,390.00	\$5,390.00
Operating EDA	\$4,550.00	\$8,050.00
<b>Total General Fund</b>	<b>\$1,100,094.72</b>	<b>\$1,075,741.97</b>
<b>Debt</b>		
Fire Station	\$8,308.00	\$8,308.00
GO Bonds 2014A	\$150,664.00	\$150,664.00
GO Bonds 2015A	\$48,221.00	\$48,221.00
Fire Truck	\$21,749.00	\$32,062.60
GO Bonds 2007A	\$282,000.00	\$282,000.00
<b>Total Debt</b>	<b>\$510,942.00</b>	<b>\$510,942.00</b>
<b>Total Expenditures</b>	<b>\$1,611,036.72</b>	<b>1,586,683.97</b>

Using the above general fund expenditures of \$1,075,741.97 and revenues of \$313,296.00 for Local Government Aid and miscellaneous revenues of \$281,515.00 for a total of \$594,811.00 in revenues minus total expenditures to get a general fund levy of \$480,930.97.

The total levy would be \$480,930.97 for the General fund and \$510,952.00 for Debt payments.

	<b>Preliminary Levy</b>	<b>Proposed Levy</b>
<b>General Fund Levy</b>	<b>\$505,284.00</b>	<b>\$480,931.00</b>
<b>Total Debt</b>	<b>\$510,942.00</b>	<b>\$510,942.00</b>
<b>Total Levy</b>	<b>\$1,016,226.00</b>	<b>\$991,873.00</b>

The City originally certified to the County \$1,016,226.00 as the preliminary levy for a tax rate of 52.0%. Using the updated certification amount of \$985,873.00 the tax rate would be 50.12%. The difference in City taxes on the two rates would be 1.88% lower for the year.

Levy	\$1,016,226.00	Levy	\$991,873.00
House Value	\$220,000.00	House Value	\$220,000.00
Class Rate	1%	Class Rate	1%

Tax Capacity	\$2,200.00
Tax Rate	0.520
City Tax	\$1,144.00

Tax Capacity	\$2,200.00
Tax Rate	0.505
City Tax	\$1,111.00

**Attachments:**

2018 Final Budget

Resolution 12-11-17-39