

**2016
BUDGET
GENERAL FUND EXPENSES
NARRATIVE**

Council

- 41110-103 Council Recorder - **\$0**
The Recorder duties are performed by the Administrative Assistant through video and audio recordings of the Council meetings.
- 41110-110 Mayor & Council Salaries - **\$9,200**
The Council members and Mayor are paid per City Council meeting they attend (\$75 per meeting – Council, \$100 per meeting - Mayor). There are 23 regular Council meetings per year.
- 41110-122 Pensions-FICA - **\$704**
Federal payroll taxes for Social Security and Medicare are 7.65% of wages.
- 41110-201 Supplies - **\$150**
\$150 for miscellaneous expenses of paper supplies, document frames, new council nameplates, etc.
- 41110-351 Publishing - **\$1,100**
This line item is responsible for publishing costs related to all public hearings for variances and CUP's, election year publication requirements, publishing the financial statement, budget, ordinance public hearing notices, truth in taxation, and all other miscellaneous required public notices.
- 41110-353 Meeting Services - **\$6,994**
Video taping service by WNAV of council meetings (average cost \$269 per meeting). Public viewing available through Vimeo. Link access on our website. (New Category – formally included in Council Miscellaneous)
- 41110-430 Miscellaneous - **\$500**
Miscellaneous council expenses including appreciation plaques, retirements, etc.
- 41110-433 Memberships & Dues - **\$1,916**
The League of Minnesota Cities dues are anticipated to increase to \$1,586. This line item also covers: the personal accident policy \$80 and the drug testing membership \$250.

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Elections

- 41410-104 Election Judge Salaries - **\$1,800**
This line item includes election judge pay at \$8/hour and the head election judge pay at \$8.5/hour. There are currently 5 election judges and one head election judge. They work two (primary and general) election days for 16 hours and have an average of (4) four hours training, totaling 36 hours per judge.
- 41410-122 Pensions-FICA - **\$137**
Federal payroll taxes for Social Security and Medicare are 7.65% of wages.
- 41410-202 Supplies - **\$1,200**
This budget item includes: required yearly optical scanner maintenance agreement with Hennepin County (\$500), Help America Vote Act mandates, and other election supplies like ballots, secrecy sleeves, marking pens, etc.

Finance & Administration

- 41500-100 Financial Administration Salaries - **\$43,193**
This includes salary/wages of the Bookkeeper/Billing Clerk (20%), Administrative Assistant (45%) and City Administrator (20%).
- 41500-121 Pensions-PERA - **\$3,239**
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.
- 41500-122 Pensions-FICA - **\$3,304**
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.
- 41500-131 Health/Life/Dental - **\$10,184**
In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.
- 41500-151 Worker's Compensation Insurance – **\$7,500**
Workers Comp Insurance increase are based on League Budget Guides. This particular line item has not exceeded \$7,500. It is allocated as follows: General 50%, Sewer 25%, and Water 25%.
- 41500-200 Office Supplies - **\$2,500**
Office items include the following:

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- file folders & tabs
 - copy paper
 - imprinted & plain envelopes
 - laser printer cartridges
 - section maps
 - pens, pencils, markers
 - staples, rubber bands, paper clips
 - cost of checks
 - dog tags & registration cards
 - adding machine tape
 - city letterhead
 - minute books
- Other miscellaneous office supplies.

- 41500-220 Repairs, Supplies, Maint. - **\$1,400**
Annual costs for repairs and maintenance to office machines including copier (copier maintenance agreement that is \$1,220 annually) and telephone system.
- 41500-301 Auditing – **\$3,300**
General Fund portion of audit. The City audit estimated at \$8,200 for 2015 and paid for as follows:
- | | |
|------------------|---------------------|
| 40% - General | 5% - Garbage Fund |
| 25% - Water Fund | 5% - Recycling Fund |
| 25% - Sewer Fund | |
- 41500-310 Assessing - **\$21,000**
In 2014, the City Council renewed an assessing contract with William Davy through 2016.
- 41500-322 Postage - **\$1,600**
Includes all General Fund postage.
- 41500-331 Mileage - **\$750**
This is mileage reimbursement to office staff for using personal vehicle to attend meetings and other city business. The 2014 IRS rate of reimbursement is 56 cents per mile.
- 41500-352 Printing - **\$1,550**
This line item includes quarterly newsletters.
- 41500-361 Liability Insurance – **\$14,415**
Liability insurance for 2016 is estimated to increase 2% and is allocated as follows: General 51%, Water 31%, Garbage 7%, Sewer 6%, Recycling 3% and Docks 2%.
- 41500-436 Computer Services - **\$9,990**
This line item is all computer related costs. Some of our current software is no longer supported by the manufacturers (i.e. 2003 Microsoft Office). We are experiencing compatibility issues and need to update basic utility software such as Word, Excel, Access, PowerPoint, Calendar Exchange, etc. Regular

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computer expenses include:

- Internet connection service of \$720 annually
- Banyon software support of \$1,300 annually
- Trend Micro virus protection \$262 annually
- DTS computer support \$4,500
- Avenet \$655
 - Domain, email accounts, annual service
- MS Office 365 \$1,054
- Computer Repairs, etc \$1,499

41500-437 Memberships, Conferences & Lunches - \$2,611

- \$1,016 in membership fees: This includes membership for the City Administrator to Metro Area Managers Association, Minnesota City Managers Association, and International City Management Association.
- \$1,340 in conferences: City Administrator attends the LMC conference in June and the Managers conference in May.
- \$255 in other expenses: includes the Excelsior Chamber of Commerce annual party, LMC Safety Seminar, City business lunch expenses, and Sensible Land Use Coalition seminars.

41500-438 Miscellaneous - \$400

Hennepin County special assessment charge (\$275), bank fees (\$60), tax book, and safe deposit box (\$50).

Legal Services

41600-304 Legal General - \$21,000

The hourly rate for general legal work remains at \$80 per hour. This line item also includes the \$250.00 per month retainer. Legal work related to private developments or other specific individual matters such as variances is charged back.

41600-305 Legal Prosecutions - \$11,000

Retainer for criminal prosecutions largely generated from the police department. Litigation expenses are unpredictable and therefore are paid for as needed through the general fund reserves.

Engineering

41900-303 Engineering - \$7,500

Engineering done on private developments is charged back.

Planning/Zoning

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- 41910-100 Salaries – **\$23,022**
35% of City Administrator’s salary and 10% of Admin Asst. wage.
- 41910-121 Pensions-PERA - **\$1,727**
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.
- 41910-122 Pensions-FICA - **\$1,761**
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.
- 41910-131 Health/Life/Dental - **\$5,392**
In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.
- 41910-318 Consulting Planner – **\$10,000**
All planning done on private developments is charged back.

Buildings

- 41940-101 Wages - **\$2,123**
Allocation of 2% of city crew’s time for repair and maintenance of city hall.
- 41940-121 Pensions-PERA - **\$159**
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.
- 41940-122 Pensions-FICA - **\$162**
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.
- 41940-131 Health/Life/Dental - **\$479**
In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.

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- 41940-220 Repairs, Supplies, Maint. - **\$3,000**
This includes repairs, supplies and maintenance for buildings, including sidewalks, exterior maintenance, interior paint, and office furniture. This includes \$400 for a boom truck to take the holiday lights up and down.
- 41940-221 Janitorial - **\$2,860**
This is a predictable expense that is separate from repairs, supplies, maintenance into this Janitorial item. \$55.00/week for cleaning services.
- 41940-321 Telephone - **\$2,200**
- 41940-380 Utilities - **\$4,800**
City buildings (except water plant which is billed to enterprise fund) expense from Xcel (electric), CenterPoint (heat/gas) and water.

Public Safety

- 42100-300 Police Budget – **\$423,261**
Total for operating budget and debt service. \$341,043 for operating budget and \$82,218 for debt service.
- 42100-311 Police - Misc. - **\$1,700**
This includes court overtime and booking fees.
- 42100-312 Room & Board/Workhouse - **\$750**
This item covers the cost of individuals incarcerated due to various violations.
- 42200-309 Fire Protection - **\$234,134**
Total for operating budget and debt service.

Building Inspections

- 42400-100 Building Salaries – **\$12,751**
10% of City Administrator salary and 10% of Admin Asst. wages.
- 42400-121 Pensions-PERA - **\$956**
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.
- 42400-122 Pensions-FICA - **\$975**
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

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42400-131 Health/Life/Dental - **\$2,995**
In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.

42400-313 Building Inspection - **\$12,000**
This service is contracted with Metro West Inspection Services, 40% of all revenue from permits sold is paid to Metro West.

42400-314 Plan Review - **\$8,000**
55% of the fee revenue is paid to Metro West Inspection Services.

Public Works

43000-101 Public Works Salaries - **\$84,966**
This includes 48% of Robin's salary and 37% of the crew's salary.

43000-105 Temporary Salaries - **\$500**
This item allows for flexibility in the Public Works department and assists with patching prior to seal coating.

43000-121 Pensions-PERA - **\$6,372**
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.

43000-122 Pensions-FICA - **\$6,538**
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

43000-131 Health/Life/Dental - **\$14,617**
In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.

43000-212 Gas & Oil - **\$9,825**
This line item reflects 50% of the fuel used. Diesel = 1750 gal. @ \$3.50/gal. and Unleaded = 600 gal. @ \$3.50/gal. Two 55 gallon barrels of oil for vehicle and equipment at \$800 each.

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- 43000-220 Repairs, Supplies, Maint. - **\$14,000**
This line item represents all vehicle and equipment repair, DOT inspections for trucks, snow plow blades and shop supplies.
- 43000-222 Tires - **\$1,300**
- 43000-223 Uniforms, Safety Shoes, Safety Equip - **\$1,250**
The total cost is divided equally between the General, Water, Sewer and Storm Water funds. Includes reimbursement for safety shoes per new Union Contract.
- Uniforms - \$700
 - Safety shoes - \$200
 - Safety vests - \$150
 - Hearing protection, rubber gloves, etc - \$200
 - Fire extinguisher inspections - \$91
- 43000-321 Telephone - **\$500**
This line item includes the on-call phone and telephone line for the two way radio system with Excelsior.
- Verizon on-call phone - \$160
 - Century 2 way radio - \$340
- 43000-430 Miscellaneous - **\$1,050**
This line item includes the following: State of MN Cooperative Purchasing annual dues, LMC Workshop, and 25% of Safe Assure Consultants. No additional 800 MHz radios to be purchased.
- MN Cooperative Purchasing - \$250
 - LMC Workshop - \$20
 - ¼ Safe Assure Consultant - \$405
 - Miscellaneous - \$375

Streets

- 43100-226 Street Signs - **\$3,000**
Street signs cost about \$83 each, posts are \$24. Accounts for various sign and post replacement each year.
- 43100-228 Snow & Ice Removal – **\$10,000**
1 mixing = 100 tons sand + 25 tons salt
We have budgeted for two mixings. Salt costs are up 3%. We are now using treated salt which works better in colder weather. Cost for salt in 2016 will be \$4,465.50. Sand costs up as well.

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43100-381 Electric Utilities/Street Lights - **\$15,500**

Parks

45200-101 Salaries - **\$23,202**

9% of crew salaries and part-time/seasonal employees for all park activities.

45200-106 Lifeguard Services - **\$9,118**

A two year contract was signed through **2016** setting the rate at \$9,118.

45200-121 Pensions-PERA - **\$716**

Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.

45200-122 Pensions-FICA - **\$1,775**

Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

45200-131 Health/Life/Dental - **\$2,157**

In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.

45200-220 All Parks - **\$7,550**

- Satellite Services \$1,370
- Weed Control \$1,600
- Xcel Energy – Lighting \$1,800
- Playground parts, buoys, parts for mowers \$1,500
- Arctic Fever winter festival event \$850
- Miscellaneous Park Repairs \$430

Trees

45024-101 Trees - Salaries - **\$6,685**

This is 5% of crew's salary.

45204-121 Pensions - PERA - **\$501**

Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.

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45204-122 Pensions - FICA - **\$511**
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

45204-131 Health/Life/Dental - **\$1,438**
In 2012, LOGIS received a more favorable proposal from Blue Cross Blue Shield which resulted in a decrease in health care for 2012. Recent changes in Health Care have exempted the City from rate caps and the recommended estimated increase is 11%. As per Council action, the city will cover a maximum of 67% of total family health insurance costs.

45204-220 Tree Supplies and Removal - **\$5,500**
This item is used for diseased and storm related tree removal.

Fire Lanes

46100-220 Fire Lanes - **\$1,500**
Repairs and maintenance of the fire lanes.

General Fund Miscellaneous

46101-302 LMCD – Levy of **\$10,665**

49000-430 Miscellaneous – **\$1,500**
Contribution to 4th of July fireworks of \$1,500 for Copper Sponsorship (South Lake – Excelsior Chamber).

Transfer Out

49300-720 Transfer Out - **\$25,000**
A transfer to the Capital Improvement Fund from the General Fund Reserves.

**2016 BUDGET
GENERAL FUND REVENUE
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Taxes

31000 Taxes – **\$1,012,135**
Typically received in July and December.

Licenses and Permits – Business

32110 On-Sale Liquor Licenses – **\$5,744**
Hazellewood

32111 Set-up Licenses – **\$300**
Caribbean

32112 On-Sale Beer Licenses – **\$2,000**
Caribbean, Country Club Lanes, Hazellewood, and Joey Nova – 4 x \$500

32113 Off-Sale Beer Licenses – **\$240**
Caribbean

32114 Wine Licenses – **\$1,500**
Hazellewood, Joey Nova, Caribbean – 3 x \$500

32115 Cigarette licenses – **\$0** - \$100 each.
Increased fee due to additional reporting requirements.

32116 Off-Sale Intoxicating Liquor - **\$0**

32170 Arcade Permits - **\$75**
Country Club Lanes

32180 Commercial Marina Licenses – **\$2,420**
Caribbean, Lindbo Landing, and Tonka Bay Marina.

32260 Misc. Permits – **\$2,200**
This includes permits for: police/fire alarms, seasonal uses, right-of-way, de-icing and fireworks. Increased the fee for ROW permits based on time spent and rates in other cities.

Licenses & Permits – Non-Business

32210 Building Permits – **\$35,000**
40% of this is paid from account 42400.313 to the Building Inspector.

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32211 Plan Review – **\$14,000**
55% of this is paid from account 42400.314 to building inspector.

32240 Dog Licenses - **\$1,000**

Intergovernmental Revenue

33422 State Aid - PERA - **\$1,232**
Amount provided by state.

33610 Hennepin County Road Maintenance - **\$3,000**
Annual application; amount determined by population and can only be used on streets that intersect with the county road.

Charges for Services

34100 General Service Fees - **\$200**
This includes charges for copies, ordinances/zoning books, and NSF fees.

34109 Application fee - Public Hearings (Variance/CUP, etc.) - **\$750**
This is the application fee of \$150.

34110 Surcharge Income – **\$100**
We get a portion of the state surcharge on building permits. This number is dependent on the dollar amount of construction.

34112 Escrow for Public Hearings - **\$17,500**
This is applied toward legal, engineering, and planning costs.

Fines and Forfeits

35101 Court Fines – **\$7,000**
Fine Revenue

Miscellaneous Revenues

34951 Refund and Reimbursement – **\$0**

36200 Misc. Revenue – **\$6,000**
Typically we receive a LMC insurance dividend in December.

36210 Interest Earned - **\$5,100**
The 4M money market/checking account interest.

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- 36225 Franchise Revenue - **\$17,600**
The City left the LMCC in 2014. As a result, Franchise Fees from Mediacom subscriptions will be collected by the City instead of the LMCC.
- 39203 Transfer In – Antenna - **\$47,985**
From annual lease payments.
- 39204 Transfer In – Liquor - **\$0**
Annual interest earned on liquor fund investments is between 1.25% and 2.15% (with average interest earnings of 1.69%). The annual interest earned is approximately \$5,200. Resolution 9-23 requires maintaining a fund balance based on our initial investment plus the inflation rate. Our current interest earnings are not keeping up with the consumer price index.

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CAPITAL PURCHASE EXPENSES
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Account No. 409

City Hall / Public Works

41940-520	<u>Buildings - \$11,275</u>	
	Comprehensive Plan Update	\$ 1,000
	City Hall Windows	\$10,275

41940-560	<u>Furniture & Fixtures - \$0</u>	
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41940-570	<u>Office Equipment - \$0</u>	
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Equipment & Motor Vehicles

43000-550	<u>Vehicles - \$0</u>	
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43000-570	<u>Equipment - \$9,295</u>	
	Broom for Skid Loader	\$2,895
	Manhole Cover Lifter	\$6,400

Streets CIP

43100-530	<u>Street Repairs - \$62,417</u>	
	Comprehensive Plan Update	\$ 1,000
	Seal coating	\$44,667
	Striping and Crack Seal	\$ 5,000
	General Patching	\$11,750

1/5 of the City's roads are seal coated every year. Roads scheduled for 2016 sealcoat are Circle Rd, Fairhope Ave, Tonka Bay Lane, Tonka Bay Rd, West Point Ave, West Point Cir, West Point Ct, and West Point Dr. (Henn. Co. Road Aid Allocation revenue offsets \$2,500)

Parks CIP

45200-540	<u>Site Improvements - \$52,000</u>	
	Comprehensive Comp Plan	\$ 1,000
	Monument Signs (Entrance signs for city & parks)	\$ 6,000
	Manitou Park Parking Lot	\$45,000

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CAPITAL PURCHASE REVENUE
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Account No. 409

Certified Levy - \$53,617

31001

Levy - \$53,617

An annual levy is certified to property owners to provide funding for street repairs, equipment purchases, repairs and improvements to city buildings, and parks

Transfers from Other Funds - \$81,400
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39203

Water/Sewer - \$0

Since 2013, the City will longer transfers from the Water/Sewer Reserve fund.

Dock Fund - \$50,000

Annual transfers are made for capital purchases. In 2014, annual transfers were increased to \$50,000.

General Fund Reserves - \$25,000

General Fund Reserves transfer to capital purchases. This transfer is to cover the cost of the windows replacement for city hall.

County Road 19 Assessment - \$6,400

Assessment money used to reimburse the Liquor Fund for Capital purchases made in 2010. This revenue will be used to offset the levy for future Capital purchases.