

City of Wahpeton Public Hearing September 6, 2011 6:00 P.M.

Members Present: Mayor Sturdevant, Council Members Bajumpaa, Bertsch, Bohn, Dale, DeVries, Hansey, and Hartman.

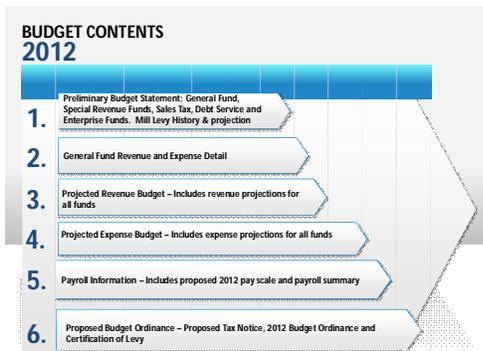
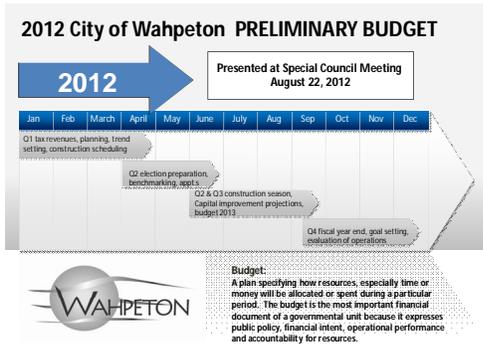
Members Absent: Mitskog

Officers Present: City Finance Director Huwe, Attorney Lies, Public Works Director Nelson, Assessor Broadland, Economic Development Director Priebe, Police Chief Thorsteinson, and Librarian Bonnie MacIver.

Others Present: City Finance Assistant Amos, Miles Trump of the Daily News, Wahpeton Residents: DelRay & Rhonda Buccholz and one un-named resident.

Mayor Sturdevant called the Public Hearing of the 2012 Budget to order at 6:02 pm.

Huwe reviewed the 2012 preliminary budget through the following PowerPoint presentation.



SUMMARY FUND ACTIVITY 2011 - 2012

REVENUE BY FUND TYPE	2011	2012	±	± %
GENERAL FUND	\$2,750,117	\$2,832,400	\$82,283	3%
SPECIAL REVENUE FUNDS	\$3,130,808	\$3,155,323	\$24,515	1%
DEBT SERVICE FUNDS	\$1,573,541	\$2,052,944	\$479,403	30%
INTERNAL SERVICE/OTHER	\$64,791	\$47,500	-\$17,292	-27%
ENTERPRISE FUNDS	\$2,043,139	\$2,236,324	\$193,184	9%
TOTAL	\$9,562,396	\$10,324,490	\$762,094	8%

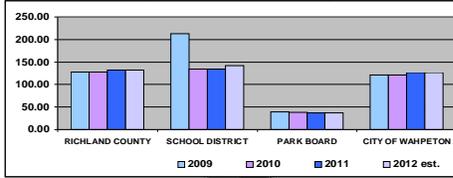
EXPENSES BY FUND TYPE	2011	2012	±	± %
GENERAL FUND	\$2,750,117	\$2,832,400	\$82,283	3%
SPECIAL REVENUE FUNDS	\$3,083,972	\$2,525,208	-\$558,764	-18%
DEBT SERVICE FUNDS	\$1,810,672	\$1,949,323	\$138,651	8%
INTERNAL SERVICE/OTHER	\$1,939,919	\$268,089	-\$1,671,830	-86%
ENTERPRISE FUNDS	\$2,185,903	\$2,230,434	\$44,531	2%
TOTAL	\$11,770,583	\$9,805,454	-\$1,965,130	-17%

CHANGES IN EQUITY	2012	DESCRIPTION
GENERAL FUND	\$0	MAINTAINING
SPECIAL REVENUE FUNDS	\$630,115	GAINING - SALES TAX COLLECTIONS
DEBT SERVICE FUNDS	-\$68,758	TIMING OF BOND PAYMENTS
INTERNAL SERVICE/OTHER	-\$220,589	UNBONDED CAPITAL PROJECTS
ENTERPRISE FUNDS	\$5,890	UNBONDED CAPITAL PROJECTS
TOTAL	\$346,658	

MILL LEVY HISTORY 2009 - 2012

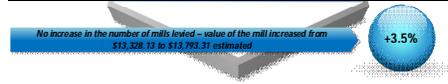
Preliminary - subject to change

TAX ENTITY	2009	2010	2011	2012 est.
STATE LEVY	1.00	1.00	1.00	1.00
RICHLAND COUNTY	128.00	128.00	132.40	132.40
SCHOOL DISTRICT	213.41	134.08	133.85	141.85
PARK BOARD	39.14	37.94	37.09	37.09
CITY OF WAHPETON	121.36	121.33	126.22	126.22
TOTAL MILLS	502.91	422.35	430.56	438.56



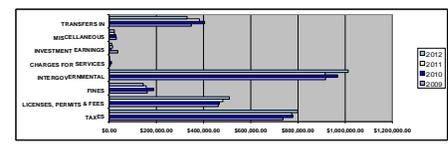
CITY MILL LEVY ALLOCATIONS 2011 - 2012 estimated

MILL LEVY FUND	2011	2012 est.	Change	+/- 11-12
GENERAL FUND	\$754,373	\$780,702	\$26,329	3.5%
AIRPORT	\$53,846	\$55,173	\$1,327	2.5%
STREET MTC.	\$66,641	\$69,022	\$2,381	3.6%
FIRE DEPT. EQUIPMENT	\$122,219	\$124,140	\$1,921	1.6%
JOB DEVELOPMENT	\$53,846	\$55,173	\$1,327	2.5%
CITY SHARE OF SPECIALS	\$74,771	\$52,690	-\$22,081	-29.5%
LIBRARY	\$244,438	\$252,969	\$8,531	3.5%
PLANNING COMMISSION	\$6,397	\$13,793	\$5,396	84.3%
SNOW/FLOOD EMERGENCY	\$13,595	\$34,493	\$20,898	153.6%
SPECIAL LEVY OTHER	\$290,151	\$302,847	\$12,696	4.4%
TOTAL	\$1,682,277	\$1,740,992	\$58,715	3.5%



CITY GENERAL FUND REVENUE

REVENUE	2009 ACTUAL	2010 ACTUAL	2011 BUDGET	2012 BUDGET	CHANGE 2011 TO 2012	% CHANGE
TAXES	\$76,460.00	\$78,181.00	\$73,582.00	\$78,138.00	\$4,556.00	3.3%
LICENSES, PERMITS & FEES	\$462,475.82	\$468,916.15	\$481,775.00	\$509,275.00	\$27,500.00	5.7%
FINES	\$161,224.15	\$188,972.14	\$157,000.00	\$146,000.00	-\$11,000.00	-7.64%
INTERGOVERNMENTAL	\$97,018.00	\$97,895.25	\$91,600.00	\$1,012,688.00	\$927,088.00	10.63%
CHARGES FOR SERVICES	\$4,985.21	\$10,029.87	\$2,600.00	\$2,900.00	\$300.00	11.54%
INVESTMENT EARNINGS	\$26,851.19	\$12,214.84	\$11,000.00	\$4,000.00	-\$7,000.00	-26.67%
MISCELLANEOUS	\$10,364.63	\$28,675.32	\$22,100.00	\$22,300.00	\$200.00	0.90%
TRANSFERS IN	\$18,416.31	\$42,496.61	\$32,679.00	\$30,104.00	-\$2,575.00	-13.74%
GENERAL FUND REVENUE TOTAL	\$2,498,262.22	\$2,850,026.11	\$2,795,117.00	\$3,232,460.00	\$437,343.00	2.99%



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*Special Revenue Funds include sales tax for economic development, recreation, flood and infrastructure; projected revenues and committed expenses are budgeted accounting for projected revenue in excess of committed expenses of +\$489,161
 *Debt service funds will have more revenue and expense activity as \$5,405,000 of infrastructure projects are added to the special assessment revenue and debt service expense
 *Internal Service Funds/Other include capital project funds - 2011 budget includes \$1735,000 for Phase 3B of the Flood Mitigation project, 2012 has \$0 budgeted for capital projects pending further review of the Capital Improvements Plan
 *Enterprise funds are maintaining/growing as meter replacements capture lost revenues and a 3.3% scheduled increase on 1-1-12 (year of a 5 year rate plan initiated in 2008)

CITY MILL LEVY CHANGES FOR 2012



CITY PROPERTY TAX ESTIMATE 2012

Estimated Total Taxable Valuation for the City: \$13,793,313
 1 Mill = 1/1,000: \$13,793
 City General and Special Levy Fund 2012: \$1,740,992
 Revenues Required from Property Taxes: \$1,740,992 / \$13,793
 Mills needed to be certified on all taxable properties: 126.22

City of Wahpeton Tax Assessment Estimate on a \$100,000 Home:

* This example calculates taxes payable on behalf of City services only*	Property True & Full Value	\$100,000
	Assessed Value (50%)	\$50,000
	Taxable Valuation (9%)	\$4,500
	X Mill Levy	0.12622
	= Taxes Payable for 2012	\$568

Taxes Payable for 2011 = \$568 prior to 5% discount

The 3.5% increase value in the mill is a result of additional taxable properties and net increased value of specific residential & commercial properties

Level mill levied for City Services

GENERAL FUND REVENUE & EXPENSE 2012 detail

2012 Revenue Changes	2012 Expense Changes
<ul style="list-style-type: none"> Level property tax rates will produce 3.5% more revenue in 2012 licenses, permits and fees increase of 5.71% is attributed to higher collections in the Cable TV and Natural Gas franchise fees Municipal Court fines are tracking behind the same period in 2010 Intergovernmental revenue is increasing as the State of ND shares sales tax growth and fuel tax growth Investment revenue has not rebounded to pre 2009 levels 	<ul style="list-style-type: none"> 3% cost of living adjustments +\$32,731 Placements in grade for 10 General Fund salaries in 2 departments +\$23,892 Increased retirement contributions are reflected in 6 of 13 departments +\$12,220 Increased FICA based on payroll adjustments +\$4,332 Cafeteria benefits adjustments based on employee elections -\$857 Total increase in payroll related expenses for General Fund +\$72,319; total expenses +\$82,283 Culture & Recreation expenses are attributed to increased State Aid revenues resulting in increased disbursements to the Park Board & Library

2012 PAYROLL BUDGET PREMISES

*2012 Gross Payroll as % of total expenses \$2,532,135 / \$9,805,454 = 26%
 *2011 Gross Payroll as % of total expenses \$2,410,857 / \$9,274,471 = 26%

PAYROLL EXPENSES	2010	2011	2012 est.	+/- 11-12	+/- 11-12
FICA TAXES	\$127,649	\$136,940	\$143,664	\$6,724	4.9%
ND PERS RETIREMENT	\$121,141	\$29,959	\$151,752	\$21,793	16.8%

*Salaries are based on consistent staffing levels with 43.8 full time equivalents. 3% cost of living adjustments = \$53,702. Placements in grade for 20+ year employees and 2 entry level positions (12 total) = \$34,167. All increases are dependent on satisfactory performance evaluations.
 *FICA Tax increases are 7.65% of projected salary increases.
 *Cafeteria Benefits were adjusted effective July 1, 2011 to \$931 per month for employees electing family health insurance (17 employees); the single or no insurance allotment was unchanged at \$525 per month (27 employees). The 2012 allotments are unchanged.
 *Retirement Benefits are reflected at 8.26% for 2012 up from 7.26% in 2011; Effective Jan. 1, 2012 NDPRS requires a 1% increase in the employer contribution +\$21,793 and a 1% increase in the employee contribution. NDPRS plans an equal increase on Jan. 1, 2013

2012 BUDGET ORDINANCE & CERTIFICATION OF TAX LEVY

•Preliminary Budget Statement and public notices with publication dates
•Proposed Budget Ordinance No. 941 first reading and public budget hearing are scheduled for Sept. 6th (required by Sept. 10th). Second reading is scheduled for Sept. 19th.
•Certificate of Levy due to the Richland County Auditor by Oct. 1st per City Ordinance.

Regarding the preliminary budget, Huwe said in light of new information received from the Richland County Auditor regarding the mill, the revised levy of the mill will be 3.17% rather than 3.5%; the certification of taxes levied will decrease \$5,363 from \$1,740,992 to \$1,735,629 to maintain the number of mills levied at 126.22 consistent with the 2011 levy. The tax levy for City Share Specials was considered to have sufficient funds to meet its obligations and amended.

Following the conclusion of the powerpoint presentation, Huwe asked for any questions. Rhonda Bucholz asked if commercial properties would be reassessed. Broadland answered that the increase went on their 2010 values so the 2011 value is already increased the 2%, other than the industrial properties.

With nothing further to discuss, meeting adjourned at 6:32 pm.

Mayor Sturdevant

Lynelle Amos, Finance Assistant