



Request for Action

Originating Department City Manager By: Kirk McDonald, City Manager	Approved for Agenda November 30, 2009 By: Kirk McDonald	Agenda Section Public Hearing Item No. 11.1
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Public hearing to take public comments on 2010 city budget

Requested Action

This is a public hearing to take public comments on the 2010 proposed final budget. Steve McDonald from AEM will be in attendance to make a presentation and department heads will also be in attendance. Staff recommends that Council take public comments following the presentation and then either continue or close the public hearing. Staff is recommending that Council formally adopt the budget and set the tax levy at the December 14 Council Meeting.

Policy/Past Practice

The City Council annually conducts a public hearing on the city budget and tax levy to take public input on the proposed budget and levy.

Background

The City Council adopted the preliminary tax levy on September 14 with an increase over the 2009 tax levy of \$679,544, or 7.75%. The majority of the increase is the result of adding back local government aid payments that were originally scheduled to come to the city in December 2008 and July 2009, but were withheld due to the state budget shortfall. In addition, due to changes in budget methodology such as including full central garage replacement charges and excluding interdepartmental salary allocations, there was a general fund balance gap of \$1,271,420. Therefore, the total amount to be addressed and significantly reduced was \$1,950,964.

The city manager and department heads worked with AEM since September to reduce expenditures and identify potential sources of revenue in order to address the budget gap and reduce the tax levy. At the October 19 work session a plan was presented to eliminate the budget gap and cut the levy increase in half by reducing expenditures and incorporating additional revenues. The City Council was generally supportive of the plan presented, but continues to seek public input.

Subsequent to the October 19 work session, the following actions have been taken:

Motion by _____

Second by _____

To: _____

1. All the expenditure and revenue recommendations discussed at the work session have been incorporated into a proposed, revised 2010 Budget notebook which is being distributed with this information for reference and use at the November 30 public hearing. The total proposed tax levy increase has been reduced to 3.69%.
2. The budget narrative introduction section of the notebook has been revised and updated to reflect all the changes implemented.
3. A power point presentation for the November 30 public hearing has been prepared and is attached for your reference.
4. The complete revised proposed 2010 budget and power point have been placed on the city web page for easy reference.
5. The Hennepin County Assessor recently met with staff and the mayor and I provided the attached information on single family property 2009/2010 property tax comparisons, residential growth, foreclosures, and sample 2010 property tax statements.

Please bring this information with you to the November 30 public hearing and contact staff if you have any questions.

Attachments:

Power Point presentation
Hennepin County Assessor information
Revised Budget Notebook