

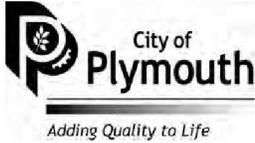
**CITY OF PLYMOUTH
AGENDA
SPECIAL COUNCIL MEETING
June 14, 2011, 5:30 p.m.
MEDICINE LAKE CONFERENCE ROOM**

1. CALL TO ORDER

2. TOPICS

- A. Review 2012/2013 Budget and Council expectations
- B. Set Future Study Sessions
- C. Update with City Manager

3. ADJOURN



**SPECIAL
COUNCIL MEETING**

June 14, 2011

To: Laurie Ahrens, City Manager

Prepared by: Jodi Bursheim, Finance Manager

Reviewed by: Cal Portner, Administrative Services Director

Item: Budget Trends and Forecasts

1. ACTION REQUESTED:

Discuss budget projections and trends, and provide direction to staff to prepare the biennial budget for years 2012-2013.

2. BACKGROUND:

The Council has set meetings for the 2012-2013 biennial budget discussion. Attached is the proposed budget calendar for this year. Following is an outline of revenue and expenditure areas that may impact the preparation of the 2012-2013 budget.

REVENUE

Levy Limits

With the State Legislature adjourned and awaiting special session, it appears we will continue the levy limit mandate as we have over the past three years. As you know, the levy limit maintains a number of special levies that are not subject to the limit such as public safety wages and benefits, PERA increases, and bond debt.

The Levy limit calculation, not to exceed 3.9%, utilizes the implicit price deflator (IPD) and is based upon the changes from July of each year. According to the Municipal Research and Services Center, the IPD is projected to be 2.865% in July. Over the past five years, the IPD average was 2.14%

Market Value Homestead Credit (MVHC)

The legislature approved a change to the MVHC program that removes cities from the reimbursement. Property owners would receive adjustments to their value to affect the same amount of credit.

The city has not received the market value credit for the last few years. In past years, the city received approximately \$500,000 that was receipted into the Street Reconstruction fund.

Permit Revenue

In 2010, the city took in \$48,000 more in revenue than budgeted. Staff has recommended some fee changes that would offset credit card processing costs. Community Development projects modest growth for the next few years with approximately \$25,000 in new revenue.

Fines/Forfeitures

The city ended the year for 2010 with \$180,000 in less fine/forfeiture revenue than anticipated. The 5-year trend shows a steady decline each year with 2006 having \$913,824 in court fine revenue to \$721,053 in 2010.

Interest Revenue

Interest revenue remains extremely low. Changes in the market will likely not yield additional revenue in the short term. The city continually reviews the investment strategy with our investment brokers to maximize yield while maintaining a conservative approach in this type of market.

EXPENDITURES**New for 2012**

At this time, staff has not discussed the addition of new resources or programs. The capital improvement plan (CIP) includes \$40,000 from the General Fund for Fire rescue equipment.

Street Reconstruction Levy

The city levied \$2,607,790 for street reconstruction for 2011, \$75,955 (3%) more than the year before. Due to the delay in reconstruction and changes in philosophy, the Street Reconstruction Fund will not need bonding for the next biennium.

Open Space Levy

The 2011 levy added a new debt service payment of \$263,259 for the second issue of open space bonds. There is approximately \$3.3 million in bonding authority available from the voter-approved referendum.

Retaining Walls/Fences/Sidewalks

Staff has identified a need for capital to replace, repair, and maintain retaining walls, fences, and sidewalks. We currently budget for the repair and replacement of streets, parks and trails, but not for retaining walls, fences, and sidewalks. Staff is currently working on gathering cost estimates for these replacements. The council may want to consider planning for these costs during this budget cycle or provide direction to staff to address in the future.

Sales Tax increase

Minnesota voters elected to increase the state sales tax by .375% for environmental protection concerns a couple of years ago. The legislative impasse has led to speculation of tax increases and the possible removal of sales tax exemptions. If the city were to lose exemptions for sales taxes, such as for professional services, we could expect a significant expenditure increase. For 2011, the city budgeted over \$19 million for contractual services.

Fire Fighter Pension

Market changes due to the economy have created pension fund issues in a number of cities including Minnetonka and Bloomington. Those cities have levied funds to make up for lost investments. The City of Plymouth is continuing to monitor the situation. Our most recent actuarial report indicates the pension fund is sufficient.

Projected Wage/benefit Increases

The city general fund wages in 2010 were approximately \$13.7 million; public safety accounted for \$6.2 million of this amount. Maintenance and Clerical/Technical/Professional union contracts are settled for 2012 and include a 1% general increase plus step increases.

The patrol officers and sergeants are currently in negotiations for 2011 contracts and did not receive pay increases in 2010 due to an arbitration finding.

Non-represented personnel have not received general pay increases since 2009.

Salary Allocations

Employee salary allocations should be reviewed to ensure proper distribution.

Energy increases

The city is currently under contract for motor fuels through 2012 so we do not anticipate additional costs. Staff reviews utility costs regularly and do not expect significant increases in energy costs.

Internal Service Funds

Internal service fund allocations have been reviewed. Adjustments were made in 2010 and 2011 to correct a historical imbalance of charges between funds. For 2012, we have the addition of new fire equipment and operational costs which will contribute to further adjustments of allocations. An increase of approximately \$300,000 will be needed to maintain the fleet and facility funds.

BUDGET INNOVATION TEAM

In 2010, the city manager identified a number of key managers to participate in a team building program. The success of the training session opened the discussion to involve the managers in a number of other exercises for professional development.

For the 2012/2013 biennial budget, the Managers group was tasked to review the city budget, identify efficiencies, redundancies and innovative ways to provide services.

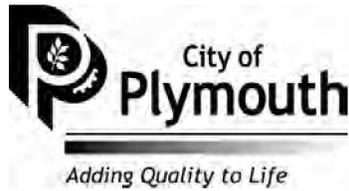
The team has identified several areas that will be further reviewed and incorporated into budget proposals by departments.

NEW INITIATIVES

If the City Council has any new initiatives or desires services changes it would be helpful to have that direction prior to preparation of the initial draft of the budget.

3. ATTACHMENTS:

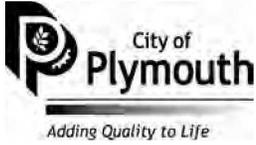
Budget Calendar



BUDGET CALENDAR

2012-2013 Biennial Budget Preparation & 5-yr Capital Improvement Plan

Date	Category	Description
April 27	Budget	Managers receive budget instructions for Budget Innovation
June 1	Budget	Budget Manager's Innovation Discussion
June 14	Budget	Council Budget Trends Overview - Budget Meeting #1
June	CIP	CIP Kickoff
June 1-25	Budget	Allocations updated by Finance
June 20	Budget	HR Personnel Information Complete
June 17	Budget	Budget materials are distributed to Dept Directors
June 17-30	Budget	Budget Entry
July 1-19	Budget	Budget Team Review
July 20	Budget	Budget information ready for Council packet
July 26, 2011	Budget	Council Budget Meeting #2
August 2	CIP	Council Review of CIP
August 10	Budget	Budget information ready for Council packet
August 16	Budget	Council Study Session - Budget Meeting #3
September 6	Budget/CIP	Tentative Council Study Session (if needed)
September 13	Budget	City Council adopts preliminary property tax levy and budget
September	CIP/CEP	Planning Commission Approval
December 13	Budget	Public Hearing on Budget
December 13	Budget	Council adoption of biennial budget
December 13	CIP/CEP	Council adoption of CIP/CEP



Agenda
Number:

B

To: Mayor and City Council

**SPECIAL
COUNCIL MEETING**

Prepared by: Laurie Ahrens, City Manager

June 14, 2011

Item: Set Future Study Sessions

1. ACTION REQUESTED:

Review the list of pending study session items and schedule dates as desired. Calendars are attached for your use.

Pending Study Session Topics

(at least 3 Council members have approved the following study items on the list)

- Discuss paperless Council packets (CC – report provided)
- Meet with prosecutor for update and discuss Police Department's trends and statistics
- Update with City Manager - fall

Other requests for study session topics:

- Review dangerous dog regulations/process (JW)
- Meet with departments to review trends (KS)
- Discuss streamlining street lighting rates
- Update on surplus City properties
- Social host ordinance

June 2011

SUN	MON	TUES	WED	THUR	FRI	SAT
			1 7:00 PM PLANNING COMMISSION MEETING Council Chambers	2	3	4
5	6	7	8 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	9 7:00 PM PARK & REC ADVISORY COMMISSION (PRAC) MEETING Plymouth Creek Center	10	11
12	13	14 5:30 PM SPECIAL COUNCIL MEETING* Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	15 7:00 PM PLANNING COMMISSION MEETING Council Chambers	16	17	18
19	20	21	22	23 7:00 PM HRA MEETING Parkers Lake Room	24	25 8:00 AM MUSIC IN PLYMOUTH 5K RUN Hilde Performance Center
26	27	28 7:00 PM REGULAR COUNCIL MEETING Council Chambers	29 5:00 PM MUSIC IN PLYMOUTH Hilde Performance Center	30		

* Review Budget, Council Expectations and Update with City Manager

Modified on 06/10/11

SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2
3  INDEPENDENCE DAY	4 INDEPENDENCE DAY OBSERVED CITY OFFICES CLOSED	5	6 7:00 PM PLANNING COMMISSION MEETING Council Chambers	7	8	9
10	11	12 7:00 PM REGULAR COUNCIL MEETING Council Chambers	13 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	14	15	16
17	18	19	20 7:00 PM PLANNING COMMISSION MEETING Council Chambers	21	22	23
24	25	26 5:00 PM SPECIAL COUNCIL MEETING Budget Study Session Medicine Lake Room 7:00 PM REGULAR COUNCIL MEETING Council Chambers	27 7:00 PM PLYMOUTH ADVISORY COMMITTEE ON TRANSIT (PACT) MEETING Medicine Lake Room	28 7:00 PM HRA MEETING Parkers Lake Room	29	30
31						

Modified on 06/10/11

August 2011

SUN	MON	TUES	WED	THUR	FRI	SAT
	1	<p>2:30-5:00 PM NIGHT TO UNITE KICKOFF Plymouth Creek Center</p> <p>6:00 PM SPECIAL COUNCIL MEETING 2012-2016 CIP Medicine Lake Room</p> <p>6:30-9:30 PM NIGHT TO UNITE</p>	3 7:00 PM PLANNING COMMISSION MEETING Council Chambers	4 7:00 PM HUMAN RIGHTS COMMITTEE MEETING Medicine Lake Room	5	6
7	8	9 7:00 PM REGULAR COUNCIL MEETING Council Chambers	10 7:00 PM ENVIRONMENTAL QUALITY COMMITTEE (EQC) MEETING Council Chambers	11	12	13
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Modified on 06/10/11