

2009 City Budget

**Second Budget
Work Session**

June 10th, 2008

2008 – 2009 Budget Snapshot

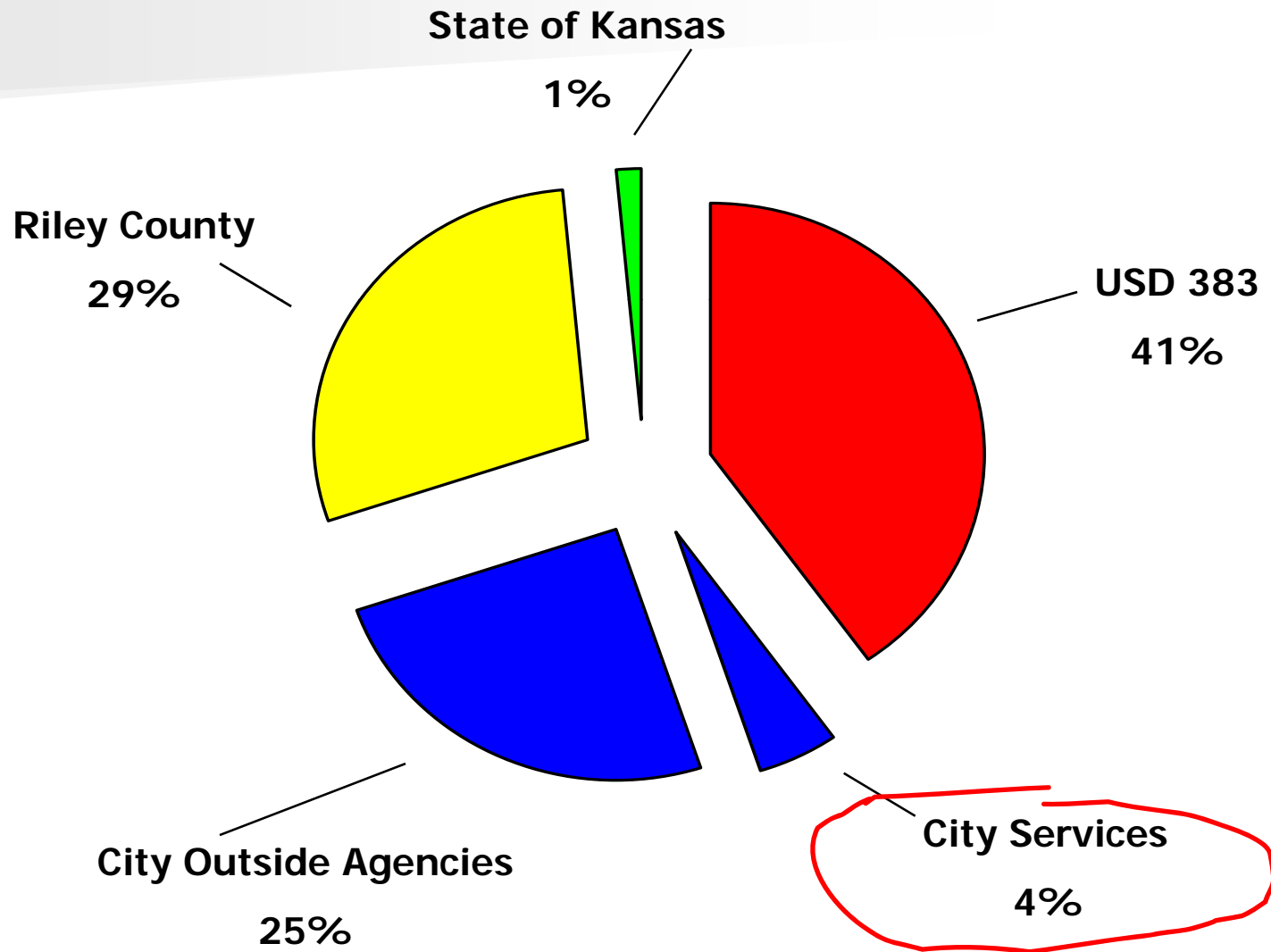
| Property Tax Fund | 2008 Budget | 2009 Proposed |
|-----------------------------------|------------------------|--------------------------|
| General Fund | \$ 20,801,075 | \$ 22,470,967 |
| Bond & Interest | \$ 12,106,658 | \$ 13,432,407 |
| RCPD | \$ 10,102,584 | \$ 11,339,448 |
| Library | \$ 2,178,938 | \$ 2,331,163 |
| Fire Equipment Reserve | \$ 718,550 | \$ 686,262 |

(continued) 2

2008 – 2009 Budget Snapshot

| Property Tax Fund | 2008 Budget | 2009 Proposed |
|----------------------------------|------------------------|---|
| Industrial Promotion | \$ 500,000 | \$ 423,100 <i>(no tax levy)</i> |
| Riley County Health | \$ 225,651 | \$ 239,191 |
| Employee Benefit Fund | \$ 1,091,700 | \$ 1,122,500 |
| KP&F Fund | \$ 523,260 | \$ 652,120 |

2008 Property Taxes Levied



Annual Property Tax Bill

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| Valuation Increase | 8.9% | 8.9% | 14.3% | 12.8% | 3.5% |
| Home Value | 156,400 | 170,320 | 194,676 | 219,594 | 227,280 |
| Appraisal Rate | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% |
| Taxable Value | 17,986 | 19,587 | 22,388 | 25,253 | 26,137 |
| City Mill Levy | 40.832 | 36.235 | 33.088 | 31.683 | 35.889 |

Annual Property Tax Bill

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Taxable Value | 17,986 | 19,587 | 22,388 | 25,253 | 26,137 |
| City Mill Levy | 40.832 | 36.235 | 33.088 | 31.683 | 35.889 |
| City Taxes | \$ 734 | \$ 710 | \$ 741 | \$ 800 | \$ 938 |
| Increase in Tax Bill | 2.3% | (3.3%) | 4.4% | 8.0% | 17.3% |

Annual Property Tax Bill

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------------|---------------|---------------|---------------|---------------|---------------|
| Taxable Value | 17,986 | 19,587 | 22,388 | 25,253 | 26,137 |
| City Mill Levy | 40.832 | 36.235 | 33.088 | 31.683 | 35.889 |
| City Taxes | \$ 734 | \$ 710 | \$ 741 | \$ 800 | \$ 938 |
| Outside Agencies | \$ 526 | \$ 507 | \$ 621 | \$ 671 | \$ 781 |
| City Services | \$ 208 | \$ 203 | \$ 120 | \$ 129 | \$ 157 |

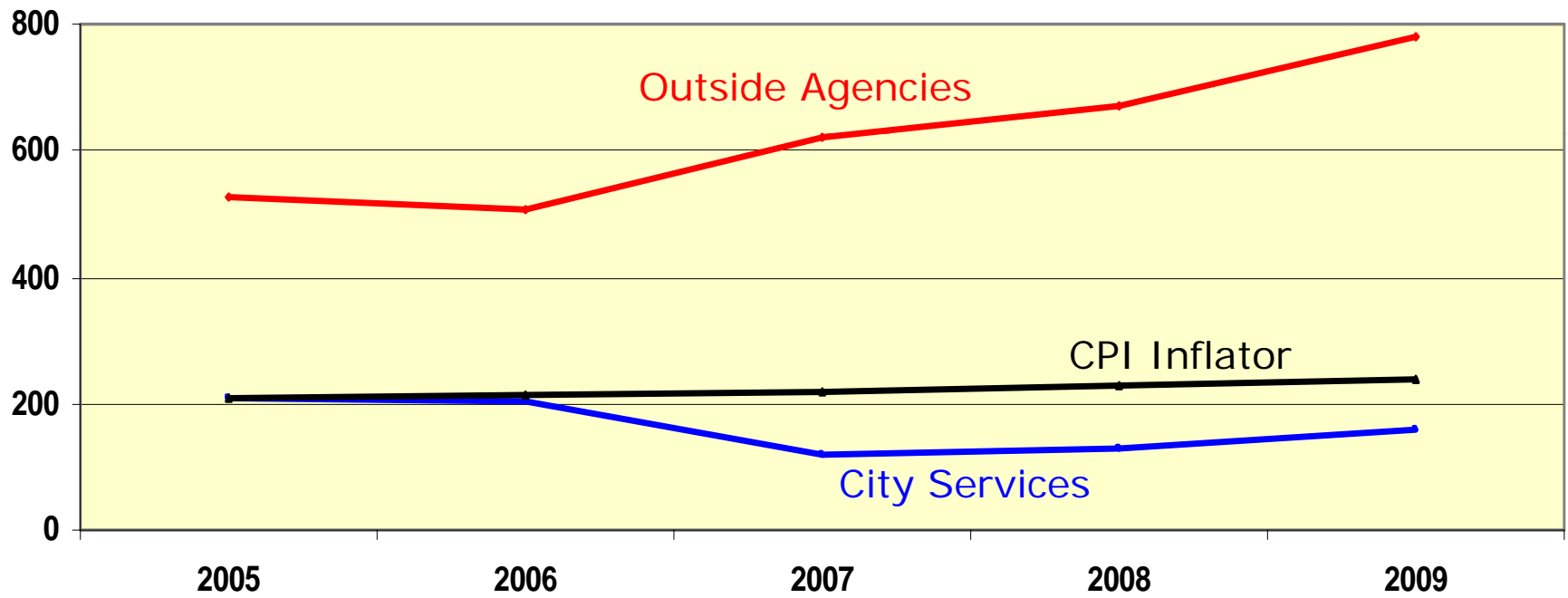
\$20 is Bond & Interest

Annual Property Tax Bill

| | 2005 | 2006 | 2007 | 2008 | 2009 |
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| City Taxes | \$ 734 | \$ 710 | \$ 741 | \$ 800 | \$ 938 |
| Outside Agencies | \$ 526 | \$ 507 | \$ 621 | \$ 671 | \$ 781 |
| City Services | \$ 208 | \$ 203 | \$ 120 | \$ 129 | \$ 157 |
| CPI Inflator | \$ 208 | \$ 215 | \$ 221 | \$ 230 | \$ 239 |

Source: *Federal Reserve Bank of Minneapolis*

Annual Property Tax Bill



2009 Possible Tax Levy Rate

\$ 15,371,320 *in proposed property taxes*

\$ 13,110,873 *in 2008 property taxes*

\$ 2,260,447 *increase in 2009 property taxes*

Proposed mill levy rate at **35.889**

Compared to 2008 at **31.683**

2009 Property Tax Increase

\$ 2,260,447 *proposed increase in 2009 property taxes*

| | |
|-------------------------------|---------------------|
| RCPD | \$ 1,319,882 |
| Library | \$ 463,484 |
| Industrial Promotion | \$ (50,000) |
| Health Department | \$ 16,593 |
| General Fund | \$ (56,889) |
| City EBF Fund | \$ 35,180 |
| KP&F Fund | \$ 184,310 |
| Fire Equipment Reserve | \$ (677) |
| Bond & Interest | \$ 348,564 |

Since the last work session...

(1) Tax levy rate decreased by 2.2 mills

**(2) Proposed City budget decreased by
\$ 856,950**

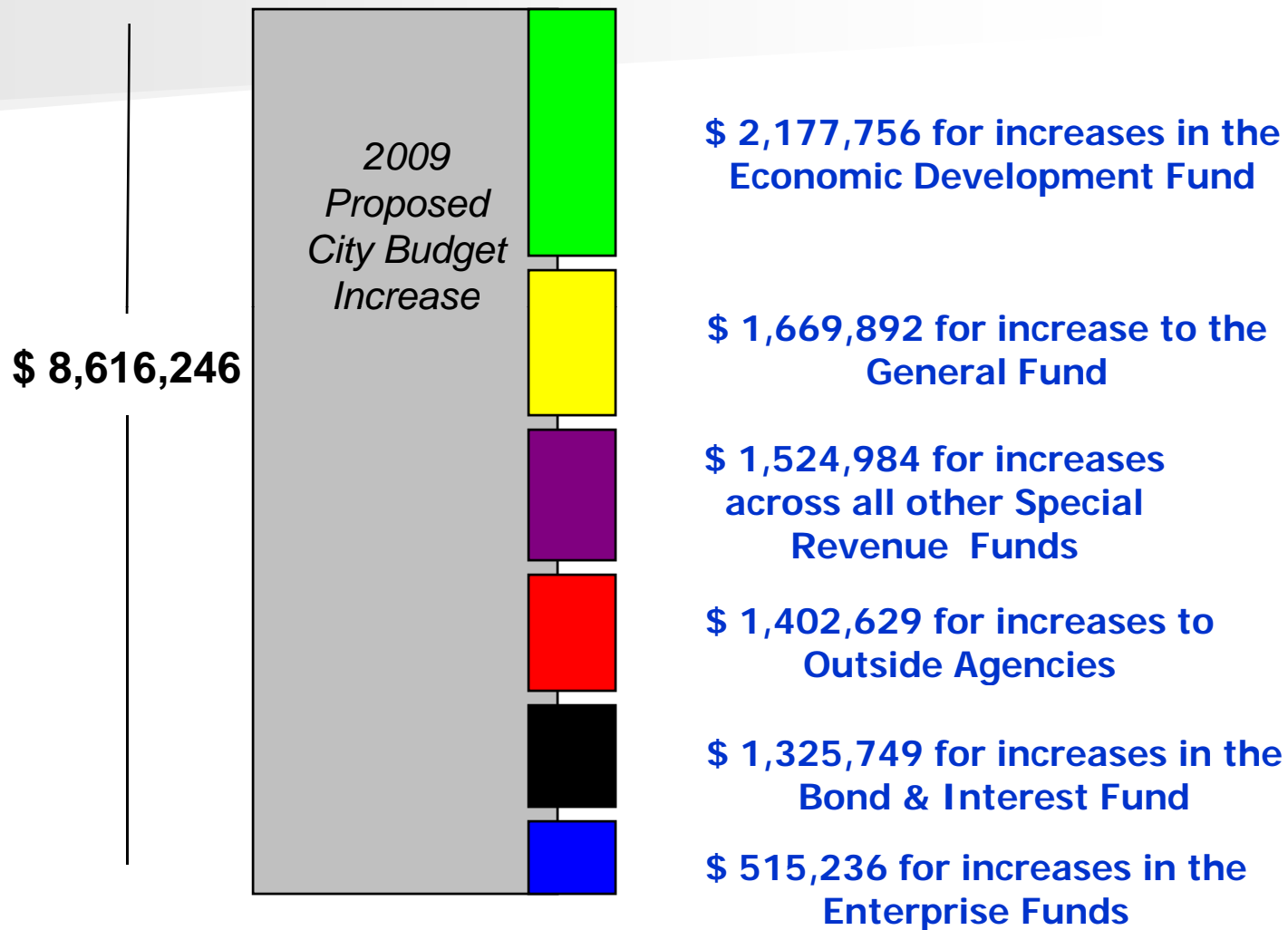
**(a) 2009 General Fund Budget was
reduced by \$ 305,450**

**(b) Park Development Fund was
reduced by \$ 250,000**

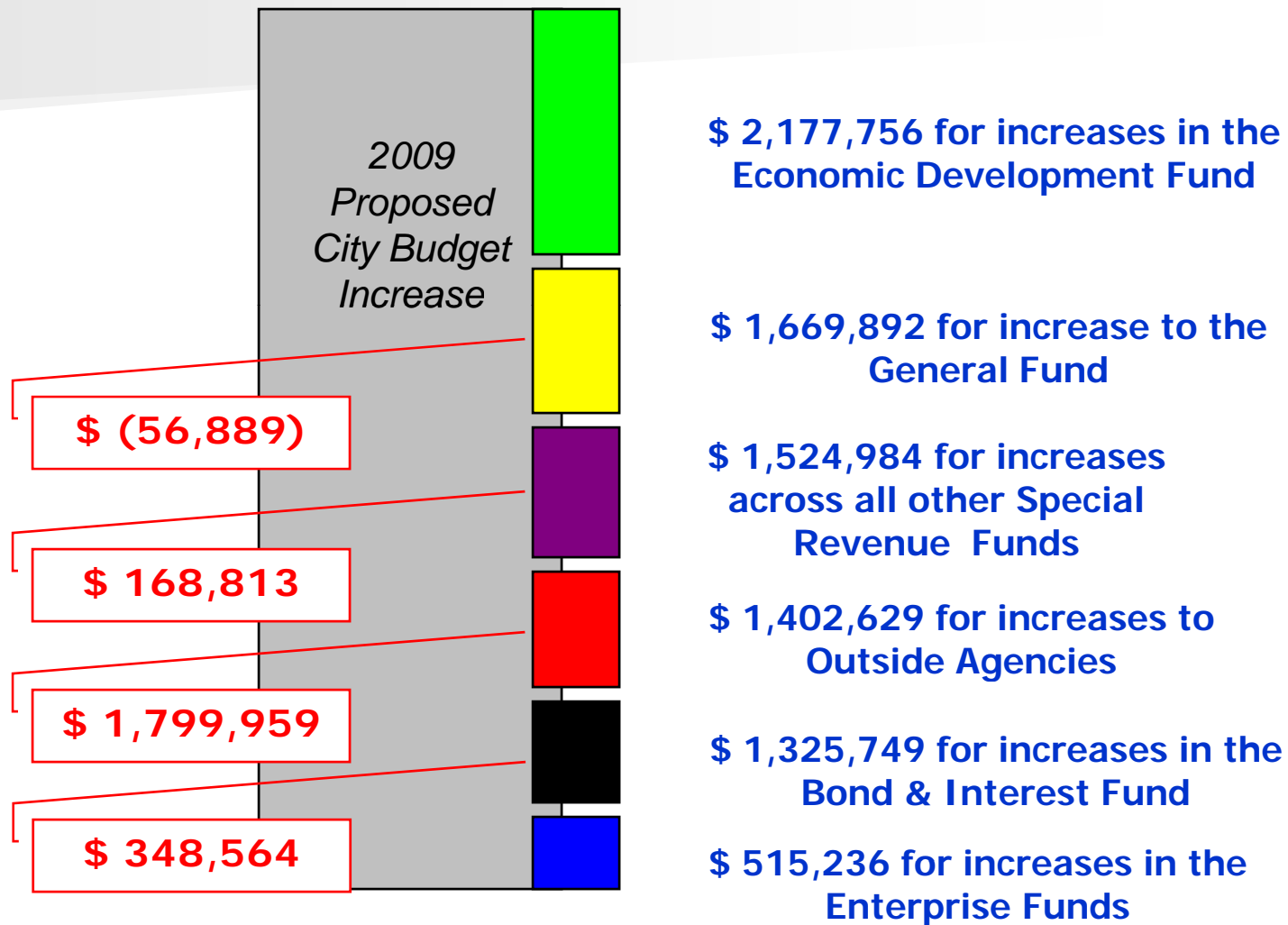
**(c) Employee Benefit Fund was
reduced by \$ 221,500**

**(d) KP&F Fund was reduced by
\$ 30,000**

2009 City Budget Increase

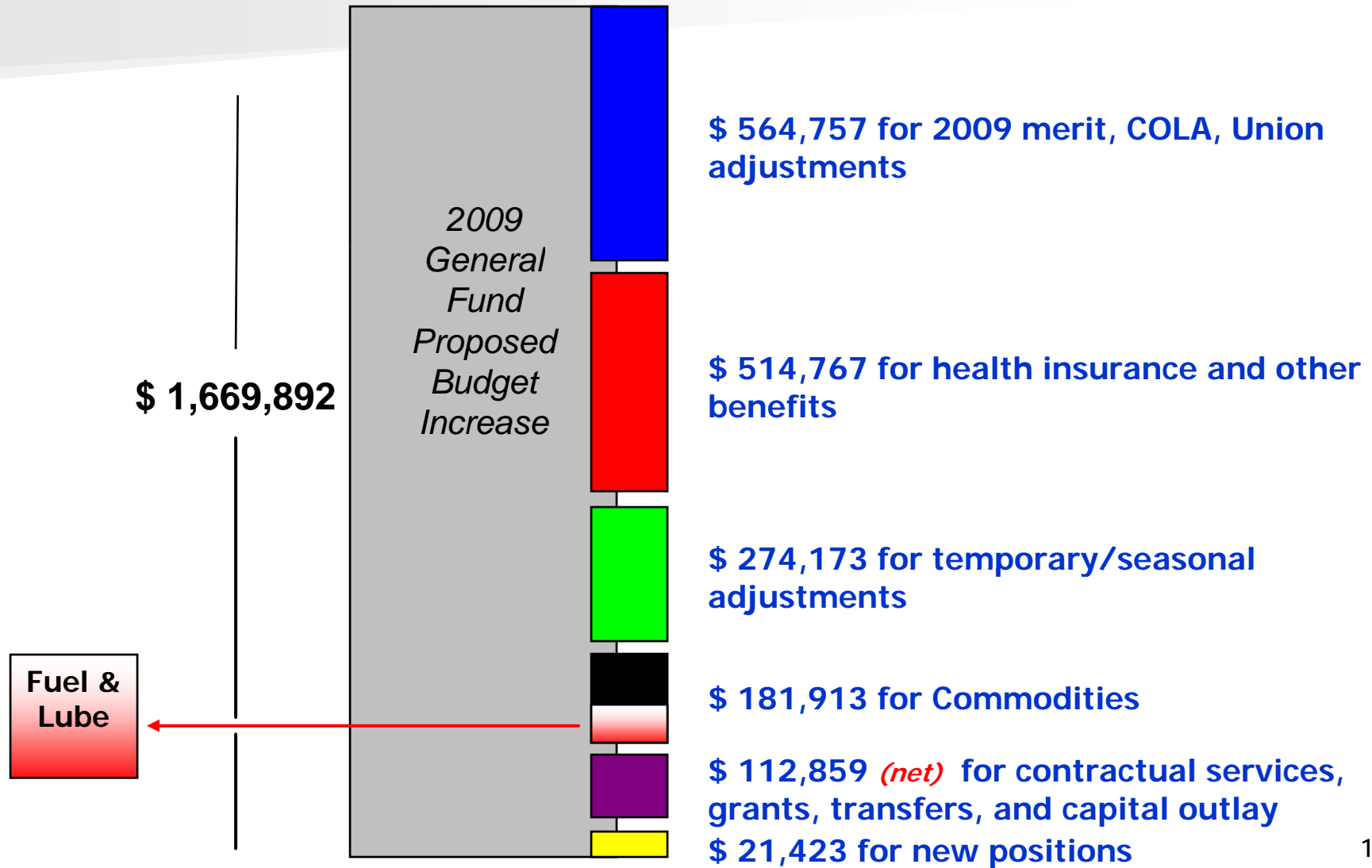


2009 City Budget Increase

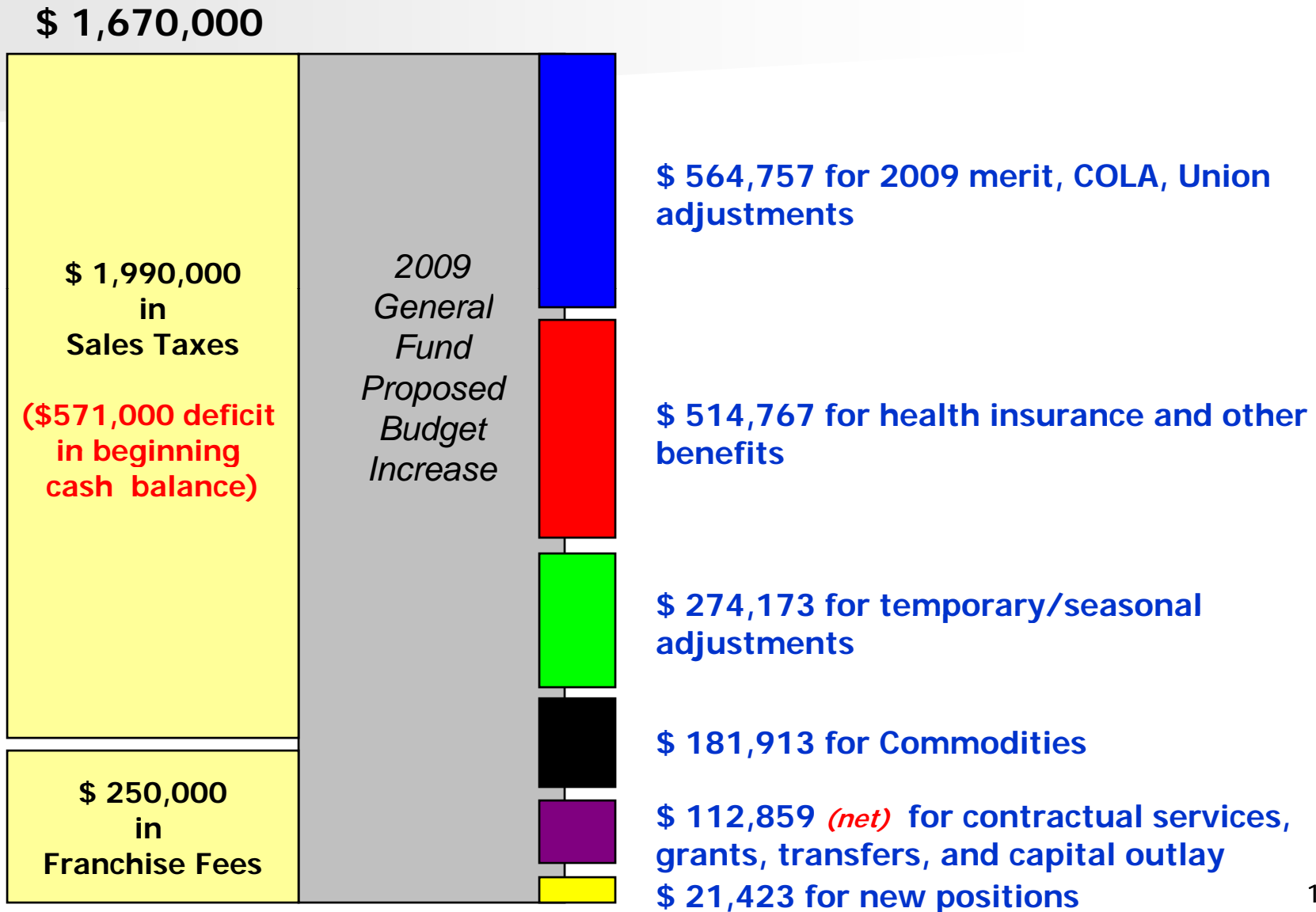


2009 Property Tax Change

General Fund Increase



General Fund Increase



Possible Reductions

\$ 2,260,447 *total increase in 2009 property taxes*

less **\$ 354,373** *estimated taxes from new improvements*

\$ 1,906,074 *net property taxes*

\$ 272,350 *operational reductions from General Fund*

\$ 48,000 *reductions from Park Development Fund*

\$ 25,000 *reductions from General Improvement Fund*

\$ 1,560,724 *amount remaining in property taxes*

Possible Reductions

Total tax rate levy impact from all possible reductions

.702

Most likely, further reductions will begin to affect City services and/or planned projects

Work Session Summary

- Proposed tax levy rate decreases by 2.2 mills
- New proposed tax levy rate is now **35.89** (current levy is 31.68)

Work Session Summary

Homeowner impact

2008

\$ 219,594 Home

times 3.5%

times 11.5%

\$ 25,253 taxable value

times 31.683 mill levy

**\$ 671 in Outside
Agency taxes**

\$ 129 in City taxes

2009

\$ 227,280 Home

times 11.5%

\$ 26,137 taxable value

times 35.889 mill levy

**\$ 781 in Outside
Agency taxes**

\$ 157 in City taxes

Work Session Summary

Homeowner impact

2008

**\$ 671 in Outside
Agency taxes**

\$ 129 in City taxes

| | |
|------------|---------|
| Water | \$17.27 |
| Sewer | 15.49 |
| Stormwater | 3.00 |
| Surcharge | .17 |

Total Monthly \$35.93

2009

**\$ 781 in Outside
Agency taxes**

\$ 157 in City taxes

| | |
|------------|---------|
| Water | \$19.02 |
| Sewer | 18.59 |
| Stormwater | 3.50 |
| Surcharge | .17 |

Total Monthly \$41.28

Upcoming Issues

- Water Fund rate increase
- Wastewater Fund rate increase
- Possibly adjustments to proposed budgets
- Prepare for 2009 Budget Publication

Preview of 3rd Work Session

General Fund

Outside Services \$ 567,220

Special Revenue Funds

Library \$ 2,331,163

Tourism & Conv. \$ 707,800

Eco Devo. \$ 9,444,616

*Chamber of
Commerce
portion*

*All agency requests have been left in the proposed
2009 budget as presented.*

Remaining Budget Calendar

3rd Budget work session for Outside Services on
June 24th

4th Budget work session on **July 8th**

Public hearing on the 2009 City Budget and CIP on
August 12th



Questions?