



GET TO KNOW YOUR CITY

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UNDERSTANDING THE CITY OF BARNESVILLE BUDGET PROCESS

CITY OF BARNESVILLE - 2013 BUDGET SUMMARY

The purpose of this report is to provide summary 2013 budget information concerning the City of Barnesville to interested citizens. The budget is published in accordance with Minn. Statute Section 471.6965. This budget is not complete; the complete budget may be examined at City Hall, 102 Front St. N., Barnesville, Minnesota. The City Council approved this budget on December 10, 2012.

Funds Include: General Fund, Other Special Revenue Funds, Debt Service Funds, Capital Projects Funds

REVENUES	* After audited adjustments	Actual 2011*	Prior Year 2012	Current Year 2013
1 Property Taxes (Do not include Market Value Credits)		407,047.00	547,413.00	669,310.00
2 Tax Increments		127,302.00	134,238.00	160,924.00
3 All Other Taxes (franchise, hotel/motel taxes, etc.)		0.00	0.00	0.00
4 Special Assessments		315,506.00	235,330.00	231,873.00
5 Licenses and Permits		21,549.00	61,200.00	17,300.00
6 Federal Grants		0.00	0.00	0.00
7 State General Purpose Aid (e.g. LGA, MV credits, etc.)		711,850.00	617,714.00	655,766.00
8 State Categorical Aid (state aid for streets, etc.)		0.00	39,144.00	38,144.00
9 Grants from County and Other Local Governments		0.00	43,471.00	173,204.00
10 Charges for Services		72,710.00	95,300.00	144,700.00
11 Fines and Forfeits		7,930.00	6,600.00	6,600.00
12 Interest on Investments		21,260.00	25,529.00	25,669.00
13 Miscellaneous Revenues		51,483.00	148,001.00	164,865.00
14 Total Revenues		1,734,637.00	1,953,940.00	2,288,355.00
15 Proceeds from Bond Sales		0.00	0.00	0.00
16 Other Financing Sources		2,724.00	0.00	0.00
17 Transfers from Other Funds (incl. Enterprise Funds)		793,458.00	1,356,737.00	1,265,265.00
18 Total Revenues and Other Financing Sources		2,530,819.00	3,310,677.00	3,553,620.00

EXPENDITURES		Actual 2011*	Prior Year 2012	Current Year 2013
19 General Government (council, administration, etc.)		585,662.00	612,244.00	624,878.00
20 Public Safety		505,043.00	514,892.00	560,407.00
21 Streets and Highways (excluding construction)		233,328.00	289,023.00	306,768.00
22 Sanitation		0.00	0.00	0.00
23 Human Services		0.00	0.00	0.00
24 Health		0.00	0.00	0.00
25 Culture and Recreation		258,133.00	448,672.00	462,635.00
26 Conservation of Natural Resources			0.00	0.00
27 Economic Development		140,381.00	231,360.00	223,292.00
28 Miscellaneous Current Expenditures		167,334.00	28,766.00	17,715.00
29 Total Current Expenditures		1,889,881.00	2,124,957.00	2,195,695.00
30 Debt Service - Principal		191,723.00	252,890.00	200,549.00
31 Interest and Fiscal Charges		71,924.00	177,758.00	172,356.00
32 Streets and Highways Construction			0.00	0.00
33 Capital Outlay		40,895.00	136,800.00	329,063.00
34 Other Financing Uses			0.00	0.00
35 Transfers to Other Funds (inc. Enterprise Funds)		76,101.00	622,454.00	590,961.00
36 Total Expenditures & Other Financing Uses		2,270,524.00	3,314,859.00	3,488,624.00

FUND BALANCE		2012	2013
37 General Fund - Beginning Balance- Jan 1		305,970.00	335,754.00
38 General Fund - Ending Balance - Dec.31		(234,770.00)	(355,651.00)
39 Increase (Decrease) in Fund Balance -Budgeted Gov't Funds		(71,200.00)	19,897.00

OTHER ITEMS			
40 Total Property Tax Levy - All Funds		544,413.00	593,416.00
41 Net Unrealized Gain (Loss) from Investments - 2012		0.00	0.00

Budgets have also been adopted for the following Special Revenue Funds:
Joint Powers, Parks and Recreation, Dare Program, Community Fund, Youth Alive and TIF Districts .

Enterprise Funds - 2013 Adopted Budget
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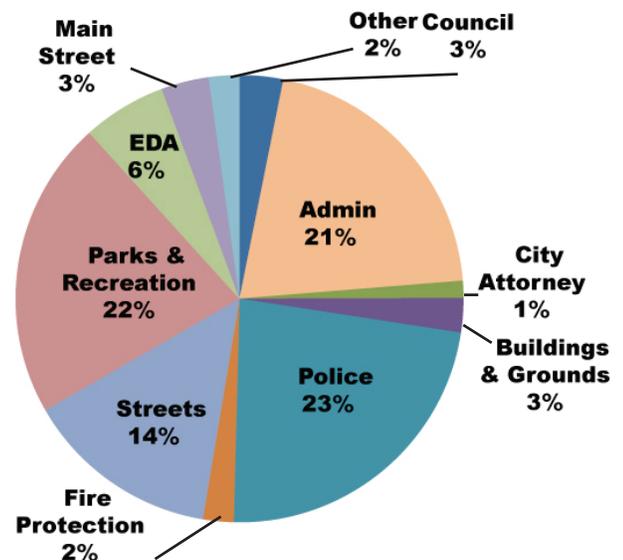
THE CITY'S BUDGET PROCESS

Putting the annual City Budget together begins in July when the department heads submit their proposed department budget to the City Administrator. The City Administrator and Finance Director go over these submissions with each department head and refine the numbers prior to the Finance Committee taking a look at it. The Finance Committee is made up of two Council members and the Mayor. They review, refine and present a preliminary budget to the City Council for approval prior to September 15th deadline. As a part of the preliminary budget the Council adopts a proposed property tax levy.

The Finance Committee continues to review the proposed budget and make changes until the final version of the budget is presented to the City Council in December. At that time, a final property tax levy amount is adopted which usually is less than the proposed levy. The final tax levy cannot be higher than the proposed levy.

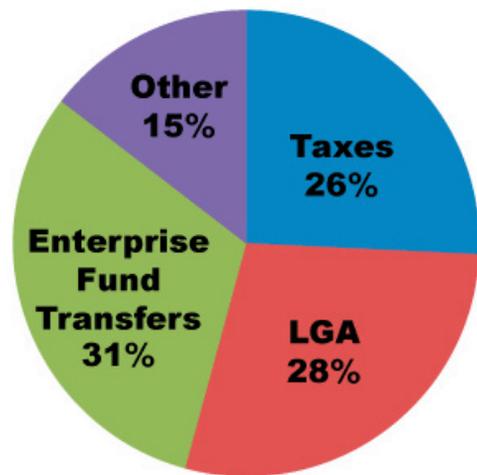
Once adopted the complete City Budget is available at www.barnesvillemn.com or may be viewed at City Hall.

HOW DOES THE CITY USE THE MONEY? A LOOK AT 2013 CITY EXPENDITURES



ENTERPRISE FUNDS 2013 ADOPTED BUDGET

Enterprise Funds 2013 Adopted Budget	Water	Sewer	Sanitation	Storm Sewer	Liquor	Electric	Cable	Telephone	Broadband	Ambulance	Grand Totals	2013 Grand Totals	2012 Grand Totals
Sales and Cost of Sales													
Sales													
Cost of Sales					\$419,635.00						419635	406150	
Gross Profit					(\$342,100.00)						-342100	-329600	
					<u>\$77,535.00</u>						<u>77535</u>	<u>76550</u>	
Operating Revenues													
Charges for Services	\$391,953.00	\$574,157.00	\$204,750.00	\$7,500.00		\$1,997,500.00	\$436,400.00	\$1,060,192.00	\$210,900.00	\$325,647.00	\$5,208,999.00		
Restricted for replacement	\$29,000.00	\$29,000.00	\$0.00	\$29,000.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$87,000.00		
Total Gross Profit and Operating Revenues	<u>\$420,953.00</u>	<u>\$603,157.00</u>	<u>\$204,750.00</u>	<u>\$36,500.00</u>	<u>\$77,535.00</u>	<u>\$1,997,500.00</u>	<u>\$436,400.00</u>	<u>\$1,060,192.00</u>	<u>\$210,900.00</u>	<u>\$325,647.00</u>	<u>\$5,373,534.00</u>	<u>\$5,312,891.00</u>	
Operating Expenses													
Personal Services	\$19,167.00	\$11,562.00	\$27,375.00	\$0.00	\$54,669.00	\$65,865.00	\$19,401.00	\$232,509.00	\$22,200.00	\$163,859.00	\$616,607.00	\$588,534.00	
Contractual Services	\$111,407.00	\$95,648.00	\$134,000.00	\$0.00	\$0.00	\$90,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$446,055.00	\$423,150.00	
Supplies, Materials, Utilities	\$38,399.00	\$42,568.00	\$27,733.00	\$0.00	\$15,903.00	\$1,521,166.00	\$308,516.00	\$283,480.00	\$40,566.00	\$191,081.00	\$2,469,412.00	\$2,390,838.00	
Capital Expenditures	\$47,100.00	\$25,000.00	\$0.00	\$0.00	\$0.00	\$40,000.00	\$36,500.00	\$172,500.00	\$34,000.00	\$0.00	\$355,100.00	\$334,650.00	
Debt Service	\$96,000.00	\$282,000.00	\$0.00	\$0.00	\$0.00	\$32,000.00	\$40,000.00	\$48,000.00	\$0.00	\$0.00	\$498,000.00	\$580,181.00	
Total Operating Expenses	<u>\$312,073.00</u>	<u>\$456,778.00</u>	<u>\$189,108.00</u>	<u>\$0.00</u>	<u>\$70,572.00</u>	<u>\$1,749,031.00</u>	<u>\$404,417.00</u>	<u>\$736,489.00</u>	<u>\$96,766.00</u>	<u>\$369,940.00</u>	<u>\$4,385,174.00</u>	<u>\$4,317,353.00</u>	
Operating Income (Loss)	<u>\$108,880.00</u>	<u>\$146,379.00</u>	<u>\$15,642.00</u>	<u>\$36,500.00</u>	<u>\$6,963.00</u>	<u>\$248,469.00</u>	<u>\$31,983.00</u>	<u>\$323,703.00</u>	<u>\$114,134.00</u>	<u>(\$44,293.00)</u>	<u>\$988,360.00</u>	<u>\$995,538.00</u>	
Nonoperating Revenues (Expenses)													
Interest Earnings	\$700.00	\$1,000.00	\$0.00	\$0.00	\$5.00	\$300.00	\$20.00	\$700.00	\$100.00	\$25.00	\$2,850.00	\$3,885.00	
Interest and Fiscal Charges	(\$40,018.00)	(\$61,638.00)	\$0.00	\$0.00	\$0.00	(\$7,996.00)	(\$31,537.00)	(\$11,994.00)	\$0.00	\$0.00	(\$153,183.00)	(\$164,798.00)	
Total Nonoperating Revenues (Expenses)	<u>(\$39,318.00)</u>	<u>(\$60,638.00)</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$5.00</u>	<u>(\$7,696.00)</u>	<u>(\$31,517.00)</u>	<u>(\$11,294.00)</u>	<u>\$100.00</u>	<u>\$25.00</u>	<u>(\$150,333.00)</u>	<u>(\$160,913.00)</u>	
Income (Loss) before Operating Transfers	<u>\$69,562.00</u>	<u>\$85,741.00</u>	<u>\$15,642.00</u>	<u>\$36,500.00</u>	<u>\$6,968.00</u>	<u>\$240,773.00</u>	<u>\$466.00</u>	<u>\$312,409.00</u>	<u>\$114,234.00</u>	<u>(\$44,268.00)</u>	<u>\$838,027.00</u>	<u>\$834,625.00</u>	
Operating Transfers In (Out)	(\$35,000.00)	(\$50,000.00)	(\$15,000.00)	(\$7,500.00)	(\$6,000.00)	(\$205,000.00)	\$0.00	(\$300,250.00)	(\$100,250.00)	\$44,350.00	(\$674,650.00)	(\$734,820.00)	
Net Income (Loss) - includes restricted funds for replacement	\$34,562.00	\$35,741.00	\$642.00	\$29,000.00	\$968.00	\$35,773.00	\$466.00	\$12,159.00	\$13,984.00	\$82.00	\$163,377.00	\$99,805.00	



REVENUE SOURCES FOR THE GENERAL FUND

WHERE DOES THE MONEY COME FROM TO OPERATE THE CITY?

The City funds its operations through a number of revenue sources. Its primary source of revenue is the money that comes in from the various enterprise funds that the City operates. These enterprise funds include Telephone, Cable, Broadband, Electric, Ambulance, Water, Sewer, Sanitation and Liquor Store. The Ambulance Service receives about \$45,000 from other funds in order to break even and the cable system is self-sufficient. The rest of these enterprises generate surpluses that go into the General Fund to help provide traditional tax-funded services while keeping property taxes fairly low.

In 2013, the enterprise funds will contribute \$719,000 toward General Fund services like Police, Street, Parks, Administration and Economic Development. The tax revenue collected to help fund these same General Fund services in 2013 amounts to \$593,416. Another main revenue source for the General Fund is the revenue that we get from the State of Minnesota, which is called Local Government Aid or LGA. For 2013, LGA will provide \$655,766 for General Fund services. Other revenues such as building permit fees, park and recreation fees, grant funds and other State revenues will be \$335,384 in 2013.

Looked at another way, property taxes fund general services for 26% of the year. If we looked at that as what portion of the calendar year that would fund, property taxes would run out sometime the first week of April. Then LGA (28%) would provide funding from the first week in April through the second week in July. Enterprise Fund surpluses (31%) would fund the next 16 weeks, through the end of October. Other revenues (15%) such as building permit fees, park and recreation fees, grant funds would then round out the rest of the year.