



City Of

Faribault

2012-2013

Adopted Budget

CITY OF FARIBAULT
ANNUAL BUDGET
FOR FISCAL YEAR BEGINNING
JANUARY 1, 2012

DIRECTORY OF OFFICIALS

John Jasinski	Mayor
Kay Duchene	Councilmember
Roger Johnson	Councilmember
Carol King	Councilmember
David Miller	Councilmember
Steve Underdahl	Councilmember
Kevin Voracek	Councilmember

Charles S. Whiting, City Administrator

Terry J. Berg, Deputy City Administrator/Finance Director

Peter Waldock, Director of Community Development

Joe Berg, Director of Fire and Code Services

Paul Peanasky, Buckham Center Director

Daniel Collins, Chief of Police

Timothy Murray, Director of Public Works/City Engineer

TABLE OF CONTENTS

	Page Number
INTRODUCTION	
Budget Process	iv
Budget Calendar	v
Vision Statement	vii
City Organizational Chart.....	viii
2012 Adopted Budget Resolution.....	ix
Tax Levy Resolution.....	x
HRA Levy Resolution.....	xi
EDA Levy Resolution.....	xii
BUDGET OVERVIEW	
City Administrator's Budget Message.....	1
Faribault's Tax Rate History.....	9
Summary of Revenues by Fund.....	10
Summary of Expenditures by Fund and Function.....	12
GENERAL FUND	
Revenue Sources, Trends and Assumptions.....	16
General Fund Revenue Comparison.....	18
General Fund Expenditure Comparison.....	19
Legislative	21
City Administration.....	22
Elections.....	25
Financial Administration.....	26
Legal Services.....	28
Personnel Administration.....	29
Planning & Zoning.....	30
General Government Buildings	33
Police Administration.....	34
Criminal Investigation.....	36
Uniform Patrol.....	38
Police Records.....	40
Fire Administration.....	42
Fire Suppression.....	44
Code Enforcement.....	46
Special Services.....	48

TABLE OF CONTENTS

Page
Number

GENERAL FUND (continued)

Public Works Administration.....	50
Street Maintenance.....	52
Equipment Maintenance.....	54
Street Lighting.....	55
Traffic Signs & Signals.....	57
Community Center Administration.....	58
Community Center Building.....	60
Swimming Pool.....	62
Washington Center.....	64
Soccer Complex.....	65
Armed Forces Reserve Center.....	66
Adult Athletics.....	67
Youth Athletics.....	68
Youth Programs.....	69
Enrichment Programs.....	70
Softball Programs.....	71
Volleyball Programs.....	72
Ice Arena.....	73
Park Maintenance.....	74
Library.....	76
Miscellaneous Accounts.....	78
Transit.....	80

OTHER FUNDS

SPECIAL REVENUE FUND

Special Revenue Funds Revenue vs. Expenditure Summary.....	82
Charitable Gambling Fund.....	83
City Rental Property.....	84
Airport.....	85
Neighborhood Stabilization.....	87
Community Development.....	88
Rental Housing Rehabilitation.....	92
1999 SCDP Revolving Loan.....	93
2004 SCDP Revolving Loan.....	94
2009 SCDP Revolving Loan.....	95
Free Pops Program.....	96
Safety Camp.....	97
Aquatic Facility.....	98

DEBT SERVICE FUND	101
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TABLE OF CONTENTS

	Page Number
CAPITAL PROJECT FUND	
Street Improvement Projects.....	110
Parkland Dedication.....	112
Capital Replacement.....	113
ENTERPRISE FUND	
Water	116
Sewer Collection	118
Water Reclamation Facility.....	120
Storm Water.....	122
INTERNAL SERVICE FUND	
Workers Compensation Insurance.....	126
Property/Liability Insurance.....	127
Engineering.....	128
Management Information Systems.....	130
AGENCY FUND	
Elderly Housing Corporation.....	135
Robinwood Manor.....	136
ECONOMIC DEVELOPMENT AUTHORITY	
Economic Development Authority Revenue vs. Expenditures.....	141
Industrial Development Loan Program.....	142
Minnesota Investment Loan Program.....	143
District Tax Increment.....	144
Economic Development Authority.....	146
Economic Development Authority Revolving Loan Program.....	148
HOUSING AND REDEVELOPMENT AUTHORITY	
Housing and Redevelopment Authority Revenue vs. Expenditures.....	151
Public Housing.....	152
MURL Program.....	153
Housing and Redevelopment Authority.....	154
SUPPORTING DATA	
Fund Balance Projections.....	157
Personnel Comparisons.....	161
Personnel Services Trends and Assumptions.....	169
Glossary.....	173

Budget Process

The annual budget is prepared in accordance with Minnesota Statutes which mandate that cities must announce and schedule one regular meeting in which the City Council will discuss the budget and take public input. Cities must provide the date of this meeting to the county auditor on or before September 15. This budget meeting must occur at or after 6:00 p.m. between November 25 and December 26. The City cannot adopt a final budget until after this meeting.

The City Administrator and Finance Department are responsible for the development of the annual budget. The City adopts a balanced budget so that the appropriated expenditures do not exceed the estimated revenues and reserves available from prior years. As the budget calendar indicates, the budget process begins in May each year with the distribution of budget forms to all department directors. All departments are responsible for compiling budget figures with the exception of personnel costs. Those personnel costs are calculated and inputted by the Finance Department. Department directors are responsible for inputting their budget requests into the financial software. The City Administrator and Deputy City Administrator/Finance Director schedule individual budget meeting with department directors to review budget requests, which include the five-year Capital Improvement Plan requests. After the departmental meetings, the City Administrator presents the proposed budget to the City Council. The proposed budget is reviewed by the City Council and the final budget is adopted by the end of December.

The City does several long-range financial plans. Each year in April, prior to the budget process, the City Council reviews the Debt Management Plan. This plan reviews debt service obligations and projects the debt service levy for 20-years. In addition, as part of the Capital Improvement Plan process, the City reviews five-year forecasts on revenues and expenditures for various special revenue and capital project funds. The enterprises funds are presented with five-year forecasts on revenues, expenditures and capital outlays which support the rates. The City understands the importance of long-range planning. The long-range planning supports the goals and vision of the City. The Finance Department is involved in actions steps to assist other City departments with their action steps.

Amending the Budget

Generally, department directors can make amendments from one line item to another within their department budget(s) by submitting a completed budget revision form to the Finance Department. These adjustments are reviewed by the Deputy City Administrator/Finance Director and City Administrator. All budget revisions must have City Council approval.

**CITY OF FARIBAULT
TIMETABLE OF EVENTS
2012-2013 BUDGET**

Day	Date	Event
Tues	19-Apr	Council/Directors Retreat
Tues	19-Apr	Discussion of budget calendar at Directors meeting.
Tues	3-May	Supervisors' Budget Workshop at Directors meeting. Supervisors receive 2012-2013 budget preparation manual and 2012-2013 calendar; distribute budget forms, discuss Council planning and standards for budget items.
Tues Fri	3-May thru 6-May	Finance meetings with directors to answer any questions regarding the budget process, as requested.
Tues	17-May	City Council budget work session.
Fri	27-May	2012 objectives, 2013 issues and workload data due to Finance Department.
Fri	10-Jun	Last day for directors to submit 2012-2013 spending budget requests data and Capital Improvement Plan (CIP) requests.
Tues	21-Jun	City Council budget work session.
Mon Fri	11-Jul thru 15-Jul	City Administrator/Finance Director analyze requested budget/CIP and meet with individual directors to review their requests.
Tues	19-Jul	City Council budget work session.
Fri	22-Jul	Proposed Capital Improvement Plan (CIP) document is delivered to Council members.
Fri	5-Aug	Proposed Budget document is delivered to Council members.
Tues	16-Aug	City Council work session to review 2012-2016 Proposed CIP and budget.
Tues	30-Aug	Joint Committee Meeting - 7:00 p.m. Committee reviews: 1) Preliminary 2012-2013 budget 2) Proposed 2012 tax levy 3) Budget hearing date
Wed	1-Sep	Deadline for Department of Revenue to certify levy limit for payable 2012.
Tues	13-Sep	Council Meeting - 7:00 p.m. Council approves preliminary 2012-2013 budget, sets proposed 2012 tax levy, and establishes budget hearing date.
Thurs	15-Sep	Last day to certify proposed 2012 levy and budget hearing date to the County Auditor. Special levy form to state, if necessary.
Tues	20-Sep	City Council budget work session.
Fri	30-Sep	Deadline for cities to submit forms claiming special levies for payable 2012.
Tues	4-Oct	City Council budget work session.
Tues	18-Oct	City Council budget work session.
Tues	1-Nov	City Council budget work session.
Tues	15-Nov	City Council budget work session.
Thurs	1-Dec	Last day for Commissioner of Revenue to notify cities of their final certified levy, if applicable.
Fri	9-Dec	Deadline for Department of Revenue to certify special levies for payable 2012.
Tues	13-Dec	Final City Council action on proposed budget, CIP and tax levy.
Wed	28-Dec	Last day to certify final tax levy to County Auditor.
Wed	28-Dec	Last day to submit 2012 Levy Report to State Department of Revenue.



City of Faribault's Vision Statement



WHO WE ARE

Faribault is an historical community located in a rural environment in close proximity to the Twin Cities metropolitan area, with economic ties to other regional center communities in southeastern Minnesota. It is home to several major state institutions and a variety of industrial, commercial, and retail businesses which create a diverse economic center. Faribault has unique characteristics, including a wide variety of recreational and environmental opportunities, choices of public and private schools, a rich historical perspective and a culture that respects people with disabilities.

COMMUNITY VALUES

As a community we value a strong work ethic and commitment to the preservation of family independence and family safety. We believe it is important to balance our progressive approach to public improvements with fiscal responsibility.

PROCESS

City government will use these processes to address the community's future needs:

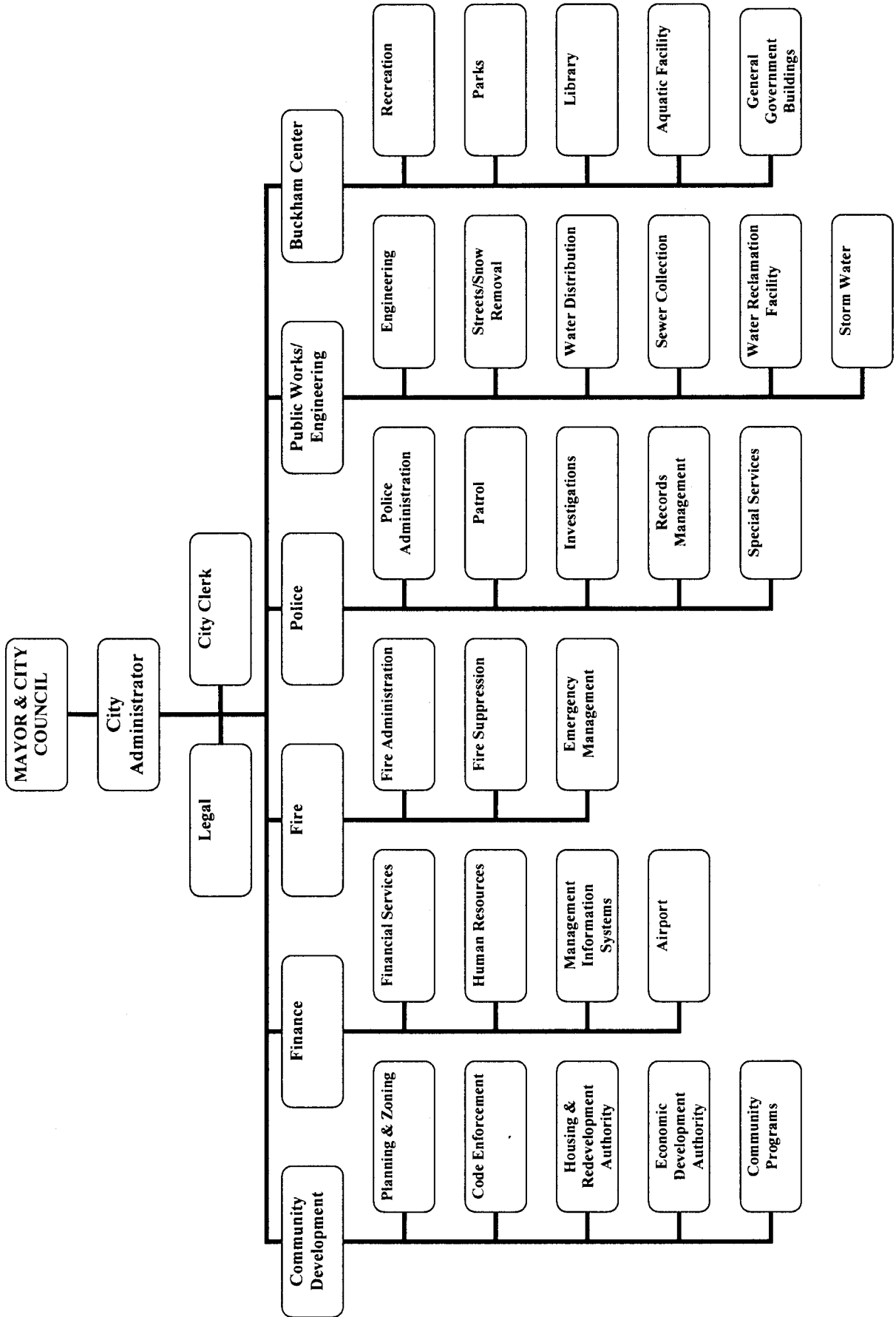
- provide a high level of coordination among jurisdictions to create and sustain development, employment, and quality-of-life opportunities;
- reach out and determine the expectations of our customers and respond to those expectations as they deal with the general community interest;
- promote an environment that anticipates and plans for future needs with a moderate level of risk;
- be sensitive to the strongly held values of the community.

VISION

A Faribault city government that:

- manages the community's growth in a manner which is sensitive to a balance between development and quality of life;
- addresses the community-wide needs of all age and interest groups in a responsible manner;
- provides a safe and secure environment for our "families" in a fiscally careful way;
- maintains the physical support structure needed by businesses, individuals and institutions to operate successfully through long-range planning.

**City of Faribault
Organization Chart - 2012**



CITY OF FARIBAULT

RESOLUTION #2011-237

**RESOLUTION ADOPTING THE 2012 BUDGET
AND ESTABLISHING FUND APPROPRIATIONS**

WHEREAS, the City Council has met specifically for the purpose of discussion on the 2012 budget; and

WHEREAS, estimated December 31, 2011, fund balances are sufficient to meet approved expenditures for fiscal year 2011.

NOW THEREFORE BE IT RESOLVED,

Section 1: That the City of Faribault 2012 budget is hereby approved in accordance with State Statute and Faribault Municipal Charter as follows:

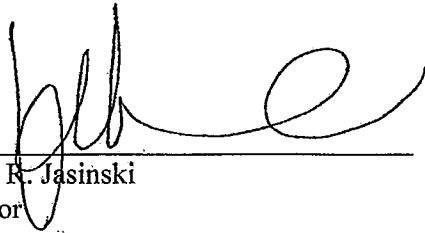
General	\$12,142,562
Special Revenue	\$ 1,631,466

Section 2: That the following financial plan for fiscal year 2012 is hereby approved for expenditures in each of the funds as follows:

Debt Service	\$ 2,374,081
Capital Projects	\$ 5,295,000
Enterprise	\$11,899,038
Internal Service	\$ 1,285,467

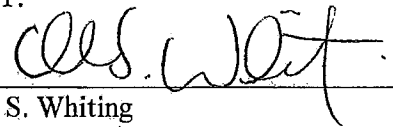
Section 3: Maximum appropriations may be increased if and when additional revenues are anticipated or received.

Adopted: December 13, 2011



John R. Jasinski
Mayor

ATTEST:



Charles S. Whiting
City Administrator

State of Minnesota
County of Rice

CITY OF FARIBAULT

RESOLUTION #2011-238

**RESOLUTION LEVYING A TAX ON THE TAXABLE PROPERTY
OF THE CITY OF FARIBAULT, RICE COUNTY, MINNESOTA
FOR FISCAL YEAR 2012**

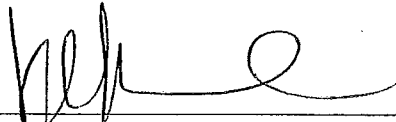
THE CITY OF FARIBAULT RESOLVES:

Section 1: That there is hereby levied on the taxable property of the City of Faribault, Rice County, Minnesota for the fiscal year 2012 for the following funds:

General Levy	5,060,838
PERA – Special Levy	12,544
Debt Service	1,504,587

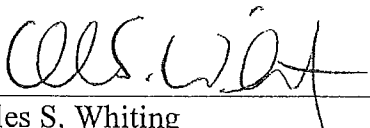
Section 2: That the City Administrator is hereby authorized, empowered and directed to file a certified copy of this resolution with the Rice County Auditor pursuant to applicable statutes.

Adopted: December 13, 2011



John R. Jasinski
Mayor

ATTEST



Charles S. Whiting
City Administrator

State of Minnesota
County of Rice

CITY OF FARIBAULT

RESOLUTION #2011-240

**APPROVING ECONOMIC DEVELOPMENT AUTHORITY
FINAL PROPERTY TAX LEVY FOR FISCAL YEAR 2012**

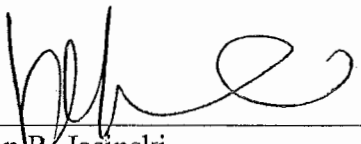
WHEREAS, the City of Faribault may levy a tax in any year for the benefit of the activities of the Economic Development Authority pursuant to Minnesota Statutes 469.107, Subdivision 1; and

WHEREAS, the Faribault Economic Development Authority did by Resolution 2010-17 on November 17, 2011, levy a special tax on taxable property of the City of Faribault, Rice County, Minnesota in the amount of \$246,047 for 2012; and

WHEREAS, Minnesota Statutes 469.107, Subdivision 1 requires the consent, by resolution, of the governing body of the municipality to levy said tax.

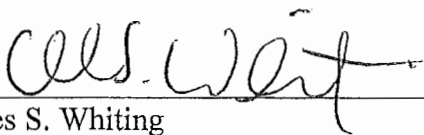
NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Faribault hereby gives final approval for the collection of a levy for the benefit of economic development activities within the community in fiscal year 2012 in an amount of \$246,047.

Adopted: December 13, 2011



John R. Jasinski
Mayor

ATTEST:



Charles S. Whiting
City Administrator

State of Minnesota
County of Rice

CITY OF FARIBAULT

RESOLUTION #2011-239

**APPROVING HOUSING AND REDEVELOPMENT AUTHORITY
FINAL PROPERTY TAX LEVY FOR FISCAL YEAR 2012**

WHEREAS, the Housing and Redevelopment Authority of the City of Faribault (the "HRA") may request the establishment of a special benefit tax pursuant to Minnesota Statute 469.033 Subdivision 6; and

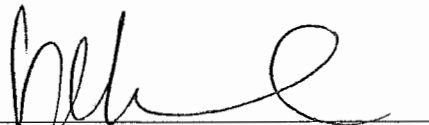
WHEREAS, the Faribault Housing and Redevelopment Authority did by Resolution 2011-13 on November 14, 2011, levy a special tax on taxable property of the City of Faribault, Rice County, Minnesota in the amount of \$234,468 for 2012; and

WHEREAS, Minnesota Statute 469.033 Subdivision 6 requires the consent, by resolution, of the governing body of the municipality to levy said tax.

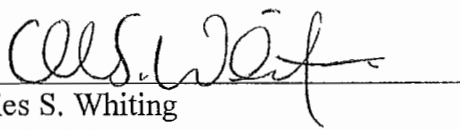
NOW, THEREFORE BE IT RESOLVED, that pursuant to Minnesota Statutes 469.033 Subdivision 6, the special benefit tax as determined by the Faribault Housing and Redevelopment Authority is hereby approved for collection in 2012 in the amount of \$234,468.

Adopted: December 13, 2011

ATTEST:



John R. Jasinski
Mayor



Charles S. Whiting
City Administrator



October 31, 2011

Mayor Jasinski and
Members of the City Council

Dear Mayor and City Council:

Please accept the 2012-2013 budget and my appreciation for your work to address the issues facing the City and recognizing the progression of issue development from last year to this year. The past two years have been a period of transition. Multiple staff and organization changes in this time reflect the City's adjustment to a sluggish economy, uncertain state funding and a need to maintain core City functions. While the actual 2012-2013 City budget process began in April with a City Council and Directors retreat, real changes started in 2010 continued through 2011. The 2012-2013 budget reflects an assessment of those changes and cautious optimism that the City is better poised to meet the needs of this community going forward.

The April 19 retreat allowed the Council and staff to reflect on the changes committed to last year and address several issues pertinent to the City for 2011 operations and the 2012 budget. In May the Council reviewed historic budget data and trends to address as the City moved forward to develop the 2012-2013 budget. The future of Local Government Aid (LGA) continues to be a concern and how best to plan for its suspected long term reduction. Directors completed their preliminary department budgets in July and the overall preliminary budget was reviewed with the City Council July 19th. Objectives included a 0% increase in the budget and a review of revenue variables to address on-going operations and infrastructure needs. Directors completed and reviewed the Capital Improvement Plan with the Council in August. Faced with a preliminary budget shortfall, the City Council set parameters for a preliminary levy increase and reduction in LGA from the state certified amount for 2012. The Council and staff further refined budget options in August and September and choices became clearer. The budget put forward here was completed in mid-October and retains service levels the City addressed in 2010 and addresses others going forward in 2012. The overall levy increase is 4.93% and reflects more of the ongoing concern with the future of LGA than with increased costs. As was done for the 2011 budget, the budget for LGA revenue is set at the 2010 budget amount, which is \$500,000 less than the state's certified amount for 2012. Lower priority General Fund capital improvement items will be placed on hold unless the full certified LGA amount is received. Refinements in the City's use of reserves and debt levies are also contributing to maintaining service levels and future capital improvements while still assuring a prudent General Fund fund balance. In all, this budget protects current expectations of Faribault residents for city services while hedging against possible state funding shortfalls. Increasing the levy now is viewed as an incremental adjustment to the real possibility of losing future LGA, as difficult as that decision is to make at this time.

Development of the 2012-2013 budget was different than last year but the knowledge and expertise of the Directors provided viable options for Council consideration and led to a responsible forward looking budget for 2012-2013. I'd like to thank the Directors for their professionalism and work ethic as they have assisted greatly with their willingness and patience to develop this budget. They are deserving of the Council's appreciation, and mine.

As the community faces its share of economic hardship, the vision and goals for Faribault remain strong and vibrant. The City Council, the Directors and City employees continue to strive for superior City services that not only meet the physical needs of our community, but also address the social network of services so critical to residents and their families for our high quality of life. The City remains very active in recruiting and retaining businesses and employers for Faribault's long term vitality. To that end, the City is restructuring two positions in Community Development in order to emphasize its commitment to housing and economic development. Also, the City's long time transit service has been transferred to Three Rivers Community Action Agency, a regional non-profit agency operating local transit system in several south eastern Minnesota communities. Its ownership and operations of the bus service starts January 1, 2012 and will give more needed time and attention to serve residents and businesses' transportation needs while divesting the City of projected operational contributions. Investment continues in Faribault's airport, streets and utilities systems and in the buildings that house the City's administrative and cultural functions. There is no question the cost of City services are stretched during these economic times and finding balance between our residents' ability to pay and addressing community needs is the objective for each annual budget. It is no different now with this document and the significance of its contents for keeping Faribault's future bright. The commitment remains for a strong Faribault community.

As has been experienced of late, the City's tax base value continues to decline during this economic recovery. The state's decision to end the market value homestead credit and replace it with market value credit exclusion will likely exacerbate Faribault's downward tax base value trend and shift the property tax burden between properties in the community. We anticipate commercial and other non-homestead properties will feel the effects of this change the most. While this change in the state's policy for assisting residential property tax payers "saved" the state \$261 million, the state's projected budget shortfalls were hardly resolved for next year, and the wary eyes of cities around the state, including Faribault, must again expect the state's commitment to LGA to be tenuous at best. The new market value credit will exclude portions of lower valuation homestead properties from local city, school and county levies. Since these levies are fixed amounts, the distributed share of each levy to property owners will not be known until tax bills are generated, but collectively figures show a shift in tax burden to commercial and other non-homestead properties, leaving cities, counties and school districts with the prospect of having essentially settled their budgets before fully knowing the impacts of their levies within their communities.

Not being as captive to the constraints of LGA and levies, the City's commitment to its water, storm water and sanitary sewer utilities continue to serve the community well through strong maintenance and long term planning. Utilities remain fiscally healthy and continue to receive appropriate attention and maintenance to remain strong into the future. Conversion to monthly utility billing this year has also served users well, reducing payment delinquency amounts and

service shutoffs. For utilities and city infrastructure and equipment, the City Council reviewed the Capital Improvement Plan item by item. Among the issues addressed, a consensus developed that more planning is needed for any upgrade and maintenance needs at the Aquatic Center, and that a general facilities maintenance plan is needed. Staff is following up on options for developing such a plan.

The proposed budget contains changes in four positions but no additional positions to the City's labor force. Upgrades to a department secretary position, a mechanic, an economic development coordinator and the GIS/CAD technician position are included. Labor contracts have been settled for 2012 and contain no wage increases. The City's contributions to employee health insurance are fixed and remain at 2011 levels. The vacant Human Resource Coordinator position is currently being reviewed and is anticipated to be filled before the end of 2011.

In September, the City Council adopted a preliminary property tax levy increase of 5% for 2012. The City Council also held an open community budget discussion and received direct input from residents on the budget, property taxes and city services. Two budget work sessions later in October the Council settled on an overall levy increase for 2012 of 4.93% and finalized the rest of the budget for preparation for presentation and adoption in December. The levy reduction was the result holding the HRA levy to their 2011 levy amount. In addition, the Council committed to transferring \$1,000,000 from the General Fund to the Capital Replacement Fund in order to assist funding equipment purchases over the next four years. The Council also committed to retaining adequate General Fund undesignated reserves by increasing the percentage of these reserves from 40% to 45% of the prior year's appropriation. Committing to calling the Faribault Commercial Development bonds in 2016 also helped readjust the City's levy commitments by using the bond's projected adequate fund balance in 2016 to prepay the balance of the bond issue. Looking forward to future funding for City street improvements, the Council committed to returning the levy for the Street Improvement Fund to \$500,000 with another increase projected for 2013 thereby assuring planned improvements are adequately provided for over the next five years. These commitments preserve the City's fiscal safety net by addressing future levy contributions while maintaining important infrastructure investments.

The City Council gave serious review to its civic organization contributions and in the end held to 2011 funding amounts. Community Education program management continues to be addressed with the School District. With the current agreement expiring June 30, 2012, efforts to address the current management structure continue as this budget is being finalized.

The difficult decision to hold to the 2011 level of LGA impacts the 2012 budget and levies the most. The City's 2 and 3 priority General Fund capital improvement items, totaling \$115,000, will not be committed to until the City is assured the full LGA amount is forthcoming. The City Council's prudent view is rooted in experience where past projected LGA funding has not been held to by the state leaving cities little or no time to adjust their budgets. The state's budget situation and the economy may dictate the actions St. Paul may have to take next year, but for 2012 Faribault is positioning itself as well as it can to provide its residents their needed and expected services for the next year.

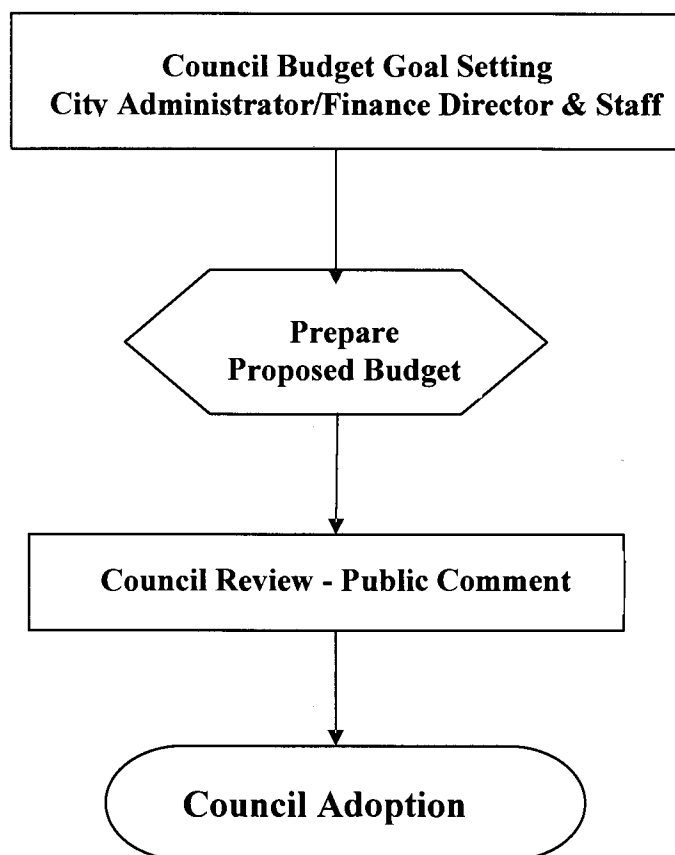
BUDGET PROCESS

More than any other municipal activity, the budget process exemplifies the relationship between community needs and government services. The net result is a planned financial program for the forthcoming financial year, which represents the needs of the community as a whole. The biennial budget the City uses is referred to as a "rolling biennial budget." This means the City plans out two years every year, but adopts only the first year of the two-year budget. The key word in the biennial budget process is "planning." It is hoped that this process will give the City Council and staff better control of City finances and programs.

The 2012 budget process started with a review of issues brought forward from the last year's budget discussion. The City Council and staff met in a retreat in April and reviewed budget trend data in May. Overarching budget objectives were committed to and Directors set about developing their preliminary department budgets. In June, departments turned their proposed budgets in for review to the Finance Department. Deputy City Administrator/Finance Director Berg and I met with each department director to review their budgets in July. As in the case of any situation with limited resources, it is not always possible to accommodate the requests of departments even though they may be well justified and some proposed budgets were modified. Since those initial meetings, the City Council, Directors, Finance Department and I have worked to refine the individual budgets to put together a city-wide budget with available resources. An updated Cost Allocation Study has been incorporated into this proposed budget to truly reflect and account for the relationship between expenses and funding sources in city operations.

By the end of August, the City Council completed its review of the 2012-2016 Capital Improvement Plan. Several more budget work sessions followed to review the entire budget in detail and determine options and refinements that led to the final preliminary budget in mid October. The Truth in Taxation public hearing process has been eliminated by the Legislature and replaced with budget and levy discussion at regularly scheduled meetings open for public comment. The date for final budget adoption is Tuesday, December 13.

BUDGET PROCESS FLOW



BASIS OF ACCOUNTING

Basis of accounting refers to revenues and expenditures (i.e. expenses) that are recognized in the accounts and reported in the financial statements. Specifically the basis of accounting relates to the time period for reporting financial transactions.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Substantially, all sources of revenue are accrued except interest on special assessments receivable, which is recognized when due.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on general long-term debt and special assessment debt which is recognized when due.

Proprietary funds (enterprise and internal service funds) are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and measurable expenses are recorded as liabilities when incurred.

BUDGET GOALS

The City's vision statement is contained in the beginning of this budget document to provide clear guiding principles regarding this resource allocation process. The general budget goals listed below should be consistent with the vision statement as well as the individual budgets. The City's vision statement and these goals provide the foundation on which the budget is built.

1. To provide basic high quality municipal services the community desires, is willing to pay for and can afford.
2. To replace capital plant and equipment in a systematic way to ensure proper life cycle costing, to reduce maintenance costs and to avoid unplanned large expenditures in one fiscal year.
3. To provide fair compensation and benefits for City employees.
4. To foresee future needs of the City and begin a planning process to meet these needs.
5. To provide a cost-effective municipal operation that does not place a burden on the City's taxpayers.
6. To ensure the immediate and long-term financial health of all City funds by being sensitive to operational costs and fluctuations in revenue sources.
7. To make Faribault a better place in which to live and work.
8. To communicate in a positive fashion to residents and businesses the significance of City services and projects.

CHARTER REQUIREMENTS

The City Charter under Sections 7.04, 7.05 and 7.06 provides for preparation and passage of the annual budget. The Charter requires the City Administrator to submit to the City Council an annual budget, which is a complete financial plan for all city funds and activities for the ensuing fiscal year. The City Council is responsible for review, revision and adoption of the budget and tax levy.

2012-2013 ISSUES

- 1. General Fund Financing** – As noted, the City Council set a preliminary levy limit of a 5% increase and kept Local Government Aid at the 2011 level. The overall levy was reduced to 4.93% later in October. The proposed budget is balanced as is required. The City Council recognizes the City of Faribault has a healthy financial position that could be impacted by the State's financial challenges by unallocating LGA and taking other measures. Recognizing a deteriorating fund balance in the Street Improvement Fund the City Council also committed to increase that levy as necessary to address the City's most visible infrastructure need, its streets. A transfer of \$1,000,000 from the General Fund strengthened and reduced the levy needed for the Capital Replacement Fund. Service levels, levies and future budgets will continue to be a focus of discussion for the 2013 budget.
- 2. General Fund Revenues** – Due to the economic downturn, the City continues to experience a drop in building permit fees, plan check fees and investment revenues. This is expected to continue for the next few years. Revenues have been adjusted to reflect this reality of the economy. LGA revenue is budgeted at the 2011 level, \$500,000 less than was certified to the City in the state's budget.
- 3. Community Development Funding** – This enterprise fund has experienced many changes in recent years with loss of programs and revenue resulting in a reduction in staff. The department continues to be challenged with developing a balanced budget with the elimination of the reduction of the cost allocation to the General Fund (101). This fund will end 2011 with a negative balance and objectives to address this will be determined with the staff challenged to develop new programs and revenue sources. For the 2012 budget, a transfer from the General Fund will be required to maintain the fund balance. Two community development coordinator positions are being eliminated and replaced with a housing coordinator position and an economic development coordinator position.
- 4. Sanitary Sewer Fund** – The City continues the process of completing its largest construction project ever with the reconstruction of the Water Reclamation Facility at an estimated cost of \$26,600,000. The project's objective is to be operationally completed by December 31, 2011 to meet phosphorus requirements January 1, 2012. Final work will be completed in the spring of 2012.
- 5. Storm Water Fund** – Staff implemented a new formula for storm water fees that are billed through utility billing. The project incorporated a property lot factor that can be applied using GIS technology.

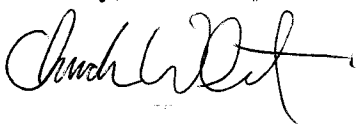
ACKNOWLEDGMENT

The proposed 2012-2013 Budget is a credit to the resourcefulness and dedication of the City's Leadership Team. Special thanks is due Deputy City Administrator/Finance Director Berg who personifies this staff's commitment to the City and its continuing effort and diligence to provide a stable, but quality level of services, while making innovative changes in a number of areas.

Special recognition also needs to go to Ms. Berg's staff, Accounting Supervisor Ann Remold and Account Technician Donna Braun for the preparation of this proposed budget document.

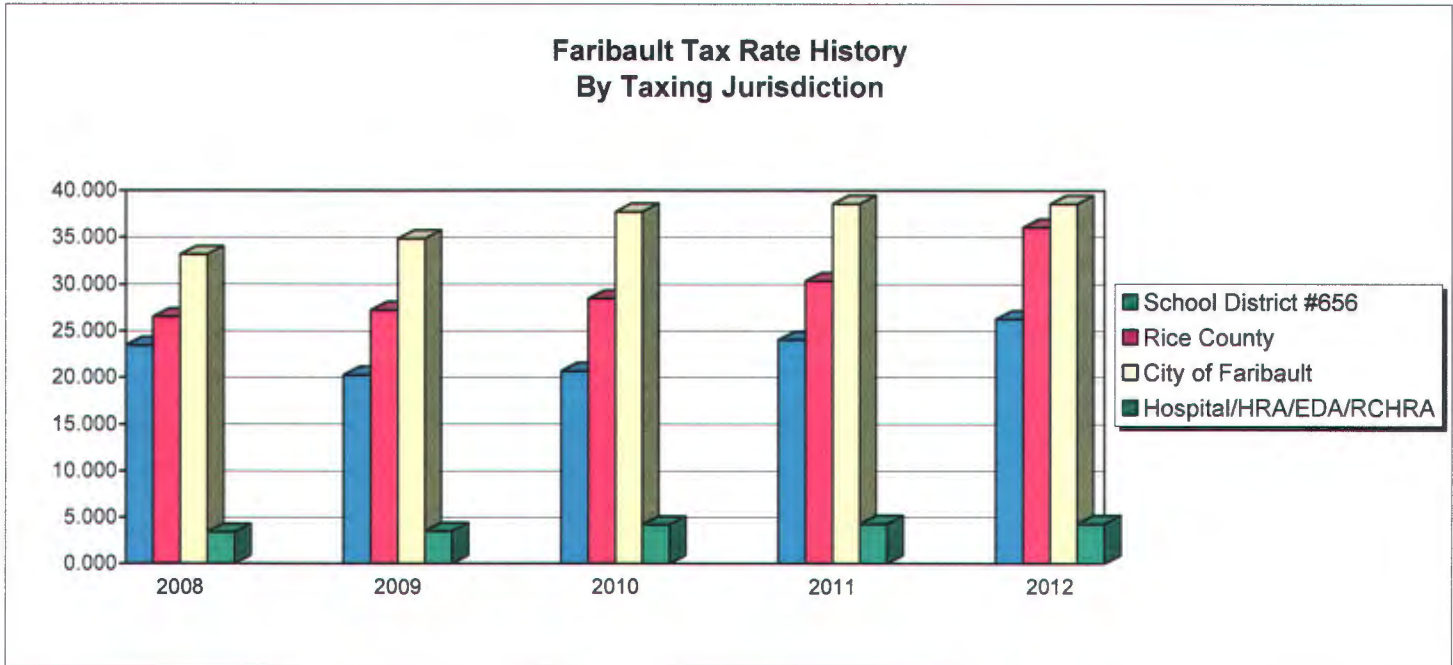
I look forward to working with the Mayor and City Council and City employees in carrying out the vision and work plan of this budget document.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Whiting". The signature is fluid and cursive, with a prominent initial "C" and "W".

Chuck Whiting
City Administrator

Faribault's Tax Rate History



	2008	2009	2010	2011	2012
CITY					
Net Levy Amount	\$ 5,566,255	\$ 5,929,257	\$ 6,284,984	\$ 6,231,469	\$ 6,577,969
Tax Rate in City	33.134	34.843	37.697	38.566	38.566
% Change/Year	10.35%	5.16%	8.19%	2.31%	0.00%
% of Total Levy	19.12%	19.52%	19.63%	19.12%	19.85%
COUNTY					
Net Levy Amount	\$ 16,458,130	\$ 17,757,644	\$ 18,529,399	\$ 18,537,003	\$ 18,860,781
Tax Rate in City	26.513	27.213	28.420	30.330	36.055
% Change/Year	-3.81%	2.64%	4.44%	6.72%	18.88%
% of Total Levy	56.53%	58.48%	57.87%	56.87%	56.93%
SCHOOL					
Net Levy Amount	\$ 6,448,004	\$ 5,978,289	\$ 6,172,363	\$ 6,824,643	\$ 6,705,851
Tax Rate in City	23.441	20.252	20.666	24.023	26.266
% Change/Year	-14.23%	-13.60%	2.04%	16.24%	9.34%
% of Total Levy	22.15%	19.69%	19.28%	20.94%	20.24%
OTHER					
Net Levy Amount	\$ 639,439	\$ 702,335	\$ 1,034,334	\$ 1,001,768	\$ 986,660
Tax Rate in City	3.416	3.524	4.211	4.300	4.300
% Change/Year	-8.30%	3.16%	19.49%	2.11%	0.00%
% of Total Levy	2.20%	2.31%	3.23%	3.07%	2.98%
TOAL NET LEVIES	\$ 29,111,828	\$ 30,367,525	\$ 32,021,080	\$ 32,594,883	\$ 33,131,261
TOTAL TAX RATE	86.504	85.832	90.994	97.219	105.187
% CHANGE/YEAR	-2.41%	-0.78%	6.01%	6.84%	8.20%

Payable 2012 Tax Rates are preliminary.

School Net Levy does not include the referendum market value levy.

**SUMMARY OF REVENUES BY FUND
2012-2013 BUDGET**

<u>FUNCTION</u>	2009 <u>ACTUAL</u>	2010 <u>ACTUAL</u>	2011 <u>REVISED</u>	2012 <u>ADOPTED</u>	2013 <u>PROPOSED</u>
General Fund	13,671,670	13,233,359	12,369,692	12,142,562	12,141,991
Special Revenue Funds:					
Charitable Gambling	18,000	17,710	25,000	25,000	25,000
Police Grant Funds/DARE	9,624	17,900	20,000	20,000	20,000
Airport	533,011	194,827	3,842,150	434,250	234,000
Recreation Programs	44,372	20,887	60,905	55,000	55,000
Aquatic Facility	156,410	193,051	277,000	317,000	333,000
<i>Community Development</i>					
City Rental Property	66,180	55,876	56,293	51,000	51,000
Transit	217,259	163,851	155,206	-	-
Neighborhood Stabilization Grant	115,501	544,209	-	175,540	175,540
SCDP Grant	325,107	153,055	95,900	-	-
Community Development	724,435	690,920	613,119	557,969	552,969
Rental Housing Rehabilitation	7,518	4,868	2,392	-	-
SCDP Revolving Loan Programs	78,627	101,981	63,101	304,654	30,117
<i>Faribault HRA</i>					
Public Housing Fund	402,783	280,807	290,000	288,000	282,000
CRV Mobile Home Rehabilitation	71,900	-	-	-	-
Murl-Home Program	13,944	20,841	18,050	19,100	19,500
Faribault HRA	363,701	1,452,665	366,687	368,607	368,607
Trails Edge Apartments	2,758	-	-	-	-
<i>Faribault EDA</i>					
Industrial Development Loan	23,407	28,867	20,171	5,798	5,798
Minnesota Investment Fund	132,059	117,045	116,222	116,222	113,220
Faribault EDA	276,076	280,251	269,880	254,584	254,584
Economic Development Revolving Loan	54,847	23,108	22,998	86,393	31,419
Tax Increment	352,643	403,483	132,139	130,493	130,493
Total Special Revenue Funds	3,990,162	4,766,202	6,447,213	3,209,610	2,682,247

**SUMMARY OF REVENUES BY FUND
2012-2013 BUDGET**

<u>FUNCTION</u>	<u>2009 ACTUAL</u>	<u>2010 ACTUAL</u>	<u>2011 REVISED</u>	<u>2012 ADOPTED</u>	<u>2013 PROPOSED</u>
Debt Service Funds	4,326,992	3,406,932	3,362,999	2,491,298	2,386,407
Capital Projects Funds:					
Street Improvement Projects	3,716,793	3,634,875	4,208,587	4,051,206	4,339,298
Municipal State Aid	-	-	-	-	-
Parkland Dedication	8,252	42,300	10,000	10,000	10,000
Capital Replacement Fund	532,291	468,390	2,660,000	450,000	400,000
Public Works/Police Facilities	62,027	24,640	-	-	-
Soccer Complex	316,363	273,138	-	-	-
Total Capital Projects Funds	4,635,726	4,170,205	6,878,587	4,511,206	4,749,298
Enterprise Funds:					
Water	3,986,189	2,462,207	2,427,500	4,455,500	2,476,230
Sewer	5,489,349	5,056,346	9,292,000	5,597,000	5,652,000
Storm Water	735,354	587,765	570,000	625,000	631,000
Total Enterprise Funds	10,210,892	8,106,318	12,289,500	10,677,500	8,759,230
Internal Service Funds:					
Worker's Compensation	162,609	160,997	159,983	154,839	154,839
Property/Liability Trust	324,639	300,387	265,000	241,403	246,285
Engineering	526,321	532,490	533,000	558,000	558,000
Management Information Systems	263,888	276,090	297,943	277,666	277,166
Total Internal Service Funds	1,277,457	1,269,964	1,255,926	1,231,908	1,236,290
TOTAL ALL FUNDS	38,112,899	34,952,980	42,603,917	34,264,084	31,955,463

**SUMMARY OF EXPENDITURES BY FUND AND FUNCTION
2012-2013 BUDGET**

<u>FUNCTION</u>	2009 <u>ACTUAL</u>	2010 <u>ACTUAL</u>	2011 <u>REVISED</u>	2012 <u>PROPOSED</u>	2013 <u>PROPOSED</u>
General Government					
Legislative	135,755	140,292	107,178	107,079	107,141
City Administration	389,139	386,410	266,009	261,986	267,367
Elections	974	31,134	-	32,150	-
Financial Administration	582,049	570,008	600,068	608,611	621,623
Legal Services	199,665	310,722	210,850	210,850	210,850
Personnel Administration	-	-	112,433	113,749	116,473
Planning and Zoning	216,894	195,635	144,431	149,305	159,681
General Government Buildings	289,459	381,613	331,320	381,646	385,043
Total General Government	1,813,935	2,015,814	1,772,289	1,865,376	1,868,178
Public Safety					
Police Administration	489,377	513,989	558,240	548,784	563,034
Police Protection	3,188,690	3,073,567	2,916,164	2,903,158	2,974,027
Fire Administration	156,885	114,231	188,459	202,666	197,053
Fire Suppression	1,014,647	941,030	892,486	927,908	953,602
Code Enforcement	343,293	276,428	186,922	206,878	238,144
Community Services	195,090	202,970	145,002	145,022	146,061
Total Public Safety	5,387,983	5,122,215	4,887,273	4,934,416	5,071,921
Public Works					
Public Works Administration	192,556	129,121	149,087	149,582	155,950
Street Maintenance	1,548,809	1,576,623	1,533,165	1,551,278	1,588,262
Equipment Maintenance	205,027	188,181	193,501	204,343	208,483
Total Public Works	1,946,392	1,893,925	1,875,753	1,905,203	1,952,695
Culture and Recreation					
Park Maintenance	842,379	653,902	823,800	775,545	849,232
Library	851,321	892,515	835,114	864,916	874,359
Recreation	1,351,444	1,309,400	1,527,496	1,497,077	1,663,453
Total Culture and Recreation	3,045,144	2,855,817	3,186,410	3,137,538	3,387,044
Other Functions					
Miscellaneous Unallocated	-	-	70,000	-	-
Transit	-	-	-	30,000	13,600
Cost Allocation to MIS	216,771	218,999	235,297	222,029	222,029
Capital Outlay	369,460	578,889	-	-	-
Transfers	30,137	460,000	255,000	48,000	65,000
Total Other Functions	616,368	1,257,888	560,297	300,029	300,629
TOTAL GENERAL FUND	12,809,822	13,145,659	12,282,022	12,142,562	12,580,467

**SUMMARY OF EXPENDITURES BY FUND AND FUNCTION
2012-2013 BUDGET**

<u>FUNCTION</u>	<u>2009 ACTUAL</u>	<u>2010 ACTUAL</u>	<u>2011 REVISED</u>	<u>2012 PROPOSED</u>	<u>2013 PROPOSED</u>
Special Revenue Funds:					
Charitable Gambling	22,973	15,779	24,850	24,850	24,850
Police Grant Funds/DARE	3,529	1,705	5,250	5,250	5,250
Airport	693,105	887,849	4,181,432	369,587	305,036
Recreation Programs	38,222	35,754	60,772	54,114	54,114
Aquatic Facility	203,194	264,613	300,931	334,299	355,261
 <i>Community Development</i>					
City Rental Property	52,928	79,856	52,926	53,729	50,822
Transit	223,670	165,041	154,294	-	-
Neighborhood Stabilization Grant	115,501	544,209	-	175,540	175,540
SCDP Grant	144,810	222,613	95,900	-	-
Community Development	736,710	681,492	658,600	614,097	626,725
Rental Housing Rehabilitation	-	-	-	-	-
SCDP Revolving Loan Programs	253,004	92	-	-	-
 <i>Faribault HRA</i>					
Public Housing Fund	460,946	280,167	283,992	287,091	276,931
CRV Mobile Home Rehabilitation	71,900	-	-	-	-
Murl-Home Program	48,443	11,739	14,664	15,600	15,600
Faribault HRA	629,803	456,272	520,776	359,558	359,417
Trails Edge Apartments	3,005,745	1,076,475	-	-	-
 <i>Faribault EDA</i>					
Industrial Development Loan	-	-	75,000	75,000	-
Minnesota Investment Fund	18,526	18,526	93,526	93,526	-
Faribault EDA	295,999	273,844	216,112	269,584	274,635
Economic Development Revolving Loan	-	-	30,000	30,000	-
Tax Increment	1,228,435	871,306	91,247	91,082	91,082
 Total Special Revenue Funds	 8,247,442	 5,887,332	 6,860,272	 2,852,907	 2,615,263

**SUMMARY OF EXPENDITURES BY FUND AND FUNCTION
2012-2013 BUDGET**

<u>FUNCTION</u>	<u>2009 ACTUAL</u>	<u>2010 ACTUAL</u>	<u>2011 REVISED</u>	<u>2012 PROPOSED</u>	<u>2013 PROPOSED</u>
Debt Service Funds	2,878,984	4,105,659	4,440,236	2,374,081	1,976,089
Capital Projects Funds:					
Street Improvement Projects	3,700,394	3,867,298	4,035,000	4,350,000	4,265,000
Municipal State Aid	15,340	-	-	-	-
Parkland Dedication	141,562	16,058	96,250	60,000	80,000
Capital Replacement Fund	436,775	325,889	2,071,515	885,000	788,800
Public Works/Police Facility	3,738,855	723,258	-	-	-
Soccer Complex	520,643	121,222	-	-	-
Total Capital Projects Funds	8,553,569	5,053,725	6,202,765	5,295,000	5,133,800
Enterprise Funds:					
Water	2,051,262	2,316,961	4,837,763	3,942,712	3,728,248
Sewer	4,042,688	4,783,610	12,473,207	6,997,404	6,829,337
Storm Water	490,526	487,773	880,976	958,922	841,096
Total Enterprise Funds	6,584,476	7,588,344	18,191,946	11,899,038	11,398,681
Internal Service Funds:					
Worker's Compensation	138,361	183,745	251,495	162,000	162,000
Property/Liability Trust	292,584	295,950	394,255	373,803	276,285
Engineering	545,073	514,625	507,004	478,852	498,544
Management Information Systems	272,873	285,898	355,747	270,812	289,523
Total Internal Service Funds	1,248,891	1,280,218	1,508,501	1,285,467	1,226,352
TOTAL ALL FUNDS	40,323,185	37,060,937	49,485,742	35,849,055	34,930,652