

The Arlington Report

CITY COUNCIL APPROVES 2.2% TAX LEVY INCREASE, ADOPTS 2012 BUDGET

At the December 19 council meeting, the City Council moved to increase the current tax levy and approved a 2.2% tax levy increase. The tax levy for 2012 will increase from \$740,726 to \$756,805. The 2.2% increase was lower than the preliminary levy increase of 5% set in September. Comprehensive efforts by the City Council contributed to the lower tax levy. The Council cut approximately \$21,000 in additional spending to get to the 2.2% tax levy increase. Following the approval of the levy, the Council moved to adopt the municipal budget (below) for 2012.

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$1,540,164	\$1,540,164
SPECIAL FUNDS		
Tax Abatement	\$2,888	\$1,750
Fire Department	\$99,477	\$99,477
Ambulance Dept.	\$235,702	\$235,702
Comm. Center	\$89,256	\$89,256
EDA Loan Fund	\$10,151	\$1,278
Rev. Loan Fund	\$18,127	\$0
Cemetery Fund	\$6,157	\$6,157
Cem. Perp. Fund	\$1,500	\$0
Park Ded. Fund	\$600	\$0
Capital Fund	\$427,305	\$446,405
EDA Special	\$4,200	\$3,000
ENTERPRISE FUNDS		
Water Fund	\$441,028	\$449,348
Sewer Fund	\$84,692	\$137,585
A-GI Fund	\$491,694	\$408,606
Electric Fund	\$1,672,510	\$1,683,870
DEBT SERVICE FUNDS		
2004 Imp. Bond	\$90,036	\$88,153
2009 G.O. Bond	\$80,999	\$41,085
GO Equip. Cert.	\$83,865	\$83,625
Fire Certificate	\$33,893	\$33,674
2004 Pub. Proj.	\$50,700	\$63,433
Total Funds:	\$5,464,944	\$5,412,568

The increase in capital expenditures was the single biggest factor for a tax levy increase. Total budgeted revenues are expected to increase by 12.8% in 2012, while total budgeted expenses are expected to increase by 12.3% in 2012. The City will spend \$2,419 per person in 2012, up from \$2,328 in 2011. The top three budgeted per capita spending items in 2012 are as follows: 1) Enterprise Funds - \$1,196; 2) Public Safety -- \$264; 3) Capital Projects -- \$200. Contact City Hall or visit the City's website for a complete copy of the 2012 budget.

WATER, SEWER AND ELECTRIC RATES TO INCREASE IN 2012

At the December 19 council meeting, the City Council passed a resolution increasing the water, sewer and electric rates for 2012. Starting with your usage in January (billable in February), Arlington users will see an increase in all three of their utility accounts. The water per gallon usage rate will increase from \$5.31 per 1,000 gallons to \$5.58, a 5% increase. The sewer base rate will increase \$6 a month from \$18.90 per month (plus \$4.70 per additional unit) to \$24.90 a month, a 32% increase. The electric per kwh user rate will increase from \$.075 per kwh to \$.08, a 7% increase. A residential property owner using about 6,000 gallons of water a month, will see an estimated monthly increase in their water and sewer bill of \$7.62. A residential property owner using about 1,000 kwh of electricity a month, will see an estimated monthly increase in their electric bill of \$5. The water and electric user rate increases were passed to offset operating losses in their respective funds. The sewer base rate increase will go to help pay for the debt associated with the upgrade to the wastewater treatment facility, which is currently taking place and is expected to be completed in the fall of 2012.

CHRISTMAS TREE PICKUP

City Staff will be picking up Christmas trees at no cost starting Tuesday, January 3 through Friday, January 13. Residents are asked to place their trees on the front boulevard next to the curb. For more information, please contact City Hall.

SKATING RINK OPENING DELAYED

Due to the unseasonably warm weather, the skating rink is not yet ready for use and the immediate future of the skating rink and warming house is unknown. Keep an eye in the *Enterprise* or this newsletter for openings.

REMINDER ON SNOW REMOVAL

In the case that we receive snow this year, the City would like to remind residents and business owners that it is illegal to remove snow/ice from private property and deposit it upon a public street without prior approval from the City. Minnesota state law also states that violations are considered a misdemeanor. Property owners need to be aware of the fact that civil penalties also apply if the placement of snow creates a hazard such as a slippery area, frozen rut or bump that contributes to a motor vehicle or pedestrian crash. The civil liability can extend to both the property owner and the person who placed the snow.

City Offices will be closed on Monday, January 16 for the Martin Luther King Jr. Holiday.

ELECTED OFFICIALS

Jim Kreft -- Mayor
 Jim Pederson -- Council Member
 Bob Pichelmann -- Council Member
 Curt Reetz -- Council Member
 Jason Ruehling -- Council Member
 Galen Wills -- Council Member

APPOINTED OFFICIALS

Matt Jaunich -- City Administrator
 Lisa Tesch -- Deputy Clerk
 Vicki Pomplun -- Admin. Asst.
 Jennifer Strack -- Community Center Coordinator
 Dan Thomes -- Streets/Parks Supt.
 Jeff Paine -- Maintenance Worker
 Bruce Rovinsky -- Chief of Police
 Scott Bennett -- Police Officer

CONTRACTED SERVICES

Ross Arneson -- City Attorney
 Cynthia Smith-Strack -- EDA, Planning & Zoning Consultant
 Darin Haslip -- Building Inspector
 PeopleService -- Water/Wastewater
 Joel Hawbaker (Bolton & Menk) -- City Engineer

PHONE NUMBERS

City Hall: 964-2378
 Fax Line: 964-5973
 After-Hours On-Call: 507-327-6601
 Fire Garage: 964-2279
 Police Dept.: 964-5200
 Library: 964-2490
 Hospital: 964-2271
 S.E. School: 964-2292
 Post Office: 964-5503

OTHER SERVICES

Water/Sewer/Electric Services
 City of Arlington (964-2378)
Gas Service
 CenterPoint Energy (800-245-2377)
Cable Service
 Mediacom (800-332-0245)
Internet/Phone Service
 Frontier (800-435-1504)
Garbage Services
 Waste Management (800-422-5785)
 Renville-Sibley Sanitation (866-800-6244)

STATE BUDGET PROJECTS A SURPLUS, BUT THERE'S A CATCH!

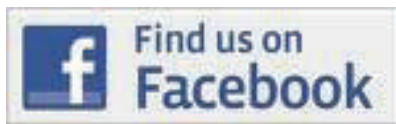
City of Arlington, Sibley County

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A Beautiful City Growing in Unity



In late November, a report by Minnesota Management and Budget showed that the state's financial condition has somewhat improved. The November forecast report showed that the State was expecting a surplus of \$876 million for the 2012-2013 budget biennium. However, don't be expecting a surplus check in the mail anytime soon. Here is a quick summary of the budget forecast:

Budget Outlook Improves -- Minnesota's closing balance for the year 2011 was \$526 million greater than forecast. Revenues exceeded forecast by \$358 million and state spending was \$205 million below estimates. A balance of \$876 million is now expected for the 2012-13 biennium as spending decreases an additional \$348 million while forecast revenues, despite starting from a higher level, fall by \$24 million.

Money is Already Spent -- Current law requires any forecast balance to be used to restore the state's reserves. Minnesota Statutes 16A.152 requires that money be allocated first to the cash flow account; second to the budget reserve; third to repay and reverse school aid payment shifts; and fourth to reverse the school property tax recognition shift. Because of the projected positive fund balance, the forecast will add \$255 million to the cash flow account, increasing it to \$350 million, and \$621 million to the budget reserve, bringing it to \$648 million.

Slower Growth Expected Through 2013 -- Recovery from the "Great Recession" continues to be slower than anticipated and experts expect that slow economic growth will extend through the biennium. Real GDP growth for the year 2012 and 2013 is now expected to average 1.7%, down from 3.1% in February of 2011. Domestic economic growth and political uncertainties and Europe's sovereign debt problems have led experts to set the risk of a 2012 recession at 40%.

Revenues Up in 2011, Down Slightly in 2012-2013 -- State revenues for the year 2011 were \$358 million (1.2%) more than projected in February. Higher than anticipated final individual income tax liability for tax year 2010 was the source of much of the additional revenue. A significant reduction in the economic growth rates for fiscal year 2012 and 2013 reduced forecast revenues in the current biennium.

Expenditures Down in 2011, Down More in 2012-2013 -- Lower human services spending accounts for more than 80% of a forecast spending reduction of \$205 million in 2011, and \$348 million in 2012-2013. Most of the savings occurs in the Medical Assistance program where a variety of factors contributed to lower spending growth.

Forecast Bodes Well for Arlington -- The budget forecast showing a surplus is good news for Arlington and cities throughout the state. The forecasted surplus means that the likelihood of further state aid cuts are probably unlikely in the near future. However, the February forecast by the State will give a better understanding on the future finances of both the State and Local governments.

(Source: Minnesota Management & Budget)

WINTER ENERGY SAVING TIPS

With the cold weather likely to attack us shortly, here are some quick tips for keeping those utility bills down.

Heating

- Heating can account for up to 41% of your annual energy bills, so efficiency is essential.
- Caulk and weather-strip cracks around door and window frames and at door bottoms to stop drafts.
- Set your thermostat as low as is comfortable when home. Lower the setting on your thermostat at night and dress warmly. For every degree you lower your heat, you'll save up to 5% on heating costs. Close off unused rooms.
- Check the insulation in your attic, ceilings, exterior and basement walls, floors, and crawl spaces to see if it meets the levels recommended for the area.
- Check furnace filters monthly and replace or clean when dirty. Have your furnace checked yearly for safe and efficient operation.
- Repair broken windows immediately. Close windows tightly and lock to stop cold air from coming in. Cover all windows with plastic.
- Cover or remove window air conditioning units during the heating season.
- Open window shades during sunny winter days to let the sunlight in and close shades at night.

Water Heating

- Keep the water temperature between 115° and 120° F (normal) and wrap water heater with an insulation blanket.
- Insulate the first six feet of the hot and cold water pipes connected to the water heater.
- Limit your time spent in the shower to cut down on hot water usage.
- Promptly repair leaking water faucets, especially hot water faucets.
- Wash clothes in warm water, rinse in cold water.
- Add flow restrictions to faucets and shower heads to reduce water use.

Refrigerators, Freezers, and Other

- Defrost regularly. Frost over 1/8 inch thick will increase compressor wear and your electric bill.
- Vacuum refrigerator and freezer coils every six months to improve efficiency.
- Make sure to turn off the lights when you are not in a room.
- Consider replacing old appliances with an Energy Star appliance.
- Replace incandescent light bulbs with energy efficient fluorescent lights. Over its lifetime, a fluorescent bulb will save \$30-\$50.