

TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: August 29, 2014

SUBJECT: 2015 Preliminary Budget

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The enclosed 2015 Preliminary Budget reflects a \$242,944 or about a 14.5% property tax levy increase. In the Revenues, the "Current Taxes" highlighted in red totals the \$242,944. Health Insurance has been updated to reflect changing to the Affordable Care Act effective January 1st. The employee health insurance deductible will be changing to \$3,000/\$6,000 respectively versus the current \$2,500/\$5,000. HealthPartners still remains the most cost effective policy. Employees will contribute 12% towards the cost of their benefits in 2015.

The Preliminary Budget also reflects a 5% increase in water and sewer rates and a \$75.00 increase in the Trunk fees.

Possible areas to cut or scale back the Budget include: cutting back the Capital Replacement Schedule, reducing staff cost of living increase to 1%, reducing street maintenance budget, and/or electing not to hire additional part-time staff.