



2012 BUDGET SUMMARY

NEW BRIGHTON CITY HALL
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NEW BRIGHTON, MN 55112
WWW.NEWBRIGHTONMN.GOV

December 6, 2011

Dear New Brighton Resident:

In preparing the City of New Brighton's 2012 operating and capital replacement budgets, the City Council reconfirmed its commitment to maintaining the services, programs and facilities in a fiscally responsible manner that make the City of New Brighton the "preferred place to live, work, and play" in the Twin Cities.

To accomplish this goal, the City of New Brighton must continue to provide excellent leadership in the following areas:

1. **Financing of Municipal Services** -- New Brighton will continue its history of prudent and sound fiscal management. The City maintains a high sensitivity regarding the impact of increasing property tax levies on residents and businesses and considers creative and alternative revenue opportunities for financing municipal services. Any financing model needs to be viable, long-term, stable, and consistent with local service level expectations.
2. **Strong Neighborhoods** -- New Brighton takes pride in its many resources: parks, lakes, infrastructure, urban forest, recreational programs, public safety/prevention programs, and especially its people. As the Community becomes older and more culturally diverse, emphasis will be placed on maintaining a strong housing stock, increasing neighborhood and community communication, respecting diversity, and reinforcing neighborhood roles, to ensure an ongoing engagement in local issues.
3. **Community Development & Redevelopment** -- New Brighton has demonstrated a successful track record in expanding the City's industrial tax base, eliminating blight, rehabilitating contaminated land, and adding employment opportunities. Much of the work was guided by the City's Comprehensive Plan and Old Hwy 8 Corridor Vision. Several key redevelopment areas will provide the City with job growth, increased property tax base, more available goods and services, new residential lifecycle options and an overall physical revitalization of aging properties. New Brighton is committed to continuing to play a catalyst's role in these efforts.
4. **City Resources** -- The City prides itself on providing its staff with the physical, professional, and technological resources needed to fulfill the City's mission, vision, and goals and to meet local service delivery expectations. Despite today's challenges and issues, the community needs to assure that it remains a professionally vibrant municipality, developing and involving local leadership in its democratic process and providing the physical and technological infrastructure to serve the needs of its employees and residents.
5. **Quality Lifecycle Housing** -- New Brighton supports the provision of quality lifecycle housing which serves the needs of all of its residents. Today the City enjoys a well maintained selection of housing options. The residential mix represents an immense capital investment in the community. Ensuring the maintenance and structural quality of this investment is critical to the long term health and vitality of the City. New Brighton's challenge is to find its appropriate role in encouraging reinvestment in existing housing stock, and to pursue its goal of increasing home ownership in the community.
6. **Safe and Secure Community** -- Citizens clearly value the sense of safety and security in their homes, neighborhoods, on their streets, and in their community in general. The Public Safety Department takes great pride in its proactive, preventative philosophy in considering the community's long term public safety needs. Changing demographics and

evolving crime characteristics represents a challenge to the community. The quality of life in any community is closely related to how safe it is perceived to be by its residents.

7. **Community Image** -- New Brighton has long maintained its positive image of being a suburban community with strong housing, a low crime rate, beautiful green space, and award-winning schools. It is an ideally situated community within the metropolitan area with an engaged citizenry. As the community looks into the next decade, it is appropriate to question whether changing demographics, economics, etc., will change New Brighton's image to the metropolitan area, region, and state.
8. **Transportation Options and Opportunities** -- Ensuring safe and efficient transportation opportunities is critically important to any community. Transportation systems serving New Brighton need to be considered on regional, state, and national levels. The community's success in effectively dealing with the increasingly pressing transportation needs will directly impact the City's future quality of life for all who live, work, or travel through the community and region.
9. **Environment**--New Brighton citizens demonstrate a desire for quality as evidenced in their city services, developments, homes, and neighborhoods. This standard of quality is used when measuring the City's air, drinking water, noise, storm water, public lakes, and natural surroundings. To protect and preserve our environment for the next generation, the City will need to stay committed to vigilant environmental habits to ensure the healthiest water, the safest land, and the best natural surroundings. Their commitment will include monitoring development, parks & public works practices, and the public impacts to the City's land, water, and air to ensure a quality environment for New Brighton for generations to come.

We hope that you find the 2012 Budget Summary informative in explaining how the City uses your tax dollars to pay for various services in the community. If you have any questions or concerns regarding the City budget, please contact City Hall at 651.638.2100.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean R. Lotter". The signature is stylized and cursive.

Dean R. Lotter
City Manager

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NEW BRIGHTON COMMUNITY PROFILE

New Brighton is a century old city that is truly young at heart. The City prides itself on its excellent schools, many lakes, acres of parks and recreational facilities, beautiful housing, progressive business community and numerous clubs and organizations. New Brighton's greatest asset, however, is its people. They are warm and hospitable, with most actively involved in their community, making it a great place to live, work and play.

New Brighton's Mission:
"By working in partnership with our citizens, we are committed to guaranteeing that their investment in New Brighton will be protected and will be returned to them in financial and social dividends." New Brighton is the City that Works for You.



The City of New Brighton, located in Ramsey County, is a northern suburb of the Twin Cities metropolitan area that occupies about 7 square miles. It is ideally located at the intersection of I-694 and I-35W, a 15 minute ride to downtown Minneapolis or St. Paul, a 30 minute ride to the international airport. New Brighton experienced a burst of growth from 1960 to 1970, when the population grew from 6,500 to 19,500. Today,

New Brighton is a stable community with a well diversified and maintained housing stock. For taxes payable in 2012, the median assessed valued home in New Brighton is approximately \$196,100.

New Brighton's largest manufacturing industries include Hypro Corporation, Donatelle Plastics, and Sparta Foods. Other major employers are APi, Transoma, Medtox Laboratory, Extencicare Homes for the Elderly, Cub Foods, Micom Corporation, Print Craft, Trend Enterprises, and General Office Products. Retail and service businesses are located at Rice Creek Center, Brighton Village and Main Street Village.

New Brighton's philosophy is to engage its citizens with issues involving them. The City regularly communicates with its residents on matters of importance through neighborhood meetings, webpage, public access television, and written communication pieces.

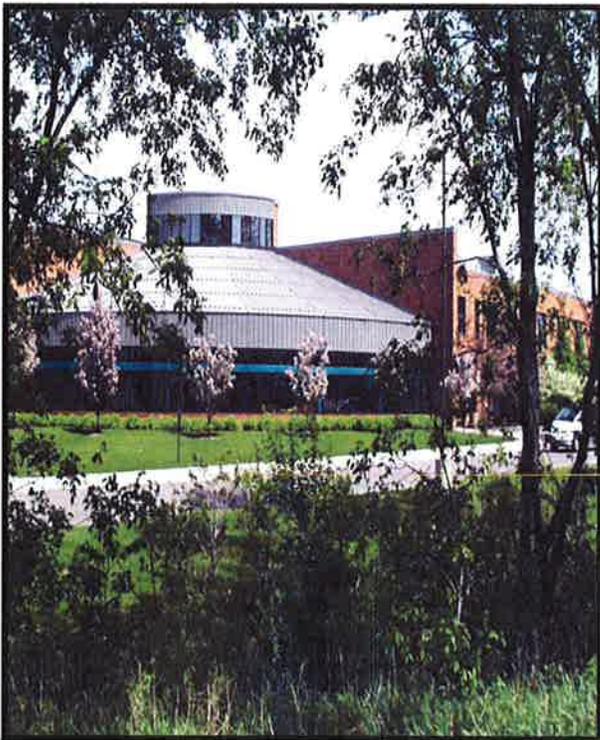


History-

A significant point in the early years of New Brighton was the formation of the Minneapolis Stockyards and Packing Company in 1881. The following year brought the Twin City Packing Company and a number of cattle processing plants. About that time, the Village was named after Brighton, Massachusetts, a cattle center serving Boston. The four-story brick Cattleman's Hotel was constructed and the Village of New Brighton was incorporated in 1891 in a district now known as Olde Town. The citizens of New Brighton annually celebrate "Stockyard Days" in appreciation of the industry that transformed a sparsely populated piece of land into a thriving community.

Education-

The City is served by two school districts: Independent School District 282 located in St. Anthony with an enrollment of approximately 1,500 students, and Independent School District 621 located in Roseville with an enrollment of approximately 10,000 students. The majority of New Brighton students are served by ISD 621 which operates Bel Air Elementary, Sunnyside Elementary, Highview Middle School and Irondale Senior High School, all located within the City. In the fall of 2005, Pike Lake Elementary in New Brighton was repurposed as a District Service Center. ISD 621 recently completed an \$89 million renovation of its elementary, middle, and high schools to ensure quality educational facilities into the future. The City of New Brighton enjoys a positive relationship with the local school districts.



Parks & Recreation-

New Brighton maintains 13 neighborhood parks and open space totaling 159 acres, reinforcing its commitment to providing recreational and wellness opportunities. The City has a long standing forestry program that creates and maintains a beautiful urban forest that volunteers assist with. The New Brighton Community Center, a focal point of the City, offers recreational, cultural, educational, and wellness programs. The Center includes the Eagles Nest--one of the largest indoor playgrounds in the Twin Cities, a full size gym, indoor track and fitness center, meeting rooms, and banquet facilities. In 2011, the New Brighton Community Center also became the new home of a new Ramsey County Library.

City Services-

The City has a Council-Manager form of government with four Councilmembers and the Mayor elected at-large. The Mayor is elected to a two-year term and Councilmembers are elected to overlapping four-year terms of office. There are six departments that are managed by the City Manager and Directors:

- Administration
- Community Development
- Finance
- Parks & Recreation
- Public Safety
- Public Works.



Police and Fire services are provided through the City's Public Safety Department with 27 sworn police officers, and 42 volunteer firefighters. Public Safety is complimented with services provided by volunteer reserve officers, CERTS (Community Emergency Response Teams) and VIPS (Volunteers in Public Safety). The City enjoys active citizen engagement in public safety efforts with over 95% of the City included in some 190 neighborhood crime watch groups.

Water and sewer services are provided to all developed land. The U.S. Army pays for the operating costs of a water treatment plant as part of an effort to restore an aquifer which was contaminated in the early 1980s caused by the facilities at the Twin Cities Army Ammunition Plant (TCAAP). The City owns and maintains the sanitary storm sewer collection systems. The City pays for treatment of wastewater to the Metropolitan Waste Control Commission.

The City has a safe and well-maintained infrastructure, because of a street rehabilitation program that provides for the reconstruction of over 2 miles of streets annually on a neighborhood basis.

CITY OF NEW BRIGHTON'S VISION, MISSION, VALUES AND GOALS

Our Vision - To be the preferred place to live, work and play.

Our Values

- Respect for Residents, Businesses, and Visitors
- Effective Communication with Residents of New Brighton
- Promote a Healthy Business Climate
- Understand Our Past as We Invest in the Future
- Recognize the Importance of Working with Neighboring Communities
- Provide for the Safety and Security of the Community
- Accountability and Integrity in Service Delivery

Our Mission –By working in partnership with our citizens, we are committed to guaranteeing that their investment in New Brighton will be protected and will be returned to them in financial and social dividends. New Brighton is the city that works for you.

Goals

Assuring clean, well-kept living environment

- appreciating property values full range of well-maintained housing options
- utilities that meet all applicable public health standards
- aesthetically pleasing surroundings
- respect for the natural environment
- attractive and well maintained streets and boulevards

Fostering safe, cohesive neighborhoods

- low crime rate and a sense of personal safety
- high levels of participation in community events, organizations, and neighborhoods
- respect for the diversity among residents
- pride in our schools and our community
- positive activities to engage all of our citizens

Being leaders in developing a vital and compatible business community

- attractive commercial districts with low vacancy rates
- expanding tax base
- strong employment base
- properties at their highest and best use
- desirable mix of businesses

City government providing quality services proactive philosophy with a long term focus

- responsive to and respectful of citizen needs
- effective use of new technologies
- open accessible governance
- ongoing review of service delivery strategies

City of New Brighton 2012 Budget Objectives

The budget and capital replacement programs are developed and redefined throughout the year. The budget process begins in May and concludes with the City Council adopting the annual budget in December. The primary objectives of the City's annual budget are:

- Provide those services that are desired by the community;
- Provide services to the community in the most cost effective manner possible;
- Maintain the delivery of high quality services;
- Plan for the financial future of the community;
- Provide for the City's infrastructure and capital needs;
- Ensure the City's financial stability.

EXECUTIVE SUMMARY

The following is a summary of key information:

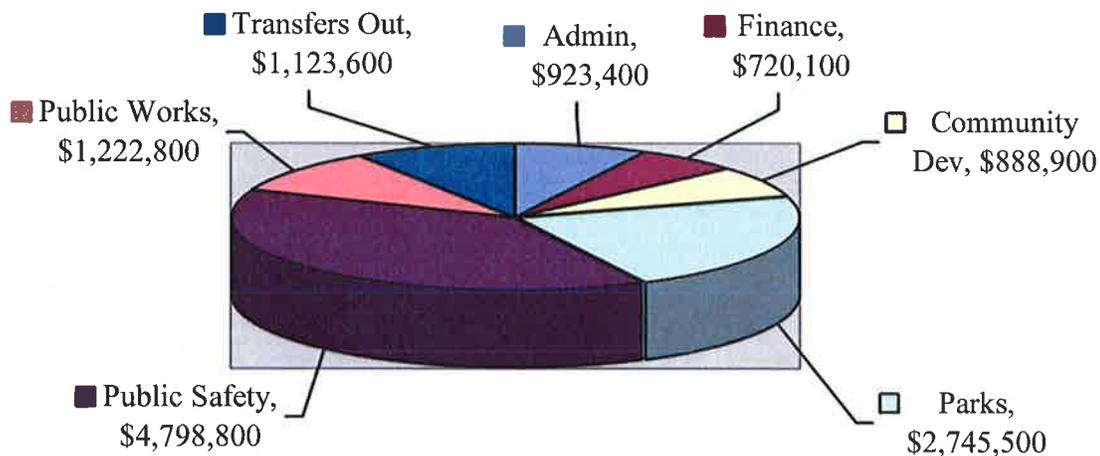
2012 Budget Changes

- ❖ The 2012 tax levy is \$7,287,308, a decrease of \$108,400 from 2011.
 - In 2011, the City of New Brighton received approximately 26% of a property owner's total annual property tax bill.
 - The assessed median valued home in New Brighton decreased from \$218,100 in 2011 to \$196,100 for 2012, a decrease of (10.1%).

- ❖ City of New Brighton 2012 General Fund Expenditures
 - 38.6% Public Safety Expenditures
 - 22.1% Parks and Recreation Expenditures
 - 13.2% General Government Expenditures
 - 9.8% Public Works Expenditures
 - 9.1% Debt Services and Transfers
 - 7.2% Community Development Expenditures

100 % of the General Fund Expenditures

City of New Brighton General Fund 2012 Expenditures

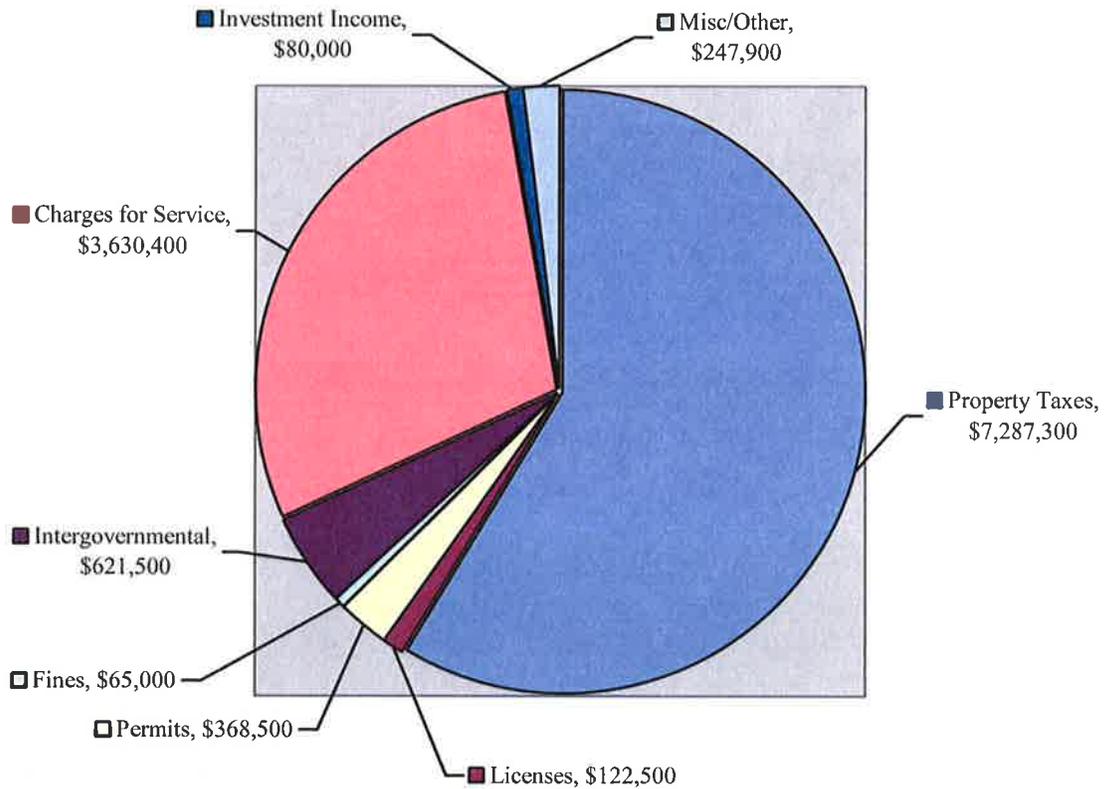


❖ City of New Brighton 2012 General Fund Revenues

- 58.7% Property Taxes
- 29.2% Charges for Service
- 5.0% Intergovernmental
- 4.0% Licenses and Permits
- 3.1% Misc/Other Revenues

100 % General Fund Revenues

**City of New Brighton
General Fund
2012 Revenue Sources**



BUDGET PROCESS

The entire budget process covers nine months from the initial budget requests to preparation of the final budget document.

The following is an overview of the 2012 budgeting process:

- May/June-Department Directors prepare budget requests for the 2012 budgets. The budget requests take into consideration:
 - New federal and state regulations
 - Rising supply costs (fuel, electricity, gas, etc.)
 - Reductions or enhancements in services
 - Changes in approach or ideology
 - Expected revenue or expenditure changes (such as permit revenues)
 - Council goals and anticipated capital projects
- July-City Manager and Finance Director review proposed budget requests and analyze the future budgetary impacts on the City.
- August-City Council reviews the preliminary budget, capital replacement requests, and different tax levy scenarios for the upcoming budgetary year.
- August- State of Minnesota releases levy limit information to the Cities
- August-Preliminary tax levy adopted by the City Council
- August- State of Minnesota releases levy limit information to the Cities
- September 15th-Finance Director certifies the proposed 2012 City tax levy with Ramsey County (Per Minnesota law)
- October/November-City Council and staff continue budget review. Council directed changes are incorporated into the budget.
- November-Ramsey County mails the estimated tax statements to property owners in New Brighton
- December 6, 2011-City Council holds a budget hearing
- December 13, 2011-City Council adopts the budget, tax levy, utility rates, and special assessments
- December-Adopted 2012 tax levy and budgets are certified to the State of Minnesota and Ramsey County.

TAX LEVY

The City Council adopted a 2012 City tax levy in the amount of \$7,287,308. This is a reduction of \$108,400 from the amount levied for payable in 2011.

	2009-Budget	2010-Budget	2011- Amended Budget	2012-Budget
General Fund Expenditures	\$13,206,300	\$12,588,800	\$12,195,700	\$12,423,100
General Fund Revenue	\$13,206,300	\$12,588,800	\$12,195,700	\$12,423,100
City Tax Rate	33.880%	36.768%	37.871%	41.415%
Tax Levy-% Change	2.03%	0.00%	0.00%	(-1.47%)
Tax Levy-Dollars	\$7,395,708	\$7,395,708	\$7,395,708	\$7,287,308

ESTIMATED TAX IMPACT

The following is the projected tax impact on three different single family homes, assuming no change to the property's valuations, based on the 2012 tax rate of 41.415% and the 2011 tax rate of 37.871%.

Taxable Market Value of a Single Family Home	Estimated 2012-City Taxes	2011-City Taxes	Estimated Change in City Taxes (2011-2012)
\$200,000	\$749	\$700	\$49
\$400,000	\$1,652	\$1,511	\$141
\$600,000	\$2,588	\$2,367	\$221

HOW CAN MY PROPERTY VALUE GO DOWN AND MY TAXES GO UP?

Several factors influence property values and taxes. The following are two of the most common factors:

1) Taxable market values change at different rates from year to year. These changes include the proportion of total value in the taxing area belonging to each separate classification of property (residential, commercial, apartment and other) and property value changes within the individual property classifications. These changes shift taxes from properties with greater decreases in value onto those that had smaller decreases in value, had no change in value, or increased in value.

2) Taxes are based on levy requests from local units of government including the city, county, school districts and special districts. Tax levies are subject to change every year.

HOMESTEAD MARKET VALUE EXCLUSION (HMVE)

(Source: League of Minnesota Cities; <http://www.lmc.org/1/property-tax-state-funding-fiscal-issues.jsp>)

Background: During the 2011 special session, state legislators eliminated the Market Value Homestead Credit (MVHC) program for taxes payable in 2012 and beyond. In its place they created the new Homestead Market Value Exclusion (HMVE) program. By eliminating the MVHC, the legislators created a savings of more than \$260 million for the state's budget. The MVHC provided credits against the property taxes of homestead properties with assessed values of less than \$413,778. In theory, the State would in turn reimburse cities for their share of these credits. Over the years the state legislators &/or the Governor would reduce &/or eliminate these reimbursements in order to balance the State's budget. The State fully reimbursed cities for the amount of credit going to homeowners in only two years since the program's inception (2002 and 2007).

The City of New Brighton's 2011 Budget anticipated that its tax levy would be reduced by \$280,400 due to the MVHC. We also anticipated that the City would receive no MVHC reimbursement from the state.

Effect on homeowners: Much like the MVHC program, homeowners will not have to take any action in order to benefit from the HMVE. It will be applied automatically. The maximum exclusion will go to homes valued at \$76,000 or less. The exclusion at that level is 40% of market value. For a \$76,000 home, that means \$30,400 of value is not taxable. In other words, all property taxes are applied only to the remaining \$45,600 of market value. As home value increases, the portion of market value eligible for exclusion phases out and is at zero percent for homes valued at more than \$413,778. Note that market values are determined in the year prior to the year in which taxes are paid. For example, values used to calculate taxes payable in 2012 were set in early 2011.

Effect on cities: The immediate effect of the exclusion is a decrease in the tax base. The valuations used for calculating taxes owed in 2012 were set in early 2011. They won't be updated until early 2012 for taxes payable in 2013. The extent of the decrease in tax base depends on the portion of homestead property each city has.

The tax base decrease will mean that if the City kept its tax levy at the same amount as in 2011, the city tax rate will go up. For example, if prior to the conversion, a city's tax base was 1000 and its tax levy was \$100, then the tax rate would be 10% (\$100/1000). Now, in that same city the tax base has been reduced 40% to 600. The city still needs to generate \$100 in property tax revenues. The rate climbs to almost 17% (\$100/600). For many cities, it will likely be very difficult to hold levies flat given the repeated cuts to Local Government Aid (LGA) payments, MVHC reimbursements and to ongoing cost pressures, like the cost of healthcare, fuel and infrastructure maintenance.

The exclusion will result in a shift in tax burden from lower valued homestead properties to other kinds of property. The extent of this shift will be influenced by the portion of all homestead property made up of lower value homes. The more lower-value homes a city has as a portion of its tax base means more tax burden shifting.

In many communities, lower value homes will pay more in taxes even if the levy remains flat. This is because of the increase in tax rate to generate the same amount of tax levy. This effect is more likely in cities where a high portion of property is lower value homes.

Property tax bills, of course, reflect the levy decisions and tax bases of not just the city, but also the county, the school district and any special districts. The tax bases of all local governments will be affected by the new HMVE program. A given city may not see a big difference in its city tax base and therefore experience little shifting of city tax burden. The county containing the city may have a lot of lower-value homes and therefore experience a big tax base loss. That will affect the county taxes for property owners within the city.

CALCULATION OF PROPERTY TAXES

Responsibilities by Governmental Unit:

- **State of Minnesota:**
 - Determines overall property tax system
 - Grant authorities to local government
 - Determines property classification rates for all types of properties
 - Residential homestead, class 1a
 - ✓ First \$500,000 of taxable market value – Class rate = 1.00%
 - ✓ Over \$500,000 of taxable market value – Class rate = 1.25%
 - Commercial, industrial, and public utility, class 3a
 - ✓ First \$150,000 of taxable market value – Class rate = 1.50%
 - ✓ Over \$150,000 of taxable market value – Class rate = 2.00%
 - Provides residential homestead properties a credit against their property taxes in the form of the market value homestead credit (MVHC)
 - Reimburse local governments, including the City for MVHC credits
 - State Legislature cut New Brighton's (along with many other cities') reimbursement from the State's budget
 - Eliminated the MVHC program starting with property taxes payable in 2012
 - Implemented the Homestead Market Value Exclusion (HMVE) program
 - Established for taxes payable in 2012
- **Ramsey County:**
 - Determines each property's appropriate class
 - Determines each property's taxable market value
 - Performs calculation of each taxing governmental unit's tax rate
 - Performs calculation of taxes for each property within the County
 - Prepares property tax statements
 - Collects property taxes
 - Distributes tax collections to various taxing governmental units
- **City of New Brighton:**
 - Determines amount of annual City tax levy
 - Total General Fund budgeted annual expenditures less all other General Fund annual non-property taxes revenues anticipated = annual tax levy

Results:

- State determines formulas for how property taxes are calculated (who pays and what proportion of the local government's tax levies).
- County determines assessed values for all properties and implements the State's programs and calculations.
- City and other local governments determine their annual tax levy.

Clarifications of Common Misunderstandings:

- City property tax revenue = amount of City property tax levies **collected/paid**, not necessarily the tax levy.
- State law, individual property values and relative proportionate value compared to all other properties within each taxing jurisdiction determine how much of the tax levy is levied upon specific properties.

- By themselves, property value changes do not result in increased or decreased property tax revenues to taxing jurisdictions. They simply change the calculation of which property pays how much.
- State law and the City's property tax levies determine the City's property tax revenues, not property values.
- Lower property values do not necessarily mean lower taxes. Higher values do not necessarily mean higher taxes.

See an example of the calculation of the estimated 2012 homestead property tax on a City of New Brighton home on the next page. It is important to note the estimate assumes 1) as a result of the State's HMVE program, the City's tax rate will increase from 37.871% and 41.415% and 2) the tax rate for the other overlapping taxing districts do not change. In reality the other taxing districts will most likely realize an increase of their taxes due to HMVE as well. We do not have the data necessary to estimate the tax rates for the overlapping taxing districts.

The League of Minnesota Cities (LMC) has co-produced a short video called "14 Reasons Property Taxes Go Up or Down". The internet address is:

<http://www.youtube.com/watch?v=C70drDdHHIA>

2012 ESTIMATED HOMESTEAD TAX CALCULATION

Assuming Market Value Exclusion, City's Tax Capacity decreased resulting in increase to City tax rate

2012 Tax Levy: \$7,287,308

Example of a tax calculation for 2012 on a HOMESTEAD PROPERTY in

New Brighton (School District # 621) that has a taxable market value of: \$196,100

MV Exclusion	(30,400)	
MV Exclusion	10,809	
	<u>(19,591)</u>	<u>(19,600)</u>
MV after Exclusion		<u>176,500</u>

STEP 1: CALCULATE THE NET TAX CAPACITY

1.00% x first \$500,000 of Taxable Market Value	1,765
1.25% x Taxable Market Value in excess of \$500,000	0
Total Net Tax Capacity	<u>1,765</u>

STEP 2: CALCULATE THE LOCAL TAX

Local Tax Rate =	141.477%	multiplied by	1,765	=	<u>2,497</u>
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STEP 3: CALCULATE THE HOMESTEAD CREDIT

Homestead Credit =	0.40%	multiplied by	76,000	=	0
	0.09%	multiplied by	138,100	=	0
Total Homestead Credit =					<u>0</u>

STEP 4: CALCULATE THE NET LOCAL TAX

Local Tax	2,497
Less: Homestead Credit =	0
Total Net Local Tax	<u>2,497</u>

STEP 5: CALCULATE THE MARKET TAX

Market Tax	0.21228%	multiplied by	196,100	=	416
ISD # 621	0.21228%				

STEP 6: ADD NET LOCAL & MARKET TAXES

Net Local Tax	2,497
Plus: Market Tax	416

TOTAL ESTIMATED 2012 HOMESTEAD PROPERTY TAX

2,913

Assumptions to total tax rate:	Tax Rates:		Estimated
	2011	2012	2012 Taxes
Taxing Jurisdiction:			
Ramsey County	54.679%	61.051%	1,078
City of New Brighton	37.871%	41.415%	731
ISD # 621	25.573%	29.070%	929
Total Misc. Taxing Jurisdictions	8.354%	9.941%	175
Total	<u>126.477%</u>	<u>141.477%</u>	<u>2,913</u>

GENERAL FUND

The General Fund is the City's primary operating fund. As such, it accounts for costs associated with basic government activities not already accounted for elsewhere in the budget. The General Fund covers the general operating expenditures for the administration, finance, community development, public safety (police, fire, and emergency management), engineering, streets, parks, and recreation departments.

Property taxes represent 58.7% of the General Fund's revenue for 2012. General Fund expenditures increased by \$227,400 or 1.9%, from \$12,195,700 in 2011 to \$12,423,100 in 2012.

Significant Changes to Expenditures:

1. Expenditures for elections increased by \$15,100. The presidential election traditionally involves a much higher voter turnout. More election judges are required to efficiently facilitate elections that have a higher voter turnout.
2. The New Brighton Community Center's budget for expenditures increased by \$47,500 for 2012. A Membership Clerk position was added and the Non-Fleet Capital Replacement annual installment was increased.
3. Personnel costs for the Police Department increased by \$29,200.
4. Transfers increased by \$172,000 from 2011. This increase is earmarked for the Capital Asset Replacement programs.

Significant Changes to Revenues:

1. Property tax revenues changed due to a couple of issues.
 - A. First, the State of Minnesota eliminated its Market Value Homestead Credit (MVHC) program resulting in an increase of an estimated \$280,400.
 - B. Secondly, a portion of this increase will be used for the transfer to the Capital Asset Replacement programs. The remainder (\$108,400) will reduce the City's tax levy. The net result is an increase of \$172,200.
2. Anticipated building permit revenue for 2012 is \$368,500 compared to the 2011 budget of \$310,000 and the 2011 projected year-end amount of \$400,000.
3. Administrative fees charged to tax increment financing districts decreased by \$97,400 due to reduced activity.
4. Revenues from the Community Center are anticipated to increase by \$122,400.
5. Investment income is anticipated to be \$80,000, compared to the 2011 projected year-end amount of \$70,000.

ENTERPRISE FUNDS

The City of New Brighton operates four utility (water, sanitary sewer, storm water, and street lights) enterprise funds. These funds account for services that are supported primarily through quarterly utility fees designed to cover operating costs, debt service, depreciation expense and capital replacement costs.

2011 Utility Rates		
Water	City Wide	\$1.47 per 1,000 gallons
Sewer	City Wide	\$3.26 per 1,000 gallons
Storm Water	Single Family Residence	\$10.92 per quarter
	Park, Cemetery, Golf Course	\$3.01 per acre/per quarter
	School	\$32.74 per acre/per quarter
	Townhouse/Mobile Home Park	\$44.53 per acre/per quarter
	Church	\$61.01 per acre/per quarter
	Apartment, Condominium, Senior Housing, & Nursing Home	\$72.70 per acre/per quarter
	Commercial, Industrial, & Warehouse	\$136.25 per acre/per quarter
	Unimproved, Vacant Land	\$0.00 per acre/per quarter
Street Lights	Single and Two Family Residential Property	\$6.92 per quarter
	All Other Properties	\$20.76 per quarter
Average Water Consumption in New Brighton	22,000 Gallons of Water Per Property	Average Annual Cost is \$32.34 Per Property

INTERNAL SERVICE FUNDS

The City of New Brighton operates two internal service funds. The two internal service funds are the Risk Management and Information Technology funds. The Risk Management Fund provides funding for the City's various insurance coverages, employee safety programs, and workers compensation insurance. The Information Technology Department is responsible for maintaining and updating the City's technological resources such as computers, telephones, electronic security systems, cell phones, copiers, and other technological needs for the City. These funds account for services that are supported primarily through internal charges to the City's various departments.

CAPITAL ASSET REPLACEMENT PLAN

The City provides numerous services for the public. These services require the use of a wide range of capital assets. It is recognized that these capital assets must be maintained and will eventually wear out and need to be replaced. The City of New Brighton, along with most other local governments, both large and small, faces the challenges of meeting infrastructure and equipment needs with limited financial resources. Ongoing service delivery can be assured only if adequate consideration is given to capital needs. In order to meet these needs, the City has established a Capital Replacement Plan.

The Capital Replacement Plan is a multiyear plan that identifies capital replacement needs to be financed during the planning period. The plan identifies each proposed capital asset to be replaced, the year in which it will be started or replaced, the amount expected to be expended on each item, and the proposed method of financing those expenditures. The long-term financing plan currently model out the projected replacements from 2012 through 2025. The plan is reviewed and updated annually or as deemed necessary. The first year of this long-term plan is incorporated into the 2012 annual budget.

A basic function of the Capital Asset Replacement Plan is to provide the City with an orderly process for planning and budgeting for capital needs. This plan will serve as a link to the City's planning process and will be developed in conjunction with other long-range strategic plans. An overriding consideration in developing this plan is to prioritize current and future needs to fit within the anticipated level of financial resources.

The City's Capital Replacement Plan consists of the Fleet Capital Replacement and the Non-Fleet Capital Replacement Plans. Examples of capital assets in Fleet are fire trucks, police cars, street and park trucks and snowplows, in other words, mobile equipment. Examples of capital assets in Non-Fleet are components of City buildings/facilities such as roofs, carpeting and furnaces, office furniture, playground equipment, public safety equipment, NBCC fitness equipment, election ballot tabulators, and utility meter reading devices.

The City Council may issue Equipment Certificates (Certificates of Indebtedness) to finance the purchase of public safety equipment, road construction or maintenance equipment, and other capital equipment provided the equipment has an expected useful life at least as long as the terms of the debt. The annual debt service, both the principal and interest, will be paid off with future increased debt service tax levies.

ALL BUDGETED FUNDS COMBINED

The City of New Brighton prepares an annual budget for all operating funds. The table below summarizes the City of New Brighton's annual expenditures for all 2012 budgeted funds compared to the 2011 Amended Budgets:

General Fund	2012 Budgets	2011 Budgets
Administration	674,600	668,200
Legal	102,000	99,500
Central Services	146,800	148,700
Finance	536,900	527,600
Elections	49,600	34,500
License Bureau	133,600	133,100
Community Development	681,500	673,500
Recycling Program	207,400	207,500
Parks	941,700	945,700
Forestry	86,400	97,400
Recreation Programs	597,200	638,800
New Brighton Community Center	1,120,200	1,072,700
Police	3,971,800	3,958,400
Fire	827,000	822,600
Engineering	387,200	390,200
Streets	283,700	286,600
City Garage	551,900	539,100
Transfers	1,123,600	951,600
Total General Fund	12,423,100	12,195,700

Enterprise Funds	2012 Budgets	2011 Budgets
Water	1,697,200	1,769,900
Sewer	2,551,500	2,555,700
Storm Water	622,300	513,300
Street Lighting	201,000	183,900
Golf Course	379,400	372,200
Total Enterprise Funds	5,451,400	5,395,000

Internal Service Funds	2012 Budgets	2011 Budgets
Risk Management	512,400	496,900
Information Technology	597,600	631,300
Fleet	503,100	673,000
Non-Fleet	685,200	425,900
Total Internal Service Fund	2,298,300	2,227,100

Total Budgets	\$20,172,800	\$19,817,800
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CITY OF NEW BRIGHTON STATISTICAL FACTS

Date of Incorporation	1891
Form of Government	Statutory Plan B, Council/Manager
Population	21,456-2010 US Census Data
Area of City	7.1 Square Miles or 4,533 Acres (Source 2008 Comp Plan)
Land Use:	
Residential	40%
Commercial	3%
Industrial	9%
Institutional	4%
Regional Open Space	7%
Railroad/Streets/Lakes	30%
City Park	4%
Vacant	3%
Major Employers in New Brighton	API Transoma Johnson Screens Medtox Mounds View School District #621 Mission Foods
City of New Brighton Employees	84 Full-Time Employees 11 Permanent Part-Time Employees 200 Seasonal/Temporary Employees
Police Protection	New Brighton Public Safety Department
Number of Police Calls in 2010	10,805 Calls for Service
Fire Protection	New Brighton Public Safety Department
Number of Fire Calls in 2010	347 Calls for Service
Parks and Playgrounds in New Brighton	17
Park Acres	180 Acres
Park Buildings	8
Picnic Shelters	9
Square Footage of City Facilities (Source Ramsey County Tax Records):	
City Hall	18,992 Square Feet
Public Safety Center	59,822 Square Feet
New Brighton Community Center	79,008 Square Feet
Public Works Garage	43,733 Square Feet

Brightwood Hills Golf Course Club House	3,761 Square Feet
Water Treatment Plant	27,046 Square Feet
Trails and Sidewalks	33 Miles
Street Miles	94 Miles
Water System:	
Hydrants	875 106 Private Hydrants 796 City Owned Hydrants
Wells	11
Water Towers	4
Water Mains	96 Miles
Water Treatment Facility	1
Sanitary Sewer System:	
Sanitary Sewer Miles	81 Miles
Sanitary Sewer Lift Stations	5
Storm Water System:	
Storm Water Lines	346,700 Lineal Feet 221,600 Lineal Feet (City Owned)
Storm Drains	1,231
Storm Water Ponds	157 City Owned-62 DNR Waters-16 MNDOT-14 Ramsey County-7
Street Lights	1,015 City Owned-363 Xcel Energy Owned-652

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