



Chaska City Hall Bulletin

Chaska City Hall

www.chaskamn.com

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DECEMBER BRINGS CONSIDERATION OF FINAL 2010 TAX LEVY



At the December 7th meeting of the Chaska City Council, consideration will be given to the final numbers for both the establishment of the 2010 tax levy, as well as the proposed 2010 Budget of the General Fund.

As in past years, the December 7th Council meeting will be the Truth in Taxation public forum for comment on the proposed tax levy and the 2010 General Fund Budget. At the December 21st Council meeting, formal adoption of the tax levy, General Fund, and Enterprise Fund Budgets will be considered. The Council adopted the preliminary levy on August 31st. State Statute requires this to be set by September 15th, so as to allow the County ample time to send out preliminary tax statements to property owners.

Challenges with Revenues

The down turn in the economy has created significant issues for the City. These have come from a lack of growth in taxable market values in the community, significant reductions in building activities, and the unallotment of Local Government Aid from the State. These issues have all created several holes in the revenue streams that support City services. At the beginning of 2009, Chaska moved to cut approximately \$300,000 of expenses from its General Fund, with the elimination of three positions in the Community Development/Building Inspections Department, reduction of street maintenance activities, and the deference of approximately \$90,000 in other expenses. For 2010 the changes in taxable market growth, building activity, and reduction of Local Government Aid created close to \$800,000 in revenue issues to address, compared to our original five-year forecast estimates. The proposed budget will include both reductions in expenditures and deferment of expenses to address fiscal realities.

The taxable market value in the City for 2010 increased by only .3%. Most of this growth came from an increase in market value of new commercial construction. Building permit activity is expected to remain relatively low in 2010, at just over \$400,000. This compares to over \$1 million in building permit activity just five years ago.

From a Local Government Aid (LGA) perspective, in 2009 the City of Chaska was expected to receive \$363,000 in LGA. At the end of 2008 and beginning of 2009 the State un-allocated approximately \$260,000, which caused another hole in our revenue stream.

When putting together the proposed 2010 General Fund Budget, the City focused on achieving three primary objectives. These include:

- ✓ Maintaining our existing services levels
- ✓ Fully funding the levy needs of our street reconstruction program
- ✓ Developing a five-year plan to allow the City to discontinue drawing from General Fund reserves.

For 2010, no change is proposed in personnel or service levels. From an operational perspective, this allows the City to keep the tax levy very similar to that of 2009. One item discussed at the adoption of the Preliminary Levy, was the need to fund our Street Reconstruction Program, something that has been delayed for several years due to a lack of revenues to support the debt service of the plan. While the program originally started with the reconstruction of First Street the program has not continued to move forward because of the impacts our General Fund has experienced over the last several years due to a loss of revenue. In order to get the program restarted, the plan needs to be funded for the first five years with \$250,000 a year coming from the General Fund. This is something that has not been funded over the last several years.

With the Council feeling that the Street

Reconstruction Program is an important need because of the aging infrastructure, a decision was made during establishment of the Preliminary Levy to institute a Special Levy for approximately \$250,000 which would cover these new expenses and allow the Street Reconstruction Program to move forward. The Council would consider using the Special Levy authority the State gave this year to recoup the loss of LGA and Market Value Homestead Credits to fund this need in 2010. As mentioned previously, this lost amount was \$260,000.

If this Special Levy were instituted, the impact of the levy on a \$200,000 house would be approximately \$28.00 annually, moving it from \$416.00 to \$444.00. While this would be a change in our overall tax rate, the City would still be within the lowest 10% of the 102 metro cities for tax levy per capita. This tax rate would also be the lowest in Carver County. Although this increase in tax rate would do nothing to change our current City operations, it would work to directly allow us to move forward with street reconstruction in 2010.

Questions about the proposed 2010 annual budget or the process used, should be directed to City Administrator, Matt Podhradsky, at 952-448-9200.

5th ANNUAL MULTI-CULTURAL HOLIDAY CELEBRATION

Sunday, November 29, 2009
5:00 pm
City Square Park



Music, Santa, Pinata, Refreshments, and Lighting of the Tree.

Sponsored by Chaska Human Rights Commission and Dunn Brothers Coffee

TOWN COURSE TO CLOSE ON SUNDAY

Although the fall has been challenging for those wanting to golf, particularly in the month of October, November has been a record both for dry conditions and warm temperatures. Because of this, the Town Course has stayed open longer this year than any year since 1997. The typical closing date of the Town Course is November 13th. This year the course will stay open through Sunday, November 21st. Residents who desire one last round of golf are encouraged to call 952-443-3748 for a tee time. The City wishes to thank the patrons and all the employees at the Town Course and Grille for a great season!



Chaska Community Center Activities

Elmo's World - Ages 2-6

Come join Elmo for a Tot Time Adventure you won't forget. We will make crafts and play Elmo games. You will even have a chance to visit with Elmo himself! Sign up early, this class is sure to fill up fast! Pre-registration is required.

Date: Saturday, November 21
 Time: 9:30 a.m.
 Cost: \$5.00 member \$6.50 Nonmember

The Community Center will be closed on Thanksgiving Day.

Regular hours are 5am to 10 pm Monday-Saturday and 8am to 9pm on Sundays.

The Land Trust Expands County Wide

Do you DREAM of Homeownership in CARVER COUNTY? Tired of your daily commute to work?



Carver County CDA



The CDA can help! We are currently taking applications for **Home Buyers** wishing to buy **Community Land Trust Homes** throughout Carver County!

If your household income is at or below \$67,000 you now have the opportunity to make homeownership a reality!

*Ask about the extended First Time Homebuyer Tax credits.

Call today for additional information.
 952-448-7715 ext. 2782

First Time Home Buyer Seminars

Become a successful homeowner today.....

Attend a Home Buyer Education Seminar offered by the Carver County CDA. Learn about budgeting, overcoming the barriers of home ownership, the steps to finding a home and working with a lender. "HomeStretch" is HUD & MHFA certified! The CERTIFICATE you earn is necessary for some special "down-payment assistance" loan programs.

Please contact us today for additional details, class schedules and registration.

952-448-7715



Filing for Mayor Closes at 4:30 pm on Wednesday, November 25th.

Chaska City Offices will be closed on November 26 and 27 in observance of Thanksgiving. Have a great holiday!