

**CITY OF LEXINGTON  
WORKSHOP SYNOPSIS  
Thursday, August 18, 2022  
Immediately following Council meeting  
City Hall**

- 1. Call to Order:** Mayor Murphy
- 2. Roll Call:** DeVries – Harris – Winge – Benson

*Mayor Murphy called to order the workshop for August 18, 2022 at 7:26 p.m. Councilmembers present: Benson, Devries, Harris, and Winge. Also Present: Bill Petracek, City Administrator; Kurt Glaser, City Attorney; Chris Galiov, Finance Director.*

**3. Discussion Items:**

- A. Discuss
  - 2023 Preliminary Budget

*Petracek provided a Powerpoint presentation to discuss the 2023 Preliminary Budget. Discussion ensued. \*See Attached Power Point presentation*

**4. Staff Input**

*No staff input*

**5. Council Input**

*No Council input*

**6. Adjourn**

*Councilmember Winge made a motion to adjourn at 9:49 p.m. Councilmember Harris seconded the motion. Motion carried 5-0.*

# 2023 Preliminary Budget Highlights



# Budget Highlights – Capital Equipment and Improvements

08082022 2023 Capital Summary MEMO [Compatibility Mode] - Word

Bill Petracek Share

To: Lexington Mayor and Council Members  
From: Bill Petracek, City Administrator; Hristo (Chris) Galiov, Finance Director  
Date: August 11, 2021  
Re: Preliminary Budget Discussion

---

## Proposed Budget Highlights

I have attached for your review a summary of the preliminary proposed capital and capital outlay expenditures. I am going to provide a presentation at the City Council meeting to provide some detail of the General Fund operations budget and the Centennial Lakes Police budget.

### Administration

1. New copier	\$15,000
2. Replace City Hall sign (illuminated sign)	\$5,000
3. City Hall Landscaping/maintenance	\$4,000

### Fire

Various equipment as needed	\$50,000
-----------------------------	----------

### Streets

1. Street Improvements – Dunlap Ave. – South of Restwood Ave. i. Mill & Overlay	\$104,000
2. Small Dump Truck Replacement	\$80,000
3. New Tractor, Mower Deck & Hopper	\$52,000

### Parks

1. Irrigation Field #1 and #3 (Field #3)	\$27,000
2. Surveillance camera	\$8,000
3. Playground area (chips)	\$27,000
4. Remodel of Memorial Park bathrooms	TBD

Page 1 of 2 241 words



# 2023 Centennial Lakes City Budget Contribution

• Lexington \$966,244

\*2023 -\$144,083 increase

\*Total increase for 2022 and 2023 budget - \$219,966

• Centerville \$954,582

• Circle Pines \$1,142,028

Total 2023 Budget \$3,062,833

# 2022 Centennial Lakes P.D. Funding

08112022 Actia; 2022 CLPD Budget APPROVED.pdf - Adobe Acrobat Reader DC (32-bit)

File Edit View Sign Window Help

Home Tools 08112022 Actia; 2... x

100% 5 / 5 97.6%

Search tools

Comment  
Fill & Sign  
More Tools

**2022 PROPOSED BUDGET  
PROJECTED CITY CONTRIBUTIONS  
TRI-CITY POLICE FORMULA**

Factors: Weight:  
 Calls 40%  
 Population 40%  
 IACP Formula 20%  
 100%

Total Budget Expenditures: 2,986,186  
 Less Non-City Funding: (105,500)  
 Less City Vehicle Funding: (44,000)  
**What is needed: \$ 2,836,686**

	Calls 3 yr Avg	Population 2020*	IACP Formula 2020	Formula %	Annual Contribution	Vehicle Contribution	CY Annual Contribution
Centerville	4,222 29.01%	3,991 34.75%	4.69 30.65%	31.63%	\$ 897,379	14,667	\$ 912,046
Circle Pines	5,572 38.28%	5,043 43.92%	5.39 35.23%	39.93%	\$ 1,132,584	14,667	\$ 1,147,251
Lexington	4,761 32.71%	2,449 21.33%	5.22 34.12%	28.44%	\$ 806,723	14,667	\$ 821,390
	14,555	11,483	15.3	100.00%	\$ 2,836,686	\$ 44,000	\$ 2,880,686

	CY Annual Contribution	PY Annual Contribution	Change From PY
Centerville	\$ 912,046	\$ 849,994	\$ 62,052
Circle Pines	\$ 1,147,251	\$ 1,101,620	\$ 45,631
Lexington	\$ 821,390	\$ 746,258	\$ 75,132
	\$ 2,880,686	\$ 2,697,872	\$ 182,814

	Calls				Population		IACP Formula	
	2020	2019	2018	3 yr Avg	2020*	2019	2020	2019
Centerville	3910	4368	4388	4,222	3,991	4,050	4.69	4.15
Circle Pines	4582	6147	5987	5,572	5,043	5,061	5.39	5.83
Lexington	4411	5267	4605	4,761	2,449	2,356	5.22	5.00
	12,903	15,782	14,980	14,555	11,483	11,467	15.30	14.98

**Changes - CY vs PY**

	Calls	Population	IACP Formula
Centerville	-458	(60)	0.54
Circle Pines	-1565	(18)	(0.44)
Lexington	-856	93	0.22

\*Population for 2020 is based off of 2020 Census.

Convert and edit PDFs with Acrobat Pro DC

Start Free Trial

# 2023 Centennial Lakes Police Funding

2023 CLPD Budget 8.2.22 PROPOSED funding formula.pdf - Adobe Acrobat Reader DC (32-bit)

File Edit View Sign Window Help

Home Tools 2023 CLPD Budget... x

1 / 1 97.6%

### 2023 PROPOSED BUDGET PROJECTED CITY CONTRIBUTIONS TRI-CITY POLICE FORMULA

**Factors:**

Factor	Weight
Calls	40%
Population	40%
IACP Formula	20%
	100%

**Total Budget Expenditures:** 3,104,333  
**Less Non-City Funding:** (41,500)  
**Less City Vehicle Funding:** (44,000)  
**What is needed:** \$ 3,018,833

	Calls 3 yr Avg	Population 2021	IACP Formula 2021	Formula %	Annual Contribution	Vehicle Contribution	CY Annual Contribution
Centerville	4,879 29.19%	3,912 34.03%	5.06 29.23%	31.14%	\$ 939,916	14,667	\$ 954,582
Circle Pines	5,808 34.76%	4,974 43.27%	5.31 30.68%	37.34%	\$ 1,127,361	14,667	\$ 1,142,028
Lexington	6,025 36.05%	2,610 22.70%	6.94 40.09%	31.52%	\$ 951,557	14,667	\$ 966,224
	16,712	11,496	17.31	100.00%	\$ 3,018,833	\$ 44,000	\$ 3,062,833

	CY Annual Contribution	PY Annual Contribution	Change From PY
Centerville	\$ 954,582	\$ 912,046	\$ 42,536
Circle Pines	\$ 1,142,028	\$ 1,147,251	\$ (5,223)
Lexington	\$ 966,224	\$ 821,390	\$ 144,834
	\$ 3,062,833	\$ 2,880,687	\$ 182,146

	Calls				Population		IACP Formula	
	2021	2020	2019	3 yr Avg	2021	2020*	2021	2020
Centerville	5330	4938	4368	4,879	3,912	3,991	5.06	4.69
Circle Pines	5592	5686	6147	5,808	4,974	5,043	5.31	5.39
Lexington	7303	5505	5267	6,025	2,610	2,449	6.94	5.22
	18,225	16,129	15,782	16,712	11,496	11,483	17.31	15.30

**Changes - CY vs PY**

	Calls	Population	IACP Formula
Centerville	392	(79)	0.37
Circle Pines	-94	(69)	(0.08)
Lexington	1798	161	1.72

\*Population for 2020 is based off of 2020 Census, as well as Met Council estimate--average of the two.

Search tools

- Comment
- Fill & Sign
- More Tools

Convert and edit PDFs with Acrobat Pro DC

Start Free Trial

# 2022 Preliminary Taxable Market Value (TMV)

• 2021 TMV	\$210,618,419
• 2022 TMV	<u>\$276,378,637</u>
Total Increase TMV	<u>\$65,760,21</u>

New construction TMV \$28,399,800

( \*Phase 1 – Lexington Lofts, O’Reilly’s, new homes construction  
(Parkview homes)



# 2021 Tax Levy

• General Fund Levy:	\$ 1,101,797.35
• Debt Service:	
• G.O. Improvement Bonds, Series 2014A:	\$ 67,184.49
• G.O. Improvement Bonds, Series 2017A:	\$ 64,026.67
• G.O. Abatement Bonds, Series 2017A:	\$ 18,060.00
Total Debt Service	<u>\$ 149,271.16</u>
<b>TOTAL</b>	<b>\$ 1,251,068.51</b>

# 2022 Proposed Tax Levy

• General Fund Levy:	\$1,322,156.82
• Debt Service:	
• G.O. Improvement Bonds, Series 2014A:	\$ 65,924.50
• G.O. Improvement Bonds, Series 2017A:	\$ 62,829.06
• G.O. Abatement Bonds, Series 2017A:	\$ 17,745.00
Total Debt Service	<u>\$ 146,498.56</u>
<b>TOTAL</b>	<b>\$ \$1,468,655.38</b>

# 2022 Proposed Tax Levy

1. The proposed General Levy would be an increase of \$220,359.47 or 20%
2. This amount will cover our General Fund expenses and increased obligation to Centennial Lakes Police Department for 2023 and lowers our liquor store fund transfer from \$275,000 to \$200,000 for 2023 budget.

# Estimated City Levy Tax Bills for 2023

2023 Levy Summary.pdf - Adobe Acrobat Reader DC (32-bit)

File Edit View Sign Window Help

Home Tools 2023 Levy Summar... x

175%

		<u>2022</u>	<u>2023</u>	<u>% Increase</u>	<u>\$ Increase</u>
Murphy	TMV	\$317,773.00	\$388,405.00	22.23%	\$70,632.00
3882 Edith	Tax - City portion	\$1,697.19	\$1,625.28	-4.24%	-\$71.91
Harris	TMV	\$237,113.00	\$295,428.00	24.59%	\$58,315.00
3781 Ctrwd	Tax - City portion	\$1,266.40	\$1,236.22	-2.38%	-\$30.18
Winge	TMV	\$312,650.00	\$368,894.00	17.99%	\$56,244.00
3034 Lovell	Tax - City portion	\$1,669.83	\$1,543.64	-7.56%	-\$126.19
Bautch	TMV	\$166,481.00	\$208,337.00	25.14%	\$41,856.00
8970 Albert	Tax - City portion	\$889.16	\$871.79	-1.95%	-\$17.37
O'Reilly	TMV	\$244,600.00	\$1,208,700.00	394.15%	\$964,100.00
9099 S Hwy	Tax - City portion	\$1,200.57	\$10,115.63	742.57%	\$8,915.06
Ephesians 1	TMV	\$19,982,600.00	\$21,560,000.00	7.89%	\$1,577,400.00
8927 Synd.	Tax - City portion	\$133,406.33	\$112,772.50	-15.47%	-\$20,633.83
Lofts I	TMV	\$2,997,900.00	\$27,318,000.00	811.24%	\$24,320,100.00
9001 Griggs	Tax - City portion	\$14,714.55	\$142,890.49	871.08%	\$128,175.94

Search tools

Comment

Fill & Sign

More Tools

Convert and edit PDFs with Acrobat Pro DC

Start Free Trial

# Centennial Lake Police Communities

City	Population	Taxable Market Value (TMV)	Median Household income	2023 CLPD Budget
Lexington	2,610	\$276,378,637	\$65,333	\$966,224
Circle Pines	4,974	\$585,832,006	\$95,084	\$1,142,028
Centerville	3,912	\$603,073,968	\$107,794	\$954,582

# Charitable Gambling 10% Fund

LEXINGTON FIRE RELIEF				
	Received			
		Cowboy's	Lex Liquors	
2021 Amended	\$ 32.19	\$ 32.19		
1st Quarter	\$ 4,935.96	\$ 4,935.96	\$ -	-60.96
2nd Quarter	\$ 7,223.03	\$ 7,173.39	\$ 49.64	
3rd Quarter	\$ 8,308.50	\$ 8,156.29	\$ 152.21	
4th Quarter	\$ 3,510.11	\$ 3,447.35	\$ 62.76	
<b>Subtotal:</b>	<b>\$ 24,009.79</b>	\$ 23,745.18	\$ 264.61	
CENTENNIAL YOUTH HOCKEY				
		Carbone's	Boulevard Bar & Grill	
1st Quarter	\$ 9,226.01	\$ 1,477.48	\$ 7,748.53	
2nd Quarter	\$ 6,085.01	\$ 1,241.03	\$ 4,843.98	
3rd Quarter	\$ 7,432.87	\$ 1,289.86	\$ 6,143.01	
4th Quarter	\$ 6,023.03	\$ 972.89	\$ 5,050.14	
<b>Subtotal:</b>	<b>\$ 28,766.92</b>	\$ 4,981.26	\$ 23,785.66	
<b>TOTAL:</b>	<b>\$ 52,776.71</b>			

Minnesota Gambling Control Board  
1711 West County Road B, Suite 300 South  
Roseville, MN 55113  
651-539-1900  
www.mn.gov/gcb

### Guide for Cities

#### How Cities May Spend 10% Lawful Gambling Contributions Required from Charities

Minnesota Statutes, section 349.213, subdivision 1, paragraph (f)(2), allows a local unit of government to require, by ordinance, a licensed organization to contribute up to 10% of the organization's net profits derived from lawful gambling to a fund administered by the local unit of government. Net profits are gross profits less sums actually expended for allowable expenses and amounts paid in taxes assessed on lawful gambling.

The funds must be disbursed by the city for charitable contributions as defined by section 349.12, subdivision 7a:

- A city may donate 10% lawful gambling funds:
  - ✓ For activities and facilities for youth under age 21.
  - ✓ To a 501(c)(3) organization provided that the city does not retain control of these funds.
  - ✓ To a scholarship fund.
  - ✓ To relieve the effects of poverty, homelessness, or disability (for example, a homeless shelter).
  - ✓ To a program for the education, prevention, or treatment of problem gambling.
  - ✓ For recognition of military service (free and open to the public) or support for active military personnel and their immediate family members in need.
  - ✓ To a church.
  - ✓ With Minnesota Pollution Control Agency (PCA) approval, for citizen monitoring of surface water quality by individuals (requires submitting data to the PCA).
  - ✓ With Minnesota Department of Natural Resources (DNR) approval, for wildlife management projects or activities that benefit the public-at-large; grooming or maintaining snowmobile or ATV trails, or other trails open to public use; supplies and materials for DNR-coordinated safety training and education programs.
  - ✓ For nutritional programs, food shelves, and congregate dining programs primarily for persons age 62 or older or disabled.
  - ✓ For community arts organizations, or sponsorship of community arts programs that are free and open to the public.
  - ✓ For humanitarian service, recognizing volunteerism or philanthropy.

*Cities that collect funds from charitable gambling proceeds must spend the money the same way as charities do—for defined charitable purposes.*

- A city may not transfer 10% lawful gambling funds to other city accounts (for example, its own parks and recreation department, or police or fire department). A city may, however, purchase equipment and pay for services to train police, fire, or other public safety-related services, and payment must be written directly to the vendor. Examples include purchasing a police car, a fire truck, playground equipment, and training courses for police and firefighters.
- If a city contracts out for law enforcement services or other emergency services, it may spend 10% lawful gambling funds for those services (excluding pension obligations). The check must be written directly to the outside entity providing those law enforcement services.
- While a city may not donate 10% lawful gambling funds to its city parks and recreation department, it may donate 10% funds for playground equipment within a city park (allowed under activities and facilities for youth under age 21), or for construction or maintenance of a veterans memorial within a city park (recognition of military service). The checks must be written directly to the vendor. (Also, playground equipment and veterans memorials need not be located in a city park.)

The city must submit form LG510 City or County Annual Report, 10% Lawful Gambling Contribution Fund, to the Minnesota Gambling Control Board by March 15 of each year describing the amount collected, details for disbursement, and any balance. The LG510 is available at [www.mn.gov/gcb](http://www.mn.gov/gcb).

The Board will continue to monitor the receipt, proper disbursement, and fund balances. If you have any questions about what is or is not allowed, please call the Minnesota Gambling Control Board at 651-539-1951.

Search tools

- Comment
- Fill & Sign
- More Tools

Convert and edit PDFs with Acrobat Pro DC

Start Free Trial

# Other Options – Although not recommended

1. Continue transferring \$275,000 from Liquor fund to General Fund
2. Utilize Capital fund – gas and electric franchise fees to pay debt levy for street improvements
3. Transfer money from Lovell Fund to General Fund



Questions??