



City of Spirit Lake

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March 30, 2011

Mayor Andera and City Council Members:

This letter transmits the City of Spirit Lake Certified Budget for FY 2011/2012. This budget represents the City's combined spending and taxation plans for the upcoming year. It is the result of the efforts of elected officials, city administration, and employees to develop a plan to serve the citizens for the upcoming fiscal year.

The FY 2012 Budget reflects an improved outlook over recent years. The City has continued to improve its financial condition amid revenue losses and difficult economic times. While economic stress continues in our community, the future appears brighter and the City is ready to resume efforts to improve services and facilities.

The FY 2012 Budget holds the property tax levy rate steady at \$10.544 per thousand valuation. Funding is provided for maintaining current services and normal capital replacements. Limited additional funding is provided to improve park operations and Library services. The Council has provided funds to improve employee compensation through a new grade/step system that makes pay comparable with other similar jurisdictions.

Significant capital projects for the fiscal year include street repairs, lakeside storm water improvements, a new water main on the southeast side of town, sewer rehabilitation (new sewer liner), and several other smaller projects. Phase I of a new residential development is also planned, required under a 2004 development agreement.

The City is also setting the stage for future large projects. Funding is provided to purchase property for the Center Lake drainage project, and for a new business park. The Council continues to develop plans for a new city hall and police station. While not budgeted, this significant project will eventually be presented to the voters in a referendum for approval.

We believe this budget addresses current needs and future plans of our growing city. It does so in a responsible manner that is cautious in spending plans.

I wish to thank the Mayor and Council for your conscientious work in reviewing proposals and developing this budget.

Sincerely,

Mark Stevens
City Administrator