



Now that spring has finally arrived and the auditors have come and gone it is time for the Finance Team to focus on other things. In 2014, "The Year of the Plan," we are busy preparing for the 2015 budgeting season which, for the Finance Team, has already begun:

Capital Improvement Plan (CIP) - City and Utility departments have submitted their requests for capital equipment and projects. The CIP will focus on projects and equipment needs for the next five years (2015-2019). Carefully planning for these large financial investments is required to maintain and expand public facilities and infrastructure.

Long Range Financial Plan (LRFP) – The process of developing a LRFP involves inputting the previous year's actual budget (2013), the current year budget (2014), the CIP, and making projections of residential and non-residential development, reasonable assumptions of future revenue and expenditures, population growth and real estate appreciation. The LRFP will serve as a tool, providing the City Council and our community with the insight required to address issues impacting the City's financial condition well into the future.

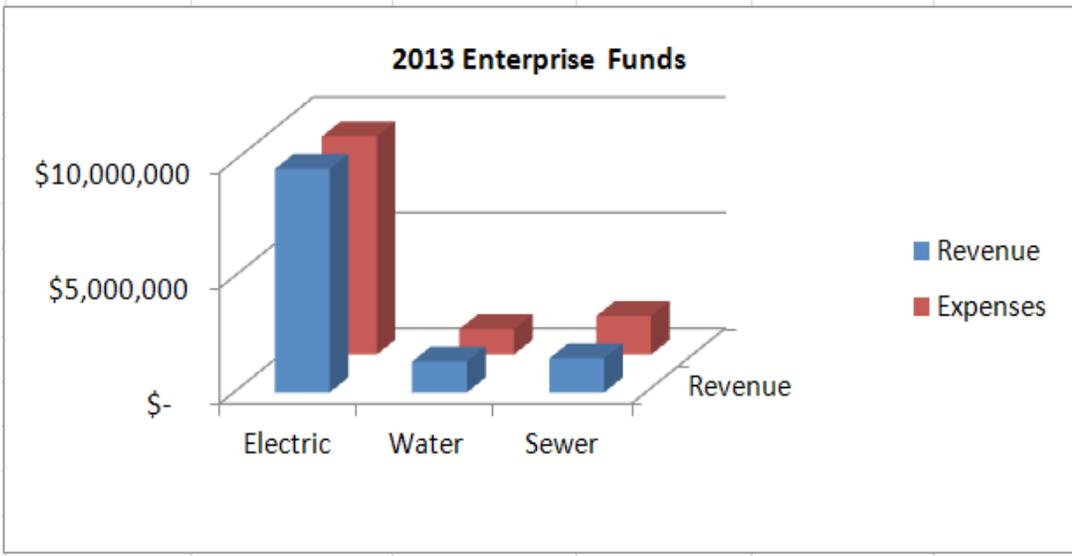
As with the last couple of years, beginning on July 16, 2014, citizens are invited to meet with Mike Darrow and myself each Wednesday between the hours of 3 and 4 pm. Do you have ideas you would like to share with us? We would love to hear from you!

- Nancy Petersen, Finance Director

City of New Richmond's Basic Fund Types

The City's community finances are divided into several different fund types:

- The **General Fund** accounts for revenues and expenditures that provide for basic operations of the City, i.e. street maintenance, library, parks, police and fire protection.
- **Special Revenue Funds** account for activities restricted to specific purposes. The City of New Richmond has the following Special Revenue Funds: Park Land Trust Fund, Library Trust Fund, Storm Water Utility Fund, CDBG Revolving Housing Fund and Impact Fees Fund.
- **Debt Service Funds** track revenues and expenses related to repayment of long-term debt.
- The **Capital Projects Fund** collects revenues, special assessments, state and county aids and allocates them toward construction or major capital expenses.
- **Enterprise Funds** account for activities that operate as public enterprises which are paid for by user fees, i.e. electric, water and sewer.



	Electric	Water	Sewer
Revenue	\$ 9,668,644	\$ 1,337,847	\$ 1,474,437
Expenses	\$ 9,441,224	\$ 1,094,147	\$ 1,671,617

FINANCE MINUTE

Staff Spotlight



Diane Thielke began working for New Richmond Utilities part-time in March of 1992 while attending WITC. She began as a part time data entry clerk and when a full time opportunity came up the following year in November, she was thrilled to accept it. "I was going to school to be a Medical Assistant at the time I started working here," Diane said. "I really enjoyed the work I was doing with numbers so when I was asked to go full time, I couldn't resist."

Since then Diane has done nearly every job in the office giving her in-depth knowledge of the day to day operations. The City has doubled in size since Diane started working here, as have the utility accounts and our amazing office staff! It seemed natural to promote Diane to Lead Billing and Customer Service Rep. with her much experience and understanding of the office workings and procedures.

Diane is married to her high school sweetheart Dan and they have lived in New Richmond for 25 years. Diane and Dan have been married for 34 years and have three children and eight grandchildren. With a family this size there isn't a lot of spare time but when there is, she likes to spend it with her family and friends, take pictures, read, garden and scrapbook.

TID OR TIF - WHAT IS IT?

TID stands for Tax Increment District. TIF stands for Tax Increment Financing. Either way they both are means of public financing that generates tax revenue to fund redevelopment, infrastructure and other eligible community-improvement projects to facilitate private development. The basics of how it works is as follows: A TID is created, after careful consideration by the City and their consultants, and is aimed at eliminating blight, rehabilitating declining property values, promoting industry or encouraging mixed-use development. TID offers the City a way to revitalize its community by expanding its tax base, offsetting in part, the federal and state funds that are no longer available without imposing increased property taxes on the whole community.

When a TID is created, the current value of all the taxable property within the defined boundary of the TID is established. This value is referred to as the "base value." Over the life of the TID, the taxes collected on the base value portion of the property are shared as they always have been with the county, school, technical college and municipality. In the meantime, new construction and investment in the TID increase the value of the property. All of the taxes collected on the growth in value of the property (or the "value increment") are turned over to the City as "tax increment" revenue. The City uses this revenue stream to pay for the improvements that they have made to the property in the TID that is in the approved project plan.

In New Richmond, we currently have five active TID's. During 2013, TID 6 (City's Industrial Park) saw some growth with the addition/expansion of the following businesses: Dollar Tree, Fitzgerald's Lawn Care and Zaxx Cabinets. The Hair Company broke ground in 2013 and will be complete in 2014.

TID's can be an excellent way to revitalize a community by strengthening the City's tax base as well as increasing economic activity.

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