

**CITY OF
GEM LAKE**



**2019
BUDGET**

Adopted By City Council 11/20/2018

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HOW TO READ THE BUDGET

The budget document serves two distinct purposes. One purpose is to present the City Council Members, residents and other interested readers, concise and readable information about City of Gem Lake. The other purpose is to provide management of the City with a financial and operating plan that conforms to the City's accounting system.

The Budget Message provides an overview of the key policy issues and programs in the budget, and presents major areas of emphasis.

The Schedules and Summaries provide the heart of the document as an operating and financial plan.

The General Fund and Special Revenue Funds section contains revenue and expenditure summaries. It also provides detail revenue and expenditure information, department descriptions, staffing levels, service level objectives and prior year accomplishments for all departments.

The Debt Service Funds section contains information about the resources accumulated for the payment of general long-term debt principal and interest.

The Capital Improvement Funds section contains revenue and expenditure information about the various construction projects within the Township.

The Enterprise Funds section contains revenue and expenditure summaries for all Enterprise Funds. It also provides detail revenue and expenditure information, department descriptions, staffing levels, service level objections and prior year accomplishments for all departments within each Enterprise Fund.

The Appendix section includes other important financial and City information, such as, City statistics, description of the property tax system, and a glossary of terms.

City Council Members, Citizens and Others:

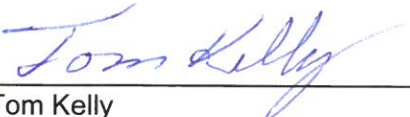
It is my privilege to present the 2019 budget for the City of Gem Lake. This budget, as adopted by the City Council identifies how the City resources will be spent in 2019. This budget is the City's financial management plan and has been designed to be responsive to public service demands and for carrying out services over the coming year. The 2019 budget is the result of sound financial management, and affords some protection for the future operation of the City. It is the City's intent to submit and manage the budget in the most open and straightforward manner possible, which will allow consistent and careful management of all resources. The City continually faces many challenges, which draw upon the resources and value judgments of all of us.

The City budget focus has been to maintain services provided and existing infrastructure. Public safety remains a priority for the City and this budget includes expenditures to funds to hire a building/development inspector to ensure city codes are followed. Also for 2019, the City has included increases to both the police and fire budgets and a contingency budget of \$10,000. \$30,250 is budgeted for the construction of a sidewalk or pathway along County Road E for pedestrian safety. The Ice and Snow Removal budget was increased to reflect past expenditure levels. Finally, \$20,000 is being budgeted to fund future capital projects in the City.

On the revenue side, the largest revenue source is property taxes, which make up almost 84.1% of total revenues for the City. The 2019 property tax levy is increased 7.24% and the City's tax capacity also increase 3.4%, which results in a tax rate of 39.614% compared to 39.335% in 2018. Based on this most residents would see an increase in their City property tax bills from 2018 to 2019.

As 2019 unfolds, the City is well positioned to meet current and future challenges through sound fiscal management. It is our hope this budget will meet the expectations and need of Gem Lake residents. My sincere thanks are extended to the City Council for their time and effort in the preparation of this document.

Respectfully,



Tom Kelly
City Treasurer

FUND STRUCTURE AND BUDGET BASIS

The financial structure of City of Gem Lake is similar to other governments with the use of funds. Funds are the control structures that ensure that public moneys are spent only for those purposes authorized and within amounts authorized. Funds are established to account for different types of activities and legal restrictions that are associated with a particular government function. The Governmental Accounting Standards Board (GASB) defines a fund as:

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

All of the funds used by the City must be classified into one of seven “fund types.” Four of these fund types are used to account for the City’s “governmental-type” activities and are known as “governmental funds.” Two of these fund types are used to account for a government’s “business-type” activities and are known as “proprietary funds.” Finally, the seventh fund type is reserved for a government’s “fiduciary activities.” The City currently does not operate any fiduciary activities.

Governmental Fund types are used to account for governmental-type activities. These are the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

The General Fund is used to account for most of the day-to-day operations of the City, which are financed from property taxes and other general revenues. Activities financed by the General Fund are those not accounted for in other funds. There can only be one General Fund.

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources, which, by law, are designated to finance particular functions, or activities of the City and which therefore cannot be diverted to other uses. The Special Revenue Funds the City operates are the Park and Playground Fund, which was established to purchase and develop parks and trails in the City through the collection of park dedication fees on new developments or building permits and new for 2015 is a fund to account for possible grants the City may apply for to help redevelop its commercial district.

Debt Service Funds are used to account for the payment of interest and principal on general and special obligation debts other than debt issued for and serviced by a governmental enterprise.

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital equipment and facilities except those financed by Enterprise and Internal Service Funds.

Two **Proprietary Fund Types** are used to account for the City’s business-type activities. These are the Enterprise Funds and the Internal Service Funds.

The City’s Enterprise Funds are the Sewer and Water Operating Funds. These funds are used to account for the acquisition, operation and maintenance of these facilities and services, which are entirely or predominantly self-supported, by user charges. The operations of the Sewer and Water Operating Funds are accounted for in such a manner as to show a profit or loss similar to private enterprises.

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments of the City, on a cost-reimbursement basis. The City of Gem Lake

does not have any Internal Service Funds.

Fiduciary Funds are used when a government holds or manages financial resources in an agent or fiduciary capacity. The City of Gem Lake does not operate any of these funds at the current time.

The **Budget Basis** used by the City of Gem Lake is the modified accrual basis of accounting for governmental fund types (for example, the General Fund, Special Revenue Funds, Debt Service and Capital Project Funds). Under this accounting method, revenues are recognized in the accounting period in which they become available and measurable. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the period in which the fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

Enterprise Funds use the accrual basis of accounting. Under the accrual basis, revenues are recognized when they are measurable and earned. Expenses are recognized in the period incurred, if measurable. The budget basis for Enterprise and Internal Service Funds is also the accrual basis with the exceptions noted below.

The City's Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of "generally accepted accounting principles" (GAAP). This conforms to the way the City prepares its budget.

The CAFR shows fund expenditures on both a GAAP basis and budget basis for comparison purposes.

BUDGET PROCESS

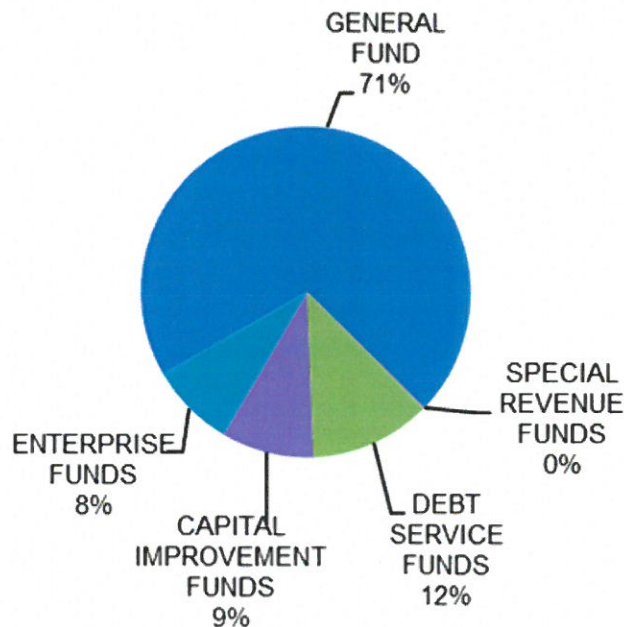
The budget process begins in August with the City Treasurer developing a draft budget. The Mayor and Treasurer then meet in late August or early September to refine the draft budget. It is this budget that is presented to the full City Council in a workshop session in early September. It is from this workshop that a preliminary tax levy is presented and adopted no later than September 30th of each year. Once adopted the preliminary levy is certified to Ramsey County. Over the next few months, the Mayor and Treasurer develop a final draft budget and tax levy, which again is presented to the full City Council for review in November. From the meeting a final budget and tax levy is developed and presented at a public hearing in November. After the public hearing the City Council votes to approve the budget and adopt the final property tax levy. In late December, the final levy is certified to the County Auditor. During the fiscal year, line items may be overspent as long as the total activity budget is not overspent. The Mayor can recommend changes for activities' budget to the City Council. The Council can then approve or disapprove the change, in the form of a budget amendment. Only with the City Council approval can an activity be overspent and only if funding is available. However, the property tax levy cannot be amended.

2019 BUDGET SUMMARY

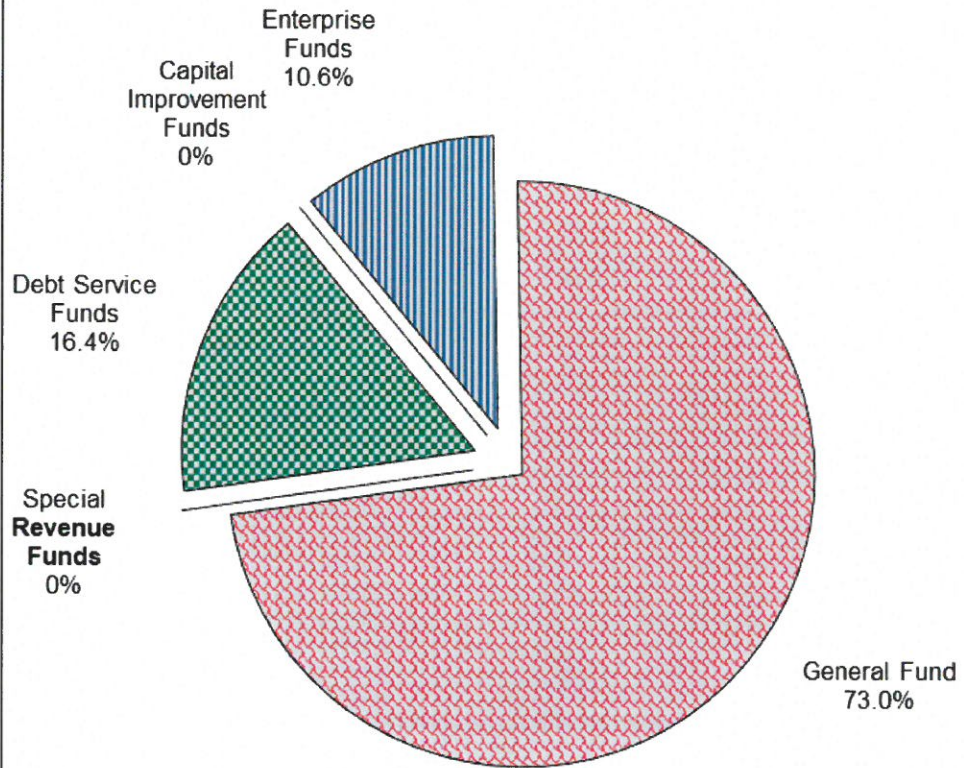
BUDGET SUMMARY BY FUND TYPE

| ACCOUNT DESCRIPTION | | | 11/20/2018 | | 11/20/2018 | | % CHANGE |
|-----------------------------------|--------------------|------------------|------------------|--------------------|--------------------|--|---------------|
| | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 11/30/18 ACTUAL | 2019 ADOPTED | | |
| REVENUE BUDGET | | | | | | | |
| GENERAL FUND | \$295,521 | \$466,819 | \$423,247 | \$494,006 | \$470,773 | | 11.23% |
| SPECIAL REVENUE FUNDS | 410 | 253 | 475 | 230 | 475 | | 0.00% |
| DEBT SERVICE FUNDS | 85,158 | 76,796 | 86,104 | 101,390 | 79,871 | | -7.24% |
| CAPITAL IMPROVEMENT FUNDS | 61,936 | 35,388 | 79,270 | 802,270 | 60,050 | | -24.25% |
| ENTERPRISE FUNDS | 47,868 | 51,725 | 47,710 | 45,974 | 54,930 | | 15.13% |
| TOTAL REVENUES | \$490,893 | \$630,981 | \$636,806 | \$1,443,870 | \$666,099 | | 4.60% |
| EXPENDITURE BUDGET | | | | | | | |
| GENERAL FUND | \$342,460 | \$360,300 | \$423,247 | \$385,048 | \$470,773 | | 11.23% |
| SPECIAL REVENUE FUNDS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| DEBT SERVICE FUNDS | 780,421 | 78,089 | 76,305 | 138,642 | 105,434 | | 38.17% |
| CAPITAL IMPROVEMENT FUNDS | 323,988 | 19,965 | 0 | 592,427 | 0 | | 562.00% |
| ENTERPRISE FUNDS | 41,260 | 47,341 | 70,525 | 34,026 | 68,625 | | -2.69% |
| TOTAL EXPENDITURES | \$1,488,129 | \$505,695 | \$570,077 | \$1,150,143 | \$644,832 | | 13.11% |
| FUND BALANCE - JANUARY 1 | \$1,543,891 | \$559,112 | \$684,398 | \$684,398 | \$978,125 | | |
| EXCESS REVENUE OVER EXPENDITURES | (\$997,236) | \$125,286 | \$66,729 | \$293,727 | \$21,267 | | |
| INFRA STRUCTURE CHANGES | \$12,457 | \$0 | \$12,500 | \$0 | \$12,500 | | |
| FUND BALANCE - DECEMBER 31 | \$559,112 | \$684,398 | \$763,627 | \$978,125 | \$1,011,892 | | 32.51% |

2019 ADOPTED REVENUES BY FUND TYPE



2019 ADOPTED BUDGETED EXPENDITURES BY FUND TYPE





GENERAL FUND

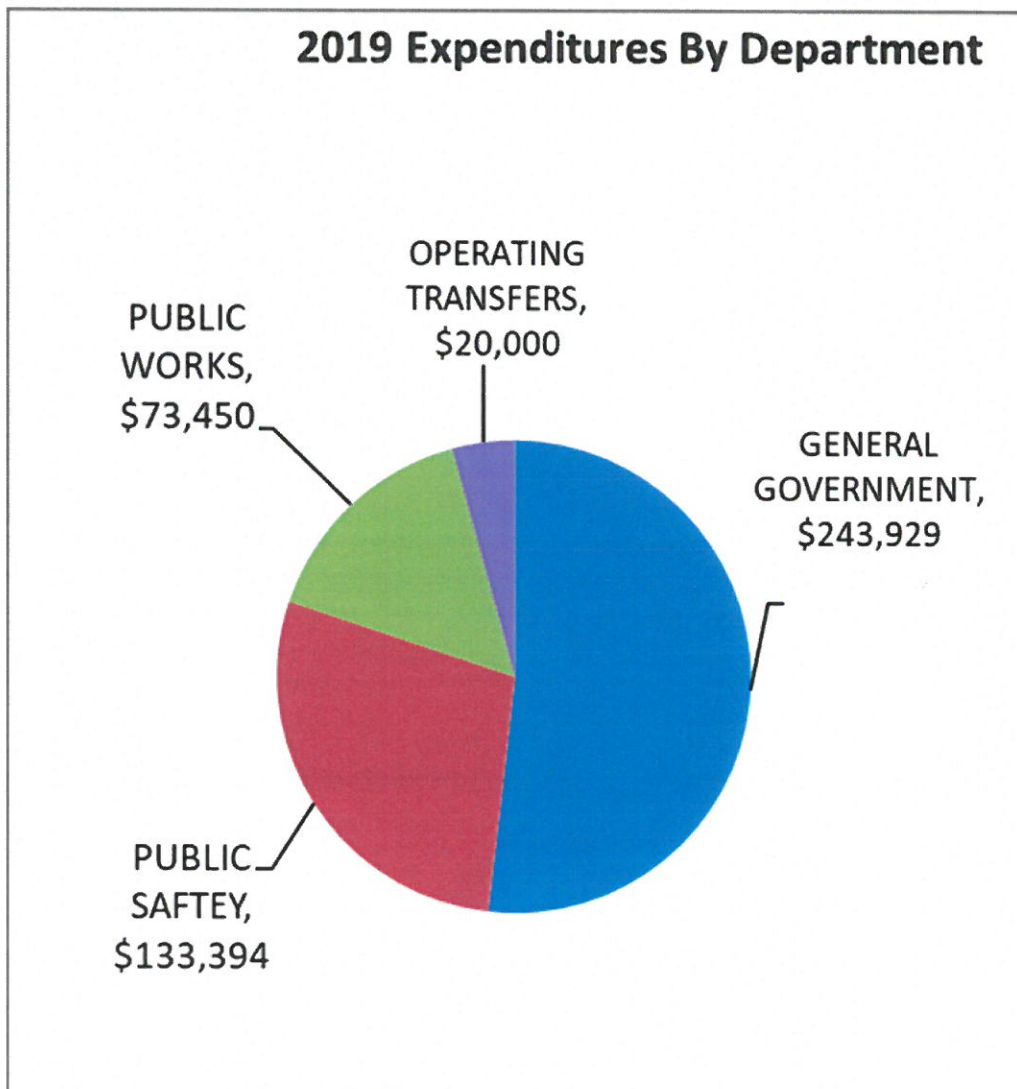
GENERAL FUND SUMMARY

FUND DESCRIPTION:

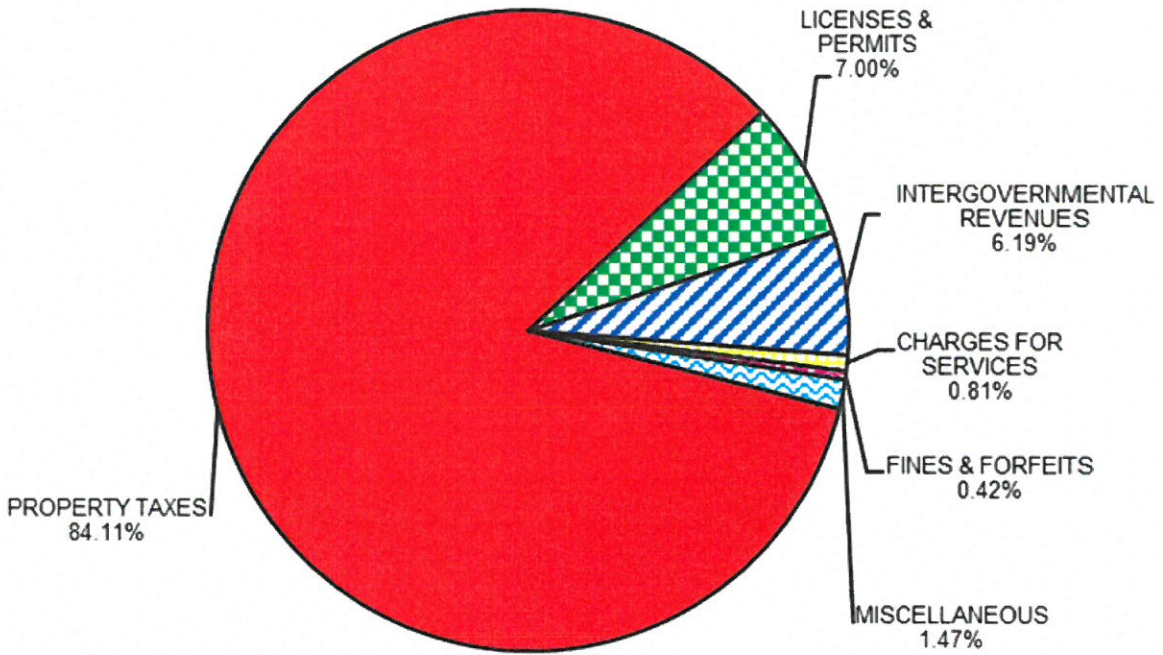
The General Fund accounts for the ordinary operations of the City, which are financed from taxes and other general revenues, which are not accounted for in another fund. The modified accrual basis of accounting is used in the General Fund. That is, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received.

BUDGET SUMMARY:

Property taxes are the largest revenue source, with the general government department as the largest expenditure area planned for 2019. The 2019 General Fund budget of \$470,773 is an 11.23% increase over the City's 2018 budget and is a balanced budget. The graphs below and on the next page demonstrate the percentage breakdown of budgeted revenues by classification and expenditure by department. Page 10 also shows this information numerically.



2019 REVENUES BY CLASSIFICATION



GENERAL FUND BUDGET SUMMARY BY ACTIVITY

| | 2016 | 2017 | 11/20/2018 | 11/20/2018 | | |
|-----------------------------------|------------------|------------------|------------------|--------------------|------------------|----------------|
| REVENUES BY CLASSIFICATION | ACTUAL | ACTUAL | 2018 ADOPTED | 11/30/18 ACTUAL | 2019 ADOPTED | % CHANGE |
| PROPERTY TAXES | \$223,118 | \$359,657 | \$369,252 | \$384,303 | \$395,988 | 7.24% |
| LICENSES & PERMITS | 31,857 | 44,327 | 31,200 | 41,669 | 32,950 | 5.61% |
| INTERGOVERNMENTAL REVENUES | 9,796 | 16,619 | 8,500 | 9,162 | 29,135 | 242.76% |
| CHARGES FOR SERVICES | 7,156 | 38,394 | 3,800 | 52,825 | 3,800 | 0.00% |
| FINES & FORFEITS | 3,211 | 1,072 | 3,000 | 1,145 | 2,000 | -33.33% |
| MISCELLANEOUS | 20,383 | 6,750 | 7,495 | 4,902 | 6,900 | -7.94% |
| TOTAL REVENUES | \$295,521 | \$466,819 | \$423,247 | \$494,006 | \$470,773 | 11.23% |
| EXPENDITURES BY DEPARTMENT | | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | | |
| CITY COUNCIL | \$10,783 | \$9,611 | \$9,574 | \$5,681 | \$20,074 | 109.67% |
| GENERAL GOVERNMENT | 53,060 | 50,895 | 59,823 | 42,955 | 62,080 | 3.77% |
| LEGAL SERVICES | 28,336 | 25,309 | 42,500 | 37,339 | 42,500 | 0.00% |
| ELECTIONS | 6,156 | 9,032 | 8,850 | 5,093 | 10,650 | 20.34% |
| FINANCIAL ADMINISTRATION | 35,742 | 35,135 | 35,550 | 40,741 | 42,000 | 18.14% |
| PLANNING & ZONING | 26,846 | 58,053 | 88,050 | 103,073 | 38,050 | -56.79% |
| HERITAGE HALL | 24,274 | 20,068 | 25,850 | 13,785 | 28,575 | 10.54% |
| TOTAL GENERAL GOVERNMENT | \$185,197 | \$208,103 | \$270,197 | \$248,667 | \$243,929 | -9.72% |
| <u>PUBLIC SAFETY</u> | | | | | | |
| POLICE | 105,528 | 104,750 | 64,100 | 56,429 | 73,400 | 14.51% |
| FIRE PROTECTION | 13,854 | 16,497 | 17,050 | 15,694 | 21,825 | 28.01% |
| ANIMAL CONTROL | 409 | 0 | 600 | 0 | 600 | 0.00% |
| BUILDING INSPECTIONS | 14,235 | 12,115 | 15,000 | 12,662 | 37,569 | 150.46% |
| TOTAL PUBLIC SAFETY | \$134,026 | \$133,362 | \$96,750 | \$84,785 | \$133,394 | 37.87% |
| <u>PUBLIC WORKS</u> | | | | | | |
| ROAD MAINTENANCE | 3,870 | 6,217 | 15,100 | 9,583 | 15,700 | 3.97% |
| ICE & SNOW REMOVAL | 19,367 | 12,618 | 21,200 | 22,013 | 27,500 | 29.72% |
| PARK MAINTENANCE | 0 | 0 | 0 | 0 | 30,250 | 0.00% |
| TOTAL PUBLIC WORKS | \$23,237 | \$18,835 | \$36,300 | \$31,596 | \$73,450 | 102.34% |
| <u>OPERATING TRANSFERS</u> | | | | | | |
| OPERATING TRANSFERS | 0 | 0 | 20,000 | 20,000 | 20,000 | 0.00% |
| TOTAL OPERATING TRANSFERS | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 | 0.00% |
| TOTAL EXPENDITURES | \$342,460 | \$360,300 | \$423,247 | \$385,048 | \$470,773 | 11.23% |
| FUND BALANCE - JANUARY 1 | \$260,189 | \$213,250 | \$319,769 | \$319,769 | \$428,727 | |
| EXCESS REVENUE OVER EXPENDITURES | (\$46,939) | \$106,519 | \$0 | \$108,958 | \$0 | |
| FUND BALANCE - DECEMBER 31 | \$213,250 | \$319,769 | \$319,769 | \$428,727 | \$428,727 | 34.07% |

REVENUES GENERAL FUND

ACTIVITY DESCRIPTION:

To record and maintain all general operating revenues. These revenues will be used to finance the general operating expenditures of the City.

GOALS:

1. Maintain stable, constant revenue sources.
2. Maintain a low tax rate, by reviewing the costs of services provided and charge appropriately for them.

BUDGET SUMMARY:

The property tax system is described in more detail beginning on page 58. The City's net taxable tax capacity has increased to \$1,166,544 for taxes payable in 2019. This is an increase of 3.42%. The City's General Fund property tax levy for 2019 will be \$395,988. Because of these two factors and the \$78,601 debt levy, the 2019 tax rate for the City will be 39.667% compared with 39.335% in 2018 and 40.794% in 2017.

All other 2019 City revenue sources were adjusted slightly or remained at the 2018 budget amounts based on actual past or anticipate amounts in 2018.

REVENUE LEVELS:

| | 2016 <u>ACTUAL</u> | 2017 <u>ACTUAL</u> | 2018 <u>ACTUAL</u> | 2019 <u>ESTIMATED</u> |
|--------------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| Tax Rate | 29.524% | 40.794% | 39.335% | 39.667% |
| Net Taxable Tax Capacity | 977,703 | 1,051,625 | 1,128,008 | 1,166,544 |

BUDGET:

| ACCT. # | ACCOUNT DESCRIPTION | 2016 ACTUAL | 2017 ACTUAL | 11/21/2017 2018 ADOPTED | 11/30/2018 ACTUAL | 11/20/2018 2019 ADOPTED | % CHANGE |
|-----------------------------------|-------------------------------------|------------------|------------------|-------------------------------|----------------------|-------------------------------|----------------|
| PROPERTY TAXES | | | | | | | |
| 31001 | CURRENT TAXES | \$217,225 | \$353,073 | \$359,299 | \$368,242 | \$384,130 | 6.91% |
| 31002 | DELINQUENT TAXES | 1,952 | 1,418 | 0 | 9,334 | 0 | 0.00% |
| 31003 | FISCAL DISPARITIES | 3,890 | 4,788 | 9,953 | 4,921 | 11,858 | 19.14% |
| 31004 | PENALTIES & INTEREST | 51 | 378 | 0 | 1,806 | 0 | 0.00% |
| | TOTAL PROPERTY TAXES | \$223,118 | \$359,657 | \$369,252 | \$384,303 | \$395,988 | 7.24% |
| LICENSES & PERMITS | | | | | | | |
| 32100 | GENERAL BUSINESS LICENSES | 2,800 | 3,200 | 2,500 | 1,200 | 2,500 | 0.00% |
| 32101 | ON-SALE LIQUOR LICENSES | 7,400 | 7,600 | 5,500 | 1,200 | 5,500 | 0.00% |
| 32102 | OFF SALE LIQUOR LICENSE | 200 | 200 | 200 | 0 | 200 | 0.00% |
| 32103 | NON-INTOXICATING LIQUOR LICENSES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 32104 | OTHER PERMITS | 1,150 | 550 | 1,000 | 1,843 | 700 | -30.00% |
| 32106 | TOBACCO LICENSE | 200 | 0 | 200 | 0 | 200 | 0.00% |
| 32107 | CHARITABLE GAMBLING LICENSE | 500 | 500 | 500 | 0 | 500 | 0.00% |
| 32201 | CONTRACTOR LICENSE | 1,500 | 2,160 | 1,200 | 2,000 | 1,200 | 0.00% |
| 32210 | BUILDING PERMITS | 10,988 | 12,715 | 10,000 | 24,681 | 12,000 | 20.00% |
| 32211 | PLUMBING PERMITS | 789 | 1,660 | 1,000 | 3,155 | 1,500 | 50.00% |
| 32212 | GAS/HEATING PERMITS | 2,025 | 2,420 | 2,000 | 1,920 | 2,000 | 0.00% |
| 32213 | ELECTRICAL PERMITS | 1,144 | 1,125 | 1,000 | 1,690 | 1,100 | 10.00% |
| 32215 | NPDES PERMIT | 100 | 200 | 100 | 700 | 100 | 0.00% |
| 32218 | FIRE MARSHALL INSPECTION FEE | 421 | 8,956 | 2,500 | 2,400 | 2,500 | 0.00% |
| 32219 | SEPTIC INSPECTION FEE | 2,310 | 2,321 | 3,000 | 540 | 2,000 | -33.33% |
| 32235 | SEWER CONTRACTOR LICENSE | 150 | 310 | 400 | 0 | 300 | -25.00% |
| 32239 | RENTAL LICENSING | 0 | 100 | 0 | 100 | 500 | 0.00% |
| 32240 | ANIMAL CONTROL LICENSE | 180 | 310 | 100 | 240 | 150 | 50.00% |
| | TOTAL LICENSES & PERMITS | \$31,857 | \$44,327 | \$31,200 | \$41,669 | \$32,950 | 5.61% |
| INTERGOVERNMENTAL REVENUES | | | | | | | |
| 33401 | LGA | 27 | 13 | 0 | 15 | 10 | 0.00% |
| 33402 | HACA | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 33430 | COUNTY GRANTS & AIDS | 0 | 0 | 0 | 0 | 15,125 | 0.00% |
| 33601 | SCORE GRANT | 0 | 1,005 | 0 | 1,035 | 0 | 0.00% |
| 33603 | POLICE STATE AID | 3,283 | 3,284 | 3,000 | 5,111 | 3,000 | 0.00% |
| 33602 | CABLE TV FRANCHISE FEES | 6,486 | 6,989 | 5,500 | 0 | 6,000 | 9.09% |
| 33604 | OTHER GOVERNMENT AIDS AND GRANT | 0 | 5,328 | 0 | 3,001 | 5,000 | 0.00% |
| | TOTAL INTERGOV. REVENUES | \$9,796 | \$16,619 | \$8,500 | \$9,162 | \$29,135 | 242.76% |
| CHARGES FOR SERVICES | | | | | | | |
| 32220 | SURCHARGE/SAC RETAINAGE | 801 | 383 | 75 | 1,250 | 100 | 33.33% |
| 32230 | ADMINISTRATIVE CHARGES | 5 | 0 | 0 | 3,685 | 0 | 0.00% |
| 34105 | PLANNING CHARGES | 1,102 | 31,622 | 500 | 16,685 | 500 | 0.00% |
| 34110 | PLAN CHECK FEES | 4,958 | 6,153 | 3,000 | 9,329 | 3,000 | 0.00% |
| | FALSE ALARMS | 50 | 0 | 0 | 0 | 0 | 0.00% |
| 34120 | SALE OF SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 34121 | SPECIAL ASSESSMENT SEARCHES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 34122 | ENGINEERING CHARGES | 0 | 0 | 0 | 21,769 | 0 | 0.00% |
| 34126 | CHARGES FOR LEGAL FEES | 0 | 39 | 0 | 0 | 0 | 0.00% |
| 34132 | INVESTMENT ADMINISTRATIVE CHARGE | 240 | 197 | 225 | 107 | 200 | -11.11% |
| 34135 | CONTRACTUAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CHARGES FOR SERVICES | \$7,156 | \$38,394 | \$3,800 | \$52,825 | \$3,800 | 0.00% |
| FINES & FORFEITS | | | | | | | |
| 35100 | TRAFFIC & OTHER FINES | 3,211 | 1,072 | 3,000 | 1,145 | 2,000 | -33.33% |
| | TOTAL FINES & FORFEITS | \$3,211 | \$1,072 | \$3,000 | \$1,145 | \$2,000 | -33.33% |
| MISCELLANEOUS REVENUES | | | | | | | |
| 36210 | INTEREST EARNINGS | 1,701 | 869 | 1,995 | 1,498 | 2,000 | 0.25% |
| 36231 | CHARITABLE GAMBLING CONTRIBUTION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36241 | INSURANCE POLICY DIVIDENDS | 1,245 | 297 | 500 | 0 | 100 | -80.00% |
| 36200 | MISCELLANEOUS | 12,882 | 1,736 | 2,000 | 885 | 1,500 | -25.00% |
| 36400 | FACILITY RENTAL | 4,555 | 3,848 | 3,000 | 2,519 | 3,300 | 10.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$20,383 | \$6,750 | \$7,495 | \$4,902 | \$6,900 | -7.94% |
| | TOTAL GENERAL FUND REVENUES | \$295,521 | \$466,819 | \$423,247 | \$494,006 | \$470,773 | 11.23% |

CITY COUNCIL GENERAL FUND

ACTIVITY DESCRIPTION:

The City Council provides elected representation to the community with control over matters of policy, budget, administration, and operations of the City.

GOALS:

1. Respond to citizen concerns, suggestions, questions, and complaints in a timely manner.
2. Keep current on legislative issues and incorporate those that directly affect the City and its residents.
3. Provide strategic direction to the City.
4. Provide policy direction and organization governance through budget, ordinances and other policy decisions.

BUDGET COMMENTARY:

The only budget change from 2018 is the \$10,000 being budgeted for Council Contingency in case something unforeseen comes up during the year that the City want to spend money on.

BUDGET:

| DEPARTMENT 41100 | | | | | | | |
|-------------------------|---|-----------------|----------------|----------------|----------------|-----------------|----------------|
| ACCT. | | 2016 | 2017 | 11/21/2017 | | 11/20/2018 | |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | % |
| | | | | | | | CHANGE |
| | <u>PERSONNEL SERVICES</u> | | | | | | |
| 100 | WAGES & SALARIES | \$9,153 | \$6,900 | \$7,500 | \$5,100 | \$7,500 | 0.00% |
| 130 | FICA CONTRIBUTIONS | (89) | 564 | 574 | 390 | 574 | -0.04% |
| | TOTAL PERSONNEL SERVICES | \$9,064 | \$7,464 | \$8,074 | \$5,490 | \$8,074 | 0.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 308 | ADMINISTRATION | 1,719 | 2,072 | 1,500 | 191 | 2,000 | 33.33% |
| 310 | CONFERENCE REGISTRATION FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 333 | MEETING EXPENSES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 364 | OTHER INSURANCE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 449 | COUNCIL CONTINGENCY | 0 | 75 | 0 | 0 | 10,000 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$1,719 | \$2,147 | \$1,500 | \$191 | \$12,000 | 700.00% |
| | TOTAL CITY COUNCIL | \$10,783 | \$9,611 | \$9,574 | \$5,681 | \$20,074 | 109.67% |

Clerk/General Government General Fund

ACTIVITY DESCRIPTION:

The Clerk/General Government Budget provides for funds and support for all of the City programs and departments of overall nature to City operations, not specifically mentioned in this written budget report. These programs include Administration, Recording Secretary, Newsletters, Insurance and Memberships. The General Government Budget also provides contributions to various community oriented organizations.

GOALS:

1. Prompt publication of meeting minutes, ordinances, and legal notices.
2. Provide support for agencies, which provide service needs within the City.

BUDGET COMMENTARY:

Most line items adjusted based on current and past expenditure levels.

Personnel Services decreased to reflect shorter business hours.

BUDGET:

| DEPARTMENT 41900 | | | | 11/20/2018 | | 11/20/2018 | |
|------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>PERSONNEL SERVICES</u> | | | | | | |
| 100 | WAGES & SALARIES | \$27,041 | \$23,970 | \$32,000 | \$22,455 | \$28,500 | -10.94% |
| | TEMPORARY EMPLOYEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 130 | FICA CONTRIBUTIONS | 282 | 1,869 | 2,448 | 154 | 2,180 | -10.94% |
| 131 | PERA CONTRIBUTIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 135 | HEALTH INSURANCE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 150 | WORKER'S COMPENSATION | 193 | 301 | 350 | 327 | 350 | 0.00% |
| | TOTAL PERSONNEL SERVICES | \$27,516 | \$26,140 | \$34,798 | \$22,936 | \$31,030 | -10.83% |
| | <u>SUPPLIES</u> | | | | | | |
| 200 | OFFICE SUPPLIES | 1,264 | 2,031 | 1,300 | 1,460 | 2,000 | 53.85% |
| 212 | POSTAGE | 1,130 | 1,206 | 1,200 | 932 | 1,400 | 16.67% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$2,394 | \$3,237 | \$2,500 | \$2,392 | \$3,400 | 36.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 2,929 | 4,500 | 0 | 0 | 3,000 | 0.00% |
| 305 | ADMINISTRATION | 424 | 90 | 700 | 631 | 700 | 0.00% |
| 308 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 309 | MISCELLANEOUS | 69 | 29 | 0 | (107) | 100 | 0.00% |
| 310 | CONFERENCE REGISTRATION FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 320 | INTERNET CONNECTION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 322 | WEB SITE | 784 | 767 | 950 | 646 | 1,000 | 5.26% |
| 331 | MILEAGE | 125 | 51 | 175 | 72 | 150 | -14.29% |
| 332 | RECORDING SECRETARY | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 334 | COMPUTER SERVICES | 4,389 | 3,345 | 3,225 | 4,090 | 4,450 | 37.98% |
| 346 | MARKETING & ADVERTISING | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 350 | PRINTING - OTHER | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 351 | LEGAL NOTICES | 2,338 | 659 | 1,000 | 781 | 1,000 | 0.00% |
| 352 | NEWSLETTER/PUBLIC RELATIONS | 1,975 | 1,737 | 2,500 | 2,125 | 2,500 | 0.00% |
| 361 | GENERAL LIABILITY INSURANCE | 1,246 | 1,368 | 2,750 | 1,307 | 3,500 | 27.27% |
| 362 | PROPERTY INSURANCE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 363 | VEHICLE INSURANCE | 75 | 75 | 75 | 19 | 100 | 33.33% |
| 365 | PUBLIC OFFICIALS LIABILITY INSURANCE | 114 | 139 | 150 | 37 | 150 | 0.00% |
| 384 | RECYCLING COLLECTION | 8,546 | 7,982 | 10,000 | 7,391 | 10,000 | 0.00% |
| 434 | VLA WMO | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 435 | LMC | (39) | 601 | 750 | 635 | 750 | 0.00% |
| 436 | RCLLG | 175 | 175 | 200 | 0 | 200 | 0.00% |
| 440 | DUES & SUBSCRIPTIONS | 0 | 0 | 50 | 0 | 50 | 0.00% |
| 450 | CHARITABLE GAMBLING DISTRIBUTIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$23,150 | \$21,518 | \$22,525 | \$17,627 | \$27,650 | 22.75% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 570 | FURNITURE & OFFICE EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 580 | OTHER EQUIPMENT/IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL CLERK/GENERAL GOVERNMENT | \$53,060 | \$50,895 | \$59,823 | \$42,955 | \$62,080 | 3.77% |

Legal Services General Fund

ACTIVITY DESCRIPTION:

All legal services are currently contracted with a private legal firm. Activities included are the issuance of legal opinions, preparation of ordinances, resolutions, contracts, and agreements, and the conduct of civil litigation.

GOALS:

1. Continue contracting for legal counsel.

BUDGET COMMENTARY:

The 2019 budget is based on contract cost of current legal counsel and anticipated use or need of legal counsel in 2019.

BUDGET:

| DEPARTMENT 41600 | | | | | | | |
|------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| ACCT. | | 2016 | 2017 | 11/20/2018 | | 11/20/2018 | |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | 11/30/18 | 2019 | % |
| | | | | | ACTUAL | ADOPTED | CHANGE |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 303 | PROSECUTION | 1,120 | 4,598 | 2,500 | 1,244 | 5,000 | 100.00% |
| 304 | LEGAL SERVICES | 23,786 | 13,736 | 30,000 | 20,874 | 27,500 | -8.33% |
| 305 | LEGAL SERVICES - LAND ISSUES | 3,430 | 6,975 | 10,000 | 12,527 | 10,000 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 317 | LEGAL - ANNEXATION | 0 | 0 | 0 | 2,694 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$28,336 | \$25,309 | \$42,500 | \$37,339 | \$42,500 | 0.00% |
| | TOTAL LEGAL SERVICES | \$28,336 | \$25,309 | \$42,500 | \$37,339 | \$42,500 | 0.00% |

Elections General Fund

ACTIVITY DESCRIPTION:

The Elections budget funds election activities of the City, which include maintenance of voting and ballot counting equipment and payment of the election service contract with Ramsey County.

GOALS:

1. Conduct fair and open elections.

BUDGET COMMENTARY:

Beginning in 2013 the City began contracting with Ramsey County for election administrative services. The cost to administer the elections will be spread over a two year period, which results in the City having flat election costs even though there are years with (even years) and without (odd years) general elections.

BUDGET:

| DEPARTMENT 41410 | | | | 11/20/2018 | | 11/20/2018 | |
|-------------------------------------|------------------------------|---------|---------|------------|----------|------------|---------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| <u>PERSONNEL SERVICES</u> | | | | | | | |
| 100 | WAGES & SALARIES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 105 | TEMPORARY EMPLOYEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 130 | FICA CONTRIBUTIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 160 | WORKER'S COMP. | 0 | 0 | 0 | 0 | 0 | 0.00% |
| TOTAL PERSONNEL SERVICES | | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>SUPPLIES</u> | | | | | | | |
| 210 | OPERATING SUPPLIES - OTHER | 121 | 0 | 0 | 234 | 0 | 0.00% |
| 212 | POSTAGE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| TOTAL SUPPLIES | | \$121 | \$0 | \$0 | \$234 | \$0 | 0.00% |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 308 | ADMINISTRATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 308 | PROFESSIONAL SERVICES | 5,713 | 5,382 | 8,000 | 3,882 | 10,000 | 25.00% |
| 309 | MISCELLANEOUS | 0 | 3,587 | 0 | 14 | 0 | 0.00% |
| 331 | MILEAGE | 1 | 0 | 0 | 0 | 0 | 0.00% |
| 350 | OTHER PRINTING | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 351 | LEGAL NOTICES | 321 | 63 | 300 | 78 | 100 | -66.67% |
| | Ballot Machine | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 400 | REPAIR/MAINTENANCE EQUIPMENT | 0 | 0 | 550 | 885 | 550 | 0.00% |
| TOTAL OTHER SERVICES & CHARGES | | \$6,035 | \$9,032 | \$8,850 | \$4,859 | \$10,650 | 20.34% |
| TOTAL ELECTIONS | | \$6,156 | \$9,032 | \$8,850 | \$5,093 | \$10,650 | 20.34% |

Financial Administration General Fund

ACTIVITY DESCRIPTION:

Financial administration is provided through a contract with White Bear Township. The contract includes accounting for every financial transaction of the City including accounts payable, accounts receivable, cash and debt management, and utility billing. In addition, the City contracts with a public accounting firm for audit services each year.

GOALS:

1. Provide meaningful and timely financial information and reports.
2. Complete the financial audit in a timely fashion.
3. Coordinate the City's annual budget process.

BUDGET COMMENTARY:

The amounts budgeted in 2019 reflect past expenditure levels.

BUDGET:

| | | | | 11/20/2018 | | 11/20/2018 | |
|-------|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | DEPARTMENT 41500 | | | | | | |
| | <u>PERSONNEL SERVICES</u> | | | | | | |
| | <u>SUPPLIES</u> | | | | | | |
| 200 | OFFICE SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 308 | ADMINISTRATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 301 | AUDITING SERVICES | 10,850 | 10,900 | 9,800 | 8,300 | 12,000 | 22.45% |
| 329 | FINANCIAL SERVICES | 23,625 | 24,134 | 25,000 | 30,693 | 28,000 | 12.00% |
| 334 | COMPUTER SERVICES | 1,267 | 101 | 750 | 1,748 | 2,000 | 166.67% |
| 309 | MISCELLANEOUS EXPENSE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$35,742 | \$35,135 | \$35,550 | \$40,741 | \$42,000 | 18.14% |
| | TOTAL FINANCIAL ADMINISTRATION | \$35,742 | \$35,135 | \$35,550 | \$40,741 | \$42,000 | 18.14% |

Planning & Zoning General Fund

ACTIVITY DESCRIPTION:

This department provides long range planning, day to day coordination, and design and management of programs and plans affecting residential, commercial and industrial development. The activities include, but are not limited to, comprehensive planning, zoning administration, design of trails and bikeways, promotion.

GOALS:

1. Implementation of comprehensive plan objectives.

BUDGET COMMENTARY:

Administration and Engineering Services increased based on past expenditure history.

In 2018, the City will review and file with the State its storm water management plan (MS4) which will require some use of an outside consultant and the City will complete its work on the State required comprehensive plan update, which began in 2017. For these reasons, the budget is decreasing \$50,000.

BUDGET:

| DEPARTMENT 41910 | | | | 11/20/2018 | | 11/20/2018 | |
|------------------|---|-----------------|-----------------|-----------------|------------------|-----------------|----------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 1,078 | 0 | 0 | 776 | 0 | 0.00% |
| 308 | ADMINISTRATION | 5,282 | 1,521 | 4,500 | 9,022 | 4,500 | 0.00% |
| 302 | ENGINEERING SERVICES | 17,240 | 20,723 | 23,000 | 78,956 | 20,000 | -13.04% |
| 309 | MISCELLANEOUS | 0 | 0 | 50 | 0 | 50 | 0.00% |
| 315 | ZONING ADMINISTRATION | 0 | 0 | 500 | 759 | 500 | 0.00% |
| 325 | NPDES TRAINING | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 326 | NPDES EDUCATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 327 | MS4 REPORTING | 3,246 | 3,792 | 10,000 | 496 | 8,000 | -20.00% |
| 332 | RECORDING SECRETARY | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 348 | COMP. PLAN UPDATE | 0 | 32,017 | 50,000 | 13,064 | 5,000 | -90.00% |
| 433 | DUES & SUBSCRIPTIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$26,846 | \$58,053 | \$88,050 | \$103,073 | \$38,050 | -56.79% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 570 | FURNITURE & OFFICE EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL PLANNING & ZONING | \$26,846 | \$58,053 | \$88,050 | \$103,073 | \$38,050 | -56.79% |

Heritage Hall General Fund

ACTIVITY DESCRIPTION:

The activity for this department is to provide for the operation and maintenance of the City offices/meeting facility

GOALS:

- Maintain a reputable facility to house meetings, mayor's office and a sub-station for the Ramsey County Sheriff Department.

BUDGET COMMENTARY:

Line items adjusted to reflect past expenditure activity.

BUDGET:

| DEPARTMENT 41940 | | | | 11/20/2018 | | 11/20/2018 | |
|------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>SUPPLIES</u> | | | | | | |
| 205 | CLEANING SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 210 | OPERATING SUPPLIES - OTHER | 285 | 0 | 500 | 171 | 500 | 0.00% |
| 230 | BUILDING MATERIALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$285 | \$0 | \$500 | \$171 | \$500 | 0.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 4,515 | 2,012 | 4,000 | 759 | 5,000 | 25.00% |
| 309 | CONTRACT SERVICES | 3,016 | 2,886 | 3,500 | 2,622 | 4,000 | 14.29% |
| 321 | TELEPHONE | 1,946 | 1,768 | 2,000 | 1,384 | 2,200 | 10.00% |
| 362 | PROPERTY INSURANCE | 654 | 711 | 800 | 1,064 | 800 | 0.00% |
| 381 | ELECTRICITY | 4,538 | 4,544 | 5,000 | 4,067 | 5,000 | 0.00% |
| 383 | GAS | 1,125 | 1,109 | 1,500 | 631 | 1,500 | 0.00% |
| 385 | WATER/SEWER UTILITIES | 408 | 516 | 550 | 372 | 575 | 4.55% |
| 400 | REPAIR/MAINTENANCE - OTHER | 1,895 | 2,587 | 2,000 | 1,766 | 3,000 | 50.00% |
| 401 | REPAIR/MAINTENANCE - BUILDINGS | 5,892 | 3,935 | 6,000 | 949 | 6,000 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$23,989 | \$20,068 | \$25,350 | \$13,614 | \$28,075 | 10.75% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 520 | BUILDING IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 580 | OTHER EQUIPMENT/IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL HERITAGE HALL | \$24,274 | \$20,068 | \$25,850 | \$13,785 | \$28,575 | 10.54% |

Police General Fund

ACTIVITY DESCRIPTION:

Beginning in 2018, the City of Gem Lake will contract with the City of White Bear Lake's Police Department to provide law enforcement services for the City. As part of the contract, they will serve and protect the City as well as provide public education programs and services to the residents.

GOALS:

1. Provide effective law enforcement service to the City.

BUDGET COMMENTARY:

The 2019 budget is based on the contracted budget amount provided by the City of White Bear Lake's Police Department. Prior expenditures are from the Ramsey County Sheriff's Department, who the City contracted with through 2017.

BUDGET:

| DEPARTMENT 42100 | | | | | | | |
|------------------|---|------------------|------------------|-----------------|-----------------|-----------------|---------------|
| ACCT. | | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 305 | REGULAR LAW ENFORCEMENT | 96,063 | 95,013 | 63,800 | 51,976 | 73,100 | 14.58% |
| 306 | SPECIAL LAW ENFORCEMENT | 6,352 | 6,997 | 0 | 0 | 0 | 0.00% |
| 307 | DISPATCH COSTS | 2,741 | 2,615 | 0 | 260 | 0 | 0.00% |
| 308 | ADMINISTRATION | 317 | 125 | 300 | 130 | 300 | 0.00% |
| 309 | MISCELLANEOUS | 55 | 0 | 0 | 4,063 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$105,528 | \$104,750 | \$64,100 | \$56,429 | \$73,400 | 14.51% |
| | TOTAL POLICE | \$105,528 | \$104,750 | \$64,100 | \$56,429 | \$73,400 | 14.51% |

Fire Protection General Fund

ACTIVITY DESCRIPTION:

The objective of the Fire Protection Department is to provide fire protection and prevention services. The City of Gem Lake entered an agreement with the City of White Bear Lake for such services. The contract also provides for site inspections and enforcement of fire codes through their Fire Marshal. Paramedic and ambulance service is provided by the contract, but the cost of the service is not included in the contract since it is billed as a fee-for-service to the individuals using the service.

GOALS:

1. Promote public education and information about fire prevention and safety.
2. Reduce property damage and loss due to fire.
3. Provide emergency medical assistance to all residents.

BUDGET COMMENTARY:

The City's contract amount is based on the White Bear Lake Fire Department 2019 budget less an adjustment for 2017 actual expenditures compared to budget and multiplied by the City's percentage of average population and average market valuation of the area served by the White Bear Lake Fire Department.

BUDGET:

| | | DEPARTMENT 42200 | | | | | |
|-------|---|------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | | | | 11/20/2018 | | 11/20/2018 | |
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 308 | ADMINISTRATION | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 311 | FIRE SERVICE | 10,741 | 12,272 | 13,025 | 11,932 | 15,825 | 21.50% |
| 312 | FIRE MARSHALL SERVICES | 3,113 | 4,225 | 4,025 | 3,762 | 6,000 | 49.07% |
| | TOTAL OTHER SERVICES & CHARGES | \$13,854 | \$16,497 | \$17,050 | \$15,694 | \$21,825 | 28.01% |
| | TOTAL FIRE | \$13,854 | \$16,497 | \$17,050 | \$15,694 | \$21,825 | 28.01% |

Animal Control General Fund

ACTIVITY DESCRIPTION:

The City of Gem Lake entered an agreement with a private company for their animal control services. The contract is for service as needed.

GOALS:

1. Address animal issues within the City in a timely manner.

BUDGET COMMENTARY:

The 2019 budget was based on past expenditures.

BUDGET:

| | | DEPARTMENT 42300 | | | | | |
|-------|---|-------------------------|------------|--------------|------------|--------------|--------------|
| ACCT. | | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | % |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 323 | ANIMAL REMOVAL | 157 | 0 | 400 | 0 | 400 | 0.00% |
| 324 | ANIMAL ENFORCEMENT | 252 | 0 | 200 | 0 | 200 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$409 | \$0 | \$600 | \$0 | \$600 | 0.00% |
| | TOTAL ANIMAL CONTROL | \$409 | \$0 | \$600 | \$0 | \$600 | 0.00% |

Building Inspections General Fund

ACTIVITY DESCRIPTION:

The Code Enforcement Department issues all building permits for the City. This department provides for the health, safety and welfare of the City residents by providing inspection services to ensure that all residential, commercial, and industrial buildings comply with the Uniform Building Code and City Ordinances.

GOALS:

1. Continue to provide timely and thorough inspections.
2. Provide inspections of the City to apprehend illegal construction activities, which are not allowed or for which no permits have been issued.

BUDGET COMMENTARY:

The 2019 budget includes personnel costs related to hiring a part-time inspector to enforce city codes related to building and development activities.

BUDGET:

| DEPARTMENT 42401 | | | | 11/20/2018 | | 11/20/2018 | |
|------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>PERSONNEL SERVICES</u> | | | | | | |
| 100 | WAGES & SALARIES | \$0 | \$0 | \$0 | \$0 | \$12,500 | 0.00% |
| | TEMPORARY EMPLOYEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 130 | FICA CONTRIBUTIONS | 0 | 0 | 0 | 0 | 956 | 0.00% |
| 131 | PERA CONTRIBUTIONS | 0 | 0 | 0 | 0 | 938 | 0.00% |
| 135 | HEALTH INSURANCE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 150 | WORKER'S COMPENSATION | 0 | 0 | 0 | 0 | 175 | 0.00% |
| | TOTAL PERSONNEL SERVICES | \$0 | \$0 | \$0 | \$0 | \$14,569 | 0.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 313 | BUILDING INSPECTIONS | 14,235 | 12,115 | 15,000 | 10,946 | 18,000 | 20.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 316 | BUILDING SECRETARY SERVICES | 0 | 0 | 0 | 1,716 | 0 | 0.00% |
| 334 | COMPUTER SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 328 | CODE ENFORCEMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$14,235 | \$12,115 | \$15,000 | \$12,662 | \$18,000 | 20.00% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 570 | FURNITURE & EQUIPMENT | 0 | 0 | 0 | 0 | 5,000 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$5,000 | 0.00% |
| | TOTAL BUILDING INSPECTIONS | \$14,235 | \$12,115 | \$15,000 | \$12,662 | \$37,569 | 150.46% |

Road Maintenance General Fund

ACTIVITY DESCRIPTION:

The Road and Bridge Department provide residents with safe and accessible transportation routes. This department provides for all maintenance and repair of the City's roads. Routine road maintenance is performed by White Bear Township public works staff or outside contractors by contract.

GOALS:

1. Routine maintenance to assure long life of each street.

BUDGET COMMENTARY:

Most line items adjusted based on past expenditures.

BUDGET:

| DEPARTMENT 43122 | | | | 11/20/2018 | | 11/20/2018 | |
|------------------|---|----------------|----------------|-----------------|----------------|-----------------|--------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>SUPPLIES</u> | | | | | | |
| 211 | CHEMICALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 210 | OPERATING SUPPLIES - OTHER | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 224 | GRAVEL/STREET MATERIAL | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 225 | SALT/SAND | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 226 | SIGNS, SIGN REPAIR MATERIALS | 0 | 103 | 300 | 7,801 | 300 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$0 | \$103 | \$300 | \$7,801 | \$300 | 0.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 302 | ENGINEERING FEES | 0 | 0 | 10,000 | 0 | 8,000 | -20.00% |
| 308 | ADMINISTRATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 327 | NPDES - STORMWATER | 0 | 0 | 0 | 802 | 0 | 0.00% |
| 351 | LEGAL NOTICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 382 | ELECTRICITY - STREET LIGHTS | 1,012 | 1,025 | 1,250 | 941 | 1,300 | 4.00% |
| 385 | ROW MAINTENANCE | 452 | 50 | 1,000 | 0 | 1,000 | 0.00% |
| 405 | ROAD MAINTENANCE/REPAIR | 1,763 | 5,000 | 2,500 | 0 | 5,000 | 100.00% |
| 433 | DUES AND SUBSCRIPTIONS | 643 | 39 | 50 | 39 | 100 | 100.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$3,870 | \$6,114 | \$14,800 | \$1,782 | \$15,400 | 4.05% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 540 | HEAVY MACHINERY/EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL ROAD MAINTENANCE | \$3,870 | \$6,217 | \$15,100 | \$9,583 | \$15,700 | 3.97% |

Ice & Snow Removal General Fund

ACTIVITY DESCRIPTION:

The City's Ice and Snow activity is responsible for the control of ice and snow on City streets. The activity provides control in a safe and cost effective manner, keeping in mind safety, budget, and environmental concerns. The City contracts for this activity.

GOALS:

1. Remove snow as quickly as possible to provide all residents with safe access.

BUDGET COMMENTARY:

The budget for ice and snow control is based on past expenditures.

BUDGET:

| | | DEPARTMENT 43125 | | | | | |
|-------|---|-------------------------|-----------------|-------------------|-----------------|-------------------|---------------|
| | | | | 11/20/2018 | | 11/20/2018 | |
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>SUPPLIES</u> | | | | | | |
| 225 | SALT SAND | 6,156 | 4,761 | 7,000 | 7,075 | 10,000 | 42.86% |
| 210 | OPERATING SUPPLIES - OTHER | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$6,156 | \$4,761 | \$7,000 | \$7,075 | \$10,000 | 42.86% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 400 | REPAIR/MAINTENANCE - OTHER | 4,413 | 1,876 | 2,200 | 2,555 | 2,500 | 13.64% |
| 404 | REPAIR/MAINTENANCE - CONTRACTUAL | 8,798 | 5,981 | 12,000 | 12,383 | 15,000 | 25.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$13,211 | \$7,857 | \$14,200 | \$14,938 | \$17,500 | 23.24% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 540 | HEAVY MACHINERY/EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL ICE & SNOW REMOVAL | \$19,367 | \$12,618 | \$21,200 | \$22,013 | \$27,500 | 29.72% |

Parks Maintenance General Fund

ACTIVITY DESCRIPTION:

This department provides for all maintenance and upkeep of the City's parks system. Township personnel, through a contract, perform all labor and provide the equipment for maintenance.

GOALS:

1. Routine maintenance of parks.

BUDGET COMMENTARY:

Currently the City has no parks that would require routine maintenance and therefore there is no expenditures budgeted for this activity.

The City does have plans to construct a sidewalk or pathway along County Road E to provide safer pedestrian traffic.

BUDGET:

| DEPARTMENT 4410 | | | | | | | |
|-----------------|---|------------|------------|------------|------------|-----------------|--------------|
| ACCT. | | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>SUPPLIES</u> | | | | | | |
| 211 | CHEMICALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 210 | OPERATING SUPPLIES - OTHER | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | LANDSCAPING MATERIALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 226 | SIGNS, SIGN REPAIR MATERIALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | <u>OTHER SERVICES & CHARGES</u> | | | | | | |
| 300 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 404 | PARK MAINTENANCE - CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 400 | REPAIR/MAINTENANCE - OTHER | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 540 | HEAVY MACHINERY/EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 580 | OTHER EQUIPMENT/IMPROVEMENTS | 0 | 0 | 0 | 0 | 30,250 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$30,250 | 0.00% |
| | TOTAL PARK MAINTENANCE | \$0 | \$0 | \$0 | \$0 | \$30,250 | 0.00% |

Operating Transfers General Fund

ACTIVITY DESCRIPTION:

This department provides funds that will be moved to other City funds to finance other City projects or activities.

GOALS:

1. Finance other future City projects with as little tax impact as possible on City property taxes.

BUDGET COMMENTARY:

In the past, the City transferred funds to finance future road improvements and the possible treatment and prevention of the Emerald Ash Bore (EAB) and other unidentified projects. The transfer in 2018 and planned for 2019 is for the City's share of future improvement projects.

BUDGET:

| DEPARTMENT 4900 | | | | | | | |
|-----------------|---|----------|----------|---------------|---------------|---------------|--------------|
| ACCT. | | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| 720 | TRANSFERS OUT | | | | | | |
| | 2007 Capital Improvement Bonds Improvement Fund - 401 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | Road Improvements | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | EAB Treatment/Prevention | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | Building Improvements/Replacement | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | Future Improvements | 0 | 0 | 20,000 | 20,000 | 20,000 | 0.00% |
| | Annexation Reserve Account | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | City Hall Construction Fund - 402 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | Sewer Fund - 601 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OPERATING TRANSFERS | 0 | 0 | 20,000 | 20,000 | 20,000 | 0.00% |



SPECIAL REVENUE FUNDS

PARK & PLAYGROUND FUND SPECIAL REVENUE FUND

ACTIVITY DESCRIPTION:

The purpose of the Park & Playground Fund is to assist the City in meeting park acquisition and development needs. Revenues are collected from developers or property owners that develop their properties. Fees are based on assessed land value or number of lots available. Special Revenue Funds, including the Park & Playground Fund use the modified accrual basis of accounting, that is revenues are recognized when received and expenditure at the time the liability is incurred

GOALS:

1. Acquire and develop current and future parkland property.
2. Provide recreational facilities to all residents, including trails and walkways.

BUDGET COMMENTARY:

Revenue source is park dedication fees paid on new construction and/or developments, interest earnings and any operating transfers.

At this time, there are no park improvements or equipment purchase to be funded from the Park Acquisition Fund in 2019.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % CHANGE |
|-------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | | ACTUAL | ACTUAL | 2018 ADOPTED | ACTUAL | 2019 ADOPTED | |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 33604 | GRANTS | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 34785 | PARK DEDICATION FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36210 | INTEREST INCOME | 410 | 253 | 475 | 230 | 475 | 0.00% |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$410 | \$253 | \$475 | \$230 | \$475 | 0.00% |
| | TOTAL REVENUES | \$410 | \$253 | \$475 | \$230 | \$475 | 0.00% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>SUPPLIES</u> | | | | | | | |
| 210 | OPERATING SUPPLIES - OTHER | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 235 | LANDSCAPING MATERIALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 226 | SIGNS & SIGN MATERIALS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 302 | ENGINEERING FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 304 | LEGAL FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 300 | PROFESSIONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 400 | REPAIR/MAINTENANCE - OTHER | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 540 | EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 510 | LAND | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 580 | OTHER IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | TRANSFERS OUT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL EXPENDITURES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | FUND BALANCE - JANUARY 1 | \$39,462 | \$39,872 | \$40,125 | \$40,125 | \$40,355 | |
| | EXCESS REVENUE OVER EXPENDITURES | \$410 | \$253 | \$475 | \$230 | \$475 | |
| | FUND BALANCE - DECEMBER 31 | \$39,872 | \$40,125 | \$40,600 | \$40,355 | \$40,830 | 0.57% |

FUTURE IMPACTS:

The future budget impacts will depend on the type and scope of park and playground improvements.



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DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

DESCRIPTION:

The Debt Service Funds repay the outstanding debt obligations of the City of Gem Lake. Debt service funds use the modified accrual basis of accounting; however, the cash basis of accounting will be used for budgetary purposes only. The cash basis is used for budgeting to ensure that sufficient cash will be available to make required payments on the City's bonded indebtedness.

GOALS:

1. Retire all debt in a timely basis as scheduled.

MEASURABLE WORKLOAD DATA:

| | 2016 <u>ACTUAL</u> Non-Rated | 2017 <u>ACTUAL</u> Non-Rated | 2018 <u>ACTUAL</u> Non-Rated | 2019 <u>ESTIMATED</u> Non-Rated |
|--|------------------------------------|------------------------------------|------------------------------------|---------------------------------------|
| Bond Rating | | | | |
| Dec. 31 Debt Outstanding (In thousands) | \$775 | \$715 | \$1,315 | \$1,250 |
| Net Debt Per Capita | \$1,872 | \$1,727 | \$2,941 | \$2,796 |

DEBT LIMITATIONS:

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Under this provision, the legal debt limit is 3.0% of the assessor's market value of the municipalities' tax base. Bond issues covered by this limit are those that are financed by property taxes unless at least 20% of the annual debt service costs are financed by special assessments or tax increments. At present, the City has one bond issue that is subject to the debt limit: the 2007 Capital Improvement Plan Bonds. In 2015, the City issued the 2015 G. O. Refunding Bonds to retire the 2007 Capital Improvement Plan Bonds in 2016. The City's current legal debt limit and debt margin is as follows:

| | |
|---|------------------|
| Legal Debt Limit (3% of Estimated Market Value) | \$3,425,472 |
| Less: Outstanding Debt Subject to Limit | <u>(655,000)</u> |
| Legal Debt Margin as of January 1, 2019 | \$2,770,472 |

BUDGET COMMENTARY:

The City's debt consists of a capital improvement plan bond for the construction of Heritage Hall, which

is repaid from a property tax levy and was refunded with the 2015 G. O. Refunding Bond. In 2018, the City issued improvement bonds with a principal of \$660,000.00. In 2013, the City paid off the outstanding principal balance of its 2004A and 2006A improvement bonds, which are included in this document as special assessments are still being collected.

BUDGET:

| <u>REVENUE BUDGET</u> | | | | 11/20/2018 | | 11/20/2018 | |
|-----------------------|-----------------------------------|------------------|------------------|-------------------|------------------|-------------------|----------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| | <u>PROPERTY TAXES</u> | | | | | | |
| 31001 | CURRENT TAXES | \$67,574 | \$73,850 | \$84,399 | \$84,017 | \$78,601 | -6.87% |
| 31002 | DELINQUENT TAXES | 477 | 441 | 0 | 2,494 | 0 | 0.00% |
| 31003 | FISCAL DISPARITY TAX | 1,210 | 1,001 | 0 | 1,125 | 0 | 0.00% |
| 31004 | PENALTIES & INTEREST | 0 | 0 | 0 | (23) | 0 | 0.00% |
| | TOTAL PROPERTY TAXES | \$69,261 | \$75,292 | \$84,399 | \$87,613 | \$78,601 | -6.87% |
| | <u>SPECIAL ASSESSMENTS</u> | | | | | | |
| 36101 | SPECIAL ASSESSMENTS | 13,757 | 0 | 0 | 13,120 | 0 | 0.00% |
| 36102 | DELINQUENT SPECIAL ASSESSMENTS | 527 | 518 | 0 | 0 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 99 | 0 | 0 | 0 | 0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL FINES & FORFEITS | \$14,383 | \$518 | \$0 | \$13,120 | \$0 | 0.00% |
| | <u>MISCELLANEOUS</u> | | | | | | |
| 36210 | INTEREST EARNINGS | 1,514 | 986 | 1,705 | 657 | 1,270 | -25.51% |
| 39000 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39300 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$1,514 | \$986 | \$1,705 | \$657 | \$1,270 | -25.51% |
| | TOTAL REVENUES | \$85,158 | \$76,796 | \$86,104 | \$101,390 | \$79,871 | -7.24% |
| | <u>EXPENDITURE BUDGET</u> | | | | | | |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 601 | BOND PRINCIPAL | 745,000 | 60,000 | 60,000 | 60,000 | 65,000 | 8.33% |
| 602 | BOND INTEREST | 35,421 | 16,505 | 15,755 | 15,755 | 38,884 | 146.80% |
| 603 | FISCAL AGENT FEES | 0 | 1,584 | 550 | 1,849 | 1,550 | 181.82% |
| 701 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | TRANSFERS OUT | 0 | 0 | 0 | 61,038 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$780,421 | \$78,089 | \$76,305 | \$138,642 | \$105,434 | 38.17% |
| | TOTAL EXPENDITURES | \$780,421 | \$78,089 | \$76,305 | \$138,642 | \$105,434 | 38.17% |
| | FUND BALANCE - JANUARY 1 | \$809,605 | \$114,342 | \$113,049 | \$113,049 | \$75,797 | |
| | EXCESS REVENUE OVER EXPENDITURES | (\$695,263) | (\$1,293) | \$9,799 | (\$37,252) | (\$25,563) | |
| | FUND BALANCE - DECEMBER 31 | \$114,342 | \$113,049 | \$122,848 | \$75,797 | \$50,234 | -59.11% |

2004 IMPROVEMENT BOND FUND

DEPARTMENT: 2004 Improvement Bond
SUPERVISOR: Finance Officer
FUND #: 302
ACTIVITY #: 4700

ACTIVITY DESCRIPTION:

The 2004 Improvement Bond was issued to pay for the construction costs of the Scheuneman Road sanitary sewer and roadway reconstruction project.

GOALS:

None as this debt was retired in 2013.

MEASURABLE WORKLOAD DATA:

| | <u>2016</u> <u>ACTUAL</u> | <u>2017</u> <u>ACTUAL</u> | <u>2018</u> <u>ACTUAL</u> | <u>2019</u> <u>ESTIMATE</u> |
|----------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Bond Principal Retired | \$0 | \$0 | \$0 | \$0 |
| Bond Interest Paid | \$0 | \$0 | \$0 | \$0 |
| Special Assessments Collected | \$162 | \$0 | \$13,120 | \$0 |

DEBT PAYMENT SCHEDULE:

| <u>YEAR DUE</u> | <u>JAN. 1 DEBT</u> <u>OUTSTANDING</u> | <u>PRINCIPAL DUE</u> | <u>INTEREST DUE</u> |
|-----------------|--|----------------------|---------------------|
| | Debt was retired in 2013 | | |

BUDGET COMMENTARY:

This fund will receive its revenue from special assessments collected from benefited properties and an operating transfer to remove the remaining fund balance.

BUDGET:

| <u>REVENUE BUDGET</u> | | | | <u>11/20/2018</u> | | <u>11/20/2018</u> | |
|-----------------------------------|-----------------------------------|------------------|------------------|-------------------|-----------------|-------------------|-----------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS - CURRENT | \$162 | \$0 | \$0 | \$13,120 | \$0 | 0.00% |
| 36102 | SPECIAL ASSESSMENTS - DELINQUENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | 0 | 0 | 0 | 0 | 0 | 0.00% |
| TOTAL FINES & FORFEITS | | \$162 | \$0 | \$0 | \$13,120 | \$0 | 0.00% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | 103 | 68 | 65 | 3 | 0 | -100.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| TOTAL MISCELLANEOUS | | \$103 | \$68 | \$65 | \$3 | \$0 | -100.00% |
| TOTAL REVENUES | | \$265 | \$68 | \$65 | \$13,123 | \$0 | -100.00% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 600 | BOND PRINCIPAL | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 610 | BOND INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 620 | FISCAL AGENT FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | TRANSFERS OUT | 0 | 0 | 0 | 11,727 | 0 | 0.00% |
| TOTAL CAPITAL OUTLAY | | \$0 | \$0 | \$0 | \$11,727 | \$0 | 0.00% |
| TOTAL EXPENDITURES | | \$0 | \$0 | \$0 | \$11,727 | \$0 | 0.00% |
| FUND BALANCE - JANUARY 1 | | (\$1,729) | (\$1,464) | (\$1,396) | (\$1,396) | \$0 | |
| EXCESS REVENUE OVER EXPENDITURES | | \$265 | \$68 | \$65 | \$1,396 | \$0 | |
| FUND BALANCE - DECEMBER 31 | | (\$1,464) | (\$1,396) | (\$1,331) | \$0 | \$0 | -100.00% |

2015 REFUNDING CAPITAL IMPROVEMENT PLAN BOND FUND

DEPARTMENT: 2015 Refunding Capital Improvement Plan Bond
SUPERVISOR: Finance Officer
FUND #: 304
ACTIVITY #: 4700

ACTIVITY DESCRIPTION:

The 2007 Capital Improvement Plan Bonds were issued to finance the construction of Heritage Hall and refunded in 2015.

GOALS:

1. Pay debt payments on a timely basis as scheduled.

MEASURABLE WORKLOAD DATA:

| | <u>2016</u> <u>ACTUAL</u> | <u>2017</u> <u>ACTUAL</u> | <u>2018</u> <u>ACTUAL</u> | <u>2019</u> <u>ESTIMATE</u> |
|--------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Bond Principal Retired | \$745,000 | \$60,000 | \$60,000 | \$65,000 |
| Bond Interest Paid | \$35,421 | \$16,505 | \$15,755 | \$14,828 |
| Property Tax Levy Collected | \$69,261 | \$75,292 | \$87,613 | \$77,989 |

DEBT PAYMENT SCHEDULE:

| <u>YEAR DUE</u> | <u>JAN. 1 DEBT</u> <u>OUTSTANDING</u> | <u>PRINCIPAL DUE</u> | <u>INTEREST DUE</u> |
|-----------------|--|----------------------|---------------------|
| 2019 | \$655,000.00 | \$65,000.00 | \$14,827.50 |
| 2020 | \$590,000.00 | \$60,000.00 | \$13,765.00 |
| 2021 | \$530,000.00 | \$60,000.00 | \$12,640.00 |
| 2022 | \$470,000.00 | \$65,000.00 | \$11,358.75 |
| 2023 | \$405,000.00 | \$65,000.00 | \$9,928.75 |
| 2024 | \$340,000.00 | \$65,000.00 | \$8,401.25 |
| 2025 | \$275,000.00 | \$65,000.00 | \$6,776.25 |
| 2026 | \$210,000.00 | \$70,000.00 | \$4,987.50 |
| 2027 | \$140,000.00 | \$70,000.00 | \$3,045.00 |
| 2028 | \$70,000.00 | \$70,000.00 | \$1,015.00 |

BUDGET COMMENTARY:

This fund will receive its revenue from a property tax levy.

Annual debt service payments are the only expenditures budgeted in this fund.

The 2007 Capital Improvement Plan Bonds were advance refunded by the 2015 General Obligation Refunding Bonds for principal beginning in 2017.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % CHANGE |
|------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|---------------|
| | | ACTUAL | ACTUAL | 2018 ADOPTED | ACTUAL | 2019 ADOPTED | |
| | <u>PROPERTY TAXES</u> | | | | | | |
| 31001 | CURRENT TAXES | \$67,574 | \$73,850 | \$84,399 | \$84,017 | \$77,989 | -7.59% |
| 31002 | DELINQUENT TAXES | 477 | 441 | 0 | 2,494 | 0 | 0.00% |
| 31003 | FISCAL DISPARITIES TAXES | 1,210 | 1,001 | 0 | 1,125 | 0 | 0.00% |
| 31004 | PENALTIES & INTEREST | 0 | 0 | 0 | (23) | 0 | 0.00% |
| | TOTAL FINES & FORFEITS | \$69,261 | \$75,292 | \$84,399 | \$87,613 | \$77,989 | -7.59% |
| | <u>MISCELLANEOUS</u> | | | | | | |
| 36210 | INTEREST EARNINGS | 943 | 640 | 1,170 | 373 | 1,170 | 0.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$943 | \$640 | \$1,170 | \$373 | \$1,170 | 0.00% |
| | TOTAL REVENUES | \$70,204 | \$75,932 | \$85,569 | \$87,986 | \$79,159 | -7.49% |
| | <u>EXPENDITURE BUDGET</u> | | | | | | |
| | <u>CAPITAL OUTLAY</u> | | | | | | |
| 600 | BOND PRINCIPAL | \$745,000 | \$60,000 | \$60,000 | \$60,000 | \$65,000 | 8.33% |
| 610 | BOND INTEREST | 35,421 | 16,505 | 15,755 | 15,755 | 14,828 | -5.88% |
| 620 | FISCAL AGENT FEES | 0 | 550 | 550 | 450 | 550 | 0.00% |
| 720 | TRANSFERS OUT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$780,421 | \$77,055 | \$76,305 | \$76,205 | \$80,378 | 5.34% |
| | TOTAL EXPENDITURES | \$780,421 | \$77,055 | \$76,305 | \$76,205 | \$80,378 | 5.34% |
| | FUND BALANCE - JANUARY 1 | \$831,232 | \$121,015 | \$119,892 | \$119,892 | \$131,673 | |
| | EXCESS REVENUE OVER EXPENDITURES | (\$710,217) | (\$1,123) | \$9,264 | \$11,781 | (\$1,219) | |
| | FUND BALANCE - DECEMBER 31 | \$121,015 | \$119,892 | \$129,156 | \$131,673 | \$130,454 | 1.00% |

2006 IMPROVEMENT BOND FUND

DEPARTMENT: 2006 Improvement Bond
SUPERVISOR: Finance Officer
FUND #: 303
ACTIVITY #: 4700

ACTIVITY DESCRIPTION:

The 2006 Improvement Bonds were issued to finance road improvements on Big Fox Road, Little Fox Lane, Haven Lane, and Tessier Road.

GOALS:

None as this bond was retired in 2013.

MEASURABLE WORKLOAD DATA:

| | <u>2016 ACTUAL</u> | <u>2017 ACTUAL</u> | <u>2018 ACTUAL</u> | <u>2019 ESTIMATE</u> |
|----------------------------------|------------------------|------------------------|------------------------|--------------------------|
| Bond Principal Retired | \$0 | \$0 | \$0 | \$0 |
| Bond Interest Paid | \$0 | \$0 | \$0 | \$0 |
| Special Assessments Collected | \$14,221 | \$518 | \$0 | \$0 |

DEBT PAYMENT SCHEDULE:

| <u>YEAR DUE</u> | <u>JAN. 1 DEBT OUTSTANDING</u> | <u>PRINCIPAL DUE</u> | <u>INTEREST DUE</u> |
|-----------------|------------------------------------|----------------------|---------------------|
| | Debt was retired in 2013 | | |

BUDGET COMMENTARY:

This fund will receive its revenue from special assessments levied against benefiting properties.

The only expenditures are for transfer to improvement funds to remove remaining fund balances.

BUDGET:

| <u>REVENUE BUDGET</u> | | | | <u>11/20/2018</u> | | <u>11/20/2018</u> | |
|----------------------------|-----------------------------------|-----------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| ACCT. | | 2016 | 2017 | 2018 | 11/30/18 | 2019 | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | CHANGE |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS - CURRENT | \$13,595 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 36102 | SPECIAL ASSESSMENTS - DELINQUENT | 527 | 518 | 0 | 0 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 99 | 0 | 0 | 0 | 0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL FINES & FORFEITS | \$14,221 | \$518 | \$0 | \$0 | \$0 | 0.00% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | 468 | 278 | 470 | 281 | 0 | -100.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$468 | \$278 | \$470 | \$281 | \$0 | -100.00% |
| | TOTAL REVENUES | \$14,689 | \$796 | \$470 | \$281 | \$0 | -100.00% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 600 | BOND PRINCIPAL | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 610 | BOND INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 620 | FISCAL AGENT FEES | 0 | 1,034 | 0 | 1,399 | 0 | 0.00% |
| 720 | TRANSFERS OUT | 0 | 0 | 0 | 49,311 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$1,034 | \$0 | \$50,710 | \$0 | 0.00% |
| | TOTAL EXPENDITURES | \$0 | \$1,034 | \$0 | \$50,710 | \$0 | 0.00% |
| | FUND BALANCE - JANUARY 1 | \$35,978 | \$50,667 | \$50,429 | \$50,429 | \$0 | |
| | EXCESS REVENUE OVER EXPENDITURES | \$14,689 | (\$238) | \$470 | (\$50,429) | \$0 | |
| | FUND BALANCE - DECEMBER 31 | \$50,667 | \$50,429 | \$50,899 | \$0 | \$0 | -100.00% |

2018 IMPROVEMENT BOND FUND

DEPARTMENT: 2018 Improvement Bond
SUPERVISOR: Finance Officer
FUND #: 305
ACTIVITY #: 4700

ACTIVITY DESCRIPTION:

The 2018 Improvement Bonds were issued to finance the reconstruction of Scheuneman Road in the business district and to extend water and sanitary sewer in the area.

GOALS:

1. Pay debt payments on a timely basis as scheduled.

MEASURABLE WORKLOAD DATA:

| | <u>2016</u> <u>ACTUAL</u> | <u>2017</u> <u>ACTUAL</u> | <u>2018</u> <u>ACTUAL</u> | <u>2019</u> <u>ESTIMATE</u> |
|--------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|
| Bond Principal Retired | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Bond Interest Paid | \$0.00 | \$0.00 | \$0.00 | \$24,056 |
| Property Tax Levy Collected | \$0.00 | \$0.00 | \$0.00 | \$612 |

DEBT PAYMENT SCHEDULE:

| <u>YEAR DUE</u> | <u>JAN. 1 DEBT</u> <u>OUTSTANDING</u> | <u>PRINCIPAL DUE</u> | <u>INTEREST DUE</u> |
|-----------------|--|----------------------|---------------------|
| 2019 | \$660,000.00 | \$0.00 | \$24,055.98 |
| 2020 | \$660,000.00 | \$30,000.00 | \$22,400.00 |
| 2021 | \$630,000.00 | \$35,000.00 | \$21,425.00 |
| 2022 | \$595,000.00 | \$40,000.00 | \$20,300.00 |
| 2023 | \$555,000.00 | \$40,000.00 | \$19,100.00 |
| 2024 | \$515,000.00 | \$40,000.00 | \$17,900.00 |
| 2025 | \$475,000.00 | \$40,000.00 | \$16,700.00 |
| 2026 | \$435,000.00 | \$40,000.00 | \$15,500.00 |
| 2027 | \$395,000.00 | \$45,000.00 | \$14,225.00 |
| 2028 | \$350,000.00 | \$45,000.00 | \$12,875.00 |
| 2029 | \$305,000.00 | \$45,000.00 | \$11,300.00 |
| 2030 | \$260,000.00 | \$50,000.00 | \$9,400.00 |
| 2031 | \$210,000.00 | \$50,000.00 | \$7,400.00 |
| 2032 | \$160,000.00 | \$50,000.00 | \$5,400.00 |
| 2033 | \$110,000.00 | \$55,000.00 | \$3,300.00 |
| 2034 | \$55,000.00 | \$55,000.00 | \$1,100.00 |

BUDGET COMMENTARY:

This fund will receive its revenue from a property tax levy and special assessments.

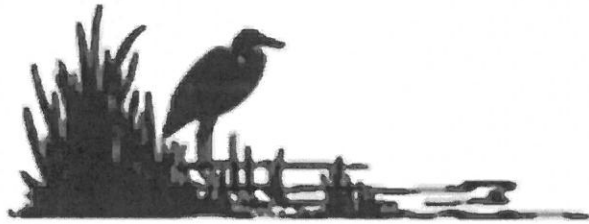
Annual debt service payments are the only expenditures budgeted in this fund.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 ACTUAL | 2017 ACTUAL | 11/20/2018 2018 ADOPTED | 11/30/18 ACTUAL | 11/20/2018 2019 ADOPTED | % CHANGE |
|----------------------------|---------------------------------------|----------------|----------------|-------------------------------|--------------------|-------------------------------|-------------|
| <u>PROPERTY TAXES</u> | | | | | | | |
| 31001 | CURRENT TAXES | \$0 | \$0 | \$0 | \$0 | \$612 | 0.00% |
| 31002 | DELINQUENT TAXES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 31003 | FISCAL DISPARITIES TAXES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 31004 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL FINES & FORFEITS | \$0 | \$0 | \$0 | \$0 | \$612 | 0.00% |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS - CURRENT | 0 | 0 | 0 | \$0 | 54,880 | 0.00% |
| 36102 | SPECIAL ASSESSMENTS - DELINQUENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL FINES & FORFEITS | \$0 | \$0 | \$0 | \$0 | \$54,880 | 0.00% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | 0 | 0 | 0 | 0 | 100 | 0.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$0 | \$0 | \$0 | \$0 | \$100 | 0.00% |
| | TOTAL REVENUES | \$0 | \$0 | \$0 | \$0 | \$712 | 0.00% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 600 | BOND PRINCIPAL | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 610 | BOND INTEREST | 0 | 0 | 0 | 0 | 24,056 | 0.00% |
| 620 | FISCAL AGENT FEES | 0 | 0 | 0 | 0 | 1,000 | 0.00% |
| 720 | TRANSFERS OUT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$25,056 | 0.00% |
| | TOTAL EXPENDITURES | \$0 | \$0 | \$0 | \$0 | \$25,056 | 0.00% |
| | FUND BALANCE - JANUARY 1 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | EXCESS REVENUE OVER EXPENDITURES | \$0 | \$0 | \$0 | \$0 | (\$24,344) | |
| | FUND BALANCE - DECEMBER 31 | \$0 | \$0 | \$0 | \$0 | (\$24,344) | 0.00% |



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CAPITAL IMPROVEMENT FUNDS

CAPITAL IMPROVEMENT FUNDS

ACTIVITY DESCRIPTION:

The Capital Improvement Funds pay the construction costs of the City's infrastructure improvements. Capital improvement funds use the modified accrual basis of accounting; however, the cash basis of accounting will be used for budgetary purposes only. The cash basis is used for budgeting to ensure that sufficient cash will be available to make all required payments.

GOALS:

1. Construct and replace the City's infrastructure on a timely basis, as scheduled or as needed.

MEASURABLE WORKLOAD DATA:

See the individual funds for their service levels.

BUDGET COMMENTARY:

See the individual funds for budget explanations.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % CHANGE |
|-------------------------------------|---|--------------------|--------------------|--------------------|-------------------|-----------------|-----------------|
| | | ACTUAL | ACTUAL | 2018 ADOPTED | ACTUAL | 2019 ADOPTED | |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS | \$64,411 | \$45,895 | \$62,800 | \$41,786 | \$40,000 | -36.31% |
| 36102 | DELINQUENT SPECIAL ASSESSMENTS | \$0 | (\$7,242) | \$0 | \$974 | \$0 | 0.00% |
| 36103 | PENALTIES & INTEREST | \$1,527 | (\$1,179) | \$0 | \$263 | \$0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL SPECIAL ASSESSMENTS | \$65,938 | \$37,474 | \$62,800 | \$43,023 | \$40,000 | -36.31% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | (4,002) | (2,086) | (3,530) | (1,018) | 50 | -101.42% |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 679,227 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 20,000 | 81,038 | 20,000 | 0.00% |
| | TOTAL MISCELLANEOUS | (\$4,002) | (\$2,086) | \$16,470 | \$759,247 | \$20,050 | 21.74% |
| | TOTAL REVENUES | \$61,936 | \$35,388 | \$79,270 | \$802,270 | \$60,050 | -24.25% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 302 | ENGINEERING FEES | 50,696 | 15,954 | 0 | 83,373 | 0 | 0.00% |
| 304 | LEGAL FEES | 2,345 | 0 | 0 | 0 | 0 | 0.00% |
| 335 | ARCHITECT FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 308 | OTHER PROFESSIONAL SERVICE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 310 | CONFERENCE REGISTRATIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 333 | MEETING PREPARATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 351 | LEGAL NOTICE PUBLICATIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 610 | INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 620 | FISCAL AGENT FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$53,041 | \$15,954 | \$0 | \$83,373 | \$0 | 0.00% |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 531 | OTHER IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 520 | BUILDING CONSTRUCTION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | OPERATING TRANSFERS | 270,947 | 4,011 | 0 | 509,054 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$270,947 | \$4,011 | \$0 | \$509,054 | \$0 | 0.00% |
| | TOTAL EXPENDITURES | \$323,988 | \$19,965 | \$0 | \$592,427 | \$0 | 0.00% |
| | FUND BALANCE - JANUARY 1 | (\$5,764) | (\$267,816) | (\$252,393) | (\$252,393) | (\$42,550) | |
| | EXCESS REVENUE OVER EXPENDITURES | (\$262,052) | \$15,423 | \$79,270 | \$209,843 | \$60,050 | |
| | FUND BALANCE - DECEMBER 31 | (\$267,816) | (\$252,393) | (\$173,123) | (\$42,550) | \$17,500 | -110.11% |

IMPROVEMENT FUND

DEPARTMENT: Improvement Construction
SUPERVISOR: City Engineer
FUND #: 401
ACTIVITY #: 4800

ACTIVITY DESCRIPTION:

The Improvement Fund was established for current and future improvement projects within the City.

GOALS:

None.

MEASURABLE WORKLOAD DATA:

| | 2016 <u>ACTUAL</u> | 2017 <u>ACTUAL</u> | 2018 <u>ACTUAL</u> | 2019 <u>ESTIMATED</u> |
|---|-----------------------|-----------------------|-----------------------|--------------------------|
| Since this fund was closed out, there is no measurable workload data. | | | | |

BUDGET COMMENTARY:

The major revenue source in the past was transfers of excess funds from the General Fund to help finance future building improvements and to set funds aside for possible emerald ash bore tree replacement/treatments. The City is budgeting a transfer from the General Fund to the Improvement Fund in 2018 and 2019 to help fund future project. Currently there are no improvement expenditures budgeted for 2019.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % CHANGE |
|-------------------------------------|---|------------------|------------------|------------------|------------------|------------------|---------------|
| | | ACTUAL | ACTUAL | 2018 ADOPTED | ACTUAL | 2019 ADOPTED | |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | \$989 | \$847 | \$1,170 | \$771 | \$2,000 | 70.94% |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | | | | | | |
| | Road Improvements | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | EAB Treatment/Prevention | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | Building Improvements/Replacement | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | Future Improvements | 0 | 0 | 20,000 | 81,038 | 20,000 | 0.00% |
| | TOTAL MISCELLANEOUS | \$989 | \$847 | \$21,170 | \$81,809 | \$22,000 | 3.92% |
| | TOTAL REVENUES | \$989 | \$847 | \$21,170 | \$81,809 | \$22,000 | 3.92% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 302 | ENGINEERING FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 304 | LEGAL FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 531 | OTHER IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | WATER IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL EXPENDITURES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | FUND BALANCE - JANUARY 1 | \$132,336 | \$133,325 | \$134,172 | \$134,172 | \$215,981 | |
| | EXCESS REVENUE OVER EXPENDITURES | \$989 | \$847 | \$21,170 | \$81,809 | \$22,000 | |
| | FUND BALANCE - DECEMBER 31 | \$133,325 | \$134,172 | \$155,342 | \$215,981 | \$237,981 | 53.20% |

SCHEUNEMAN ROAD IMPROVEMENT FUND

DEPARTMENT: Scheuneman Road Improvement
SUPERVISOR: City Engineer
FUND #: 403
ACTIVITY #: 4800

ACTIVITY DESCRIPTION:

The Scheuneman Road Improvement fund recorded bond proceeds and sewer improvement and road resurfacing costs on Scheuneman Road.

GOALS:

None.

MEASURABLE WORKLOAD DATA:

| | 2016 <u>ACTUAL</u> | 2017 <u>ACTUAL</u> | 2018 <u>ACTUAL</u> | 2019 <u>ESTIMATED</u> |
|--|-----------------------|-----------------------|-----------------------|--------------------------|
| No service levels have been established for this fund. | | | | |

BUDGET COMMENTARY:

This fund in the past paid for the installation of a sanitary sewer line down Scheuneman Road and to reconstruct the street. The City issued bonds to finance the project and collected special assessments from the benefitting properties. The last special assessment payment was made in 2015.

The City extended the sanitary sewer line and water mains all the way down Scheuneman Road through the business district and reconstructing the street with storm water improvements. The revenue source will be from special assessments on benefitting properties; however, there could be a City contribution to the project in the form of a property tax levy and/or use of City reserves. The City issued \$660,000.00 in improvement bonds to fund this project.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % CHANGE |
|-------------------------------------|---|------------------|-------------------|-------------------|------------------|-----------------|-----------------|
| | | ACTUAL | ACTUAL | 2018 ADOPTED | ACTUAL | 2019 ADOPTED | |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS - CURRENT | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| 36102 | SPECIAL ASSESSMENTS - DELINQUENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SPECIAL ASSESSMENTS | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | 33 | 15 | 35 | (54) | 50 | 42.86% |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 679,227 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$33 | \$15 | \$35 | \$679,173 | \$50 | 42.86% |
| | TOTAL REVENUES | \$33 | \$15 | \$35 | \$679,173 | \$50 | 42.86% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 302 | ENGINEERING FEES | 0 | 15,954 | 0 | 83,373 | 0 | 0.00% |
| 304 | LEGAL FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$0 | \$15,954 | \$0 | \$83,373 | \$0 | 0.00% |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 531 | OTHER IMPROVEMENTS | 0 | 4,011 | 0 | 509,054 | 0 | 0.00% |
| 720 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$4,011 | \$0 | \$509,054 | \$0 | 0.00% |
| | TOTAL EXPENDITURES | \$0 | \$19,965 | \$0 | \$592,427 | \$0 | 0.00% |
| | FUND BALANCE - JANUARY 1 | (\$1,838) | (\$1,805) | (\$21,755) | (\$21,755) | \$64,991 | |
| | EXCESS REVENUE OVER EXPENDITURES | \$33 | (\$19,950) | \$35 | \$86,746 | \$50 | |
| | FUND BALANCE - DECEMBER 31 | (\$1,805) | (\$21,755) | (\$21,720) | \$64,991 | \$65,041 | -399.45% |

FUTURE IMPACTS:

There are no future impacts at this time for this fund.

HOFFMAN ROAD IMPROVEMENT FUND

DEPARTMENT: Hoffman Road Improvement
SUPERVISOR: City Engineer
FUND #: 404
ACTIVITY #: 4800

ACTIVITY DESCRIPTION:

The Hoffman Road Improvement Fund is used to provide the City's share of future road improvements/maintenance on Hoffman Road.

GOALS:

1. Improve and maintain Hoffman Road on timely basis.
2. The City extended municipal water into the business district to help with redevelopment efforts.

MEASURABLE WORKLOAD DATA:

| | 2016 <u>ACTUAL</u> | 2017 <u>ACTUAL</u> | 2018 <u>ACTUAL</u> | 2019 <u>ESTIMATED</u> |
|--|-----------------------|-----------------------|-----------------------|--------------------------|
| No service levels have been established for this fund. | | | | |

BUDGET COMMENTARY:

Current revenue sources include special assessments on benefitting properties for extending municipal water in 2015.

Expenditures in 2015 and 2016 were for extending municipal water into the business district area from Hoffman Road.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | 2017 | 11/20/2018 | 11/30/18 | 11/20/2018 | % CHANGE |
|-------------------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| | | ACTUAL | ACTUAL | 2018 ADOPTED | ACTUAL | 2019 ADOPTED | |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS - CURRENT | 64,411 | 45,895 | 62,800 | 41,786 | 40,000 | -36.31% |
| 36102 | SPECIAL ASSESSMENTS - DELINQUENT | 0 | (7,242) | 0 | 974 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 1,527 | (1,179) | 0 | 263 | 0 | 0.00% |
| 36104 | SPECIAL ASSESSMENTS - PREPAID/SNR | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SPECIAL ASSESSMENTS | \$65,938 | \$37,474 | \$62,800 | \$43,023 | \$40,000 | -36.31% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36210 | INTEREST EARNINGS | (\$5,024) | (\$2,948) | (\$4,735) | (\$1,735) | (\$2,000) | -57.76% |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39100 | BOND PROCEEDS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 39200 | TRANSFERS IN | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | (\$5,024) | (\$2,948) | (\$4,735) | (\$1,735) | (\$2,000) | -57.76% |
| | TOTAL REVENUES | \$60,914 | \$34,526 | \$58,065 | \$41,288 | \$38,000 | -34.56% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 302 | ENGINEERING FEES | 50,696 | 0 | 0 | 0 | 0 | 0.00% |
| 304 | LEGAL FEES | 2,345 | 0 | 0 | 0 | 0 | 0.00% |
| 308 | ADMINISTRATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 351 | LEGAL NOTICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 309 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$53,041 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 531 | OTHER IMPROVEMENTS | 270,947 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$270,947 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL EXPENDITURES | \$323,988 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | FUND BALANCE - JANUARY 1 | (\$128,611) | (\$391,685) | (\$357,159) | (\$357,159) | (\$315,871) | |
| | EXCESS REVENUE OVER EXPENDITURES | (\$263,074) | \$34,526 | \$58,065 | \$41,288 | \$38,000 | |
| | FUND BALANCE - DECEMBER 31 | (\$391,685) | (\$357,159) | (\$299,094) | (\$315,871) | (\$277,871) | -7.10% |

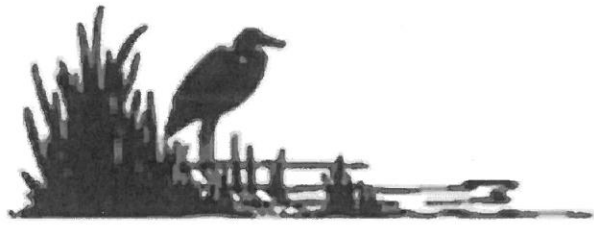
FUTURE IMPACTS:

Future impacts would be the cost of the improvements/maintenance on Hoffman Road. Extending

water into the business district will result in the City maintaining an Enterprise Fund for its water operations in the future, as businesses connect to the new water system and/or the system expands.



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ENTERPRISE FUNDS

ENTERPRISE FUNDS

ACTIVITY DESCRIPTION:

The Enterprise Funds are established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominantly self-supporting by user charges. The City operates two Enterprise Funds. The accrual basis of accounting is used for these funds. However, for budget purposes capital outlay items are recorded as expenses. This page is a summary of the Enterprise Funds.

GOALS:

See the individual funds for their goals.

MEASURABLE WORKLOAD DATA:

See individual funds for their measurable workload data.

BUDGET COMMENTARY:

The main revenue source for all Enterprise Funds is the quarterly utility billings to system users.

See individual funds for budget explanations and charges.

BUDGET:

| REVENUE BUDGET | | | | 11/20/2018 | | | 11/20/2018 | |
|----------------|---|-------------------|------------------|-------------------|------------------|-------------------|------------|---------------|
| ACCT. | | 2016 | 2017 | 2018 | 43434 | 2019 | | % |
| # | ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | ADOPTED | | CHANGE |
| | CHARGES FOR SERVICES | | | | | | | |
| 34410 | LOCAL CONNECTION CHARGES | \$1,025 | \$2,870 | \$0 | \$9,378 | \$2,200 | | 0.00% |
| 34500 | ENTERPRISE REVENUES - RESIDENTIAL | 13,213 | 12,546 | 15,000 | 9,481 | 21,000 | | 40.00% |
| 34600 | ENTERPRISE REVENUES - COMMERCIAL | 24,006 | 32,078 | 25,000 | 23,650 | 25,000 | | 0.00% |
| 34640 | CERTIFIED SEWER REVENUES | 3,179 | 0 | 0 | 0 | 0 | | 0.00% |
| 34650 | PENALTIES & INTEREST | 2,234 | 1,061 | 2,500 | 1,205 | 1,500 | | -40.00% |
| | TOTAL CHARGES FOR SERVICES | \$43,657 | \$48,555 | \$42,500 | \$43,714 | \$49,700 | | 16.94% |
| | SPECIAL ASSESSMENTS | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 36102 | DELINQUENT SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 36103 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL SPECIAL ASSESSMENTS | \$0 | \$0 | \$0 | \$0 | \$0 | | 0.00% |
| | MISCELLANEOUS | | | | | | | |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 36210 | INTEREST INCOME | 4,211 | 3,170 | 5,210 | 2,260 | 5,230 | | 0.38% |
| 39200 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL MISCELLANEOUS | \$4,211 | \$3,170 | \$5,210 | \$2,260 | \$5,230 | | 0.38% |
| | TOTAL REVENUES | \$47,868 | \$51,725 | \$47,710 | \$45,974 | \$54,930 | | 15.13% |
| | EXPENDITURE BUDGET | | | | | | | |
| | SUPPLIES | | | | | | | |
| 201 | OFFICE SUPPLIES | 0 | 0 | 500 | 0 | 500 | | 0.00% |
| 210 | OPERATING SUPPLIES | 0 | 5,419 | 0 | 5,988 | 0 | | 0.00% |
| 212 | POSTAGE | 138 | 0 | 250 | 0 | 250 | | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL SUPPLIES | \$138 | \$5,419 | \$750 | \$5,988 | \$750 | | 0.00% |
| | OTHER SERVICES & CHARGES | | | | | | | |
| 301 | AUDITING & ACCOUNTING SERVICES | 0 | 0 | 2,700 | 2,700 | 2,800 | | 3.70% |
| 302 | ENGINEERING FEES | 1,278 | 0 | 5,000 | 0 | 5,000 | | 0.00% |
| 318 | M.C.E.S. CHARGES | 25,714 | 27,804 | 30,000 | 24,854 | 27,575 | | -8.08% |
| 319 | LOCATES | 906 | 1,410 | 1,000 | 484 | 1,500 | | 50.00% |
| 329 | FINANCIAL SERVICE | 149 | 4 | 2,500 | 0 | 2,000 | | -20.00% |
| 334 | COMPUTER SERVICES | 618 | 210 | 75 | 0 | 500 | | 566.67% |
| 400 | REPAIR/ MAINTENANCE | 0 | 37 | 4,000 | 0 | 4,000 | | 0.00% |
| 420 | DEPRECIATION | 12,457 | 12,457 | 12,500 | 0 | 12,500 | | 0.00% |
| 433 | DUES & SUBSCRIPTIONS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 460 | SEWER INSPECTIONS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 461 | SEWER FLUSHING | 0 | 0 | 12,000 | 0 | 12,000 | | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$41,122 | \$41,922 | \$69,775 | \$28,038 | \$67,875 | | -2.72% |
| | CAPITAL OUTLAY | | | | | | | |
| 540 | HEAVY MACHINERY/EQUIPMENT | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 530 | OTHER EQUIPMENT & IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 720 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | | 0.00% |
| | TOTAL EXPENDITURE BUDGET | \$41,260 | \$47,341 | \$70,525 | \$34,026 | \$68,625 | | -2.69% |
| | FUND BALANCE - JANUARY 1 | \$440,399 | \$459,464 | \$463,848 | \$463,848 | \$475,796 | | |
| | EXCESS REVENUE OVER EXPENDITURES | \$6,608 | \$4,384 | (\$22,815) | \$11,948 | (\$13,695) | | |
| | DEDUCT INFRASTRUCTURE ADDITIONS | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | ADD BACK DEPRECIATION | \$12,457 | \$0 | \$12,500 | \$0 | \$12,500 | | |
| | FUND BALANCE - DECEMBER 31 | \$459,464 | \$463,848 | \$453,533 | \$475,796 | \$474,601 | | 4.65% |
| | INVESTMENT IN INFRASTRUCTURE | \$480,739 | \$468,282 | \$468,282 | \$468,282 | \$468,282 | | |
| | ADDITIONS (DELETIONS) | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | DEPRECIATION | (\$12,457) | \$0 | (\$12,500) | \$0 | (\$12,500) | | |
| | NET INVESTMENT IN INFRASTRURE | \$468,282 | \$468,282 | \$455,782 | \$468,282 | \$455,782 | | 0.00% |

SEWER OPERATING FUND ENTERPRISE FUNDS

ACTIVITY DESCRIPTION:

The Sewer Operating Fund is responsible for the maintenance of all lift stations and sanitary sewer lines in the City. The Sewer Operating Fund is self-sustaining from revenues derived from utility charges.

GOALS:

1. Keep all lift stations and sewer lines functioning safely and efficiently.

MEASURABLE WORKLOAD DATA:

| | <u>2016 ACTUAL</u> | <u>2017 ACTUAL</u> | <u>2018 ACTUAL</u> | <u>2019 ESTIMATED</u> |
|-----------------------------------|------------------------|------------------------|------------------------|---------------------------|
| Gals of Sewage Treated (Millions) | 10.95 | 11.15 | 10.91 | 11.00 |
| Miles of Sewer Lines | | | | |
| Service Connections | | | | |

BUDGET COMMENTARY:

The main revenue source is sewer revenues, which are based on the number of sewer connections, past sewer usage and sewer rate. Sewer charges are estimated to generate revenues of \$40,000 and currently no rate increase was used to estimate 2019 revenues; however, it appears a rate increase may be needed to properly fund future sewer operations.

Interest income is another revenue source and is based on estimated interest earning.

On the expense side, the largest expense within Other Services and Charges are the M.C.E.S. Charges for sewer treatment. These charges are based on actual sewer flows and sewer treatment costs charged by the M.C.E.S. The City's flows have increased over the past year and the cost of treating wastewater has increased. For 2019, the M.C.E.S. Charges have decreased 8.08% to \$27,575.

The City also annually budgets to flush (clean) sewer lines to prevent sewer backups. For 2019, \$12,000 is budgeted to flush sewer lines.

BUDGET:

| ACCT. # | REVENUE BUDGET ACCOUNT DESCRIPTION | 2016 | | 11/20/2018 | | 11/20/2018 | | % CHANGE |
|------------|---|------------------|------------------|------------------|--------------------|------------------|--|---------------|
| | | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 11/30/18 ACTUAL | 2019 ADOPTED | | |
| | CHARGES FOR SERVICES | | | | | | | |
| 34410 | LOCAL SAC CHARGES | \$1,025 | \$2,870 | \$0 | \$8,510 | \$1,000 | | 0.00% |
| 34500 | SEWER REVENUES - RESIDENTIAL | 13,213 | 12,546 | 15,000 | 9,481 | 15,000 | | 0.00% |
| 34600 | SEWER REVENUES - COMMERCIAL | 24,006 | 32,078 | 25,000 | 23,650 | 25,000 | | 0.00% |
| 34640 | CERTIFIED SEWER REVENUES | 3,179 | 0 | 0 | 0 | 0 | | 0.00% |
| 34650 | PENALTIES & INTEREST | 2,234 | 1,061 | 2,500 | 1,205 | 1,500 | | -40.00% |
| | TOTAL CHARGES FOR SERVICES | \$43,657 | \$48,555 | \$42,500 | \$42,846 | \$42,500 | | 0.00% |
| | SPECIAL ASSESSMENTS | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 36102 | DELINQUENT SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 36103 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL SPECIAL ASSESSMENTS | \$0 | \$0 | \$0 | \$0 | \$0 | | 0.00% |
| | MISCELLANEOUS | | | | | | | |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 36210 | INTEREST INCOME | 4,211 | 3,170 | 5,210 | 2,256 | 5,200 | | -0.19% |
| 39200 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL MISCELLANEOUS | \$4,211 | \$3,170 | \$5,210 | \$2,256 | \$5,200 | | -0.19% |
| | TOTAL REVENUES | \$47,868 | \$51,725 | \$47,710 | \$45,102 | \$47,700 | | -0.02% |
| | EXPENDITURE BUDGET | | | | | | | |
| | SUPPLIES | | | | | | | |
| 201 | OFFICE SUPPLIES | 0 | 0 | 500 | 0 | 500 | | 0.00% |
| 210 | OPERATING SUPPLIES | 0 | 5,419 | 0 | 0 | 0 | | 0.00% |
| 212 | POSTAGE | 138 | 0 | 250 | 0 | 250 | | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL SUPPLIES | \$138 | \$5,419 | \$750 | \$0 | \$750 | | 0.00% |
| | OTHER SERVICES & CHARGES | | | | | | | |
| 301 | AUDITING & ACCOUNTING SERVICES | 0 | 0 | 2,700 | 2,700 | 2,800 | | 3.70% |
| 302 | ENGINEERING FEES | 1,278 | 0 | 5,000 | 0 | 5,000 | | 0.00% |
| 318 | M.C.E.S. CHARGES | 25,714 | 27,804 | 30,000 | 24,854 | 27,575 | | -8.08% |
| 319 | LOCATES | 906 | 1,410 | 1,000 | 484 | 1,500 | | 50.00% |
| 329 | FINANCIAL SERVICE | 149 | 4 | 2,500 | 0 | 2,000 | | -20.00% |
| 334 | COMPUTER SERVICES | 618 | 210 | 75 | 0 | 500 | | 566.67% |
| 400 | REPAIR/ MAINTENANCE | 0 | 37 | 4,000 | 0 | 4,000 | | 0.00% |
| 420 | DEPRECIATION | 12,457 | 12,457 | 12,500 | 0 | 12,500 | | 0.00% |
| 433 | DUES & SUBSCRIPTIONS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 460 | SEWER INSPECTIONS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 461 | SEWER FLUSHING | 0 | 0 | 12,000 | 0 | 12,000 | | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$41,122 | \$41,922 | \$69,775 | \$28,038 | \$67,875 | | -2.72% |
| | CAPITAL OUTLAY | | | | | | | |
| 540 | HEAVY MACHINERY/EQUIPMENT | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 530 | OTHER EQUIPMENT & IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| 720 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | | 0.00% |
| | TOTAL EXPENDITURE BUDGET | \$41,260 | \$47,341 | \$70,525 | \$28,038 | \$68,625 | | -2.69% |
| | FUND BALANCE - JANUARY 1 | \$440,399 | \$459,464 | \$463,848 | \$463,848 | \$480,912 | | |
| | EXCESS REVENUE OVER EXPENDITURES | \$6,608 | \$4,384 | (\$22,815) | \$17,064 | (\$20,925) | | |
| | DEDUCT INFRASTRUCTION ADDITIONS | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | ADD BACK DEPRECIATION | \$12,457 | \$0 | \$12,500 | \$0 | \$12,500 | | |
| | FUND BALANCE - DECEMBER 31 | \$459,464 | \$463,848 | \$453,533 | \$480,912 | \$472,487 | | 4.18% |
| | INVESTMENT IN INFRASTRUCTURE | \$480,739 | \$468,282 | \$468,282 | \$468,282 | \$468,282 | | |
| | ADDITIONS (DELETIONS) | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | DEPRECIATION | (\$12,457) | \$0 | (\$12,500) | \$0 | (\$12,500) | | |
| | NET INVESTMENT IN INFRASTRURE | \$468,282 | \$468,282 | \$455,782 | \$468,282 | \$455,782 | | 0.00% |

WATER OPERATING FUND ENTERPRISE FUNDS

ACTIVITY DESCRIPTION:

The Water Operating Fund is responsible for the maintenance of all water lines in the City. The Water Operating Fund is self-sustaining from revenues derived from utility charges.

GOALS:

1. Keep all water lines functioning safely and efficiently.

MEASURABLE WORKLOAD DATA:

| | 2016 <u>ACTUAL</u> | 2017 <u>ACTUAL</u> | 2018 <u>ACTUAL</u> | 2019 <u>ESTIMATED</u> |
|--------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| Gals of Water Used | 0.00 | 0.00 | 0.00 | 10,000 |

BUDGET COMMENTARY:

The main revenue source is water revenues, which are based on the number of gallons used. Water charges are estimated to generate revenues of \$6,000 and currently no rate increase was used to estimate 2019 revenues, however the rates will be monitored to be sure customers are paying for the operations and replacement of the system.

Interest income is another revenue source and is based on estimated interest earning.

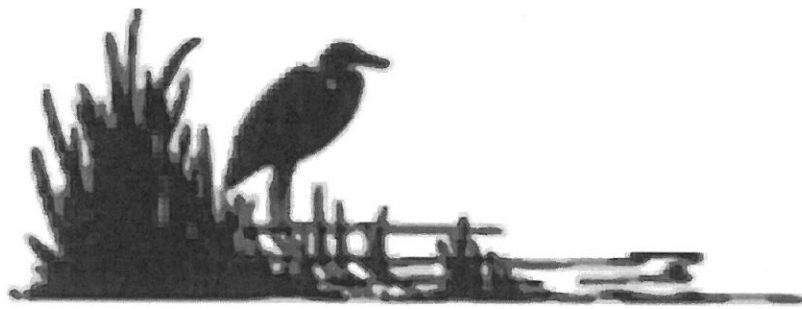
On the expense side, the largest expense within Other Services and Charges are the charges from other communities for the use of their water system.

BUDGET:

| REVENUE BUDGET | | | | 11/20/2018 | | 11/20/2018 | |
|-------------------------------------|---|-------------|-------------|--------------|------------------|-----------------|--------------|
| ACCT. # | ACCOUNT DESCRIPTION | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 43434 ACTUAL | 2019 ADOPTED | % CHANGE |
| <u>CHARGES FOR SERVICES</u> | | | | | | | |
| 32246 | SALE OF WATER METERS | \$0 | \$0 | \$0 | \$868 | \$1,200 | 0.00% |
| 34410 | LOCAL WAC CHARGES | 0 | 0 | 0 | 9,000 | \$12,000 | 0.00% |
| 34500 | WATER REVENUES - RESIDENTIAL | 0 | 0 | 0 | 0 | 6,000 | 0.00% |
| 34600 | WATER REVENUES - COMMERCIAL | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 34640 | CERTIFIED SEWER REVENUES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 34650 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CHARGES FOR SERVICES | \$0 | \$0 | \$0 | \$9,868 | \$19,200 | 0.00% |
| <u>SPECIAL ASSESSMENTS</u> | | | | | | | |
| 36101 | SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36102 | DELINQUENT SPECIAL ASSESSMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36103 | PENALTIES & INTEREST | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SPECIAL ASSESSMENTS | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| <u>MISCELLANEOUS</u> | | | | | | | |
| 36200 | MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 36210 | INTEREST INCOME | 0 | 0 | 0 | 4 | 30 | 0.00% |
| 39200 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL MISCELLANEOUS | \$0 | \$0 | \$0 | \$4 | \$30 | 0.00% |
| | TOTAL REVENUES | \$0 | \$0 | \$0 | \$9,872 | \$19,230 | 0.00% |
| <u>EXPENDITURE BUDGET</u> | | | | | | | |
| <u>SUPPLIES</u> | | | | | | | |
| 201 | OFFICE SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 210 | OPERATING SUPPLIES | 0 | 0 | 0 | 5,988 | 0 | 0.00% |
| 212 | POSTAGE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 250 | SALES TAX | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL SUPPLIES | \$0 | \$0 | \$0 | \$5,988 | \$0 | 0.00% |
| <u>OTHER SERVICES & CHARGES</u> | | | | | | | |
| 301 | AUDITING & ACCOUNTING SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 302 | ENGINEERING FEES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 318 | WATER CHARGES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 319 | LOCATES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 329 | FINANCIAL SERVICE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 334 | COMPUTER SERVICES | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 385 | WATER/SEWER UTILITIES | 0 | 0 | 0 | 6,640 | 5,000 | 0.00% |
| 400 | REPAIR/ MAINTENANCE | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 420 | DEPRECIATION | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 433 | DUES & SUBSCRIPTIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 460 | SEWER INSPECTIONS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 461 | SEWER FLUSHING | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL OTHER SERVICES & CHARGES | \$0 | \$0 | \$0 | \$6,640 | \$5,000 | 0.00% |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 540 | HEAVY MACHINERY/EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 530 | OTHER EQUIPMENT & IMPROVEMENTS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 720 | OPERATING TRANSFERS | 0 | 0 | 0 | 0 | 0 | 0.00% |
| | TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |
| | TOTAL EXPENDITURE BUDGET | \$0 | \$0 | \$0 | \$12,628 | \$5,000 | 0.00% |
| | FUND BALANCE - JANUARY 1 | \$0 | \$0 | \$0 | \$0 | (\$2,756) | |
| | EXCESS REVENUE OVER EXPENDITURES | \$0 | \$0 | \$0 | (\$2,756) | \$14,230 | |
| | DEDUCT INFRASTRUCTURE ADDITIONS | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | ADD BACK DEPRECIATION | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | FUND BALANCE - DECEMBER 31 | \$0 | \$0 | \$0 | (\$2,756) | \$11,474 | 0.00% |
| | INVESTMENT IN INFRASTRUCTURE | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | ADDITIONS (DELETIONS) | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | DEPRECIATION | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | NET INVESTMENT IN INFRASTRURE | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% |



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APPENDIX

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

The following is a summary of certain statutory provisions effective beginning 2011 relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value

Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value."

Taxable Market Value

The Taxable Market Value is the value that property taxes are based on, after all reductions, limitations, exemptions and deferrals. It is also the value used to calculate a municipality's legal debt limit.

Indicated Market Value

The Indicated Market Value is determined by dividing the Taxable Market Value of a given year by the same year's sales ratio determined by the State Department of Revenue. The Indicated Market Value serves to eliminate disparities between individual assessors and equalize property values statewide.

Net Tax Capacity

The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the 101 page of the Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature.

Property taxes are determined by multiplying the Net Tax Capacity by the tax capacity rate, plus multiplying the referendum market value by the market value rate.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year proceeding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate

and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty which, depending on the type of property, increases from 2% to 4% on the day after the due date. In the case of the first installment of real property taxes due May 15, the penalty increases to 4% or 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property owned by a tax-exempt entity, but which is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks, but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have five years (5) in the case of all property located outside of cities or in the case of residential homestead, agricultural homestead and seasonal residential recreational property located within cities or three (3) years with respect to other types of property to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; Township or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the renter's credit, which relates property taxes to income and provides relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The circuit breaker credit and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (county, cities, townships and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregation of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partially from the proceeds of special assessments levied upon benefited property.

2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.
6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provision of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.

**Levies for General Obligation Debt
(Sections 475.61 and 475.74, Minnesota Statutes)**

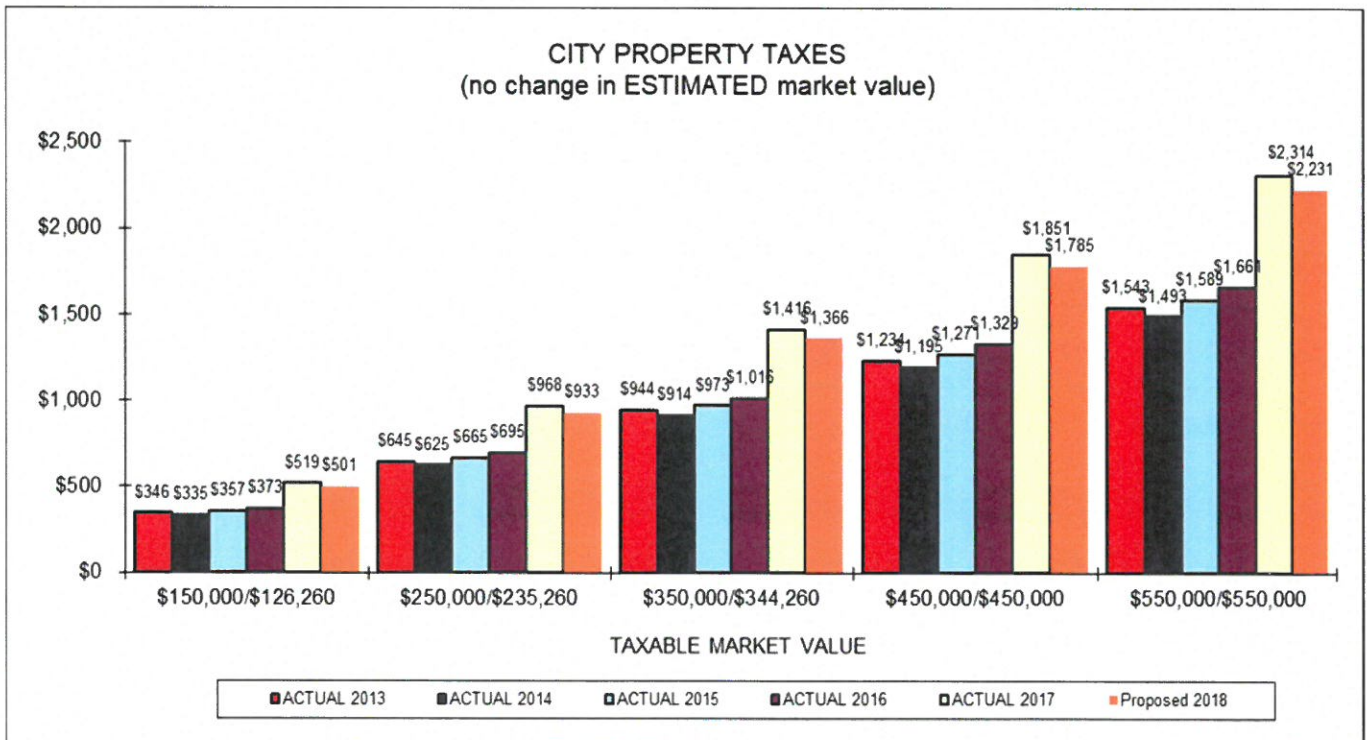
Any municipality which issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**Metropolitan Revenue Distribution
(Chapter 473F, Minnesota Statutes)
"Fiscal Disparities Law"**

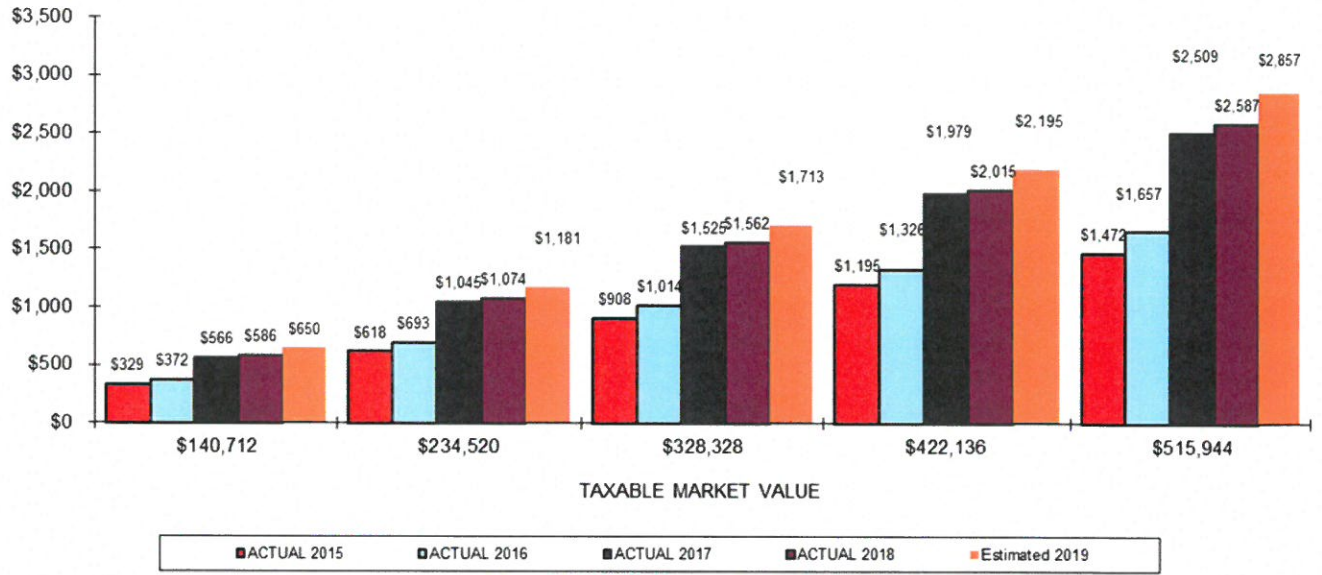
The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities" was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

STATUTORY FORMULAE CONVERSION OF ESTIMATED MARKET VALUE (EMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

| <u>General Classification</u> | <u>2001 Net Tax Capacity</u> | | <u>2002–2019 Net Tax Capacity</u> | |
|--------------------------------|------------------------------|-----------------|-----------------------------------|-----------------|
| | <u>Est. Mkt. Value</u> | <u>% of EMV</u> | <u>Est. Mkt. Value</u> | <u>% of EMV</u> |
| RESIDENTIAL: | | | | |
| Homestead | First \$76,000 | 1.00% | First \$500,000 | 1.00% |
| | Over \$76,000 | 1.65% | Over \$500,000 | 1.25% |
| Non-Homestead | First \$76,000 | 1.20% | First \$500,000 | 1.00% |
| | Over \$76,000 | 1.65% | Over \$500,000 | 1.25% |
| AGRICULTURAL LAND: | | | | |
| Homestead | First \$115,000 | 0.35% | First \$600,000 | 0.55% |
| | \$115,000-\$600,000 | 0.80% | Over \$600,000 | 1.00% |
| | Over \$600,000 | 1.20% | | |
| Non-Homestead | 100% of EMV | 1.00% | 100% of EMV | 1.00% |
| COMMERCIAL / INDUSTRIAL | | | | |
| | First \$150,000 | 2.40% | First \$150,000 | 1.50% |
| | Over \$150,000 | 3.40% | Over \$150,000 | 2.00% |



CITY PROPERTY TAXES
(8.0% Increase in ESTIMATED market value)



| CITY OF GEM LAKE PROPERTY TAX CHANGES | 11/17/2015 2016 Final Levy | 11/15/2016 2017 Final Levy | 11/21/2017 2018 Final Levy | 11/20/2018 2019 Final Levy |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| GENERAL LEVY | 225,026 | 363,294 | 369,252 | 395,988 |
| DEBT LEVY: | | | | |
| GENERAL DEBT LEVY | 0 | 0 | 0 | 0 |
| CAPITAL IMPROV. PLAN BONDS | 70,000 | 75,987 | 84,399 | 77,989 |
| 2016 IMPROVEMENT BONDS | 0 | 0 | 0 | 0 |
| 2018 IMPROVEMENT BONDS | 0 | 0 | 0 | 612 |
| TOTAL DEBT LEVY | 70,000 | 75,987 | 84,399 | 78,601 |
| TOTAL PROPERTY TAX LEVY | 295,026 | 439,281 | 453,651 | 474,589 |
| LESS: FISCAL DISPARITIES | 6,365 | 9,953 | 9,953 | 11,858 |
| NET PROPERTY TAXES | 288,661 | 429,328 | 443,698 | 462,731 |
| % CHANGE | 15.78% | 48.73% | -11.98% | 0.00% |
| TAX CAPACITY | 977,703 | 1,052,436 | 1,128,008 | 1,166,544 |
| TAX RATE | 29.524% | 40.794% | 39.335% | 39.667% |
| MEDIAN VALUE HOME | 227,800 | 246,900 | 262,850 | 283,800 |
| TAXABLE MEDIAN VALUE HOME | 214,138 | 231,519 | 246,034 | 265,098 |
| TAXABLE TAX CAPACITY | 2,141 | 2,315 | 2,460 | 2,651 |
| CITY TAXES | \$632.23 | \$944.45 | \$967.76 | \$1,051.56 |



CITY OF GEM LAKE, MN
 City Hall - 4200 Otter Lake Road
 Gem Lake, MN 55110



RESOLUTION NO. 2018-35
20 NOVEMBER 2018

**A RESOLUTION ADOPTING THE FINAL GENERAL FUND BUDGET
 AND FINAL AMOUNT TO BE RAISED BY PROPERTY TAXATION
 FOR THE YEAR 2019**

WHEREAS, the City Treasurer has presented a TOTAL (Proposed) Budget of \$464,873.00 which includes a General Tax Levy of \$385,088.00 and a Debt Tax Levy of \$78,601.00 for fiscal and calendar year 2019 based upon best estimates of costs for running the City of Gem Lake in 2019; and

WHEREAS, the City Council did review, on November 20, 2018, the TOTAL Budget and Tax Levy for 2019 including all revisions thereto as of the date first written.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Gem Lake does formally adopt the 2019 Final General Fund Budget of \$464,873.00 and the Final Property Tax Levy of \$463,689.00 which includes a General Tax Levy of \$385,088.00 and a Debt Levy of \$78,601.00 for 2019 as prepared by the City Treasurer and amended by the City Council;


BE IT FURTHER RESOLVED that the City Clerk is charged with Certifying said Tax and Debt Levy to Ramsey County Property Taxation and other government bodies for whom this information is required.

The foregoing Resolution was offered by Councilor and was supported by Councilor and was declared *adopted* based upon the following vote:

| NAME | UZPEN | CACIOPPO | LINDNER | KUNY | ARTIG-SWOMLEY |
|------|--------|----------|---------|------|---------------|
| Vote | absent | yea | yea | yea | yea |

Attest

I, Gloria Tessier, the duly qualified City Clerk for the City of Gem Lake, County of Ramsey, State of Minnesota, do hereby certify that the foregoing Resolution is a true and accurate representation of action taken by the City Council of the City of Gem Lake on the date first written.

 _____ 20 NOVEMBER 2018
 GLORIA TESSIER, City Clerk

GLOSSARY OF TERMS

ACCOUNT: A term used to identify an individual asset, liability, expenditure control, revenue control, or fund balance.

ACCOUNTS PAYABLE: Amounts owed to others for goods or services received.

ACCOUNTS RECEIVABLE: Amounts due from others for goods furnished or services rendered.

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify and report information on financial status and operations of an entity.

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

ACTIVITY: A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. For example "Code Enforcement is an activity performed in the discharge of the "Public Safety" function.

ADOPTION: The formal action taken by the Town Board to authorize or approve the budget.

AD VALOREM: In proportion to value. A basis for levying taxes upon property.

AGENCY FUND: A fund consisting of resources received and held by the governmental unit as an agent for others or other funds of the governmental unit.

APPROPRIATION: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount to the time it may be expended.

ASSESSED VALUATION: Value placed upon real estate or other property as a basis for levying taxes.

ASSESSMENTS: Charges made to parties for actual services or benefits received.

ASSETS: Property owned by a governmental unit, which has a monetary value.

AUDIT: The examination of documents, records, reports, systems of internal control, accounting and financial procedures, and other evidence for one or more of the following purposes:

- (a) To ascertain whether the statements prepared from the accounts present fairly the financial position and the results of financial operations of the constituent funds and balanced account groups of the governmental unit in accordance with generally accepted accounting principals applicable to governmental units and on a basis consistent with that of the preceding year.
- (b) To determine the propriety, legality and mathematical accuracy of a governmental unit's financial transactions.
- (c) To ascertain whether all financial transactions have been properly recorded.
- (d) To ascertain the stewardship of public officials who handle and are responsible for the financial resources of a governmental unit.

BALANCED BUDGET: A budget in which estimated revenues, including operating transfers from other funds equals estimated expenditures, including operating transfers to other funds. A balanced budget would have no effect on fund balance/fund equity. The Township's policies require the General Fund budget to be balanced.

BOND: A written promise, generally under seal, to pay a specified sum of money, called the face value or principal amount, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically.

BONDED INDEBTEDNESS: Outstanding debt by issues of bonds, which are repaid by ad valorem or other revenue.

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET DOCUMENT: The official written statement prepared by the Clerk/Treasurer and Finance Officer of the Township which presents the proposed budget to the Town Board.

BUDGET BODY MESSAGE: A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the Clerk/Treasurer.

BUDGET CALENDAR: The schedule of key dates, which a government follows in the preparation and adoption of the budget.

BUDGETARY CONTROL: The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

CAPITAL ASSETS: Assets with a value of \$1,000 or more and a useful life of 3 years or longer.

CAPITAL EXPENDITURE: Assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years.

CAPITAL IMPROVEMENT BUDGET: A plan of proposed capital expenditures and a means of financing them. The capital budget is enacted as part of the complete annual budget.

CAPITAL PROGRAM: A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL PROJECTS FUNDS: To account for financial resources to be used for the acquisition or construction of major capital facilities.

CASH BASIS: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CERTIFIED LEVY: Total tax levy of a jurisdiction, which is certified to the County Auditor.

CHARGES FOR SERVICES: Charges for current services rendered.

CHART OF ACCOUNTS: The classification system used by a government entity to organize the accounting for various funds.

CONSUMER PRICE INDEX (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

CONTINGENCY: Budget for expenditures which cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. The contingency also serves as a hedge against shortfalls in revenues or unexpected expenditures.

CURRENT: A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods.

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services.

DEBT LIMIT: The maximum amount of gross or net debt, which is legally permitted.

DEBT MARGIN: The amount of available debt, which may be issued by a governmental unit before reaching its debt limit.

DEBT SERVICE FUNDS: To account for the accumulation of resources for payment of general long-term debt.

DEPARTMENT: Basic organizational unit of government, responsible for carrying out related functions.

DEPRECIATION: Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM: A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

EFFECTIVE BUYING INCOME (EBI): A statistical measure of buying power of an area or group of individuals.

ENTERPRISE FUNDS: To account for operations that are financed and operated in a manner similar to a private business enterprises, where the intent of the governing body is that the cost of providing services are to be recovered primarily on a user-charge basis to the general public.

ESTIMATED MARKET VALUE: Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.

EXPENDITURE: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payment have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FINES: Revenues from penalties imposed for violation of laws or regulations.

FISCAL DISPARITIES: A Minnesota law enacted in 1975 which provides for the pooling of 40 percent of all new commercial and industrial property valuation in the seven county metropolitan area and then redistributed to taxing jurisdictions according to specific criteria.

FISCAL POLICY: A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal Policy provides an agreed-upon set of principles for the planning and programming of budgets and their funding.

FISCAL YEAR: The budget and accounting year that begins on the first day of January and ends on the last day of December of each year.

FIXED ASSETS: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FULL TIME EQUIVALENT (FTE): The number of employee hours (2,080) needed to be equal to one full time employee. Several part time employees may be combined to make one full time equivalent.

FUNCTION: A group of related activities aimed at accomplishing a major service or regulatory program for which the government unit is responsible.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: The difference between fund's assets and fund liabilities (the equity) in governmental funds.

FUND BALANCE – ASSIGNED: Segregation of a portion of fund balance to indicate the government's intent to use the resources for specific purposes where the specific purposes are identified by either the government's highest level of decision-making authority or a body or official that has been delegated the authority to do so by the governing body.

FUND BALANCE – COMMITTED: Segregation of a portion of fund balance that represents resources whose use is subject to a legally binding constraint that is imposed by the government itself at its highest level of decision-making authority and that remains legally binding unless removed in the same manner.

FUND BALANCE – NONSPENDABLE: Segregation of a portion of fund balance to indicate that the amount cannot be spent because the resources are not in spendable form, such as inventories or prepaid items.

FUND BALANCE – RESTRICTED: Segregation of a portion of fund balance that represents resources whose use is subject to externally enforceable constraints.

FUND BALANCE – UNASSIGNED: The difference between the total fund balance in a governmental fund and its nonspendable, restricted, committed, and assigned components. Only the general fund may report positive amounts of unassigned fund balance.

GENERAL FUND: Accounts for the general operation of the Township and all financial resources except those to be accounted for in another fund.

GENERAL GOVERNMENT: Expenditures, which represents a set of accounts, to which are charged the expenditures for operating the Township.

GENERAL OBLIGATION BONDS: When a government pledges its full faith and credit to the repayment of the bonds it issues, than those bonds are general obligation (GO) bonds.

GOAL: A statement of broad direction, purpose or intent based on the need of a community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given period.

GOVERNMENTAL ACCOUNTING: The composite of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governmental units and agencies.

GOVERNMENTAL FUND TYPES: Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities - except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregation of financial resources. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

GRANT: A contribution of assets by one governmental unit or other organization to another. Grants are usually made for specified purposes.

HOMESTEAD AND AGRICULTURAL CREDIT (HACA): A form of state paid property tax relief for farm property and owner occupied homes.

IMPROVEMENT BONDS: Bonds payable from the proceeds of special assessments from properties benefiting from an improvement.

IMPROVEMENTS: Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drains, and sewers.

INFLOW/INFILTRATION (I/I): The term used to describe clean water entering into the sanitary sewer system.

INTERFUND TRANSFERS: Amounts transferred from one fund to another.

INFRASTRUCTURE: Assets which are immovable and of value only to the governmental unit (i.e. roads, gutters, sewer lines).

INTERGOVERNMENTAL REVENUES: Revenues from other governments in the form of grants, entitlement, or shared revenues.

INVESTMENTS: Securities held for the production of income in the form of interest.

LEVY: (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes special assessments, or service charges imposed by a governmental unit.

LICENSES: Revenues received from the sale of business and non-business licenses.

LIMITED MARKET VALUE: The amount the market value of a property can increase from one year to the next for calculating property taxes. The limited market value system was phased-out by the State of Minnesota.

LINE ITEM: A specific item or group of similar items defined by detail in a unique account in the financial records.

LOCAL GOVERNMENT AID (LGA): Intergovernmental revenue from the state to municipalities to help fund general expenditures.

LONG-TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

MAINTENANCE: The upkeep of physical properties in condition for use or occupancy.

MARKET VALUE EXCLUSION (MVE): A portion of a property's market value that is not included in the property tax calculation based on a formula set by the State of Minnesota. This exclusion reduces the taxable market value.

MARKET VALUE HOMESTEAD CREDIT (MVHC): State paid property tax reduction on owner occupied homes based on the properties market value.

MISCELLANEOUS: Revenues or expenditures not classified in any other revenue or expenditure category.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the tax levied and revenue earned.

NET POSITION – GENERAL GOVERNMENT: The difference between general government asset and liability accounts reported in the government-wide financial statements.

OBJECT OF EXPENDITURE: Expenditure classifications based upon the types or categories of goods and services purchased.

OBJECTIVE: Desired output oriented accomplishments, which can be measured and achieved within a given time frame.

OPERATING BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them.

OPERATING EXPENSE: The cost for personnel, material and equipment required for a department to function.

OPERATING REVENUE: Funds that the government receives as income to pay for ongoing operations. Operating revenues are used to pay for day-to-day services.

OPERATING TRANSFERS: Amounts transferred from one fund to another, shown as expenditure in the originating fund and revenue in the receiving fund.

ORDINANCE: A formal legislative enactment by the Town Board.

PAY-AS-YOU-GO BASIS: A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

PERFORMANCE MEASURE: See Service Levels.

PERSONAL SERVICES: Expenditures for salaries, wages, and fringe benefits of employees.

PROGRAM: A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the governmental unit is responsible.

PROJECT: A plan of work, job assignment, or task.

PROPRIETARY ACCOUNTS: Those accounts which show actual financial position and operation, such as actual assets, liabilities, reserves, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

PUBLIC SAFETY: To account for expenditures related to the protection of persons and property.

PUBLIC WORKS: To account for expenditures for the maintenance of Township property and infrastructure.

PURPOSE: A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

REFUNDING BONDS: Bonds issued to retire bonds already outstanding.

REIMBURSEMENT: Cash or other assets received as a repayment of the cost of work or services performed or of other expenditures made for or on behalf of another governmental unit or department or for an individual, firm, or corporation.

RESERVE: An account which records a portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

RESOLUTION: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

RESOURCES: The actual assets of a governmental unit, such as cash, plus contingent assets such as estimated revenues applying to the current fiscal year not accrued or collected, and bonds authorized and not issued.

REVENUE: The term designates an increase to a fund's assets which: 1) does not increase a liability; 2) does not represent a repayment of an expenditure already made; 3) does not represent a cancellation of certain liabilities; and 4) does not represent an increase in contributed capital.

REVENUE BOND: A bond that is backed by a particular revenue source such as water user fees.

SERVICE LEVELS: Data to determine how effective or efficient a program is in achieving its objective.

SPECIAL ASSESSMENT: A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to such properties.

SPECIAL REVENUE FUND: To account for revenue derived from specific revenue sources that are legally restricted for specific purposes.

SY: Abbreviation for square yard, which is how sealcoating and street overlay projects are measured.

TAXABLE MARKET VALUE: That portion of a property's market value that is used to calculate property taxes.

TAX CAPACITY: An amount determined by a percentage of a property's market value, which is then applied to the tax rates of taxing jurisdictions affecting the property to determine the amount of property taxes owed. The current tax rates and property classifications can be found on page 135.

TAX CAPACITY RATE: Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.

TAX CLASSIFICATION RATE: Rate at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial, farm, etc.) and, in some cases there are two tiers of classification rates, with the rate increasing as the estimated market values increases.

TAX INCREMENT FINANCING (TIF): Financing tool originally intended to combat severe blight in areas, which would not be redeveloped "but for" the availability of government subsidies derived from locally generated property tax revenues.

TAX LEVY: The total amount to be raised by general property taxes for the purpose stated in the resolution certified to the county auditor.

TAX RATE: The amount applied to tax capacity to determine the taxes generated by the property.

TAXES: Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

TRUST AND AGENCY FUNDS: Funds used to account for assets held by a government in a trust capacity or as an agent for individuals, private organizations, other governments and/or other funds.

TRUST FUND: A fund consisting of resources received and held by the governmental unit as trustee, to be expended or invested in accordance with the conditions of the trust.

UNBALANCED BUDGET: A budget which undesignated fund balance or reserves are used in order to balance estimated revenues to estimated expenditures or expenses.

UNRESERVED FUND BALANCE: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

USER FEES: The payment of a charge for direct receipt of a public service by the party benefiting from the service.

WORKLOAD INDICATOR: A unit of work to be done.

ACRONYMS

| | |
|--------|---|
| ACS | Animal Control Services |
| CAFR | Comprehensive Annual Financial Report |
| CD | Certificate of Deposit |
| CIP | Capital Improvement Plan |
| CP | Commercial Paper |
| CPI | Consumer Price Index |
| HACA | Homestead and Agricultural Credit Aid |
| EBI | Effective Buying Income |
| EDA | Economic Development Authority |
| EMV | Estimated Market Value |
| FHLB | Federal Home Loan Bank |
| FNMA | Federal National Mortgage Association |
| FTE | Full Time Equivalent |
| GAAP | Generally Accepted Accounting Principals |
| GASB | Governmental Accounting Standards Board |
| GFOA | Government Finance Officer's Association |
| GO | General Obligation |
| I/I | Inflow/Infiltration |
| LGA | Local Government Aid |
| MCES | Metropolitan Council Environmental Services |
| MVE | Market Value Exclusion |
| MVHC | Market Value Homestead Credit |
| SAC | Sewer Availability Charge |
| SY | Square Yard |
| TIF | Tax Increment Financing |
| TVA | Tennessee Valley Authority |
| VLAWMO | Vadnais Lake Area Water Management Organization |
| WAC | Water Availability Charge |
| WBLCD | White Bear Lake Conservation District |