

**CITY OF
GEM LAKE**



**2015
BUDGET**

Adopted By City Council 11/18/2014

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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 OF GEM LAKE, MN
4200 Otter Lake Road
Gem Lake, Minnesota 55110



City Council Members, Citizens and Others:

It is my privilege to present the 2015 budget for the City of Gem Lake. This budget, as adopted by the City Council identifies how the City resources will be spent in 2015. 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 2015 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.

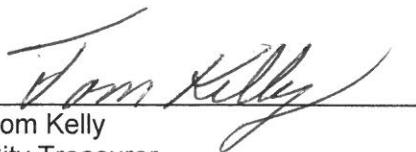
The City budget focus has been to maintain services provided and existing infrastructure. Public safety remains a priority for the City and this budget includes expenditures for increased patrols and law enforcement. Also for 2015 the City has included in the budget \$13,000 for updating and filing the City's MS4 Report (storm water management plan) to the State. The Ice and Snow Removal budget was decreased to reflect past expenditure levels. Also included in the 2015 budget are funds for the City to hire an Administrative Secretary position to staff the City offices and provide administrative assistance to the City Council. This task was previously provide through an agreement with the Ramsey County Sheriff's Department which ended in 2014.

On the revenue side the largest revenue source is property taxes which make up almost 81% of total revenues for the City. The City remains committed to maintaining the property tax levy possible. To that end the City will use reserves of \$80,000 to fund General Fund operations in 2015.

The 2015 property tax levy is increased 10.40% and the City's tax capacity also increase 3.76%, which results in a tax rate increase of 6.40% to 28.249%. Based on this most residents would see an increase in their City property tax bills from 2014 to 2015.

As 2015 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 only Enterprise Fund is the Sewer Operating Fund. This fund is 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 Operating Fund 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.

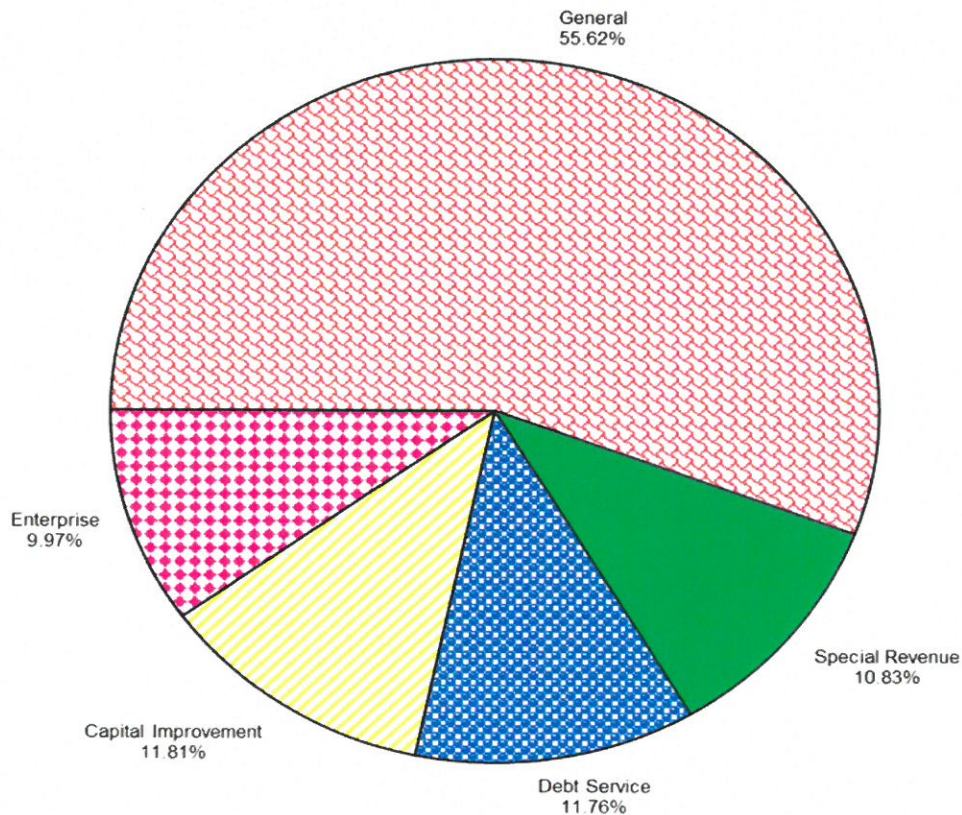
BUDGET PROCESS

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 15th of each year. Once adopted the preliminary levy is certified to Ramsey County. Over the next few months the Mayor and Treasurer will 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 or December. 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.

2015 BUDGET SUMMARY

<u>REVENUE BUDGET</u>			11/19/2013		11/18/2014		
ACCOUNT DESCRIPTION	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ADOPTED	11/24/14 ACTUAL	2015 ADOPTED	% CHANGE
GENERAL FUND	\$313,339	\$285,934	\$321,008	\$232,016	\$175,101	\$251,932	8.58%
SPECIAL REVENUE FUNDS	473	644	91	515	455	65,265	12572.82%
DEBT SERVICE FUNDS	120,163	133,405	106,290	110,227	44,818	100,184	-9.11%
CAPITAL IMPROVEMENT FUNDS	66,990	67,446	24,592	18,832	8,974	2,205	-88.29%
ENTERPRISE FUNDS	53,438	62,616	53,777	48,555	44,271	49,943	2.86%
TOTAL REVENUES	\$554,403	\$550,045	\$505,758	\$410,145	\$273,619	\$469,529	14.48%
 <u>EXPENDITURE BUDGET</u>							
GENERAL FUND	\$328,021	\$306,122	\$310,208	\$316,133	\$286,126	\$331,932	5.00%
SPECIAL REVENUE FUNDS	0	0	0	0	0	64,650	0.00%
DEBT SERVICE FUNDS	153,365	151,690	428,910	48,505	48,505	70,171	44.67%
CAPITAL IMPROVEMENT FUNDS	0	1,375	10,637	0	66,221	70,500	0.00%
ENTERPRISE FUNDS	35,719	37,463	44,471	54,738	27,252	59,481	8.66%
TOTAL EXPENDITURES	\$517,105	\$496,650	\$794,226	\$419,376	\$428,104	\$596,734	42.29%
FUND BALANCE - JANUARY 1	\$1,060,992	\$1,110,747	\$1,176,599	\$900,588	\$900,588	\$746,103	
EXCESS REVENUE OVER EXPENDITURES	\$37,298	\$53,395	(\$288,468)	(\$9,231)	(\$154,485)	(\$127,205)	
INFRASTRUCTURE CHANGES	\$12,457	\$12,457	\$12,457	\$12,500	\$0	\$12,500	
FUND BALANCE - DECEMBER 31	\$1,110,747	\$1,176,599	\$900,588	\$903,857	\$746,103	\$631,398	-30.14%

2015 BUDGETED EXPENDITURES BY FUND TYPE





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GENERAL FUND

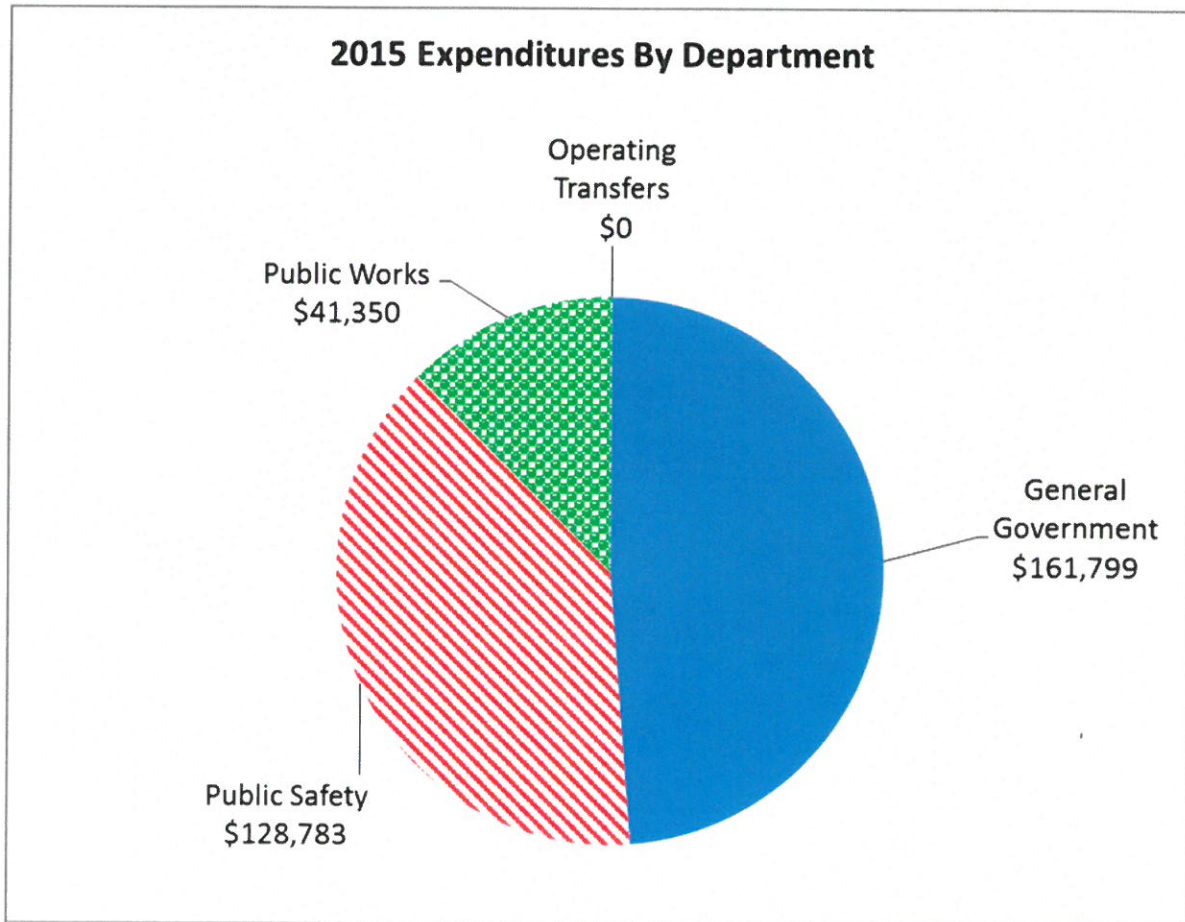
GENERAL FUND SUMMARY

FUND DESCRIPTION:

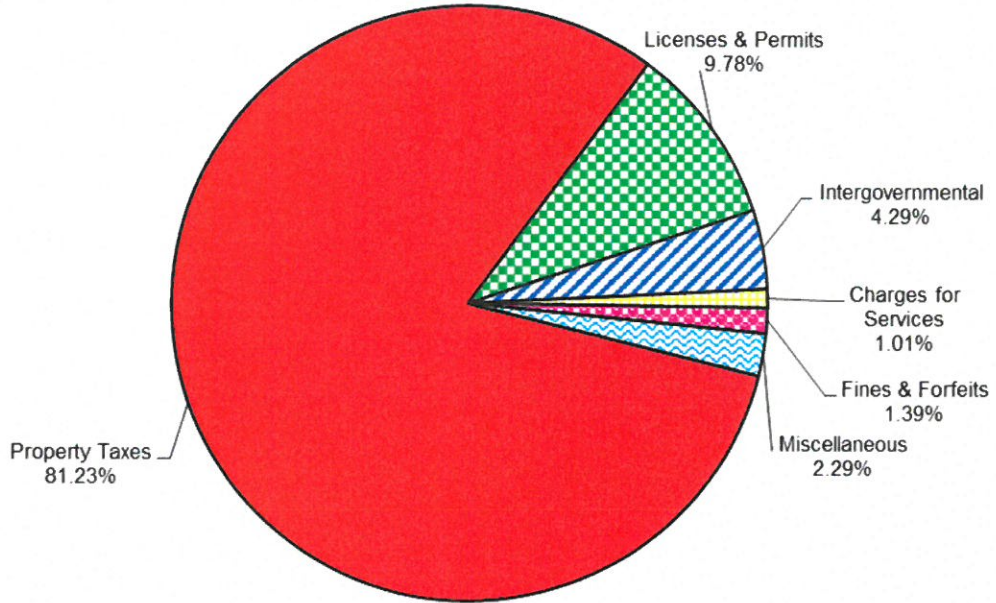
The General Fund is used to account for the ordinary operations of the City, which are financed from taxes and other general revenues, which are not accounted for in another fund. The modified accrual basis of accounting is used in the General Fund. That is, expenditures are recorded at the time liabilities 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 2015. The 2015 General Fund budget of \$331,932 is a 5.00% increase over the City's 2014 budget and anticipates using \$80,000 of Fund Balance to balance the budget and keep property taxes as low as possible. The graph 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.



2015 PROPOSED REVENUES BY CLASSIFICATION



GENERAL FUND BUDGET SUMMARY BY ACTIVITY

		2011	2012	2013	11/19/2013	11/24/14	11/18/2014	%
REVENUES BY CLASSIFICATION		ACTUAL	ACTUAL	ACTUAL	2014 ADOPTED	ACTUAL	2015 ADOPTED	CHANGE
	PROPERTY TAXES	\$244,765	\$214,796	\$213,806	\$180,119	\$97,166	\$204,655	13.62%
	LICENSES & PERMITS	21,572	26,795	56,338	20,150	37,365	24,650	22.33%
	INTERGOVERNMENTAL REVENUES	9,449	9,881	8,887	7,842	9,029	10,809	37.83%
	CHARGES FOR SERVICES	7,121	5,191	15,069	1,840	11,095	2,548	38.48%
	FINES & FORFEITS	2,903	3,878	4,902	2,000	2,795	3,500	75.00%
	MISCELLANEOUS	27,529	25,393	22,006	20,065	17,651	5,770	-71.24%
	TOTAL REVENUES	\$313,339	\$285,934	\$321,008	\$232,016	\$175,101	\$251,932	8.58%
EXPENDITURES BY DEPARTMENT								
<u>GENERAL GOVERNMENT</u>								
41100	CITY COUNCIL	\$5,994	\$5,766	\$9,150	\$28,766	\$4,586	\$8,075	-71.93%
41900	GENERAL GOVERNMENT	38,260	42,512	35,390	33,145	35,756	57,394	73.16%
41600	LEGAL SERVICES	8,181	9,990	15,710	17,000	17,564	17,000	0.00%
41410	ELECTIONS	426	5,079	3,441	4,550	2,844	4,150	-8.79%
41500	FINANCIAL ADMINISTRATION	36,579	31,467	29,589	37,900	30,474	38,200	0.79%
41910	PLANNING & ZONING	3,715	3,903	7,350	23,130	26,041	20,130	-12.97%
41940	HERITAGE HALL	30,266	12,906	17,087	18,000	14,773	16,850	-6.39%
	TOTAL GENERAL GOVERNMENT	\$123,421	\$111,623	\$117,717	\$162,491	\$132,038	\$161,799	-0.43%
<u>PUBLIC SAFETY</u>								
42100	POLICE	83,660	85,367	97,526	88,595	86,898	101,102	14.12%
42200	FIRE PROTECTION	16,863	17,552	17,303	14,797	13,564	14,981	1.24%
42300	ANIMAL CONTROL	153	57	205	400	162	400	0.00%
42401	BUILDING INSPECTIONS	9,639	8,282	16,125	7,300	16,390	12,300	68.49%
	TOTAL PUBLIC SAFETY	\$110,315	\$111,258	\$131,159	\$111,092	\$117,014	\$128,783	15.92%
<u>PUBLIC WORKS</u>								
43122	ROAD MAINTENANCE	11,674	5,797	24,952	16,050	16,347	17,350	8.10%
43125	ICE & SNOW REMOVAL	12,611	17,444	36,380	26,500	20,727	24,000	-9.43%
44100	PARK MAINTENANCE	0	0	0	0	0	0	0.00%
	TOTAL PUBLIC WORKS	\$24,285	\$23,241	\$61,332	\$42,550	\$37,074	\$41,350	-2.82%
<u>OPERATING TRANSFERS</u>								
4900	OPERATING TRANSFERS	70,000	60,000	0	0	0	0	0.00%
	TOTAL OPERATING TRANSFERS	\$70,000	\$60,000	\$0	\$0	\$0	\$0	0.00%
	TOTAL EXPENDITURES	\$328,021	\$306,122	\$310,208	\$316,133	\$286,126	\$331,932	5.00%
	FUND BALANCE - JANUARY 1	\$412,080	\$397,398	\$377,210	\$388,010	\$388,010	\$276,985	
	EXCESS REVENUE OVER EXPENDITURES	(\$14,682)	(\$20,188)	\$10,800	(\$84,117)	(\$111,025)	(\$80,000)	
	FUND BALANCE - DECEMBER 31	\$397,398	\$377,210	\$388,010	\$303,893	\$276,985	\$196,985	-35.18%

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 \$878,661 for taxes payable in 2015. This is an increase of 3.76%. The City's property tax levy for 2015 will be \$204,655. As a result of these two factors and the \$49,500 debt levy, the 2015 tax rate for the City will be 28.249% compared with 26.550% in 2014.

All other City revenue sources were adjusted slightly or remained at the 2014 budget amounts for 2015.

REVENUE LEVELS:

	2012	2013	2014	2015
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATED</u>
Tax Rate	26.214%	27.430%	26.550%	28.249%
Net Taxable Tax Capacity	1,022,048	912,518	846,800	878,661

BUDGET:

ACCT. #	ACCOUNT DESCRIPTION	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	11/19/2013 2014 ADOPTED	11/24/2014 ACTUAL	11/18/2014 2015 ADOPTED	% CHANGE
PROPERTY TAXES								
31001	CURRENT TAXES	\$242,263	\$195,107	\$197,547	\$174,925	\$93,393	\$199,211	13.88%
31002	DELINQUENT TAXES	(1,344)	13,815	11,867	0	2,096	0	0.00%
31003	FISCAL DISPARITIES	2,680	4,671	3,575	5,194	1,567	5,444	4.81%
31004	PENALTIES & INTEREST	1,166	1,203	817	0	110	0	0.00%
	TOTAL PROPERTY TAXES	\$244,765	\$214,796	\$213,806	\$180,119	\$97,166	\$204,655	13.62%
LICENSES & PERMITS								
32100	GENERAL BUSINESS LICENSES	1,800	2,000	1,000	1,700	500	1,700	0.00%
32101	ON-SALE LIQUOR LICENSES	4,400	4,400	2,658	4,400	6,600	4,400	0.00%
32102	OFF SALE LIQUOR LICENSE	0	0	0	0	0	0	0.00%
32103	NON-INTOXICATING LIQUOR LICENSES	0	0	0	0	1,000	0	0.00%
32104	OTHER PERMITS	1,475	1,145	3,830	800	1,000	1,000	25.00%
32106	TOBACCO LICENSE	500	500	500	500	200	500	0.00%
32107	CHARITABLE GAMBLING LICENSE	500	500	500	500	500	500	0.00%
32201	CONTRACTOR LICENSE	1,200	2,910	2,205	800	900	1,000	25.00%
32210	BUILDING PERMITS	4,330	7,108	29,684	5,000	17,457	8,000	60.00%
32211	PLUMBING PERMITS	466	220	2,257	350	3,130	500	42.86%
32212	GAS/HEATING PERMITS	392	1,115	1,860	300	2,510	500	66.67%
32213	ELECTRICAL PERMITS	787	275	1,124	250	1,782	400	60.00%
32215	NPDES PERMIT	0	200	800	100	400	200	100.00%
32218	FIRE MARSHALL INSPECTION FEE	2,411	2,912	3,860	2,250	483	2,400	6.67%
32219	SEPTIC INSPECTION FEE	3,101	3,060	4,050	3,000	143	3,000	0.00%
32235	SEWER CONTRACTOR LICENSE	0	200	1,800	200	600	400	100.00%
32240	ANIMAL CONTROL LICENSE	210	250	210	0	160	150	0.00%
	TOTAL LICENSES & PERMITS	\$21,572	\$26,795	\$56,338	\$20,150	\$37,365	\$24,650	22.33%
INTERGOVERNMENTAL REVENUES								
33401	LGA	0	0	0	0	0	0	0.00%
33402	HACA	0	0	0	0	0	0	0.00%
33430	COUNTY GRANTS & AIDS	25	0	35	0	0	0	0.00%
33601	SCORE GRANT	796	835	0	0	0	0	0.00%
33603	POLICE STATE AID	3,650	3,642	3,216	3,642	3,393	5,809	59.50%
33602	CABLE TV FRANCHISE FEES	4,978	5,404	5,636	4,200	5,636	5,000	19.05%
33604	OTHER GOVERNMENT AIDS AND GRANTS	0	0	0	0	0	0	0.00%
	TOTAL INTERGOV. REVENUES	\$9,449	\$9,881	\$8,887	\$7,842	\$9,029	\$10,809	37.83%
CHARGES FOR SERVICES								
32220	SURCHARGE/SAC RETAINAGE	139	63	(31)	75	97	50	-33.33%
32230	ADMINISTRATIVE CHARGES	723	501	1,190	350	755	400	14.29%
34105	PLANNING CHARGES	5,300	0	100	100	900	100	0.00%
34110	PLAN CHECK FEES	494	4,197	14,098	800	8,973	1,500	87.50%
34120	SALE OF SUPPLIES	0	0	0	0	0	0	0.00%
34121	SPECIAL ASSESSMENT SEARCHES	0	0	0	0	0	0	0.00%
34122	ENGINEERING CHARGES	0	0	0	0	0	0	0.00%
34126	CHARGES FOR LEGAL FEES	0	0	0	0	0	0	0.00%
34132	INVESTMENT ADMINISTRATIVE CHARGE	465	430	512	515	370	498	-3.30%
34135	CONTRACTUAL SERVICES	0	0	(800)	0	0	0	0.00%
	TOTAL CHARGES FOR SERVICES	\$7,121	\$5,191	\$15,069	\$1,840	\$11,095	\$2,548	38.48%
FINES & FORFEITS								
35100	TRAFFIC & OTHER FINES	2,903	3,878	4,902	2,000	2,795	3,500	75.00%
	TOTAL FINES & FORFEITS	\$2,903	\$3,878	\$4,902	\$2,000	\$2,795	\$3,500	75.00%
MISCELLANEOUS REVENUES								
36210	INTEREST EARNINGS	5,808	5,167	998	4,365	3,794	5,070	16.15%
36231	CHARITABLE GAMBLING CONTRIBUTIONS	3,853	2,634	2,061	1,000	0	0	-100.00%
36241	INSURANCE POLICY DIVIDENDS	546	745	478	300	6	300	0.00%
36200	MISCELLANEOUS	514	1,993	1,547	400	3,986	400	0.00%
36400	FACILITY RENTAL	16,808	14,854	16,922	14,000	9,865	0	-100.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	\$27,529	\$25,393	\$22,006	\$20,065	\$17,651	\$5,770	-71.24%
	TOTAL GENERAL FUND REVENUES	\$313,339	\$285,934	\$321,008	\$232,016	\$175,101	\$251,932	8.58%

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 2015 budget contains salary increases for the mayor and each council member to \$2,400 per year for the mayor and \$1,200 per year for council members.

In the past the City had a budget for contingencies, which historically went unspent. Thus for 2015 the City will use reserves to fund unplanned expenditures and not budget a contingency.

BUDGET:

DEPARTMENT 41100					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>PERSONNEL SERVICES</u>								
100	WAGES & SALARIES	\$5,356	\$5,356	\$5,356	\$5,356	\$4,017	\$7,500	40.03%
130	FICA CONTRIBUTIONS	410	410	303	410	414	575	40.24%
TOTAL PERSONNEL SERVICES		\$5,766	\$5,766	\$5,659	\$5,766	\$4,431	\$8,075	40.05%
<u>OTHER SERVICES & CHARGES</u>								
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
308	ADMINISTRATION	0	0	2,529	3,000	155	0	-100.00%
310	CONFERENCE REGISTRATION FEES	0	0	0	0	0	0	0.00%
333	MEETING EXPENSES	0	0	0	0	0	0	0.00%
364	OTHER INSURANCE	0	0	0	0	0	0	0.00%
449	COUNCIL CONTINGENCY	228	0	962	20,000	0	0	-100.00%
TOTAL OTHER SERVICES & CHARGES		\$228	\$0	\$3,491	\$23,000	\$155	\$0	-100.00%
TOTAL CITY COUNCIL		\$5,994	\$5,766	\$9,150	\$28,766	\$4,586	\$8,075	-71.93%

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 reflect the new position of administrative secretary to staff the City offices and provide council support. This is a thirty hour a week position. This position was previously provided and paid by the Ramsey County Sheriff's Department through an agreement with the City in trade for office space for the Sherriff's Department.

BUDGET:

DEPARTMENT 41900					11/19/2013		11/18/2014	
A.CCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>PERSONNEL SERVICES</u>							
100	WAGES & SALARIES	11,360	12,230	13,643	12,500	7,365	31,200	149.60%
	TEMPORARY EMPLOYEES	0	2,010	0	0	0	0	0.00%
130	FICA CONTRIBUTIONS	0	0	0	0	0	2,387	0.00%
131	PERA CONTRIBUTIONS	0	0	0	0	0	2,340	0.00%
135	HEALTH INSURANCE	0	154	0	0	0	0	0.00%
150	WORKER'S COMPENSATION	0	64	190	100	328	1,000	900.00%
	TOTAL PERSONNEL SERVICES	\$11,360	\$14,458	\$13,833	\$12,600	\$7,693	\$36,927	193.07%
	<u>SUPPLIES</u>							
200	OFFICE SUPPLIES	\$739	\$1,457	\$808	\$1,000	\$692	\$1,000	0.00%
212	POSTAGE	1,124	925	929	1,000	957	1,000	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$1,863	\$2,382	\$1,737	\$2,000	\$1,649	\$2,000	0.00%
	<u>OTHER SERVICES & CHARGES</u>							
300	PROFESSIONAL SERVICES	\$0	\$0	\$0	\$0	\$8,873	\$0	0.00%
305	ADMINISTRATION	1,752	3,367	1,180	1,000	913	1,000	0.00%
308	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
309	MISCELLANEOUS	0	0	0	200	0	0	-100.00%
310	CONFERENCE REGISTRATION FEES	0	0	0	0	0	0	0.00%
320	INTERNET CONNECTION	0	0	0	0	0	0	0.00%
322	WEB SITE	670	600	622	600	1,287	700	16.67%
331	MILEAGE	189	243	284	300	182	350	16.67%
332	RECORDING SECRETARY	1,800	2,100	2,200	3,000	0	0	-100.00%
334	COMPUTER SERVICES	1,360	1,170	1,170	1,900	2,529	2,462	29.58%
346	MARKETING & ADVERTISING	0	0	0	0	0	0	0.00%
350	PRINTING - OTHER	0	0	0	0	0	0	0.00%
351	LEGAL NOTICES	880	369	441	500	646	500	0.00%
352	NEWSLETTER/PUBLIC RELATIONS	1,901	2,311	2,033	1,500	1,694	1,500	0.00%
361	GENERAL LIABILITY INSURANCE	1,333	1,613	1,414	1,600	1,898	2,000	25.00%
362	PROPERTY INSURANCE	0	551	0	0	0	0	0.00%
363	VEHICLE INSURANCE	46	62	72	75	75	75	0.00%
365	PUBLIC OFFICIALS LIABILITY INSURANCE	193	138	108	175	107	150	-14.29%
384	RECYCLING COLLECTION	10,056	10,265	8,644	7,000	7,541	9,000	28.57%
434	VLA WMO	0	0	0	0	0	0	0.00%
435	LMC	462	478	497	525	514	550	4.76%
436	RCLLG	125	125	125	150	125	150	0.00%
440	DUES & SUBSCRIPTIONS	20	30	30	20	30	30	50.00%
450	CHARITABLE GAMBLING DISTRIBUTIONS	4,250	2,250	1,000	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$25,037	\$25,672	\$19,820	\$18,545	\$26,414	\$18,467	-0.42%
	<u>CAPITAL OUTLAY</u>							
570	FURNITURE & OFFICE EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
580	OTHER EQUIPMENT/IMPROVEMENTS	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL CLERK/GENERAL GOVERNMENT	\$38,260	\$42,512	\$35,390	\$33,145	\$35,756	\$57,394	73.16%

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 2015 budget is based on contract cost of current legal counsel and anticipated use or need of legal counsel for 2015.

BUDGET:

DEPARTMENT 41600					11/19/2013	11/18/2014		
ACCT. #	ACCOUNT DESCRIPTION	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ADOPTED	11/24/14 ACTUAL	2015 ADOPTED	% CHANGE
	<u>OTHER SERVICES & CHARGES</u>							
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
303	PROSECUTION	710	1,535	995	2,000	1,308	2,000	0.00%
304	LEGAL SERVICES	7,471	8,455	10,737	10,000	16,256	15,000	50.00%
305	LEGAL SERVICES - LAND ISSUES	0	0	0	0	0	0	0.00%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
317	LEGAL - ANNEXATION	0	0	3,978	5,000	0	0	-100.00%
	TOTAL OTHER SERVICES & CHARGES	\$8,181	\$9,990	\$15,710	\$17,000	\$17,564	\$17,000	0.00%
	TOTAL LEGAL SERVICES	\$8,181	\$9,990	\$15,710	\$17,000	\$17,564	\$17,000	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 election costs even though there is not a general election in the fall of 2015.

BUDGET:

		DEPARTMENT 41410						
ACCT.		2011	2012	2013	11/19/2013	11/24/14	11/18/2014	
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	2014	ACTUAL	2015	%
					ADOPTED		ADOPTED	CHANGE
	<u>PERSONNEL SERVICES</u>							
100	WAGES & SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
105	TEMPORARY EMPLOYEES	0	740	0	0	0	0	0.00%
130	FICA CONTRIBUTIONS	0	0	0	0	0	0	0.00%
160	WORKER'S COMP.	0	0	0	0	0	0	0.00%
	TOTAL PERSONNEL SERVICES	\$0	\$740	\$0	\$0	\$0	\$0	0.00%
	<u>SUPPLIES</u>							
210	OPERATING SUPPLIES - OTHER	0	32	0	0	0	0	0.00%
212	POSTAGE	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$0	\$32	\$0	\$0	\$0	\$0	0.00%
	<u>OTHER SERVICES & CHARGES</u>							
308	ADMINISTRATION	0	4,111	0	0	27	0	0.00%
308	PROFESSIONAL SERVICES	0	0	3,000	4,000	2,250	3,500	-12.50%
309	MISCELLANEOUS	0	12	15	0	0	0	0.00%
331	MILEAGE	0	0	0	0	0	0	0.00%
350	OTHER PRINTING	0	0	0	0	0	0	0.00%
351	LEGAL NOTICES	0	184	0	0	141	100	0.00%
	Ballot Machine	0	0	0	0	0	0	0.00%
400	REPAIR/MAINTENANCE EQUIPMENT	426	0	426	550	426	550	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$426	\$4,307	\$3,441	\$4,550	\$2,844	\$4,150	-8.79%
	TOTAL ELECTIONS	\$426	\$5,079	\$3,441	\$4,550	\$2,844	\$4,150	-8.79%

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 City's audit contract includes a 3.37% increase for the 2014 audit.

The amount budgeted for accounting services from White Bear Township is based on time billed for providing the service over the past several years.

BUDGET:

		DEPARTMENT 41500						
					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>PERSONNEL SERVICES</u>							
	<u>SUPPLIES</u>							
200	OFFICE SUPPLIES	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	<u>OTHER SERVICES & CHARGES</u>							
308	ADMINISTRATION	0	0	0	0	0	0	0.00%
301	AUDITING SERVICES	8,135	8,320	8,480	8,900	10,150	9,200	3.37%
329	FINANCIAL SERVICES	28,444	22,904	20,313	28,000	20,206	28,000	0.00%
334	COMPUTER SERVICES	0	243	796	1,000	118	1,000	0.00%
309	MISCELLANEOUS EXPENSE	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$36,579	\$31,467	\$29,589	\$37,900	\$30,474	\$38,200	0.79%
	TOTAL FINANCIAL ADMINISTRATION	\$36,579	\$31,467	\$29,589	\$37,900	\$30,474	\$38,200	0.79%

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:

In 2015 the City will be updating and filing with the State its storm water management plan (MS4) which will require the use of outside consultant, so the City is budgeting \$13,000 for this project.

BUDGET:

DEPARTMENT 41910					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>OTHER SERVICES & CHARGES</u>							
300	PROFESSIONAL SERVICES	255	0	0	20,000	18,500	0	-100.00%
308	ADMINISTRATION	1,482	1,521	979	1,000	1,033	1,500	50.00%
302	ENGINEERING SERVICES	628	927	6,171	1,000	4,258	5,000	400.00%
309	MISCELLANEOUS	0	30	0	30	0	30	0.00%
315	ZONING ADMINISTRATION	0	75	0	100	0	100	0.00%
325	NPDES TRAINING	0	0	0	0	0	0	0.00%
326	NPDES EDUCATION	0	0	0	0	0	0	0.00%
327	MS4 REPORTING	0	0	0	0	2,250	13,000	0.00%
332	RECORDING SECRETARY	1,350	1,350	200	1,000	0	500	-50.00%
348	COMP. PLAN UPDATE	0	0	0	0	0	0	0.00%
433	DUES & SUBSCRIPTIONS	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$3,715	\$3,903	\$7,350	\$23,130	\$26,041	\$20,130	-12.97%
	<u>CAPITAL OUTLAY</u>							
570	FURNITURE & OFFICE EQUIPMENT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL PLANNING & ZONING	\$3,715	\$3,903	\$7,350	\$23,130	\$26,041	\$20,130	-12.97%

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					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	SUPPLIES							
205	CLEANING SUPPLIES	0	0	0	0	0	0	0.00%
210	OPERATING SUPPLIES - OTHER	921	1,228	885	1,500	385	1,300	-13.33%
211	CHEMICALS	0	0	0	0	0	0	0.00%
230	BUILDING MATERIALS	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$921	\$1,228	\$885	\$1,500	\$385	\$1,300	-13.33%
	OTHER SERVICES & CHARGES							
300	PROFESSIONAL SERVICES	1,733	1,567	1,597	1,500	1,571	1,700	13.33%
309	CONTRACT SERVICES	1,292	225	347	1,000	0	500	-50.00%
321	TELEPHONE	1,254	1,273	1,301	1,000	1,532	1,400	40.00%
362	PROPERTY INSURANCE	701	175	705	750	706	750	0.00%
381	ELECTRICITY	3,378	4,246	4,675	5,000	3,768	4,000	-20.00%
383	GAS	1,434	1,418	1,744	1,500	1,316	1,600	6.67%
384	RUBBISH/RECYCLING	0	0	0	0	0	0	0.00%
385	WATER/SEWER UTILITIES	383	442	384	750	194	600	-20.00%
400	REPAIR/MAINTENANCE - OTHER	1,439	1,874	1,541	2,000	1,731	2,000	0.00%
401	REPAIR/MAINTENANCE - BUILDINGS	15,968	458	3,908	3,000	3,570	3,000	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$27,582	\$11,678	\$16,202	\$16,500	\$14,388	\$15,550	-5.76%
	CAPITAL OUTLAY							
520	BUILDING IMPROVEMENTS	1,763	0	0	0	0	0	0.00%
570	FURNITURE & OFFICE EQUIPMNT	0	0	0	0	0	0	0.00%
580	OTHER EQUIPMENT/IMPROVEMENTS	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$1,763	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL HERITAGE HALL	\$30,266	\$12,906	\$17,087	\$18,000	\$14,773	\$16,850	-6.39%

Police General Fund

ACTIVITY DESCRIPTION:

The City of Gem Lake contracts with the Ramsey County Sheriff's 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 2015 budget is based on the contracted budget amount provided by the Ramsey County Sheriff's Department.

BUDGET:

DEPARTMENT 42100					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>OTHER SERVICES & CHARGES</u>							
305	REGULAR LAW ENFORCEMENT	80,828	82,361	90,423	79,550	79,658	91,892	15.51%
306	SPECIAL LAW ENFORCEMENT	0	0	4,431	6,295	4,721	6,295	0.00%
307	DISPATCH COSTS	2,832	2,852	2,672	2,750	2,211	2,915	6.00%
308	ADMINISTRATION	0	0	0	0	255	0	0.00%
309	MISCELLANEOUS	0	154	0	0	53	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$83,660	\$85,367	\$97,526	\$88,595	\$86,898	\$101,102	14.12%
	TOTAL POLICE	\$83,660	\$85,367	\$97,526	\$88,595	\$86,898	\$101,102	14.12%

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 2015 budget less an adjustment for 2013 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					11/19/2013		11/18/2014	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>OTHER SERVICES & CHARGES</u>								
308	ADMINISTRATION	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
311	FIRE SERVICE	13,427	13,790	13,461	10,761	10,201	10,956	1.81%
312	FIRE MARSHALL SERVICES	3,436	3,762	3,842	4,036	3,363	4,025	-0.27%
TOTAL OTHER SERVICES & CHARGES		\$16,863	\$17,552	\$17,303	\$14,797	\$13,564	\$14,981	1.24%
TOTAL FIRE		\$16,863	\$17,552	\$17,303	\$14,797	\$13,564	\$14,981	1.24%

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 2015 budget was based on past expenditures.

BUDGET:

DEPARTMENT 42300					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>OTHER SERVICES & CHARGES</u>							
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
323	ANIMAL REMOVAL	0	0	147	100	98	150	50.00%
324	ANIMAL ENFORCEMENT	153	57	58	300	64	250	-16.67%
	TOTAL OTHER SERVICES & CHARGES	\$153	\$57	\$205	\$400	\$162	\$400	0.00%
	TOTAL ANIMAL CONTROL	\$153	\$57	\$205	\$400	\$162	\$400	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 are in compliance 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:

Budget based on 2014 activity and projected 2015 activity.

BUDGET:

DEPARTMENT 42401					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>OTHER SERVICES & CHARGES</u>							
313	BUILDING INSPECTIONS	8,565	7,218	13,955	5,500	13,894	10,000	81.82%
309	MISCELLANEOUS	32	0	26	0	0	0	0.00%
316	BUILDING SECRETARY SERVICES	538	317	1,251	1,000	1,748	1,500	50.00%
334	COMPUTER SERVICES	504	747	893	800	748	800	0.00%
328	CODE ENFORCEMENT	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$9,639	\$8,282	\$16,125	\$7,300	\$16,390	\$12,300	68.49%
	<u>CAPITAL OUTLAY</u>							
570	FURNITURE & EQUIPMENT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL BUILDING INSPECTIONS	\$9,639	\$8,282	\$16,125	\$7,300	\$16,390	\$12,300	68.49%

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 by contract.

GOALS:

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

BUDGET COMMENTARY:

Most line items adjusted based on past expenditures however engineering fees was increased to reflect more time spent on work related to new construction.

Road maintenance/repair budget reflect past expenditures and the City will be completing a seal coat project (funded by the Capital Project Funds) which should reduce the need for repairs on those roadways.

BUDGET:

DEPARTMENT 43122					11/19/2013		11/18/2014	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>SUPPLIES</u>								
211	CHEMICALS	0	0	0	0	0	0	0.00%
210	OPERATING SUPPLIES - OTHER	0	0	0	0	0	0	0.00%
224	GRAVEL/STREET MATERIAL	0	0	0	0	0	0	0.00%
225	SALT/SAND	0	0	0	0	0	0	0.00%
226	SIGNS, SIGN REPAIR MATERIALS	0	0	123	500	44	500	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
TOTAL SUPPLIES		\$0	\$0	\$123	\$500	\$44	\$500	0.00%
<u>OTHER SERVICES & CHARGES</u>								
300	PROFESSIONAL SERVICES	0	0	210	0	0	0	0.00%
302	ENGINEERING FEES	859	3,437	8,280	5,000	12,595	12,000	140.00%
308	ADMINISTRATION	0	0	1,125	0	0	0	0.00%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
327	NPDES - STORMWATER	6,972	(100)	0	5,000	0	0	-100.00%
351	LEGAL NOTICES	0	0	0	0	0	0	0.00%
382	ELECTRICITY - STREET LIGHTS	1,042	985	1,141	1,500	836	1,300	-13.33%
385	ROW MAINTENANCE	0	1,435	633	1,500	662	1,000	-33.33%
405	ROAD MAINTENANCE/REPAIR	2,759	0	13,400	2,500	2,170	2,500	0.00%
433	DUES AND SUBSCRIPTIONS	42	40	40	50	40	50	0.00%
TOTAL OTHER SERVICES & CHARGES		\$11,674	\$5,797	\$24,829	\$15,550	\$16,303	\$16,850	8.36%
<u>CAPITAL OUTLAY</u>								
540	HEAVY MACHINERY/EQUIPMENT	0	0	0	0	0	0	0.00%
TOTAL CAPITAL OUTLAY		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL ROAD MAINTENANCE		\$11,674	\$5,797	\$24,952	\$16,050	\$16,347	\$17,350	8.10%

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 was induced based on 2014 expenditure amounts.

BUDGET:

DEPARTMENT 43125					11/19/2013	11/18/2014		
ACCT. #	ACCOUNT DESCRIPTION	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ADOPTED	11/24/14 ACTUAL	2015 ADOPTED	% CHANGE
	<u>SUPPLIES</u>							
225	SALT SAND	3,378	4,788	9,720	8,000	5,130	8,000	0.00%
210	OPERATING SUPPLIES - OTHER	0	0	0	0	0	0	0.00%
250	SALES TAX	255	329	646	0	0	0	0.00%
	TOTAL SUPPLIES	\$3,633	\$5,117	\$10,366	\$8,000	\$5,130	\$8,000	0.00%
	<u>OTHER SERVICES & CHARGES</u>							
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
400	REPAIR/MAINTENANCE - OTHER	0	1,170	0	0	1,180	1,000	0.00%
404	REPAIR/MAINTENANCE - CONTRACTUAL	8,978	11,157	26,014	18,500	14,417	15,000	-18.92%
	TOTAL OTHER SERVICES & CHARGES	\$8,978	\$12,327	\$26,014	\$18,500	\$15,597	\$16,000	-13.51%
	<u>CAPITAL OUTLAY</u>							
540	HEAVY MACHINERY/EQUIPMENT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL ICE & SNOW REMOVAL	\$12,611	\$17,444	\$36,380	\$26,500	\$20,727	\$24,000	-9.43%

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 does not perform routine maintenance of parks and therefore there is no expenditures budgeted for this activity.

BUDGET:

DEPARTMENT 4410					11/19/2013		11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%	
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE	
	<u>SUPPLIES</u>								
211	CHEMICALS	0	0	0	0	0	0	0.00%	
210	OPERATING SUPPLIES - OTHER	0	0	0	0	0	0	0.00%	
	LANDSCAPING MATERIALS	0	0	0	0	0	0	0.00%	
226	SIGNS, SIGN REPAIR MATERIALS	0	0	0	0	0	0	0.00%	
250	SALES TAX	0	0	0	0	0	0	0.00%	
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
	<u>OTHER SERVICES & CHARGES</u>								
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%	
404	PARK MAINTENANCE - CONTRACTUAL	0	0	0	0	0	0	0.00%	
400	REPAIR/MAINTENANCE - OTHER	0	0	0	0	0	0	0.00%	
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%	
	TOTAL OTHER SERVICES & CHARGES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
	<u>CAPITAL OUTLAY</u>								
540	HEAVY MACHINERY/EQUIPMENT	0	0	0	0	0	0	0.00%	
580	OTHER EQUIPMENT/IMPROVEMENTS	0	0	0	0	0	0	0.00%	
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
	TOTAL PARK MAINTENANCE	\$0	\$0	\$0	\$0	\$0	\$0	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. No transfers are planned for 2015.

BUDGET:

DEPARTMENT 4900					11/19/2013		11/18/2014	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
720	TRANSFERS OUT							
	2007 Capital Improvement Bonds	0	0	0	0	0	0	0.00%
	Improvement Fund - 401							
	Road Improvements	40,000	40,000	0	0	0	0	0.00%
	EAB Treatment/Prevention	10,000	10,000	0	0	0	0	0.00%
	Building Improvements/Replacement	20,000	10,000	0	0	0	0	0.00%
	Future Improvements	0	0	0	0	0	0	0.00%
	Annexation Reserve Account	0	0	0	0	0	0	0.00%
	City Hall Construction Fund - 402	0	0	0	0	0	0	0.00%
	Sewer Fund - 601	0	0	0	0	0	0	0.00%
	TOTAL OPERATING TRANSFERS	70,000	60,000	0	0	0	0	0.00%



SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

DESCRIPTION:

Special Revenue Funds account for revenue derived from specific revenue sources that are legally restricted for a specific purpose. The City has two special revenue funds, the Park and Playground Fund and a Grant Fund. Special Revenue Funds use the modified accrual basis of accounting, that is revenues are recognized when received and expenditure at the time the liability is incurred.

OBJECTIVES:

1. See individual funds for the objectives.

MEASURABLE WORKLOAD DATA:

	2012 <u>ACTUAL</u>	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>ESTIMATED</u>
No measurable workload data has been established for this fund.				

BUDGET COMMENTARY:

Improvement Grant Fund is new in 2015 to account for possible grants to help redevelop the City's commercial district.

BUDGET:

SPECIAL REVENUE FUND SUMMARY								
REVENUE BUDGET								
ACCT.		2011	2012	2013	11/19/2013		11/18/2014	
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	2014	11/24/14	2015	%
					ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>MISCELLANEOUS</u>							
33604	GRANTS	\$0	\$0	\$0	\$0	\$0	\$48,487	0.00%
34785	PARK DEDICATION FEES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
36210	INTEREST INCOME	\$473	\$644	\$91	\$515	\$455	\$615	19.42%
36200	MISCELLANEOUS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
39200	TRANSFERS IN	\$0	\$0	\$0	\$0	\$0	\$16,163	0.00%
	TOTAL MISCELLANEOUS	\$473	\$644	\$91	\$515	\$455	\$65,265	12572.82%
	TOTAL REVENUES	\$473	\$644	\$91	\$515	\$455	\$65,265	12572.82%
	<u>EXPENDITURE BUDGET</u>							
	<u>SUPPLIES</u>							
210	OPERATING SUPPLIES - OTHER	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
235	LANDSCAPING MATERIALS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
226	SIGNS & SIGN MATERIALS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
250	SALES TAX	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	<u>OTHER SERVICES & CHARGES</u>							
302	ENGINEERING FEES	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
304	LEGAL FEES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
300	PROFESSIONAL SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
400	REPAIR/MAINTENANCE - OTHER	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
540	EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
	<u>CAPITAL OUTLAY</u>							
510	LAND	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
580	OTHER IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
720	TRANSFERS OUT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
	FUND BALANCE - JANUARY 1	\$37,570	\$38,043	\$38,687	\$38,778	\$38,778	\$39,233	
	EXCESS REVENUE OVER EXPENDITURES	\$473	\$644	\$91	\$515	\$455	\$615	
	FUND BALANCE - DECEMBER 31	\$38,043	\$38,687	\$38,778	\$39,293	\$39,233	\$39,848	1.41%

**PARK & PLAYGROUND FUND
SPECIAL REVENUE FUND**

ACTIVITY SCOPE:

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

OBJECTIVES:

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

MEASURABLE WORKLOAD DATA:

	<u>2012</u> <u>ACTUAL</u>	<u>2013</u> <u>ACTUAL</u>	<u>2014</u> <u>ACTUAL</u>	<u>2015</u> <u>ESTIMATED</u>
No measurable workload data has been established for this fund.				

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 2015.

BUDGET:

REVENUE BUDGET					11/19/2013		11/18/2014	
A CCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>MISCELLANEOUS</u>								
33604	GRANTS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
34785	PARK DEDICATION FEES	0	0	0	0	0	0	0.00%
36210	INTEREST INCOME	473	644	91	515	455	615	19.42%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		\$473	\$644	\$91	\$515	\$455	\$615	19.42%
TOTAL REVENUES		\$473	\$644	\$91	\$515	\$455	\$615	19.42%
<u>EXPENDITURE BUDGET</u>								
<u>SUPPLIES</u>								
210	OPERATING SUPPLIES - OTHER	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
235	LANDSCAPING MATERIALS	0	0	0	0	0	0	0.00%
226	SIGNS & SIGN MATERIALS	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
TOTAL SUPPLIES		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	0	0	0	0	0	0	0.00%
304	LEGAL FEES	0	0	0	0	0	0	0.00%
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
400	REPAIR/MAINTENANCE - OTHER	0	0	0	0	0	0	0.00%
540	EQUIPMENT	0	0	0	0	0	0	0.00%
TOTAL OTHER SERVICES & CHARGES		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<u>CAPITAL OUTLAY</u>								
510	LAND	0	0	0	0	0	0	0.00%
580	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
TOTAL CAPITAL OUTLAY		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL EXPENDITURES		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
FUND BALANCE - JANUARY 1		\$37,570	\$38,043	\$38,687	\$38,778	\$38,778	\$39,233	
EXCESS REVENUE OVER EXPENDITURES		\$473	\$644	\$91	\$515	\$455	\$615	
FUND BALANCE - DECEMBER 31		\$38,043	\$38,687	\$38,778	\$39,293	\$39,233	\$39,848	1.41%

FUTURE IMPACTS:

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

**IMPROVEMENT GRANT FUND
SPECIAL REVENUE FUND**

ACTIVITY SCOPE:

The purpose of the Improvement Grant Fund is to assist the City in possible redevelopment needs of its commercial district. Revenues are possible grants from either the State of Minnesota or Ramsey County for activities related to redevelopment activities of the Cities commercial area.

OBJECTIVES:

1. Redevelop the commercial district of the City.
2. Make needed improvements to the commercial district.

MEASURABLE WORKLOAD DATA:

	2012 <u>ACTUAL</u>	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>ESTIMATED</u>
No measurable workload data has been established for this fund.				

BUDGET COMMENTARY:

Revenue source is grants from the State of Minnesota and/or Ramsey County, interest earnings and operating transfers for any City matching share of grants received.

At this time expenditures are for engineering costs for completing grant applications and/or feasibility studies for improvements.

BUDGET:

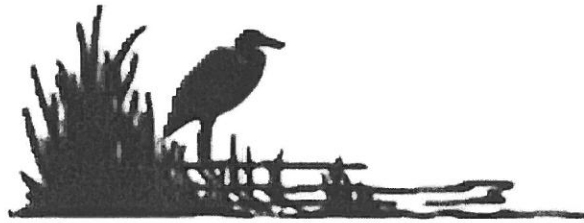
<u>REVENUE BUDGET</u>					<u>11/19/2013</u>		<u>11/18/2014</u>	
A/CCT.		2011	2012	2013	2014	11/24/2014	2015	0.00%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	0.00%
<u>MISCELLANEOUS</u>								
33604	GRANTS	\$0	\$0	\$0	\$0	\$0	\$48,487	0.00%
34785	PARK DEDICATION FEES	0	0	0	0	0	0	0.00%
36210	INTEREST INCOME	0	0	0	0	0	0	0.00%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	16,163	0.00%
	TOTAL MISCELLANEOUS	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
	TOTAL REVENUES	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
<u>EXPENDITURE BUDGET</u>								
<u>SUPPLIES</u>								
210	OPERATING SUPPLIES - OTHER	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
235	LANDSCAPING MATERIALS	0	0	0	0	0	0	0.00%
226	SIGNS & SIGN MATERIALS	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	0	0	0	0	0	64,650	0.00%
304	LEGAL FEES	0	0	0	0	0	0	0.00%
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
400	REPAIR/MAINTENANCE - OTHER	0	0	0	0	0	0	0.00%
540	EQUIPMENT	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
<u>CAPITAL OUTLAY</u>								
510	LAND	0	0	0	0	0	0	0.00%
580	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$64,650	0.00%
	FUND BALANCE - JANUARY 1	\$0	\$0	\$0	\$0	\$0	\$0	
	EXCESS REVENUE OVER EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	
	FUND BALANCE - DECEMBER 31	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

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.

OBJECTIVES:

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

MEASURABLE WORKLOAD DATA:

	2012 <u>ACTUAL</u> Non-Rated	2013 <u>ACTUAL</u> Non-Rated	2014 <u>ACTUAL</u> Non-Rated	2015 <u>ESTIMATED</u> Non-Rated
Bond Rating				
Dec. 31 Debt Outstanding (In thousands)	\$1,155	\$775	\$760	\$745
Net Debt Per Capita	\$2,939	\$1,952	\$1,914	\$1,877

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. The City's current legal debt limit and debt margin is as follows:

Legal Debt Limit (3% of Estimated Market Value)	\$2,682,207
Less: Outstanding Debt Subject to Limit	<u>(760,000)</u>
Legal Debt Margin as of January 1, 2013	\$1,922,207

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. In 2013 the City paid off the outstanding principal balance of its two improvement bonds, which are included in this document as special assessments are still being collected.

BUDGET:

REVENUE BUDGET					11/19/2013		11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%	
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE	
<u>PROPERTY TAXES</u>									
31001	CURRENT TAXES	\$46,965	\$44,786	\$49,389	\$50,100	\$23,152	\$49,500	-1.20%	
31002	DELINQUENT TAXES	(\$359)	\$3,197	\$2,377	\$0	\$510	\$0	0.00%	
31003	FISCAL DISPARITY TAX	\$519	\$3,779	\$531	\$200	\$436	\$500	150.00%	
31004	PENALTIES & INTEREST	(\$47)	(\$2,774)	(\$20)	\$0	\$0	\$0	0.00%	
	TOTAL PROPERTY TAXES	\$47,078	\$48,988	\$52,277	\$50,300	\$24,098	\$50,000	-0.60%	
<u>SPECIAL ASSESSMENTS</u>									
36101	SPECIAL ASSESSMENTS	53,696	67,183	57,587	56,655	20,708	43,120	-23.89%	
36102	DELINQUENT SPECIAL ASSESSMENTS	570	11,189	0	0	0	0	0.00%	
36103	PENALTIES & INTEREST	15,575	1,977	233	0	19	0	0.00%	
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	3,534	15,020	32,864	0	13,374	0	0.00%	
	TOTAL FINES & FORFEITS	\$69,841	\$80,349	\$57,820	\$56,655	\$20,727	\$43,120	-23.89%	
<u>MISCELLANEOUS</u>									
36210	INTEREST EARNINGS	3,244	4,068	(3,807)	3,272	(7)	961	-70.63%	
39000	MISCELLANEOUS	0	0	0	0	0	0	0.00%	
39200	BOND PROCEEDS	0	0	0	0	0	0	0.00%	
39300	TRANSFERS IN	0	0	0	0	0	6,103	0.00%	
	TOTAL MISCELLANEOUS	\$3,244	\$4,068	(\$3,807)	\$3,272	(\$7)	\$7,064	115.89%	
	TOTAL REVENUES	\$120,163	\$133,405	\$106,290	\$110,227	\$44,818	\$100,184	-9.11%	
<u>EXPENDITURE BUDGET</u>									
<u>CAPITAL OUTLAY</u>									
601	BOND PRINCIPAL	98,276	100,452	379,922	15,000	15,000	15,000	0.00%	
602	BOND INTEREST	54,539	50,688	46,755	32,955	32,955	32,355	-1.82%	
603	FISCAL AGENT FEES	550	550	2,233	550	550	550	0.00%	
701	MISCELLANEOUS	0	0	0	0	0	0	0.00%	
720	TRANSFERS OUT	0	0	0	0	0	22,266	0.00%	
	TOTAL CAPITAL OUTLAY	\$153,365	\$151,690	\$428,910	\$48,505	\$48,505	\$70,171	44.67%	
	TOTAL EXPENDITURES	\$153,365	\$151,690	\$428,910	\$48,505	\$48,505	\$70,171	44.67%	
	FUND BALANCE - JANUARY 1	\$354,849	\$321,647	\$303,362	(\$19,258)	(\$19,258)	(\$22,945)		
	EXCESS REVENUE OVER EXPENDITURES	(\$33,202)	(\$18,285)	(\$322,620)	\$61,722	(\$3,687)	\$30,013		
	FUND BALANCE - DECEMBER 31	\$321,647	\$303,362	(\$19,258)	\$42,464	(\$22,945)	\$7,068	-83.36%	

2004 IMPROVEMENT BOND FUND

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

ACTIVITY SCOPE:

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

OBJECTIVES:

None as this debt was retired in 2013.

MEASURABLE WORKLOAD DATA:

	2012 <u>ACTUAL</u>	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>ESTIMATE</u>
Bond Principal Retired	\$60,452	\$229,922	\$0	\$0
Bond Interest Paid	\$10,190	\$7,932	\$0	\$0
Special Assessments Collected	\$77,360	\$70,628	\$38,929	\$38,609

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 collected from benefited properties and an operating transfer to remove the negative fund balance.

BUDGET:

REVENUE BUDGET					11/19/2013	11/18/2014		
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
SPECIAL ASSESSMENTS								
36101	SPECIAL ASSESSMENTS - CURRENT	\$32,642	\$48,750	\$40,345	\$38,609	\$14,154	\$27,830	-27.92%
36102	SPECIAL ASSESSMENTS - DELINQUENT	89	11,651	0	0	0	0	0.00%
36103	PENALTIES & INTEREST	8,261	1,939	190	0	19	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	3,534	15,020	30,093	0	10,602	0	0.00%
	TOTAL FINES & FORFEITS	\$44,526	\$77,360	\$70,628	\$38,609	\$24,775	\$27,830	-27.92%
MISCELLANEOUS								
36210	INTEREST EARNINGS	1,131	1,236	(2,229)	1,062	(661)	11	-98.96%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	6,103	0.00%
	TOTAL MISCELLANEOUS	\$1,131	\$1,236	(\$2,229)	\$1,062	(\$661)	\$6,114	475.71%
	TOTAL REVENUES	\$45,657	\$78,596	\$68,399	\$39,671	\$24,114	\$33,944	-14.44%
EXPENDITURE BUDGET								
CAPITAL OUTLAY								
600	BOND PRINCIPAL	\$58,276	\$60,452	\$229,922	\$0	\$0	\$0	0.00%
610	BOND INTEREST	12,366	10,190	7,932	0	0	0	0.00%
620	FISCAL AGENT FEES	0	0	788	0	0	0	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$70,642	\$70,642	\$238,642	\$0	\$0	\$0	0.00%
	TOTAL EXPENDITURES	\$70,642	\$70,642	\$238,642	\$0	\$0	\$0	0.00%
	FUND BALANCE - JANUARY 1	\$131,866	\$106,881	\$114,835	(\$55,408)	(\$55,408)	(\$31,294)	
	EXCESS REVENUE OVER EXPENDITURES	(\$24,985)	\$7,954	(\$170,243)	\$39,671	\$24,114	\$33,944	
	FUND BALANCE - DECEMBER 31	\$106,881	\$114,835	(\$55,408)	(\$15,737)	(\$31,294)	\$2,650	-116.84%

2007 CAPITAL IMPROVEMENT PLAN BOND FUND

DEPARTMENT: 2007 Capital Improvement Plan Bond
SUPERVISOR: Finance Officer
FUND #: 304
ACTIVITY #: 4700

ACTIVITY SCOPE:

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

OBJECTIVES:

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

MEASURABLE WORKLOAD DATA:

	<u>2012</u> <u>ACTUAL</u>	<u>2013</u> <u>ACTUAL</u>	<u>2014</u> <u>ACTUAL</u>	<u>2015</u> <u>ESTIMATE</u>
Bond Principal Retired	\$15,000	\$15,000	\$15,000	\$15,000
Bond Interest Paid	\$34,155	\$33,555	\$32,955	\$32,355
Property Tax Levy Collected	\$48,988	\$52,277	\$47,250	\$50,000

DEBT PAYMENT SCHEDULE:

<u>YEAR DUE</u>	<u>JAN. 1 DEBT</u> <u>OUTSTANDING</u>	<u>PRINCIPAL DUE</u>	<u>INTEREST DUE</u>
2015	\$760,000.00	\$15,000.00	\$32,355.00
2016	\$745,000.00	\$15,000.00	\$31,755.00
2017	\$730,000.00	\$50,000.00	\$30,430.00
2018	\$680,000.00	\$50,000.00	\$28,380.00
2019	\$630,000.00	\$55,000.00	\$26,213.75
2020	\$575,000.00	\$55,000.00	\$23,931.25
2021	\$520,000.00	\$55,000.00	\$21,621.25
2022	\$465,000.00	\$60,000.00	\$19,177.50
2023	\$405,000.00	\$60,000.00	\$16,597.50
2024	\$345,000.00	\$65,000.00	\$13,878.75
2025	\$280,000.00	\$65,000.00	\$11,035.00
2026	\$215,000.00	\$70,000.00	\$8,065.00
2027	\$145,000.00	\$70,000.00	\$4,950.00
2028	\$75,000.00	\$75,000.00	\$1,687.50

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.

BUDGET:

ACCT.	REVENUE BUDGET	2011	2012	2013	11/19/2013	11/24/14	11/18/2014	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>PROPERTY TAXES</u>							
31001	CURRENT TAXES	\$46,965	\$44,786	\$49,389	\$50,100	\$23,152	\$49,500	-1.20%
31002	DELINQUENT TAXES	(359)	3,197	2,377	0	510	0	0.00%
31003	FISCAL DISPARITIES TAXES	519	3,779	531	200	436	500	150.00%
31004	PENALTIES & INTEREST	(47)	(2,774)	(20)	0	0	0	0.00%
	TOTAL FINES & FORFEITS	\$47,078	\$48,988	\$52,277	\$50,300	\$24,098	\$50,000	-0.60%
	<u>MISCELLANEOUS</u>							
36210	INTEREST EARNINGS	696	935	53	755	621	891	18.01%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	\$696	\$935	\$53	\$755	\$621	\$891	18.01%
	TOTAL REVENUES	\$47,774	\$49,923	\$52,330	\$51,055	\$24,719	\$50,891	-0.32%
	<u>EXPENDITURE BUDGET</u>							
	<u>CAPITAL OUTLAY</u>							
600	BOND PRINCIPAL	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	0.00%
610	BOND INTEREST	34,755	34,155	33,555	32,955	32,955	32,355	-1.82%
620	FISCAL AGENT FEES	550	550	550	550	550	550	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$50,305	\$49,705	\$49,105	\$48,505	\$48,505	\$47,905	-1.24%
	TOTAL EXPENDITURES	\$50,305	\$49,705	\$49,105	\$48,505	\$48,505	\$47,905	-1.24%
	FUND BALANCE - JANUARY 1	\$83,511	\$80,980	\$81,198	\$84,423	\$84,423	\$60,637	
	EXCESS REVENUE OVER EXPENDITURES	(\$2,531)	\$218	\$3,225	\$2,550	(\$23,786)	\$2,986	
	FUND BALANCE - DECEMBER 31	\$80,980	\$81,198	\$84,423	\$86,973	\$60,637	\$63,623	-26.85%

2006 IMPROVEMENT BOND FUND

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

ACTIVITY SCOPE:

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

OBJECTIVES:

None as this bond was retired in 2013.

MEASURABLE WORKLOAD DATA:

	<u>2012</u> <u>ACTUAL</u>	<u>2013</u> <u>ACTUAL</u>	<u>2014</u> <u>ACTUAL</u>	<u>2015</u> <u>ESTIMATE</u>
Bond Principal Retired	\$25,000	\$135,000	\$0	\$0
Bond Interest Paid	\$6,343	\$5,268	\$0	\$0
Special Assessments Collected	\$18,009	\$20,056	\$15,880	\$15,290

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		

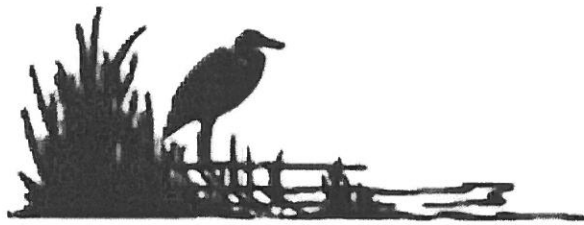
BUDGET COMMENTARY:

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

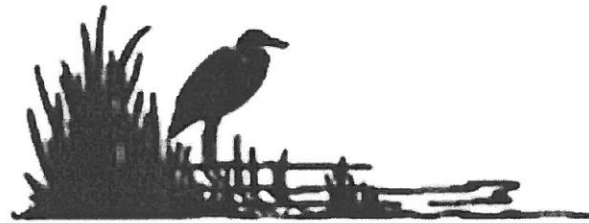
The only expenditures are for a possible transfer to other bond funds to remove negative fund balances and to fund the City's share of possible matching grant funds.

BUDGET:

<u>REVENUE BUDGET</u>					<u>11/19/2013</u>		<u>11/18/2014</u>	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>SPECIAL ASSESSMENTS</u>								
36101	SPECIAL ASSESSMENTS - CURRENT	\$21,054	\$18,433	\$17,242	\$18,046	\$6,554	\$15,290	-15.27%
36102	SPECIAL ASSESSMENTS - DELINQUENT	481	(462)	0	0	0	0	0.00%
36103	PENALTIES & INTEREST	7,314	38	43	0	0	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	0	0	2,771	0	2,772	0	0.00%
TOTAL FINES & FORFEITS		\$28,849	\$18,009	\$20,056	\$18,046	\$9,326	\$15,290	-15.27%
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	1,417	1,897	(1,631)	1,455	33	59	-95.95%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		\$1,417	\$1,897	(\$1,631)	\$1,455	\$33	\$59	-95.95%
TOTAL REVENUES		\$30,266	\$19,906	\$18,425	\$19,501	\$9,359	\$15,349	-21.29%
<u>EXPENDITURE BUDGET</u>								
<u>CAPITAL OUTLAY</u>								
600	BOND PRINCIPAL	\$25,000	\$25,000	\$135,000	\$0	\$0	\$0	0.00%
610	BOND INTEREST	7,418	6,343	5,268	0	0	0	0.00%
620	FISCAL AGENT FEES	0	0	895	0	0	0	0.00%
720	TRANSFERS OUT	0	0	0	0	0	22,266	0.00%
TOTAL CAPITAL OUTLAY		\$32,418	\$31,343	\$141,163	\$0	\$0	\$22,266	0.00%
TOTAL EXPENDITURES		\$32,418	\$31,343	\$141,163	\$0	\$0	\$22,266	0.00%
FUND BALANCE - JANUARY 1		\$139,472	\$137,320	\$125,883	\$3,145	\$3,145	\$12,504	
EXCESS REVENUE OVER EXPENDITURES		(\$2,152)	(\$11,437)	(\$122,738)	\$19,501	\$9,359	(\$6,917)	
FUND BALANCE - DECEMBER 31		\$137,320	\$125,883	\$3,145	\$22,646	\$12,504	\$5,587	-75.33%



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CAPITAL IMPROVEMENT FUNDS

CAPITAL IMPROVEMENT FUNDS

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.

OBJECTIVES:

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:

REVENUE BUDGET					11/19/2013		11/18/2014	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>SPECIAL ASSESSMENTS</u>								
36101	SPECIAL ASSESSMENTS	13,529	15,335	15,760	17,282	7,445	0	-100.00%
36102	DELINQUENT SPECIAL ASSESSMENTS	2,167	0	6,004	0	0	0	0.00%
36103	PENALTIES & INTEREST	1,851	144	1,542	0	0	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	0	0	0	0	0	0	0.00%
TOTAL SPECIAL ASSESSMENTS		\$17,547	\$15,479	\$23,306	\$17,282	\$7,445	\$0	-100.00%
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	(\$557)	\$1,967	\$1,286	\$1,550	\$1,529	\$2,205	42.26%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	50,000	50,000	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		\$49,443	\$51,967	\$1,286	\$1,550	\$1,529	\$2,205	42.26%
TOTAL REVENUES		\$66,990	\$67,446	\$24,592	\$18,832	\$8,974	\$2,205	-88.29%
<u>EXPENDITURE BUDGET</u>								
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	0	1,375	10,637	0	66,221	60,000	0.00%
304	LEGAL FEES	0	0	0	0	0	10,000	0.00%
335	ARCHITECT FEES	0	0	0	0	0	0	0.00%
308	OTHER PROFESSIONAL SERVICE	0	0	0	0	0	0	0.00%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
310	CONFERENCE REGISTRATIONS	0	0	0	0	0	0	0.00%
333	MEETING PREPARATION	0	0	0	0	0	0	0.00%
351	LEGAL NOTICE PUBLICATIONS	0	0	0	0	0	500	0.00%
610	INTEREST	0	0	0	0	0	0	0.00%
620	FISCAL AGENT FEES	0	0	0	0	0	0	0.00%
TOTAL OTHER SERVICES & CHARGES		\$0	\$1,375	\$10,637	\$0	\$66,221	\$70,500	0.00%
<u>CAPITAL OUTLAY</u>								
531	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
520	BUILDING CONSTRUCTION	0	0	0	0	0	0	0.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
TOTAL CAPITAL OUTLAY		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL EXPENDITURES		\$0	\$1,375	\$10,637	\$0	\$66,221	\$70,500	0.00%
FUND BALANCE - JANUARY 1		(\$45,822)	\$21,168	\$87,239	\$101,194	\$101,194	\$43,947	
EXCESS REVENUE OVER EXPENDITURES		\$66,990	\$66,071	\$13,955	\$18,832	(\$57,247)	(\$68,295)	
FUND BALANCE - DECEMBER 31		\$21,168	\$87,239	\$101,194	\$120,026	\$43,947	(\$24,348)	-120.29%

IMPROVEMENT FUND

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

ACTIVITY SCOPE:

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

OBJECTIVES:

None.

MEASURABLE WORKLOAD DATA:

	2012	2013	2014	2015
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<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. Currently there are no improvement expenditures budgeted for 2015.

BUDGET:

<u>REVENUE BUDGET</u>					<u>11/19/2013</u>		<u>11/18/2014</u>	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	\$37	\$2,624	\$296	\$1,760	\$1,521	\$2,059	16.99%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN			0				
	Road Improvements	40,000	40,000	0	0	0	0	0.00%
	EAB Treatment/Prevention	10,000	10,000	0	0	0	0	0.00%
	Building Improvements/Replacement	20,000	10,000	0	0	0	0	0.00%
	Future Improvements	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	\$70,037	\$62,624	\$296	\$1,760	\$1,521	\$2,059	16.99%
	TOTAL REVENUES	\$70,037	\$62,624	\$296	\$1,760	\$1,521	\$2,059	16.99%
<u>EXPENDITURE BUDGET</u>								
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	0	1,375	1,902	0	0	0	0.00%
304	LEGAL FEES	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$0	\$1,375	\$1,902	\$0	\$0	\$0	0.00%
<u>CAPITAL OUTLAY</u>								
531	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
	WATER IMPROVEMENTS	0	0	0	8,900	0	0	-100.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$8,900	\$0	\$0	-100.00%
	TOTAL EXPENDITURES	\$0	\$1,375	\$1,902	\$8,900	\$0	\$0	-100.00%
	FUND BALANCE - JANUARY 1	\$0	\$70,037	\$131,286	\$129,680	\$129,680	\$131,201	
	EXCESS REVENUE OVER EXPENDITURES	\$70,037	\$61,249	(\$1,606)	(\$7,140)	\$1,521	\$2,059	
	FUND BALANCE - DECEMBER 31	\$70,037	\$131,286	\$129,680	\$122,540	\$131,201	\$133,260	8.75%

SCHEUNEMAN ROAD IMPROVEMENT FUND

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

ACTIVITY SCOPE:

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

OBJECTIVES:

None.

MEASURABLE WORKLOAD DATA:

	2012 <u>ACTUAL</u>	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>ESTIMATED</u>
No service levels have been established for this fund.				

BUDGET COMMENTARY:

Revenue sources include special assessments to benefitting properties.

Expenditures were for infrastructure improvements which included the installation of sanitary sewer and resurfacing/reconstructing the road way.

BUDGET:

REVENUE BUDGET					11/19/2013	11/18/2014		
ACCT.		2013	2013	2013	2015	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
SPECIAL ASSESSMENTS								
36101	SPECIAL ASSESSMENTS - CURRENT	13,529	15,335	15,760	17,282	7,445	0	-100.00%
36102	SPECIAL ASSESSMENTS - DELINQUENT	2,167	0	6,004	0	0	0	0.00%
36103	PENALTIES & INTEREST	1,851	144	1,542	0	0	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	0	0	0	0	0	0	0.00%
TOTAL SPECIAL ASSESSMENTS		\$17,547	\$15,479	\$23,306	\$17,282	\$7,445	\$0	-100.00%
MISCELLANEOUS								
36210	INTEREST EARNINGS	(\$907)	(\$1,089)	\$1,016	(\$555)	(\$126)	(\$61)	-89.01%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		(\$907)	(\$1,089)	\$1,016	(\$555)	(\$126)	(\$61)	-89.01%
TOTAL REVENUES		\$16,640	\$14,390	\$24,322	\$16,727	\$7,319	(\$61)	-100.36%
EXPENDITURE BUDGET								
OTHER SERVICES & CHARGES								
302	ENGINEERING FEES	0	0	0	0	0	0	0.00%
304	LEGAL FEES	0	0	0	0	0	0	0.00%
TOTAL OTHER SERVICES & CHARGES		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
CAPITAL OUTLAY								
531	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
TOTAL CAPITAL OUTLAY		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL EXPENDITURES		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
FUND BALANCE - JANUARY 1		(\$71,025)	(\$54,385)	(\$39,995)	(\$15,673)	(\$15,673)	(\$8,354)	
EXCESS REVENUE OVER EXPENDITURES		\$16,640	\$14,390	\$24,322	\$16,727	\$7,319	(\$61)	
FUND BALANCE - DECEMBER 31		(\$54,385)	(\$39,995)	(\$15,673)	\$1,054	(\$8,354)	(\$8,415)	-898.39%

FUTURE IMPACTS:

This fund has a deficit balance that will be eliminated over time as special assessments are collected.

HOFFMAN ROAD IMPROVEMENT FUND

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

ACTIVITY SCOPE:

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

OBJECTIVES:

1. Improve and maintain Hoffman Road on timely basis.

MEASURABLE WORKLOAD DATA:

	2012	2013	2014	2015
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATED</u>
No service levels have been established for this fund.				

BUDGET COMMENTARY:

Currently the only revenue source is interest earnings on the cash balance of this fund.

No improvements or maintenance is planned for 2015, which results in no expenditures being budgeted.

BUDGET:

<u>REVENUE BUDGET</u>					11/19/2013	11/18/2014		
ACCT.		2013	2013	2013	2015	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	\$313	\$432	(\$26)	\$345	\$134	\$207	-40.00%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	\$313	\$432	(\$26)	\$345	\$134	\$207	-40.00%
	TOTAL REVENUES	\$313	\$432	(\$26)	\$345	\$134	\$207	-40.00%
<u>EXPENDITURE BUDGET</u>								
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	0	0	8,735	0	66,221	0	0.00%
304	LEGAL FEES	0	0	0	0	0	0	0.00%
385	ROW MAINTENANCE	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$0	\$0	\$8,735	\$0	\$66,221	\$0	0.00%
<u>CAPITAL OUTLAY</u>								
531	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL EXPENDITURES	\$0	\$0	\$8,735	\$0	\$66,221	\$0	0.00%
	FUND BALANCE - JANUARY 1	\$25,203	\$25,516	\$25,948	\$17,187	\$17,187	(\$48,900)	
	EXCESS REVENUE OVER EXPENDITURES	\$313	\$432	(\$8,761)	\$345	(\$66,087)	\$207	
	FUND BALANCE - DECEMBER 31	\$25,516	\$25,948	\$17,187	\$17,532	(\$48,900)	(\$48,693)	-377.74%

FUTURE IMPACTS:

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

2015 IMPROVEMENT FUND

DEPARTMENT: 2015 Road Improvement
SUPERVISOR: City Engineer
FUND #: 405
ACTIVITY #: 4800

ACTIVITY SCOPE:

The 2015 Improvement Fund is used to provide the cost of improvements in the City's commercial district. Most of the cost of any possible project will be in 2016 but engineering design, feasibility studies and other miscellaneous work will begin in 2015.

OBJECTIVES:

1. Improve and maintain Hoffman Road on timely basis.

MEASURABLE WORKLOAD DATA:

	2012	2013	2014	2015
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATED</u>
No service levels have been established for this fund.				

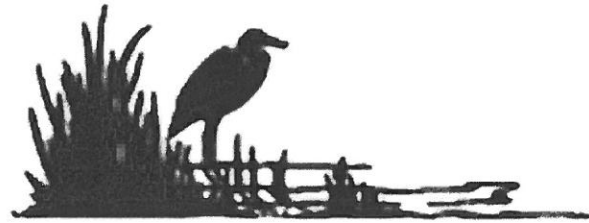
BUDGET COMMENTARY:

Currently the only revenue source is interest earnings on the cash balance of this fund.

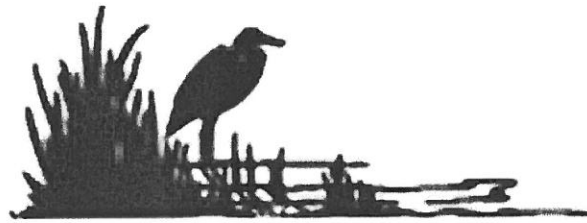
Engineering and legal costs associated with improvements in and around the City's commercial district.

BUDGET:

<u>REVENUE BUDGET</u>					11/19/2013	11/18/2014		
A/CCT.		2013	2013	2013	2015	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL REVENUES		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<u>EXPENDITURE BUDGET</u>								
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	0	0	0	0	0	60,000	0.00%
304	LEGAL FEES	0	0	0	0	0	10,000	0.00%
308	ADMINISTRATION	0	0	0	0	0	0	0.00%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
310	CONFERENCE REGISTRATIONS	0	0	0	0	0	0	0.00%
333	MEETING PREPARATION	0	0	0	0	0	0	0.00%
335	ARCHITECT FEES	0	0	0	0	0	0	0.00%
351	LEGAL NOTICE PUBLICATIONS	0	0	0	0	0	500	0.00%
610	INTEREST	0	0	0	0	0	0	0.00%
620	FISCAL AGENT FEES	0	0	0	0	0	0	0.00%
TOTAL OTHER SERVICES & CHARGES		\$0	\$0	\$0	\$0	\$0	\$70,500	0.00%
<u>CAPITAL OUTLAY</u>								
531	OTHER IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
TOTAL CAPITAL OUTLAY		\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL EXPENDITURES		\$0	\$0	\$0	\$0	\$0	\$70,500	0.00%
FUND BALANCE - JANUARY 1		\$0	\$0	\$0	\$0	\$0	\$0	
EXCESS REVENUE OVER EXPENDITURES		\$0	\$0	\$0	\$0	\$0	(\$70,500)	
FUND BALANCE - DECEMBER 31		\$0	\$0	\$0	\$0	\$0	(\$70,500)	0.00%



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ENTERPRISE FUNDS

SEWER OPERATING FUND ENTERPRISE FUNDS

ACTIVITY SCOPE:

The Sewer Operating Fund is the only Enterprise Fund the City has. It 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.

OBJECTIVES:

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

MEASURABLE WORKLOAD DATA:

	2012 <u>ACTUAL</u>	2013 <u>ACTUAL</u>	2014 <u>ACTUAL</u>	2015 <u>ESTIMATED</u>
Gals of Sewage Treated (Millions)	7.00	9.10	10.15	10.25
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 \$42,000 and no rate increase was used to estimate 2015 revenues.

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

On the expense side, supplies budgets for 2015 were left at 2014 expense levels based on past costs.

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 waste water has also increased. For 2015 the M.C.E.S. Charges have increased 8.56% to \$21,156.

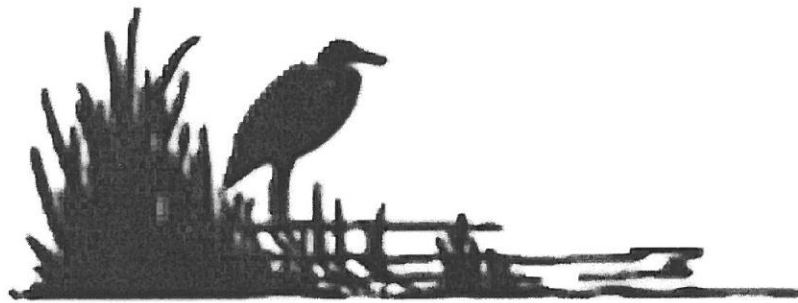
The City also annually budgets to flush (clean) sewer lines to prevent sewer backups. For 2015 \$8,000 is budgeted to flush sewer lines.

BUDGET:

<u>REVENUE BUDGET</u>					<u>11/19/2013</u>		<u>11/18/2014</u>	
ACCT.		2011	2012	2013	2014	11/24/14	2015	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>CHARGES FOR SERVICES</u>								
34410	LOCAL SAC CHARGES	\$0	\$7,070	\$6,052	\$0	\$4,000	\$0	0.00%
34500	SEWER REVENUES - RESIDENTIAL	9,632	11,481	11,144	10,000	9,675	11,000	10.00%
34600	SEWER REVENUES - COMMERCIAL	34,400	34,400	31,232	32,000	23,937	31,000	-3.13%
34640	CERTIFIED SEWER REVENUES	3,397	0	1,006	0	0	0	0.00%
34650	PENALTIES & INTEREST	2,351	4,187	2,852	2,000	2,236	2,000	0.00%
	TOTAL CHARGES FOR SERVICES	49,780	57,138	52,286	44,000	39,848	44,000	0.00%
<u>SPECIAL ASSESSMENTS</u>								
36101	SPECIAL ASSESSMENTS	0	0	0	0	0	0	0.00%
36102	DELINQUENT SPECIAL ASSESSMENTS	0	0	0	0	0	0	0.00%
36103	PENALTIES & INTEREST	0	0	0	0	0	0	0.00%
	TOTAL SPECIAL ASSESSMENTS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<u>MISCELLANEOUS</u>								
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
36210	INTEREST INCOME	3,658	5,478	1,491	4,555	4,423	5,943	30.47%
39200	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	\$3,658	\$5,478	\$1,491	\$4,555	\$4,423	\$5,943	30.47%
	TOTAL REVENUES	\$53,438	\$62,616	\$53,777	\$48,555	\$44,271	\$49,943	2.86%
<u>EXPENDITURE BUDGET</u>								
<u>SUPPLIES</u>								
201	OFFICE SUPPLIES	253	359	49	500	419	500	0.00%
210	OPERATING SUPPLIES	0	0	0	0	0	0	0.00%
212	POSTAGE	0	167	159	200	131	200	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$253	\$526	\$208	\$700	\$550	\$700	0.00%
<u>OTHER SERVICES & CHARGES</u>								
301	AUDITING & ACCOUNTING SERVICES	2,000	2,080	2,341	2,450	2,450	2,525	3.06%
302	ENGINEERING FEES	0	1,478	6,020	2,500	0	5,000	100.00%
318	M.C.E.S. CHARGES	16,773	13,234	16,090	19,488	21,948	21,156	8.56%
319	LOCATES	407	635	591	600	481	600	0.00%
329	FINANCIAL SERVICE	3,291	1,431	4,692	4,000	1,430	4,500	12.50%
334	COMPUTER SERVICES	538	554	572	500	363	500	0.00%
400	REPAIR/ MAINTENANCE	0	45	1,500	4,000	30	4,000	0.00%
420	DEPRECIATION	12,457	12,457	12,457	12,500	0	12,500	0.00%
433	DUES & SUBSCRIPTIONS	0	0	0	0	0	0	0.00%
460	SEWER INSPECTIONS	0	0	0	0	0	0	0.00%
461	SEWER FLUSHING	0	5,023	0	8,000	0	8,000	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$35,466	\$36,937	\$44,263	\$54,038	\$26,702	\$58,781	8.78%
<u>CAPITAL OUTLAY</u>								
540	HEAVY MACHINERY/EQUIPMENT	0	0	0	0	0	0	0.00%
530	OTHER EQUIPMENT & IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	TOTAL EXPENDITURE BUDGET	\$35,719	\$37,463	\$44,471	\$54,738	\$27,252	\$59,481	8.66%
	FUND BALANCE - JANUARY 1	\$302,315	\$332,491	\$370,101	\$391,864	\$391,864	\$408,883	
	EXCESS REVENUE OVER EXPENDITURES	\$17,719	\$25,153	\$9,306	(\$6,183)	\$17,019	(\$9,538)	
	DEDUCT INFRA STRUCTION ADDITIONS	\$0	\$0	\$0	\$0	\$0	\$0	
	ADD BACK DEPRECIATION	\$12,457	\$12,457	\$12,457	\$12,500	\$0	\$12,500	
	FUND BALANCE - DECEMBER 31	\$332,491	\$370,101	\$391,864	\$398,181	\$408,883	\$411,845	3.43%



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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)**

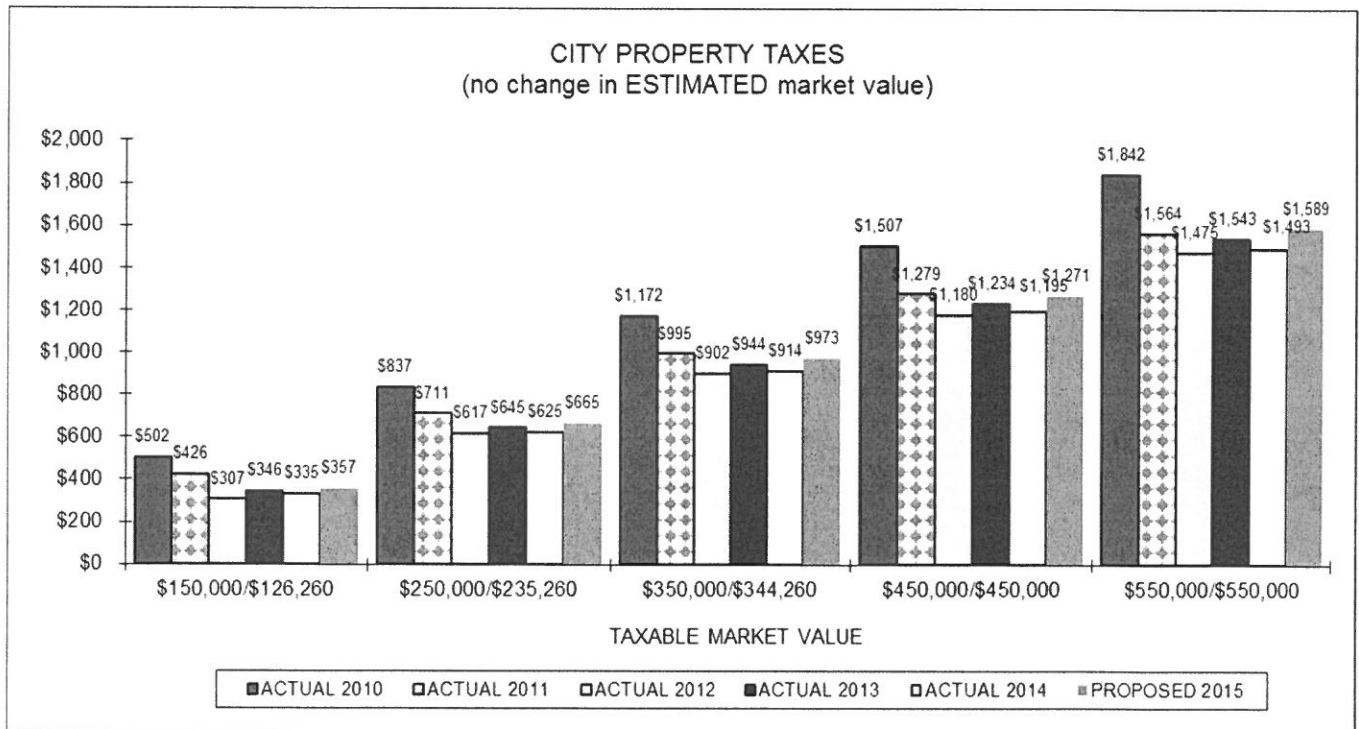
Any municipality which issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for 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.

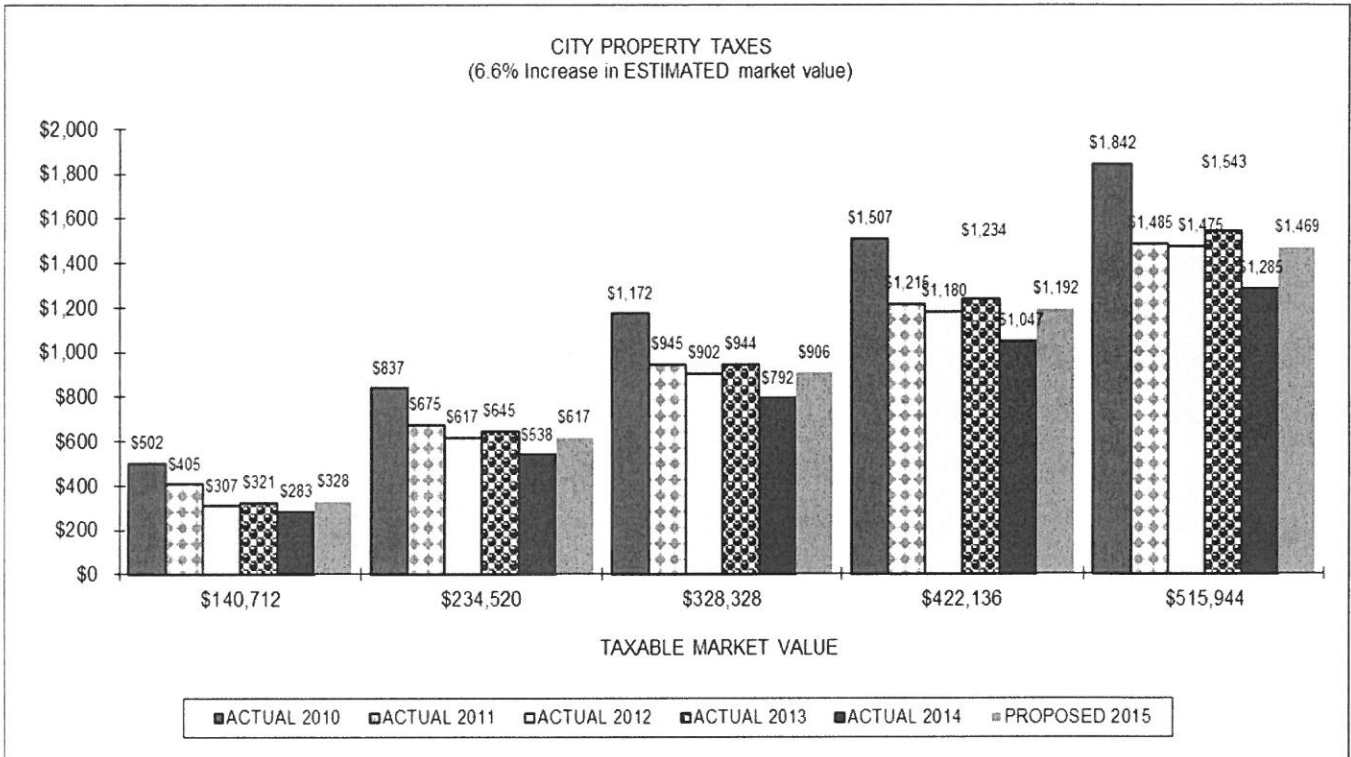
**Metropolitan Revenue Distribution
(Chapter 473F, Minnesota Statutes)
"Fiscal Disparities Law"**

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

General Classification	2001 Net Tax Capacity		2002–2014 Net Tax Capacity	
	Est. Mkt. Value	% of EMV	Est. Mkt. Value	% of EMV
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 OF GEM LAKE PROPERTY TAX CHANGES				
	2012	2013	2014	11/18/2014 2015
	Final Levy	Final Levy	Final Levy	Final Levy
GENERAL LEVY	222,172	204,242	180,119	204,655
DEBT LEVY:				
GENERAL DEBT LEVY	0	0	0	0
CAPITAL IMPROV. PLAN BONDS	51,300	50,700	50,100	49,500
2015 IMPROVEMENT BONDS			0	0
TOTAL DEBT LEVY	51,300	50,700	50,100	49,500
TOTAL PROPERTY TAX LEVY	273,472	254,942	230,219	254,155
LESS: FISCAL DISPARITIES	5,549	4,636	5,394	5,944
NET PROPERTY TAXES	267,923	250,306	224,825	248,211
% CHANGE	-16.34%	-31.30%	-10.18%	10.40%
TAX CAPACITY	1,022,048	912,518	846,800	878,661
TAX RATE	26.214%	27.430%	26.550%	28.249%
MEDIAN VALUE HOME	247,000	228,100	200,800	214,000
TAX CAPACITY	2,470	2,281	2,008	2,140
CITY TAXES	\$647.49	\$625.68	\$533.12	\$604.52



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



RESOLUTION NO. 2014-23
18 NOVEMBER 2014

**A RESOLUTION ADOPTING THE FINAL GENERAL FUND BUDGET
 AND FINAL AMOUNT TO BE RAISED BY PROPERTY TAXATION
 FOR THE YEAR 2015**

WHEREAS, the City Treasurer has presented a TOTAL (Proposed) Budget of \$596,734.00 which includes a General Tax Levy of \$204,655.00 and a Debt Tax Levy of \$49,500.00 for fiscal and calendar year 2015 based upon best estimates of costs for running the City of Gem Lake in 2015; and

WHEREAS, the City Council did review, on November 18, 2014, the TOTAL Budget and Tax Levy for 2015 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 2015 Final General Fund Budget of \$331,932.00 and the Final Property Tax Levy of \$254,155.00 which includes a General Tax Levy of \$204,655.00 and a Debt Levy of \$49,500.00 for 2015 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 Artig-Swomley and was supported by Councilor Lindner and was declared *adopted* based upon the following vote:

NAME	UZPEN	BOSAK	LINDNER	KUNY	ARTIG-SWOMLEY
Vote	Y	Y	Y	Y	Y

Attest

I, WILLIAM F. SHORT, 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.

	18 NOVEMBER 2014
WILLIAM F. SHORT, 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