

**CITY OF
GEM LAKE**



**2025
BUDGET**

Adopted By City Council 12/17/2024

Table of Contents

How to Read the Budget.....	1
Budget Message.....	2
Fund Structure and Basis of Budgeting.....	3
Budget Summary.....	5
General Fund	7
Special Revenue Funds.....	29
Debt Service Funds	33
Capital Improvement Funds	41
Enterprise Funds	45
Appendix.....	53
Resolution Approving Budget and Tax Levy.....	60
Glossary of Terms	61

HOW TO READ THE BUDGET

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

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

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

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

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

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

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

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

City Council Members, Citizens and Others:

It is my privilege to present the 2025 budget for the City of Gem Lake. This budget, as adopted by the City Council identifies how the City's resources will be spent in 2025. 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 2025 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's budget focus has been to maintain services provided and existing infrastructure. To help maintain services funds are budgeted to replace the City's software infrastructure. Public safety remains a priority for the City. Also, for 2025, the City has included increases to both the police and fire budgets, which includes \$23,659 for debt service on the City of White Bear Lakes new public safety building. The road maintenance budget includes funds for a possible seal coat project to help the roads last longer. Finally, \$20,000 is being budgeted to fund future capital projects in the City.

On the revenue side, the largest revenue source is property taxes, which make up almost 91.9% of total revenues for the City. The 2025 property tax levy is increased 3.1% and the City's tax capacity increase 2.7%, which results in a tax rate of 38.440% compared to 38.459% in 2024. Based on this most residents would see an increase in their City's property tax bills from 2024 to 2025 due to their homes market value increasing.

As 2025 unfolds, the City is well positioned to meet current and future challenges through sound fiscal management. It is our hope this budget will meet the expectations and need of Gem Lake residents. My sincere thanks are extended to the City Council for their time and effort in the preparation of this document.

Respectfully,



Tom Kelly
City Treasurer

FUND STRUCTURE AND BUDGET BASIS

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

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

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

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

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

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

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

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

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

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

Internal Service Funds are used to account for the financing of goods and services provided by one

department to other departments of the City, on a cost-reimbursement basis. The City of Gem Lake does not have any Internal Service Funds.

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

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

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

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

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

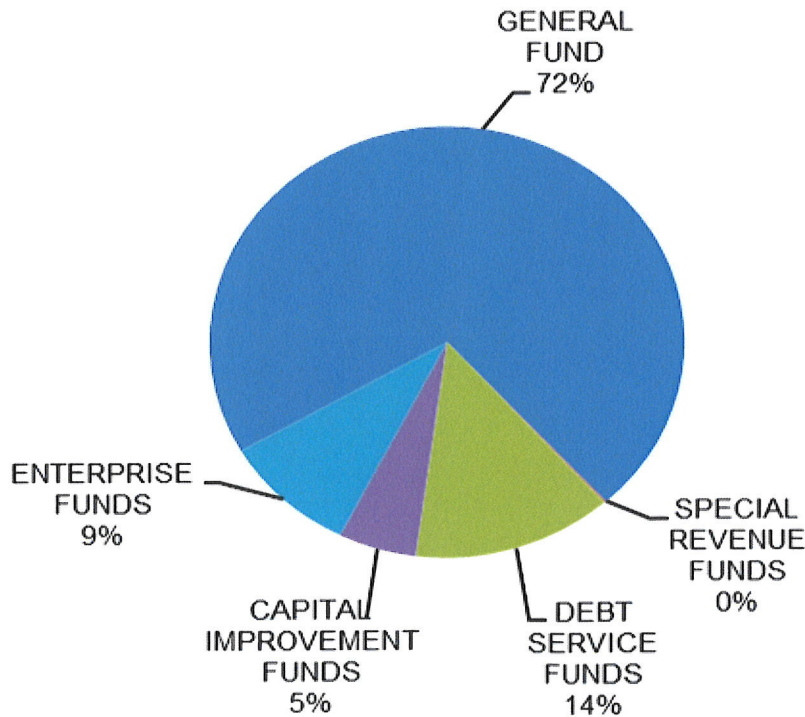
BUDGET PROCESS

The budget process begins in August with the City Treasurer developing a draft budget. The Mayor and Treasurer then meet in late August or early September to refine the draft budget. It is this budget that is presented to the full City Council in a workshop session in early September. It is from this workshop that a preliminary tax levy is presented and adopted no later than September 30th of each year. Once adopted the preliminary levy is certified to Ramsey County. Over the next few months, the Mayor and Treasurer develop a final draft budget and tax levy, which again is presented to the full City Council for review in November. From the meeting a final budget and tax levy is developed and presented in December. After the presentation 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.

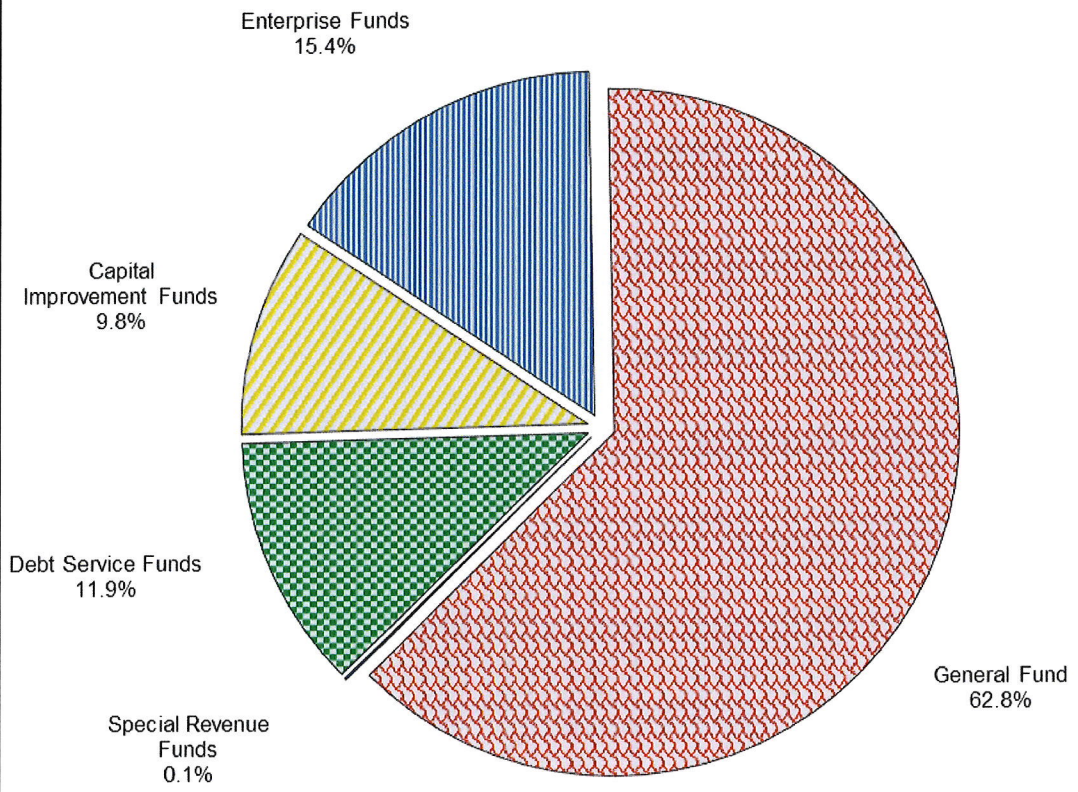
2024 BUDGET SUMMARY

REVENUE BUDGET				12/19/2023	12/11/2024	12/17/2024	% CHANGE
	2021	2022	2023	2024	2024	2025	
ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	
GENERAL FUND	\$515,221	\$532,634	\$694,836	\$667,325	\$697,507	\$690,887	3.53%
SPECIAL REVENUE FUNDS	(404)	13,116	2,667	925	850	1,000	8.11%
DEBT SERVICE FUNDS	151,935	142,276	149,118	138,784	73,773	133,036	-4.14%
CAPITAL IMPROVEMENT FUNDS	79,574	43,099	77,118	53,900	27,445	51,500	-4.45%
ENTERPRISE FUNDS	84,825	72,574	115,828	110,045	85,044	88,700	-19.40%
TOTAL REVENUES	\$831,151	\$803,699	\$1,039,567	\$970,979	\$884,619	\$965,123	-0.60%
EXPENDITURE BUDGET							
GENERAL FUND	\$528,852	\$470,653	\$499,250	\$667,325	\$491,742	\$690,887	3.53%
SPECIAL REVENUE FUNDS	0	2,896	5,348	5,000	1,118	1,000	-80.00%
DEBT SERVICE FUNDS	130,865	138,559	139,024	133,701	132,151	130,876	-2.11%
CAPITAL IMPROVEMENT FUNDS	218,572	3,413	179,723	130,000	0	108,000	562.00%
ENTERPRISE FUNDS	69,394	108,030	93,959	178,620	25,724	168,685	-5.56%
TOTAL EXPENDITURES	\$947,683	\$723,551	\$917,304	\$1,114,646	\$650,735	\$1,099,448	-1.36%
FUND BALANCE - JANUARY 1	\$1,269,697	\$1,290,621	\$1,379,907	\$1,515,781	\$1,256,066	\$1,489,950	
EXCESS REVENUE OVER EXPENDITURES	(\$116,532)	\$80,148	\$122,263	(\$143,667)	\$233,884	(\$134,325)	
INFRASTRUCTURE CHANGES	\$159,123	\$29,535	\$38,866	\$31,200	\$0	\$39,500	
FUND BALANCE - DECEMBER 31	\$1,312,288	\$1,400,304	\$1,541,036	\$1,403,314	\$1,489,950	\$1,395,125	-0.58%

2025 ADOPTED REVENUES BY FUND TYPE



2025 ADOPTED BUDGETED EXPENDITURES BY FUND TYPE





GENERAL FUND

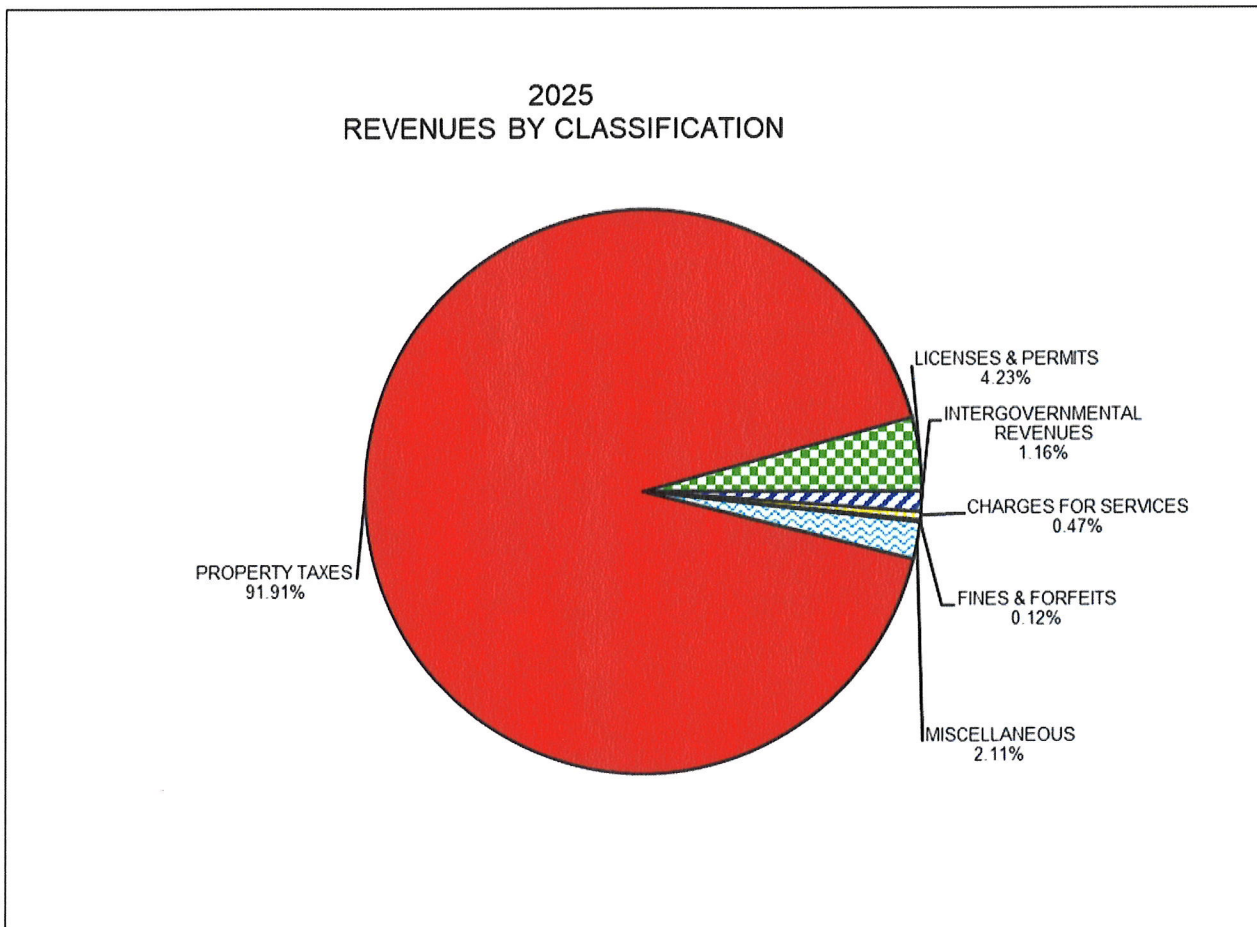
GENERAL FUND SUMMARY

FUND DESCRIPTION:

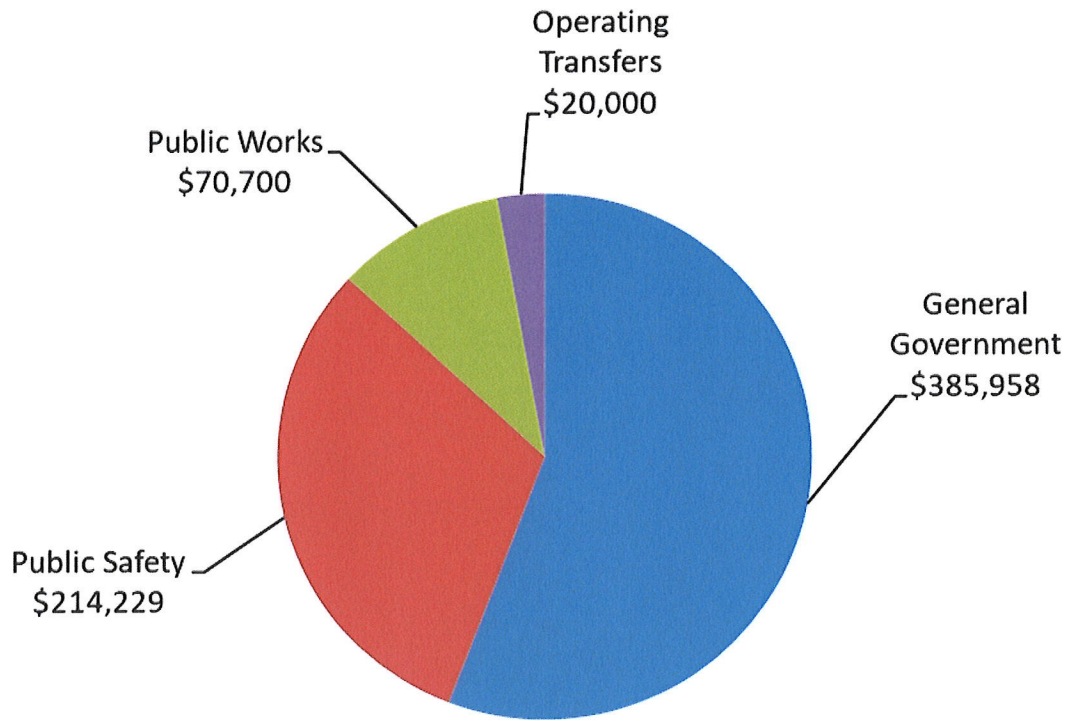
The General Fund accounts for the ordinary operations of the City, which are financed from taxes and other general revenues, which are not accounted for in another fund. The modified accrual basis of accounting is used in the General Fund. That is, expenditures are recorded at the time liabilities are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

BUDGET SUMMARY:

Property taxes are the largest revenue source, with the general government department as the largest expenditure area planned for 2025. The 2025 General Fund expenditure budget of \$690,887 is a 3.53% increase from the City's 2024 budget, with a revenue budget of \$690,887. The graphs below and on the next page demonstrate the percentage breakdown of budgeted revenues by classification and expenditure by department. Page 10 also shows this information numerically.



2025 Expenditures By Department



GENERAL FUND BUDGET SUMMARY BY ACTIVITY

	2021	2022	2023	12/19/2023	12/11/2024	12/17/2024	%
REVENUES BY CLASSIFICATION	ACTUAL	ACTUAL	ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	CHANGE
PROPERTY TAXES	\$445,250	\$461,648	\$581,280	\$615,527	\$576,336	\$635,000	3.16%
LICENSES & PERMITS	26,554	33,936	24,061	30,600	46,925	29,200	-4.58%
INTERGOVERNMENTAL REVENUES	42,447	20,943	61,293	8,012	10,719	8,012	0.00%
CHARGES FOR SERVICES	2,512	4,716	5,233	3,025	17,101	3,225	6.61%
FINES & FORFEITS	267	970	902	800	840	850	6.25%
MISCELLANEOUS	(1,809)	10,421	22,067	9,361	45,586	14,600	55.97%
TOTAL REVENUES	\$515,221	\$532,634	\$694,836	\$667,325	\$697,507	\$690,887	3.53%
EXPENDITURES BY DEPARTMENT							
<u>GENERAL GOVERNMENT</u>							
CITY COUNCIL	\$9,699	\$9,746	\$7,819	\$17,325	\$5,813	\$19,089	10.18%
GENERAL GOVERNMENT	77,431	106,557	139,885	127,590	163,916	137,570	7.82%
LEGAL SERVICES	39,522	56,885	10,573	57,500	9,903	54,750	-4.78%
ELECTIONS	5,531	6,064	5,544	10,325	5,808	9,000	-12.83%
FINANCIAL ADMINISTRATION	44,587	44,449	49,623	50,800	38,602	52,900	4.13%
PLANNING & ZONING	68,518	43,161	49,026	48,050	45,794	55,000	14.46%
HERITAGE HALL	79,157	27,543	23,135	66,650	36,081	57,650	-13.50%
TOTAL GENERAL GOVERNMENT	\$324,445	\$294,405	\$285,605	\$378,240	\$305,917	\$385,958	2.04%
<u>PUBLIC SAFETY</u>							
POLICE	85,777	91,186	113,184	129,466	119,040	147,402	13.85%
FIRE PROTECTION	25,508	29,340	33,218	48,669	44,941	52,827	8.54%
ANIMAL CONTROL	180	81	116	500	129	500	0.00%
BUILDING INSPECTIONS	13,272	10,060	11,687	13,550	7,030	13,500	-0.37%
TOTAL PUBLIC SAFETY	\$124,737	\$130,667	\$158,205	\$192,185	\$171,140	\$214,229	11.47%
<u>PUBLIC WORKS</u>							
ROAD MAINTENANCE	43,291	9,522	27,948	42,400	7,812	40,200	-5.19%
ICE & SNOW REMOVAL	11,311	12,629	7,492	27,500	3,778	23,500	-14.55%
PARK MAINTENANCE	68	3,430	0	7,000	3,095	7,000	0.00%
TOTAL PUBLIC WORKS	\$54,670	\$25,581	\$35,440	\$76,900	\$14,685	\$70,700	-8.06%
<u>OPERATING TRANSFERS</u>							
OPERATING TRANSFERS	25,000	20,000	20,000	20,000	0	20,000	0.00%
TOTAL OPERATING TRANSFERS	\$25,000	\$20,000	\$20,000	\$20,000	\$0	\$20,000	0.00%
TOTAL EXPENDITURES	\$528,852	\$470,653	\$499,250	\$667,325	\$491,742	\$690,887	3.53%
FUND BALANCE - JANUARY 1	\$267,475	\$253,844	\$315,825	\$511,411	\$253,844	\$459,609	
EXCESS REVENUE OVER EXPENDITURES	(\$13,631)	\$61,981	\$195,586	\$0	\$205,765	\$0	
FUND BALANCE - DECEMBER 31	\$253,844	\$315,825	\$511,411	\$511,411	\$459,609	\$459,609	-10.13%

REVENUES GENERAL FUND

ACTIVITY DESCRIPTION:

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

GOALS:

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

BUDGET SUMMARY:

The property tax system is described in more detail beginning on page 58. The City's net taxable tax capacity has increased to \$1,809,157 for taxes payable in 2025. This is an increase of 2.7%. The City's General Fund property tax levy for 2025 will be \$611,710. Because of these two factors and the \$83,736 debt levy, the 2025 tax rate for the City will be 38.440% compared with 38.459% in 2024, 39.534% in 2023 and 38.199% in 2022

All other 2025 City revenue sources were adjusted slightly or remained at the 2024 budget amounts based on actual past or anticipate amounts in 2025.

REVENUE LEVELS:

	2022 <u>ACTUAL</u>	2023 <u>ACTUAL</u>	2024 <u>ACTUAL</u>	2025 <u>ESTIMATED</u>
Tax Rate	38.199%	39.534%	38.459%	38.440%
Net Taxable Tax Capacity	1,426,695	1,601,998	1,761,615	1,809,157

BUDGET:

ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE
<u>PROPERTY TAXES</u>								
31001	CURRENT TAXES	\$432,992	\$450,239	\$562,876	\$595,946	\$554,669	\$611,710	2.65%
31002	DELINQUENT TAXES	11	247	3,794	0	3,648	0	0.00%
31003	FISCAL DISPARITIES	12,247	11,162	14,610	19,581	18,019	23,290	18.94%
31004	PENALTIES & INTEREST	0	0	0	0	0	0	0.00%
TOTAL PROPERTY TAXES		\$445,250	\$461,648	\$581,280	\$615,527	\$576,336	\$635,000	3.16%
<u>LICENSES & PERMITS</u>								
32100	GENERAL BUSINESS LICENSES	1,575	2,550	2,505	2,200	2,600	2,500	13.64%
32101	ON-SALE LIQUOR LICENSES	4,050	4,050	4,050	4,000	4,050	4,000	0.00%
32102	OFF SALE LIQUOR LICENSE	0	0	0	0	0	0	0.00%
32103	NON-INTOXICATING LIQUOR LICENSES	0	0	0	0	0	0	0.00%
32104	OTHER PERMITS	1,960	2,355	2,700	1,700	2,767	1,800	5.88%
32106	TOBACCO LICENSE	200	200	400	200	1,025	200	0.00%
32107	CHARITABLE GAMBLING LICENSE	500	0	0	0	0	0	0.00%
32201	CONTRACTOR LICENSE	1,700	1,800	1,755	1,500	1,903	1,700	13.33%
32210	BUILDING PERMITS	7,760	13,403	9,345	11,000	24,008	11,000	0.00%
32211	PLUMBING PERMITS	300	915	800	750	670	800	6.67%
32212	GAS/HEATING PERMITS	2,427	2,295	1,150	2,000	1,252	2,000	0.00%
32213	ELECTRICAL PERMITS	596	388	358	300	675	300	0.00%
32215	NPDES PERMIT	0	0	100	0	0	0	0.00%
32218	FIRE MARSHALL INSPECTION FEE	107	35	132	2,500	0	0	-100.00%
32219	SEPTIC INSPECTION FEE	4,809	4,890	716	3,750	7,145	4,000	6.67%
32235	SEWER CONTRACTOR LICENSE	0	0	0	0	0	0	0.00%
32239	RENTAL LICENSING	100	600	0	400	500	500	25.00%
32240	ANIMAL CONTROL LICENSE	470	455	50	300	330	400	33.33%
TOTAL LICENSES & PERMITS		\$26,554	\$33,936	\$24,061	\$30,600	\$46,925	\$29,200	-4.58%
<u>INTERGOVERNMENTAL REVENUES</u>								
33401	LGA	14,631	0	0	0	0	0	0.00%
33430	COUNTY GRANTS & AIDS	12	27	13	12	0	12	0.00%
33601	SCORE GRANT	0	1,548	1,292	1,000	0	1,000	0.00%
33603	POLICE STATE AID	0	0	0	0	0	0	0.00%
33602	CABLE TV FRANCHISE FEES	8,436	19,368	9,299	7,000	0	7,000	0.00%
33604	OTHER GOVERNMENT AIDS AND GRANTS	19,368	0	50,689	0	10,719	0	0.00%
TOTAL INTERGOV. REVENUES		\$42,447	\$20,943	\$61,293	\$8,012	\$10,719	\$8,012	0.00%
<u>CHARGES FOR SERVICES</u>								
32220	SURCHARGE/SAC RETAINAGE	97	113	89	75	0	75	0.00%
32230	ADMINISTRATIVE CHARGES	0	0	60	0	0	0	0.00%
34105	PLANNING CHARGES	0	1,275	850	500	1,950	700	40.00%
34110	PLAN CHECK FEES	1,609	1,023	2,768	1,000	12,979	1,000	0.00%
	FALSE ALARMS	150	150	400	150	700	350	133.33%
34121	SPECIAL ASSESSMENT SEARCHES	0	0	0	0	0	0	0.00%
34122	ENGINEERING CHARGES	0	0	0	0	0	0	0.00%
34123	ZONING CHARGES	275	100	0	0	477	0	0.00%
34126	CHARGES FOR LEGAL FEES	0	0	0	0	0	0	0.00%
34132	INVESTMENT ADMINISTRATIVE CHARGE	381	2,055	1,066	1,000	831	1,000	0.00%
34133	CREDIT CARD FEES	0	0	0	0	164	100	0.00%
34135	CONTRACTUAL SERVICES	0	0	0	300	0	0	-100.00%
TOTAL CHARGES FOR SERVICES		\$2,512	\$4,716	\$5,233	\$3,025	\$17,101	\$3,225	6.61%
<u>FINES & FORFEITS</u>								
35100	TRAFFIC & OTHER FINES	267	970	902	800	840	850	6.25%
TOTAL FINES & FORFEITS		\$267	\$970	\$902	\$800	\$840	\$850	6.25%
<u>MISCELLANEOUS REVENUES</u>								
36210	INTEREST EARNINGS	(11,758)	(8,246)	11,146	4,261	8,057	8,000	87.75%
36231	CHARITABLE GAMBLING CONTRIBUTIONS	0	0	0	0	0	0	0.00%
36241	INSURANCE POLICY DIVIDENDS	809	490	148	300	0	100	-66.67%
36200	MISCELLANEOUS	328	12,993	6,109	300	33,480	2,000	566.67%
36400	FACILITY RENTAL	8,812	5,184	4,664	4,500	4,049	4,500	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		(\$1,809)	\$10,421	\$22,067	\$9,361	\$45,586	\$14,600	55.97%
TOTAL GENERAL FUND REVENUES		\$515,221	\$532,634	\$694,836	\$667,325	\$697,507	\$690,887	3.53%

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:

Budget changes from 2024 to 2025 include increasing City Council wages \$1,275. The 2025 budget is a 10.18% increase from the 2024 budget.

BUDGET:

CITY COUNCIL DEPARTMENT 41100					12/19/2023	12/11/2024	12/17/2024		
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	%	CHANGE
<u>PERSONNEL SERVICES</u>									
100	WAGES & SALARIES	\$7,340	\$7,338	\$7,248	\$7,725	\$5,400	\$9,000		16.50%
130	FICA CONTRIBUTIONS	551	551	551	0	413	689		0.00%
135	WORKERS COMPENSATION	0	84	0	100	0	100		0.00%
	TOTAL PERSONNEL SERVICES	\$7,891	\$7,973	\$7,799	\$7,825	\$5,813	\$9,789		25.09%
<u>OTHER SERVICES & CHARGES</u>									
300	PROFESSIONAL SERVICES	0	0	0	0	0	0		0.00%
308	ADMINISTRATION	0	0	0	200	0	0		-100.00%
310	CONFERENCE REGISTRATION FEES	308	265	20	300	0	300		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	1,500	1,508	0	9,000	0	9,000		0.00%
	TOTAL OTHER SERVICES & CHARGES	\$1,808	\$1,773	\$20	\$9,500	\$0	\$9,300		-2.11%
	TOTAL CITY COUNCIL	\$9,699	\$9,746	\$7,819	\$17,325	\$5,813	\$19,089		10.18%

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 increased to reflect wage increase and health insurance costs for the City Clerk.

Web Site increased \$8,000 to \$10,000 to reflect a redesign of the City's web site in 2025.

Computer Services and Recycling Collection expenditures are increased to reflect past expenditures.

BUDGET:

**CLERK/GENERAL GOVERNMENT
DEPARTMENT 41900**

ACCT.		2020	2021	2022	12/19/2023	11/30/23	12/19/2023	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>PERSONNEL SERVICES</u>								
100	WAGES & SALARIES	\$24,421	\$37,335	\$52,831	\$58,000	\$48,898	\$80,000	7.14%
	TEMPORARY EMPLOYEES	0	0	0	0	0	0	0.00%
130	FICA CONTRIBUTIONS	4,075	2,987	3,184	4,284	3,308	4,590	7.14%
131	PERA CONTRIBUTIONS	0	2,123	3,869	4,200	4,279	4,500	7.14%
135	HEALTH INSURANCE	0	0	3,452	10,350	8,308	11,000	8.28%
150	WORKER'S COMPENSATION	293	322	328	500	870	700	40.00%
	TOTAL PERSONNEL SERVICES	\$28,789	\$42,647	\$63,782	\$75,334	\$65,259	\$80,790	7.24%
<u>SUPPLIES</u>								
200	OFFICE SUPPLIES	499	3,455	8,553	4,000	3,380	5,000	25.00%
212	POSTAGE	717	1,188	0	1,450	0	1,500	3.45%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$1,216	\$4,623	\$8,553	\$5,450	\$3,380	\$6,500	19.27%
<u>OTHER SERVICES & CHARGES</u>								
300	PROFESSIONAL SERVICES	0	2,782	2,990	3,500	80	3,500	0.00%
305	ADMINISTRATION	90	383	0	400	0	300	-25.00%
308	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
309	MISCELLANEOUS	510	2,858	8,283	2,000	1,183	3,500	75.00%
310	CONFERENCE REGISTRATION FEES	0	893	235	1,500	185	1,500	0.00%
320	INTERNET CONNECTION	0	0	0	0	0	0	0.00%
322	WEB SITE	1,183	2,078	1,875	1,500	1,188	2,000	33.33%
331	MILEAGE	0	127	284	350	285	400	14.29%
332	RECORDING SECRETARY	1,812	5,970	8,057	8,000	190	8,000	0.00%
334	COMPUTER SERVICES	4,389	190	512	4,000	8,180	5,000	25.00%
350	PRINTING - OTHER	0	0	0	0	0	0	0.00%
351	LEGAL NOTICES	520	1,231	854	800	270	700	-12.50%
352	NEWSLETTER/PUBLIC RELATIONS	1,108	1,571	1,848	2,400	1,395	2,800	18.87%
381	GENERAL LIABILITY INSURANCE	1,290	1,407	1,384	2,500	1,713	2,500	0.00%
383	VEHICLE INSURANCE	75	78	79	150	99	175	18.87%
385	PUBLIC OFFICIALS LIABILITY INSURANCE	0	0	93	150	155	175	18.87%
394	RECYCLING COLLECTION	8,104	8,104	8,903	9,500	11,252	10,000	5.28%
434	VLAN/MO	0	0	0	0	0	0	0.00%
435	LINC	888	704	1,048	1,000	1,321	1,200	20.00%
438	ROLLG	184	200	0	350	0	350	0.00%
440	DUES & SUBSCRIPTIONS	0	181	300	75	299	200	188.87%
450	CHARITABLE GAMBLING DISTRIBUTIONS	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$19,889	\$28,515	\$32,503	\$38,175	\$27,755	\$40,300	11.40%
<u>CAPITAL OUTLAY</u>								
570	FURNITURE & OFFICE EQUIPMENT	0	1,848	3,709	0	5,952	0	0.00%
590	OTHER EQUIPMENT IMPROVEMENTS	0	0	0	75,815	27,321	0	-100.00%
	TOTAL CAPITAL OUTLAY	\$0	\$1,848	\$3,709	\$75,815	\$33,273	\$0	-100.00%
	TOTAL CLERK/GENERAL GOVERNMENT	\$49,874	\$77,431	\$108,557	\$192,774	\$129,887	\$127,590	-33.81%

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:

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

BUDGET:

ELECTIONS DEPARTMENT 41410								
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE
<u>PERSONNEL SERVICES</u>								
100	WAGES & SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
105	TEMPORARY EMPLOYEES	0	0	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	\$0	\$0	\$0	\$0	\$0	0.00%
<u>SUPPLIES</u>								
210	OPERATING SUPPLIES - OTHER	0	0	0	150	0	0	-100.00%
212	POSTAGE	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
TOTAL SUPPLIES		\$0	\$0	\$0	\$150	\$0	\$0	-100.00%
<u>OTHER SERVICES & CHARGES</u>								
308	ADMINISTRATION	0	0	0	0	0	0	0.00%
307	PROFESSIONAL SERVICES	4,664	4,664	4,664	8,000	4,664	7,000	-12.50%
309	MISCELLANEOUS	0	0	0	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	(59)	0	0	175	0	0	-100.00%
	Ballot Machine	0	0	0	0	0	0	0.00%
400	REPAIR/MAINTENANCE EQUIPMENT	926	1,400	880	2,000	1,144	2,000	0.00%
TOTAL OTHER SERVICES & CHARGES		\$5,531	\$6,064	\$5,544	\$10,175	\$5,808	\$9,000	-11.55%
TOTAL ELECTIONS		\$5,531	\$6,064	\$5,544	\$10,325	\$5,808	\$9,000	-12.83%

Financial Administration General Fund

ACTIVITY DESCRIPTION:

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

GOALS:

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

BUDGET COMMENTARY:

The amounts budgeted in 2025 reflect past expenditure levels. In 2020 the City requested proposals for audit services and the 2025 budget reflects these audit costs.

BUDGET:

FINANCIAL ADMINISTRATION DEPARTMENT 41500					12/19/2023	12/11/2024	12/17/2024	
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 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	1,250	0	0.00%
301	AUDITING SERVICES	12,867	8,000	13,500	12,000	14,000	13,000	8.33%
329	FINANCIAL SERVICES	29,884	33,408	33,327	35,000	20,543	36,000	2.86%
330	CREDIT CARD FEES	0	1,184	847	1,300	594	1,100	-15.38%
334	COMPUTER SERVICES	1,799	1,857	1,949	2,500	2,215	2,800	12.00%
309	MISCELLANEOUS EXPENSE	37	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$44,587	\$44,449	\$49,623	\$50,800	\$38,602	\$52,900	4.13%
	TOTAL FINANCIAL ADMINISTRATION	\$44,587	\$44,449	\$49,623	\$50,800	\$38,602	\$52,900	4.13%

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 2025 budget is based on contract cost of current legal counsel and anticipated use or need of legal counsel in 2025.

BUDGET:

LEGAL SERVICES DEPARTMENT 41600									
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE	
<u>OTHER SERVICES & CHARGES</u>									
300	PROFESSIONAL SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
303	PROSECUTION	270	1,161	1,035	2,000	1,067	1,750	-12.50%	
304	LEGAL SERVICES	39,252	55,724	9,538	52,000	8,836	50,000	-3.85%	
305	LEGAL SERVICES - LAND ISSUES	0	0	0	3,500	0	3,000	-14.29%	
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%	
317	LEGAL - ANNEXATION	0	0	0	0	0	0	0.00%	
TOTAL OTHER SERVICES & CHARGES		\$39,522	\$56,885	\$10,573	\$57,500	\$9,903	\$54,750	-4.78%	
TOTAL LEGAL SERVICES		\$39,522	\$56,885	\$10,573	\$57,500	\$9,903	\$54,750	-4.78%	

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:

Expenditures are based on past expenditures, which result in a 14.46% increase. In 2022 started contracting for planning services resulting in zoning administration costs increasing to \$15,000 in 2025.

BUDGET:

PLANNING & ZONING DEPARTMENT 41910					12/19/2023	12/11/2024	12/17/2024	
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	% CHANGE
<u>OTHER SERVICES & CHARGES</u>								
300	PROFESSIONAL SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
308	ADMINISTRATION	0	0	571	2,000	8,175	2,000	0.00%
302	ENGINEERING SERVICES	29,706	29,382	33,561	31,000	17,048	33,000	6.45%
309	MISCELLANEOUS	0	0	0	50	0	0	-100.00%
315	ZONING ADMINISTRATION	5,198	8,779	14,371	10,000	19,120	15,000	50.00%
325	NPDES TRAINING	0	0	0	0	53	0	0.00%
326	NPDES EDUCATION	0	0	0	0	0	0	0.00%
327	MS4 REPORTING	33,614	5,000	523	5,000	1,398	5,000	0.00%
332	RECORDING SECRETARY	0	0	0	0	0	0	0.00%
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		\$68,518	\$43,161	\$49,026	\$48,050	\$45,794	\$55,000	14.46%
<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		\$68,518	\$43,161	\$49,026	\$48,050	\$45,794	\$55,000	14.46%

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:

1. 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. Contracted services increased for an outside contractor performing periodic through cleanings of the building. In 2021 The City installed many touch free fixtures to help prevent the spread of Covid-19, which why expenditures are double in 2021. In 2024, building improvements include changes to the front office area for better security and other improvements for the installation of an irrigation system.

BUDGET:

HERITAGE HALL DEPARTMENT 41940								
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE
<u>SUPPLIES</u>								
205	CLEANING SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
210	OPERATING SUPPLIES - OTHER	50	69	0	200	0	150	-25.00%
230	BUILDING MATERIALS	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
TOTAL SUPPLIES		\$50	\$69	\$0	\$200	\$0	\$150	-25.00%
<u>OTHER SERVICES & CHARGES</u>								
300	PROFESSIONAL SERVICES	1,006	0	0	1,000	7,006	1,000	0.00%
309	CONTRACT SERVICES	18,241	15,540	12,560	15,500	15,666	17,000	9.68%
321	TELEPHONE	0	0	0	1,000	0	0	-100.00%
362	PROPERTY INSURANCE	876	1,371	1,708	2,000	3,485	3,500	75.00%
381	ELECTRICITY	4,545	5,266	5,817	5,750	5,999	6,000	4.35%
383	GAS	1,097	1,853	1,593	2,000	832	1,800	-10.00%
385	WATER/SEWER UTILITIES	1,154	890	908	1,200	681	1,200	0.00%
400	REPAIR/MAINTENANCE - OTHER	355	370	470	2,000	410	1,000	-50.00%
401	REPAIR/MAINTENANCE - BUILDINGS	46,353	2,184	79	8,000	580	6,000	-25.00%
TOTAL OTHER SERVICES & CHARGES		\$73,627	\$27,474	\$23,135	\$38,450	\$34,659	\$37,500	-2.47%
<u>CAPITAL OUTLAY</u>								
520	BUILDING IMPROVEMENTS	5,480	0	0	14,000	1,040	10,000	-28.57%
580	OTHER EQUIPMENT/IMPROVEMENTS	0	0	0	14,000	382	10,000	-28.57%
TOTAL CAPITAL OUTLAY		\$5,480	\$0	\$0	\$28,000	\$1,422	\$20,000	-28.57%
TOTAL HERITAGE HALL		\$79,157	\$27,543	\$23,135	\$66,650	\$36,081	\$57,650	-13.50%

Police General Fund

ACTIVITY DESCRIPTION:

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

GOALS:

1. Provide effective law enforcement service to the City.

BUDGET COMMENTARY:

The 2025 budget is based on the contracted budget amount provided by the City of White Bear Lake's Police Department. In 2024 for the first time the budget included a line item for the annual debt costs on the city's new public safety building.

BUDGET:

		POLICE DEPARTMENT 42100						
					12/19/2023	12/11/2024	12/17/2024	
ACCT.		2021	2022	2023	2024	2024	2025	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
	<u>OTHER SERVICES & CHARGES</u>							
305	REGULAR LAW ENFORCEMENT	\$85,777	\$91,186	\$113,184	\$115,877	\$96,934	\$133,089	14.85%
306	SPECIAL LAW ENFORCEMENT	0	0	0	0	1,166	0	0.00%
307	DISPATCH COSTS	0	0	0	0	0	0	0.00%
308	PUBLIC SAFETY FACILITY COSTS	0	0	0	13,589	20,940	14,313	5.33%
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$85,777	\$91,186	\$113,184	\$129,466	\$119,040	\$147,402	13.85%
	TOTAL POLICE	\$85,777	\$91,186	\$113,184	\$129,466	\$119,040	\$147,402	13.85%

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 2025 budget less an adjustment for 2023 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. This budget also includes \$9,346 in debt costs for the city's new public safety building.

BUDGET:

FIRE DEPARTMENT 42200									
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE	
	<u>OTHER SERVICES & CHARGES</u>								
308	PUBLIC SAFETY FACILITY COSTS	\$0	\$0	\$0	\$8,941	\$0	\$9,346	4.53%	
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%	
311	FIRE SERVICE	19,060	22,593	26,912	\$31,982	38,486	\$35,300	10.37%	
312	FIRE MARSHALL SERVICES	6,448	6,747	6,306	\$7,746	6,455	\$8,181	5.62%	
	TOTAL OTHER SERVICES & CHARGES	\$25,508	\$29,340	\$33,218	\$48,669	\$44,941	\$52,827	8.54%	
	TOTAL FIRE	\$25,508	\$29,340	\$33,218	\$48,669	\$44,941	\$52,827	8.54%	

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 2025 budget was based on past expenditures.

BUDGET:

ANIMAL CONTROL DEPARTMENT 42300									
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 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	0	300	129	300	0.00%	
324	ANIMAL ENFORCEMENT	180	81	116	200	0	200	0.00%	
	TOTAL OTHER SERVICES & CHARGES	\$180	\$81	\$116	\$500	\$129	\$500	0.00%	
	TOTAL ANIMAL CONTROL	\$180	\$81	\$116	\$500	\$129	\$500	0.00%	

Building Inspections General Fund

ACTIVITY DESCRIPTION:

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

GOALS:

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

BUDGET COMMENTARY:

Building inspections reduced to reflect less building activity estimated in 2025.

BUDGET:

BUILDING INSPECTIONS DEPARTMENT 42401						12/19/2023	12/11/2024	12/17/2024		
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	2025 ADOPTED	%	CHANGE
<u>PERSONNEL SERVICES</u>										
100	WAGES & SALARIES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
	TEMPORARY EMPLOYEES	0	0	0	0	0	0	0	0.00%	
130	FICA CONTRIBUTIONS	0	0	0	0	0	0	0	0.00%	
131	PERA CONTRIBUTIONS	0	0	0	0	0	0	0	0.00%	
135	HEALTH INSURANCE	0	0	0	0	0	0	0	0.00%	
150	WORKER'S COMPENSATION	0	0	0	0	0	0	0	0.00%	
	TOTAL PERSONNEL SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
<u>OTHER SERVICES & CHARGES</u>										
313	BUILDING INSPECTIONS	9,164	4,275	7,220	8,500	7,030	8,500	8,500	0.00%	
309	MISCELLANEOUS	0	0	0	0	0	0	0	0.00%	
316	BUILDING SECRETARY SERVICES	1,588	3,265	1,947	2,500	0	2,000	2,000	-20.00%	
334	COMPUTER SERVICES	2,520	2,520	2,520	2,550	0	3,000	3,000	17.65%	
328	CODE ENFORCEMENT	0	0	0	0	0	0	0	0.00%	
	TOTAL OTHER SERVICES & CHARGES	\$13,272	\$10,060	\$11,687	\$13,550	\$7,030	\$13,500	\$13,500	-0.37%	
<u>CAPITAL OUTLAY</u>										
570	FURNITURE & EQUIPMENT	0	0	0	0	0	0	0	0.00%	
	TOTAL CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
	TOTAL BUILDING INSPECTIONS	\$13,272	\$10,060	\$11,687	\$13,550	\$7,030	\$13,500	\$13,500	-0.37%	

Road Maintenance General Fund

ACTIVITY DESCRIPTION:

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

GOALS:

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

BUDGET COMMENTARY:

Most line items adjusted based on past expenditures. Street maintenance/repair includes a possible seal coat project in 2025. In 2019, the City adopted a boulevard tree trimming policy, in which the City will trim any trees or bushes that interfere with pedestrian traffic and vision of vehicle drivers. Based on past expenditures, \$8,000 is estimated for tree trimming.

BUDGET:

ROAD MAINTENANCE DEPARTMENT 43122						12/19/2023	12/11/2024	12/17/2024	
ACCT.		2021	2022	2023	2024	2024	2025		%
#	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	62	0	224	500	6,849	500		0.00%
250	SALES TAX	0	0	0	0	0	0		0.00%
	TOTAL SUPPLIES	\$62	\$0	\$224	\$500	\$6,849	\$500		0.00%
<u>OTHER SERVICES & CHARGES</u>									
300	PROFESSIONAL SERVICES	0	0	0	0	0	0		0.00%
302	ENGINEERING FEES	12,514	5,423	9,148	10,000	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%
327	NPDES - STORMWATER	0	0	0	0	0	0		0.00%
351	LEGAL NOTICES	0	0	0	0	0	0		0.00%
382	ELECTRICITY - STREET LIGHTS	707	934	973	1,300	963	1,200		-7.69%
385	ROW MAINTENANCE	0	0	0	500	0	500		0.00%
405	ROAD MAINTENANCE/REPAIR	28,007	3,165	11,806	20,000	0	20,000		0.00%
406	BLVD. TREE TRIMMING	2,001	0	5,797	10,000	0	8,000		-20.00%
433	DUES AND SUBSCRIPTIONS	0	0	0	100	0	0		-100.00%
	TOTAL OTHER SERVICES & CHARGES	\$43,229	\$9,522	\$27,724	\$41,900	\$963	\$39,700		-5.25%
<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	\$43,291	\$9,522	\$27,948	\$42,400	\$7,812	\$40,200		-5.19%

Ice & Snow Removal General Fund

ACTIVITY DESCRIPTION:

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

GOALS:

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

BUDGET COMMENTARY:

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

BUDGET:

		ICE & SNOW REMOVAL DEPARTMENT 43125						
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE
<u>SUPPLIES</u>								
225	SALT SAND	\$4,925	\$5,598	\$27	\$12,000	\$0	\$8,000	-33.33%
210	OPERATING SUPPLIES - OTHER	0	0	0	0	0	0	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$4,925	\$5,598	\$27	\$12,000	\$0	\$8,000	-33.33%
<u>OTHER SERVICES & CHARGES</u>								
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%
400	REPAIR/MAINTENANCE - OTHER	0	0	0	1,000	640	1,000	0.00%
404	REPAIR/MAINTENANCE - CONTRACTUAL	6,386	7,031	7,465	14,500	3,138	14,500	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$6,386	\$7,031	\$7,465	\$15,500	\$3,778	\$15,500	0.00%
<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	\$11,311	\$12,629	\$7,492	\$27,500	\$3,778	\$23,500	-14.55%

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:

In 2019, a trail was constructed in the Villas of Gem Lake housing development and donated to the City. For 2025, the City is budgeting \$5,000 to pay for mowing, plowing and maintenance of the trail and area around the trail and \$1,000 each for landscaping materials and miscellaneous maintenance items.

BUDGET:

PARK MAINTENANCE DEPARTMENT 4410						12/19/2023	12/11/2024	12/17/2024	
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	% CHANGE	
<u>SUPPLIES</u>									
211	CHEMICALS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
210	OPERATING SUPPLIES - OTHER	68	0	0	0	0	0	0.00%	
	LANDSCAPING MATERIALS	0	0	0	1,000	0	1,000	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	\$68	\$0	\$0	\$1,000	\$0	\$1,000	0.00%	
<u>OTHER SERVICES & CHARGES</u>									
300	PROFESSIONAL SERVICES	0	0	0	0	65	0	0.00%	
404	PARK MAINTENANCE - CONTRACTUAL	0	3,430	0	5,000	3,030	5,000	0.00%	
400	REPAIR/MAINTENANCE - OTHER	0	0	0	1,000	0	1,000	0.00%	
309	MISCELLANEOUS	0	0	0	0	0	0	0.00%	
	TOTAL OTHER SERVICES & CHARGES	\$0	\$3,430	\$0	\$6,000	\$3,095	\$6,000	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	\$68	\$3,430	\$0	\$7,000	\$3,095	\$7,000	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. In 2020 the City transferred \$385,000 in excess fund balance to close out two construction funds and set funds aside for future improvement projects based on the City fund balance policy of maintaining 50% of the next year's operating budget as reserves. In 2025 only \$20,000 for future improvement projects is being budgeted.

BUDGET:

**OPERATING TRANSFERS
DEPARTMENT 4900**

ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE
720	TRANSFERS OUT							
	2007 Capital Improvement Bonds Improvement Fund - 401	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
	Road Improvements	0	0	0	0	0	0	0.00%
	EAB Treatment/Prevention	0	0	0	0	0	0	0.00%
	Building Improvements/Replacement	0	0	0	0	0	0	0.00%
	Future Improvements	25,000	20,000	20,000	20,000	0	20,000	0.00%
	Sidewalk/Path along County Road E	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	25,000	20,000	20,000	20,000	0	20,000	0.00%



SPECIAL REVENUE FUNDS

**PARK & PLAYGROUND FUND
SPECIAL REVENUE FUND**

ACTIVITY DESCRIPTION:

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

GOALS:

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

BUDGET COMMENTARY:

Revenue source is park dedication fees paid on new construction and/or developments, interest earnings and any operating transfers. The transfer was from the General Fund and Improvement Funds in the past, for the possible construction of a sidewalk along County Road E.

The only expenditure in the past was for engineering is for the construction of the sidewalk along County Road E. In 2025 \$1,000 is budgeted for the purchase and planting of some trees along the trail by the Villas of Gem Lake development.

BUDGET:

201 PARK AND PLAYGROUND FUND

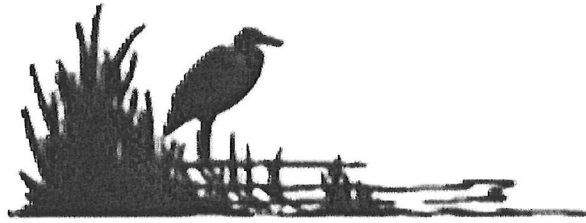
<u>REVENUE BUDGET</u>				12/19/2023	12/11/2024	12/17/2024		
ACCT.		2021	2022	2023	2024	2024	2025	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>MISCELLANEOUS</u>								
33604	GRANTS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
34785	PARK DEDICATION FEES	0	15,000	0	0	0	0	0.00%
36210	INTEREST INCOME	(404)	(1,884)	2,667	925	850	1,000	8.11%
36200	MISCELLANEOUS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	(\$404)	\$13,116	\$2,667	\$925	\$850	\$1,000	8.11%
	TOTAL REVENUES	(\$404)	\$13,116	\$2,667	\$925	\$850	\$1,000	8.11%
<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>								
300	PROFESSIONAL SERVICES	0	0	0	0	0	0	0.00%
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	2,896	5,348	5,000	1,118	1,000	-80.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$0	\$2,896	\$5,348	\$5,000	\$1,118	\$1,000	-80.00%
	TOTAL EXPENDITURES	\$0	\$2,896	\$5,348	\$5,000	\$1,118	\$1,000	-80.00%
	FUND BALANCE - JANUARY 1	\$44,695	\$44,291	\$54,511	\$51,830	\$44,695	\$44,427	
	EXCESS REVENUE OVER EXPENDITURES	(\$404)	\$10,220	(\$2,681)	(\$4,075)	(\$268)	\$0	
	FUND BALANCE - DECEMBER 31	\$44,291	\$54,511	\$51,830	\$47,755	\$44,427	\$44,427	-6.97%

FUTURE IMPACTS:

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



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DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

DESCRIPTION:

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

GOALS:

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

MEASURABLE WORKLOAD DATA:

	<u>2022</u> <u>ACTUAL</u>	<u>2023</u> <u>ACTUAL</u>	<u>2024</u> <u>ACTUAL</u>	<u>2025</u> <u>ESTIMATED</u>
	Non-Rated	Non-Rated	Non-Rated	Non-Rated
Bond Rating				
Dec. 31 Debt Outstanding (In thousands)	\$960	\$855	\$750	\$645
Net Debt Per Capita	\$1,791	\$1,601	\$1,415	\$1,217

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 2015 G. O. Refunding Bonds. The City's current legal debt limit and debt margin is as follows:

Legal Debt Limit (3% of Estimated Market Value)	\$5,142,123
Less: Outstanding Debt Subject to Limit	<u>(275,000)</u>
Legal Debt Margin as of January 1, 2023	\$4,867,123

BUDGET COMMENTARY:

The City's debt consists of a capital improvement plan bond for the construction of Heritage Hall, which is repaid from a property tax levy and was refunded with the 2015 G. O. Refunding Bond. In 2018, the

City issued improvement bonds with a principal of \$660,000.00.

BUDGET:

DEBT SERVICE FUNDS SUMMARY

<u>REVENUE BUDGET</u>					12/19/2023	12/11/2024	12/17/2024	
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	% CHANGE
<u>PROPERTY TAXES</u>								
31001	CURRENT TAXES	\$87,409	\$83,448	\$81,268	\$81,554	\$41,311	\$83,736	2.68%
31002	DELINQUENT TAXES	2	49	703	0	439	0	0.00%
31003	FISCAL DISPARITY TAX	2,472	2,069	2,111	0	1,225	0	0.00%
31004	PENALTIES & INTEREST	0	960	0	0	0	0	0.00%
	TOTAL PROPERTY TAXES	\$89,883	\$86,526	\$84,082	\$81,554	\$42,975	\$83,736	2.68%
<u>SPECIAL ASSESSMENTS</u>								
36101	SPECIAL ASSESSMENTS	61,831	60,203	58,576	55,000	28,475	47,000	-14.55%
36102	DELINQUENT SPECIAL ASSESSMENTS	221	0	0	0	0	0	0.00%
36103	PENALTIES & INTEREST	0	11	0	0	0	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	0	0	0	0	0	0	0.00%
	TOTAL FINES & FORFEITS	\$62,052	\$60,214	\$58,576	\$55,000	\$28,475	\$47,000	-14.55%
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	0	(4,464)	6,460	2,230	2,323	2,300	3.14%
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	0	0.00%
	TOTAL MISCELLANEOUS	\$0	(\$4,464)	\$6,460	\$2,230	\$2,323	\$2,300	3.14%
	TOTAL REVENUES	\$151,935	\$142,276	\$149,118	\$138,784	\$73,773	\$133,036	-4.14%
<u>EXPENDITURE BUDGET</u>								
<u>CAPITAL OUTLAY</u>								
601	BOND PRINCIPAL	95,000	105,000	105,000	105,000	105,000	105,000	0.00%
602	BOND INTEREST	34,065	31,659	29,029	26,301	26,301	23,476	-10.74%
603	FISCAL AGENT FEES	1,800	1,900	4,995	2,400	850	2,400	0.00%
701	MISCELLANEOUS	0	0	0	0	0	0	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$130,865	\$138,559	\$139,024	\$133,701	\$132,151	\$130,876	-2.11%
	TOTAL EXPENDITURES	\$130,865	\$138,559	\$139,024	\$133,701	\$132,151	\$130,876	-2.11%
	FUND BALANCE - JANUARY 1	\$211,783	\$232,853	\$236,570	\$246,664	\$211,783	\$153,405	
	EXCESS REVENUE OVER EXPENDITURES	\$21,070	\$3,717	\$10,094	\$5,083	(\$58,378)	\$2,160	
	FUND BALANCE - DECEMBER 31	\$232,853	\$236,570	\$246,664	\$251,747	\$153,405	\$155,565	-38.21%

2015 REFUNDING CAPITAL IMPROVEMENT PLAN BOND FUND

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

ACTIVITY DESCRIPTION:

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

GOALS:

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

MEASURABLE WORKLOAD DATA:

	<u>2022</u> <u>ACTUAL</u>	<u>2023</u> <u>ACTUAL</u>	<u>2024</u> <u>ACTUAL</u>	<u>2025</u> <u>ESTIMATE</u>
Bond Principal Retired	\$65,000	\$65,000	\$65,000	\$65,000
Bond Interest Paid	\$11,359	\$9,929	\$8,401	\$6,776
Property Tax Levy Collected	\$78,874	\$77,408	\$80,123	\$79,711

DEBT PAYMENT SCHEDULE:

<u>YEAR DUE</u>	<u>JAN. 1 DEBT</u> <u>OUTSTANDING</u>	<u>PRINCIPAL DUE</u>	<u>INTEREST DUE</u>
2025	\$275,000.00	\$65,000.00	\$6,776.25
2026	\$210,000.00	\$70,000.00	\$4,987.50
2027	\$140,000.00	\$70,000.00	\$3,045.00
2028	\$70,000.00	\$70,000.00	\$1,015.00

BUDGET COMMENTARY:

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

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

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

BUDGET:

304 2015 REFUNDING BOND (FORMERLY 2007 CAPITAL IMPROVEMENT PLAN BONDS)

<u>REVENUE BUDGET</u>					12/19/2023	12/11/2024	12/17/2024	
ACCT.		2021	2022	2023	2024	2024	2025	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>PROPERTY TAXES</u>								
31001	CURRENT TAXES	\$78,598	\$75,984	\$74,767	\$76,269	\$38,601	\$79,711	4.51%
31002	DELINQUENT TAXES	2	45	700	0	405	0	0.00%
31003	FISCAL DISPARITIES TAXES	2,223	1,885	1,941	0	1,144	0	0.00%
31004	PENALTIES & INTEREST	0	960	0	0	0	0	0.00%
	<u>TOTAL FINES & FORFEITS</u>	<u>\$80,823</u>	<u>\$78,874</u>	<u>\$77,408</u>	<u>\$76,269</u>	<u>\$40,150</u>	<u>\$79,711</u>	<u>4.51%</u>
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	(342)	(2,900)	3,848	1,285	1,281	1,300	1.17%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
	<u>TOTAL MISCELLANEOUS</u>	<u>(\$342)</u>	<u>(\$2,900)</u>	<u>\$3,848</u>	<u>\$1,285</u>	<u>\$1,281</u>	<u>\$1,300</u>	<u>1.17%</u>
	<u>TOTAL REVENUES</u>	<u>\$80,481</u>	<u>\$75,974</u>	<u>\$81,256</u>	<u>\$77,554</u>	<u>\$41,431</u>	<u>\$81,011</u>	<u>4.46%</u>
<u>EXPENDITURE BUDGET</u>								
<u>CAPITAL OUTLAY</u>								
600	BOND PRINCIPAL	\$60,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	0.00%
610	BOND INTEREST	12,640	11,359	9,929	8,401	8,401	6,776	-19.34%
620	FISCAL AGENT FEES	850	950	2,495	1,200	425	1,200	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	<u>TOTAL CAPITAL OUTLAY</u>	<u>\$73,490</u>	<u>\$77,309</u>	<u>\$77,424</u>	<u>\$74,601</u>	<u>\$73,826</u>	<u>\$72,976</u>	<u>-2.18%</u>
	<u>TOTAL EXPENDITURES</u>	<u>\$73,490</u>	<u>\$77,309</u>	<u>\$77,424</u>	<u>\$74,601</u>	<u>\$73,826</u>	<u>\$72,976</u>	<u>-2.18%</u>
	FUND BALANCE - JANUARY 1	\$129,143	\$136,134	\$134,799	\$138,631	\$129,143	\$96,748	
	EXCESS REVENUE OVER EXPENDITURES	\$6,991	(\$1,335)	\$3,832	\$2,953	(\$32,395)	\$8,035	
	<u>FUND BALANCE - DECEMBER 31</u>	<u>\$136,134</u>	<u>\$134,799</u>	<u>\$138,631</u>	<u>\$141,584</u>	<u>\$96,748</u>	<u>\$104,783</u>	<u>-25.99%</u>

2018 IMPROVEMENT BOND FUND

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

ACTIVITY DESCRIPTION:

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

GOALS:

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

MEASURABLE WORKLOAD DATA:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATE</u>
Bond Principal Retired	\$40,000	\$40,000	\$40,000	\$40,000
Bond Interest Paid	\$20,300	\$19,100	\$17,900	\$16,700
Property Tax Levy				
Collected	\$7,652	\$6,674	\$5,650	\$4,025
Special Assessments				
Collected	\$60,203	\$58,576	\$56,950	\$47,000

DEBT PAYMENT SCHEDULE:

<u>YEAR DUE</u>	<u>JAN. 1 DEBT</u> <u>OUTSTANDING</u>	<u>PRINCIPAL DUE</u>	<u>INTEREST DUE</u>
2025	\$475,000.00	\$40,000.00	\$16,700.00
2026	\$435,000.00	\$40,000.00	\$15,500.00
2027	\$395,000.00	\$45,000.00	\$14,225.00
2028	\$350,000.00	\$45,000.00	\$12,875.00
2029	\$305,000.00	\$45,000.00	\$11,300.00
2030	\$260,000.00	\$50,000.00	\$9,400.00
2031	\$210,000.00	\$50,000.00	\$7,400.00
2032	\$160,000.00	\$50,000.00	\$5,400.00
2033	\$110,000.00	\$55,000.00	\$3,300.00
2034	\$55,000.00	\$55,000.00	\$1,100.00

BUDGET COMMENTARY:

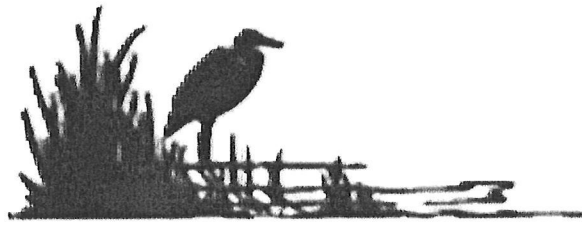
This fund will receive its revenue from a property tax levy and special assessments.

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

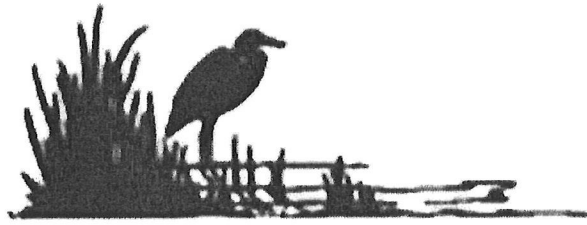
BUDGET:

305 2018 IMPROVEMENT BONDS

<u>REVENUE BUDGET</u>					12/19/2023	12/11/2024	12/17/2024	
ACCT.		2021	2022	2023	2024	2024	2025	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>PROPERTY TAXES</u>								
31001	CURRENT TAXES	\$8,811	\$7,464	\$6,501	\$5,285	\$2,710	\$4,025	-23.84%
31002	DELINQUENT TAXES	0	4	3	0	34	0	0.00%
31003	FISCAL DISPARITIES TAXES	249	184	170	0	81	0	0.00%
31004	PENALTIES & INTEREST	0	0	0	0	0	0	0.00%
	TOTAL FINES & FORFEITS	\$9,060	\$7,652	\$6,674	\$5,285	\$2,825	\$4,025	-23.84%
<u>SPECIAL ASSESSMENTS</u>								
36101	SPECIAL ASSESSMENTS - CURRENT	61,831	60,203	58,576	55,000	28,475	47,000	-14.55%
36102	SPECIAL ASSESSMENTS - DELINQUENT	221	0	0	0	0	0	0.00%
36103	PENALTIES & INTEREST	0	11	0	0	0	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	0	0	0	0	0	0	0.00%
	TOTAL FINES & FORFEITS	\$62,052	\$60,214	\$58,576	\$55,000	\$28,475	\$47,000	-14.55%
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	342	(1,564)	2,612	945	1,042	1,000	5.82%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	\$342	(\$1,564)	\$2,612	\$945	\$1,042	\$1,000	5.82%
	TOTAL REVENUES	\$71,454	\$66,302	\$67,862	\$61,230	\$32,342	\$52,025	-15.03%
<u>EXPENDITURE BUDGET</u>								
<u>CAPITAL OUTLAY</u>								
600	BOND PRINCIPAL	\$35,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	0.00%
610	BOND INTEREST	21,425	20,300	19,100	17,900	17,900	16,700	-6.70%
620	FISCAL AGENT FEES	950	950	2,500	1,200	425	1,200	0.00%
720	TRANSFERS OUT	0	0	0	0	0	0	0.00%
	TOTAL CAPITAL OUTLAY	\$57,375	\$61,250	\$61,600	\$59,100	\$58,325	\$57,900	-2.03%
	TOTAL EXPENDITURES	\$57,375	\$61,250	\$61,600	\$59,100	\$58,325	\$57,900	-2.03%
	FUND BALANCE - JANUARY 1	\$82,640	\$96,719	\$101,771	\$108,033	\$82,640	\$56,657	
	EXCESS REVENUE OVER EXPENDITURES	\$14,079	\$5,052	\$6,262	\$2,130	(\$25,983)	(\$5,875)	
	FUND BALANCE - DECEMBER 31	\$96,719	\$101,771	\$108,033	\$110,163	\$56,657	\$50,782	-53.90%



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CAPITAL IMPROVEMENT FUNDS

IMPROVEMENT FUND

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

ACTIVITY DESCRIPTION:

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

GOALS:

None.

MEASURABLE WORKLOAD DATA:

	2022 <u>ACTUAL</u>	2023 <u>ACTUAL</u>	2024 <u>ACTUAL</u>	2025 <u>ESTIMATED</u>
Since this fund was closed out, there is no measurable workload data.				

BUDGET COMMENTARY:

The major revenue source in the past was transfers of excess funds from the General Fund to help finance future building improvements and to set funds aside for possible emerald ash bore tree replacement/treatments. The City is budgeting a transfer from the General Fund to the Improvement Fund in 2020, 2021, 2022, 2023, and 2024 to help fund future project. The expenditures in 2021 was to study drainage along Scheuneman Road and in 2022 the City had some storm water improvements along Scheuneman Road and a repair of an embankment collapse. 2023 included some road reconstruction and 2024 some drainage and possible road improvements are being budgeted.

BUDGET:

401 IMPROVEMENT FUND

<u>REVENUE BUDGET</u>					12/19/2023	12/11/2024	12/17/2024	
ACCT.		2021	2022	2023	2024	2024	2025	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ACTUAL	ADOPTED	CHANGE
<u>SPECIAL ASSESSMENTS</u>								
36101	SPECIAL ASSESSMENTS - CURRENT	\$40,245	\$38,877	\$35,378	\$28,000	\$19,676	\$25,000	-10.71%
36102	SPECIAL ASSESSMENTS - DELINQUENT	0	68	0	0	3,500	0	0.00%
36103	PENALTIES & INTEREST	107	34	0	0	0	0	0.00%
36104	SPECIAL ASSESSMENTS - PREPAID/SNR	5,366	0	0	0	0	0	0.00%
TOTAL SPECIAL ASSESSMENTS		\$45,718	\$38,979	\$35,378	\$28,000	\$23,176	\$25,000	-10.71%
<u>MISCELLANEOUS</u>								
36210	INTEREST EARNINGS	\$8,856	(\$15,880)	\$18,240	\$5,900	\$4,269	\$6,500	10.17%
36200	MISCELLANEOUS	0	0	3,500	0	0	0	0.00%
39100	BOND PROCEEDS	0	0	0	0	0	0	0.00%
39200	TRANSFERS IN							
	Road Improvements	0	0	0	0	0	0	0.00%
	EAB Treatment/Prevention	0	0	0	0	0	0	0.00%
	Building Improvements/Replacement	0	0	0	0	0	0	0.00%
	Future Improvements	25,000	20,000	20,000	20,000	0	20,000	0.00%
TOTAL MISCELLANEOUS		\$33,856	\$4,120	\$41,740	\$25,900	\$4,269	\$26,500	2.32%
TOTAL REVENUES		\$79,574	\$43,099	\$77,118	\$53,900	\$27,445	\$51,500	-4.45%
<u>EXPENDITURE BUDGET</u>								
<u>OTHER SERVICES & CHARGES</u>								
302	ENGINEERING FEES	23,741	0	0	10,000	0	8,000	-20.00%
304	LEGAL FEES	0	0	0	0	0	0	0.00%
TOTAL OTHER SERVICES & CHARGES		\$23,741	\$0	\$0	\$10,000	\$0	\$8,000	-20.00%
<u>CAPITAL OUTLAY</u>								
531	OTHER IMPROVEMENTS	194,831	3,413	179,723	120,000	0	100,000	-16.67%
	WATER IMPROVEMENTS	0	0	0	0	0	0	0.00%
720	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
TOTAL CAPITAL OUTLAY		\$194,831	\$3,413	\$179,723	\$120,000	\$0	\$100,000	-16.67%
TOTAL EXPENDITURES		\$218,572	\$3,413	\$179,723	\$130,000	\$0	\$108,000	-16.92%
FUND BALANCE - JANUARY 1		\$452,002	\$313,004	\$352,690	\$250,085	\$452,002	\$479,447	
EXCESS REVENUE OVER EXPENDITURES		(\$138,998)	\$39,686	(\$102,605)	(\$76,100)	\$27,445	(\$56,500)	
FUND BALANCE - DECEMBER 31		\$313,004	\$352,690	\$250,085	\$173,985	\$479,447	\$422,947	143.09%



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ENTERPRISE FUNDS

ENTERPRISE FUNDS

ACTIVITY DESCRIPTION:

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

GOALS:

See the individual funds for their goals.

MEASURABLE WORKLOAD DATA:

See individual funds for their measurable workload data.

BUDGET COMMENTARY:

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

See individual funds for budget explanations and charges.

BUDGET:

ENTERPRISE FUND SUMMARY								
REVENUE BUDGET								
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ADOPTED	12/17/2024 2025 ADOPTED	% CHANGE
CHARGES FOR SERVICES								
34410	LOCAL CONNECTION CHARGES	\$0	\$4,099	\$2,097	\$1,000	\$12,425	\$1,000	0.00%
34500	ENTERPRISE REVENUES - RESIDENTIAL	60,212	50,863	60,447	44,500	39,232	48,500	8.99%
34600	ENTERPRISE REVENUES - COMMERCIAL	24,244	31,664	31,453	36,500	25,589	34,500	-5.48%
34640	CERTIFIED SEWER REVENUES	0	0	0	0	0	0	0.00%
34650	PENALTIES & INTEREST	3,288	1,646	2,310	1,500	384	2,000	33.33%
TOTAL CHARGES FOR SERVICES		\$87,744	\$88,272	\$96,307	\$83,500	\$77,630	\$86,000	2.99%
SPECIAL ASSESSMENTS								
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%
MISCELLANEOUS								
36200	MISCELLANEOUS	0	0	0	20,000	0	0	-100.00%
36210	INTEREST INCOME	(2,919)	(15,698)	19,521	6,545	7,414	2,700	-58.75%
39200	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		(\$2,919)	(\$15,698)	\$19,521	\$26,545	\$7,414	\$2,700	-89.83%
TOTAL REVENUES		\$84,825	\$72,574	\$115,828	\$110,045	\$85,044	\$88,700	-19.40%
EXPENDITURE BUDGET								
SUPPLIES								
201	OFFICE SUPPLIES	0	0	0	200	0	200	0.00%
210	OPERATING SUPPLIES	0	0	0	0	0	0	0.00%
212	POSTAGE	0	0	0	250	0	250	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
TOTAL SUPPLIES		\$0	\$0	\$0	\$450	\$0	\$450	0.00%
OTHER SERVICES & CHARGES								
301	AUDITING & ACCOUNTING SERVICES	0	5,000	0	6,000	0	6,200	3.33%
302	ENGINEERING FEES	456	30,680	0	15,000	0	15,000	0.00%
318	M.C.E.S. CHARGES	38,840	42,587	53,492	60,470	25,193	51,400	-15.00%
319	LOCATES	155	228	259	250	144	250	0.00%
329	FINANCIAL SERVICE	408	0	0	1,000	0	1,000	0.00%
334	COMPUTER SERVICES	0	0	1,342	750	197	885	18.00%
400	REPAIR/ MAINTENANCE	0	0	0	5,000	190	5,500	10.00%
420	DEPRECIATION	29,535	29,535	38,866	31,200	0	39,500	26.60%
433	DUES & SUBSCRIPTIONS	0	0	0	0	0	0	0.00%
460	SEWER INSPECTIONS	0	0	0	25,000	0	25,000	0.00%
461	SEWER FLUSHING	0	0	0	23,500	0	23,500	0.00%
TOTAL OTHER SERVICES & CHARGES		\$69,394	\$108,030	\$93,959	\$168,170	\$25,724	\$168,235	0.04%
CAPITAL OUTLAY								
540	HEAVY MACHINERY/EQUIPMENT	0	0	0	10,000	0	0	-100.00%
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	\$10,000	\$0	\$0	-100.00%
TOTAL EXPENDITURE BUDGET		\$69,394	\$108,030	\$93,959	\$178,620	\$25,724	\$168,685	-5.56%
FUND BALANCE - JANUARY 1		\$293,742	\$446,629	\$420,311	\$455,791	\$293,742	\$353,062	
EXCESS REVENUE OVER EXPENDITURES		(\$6,236)	(\$55,853)	(\$3,386)	(\$68,575)	\$59,320	(\$79,985)	
DEDUCT INFRASTRUCTURE ADDITIONS		\$129,588	\$0	\$0	\$0	\$0	\$0	
ADD BACK DEPRECIATION		\$29,535	\$29,535	\$38,866	\$31,200	\$0	\$39,500	
FUND BALANCE - DECEMBER 31		\$446,629	\$420,311	\$455,791	\$418,416	\$353,062	\$312,577	-25.30%
INVESTMENT IN INFRASTRUCTURE		\$1,395,773	\$1,267,092	\$1,232,737	\$1,189,051	\$1,395,773	\$1,395,773	
ADDITIONS (DELETIONS)		(\$99,146)	(\$4,820)	(\$4,820)	\$0	\$0	\$0	
DEPRECIATION		(\$29,535)	(\$29,535)	(\$38,866)	(\$31,200)	\$0	(\$39,500)	
NET INVESTMENT IN INFRASTRURE		\$1,267,092	\$1,232,737	\$1,189,051	\$1,157,851	\$1,395,773	\$1,356,273	17.14%

**SEWER OPERATING FUND
ENTERPRISE FUNDS**

ACTIVITY DESCRIPTION:

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

GOALS:

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

MEASURABLE WORKLOAD DATA:

	<u>2022</u> <u>ACTUAL</u>	<u>2023</u> <u>ACTUAL</u>	<u>2024</u> <u>ACTUAL</u>	<u>2025</u> <u>ESTIMATED</u>
Gals of Sewage Treated (Millions)	15.18	16.66	17.47	14.71
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 \$56,000 with the rate increase used to estimate 2025 revenues. The City will review its rates and adjust if needed to properly fund future sewer operations.

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

On the expense side, the largest expense within Other Services and Charges are the M.C.E.S. Charges for sewer treatment. These charges are based on actual sewer flows and sewer treatment costs charged by the M.C.E.S. The City's flows have increased over the past year and the cost of treating wastewater has increased. For 2025, the M.C.E.S. Charges have decreased 15.00% to \$51,400.

Since sewer flows have been increasing over the past several years, the City is budgeting \$25,000 to inspect sewer lines for infiltration of ground water into the system.

The City also annually budgets to flush (clean) sewer lines to prevent sewer backups. For 2025, \$20,000 is budgeted to flush sewer lines.

BUDGET:

SEWER OPERATING FUND								
<u>REVENUE BUDGET</u>								
ACCT.		2021	2022	2023	12/19/2023	12/11/2024	12/17/2024	%
#	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	2024 ADOPTED	2024 ACTUAL	2025 ADOPTED	CHANGE
<u>CHARGES FOR SERVICES</u>								
34410	LOCAL SAC CHARGES	\$0	\$4,099	\$0	\$1,000	\$12,425	\$1,000	0.00%
34500	SEWER REVENUES - RESIDENTIAL	27,471	24,679	24,528	24,500	19,953	24,500	0.00%
34600	SEWER REVENUES - COMMERCIAL	24,244	31,664	31,369	31,500	25,313	31,500	0.00%
34640	CERTIFIED SEWER REVENUES	0	0	0	0	0	0	0.00%
34650	PENALTIES & INTEREST	2,978	1,500	2,310	1,500	335	2,000	33.33%
	TOTAL CHARGES FOR SERVICES	\$54,693	\$61,942	\$58,207	\$58,500	\$58,026	\$59,000	0.85%
<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	(2,394)	(17,892)	24,397	7,925	8,642	2,700	-65.93%
39200	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
	TOTAL MISCELLANEOUS	(\$2,394)	(\$17,892)	\$24,397	\$7,925	\$8,642	\$2,700	-65.93%
	TOTAL REVENUES	\$52,299	\$44,050	\$82,604	\$66,425	\$66,668	\$61,700	-7.11%
<u>EXPENDITURE BUDGET</u>								
<u>SUPPLIES</u>								
201	OFFICE SUPPLIES	0	0	0	200	0	200	0.00%
210	OPERATING SUPPLIES	0	0	0	0	0	0	0.00%
212	POSTAGE	0	0	0	250	0	250	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
	TOTAL SUPPLIES	\$0	\$0	\$0	\$450	\$0	\$450	0.00%
<u>OTHER SERVICES & CHARGES</u>								
301	AUDITING & ACCOUNTING SERVICES	0	2,500	0	3,000	0	3,100	3.33%
302	ENGINEERING FEES	(4,104)	0	0	5,000	0	5,000	0.00%
318	M.C.E.S. CHARGES	38,840	42,587	53,492	60,470	25,193	51,400	-15.00%
319	LOCATES	155	228	259	250	144	250	0.00%
329	FINANCIAL SERVICE	204	0	0	1,000	0	1,000	0.00%
334	COMPUTER SERVICES	0	0	1,342	750	197	885	18.00%
385	WATER/SEWER UTILITIES	2,941	3,091	3,132	5,000	3,132	5,000	0.00%
400	REPAIR/ MAINTENANCE	0	0	0	5,000	0	5,000	0.00%
420	DEPRECIATION	16,066	16,066	17,319	16,200	0	17,500	8.02%
433	DUES & SUBSCRIPTIONS	0	0	0	0	0	0	0.00%
460	SEWER INSPECTIONS	0	0	0	25,000	0	25,000	0.00%
461	SEWER FLUSHING	0	0	0	20,000	0	20,000	0.00%
	TOTAL OTHER SERVICES & CHARGES	\$54,102	\$64,472	\$75,544	\$141,670	\$28,666	\$134,135	-5.32%
<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	\$54,102	\$64,472	\$75,544	\$142,120	\$28,666	\$134,585	-5.30%
	FUND BALANCE - JANUARY 1	\$491,782	\$515,602	\$511,246	\$535,625	\$491,782	\$529,784	
	EXCESS REVENUE OVER EXPENDITURES	(\$1,803)	(\$20,422)	\$7,060	(\$75,695)	\$38,002	(\$72,885)	
	DEDUCT INFRASTRUCTURE ADDITIONS	\$9,557	\$0	\$0	\$0	\$0	\$0	
	ADD BACK DEPRECIATION	\$16,066	\$16,066	\$17,319	\$16,200	\$0	\$17,500	
	FUND BALANCE - DECEMBER 31	\$515,602	\$511,246	\$535,625	\$476,130	\$529,784	\$474,399	-0.36%
	INVESTMENT IN INFRASTRUCTURE	\$589,849	\$594,669	\$573,783	\$551,644	\$589,849	\$589,849	
	ADDITIONS (DELETIONS)	\$20,886	(\$4,820)	(\$4,820)	\$0	\$0	\$0	
	DEPRECIATION	(\$16,066)	(\$16,066)	(\$17,319)	(\$16,200)	\$0	(\$17,500)	
	NET INVESTMENT IN INFRASTRURE	\$594,669	\$573,783	\$551,644	\$535,444	\$589,849	\$572,349	6.89%

**WATER OPERATING FUND
ENTERPRISE FUNDS**

ACTIVITY DESCRIPTION:

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

GOALS:

1. Keep all water lines functioning safely and efficiently.

MEASURABLE WORKLOAD DATA:

	2022 <u>ACTUAL</u>	2023 <u>ACTUAL</u>	2024 <u>ACTUAL</u>	2025 <u>ESTIMATED</u>
Gals of Water Used	1,742,440	2,676,880	1,438,920	1,600,000

BUDGET COMMENTARY:

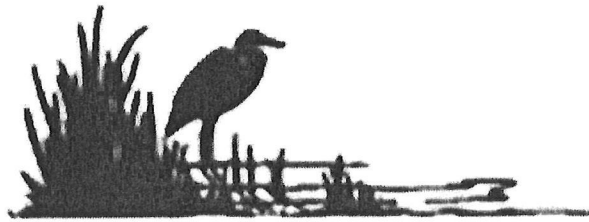
The main revenue source is water revenues, which are based on the number of gallons used. Water charges are estimated to generate revenues of \$27,000 which reflects a change in the rate structure for 2025. Rates are monitored to be sure customers are paying for the operations and replacement of the system.

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

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

BUDGET:

WATER OPERATING FUND								
REVENUE BUDGET								
ACCT. #	ACCOUNT DESCRIPTION	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	12/19/2023 2024 ADOPTED	12/11/2024 2024 ACTUAL	12/17/2024 2025 ADOPTED	% CHANGE
CHARGES FOR SERVICES								
32246	SALE OF WATER METERS	\$0	\$0	\$2,097	\$0	\$0	\$0	0.00%
34410	LOCAL WAC CHARGES	0	0	5,810	\$0	0	\$0	0.00%
34500	WATER REVENUES - RESIDENTIAL	32,741	26,184	35,919	20,000	19,279	24,000	20.00%
34600	WATER REVENUES - COMMERCIAL	0	0	84	5,000	276	3,000	-40.00%
34640	CERTIFIED SEWER REVENUES	0	0	0	0	0	0	0.00%
34650	PENALTIES & INTEREST	310	146	0	0	49	0	0.00%
TOTAL CHARGES FOR SERVICES		\$33,051	\$26,330	\$43,910	\$25,000	\$19,604	\$27,000	8.00%
SPECIAL ASSESSMENTS								
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%
MISCELLANEOUS								
36200	MISCELLANEOUS	0	0	0	20,000	0	0	-100.00%
36210	INTEREST INCOME	(525)	2,194	(4,876)	(1,380)	(1,228)	0	-100.00%
39200	OPERATING TRANSFERS	0	0	0	0	0	0	0.00%
TOTAL MISCELLANEOUS		(\$525)	\$2,194	(\$4,876)	\$18,620	(\$1,228)	\$0	-100.00%
TOTAL REVENUES		\$32,526	\$28,524	\$39,034	\$43,620	\$18,376	\$27,000	-38.10%
EXPENDITURE BUDGET								
SUPPLIES								
201	OFFICE SUPPLIES	0	0	0	0	0	0	0.00%
210	OPERATING SUPPLIES	0	0	0	0	0	0	0.00%
212	POSTAGE	0	0	0	0	0	0	0.00%
215	WATER METER SUPPLIES	0	0	1,854	0	0	1,000	0.00%
250	SALES TAX	0	0	0	0	0	0	0.00%
TOTAL SUPPLIES		\$0	\$0	\$1,854	\$0	\$0	\$1,000	0.00%
OTHER SERVICES & CHARGES								
301	AUDITING & ACCOUNTING SERVICES	0	2,500	0	3,000	0	3,100	3.33%
302	ENGINEERING FEES	4,560	30,680	0	10,000	0	10,000	0.00%
318	WATER CHARGES	0	0	0	0	0	0	0.00%
319	LOCATES	0	0	0	0	0	0	0.00%
329	FINANCIAL SERVICE	204	0	0	0	0	0	0.00%
334	COMPUTER SERVICES	0	0	0	0	0	0	0.00%
385	WATER/SEWER UTILITIES	18,726	17,306	26,079	22,000	17,452	22,000	0.00%
400	REPAIR MAINTENANCE	0	0	0	0	190	500	0.00%
420	DEPRECIATION	13,469	13,469	21,547	15,000	0	22,000	46.67%
433	DUES & SUBSCRIPTIONS	0	0	0	0	0	0	0.00%
460	WATER INSPECTIONS	0	0	0	0	0	0	0.00%
461	HYDRANT FLUSHING	0	0	0	3,500	0	3,500	0.00%
TOTAL OTHER SERVICES & CHARGES		\$36,959	\$63,955	\$47,626	\$53,500	\$17,642	\$61,100	14.21%
CAPITAL OUTLAY								
540	HEAVY MACHINERY/EQUIPMENT	0	0	0	10,000	0	0	-100.00%
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	\$10,000	\$0	\$0	-100.00%
TOTAL EXPENDITURE BUDGET		\$36,959	\$63,955	\$49,480	\$63,500	\$17,642	\$62,100	-2.20%
FUND BALANCE - JANUARY 1		(\$198,040)	(\$68,973)	(\$90,935)	(\$79,834)	(\$198,040)	(\$197,306)	
EXCESS REVENUE OVER EXPENDITURES		(\$4,433)	(\$35,431)	(\$10,446)	(\$19,880)	\$734	(\$35,100)	
DEDUCT INFRASTRUCTURE ADDITIONS		\$120,031	\$0	\$0	\$0	\$0	\$0	
ADD BACK DEPRECIATION		\$13,469	\$13,469	\$21,547	\$15,000	\$0	\$22,000	
FUND BALANCE - DECEMBER 31		(\$68,973)	(\$90,935)	(\$79,834)	(\$84,714)	(\$197,306)	(\$210,406)	148.37%
INVESTMENT IN INFRASTRUCTURE		\$805,924	\$672,423	\$658,954	\$637,407	\$805,924	\$805,924	
ADDITIONS (DELETIONS)		(\$120,032)	\$0	\$0	\$0	\$0	\$0	
DEPRECIATION		(\$13,469)	(\$13,469)	(\$21,547)	(\$15,000)	\$0	(\$22,000)	
NET INVESTMENT IN INFRASTRURE		\$672,423	\$658,954	\$637,407	\$622,407	\$805,924	\$783,924	25.95%



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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.

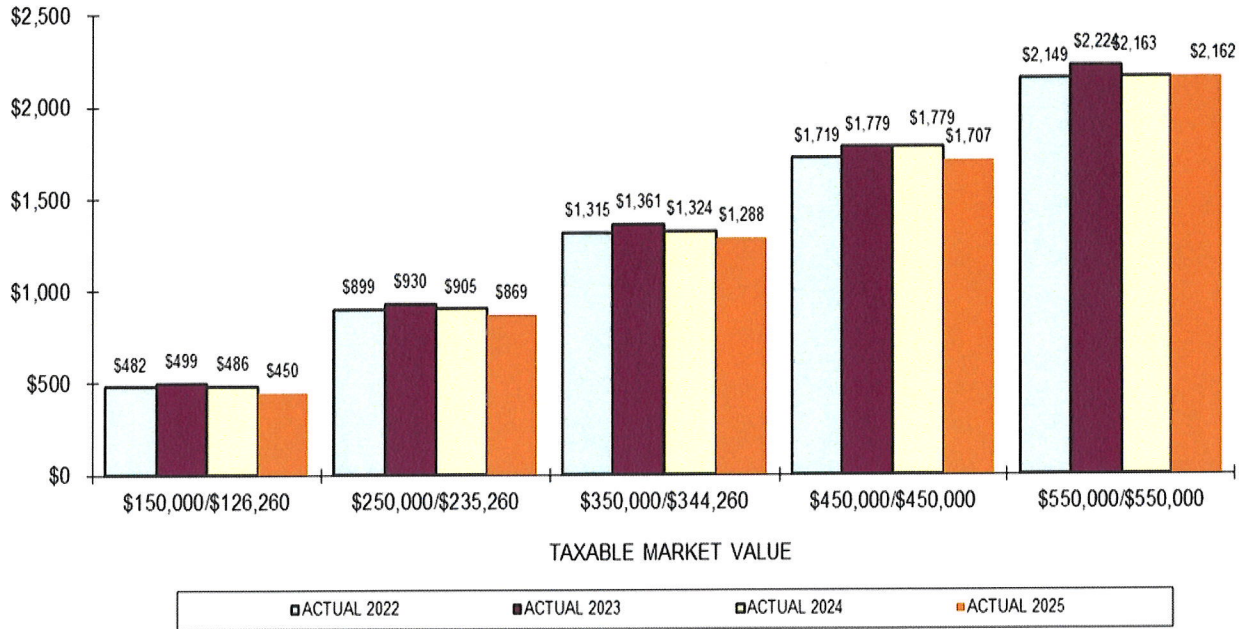
**Metropolitan Revenue Distribution
(Chapter 473F, Minnesota Statutes)
"Fiscal Disparities Law"**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly know 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.

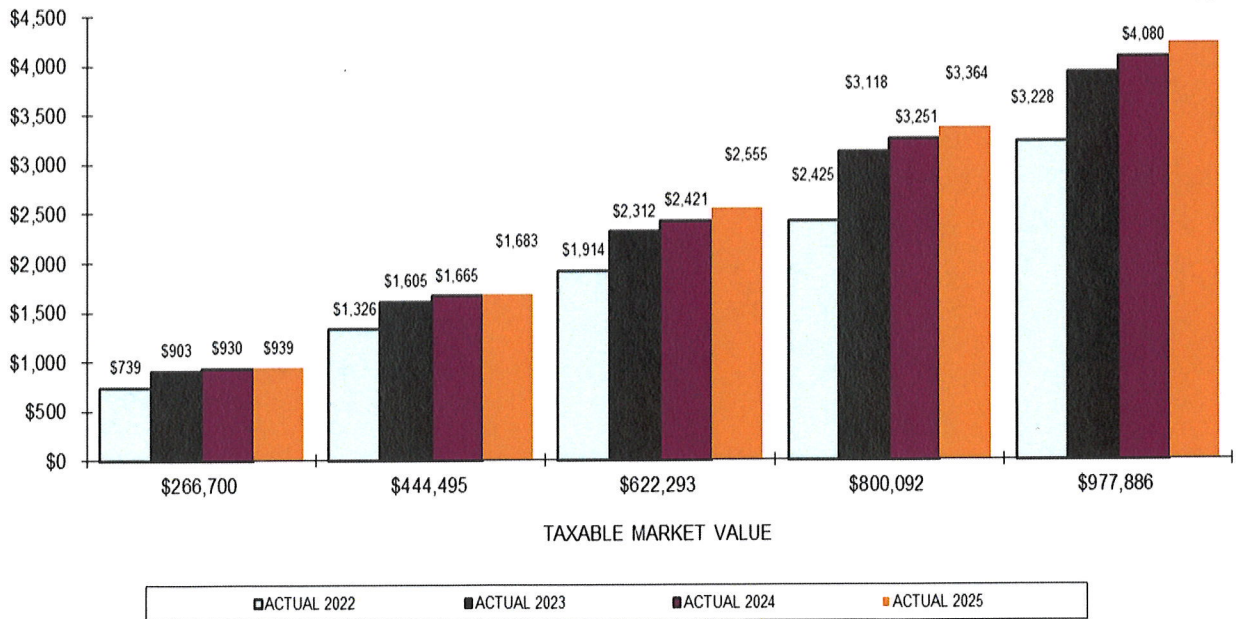
**STATUTORY FORMULAE CONVERSION OF ESTIMATED MARKET VALUE (EMV) TO NET TAX
CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

General Classification	<u>2001 Net Tax Capacity</u>		<u>2002–2025 Net Tax Capacity</u>	
	<u>Est. Mkt. Value</u>	<u>% of EMV</u>	<u>Est. Mkt. Value</u>	<u>% of EMV</u>
RESIDENTIAL:				
Homestead	First \$76,000	1.00%	First \$500,000	1.00%
	Over \$76,000	1.65%	Over \$500,000	1.25%
Non-Homestead	First \$76,000	1.20%	First \$500,000	1.00%
	Over \$76,000	1.65%	Over \$500,000	1.25%
AGRICULTURAL LAND:				
Homestead	First \$115,000	0.35%	First \$600,000	0.55%
	\$115,000-\$600,000	0.80%	Over \$600,000	1.00%
	Over \$600,000	1.20%		
Non-Homestead	100% of EMV	1.00%	100% of EMV	1.00%
COMMERCIAL / INDUSTRIAL				
	First \$150,000	2.40%	First \$150,000	1.50%
	Over \$150,000	3.40%	Over \$150,000	2.00%

CITY PROPERTY TAXES
(no change in ESTIMATED market value)



CITY PROPERTY TAXES
(3.294% Increase in ESTIMATED market value)



CITY OF GEM LAKE PROPERTY TAX CHANGES				
	2022 Final Levy	2023 Final Levy	2024 Final Levy	2025 Final Levy
GENERAL LEVY	470,928	568,897	615,527	635,000
DEBT LEVY:				
GENERAL DEBT LEVY	0	0	0	0
CAPITAL IMPROV. PLAN BONDS	79,477	75,940	76,269	79,711
2015 IMPROVEMENT BONDS	0	0	0	0
2018 IMPROVEMENT BONDS	7,805	6,384	5,285	4,025
TOTAL DEBT LEVY	87,282	82,324	81,554	83,736
TOTAL PROPERTY TAX LEVY	558,210	651,221	697,081	718,736
LESS: FISCAL DISPARITIES	13,231	17,894	19,581	23,290
NET PROPERTY TAXES	544,979	633,327	677,500	695,446
% CHANGE	-0.23%	16.21%	6.97%	-0.39%
TAX CAPACITY	1,426,695	1,601,998	1,761,615	1,809,157
TAX RATE	38.199%	39.534%	38.459%	38.440%
MEDIAN VALUE HOME	352,000	395,800	429,600	443,750
TAXABLE MEDIAN VALUE HOME	327,160	367,018	397,776	437,138
TAXABLE TAX CAPACITY	3,272	3,670	3,978	4,371
CITY TAXES	\$1,249.71	\$1,450.95	\$1,529.81	\$1,680.37

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
COA	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