

CITY OF WHITE BEAR LAKE, MINNESOTA

2019 ANNUAL BUDGET

Adopted by:

| | |
|------------------------|--------------------------------|
| Mayor: | Jo Emerson |
| Councilpersons: | Bill Walsh - Ward I |
| | Doug Biehn - Ward II |
| | Dan Jones - Ward III |
| | Kevin Edberg - Ward IV |
| | Steve Engstran - Ward V |

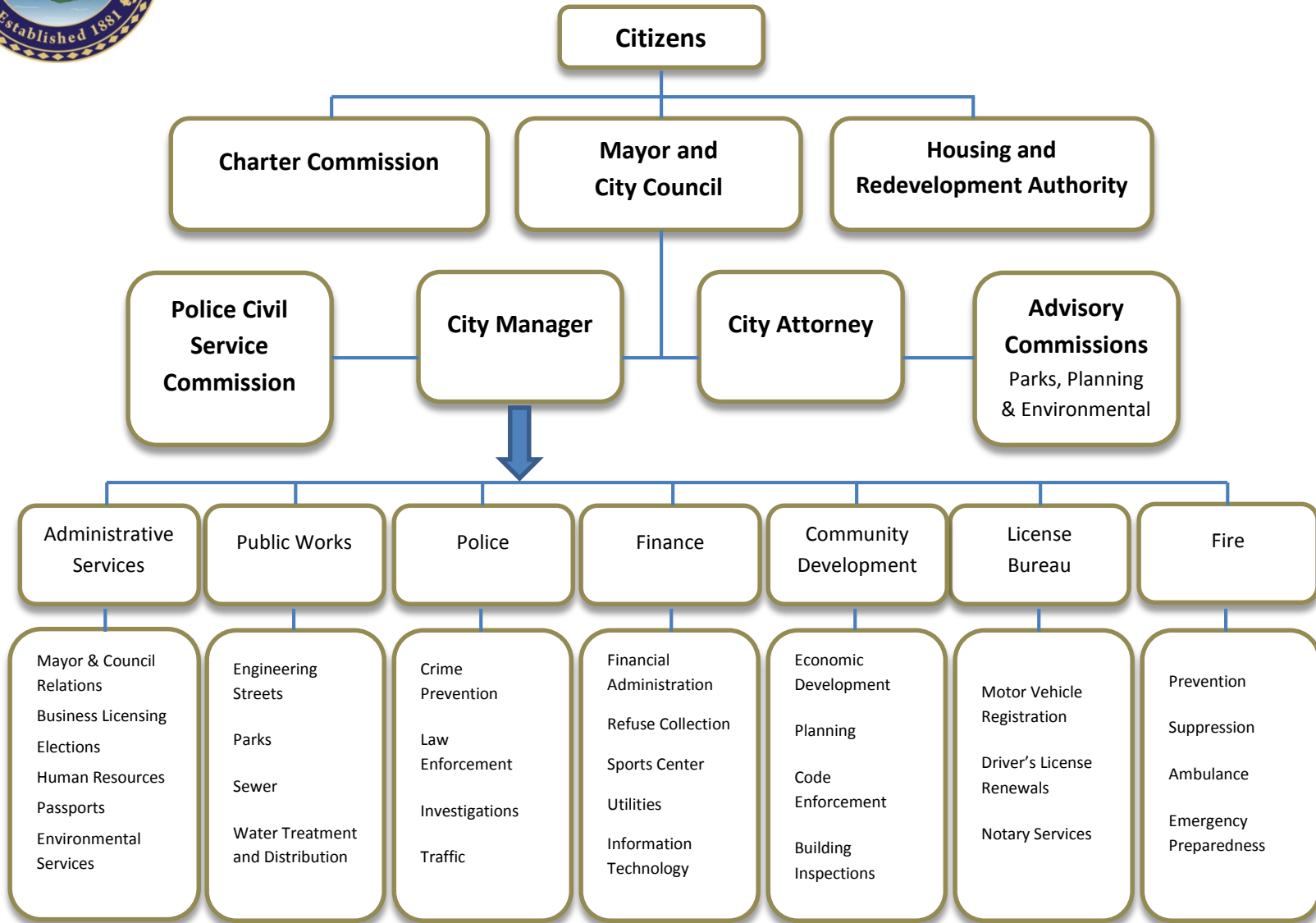
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Greg Peterson, Fire Chief
Dan Pawlenty, Public Works Superintendent
Mark Meyer, Parks and facilities Superintendent

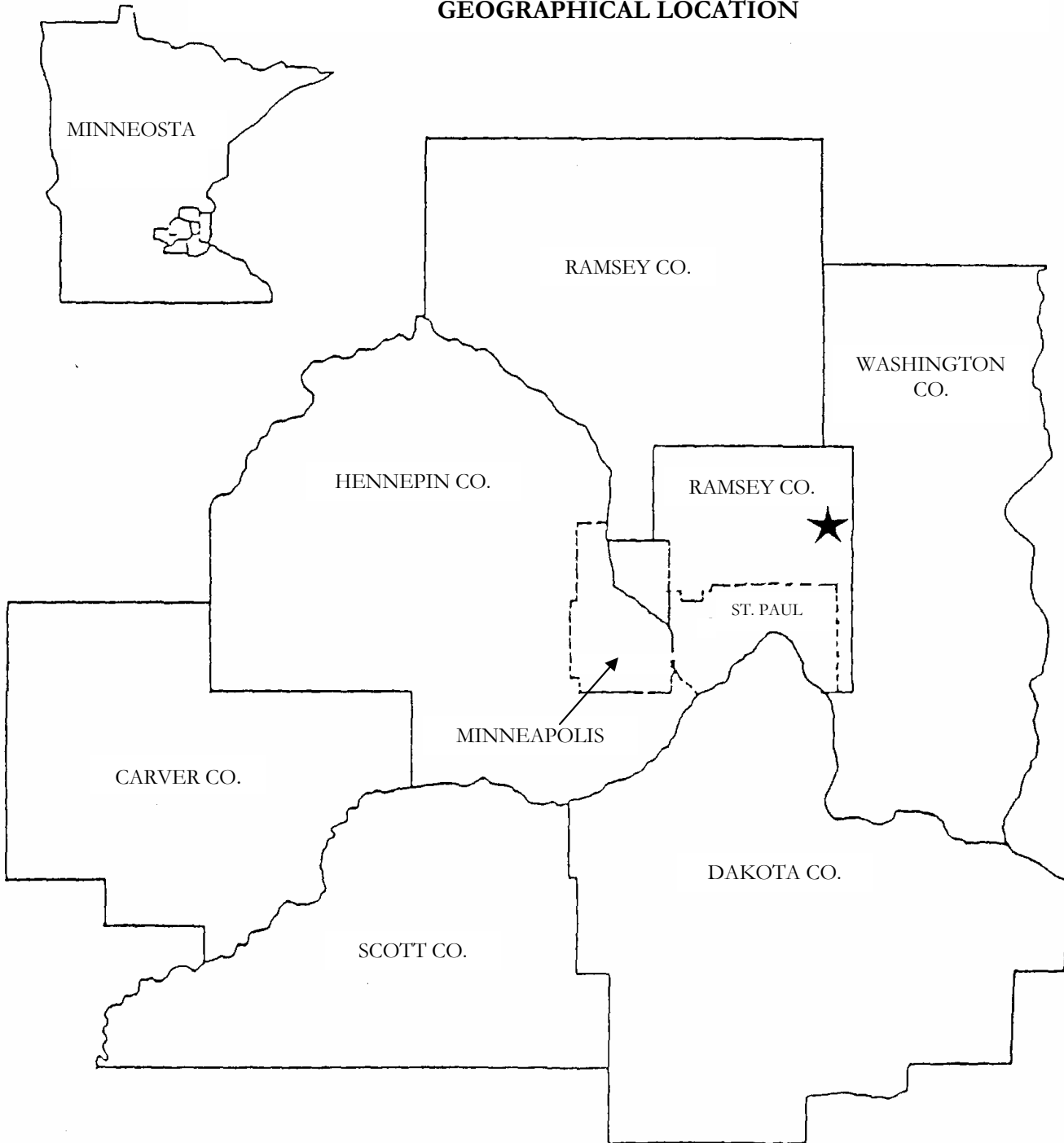


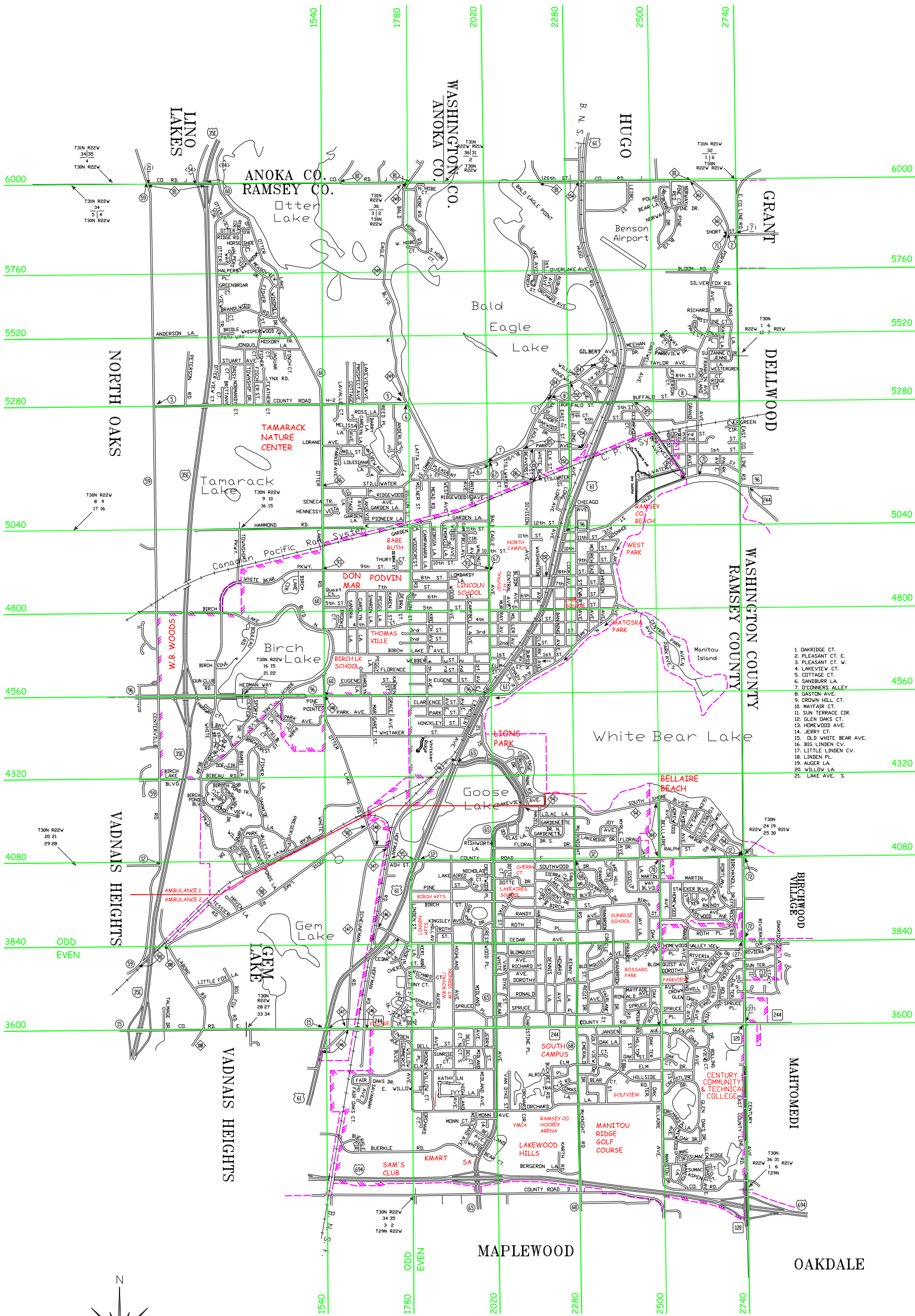
City of White Bear Lake – Organizational Chart



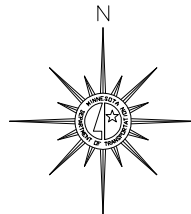
CITY OF WHITE BEAR LAKE

GEOGRAPHICAL LOCATION





1. DAKRIDGE CT.
2. PLEASANT CT. E.
3. PLEASANT CT. W.
4. LAKEVIEW CT.
5. COTTAGE CT.
6. SANDBURG LA.
7. O'CONNERS ALLEY
8. GASTON AVE.
9. CROWN HILL CT.
10. MAYFAIR CT.
11. SUN TERRACE CIR.
12. GLEN DAKS CT.
13. HOMEWOOD AVE.
14. JERRY CT.
15. OLD WHITE BEAR AVE.
16. BIG LINDEN CV.
17. LITTLE LINDEN CV.
18. LINDEN PL.
19. AUGER LA.
20. WILLOW LA.
21. LAKE AVE. S.

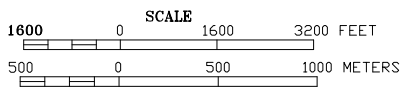


LEGEND

- INTERSTATE TRUNK HIGHWAY.....
- U.S. TRUNK HIGHWAY.....
- STATE TRUNK HIGHWAY.....
- COUNTY STATE AID HIGHWAY.....
- COUNTY ROAD.....
- CORPORATE LIMITS.....
- PUBLIC ROAD
- PRIVATE ROAD

MUNICIPALITY OF
WHITE BEAR LAKE

PREPARED BY THE
MINNESOTA DEPARTMENT OF TRANSPORTATION
PROGRAM SUPPORT GROUP
IN COOPERATION WITH
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION



2005

2000 U.S. CENSUS - POP. 25,325
WHITE BEAR LAKE (RAMSEY & WASHINGTON COUNTIES)

White Bear Lake....The City of Lakes and Legends

Historical beginnings

The earliest inhabitants of the White Bear Lake area were the Dakota and Ojibwa Indians who used it for their migratory hunting and harvesting grounds. The United States government designated the area as Dakota land in an 1825 treaty, but later purchased all Dakota Territory east of the Mississippi to open it for European-American settlement.

Rich land, abundant game, and scenic lakes attracted the early pioneers to this area. In 1858, the year Minnesota became a state, these first European-American settlers established White Bear Township, which consisted of 36 square miles of land. As word of its scenic landscape spread, the town grew into a popular resort area, attracting visitors from all along the Mississippi River. People would travel up the Mississippi by steamboat and then to White Bear Lake by train. Soon resorts and hotels lined the shores of the lake while restaurants, theaters and stores set up shop in the downtown to accommodate visitors. The extension of the Lake Superior and the Mississippi Railroad to White Bear Lake in 1868 turned what used to be a three-hour buggy ride from S. Paul into a twenty-minute trip. Rail service provided new and exciting opportunities for business and industry in the area, eventually connecting to Duluth in 1871.

As the resort era faded shortly after the turn of the century, other industries, including farming and lumbering, continued to prosper. In keeping pace with this steady growth and development, leaders of the community officially incorporated the City of White Bear Lake in 1921. At that time, the city was 2 ¼ square miles with a population of just over 2,000. The 1950's and 1960's were times of rapid residential expansion. By 1960, the city's area had grown to 7 square miles with a population of about 13,000 people. During the 1970's and 1980's, large parcels of land opened for development through the city's effort to extend roads and utilities. The city's aggressive economic development program led to extensive growth in its tax base and employment levels. Several nationally known companies have moved into the area while downtown redevelopment efforts continue to make great strides in expanding. Over the years, the White Bear Lake area has continued to grow and prosper. Today the city's 24,000 residents enjoy the advantages of being part of a major metropolitan area while residing in a community that has maintained its small hometown appeal.

Legend of White Bear Lake

The legend of White Bear Lake is one of forbidden love and courage. Like all folklore, some parts of the story may be true; however, all of it is interesting and captivating. It seems that every spring, people from the Dakota Indian tribe visited the island in the middle of White Bear Lake to make maple sugar. Tradition says that on the island, now called Manitou Island, an Indian princess and an Indian brave fell in love. They could not marry since the princess' father, the chief, thought the young brave cowardly. One night, the young lovers met secretly and sat among the branches of a large elm tree that hung far over the lake. As they sat there, a large albino bear, thinking perhaps, that polar snows and dismal winter weather extended everywhere, took up his journey southward. He approached the northern shore of the lake, walked down the bank and made his way noiselessly through the deep, heavy snow toward the island. As the princess and the brave were returning to camp in time to avoid suspicion, the bear leaped out and attacked the princess. The princess screamed for help. Bounding toward the young brave, she caught his blanket and fell, bearing the blanket with her into the great arms of the ferocious monster. Upon hearing the screams, every man, woman and child of the tribe ran to the bank to see the commotion, however, all were unarmed and could not save the princess. While the savage beast held the breathless woman in his huge grasp, the brave sprang to his feet, dashed to his wigwam for his knife and returned almost in a single bound. Springing with the fury of a mad panther, he pounced on his prey and killed him. The Indian Chief allowed the brave and the maiden to marry, and for many years their children played upon the skin of the white bear from which the lake derives its name.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of White Bear Lake
Minnesota**

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morill

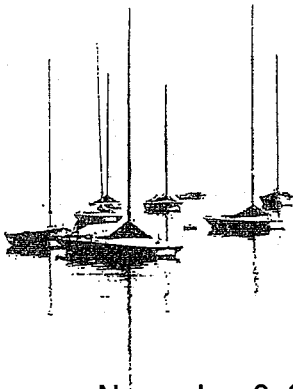
Executive Director

2019 BUDGET HIGHLIGHTS

- The 2019 Annual Budget focuses on priorities set forth by residents, the Mayor, and City Council. The budget development adheres to the City's fiscal policies and disciplines as highlighted in Standard and Poor's 2018 bond rating report. Standard and Poor's raised the City's long-term rating to AA+ during this most recent review. This rating is only one-step below the highest rating possible.
- General Fund operating expenditures for 2019 reflect numerous operational changes, which address dispatching, fire service operations, elections, public works facility reporting, engineering, and police service. Departmental personnel activity reflect these changes.
- The 2019 budget recommends General Fund expenditures totaling \$11,348,004. The General Fund expenditures are allocated to the major divisions as follows:

| <u>Division</u> | <u>2019 Expenditures</u> |
|------------------------------|------------------------------|
| General Government | \$1,937,435 |
| Public Safety | 6,502,124 |
| Public Works | 2,774,225 |
| General Services/Contingency | 109,220 |
| Transfers | <u>25,000</u> |
| Total | <u>11,348,004</u> |

- The tax levy for 2019 is \$6,345,000 and represents a \$720,000 increase compared to the 2018 tax levy.
- 84% of the City's residential valuation increased between 0 – 20%. Residential valuation overall increased 6.2%.
- Residential property taxes associated to the City's levy will effectively reflect the property's tax capacity valuation change along with the tax rate change. The median valued home with a taxable valuation of \$205,300 will experience a \$54.12 property tax increase. Commercial properties will experience between a 5.5 - 11.0% increase depending upon the property's tax capacity valuation change.
- The City share of the property tax on a median value home in 2019 will be \$413.54, compared to \$491.97 in 2005; this represents a decrease of more than \$78 over a fourteen-year period.
- The budget provides for initiatives to address environmental concerns regarding lake level and surface water run-off. Retention and infiltration of surface water allowing pollutants to be contained or absorbed before the water reenters lakes and streams.
- The City is expected to maintain the lowest per capita tax levy statewide for communities with a population between 16,000 and 37,000.
- Enterprise fund fee structure for Water, Sewer, Environmental Waste Removal, Ambulance, and Pioneer Manor is recommended to be modified as presented in the budget to reestablish or maintain the individual fund's financial integrity.



City of White Bear Lake

4701 Highway 61 • White Bear Lake, Minnesota 55110
TDD (651) 429-8511 • Fax (651) 429-8500
Phone (651) 429-8526

November 8, 2018

Honorable Mayor and Members of the City Council
City of White Bear Lake, Minnesota

Mayor and City Council:

Pursuant to the City's Home Rule Charter, submitted herewith are the revised 2018 and adopted 2019 annual budgets. This combined document contains information to provide the citizens of White Bear Lake, their elected officials, City staff and other interested parties, with a description of municipal services and investments for the coming year as well as the cost and means of paying for these services. In addition to serving as a work plan, the budget document incorporates departmental performance indicators and departmental goals and objectives. The budget assigns objective measures in these categories, which assist residents in determining whether the City is achieving its overall mission while providing a reasonable return on their tax investment. This budget addresses short term (1 year) and longer-term (2-5 years) financing issues. These issues include, but are not limited to, sustainable municipal service levels (i.e. is the City meeting reasonable public expectations and can it maintain that service level with available resources), current economic factors affecting the City, environmental protection, the City's organizational structure, long-range planning, the City's financial policies, infrastructure maintenance and replacement, and the impact of the tax levy on White Bear Lake citizens.

A YEAR IN REVIEW – and LOOKING AHEAD

Council/Manager:

The Council and Staff held several productive work sessions in 2018 at which important and challenging topics were explored, such as refinement of the 10-year financial management plan, expansion of the fire and ambulance combination service delivery model, consideration of redevelopment proposals and examination of potential station platform locations for the future Rush Line Bus Rapid Transit corridor.

There were considerable changes in the Fire Department's service delivery model this past year in response to increasing call demands. Transitioning to a combination model for the delivery of fire and ambulance services coincided with the transfer to Ramsey County for

dispatching services. Six (6) months into these changes, service delivery improvements and efficiencies are already apparent.

There were also significant organizational changes in the Public Works Department in anticipation of the retirement of the Public Works Director/City Engineer, including the creation of the Superintendent of Parks and Facilities position, made possible through reallocation of Parks Division FTE. The new Public Works Director/City Engineer assumed his position in November.

The City will continue to engage in challenging but critical conversations with its residents and businesses regarding its vision for redevelopment and growth. Additional tools and strategies for meaningful engagement are being reviewed to ensure that the invitation to participate is available and welcoming to all residents and property owners.

Infrastructure:

The City undertook some significant street projects in 2018 including reconstruction of Old White Bear Avenue, several neighborhood alleys and streets between Hwy 61 and Lake Avenue, north of 7th Street, and Birch Lake Boulevard South. Birch Lake Blvd and Old White Bear Avenue projects included 8-foot wide trail improvements with surmountable curbing to match that found along Lake Avenue. A total of 1.9 miles of streets and related utilities were reconstructed in 2018, along with 0.9 miles of alleyways.

In addition to the full-reconstruction projects, 0.8 miles of city streets were resurfaced, including 11th Street (Division Avenue to East Cul-De-Sac), Sumac Circle (Sumac Ridge to Sumac Ridge), Sumac Ridge (Bellaire Avenue to 1000' East of Bellaire Avenue), Manitou Drive (County Road D to Sumac Ridge) and Manitou Lane (Manitou Drive to Sumac Ridge).

More than 11 miles of streets were sealcoated and over 12 miles of streets had crack sealing applied to prevent water from accelerating the pavements' deterioration. These pavement maintenance projects are critical to the preservation of the substantial investment made in reconstructing streets and must be timely to be most effective.

It is anticipated that the street reconstruction program, which began in 1988, will require an additional 6-7 years before completion. Meanwhile, the mill & overlay program will continue for the foreseeable future; therefore, both programs will be taking place concurrently for the next several years. In the absence of significant interest revenues that have historically financed the majority of associated construction costs, the City will be required to borrow for future pavement management projects. This will subsequently impact the overall tax levy each year that borrowing is needed. The City Council has had considerable discussion regarding infrastructure funding, and will continue to discuss its options in 2019 in review of its 5-year Capital Improvement Program.

Residents continue to voice increasing interest in improved pedestrian and bicycle facilities. The City added another segment to the Lake Links Trail with completion of the Mark Sather Trail extension along Old White Bear Avenue between Lions Park and South Shore

Boulevard. This trail included a small extension along South Shore Blvd to Hazel Street, thereby completing a pedestrian/bike link from South Campus to downtown. The City has also been working with White Bear Township and Ramsey County to examine options for a preferred trail design along South Shore Boulevard. While the need for considerable planning and public engagement remains, a multi-jurisdictional commitment toward development of the South Shore segment of the Lake Links Trail has been firmly established. The City also undertook a trail reconstruction project along White Bear Parkway between Highway 96 and Birch Lake Blvd. North.

Facilities:

Last year the City Council made a commitment to renovate the Sports Center facility that after 28 years of continuous heavy use required considerable investment. The entire renovation totaled \$5.3 million, \$2.5 million of which has been pledged by the White Bear Lake Hockey Association. The Association presented a check for \$500,000 this fall and will be making annual payments toward the debt service over a 20-year period. The White Bear Lake School District has also pledged \$120,000 over a 10-year period toward capital improvements in support of its High School Girls Hockey team coming back to its 'home ice arena'. Construction was completed in time for the fall skating season.

Energy improvements related to electrical lighting for all facilities is proposed at a cost of \$105,000. These improvements are expected to result in significant reduction in operational energy costs.

Significant interior improvements were made at the north and south Fire Stations as the department prepared for duty-shifts and full-time staffing accommodations. The Police Department also redesigned its work spaces following the dissolution of the dispatch center. In 2019, the City Council will be asked to consider long-range facility planning for both fire and police as the need for a police vehicle garage and potentially a larger bay for fire vehicles is becoming more apparent.

Economic Development & Redevelopment:

Community Development staff has been engaged in the development of the 2040 Comprehensive Plan this past year, which involved a number of community engagement opportunities. In partnership with the City's Economic Development Corporation, staff has been working with business owners and neighboring residents along the County Road E corridor to identify revitalization strategies. Particular attention has been given to the Bellaire Avenue/County Road E intersection where three out of the four corners are occupied by vacant gas stations.

In 2017, The City purchased the vacant station on the northeast corner at a significantly reduced price in an effort to stimulate redevelopment activity in that area. This summer, a developer explored the potential of redeveloping all four corners at this intersection, which would have included three stories of market rate multi-unit housing with some mixed-use. However, due to considerable opposition to the proposal, the developer chose not to move

forward with a formal application. It will be important in 2019 for the City to identify and articulate its vision for that intersection, in particular, and the corridor, in general. Undertaking a Housing Study will help to guide that vision, as will deliberate and pro-active community engagement.

During the next several years, the City will continue to direct energies to ensure the Downtown commercial core remains vibrant and relevant as “walkable urban places” become a preferred setting. The City will continue to provide support, infrastructure, and public services that facilitate an economically viable community, which serves the diverse needs of many generations.

Technology:

The City continues to invest in technology to better serve our residents and enhance internal productivity. The demand for public access to digital data and a general migration toward a paperless environment has led to the implementation of an electronic document management system (EDMS) through the purchase of Laserfische. EDMS is a collection of technologies that work together to provide a comprehensive solution for managing the creation, capture, indexing, storage, retrieval, and disposition of records and information. The City made significant progress in its efforts to electronically index all official records maintained by the City Clerk and to integrate Accounts Payable records. Work toward indexing historical engineering, building and planning department records has also continued.

In 2017, LOGIS began upgrading the City’s Geographic Information System (GIS) backbone, which will allow for greater efficiency in the Engineering and Public Works Departments with infrastructure base maps and record drawings. Mobile technology will be deployed in 2019 to provide access to this information in the field where it is needed most. Mapping tools will be greatly improved for zoning, land use, and housing, and will be integrated with the LOGIS building permit system.

In the future, there will be opportunities to integrate GIS into the Police and Fire Departments, and expand geographic capabilities over a wide range of City operations.

Public Safety:

Public Safety is under increasing pressure to adapt to an evolving society that requires more than ever from our law enforcement officers and EMS providers. Tragic events of 2016 and 2017 significantly shifted law enforcement’s paradigm and officers are under ever-increasing public scrutiny. The White Bear Lake community continues to reinforce its strong support for our officers and the tremendous service they provide; however, as is true in all communities, we recognize that one incident has the potential to compromise that well-earned trust. Emphasis on use of force training, community mental health awareness and officer wellness remains critical. Deployed in 2018, Body cameras will help to maintain a culture of transparency.

The City Council supported a significant shift in the delivery model for fire and ambulance services through the approval of 12 full-time firefighter/paramedic positions. The Council also approved the addition of a police officer funded through a two-year DUI grant. Council will be discussing whether to fund the additional officer once the grant has expired, or revert to original staffing levels. Call demand and patrol officer staffing standards will be examined.

LOOKING FURTHER AHEAD

The City's ability to maintain, improve, or expand services to our residents continues to evolve and present new challenges. The population of the City is aging in place and thereby presenting increased demands on emergency medical services, transportation, food assistance, etc. Aging in place does not necessarily mean remaining in the same house. Many of the City's residents over 65 years of age are moving from their three to four bedroom homes to smaller dwellings within the City. Many of these homes are being purchased by families with children, leading to increased school enrollment, use of parks and recreation services. This housing turnover is healthy and will continue as long as a wide range of housing options and community amenities are available.

This budget reflects the changes necessitated by the City's maturity, current and future fiscal restraints, and it attempts to respond to market pressures and citizen-driven requests through cooperative, innovative and fiscally sound public service policies. Some of these requests have resulted in one-time revenue sources being allocated to activities such as park improvements, building improvements, road/street upgrades, citizen safety, and economic development. Intergovernmental cooperation will be essential in meeting the needs of our aging population, an aging infrastructure, technology advancements, and the City's redevelopment efforts.

Infrastructure maintenance continues to be a high priority and cannot be sacrificed to finance current expenditures. The City continues to monitor operational expenditures to achieve cost savings without negatively impacting service levels. While the 2019 budget provides for service and efficiency improvements, it calls for limited cost increases in order to achieve the City's service policies and goals.

FISCAL STATUS – PAST, PRESENT AND FUTURE

The City's fiscal condition continues to evolve, change, and adapt economic realities.

Past

The City's fiscal status over a ten-year period, beginning with the great recession, was one of revenue stagnation marked by market realities. This period reflected overall declining revenues (local government aid and interest earnings), operating services maintenance, and marginal (selective) infrastructure enhancement. The City addressed financial challenges of

the great recession by strategically utilizing fund balances / reserves to fund a portion of operations and infrastructure projects during this time.

Present

The City's fiscal policies have evolved over the last several years whereby operational expenditures and operational expansion is being financed by current revenue sources. City fund balances / reserves are being systematically replenished. The City has carefully and methodically increased its revenue structure to ensure its financial future remains stable and secure.

Standard and Poor's identified this financial plan and logical process in 2018 when they adjusted the City's long-term debt rating to AA+. Standard and Poor's based this significant rating upgrade on the following key variables:

- Strong management, with good financial policies and practices
- Strong budgetary performance with General Fund operating surplus
- Very strong budgetary flexibility
- Very strong financial liquidity
- Strong debt to contingent liability
- Ability to make budgetary amendments as necessary
- Five-year CIP that address capital needs with realistic fund sources and uses
- Formal investment policy with monthly reporting
- Formal General Fund – fund balance policy

Future

The City's financial future (2020 and beyond) is poised for a renaissance based upon the solid framework noted by Standard and Poor's. It is expected that through justifiable revenue broadening including property tax adjustments, fund balances / reserves will continue to be replenished as operational expenditures are funded by current revenue sources. It is anticipated that infrastructure requirements will be funded by on-going revenue sources (including appropriate tax levies) or appropriate debt issuances.

WHAT GUIDES BUDGET DECISIONS

Budget development is based upon meeting residential requirements and expectations within realistic financial parameters. A significant guide for the budget is the City's long-range Capital Improvement Plan (CIP). Over the past decade, the Mayor and City Council have been responsible with expense and capital expenditure decisions that would not burden future Councils to increase tax levies disproportionately, while at the same time addressing necessary capital improvements. The updated 2018 CIP has been incorporated into the 2019 planning cycle for Council review.

Additional key factors that guided the preparation of this budget were:

- 1) A commitment to continue high quality services while maintaining operational costs within logical parameters.
- 2) Maintaining a competitive tax rate that is realistic in providing adequate resources to meet citizen's service expectations.
- 3) Application of a fiscal policy that defines the standards for the City's budget and financial management decisions.
- 4) A comprehensive review of the condition of capital equipment to ensure that the most cost-effective replacement schedule is incorporated into the budget process.
- 5) A team approach that encourages interdepartmental planning to meet immediate and long-term operational, infrastructure and facility needs as well as creativity and innovation.
- 6) A lean financial management philosophy that supports the implementation of Council policies and recognizes the need to be responsive to changing community conditions while constantly seeking the least costly means of providing services.
- 7) An organization that is agile and able to respond quickly to changing conditions.

TAX LEVY

In accordance with the City Charter and State Statute, the 2019 budget, along with the 2018 tax levy collectible in 2019 is scheduled for adoption by the City Council on December 11, 2018. This budget includes property tax supported funds (General, Municipal Building Debt Service, and Capital Construction Debt Service) as well as all other operating or capital funds presented as Special Revenue, Debt Service, Capital Project, Enterprise or Internal Service Funds.

Staff prepared the budget based upon a \$6,345,000 tax levy, which will fund general operations and debt obligations.

The following funds utilize general property taxes:

- General Fund for general government operations and services.
- Municipal Building Debt Service Fund for debt service on the Sport Center renovation / YMCA loan.
- Capital Construction for debt service related street improvements.

BUDGET FORMAT

As in past years, the 2019 Budget is presented in great detail. To assist in understanding, the budget document presents two years of historical activity and revisions to the 2018 budget based on current revenue and expenditure estimates, as well as revenue estimates and proposed expectations for the coming year. The budget document is intended to provide information that will assist the reader in determining whether proposed expenditures will allow the City to meet service needs and expectations and the City Council's determination of the reasonableness of proposed expenditure and service levels.

The budget also serves as the City's financial road map. It illustrates the City's strategy to maintain or improve, and measure operations, as well as infrastructure improvements.

This budget has been prepared with the intent of being responsive to perceived public service requirements and, as such, it should be used by the reader as a statement of priorities and a mechanism that relates public policy decisions to tangible public services.

This preamble to the budget follows the format of the past several years and contains a continuum of information for the benefit of the first-time reader as well as the individuals who have followed the City's budget process for several years. Descriptions of the budget process are carried forward from previous years and revised as needed to reflect current conditions.

MEASUREABLE WORKLOAD

As mentioned above, this budget is more than a financial document. It reflects the City's plans, policies, practices, and goals regarding service objectives and sound resource management. The budget document is a critical tool used in the City's realization of its vision. As the City's operations and finances become increasingly sophisticated, measuring performance simply by budgetary cost is inadequate for determining its success.

The City has maintained departmental goal development and measureable work load data for the last twenty years. The 2019 budget generally reports 2016 and 2017 measureable workload results, 2018 workload criteria, and establishes 2019 goals. Measureable workload data is detailed in the operating budgets of each department. This provides the City Council and residents a "snapshot" of how the departments are providing their recurring service levels. It is within this framework that the City reports the efficiency and effectiveness of its service delivery.

PURCHASING PROCEDURES

The City Council delegates purchasing authority to staff members under the City Charter and State law upon the budget adoption. State Statutes authorizes City's to enter into contracts that are less than \$175,000 without conducting a formal bidding process. It has been the City

practice to have City Council authorization for purchases that are less than \$175,000. Purchases over \$175,000 may only be approved by the City Council and require competitive bids. Purchases over \$5,000 and in many cases below are made only after multiple quotations are received and the lowest responsible price is selected. While capital equipment purchases are budgeted, these items are brought for formal Council approval before the acquisition is completed.

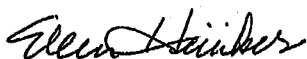
ACKNOWLEDGEMENTS

Each year, several members of the staff become involved in preparing the proposed budget. This participation ranges from direct input and data gathering, to processing the document itself. The Finance Department fulfills a significant role in preparation of the proposed budget and the supporting financial data. This involvement greatly improves the quality of the budget and gratitude is extended to all employees who participated.

In addition to the management team, special recognition is given to Assistant Finance Director, Kerri Kindsvater, for the many hours spent developing, modifying, and incorporating readability improvements to the document. Kerri's pride in the budget thoroughness and quality is evident throughout the document. The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of White Bear Lake for its annual budget for the fiscal year beginning January 1, 2018. This was the 17th consecutive year the City has received this award, which is a reflection of the excellent work of those involved.

The Management Team would also like to express its gratitude to the Council for its continued support throughout the year. First and foremost, we will always strive to uphold the public's trust as stewards of the City's physical and natural environment.

Respectfully submitted,



Ellen Hiniker
City Manager

SUMMARY INFORMATION

This section provides a summary of the budget process, City policies directly influencing budget development, accounting methodology used in the budget process, the basis of how each department's budget is developed, and how the budget can be amended.

This section also provides a summary of the City's historical tax levies and projected financial activity for all City funds. This information is presented in a spreadsheet format that highlights the historical and projected activities and is intended to provide the City Council and interested parties with an overview of the City's operation. These schedules contain numerical and graphical information. General narrative and expanded budget detail for all funds are presented on an individual fund and departmental basis.

Budget Process

Section 5.03 through 5.09 of the White Bear Lake City Charter sets forth the requirements that the City Manager must prepare and submit an annual budget to the City Council. The City Council conducts two public meetings before adopting the budget. The City Council conducts budget study session along with a formal budget and tax levy meeting. The Council conducts informal budget discussions with the City Manager on an on-going basis. The Mayor, City Council, and citizens are asked to convey budget priorities to the City Manager prior to preparation of the budget. The White Bear Lake City Charter requires the City Manager to enforce the provisions of the budget upon adoption. Minnesota State Law requires that the preliminary tax levy be approved by the City Council prior to September 30th of each year. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy.

The budget is prepared on an annual basis, and follows the calendar year, January 1 to December 31. Preparation is guided by the City's Strategic Plan, whereby expenditure requests are measured against how they address the City's overall goals and objectives. The budget document is prepared using the following established procedures:

- Shortly after the completion of five months of the current budget year, department supervisors are given budget instructions and forms reflecting three-year historical data, current year budget and expenditure amounts. Supervisors are required to furnish expected expenditures for budget accounts for the remainder of the fiscal year and prepare budget requests for the following fiscal year.
- The budgetary direction to supervisors is to review programs and related performance measurements associated with each department to provide an analysis of each program and how it works towards achieving the department's performance measurements and goals, along with associated costs. Budget requests are then prepared with recommendations for the continuation of programs as they relate to performance indicators and departmental goals at their existing levels or at a new level with the additional costs or savings generated by service level (program) changes.

The Finance Department meets with all department supervisors to review budget forms to develop an understanding of any new programs, personnel, and costs that are being requested and to confirm current financial data. These are then compared to the department's goals and objectives for the coming year.

- The preliminary fund summaries, including projected revenue and expenditures, are reviewed by the City Manager before they are submitted to the City Council.
- Prior to September 30th, the City Manager submits to the City Council a preliminary operating budget for the fiscal year commencing January 1 of the following year. The preliminary operating budget includes the proposed expenditures and revenue sources necessary to finance the funds that require a property tax levy.

SUMMARY INFORMATION

- Department supervisors and the Finance Department representatives meet with the City Manager to review departmental operations, programs, performance indicators, goals, and how they relate to the City's overall goals and objectives. The departmental funding requests are adjusted as necessary to meet the City's overall financial and strategic goals.
- The City Council conducts a public hearing on the budget, before budget is adopted. The meeting is scheduled for November 27, 2018.
- Prior to December 30th, the budget is legally enacted at a City Council meeting and the tax levy is submitted to the County Auditor. The meeting is scheduled for December 11, 2018.
- Any subsequent revision to the budget that results in an increase to total budgeted expenditures of any department for governmental type funds must be approved by the City Council.

Budget Calendar

The formal time line for development of the budget is as follows:

| | |
|------------------------------|---|
| June 18 | Finance Department distributes budget pages and year-to-date activity information to departments |
| June 19 - July 13 | Departments prepare their budgets and submit them to Finance for review |
| July 13 - August 17 | Departments review budgets with Finance and the City Manager |
| September 4 | Finance completes preliminary budget |
| September 11 | City Council adopts preliminary levy and budget. Council formally establishes Truth-in-Taxation hearing date |
| September 13 | Finance certifies preliminary levy and hearing date to the County |
| September 17 - November 7 | Finance and City Manager prepare budget document with final recommendation to City Council |
| November 8 | City Council receives proposed budget |
| November 27 | City holds Truth in Taxation hearing |
| December 11 | City Council adopts the following: <ul style="list-style-type: none">○ tax levy collectible in 2019,○ Revised 2018 Budget, and○ 2019 Budget |
| December 27 | City submits 2018 tax levy collectible in 2019 to State and County agencies |

Basis of Budget

The City presents its budget projections for all funds on the modified accrual basis. The budget document provides information related to the expenditure of resources and collection of revenues over a two-year period. All fund balances are presented on the modified accrual basis, which recognizes revenues in the period in which they become measurable and available. "Measurable" means the amount of transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recognized when a transaction is expected to draw upon

SUMMARY INFORMATION

current spending resources, rather than future resources, except for principal and interest on debt service which are recognized when due. Proprietary fund (Enterprise and Internal Service) budgets are presented on a modified accrual basis rather than accrual basis because the budget is developed to inform the City Council and readers of available resources which can be utilized meeting operational requirements and future infrastructure needs. Budgeted fund balances represent the Fund's January 1 cash position less current liabilities. Any debt service payments reported in these funds represent the actual principal and interest payments due in the appropriate fiscal year because they represent actual cash outflows and must be funded by tax levies, service fee collections or some other revenue source.

The City's basic account structure has three dimensions: fund, department, and object.

The City's budgeted funds are grouped into two broad categories as follows:

Governmental Funds – Governmental Funds are used to account for the “governmental-type” activities of the City (e.g., activities that receive a significant portion of their funding from property taxes, state aids, and various grants). The Governmental Funds budgeted for by the City are the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Proprietary Funds – Proprietary Funds are used to account for the “business-type” activities of the City (e.g., activities that receive a significant portion of their funding through user charges). The proprietary funds budgeted by the City are Internal Service and Enterprise Funds.

The following is a listing of funds and corresponding fund numbers:

| <u>Funds</u> | <u>Type</u> | <u>Number</u> |
|--|--------------|---------------|
| General | Governmental | 1000 |
| Special Revenue Funds | | |
| Armory | Governmental | 2030 |
| Surface Water Pollution Prevention | Governmental | 2040 |
| Marina Operations | Governmental | 2050 |
| Sport Center | Governmental | 5200 |
| Forfeiture | Governmental | 2060 |
| Economic Development | Governmental | 4240 |
| Debt Service Funds | | |
| Municipal Building | Governmental | 3020 |
| Non-Bonded Special Assessment | Governmental | 3070 |
| 2012 Special Assessment | Governmental | 3071 |
| 2003 Refunding Tax Increment (PM) | Governmental | 3040 |
| 2016 Tax Increment (BWC) | Governmental | 3081 |
| Capital Project Funds | | |
| Equipment Acquisition | Governmental | 4100 |
| Municipal Building | Governmental | 4300 |
| Park Improvement | Governmental | 4010 |
| Water Improvement | Governmental | 4220 |
| Sewer Improvement | Governmental | 4200 |
| Construction | Governmental | 4400 |
| Community Reinvestment | Governmental | 4770 |
| HRA Tax Increment | Governmental | 4600 |
| Enterprise Funds | | |
| Water | Proprietary | 5010 |
| Sewer | Proprietary | 5050 |
| Environmental Recycling & Waste Disposal | Proprietary | 5100 |
| Ambulance | Proprietary | 5250 |
| Pioneer Manor | Proprietary | 5300 |
| License Bureau | Proprietary | 5350 |

SUMMARY INFORMATION

| | | |
|------------------------|-------------|------|
| Internal Service Funds | | |
| Insurance | Proprietary | 6000 |
| Employment Expense | Proprietary | 6200 |
| Engineering | Proprietary | 6320 |

The City Manager and the Finance Department prepare estimates for the annual budget. The budget is presented by fund and department and includes all funds and departments of the City. Each fund and department of the City provides justification of its budget request, develops a comparison of the service request to previous service levels and financial obligations, and is presented at the departmental level within each fund. The statement of estimated expenditures for each budgeted fund and department is under the following headings:

1. Personal Service - expenses related to departmental employees including pension and insurance costs.
2. Supplies - expenses related to all departmental general purchases.
3. Other Services and Charges - departmental expenses for professional costs, repairs, utilities, disposal fees, liability insurance, and other expenses not classified as supplies.
4. Capital outlay expenses – for new construction, new equipment, and all improvements of a lasting character.
5. Debt - payment of principal and interest on bonds and other fixed charges.
6. Transfers - operating transfers between funds.

All increases and decreases in expenditures are reflected and explained. The amounts expended under similar headings for each of the past two completed fiscal years and for the current fiscal year, original and revised appropriations, and anticipated for the ensuing fiscal year are shown in parallel columns on the budget request reports.

The budget also includes, for each budgeted fund, a statement of anticipated revenues. The revenue statement of each fiscal year specifies the following items: Sums derived from (a) taxation, (b) licenses and permits, (c) fines, (d) interest, (e) service charges, (f) special assessments, (g) sales of bonds and other obligations, (h) governmental aids, and (i) miscellaneous not included in the foregoing.

Revenues are estimated based on the following:

1. Legislative action; past and anticipated
2. Consultation with departments directly involved in raising certain revenues
3. Revenue history review
4. Economic trends
5. Current indexes; public and private sectors

A fund summary is prepared for each fund showing all changes in revenues and expenditures. A comparison of each fund's annual revenue to expenditure is documented. The annual change is factored into the fund's beginning fund balance to report a December 31 fund balance which presents the City Council with easily understandable criteria demonstrating the fund's financial direction.

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Budget Amendments

After the budget resolution has been adopted, the Council, under Section 5.09 of the City Charter, shall have no power to increase the amounts fixed in the budget resolution, by insertion of new items or otherwise, beyond the estimated revenues, unless actual receipts exceed the estimates and then not beyond the actual receipts. The Council may at any time, by resolution, reduce the sums appropriated for any purpose by the budget resolution. The Council may, by four-fifths majority vote, authorize the transfer of sums from unencumbered balances of appropriations in the budget resolution to other purposes, except from dedicated funds, and subject to the limitations of the City Charter.

Financial Management

White Bear Lake's financial management policy was adopted to achieve the following objectives:

1. Utilize one-time revenue sources to fund capital improvements rather than increasing operational expenditures.

Trend: In 2019, the City is designating revenues of \$385,000 from the City's local government aid allocation, \$410,000 from the cellular tower rental and \$215,000 from cable revenue to fund capital acquisitions rather than operations.

2. Maintain a General Fund cash reserve that is at least one-half of projected property tax collection, local government aid, and police relief aid, which are received in July and December.

Trend: The General Fund maintains a budget reserve at \$3,665,000 at December 31, 2019. This amount represents one half the funding of expected property taxes and state aid which is received in July and December.

3. Maintain budgetary controls through Council review of monthly financial reports.

Trend: Monthly reports are provided to the City Council and detail lists of expenditures are available for distribution by the second Council meeting of the following month.

4. Monitor purchases whereby all purchases over \$10,000, and in many cases purchases below \$7,500, are made only after multiple quotations are received.

Trend: All purchase orders and invoices are reviewed for appropriate approval and compliance by the Finance Department and / or City Manager's Office.

5. General Fund budget development is established whereby current expenditures are paid by current revenues.

Trend: The 2019 General Fund revenue estimates are projected to exceed projected expenditure requirements by \$359,993.

6. Provide adequate maintenance and replacement of the City's facilities and equipment through capital budgeting.

Trend: Capital project funds provide in over \$7,320,000 for future facilities, equipment, and infrastructure replacement as of December 31, 2019.

7. Review current fees/service charges and recommend adjustments to maintain sufficient revenue to recover costs of providing adequate service levels. In the Enterprise Funds, a portion of service charges is anticipated to be used to pay for future infrastructure replacements and upgrades.

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Trend: Fees and service charges for all six-enterprise operations are reviewed in conjunction with preparation of this budget. The Water, Sewer, Environmental Waste Disposal, Ambulance services, and Pioneer Manor facility will have rate adjustments included in the City's fee structure ordinance.

A water and sewer utility infrastructure fee dedicated to financing water and sewer improvements is expected to be discussed with the City Council during the 2019 capital improvement work session.

8. Avoid wide shifts in the City's tax levy.

Trend: The 2018 tax levy (collectible in 2019) is proposed to increase \$720,000 when compared to the 2017 tax levy. With perseverance to sound financial management, the 2018 tax levy is only 28.78% more than the tax levied twelve (12) years earlier. This represents an average annual tax levy increase of less than 2.4% over the twelve-year period.

Debt Management

The City has restricted long-term borrowing to capital improvements or projects that cannot be funded from operating revenues and/or a reasonable amount of existing reserves. The City has developed a non-bonded debt service fund which accumulates special assessment construction costs before bonds are sold. The City is attempting to internally finance these construction costs by providing a bridge between the point at which the fund "purchases" the assessments and the time when property owner payments are received. This internal financing has significantly reduced the City's need to sell bonds and incur undue interest costs.

The Non-Bonded Debt Service Fund has purchased special assessments for 17-06 Old White Bear Ave, 18-01 Morehead and Johnson, 18-04 Manitou, Sumac, and 11th street, 18-06 Birch Lake Blvd, and 18-16 Centerville road improvements during 2018. The Non-Bonded Debt Fund will contribute to the financial stability of the Water fund by transferring \$125,000 to eliminate operating deficit in the fund. A comprehensive analysis of the Fire department's Engine #7 – Pumper determined that replacement is required. The Non-Bonded Debt fund provided \$400,000 towards the replacement.

It is expected the December 31, 2019 fund balance will be \$314,500 after the 2019 construction special assessments are "purchased" and contributions are completed. These financial obligations result in expenditures totaling \$3,351,323 over the two-year budget period 2018 – 2019.

When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project. The City will attempt to limit the long-term obligation on any project to no more than 20 years. The City will not incur long-term debt to support current operations. The 2018 construction program required bonding totaling \$3,865,000. The City anticipates issuing debt obligations of approximately \$2.5 million to complete anticipated construction projects in 2019.

As required by Minnesota State Statutes Section 475.53 the City's total legal debt margin will not exceed three percent of the market value of taxable property. The City's legal debt margin is projected to total \$82,176,975 as of December 31, 2018. The City has \$9,180,000 outstanding debt that applies to the City's legal debt margin as of December 31, 2018. Calculation of the legal debt margin is presented in the appendix section. This debt management philosophy provides the City with optimal borrowing capacity as it addresses future infrastructure improvements.

The City policy for tax increment debt service funds is to transfer funds from the capital project fund to the appropriate debt service fund to meet annual principal and interest payments while maximizing operational revenue for capital improvements.

SUMMARY INFORMATION

Reserve Policies

The City maintains two General Fund reserves. The first reserve is designated for cash flow and is intended to bridge the funding gap between the time when two major revenue sources (property taxes and local government aid) are received in July and December, and when Police aid received in October. Excess fund balance amounts beyond these reserves would be transferred to fund capital improvements related to street improvements, building facilities, or to the Community Reinvestment Fund for financing long-term capital improvements. The undesignated General Fund balance is proposed to be maintained at a minimal level since the cash flow reserve is expected to fund revenue/expenditure fund gaps. The State Auditor recommends that cities maintain a fund balance between 35 to 50 percent of expenditures. The combination of the City's undesignated fund balance and the cash flow reserve represents 35.0% of the proposed General Fund 2019 expenditures, which complies with the State Auditor guidelines.

Capital project fund balances are intended to provide funding sources for future equipment or construction improvements.

Fund Balance Policies

The Governmental Accounting Standard Board has established a detailed fund balance classification reporting for the City's General, Special Revenue, Debt Service, and Capital Project account groups. The City fund balances are classified in a hierarchy based on the extent that each funds financial resource is restricted. The five fund balance classifications are as follows:

- **Non-spendable** – includes amounts that are not in spendable forms such as inventory, pre-paid items, long-term receivables, and amounts required to be maintained legally or contractually.
- **Restricted** – includes amounts restricted for a specific purpose by externally enforceable agreements such as bond covenants.
- **Committed** – includes amounts restricted for a specific purpose by the City Council.
- **Assigned** – includes amounts constrained for a specific purpose by the City Council or City Manager.
- **Unassigned** – is the residual classification for funds not included in any other classification.

Fund balances that are committed or assigned are presented as fund balances reserved for specific purposes throughout the budget. Capital project fund balances are committed for the fund's overall defined purpose of the individual fund. Committed governmental fund balances are presented as a separate budget resolution.

Investment Policies

The City maintains cash reserves sufficient to cover near or short-term obligations. Idle funds are invested in accordance with the City's Investment Policy, and according to Minnesota Law.

The City pools cash from all funds for investment purposes.

The following priority statements and selected policies are taken from the City's investment policy. Specific legal and administrative guidelines are recorded in the document.

1. **Statement of Priority**
The primary objective of the City of White Bear Lake investment activities is the preservation of capital and the protection of investment principal. Liquidity and yield are important, but secondary to capital preservation.

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2. **Liquidity Priority**
Investments shall be made so as to provide sufficient liquidity to meet the funding needs of the City as determined by the Finance Department cash flow projections.
3. **Bidding**
All investments will be competitively bid from approved financial institutions. Selection of the investment instrument will be based upon the projected cash flow needs and strategic placement of the city's core funds.
4. **Diversification**
This strategy will stagger maturities which will avoid undue concentration of assets in specific maturity sector while providing stability of income and reasonable liquidity.
5. **Distribution**
Funds budgeted to receive interest will be allocated amounts equal to 1/12 of the fund's projected interest earnings. Excess interest earnings will be distributed to capital construction funds based upon projected cash flow requirements.
6. **Reporting**
The monthly investment report will include the current portfolio status, which at a minimum will report the investment type, financial institution involved in the transaction, the investment yield, purchase and maturity date, and the principal amount invested.

SUMMARY OF REVENUE SOURCES AND ASSUMPTIONS FOR ALL FUNDS

General Property Taxes - Property taxes are revenue sources for the General, Municipal Building Debt Service, and Capital Construction Debt Service funds. Property taxes are utilized as follows: General Fund for governmental operations and services. Municipal Building Debt Service Fund for debt service on the sport center renovation / internal YMCA expansion loan. Capital Construction Debt Service is related to financing the City's share of street infrastructure improvements. The 2019 tax capacity rate is 20.143, which is 1.085 or 5.69% more than 2018.

The overall economy reports favorable expansion in real estate value. The economic real estate expansion is anticipated to continue throughout calendar year 2019.

The City's real estate valuation trends reveal the following changes from last year:

1. 60% of the City's housing stock increased between 0% to 10%
2. 25% of the City's housing stock increased more than 10%
3. Residential valuation overall increased 6.2%
4. Apartment valuation increased 13.1%
5. Commercial valuation increased by 3.2%
6. Overall market valuation increased 7.1%
7. The City expects new construction permits during 2018 to be nearly \$50 million
8. The City anticipates new construction permits in 2019 to be in the \$30-40 million valuation area.

New construction provided approximately \$500,000 or 20.0% of the City's net tax capacity valuation growth in 2018.

The valuation trends influence the City's residential property in two significant ways as follows:

1. The Homestead Market Valuation Exclusion will continue to decline in 2019 for 85% of residential properties. For every \$10,000 in valuation increase above \$76,000, the taxable market value increases \$9. This change will result in residential property having a taxable value increase of nearly 6.2%. The median market housing valuation increased from \$208,400 to \$222,500, or 6.77% in 2018.
2. A slight "shifting" of the property tax liability to residential property from commercial/industrial property will occur for property tax collections in 2019. Because residential property valuation is increasing at a higher rate than commercial property, there will be a slight property tax liability shift towards residential property. Commercial property continues to be responsible for a larger portion of the property tax burden. This results from the fact that property tax valuation for commercial property is basically set at 2.0% while residential property tax valuation is at 1.00% - 1.25% with a vast majority of residential property tax valuation set at 1.00%.
3. Apartments have experienced significant property valuation increase due to the high demand for rental property. Nearly 95% of all apartments within the City will experience a property value increase, while 60% of apartments will experience a property value increase of 10.0% or more.

It is expected that for residential property, the City's tax liability will increase at a rate that is equal to the property's tax capacity valuation change. Apartments and commercial property can expect a tax liability increase that is proportionate to their tax capacity valuation change.

It should be noted that residential property would realize a City tax liability in 2019 that is equal to or slightly lower than their tax liability was in 2007. This property tax stability results from residential properties experiencing significant valuation reductions during the great recession. Over the thirteen-year period since the great recession, property values have recovered the lost valuation. Residential properties valuation general equals the 207-valuation amount. During the same thirteen-year period commercial and apartment property valuation has significantly increased.

SUMMARY OF REVENUE SOURCES AND ASSUMPTIONS FOR ALL FUNDS

Trend: General property tax collections have ranged from 92.10% to 101.45% of budget revenue between 2004 and 2017. The 2019 budget anticipates a 97.54% collection rate. Refer to the Property Tax Levies and Collection table in the Appendix section for historical data.

Tax Increment Collections - This revenue source results from taxes collected on the incremental growth in designated redevelopment areas. The revenue provides funding for debt service payments on redevelopment projects and various redevelopment construction projects. The 2019 tax increment revenue estimates are based upon prior years' historical information and expected taxable valuation changes to individual tax increment districts. These changes have resulted in projected overall tax increment revenue remaining unchanged.

Trend: Tax increment revenue has fluctuated between \$450,000 to \$825,000 between 2005 and 2017. It is expected the City's tax increment revenue will total \$490,000 and \$495,000 in 2018 and 2019 respectively. District 25 tax increment should remain stable for the districts duration. The district is expected to be decertified in 2025. The Boatworks Commons tax increment receipts commenced in 2017. It is anticipated that the district's tax increment will be approximately \$190,000 annually over the district's certification. The City anticipates maintaining three active tax increment districts.

Special Assessments - Revenue collected to pay for improvements benefiting certain properties. The 2019 budget is based upon projections from actual collection rates in prior years.

Trend: The City has levied between \$772,000 and \$1,650,000 annually in special assessments since 2005. Collections have ranged from 102.78% to 94.38% during this period. The 2019 budget anticipates special assessment collections to be \$1,175,000.

Franchise Fees and Fines - These revenue sources are derived from the 1.5% fee imposed on all electricity consumed within the City's boundaries, and from traffic and code violation fees paid.

Revenue Trends: Electric consumption increased \$6,537 or 2.2% when compared to prior year's activity. This increase reflects higher summer electric consumption. The 2019 franchise fee collection is expected to increase 2.3% over 2018 levels.

The 2018 fine revenue anticipates collections to match historical levels. It is expected that in 2019 fine revenue will reflect slightly higher levels compared to prior year's activity. State tickets issued as well as increased issuance of administrative tickets, which are designed to make the violator aware of the offense but be less punitive.

License/Permits - License revenue is generated from certain businesses required to obtain authority from the City before operations can commence. These license fees attempt to cover a portion of administrative cost associated with monitoring the business' activities such as liquor, cigarette, entertainment, gambling, and residential property rental. Building permit revenues are derived from fees and enforcement of construction activity within the City.

Revenue Trends: License fees are expected to provide a reasonable portion of costs related to enforcement. It is anticipated liquor license fees estimated at \$93,000 annually will recover approximately 1/3 of the related police expenditures. The 2019 liquor license fee anticipates renewal of all liquor business operations.

Building permits valuation is expected to be nearly \$50 million during 2018 and \$30-\$40 million in 2019. The City is nearly completely developed and major future development will result from redevelopment opportunities.

Revenue Trends: It is expected that overall building permit activity during 2018 will be approximately 3.0% or \$20,000 less than originally projected. The 2019 estimates anticipate construction activity similar to 2017 activity levels. The revenues received through the permit process cover the costs the City incurs to provide project review and mandated inspection process.

SUMMARY OF REVENUE SOURCES AND ASSUMPTIONS FOR ALL FUNDS

It is expected that the City will experience a gradual decrease in building activity in future years due to limited opportunities for new construction.

Intergovernmental – The City receives a variety of shared revenue from the State of Minnesota, which is assigned to the General Fund. The primary source of state aid is Local Government Aid (LGA). As defined by the State of Minnesota, the LGA program attempts to address five main program goals, which were:

1. Increase and grow funding
2. Create distribution stability
3. Create regional balance
4. Recognize different City needs
5. Distribution formula based upon “need” and “unmet” need

Based on the state distribution schedule, the City has budgeted LGA revenue for 2018 and 2019 as follows:

| | <u>2018</u> | <u>2019</u> |
|-------------------------------|------------------|------------------|
| General Fund | \$1,500,000 | \$1,202,297 |
| Surface Water Protection Fund | 87,297 | 90,000 |
| Equipment Acquisition Fund | | 195,898 |
| Building Fund | | <u>100,000</u> |
| Total | <u>1,587,297</u> | <u>1,588,195</u> |

The City is shifting LGA utilization away from General Fund operations and towards capital acquisition. This philosophical change is intended to require a greater portion of daily operational costs to be supported by the tax levy. Other revenue streams (such as LGA) which are beyond City control or influence being assigned to capital improvements. The 2019 allocation assigned to the Surface Water Protection Fund results from the fund having sufficient resources to meet projected capital expenditure requirements.

Revenue Trend: It is expected that LGA funding will continue to remain stagnant in future years.

State Highway Aid is a portion of the state motor fuel excise tax distributed back to communities for highway maintenance and improvement. The City has allocated \$770,000 or 67% its 2019 allotment to the Interim Construction Fund to assist in financing a portion of the 2019-year’s street reconstruction program. State Police and Fire Aid is funded by a portion of the 2% surcharge in automotive and property insurance and is designed to help finance pension obligations for police officers.

Police Aid remains unchanged when compared to 2017 levels. Fire Aid results from property liability insurance premiums imposed on property within the White Bear Lake fire district. Fire Aid will be eliminated in 2019, as the White Bear Lake Fire Relief Association will be merging into the Statewide Volunteer Fire Fighter Retirement Plan administered by the Public Employees Retirement Association effective January 1, 2019.

Charges for Service - This category reflects contractual payments from the following:

| <u>Service</u> | <u>Community</u> |
|---------------------|---------------------|
| Fire | White Bear Township |
| Fire | Birchwood |
| Fire | Dellwood |
| Fire | Gem Lake |
| Police | Gem Lake |
| Building Inspection | Mahtomedi |
| Fire Inspection | White Bear Township |
| Fire Inspection | Gem Lake |

SUMMARY OF REVENUE SOURCES AND ASSUMPTIONS FOR ALL FUNDS

Revenue Trends: The City will commence providing police service to the City of Gem Lake in 2018. It is anticipated that police service charges will increase by approximately \$63,000 and \$73,000 in 2018 and 2019 respectively annually based upon the new service agreement.

Inspection service charges are based upon building activity within the two communities. Construction activity within the two communities results in inspection service charges from Mahtomedi totaling \$135,000 in 2018 and \$140,000 in 2019.

This category reflects contractual payments from surrounding communities for fire protection, inspection, and police services. In the Enterprise Funds, this category reflects collections from users of the funds providing the product or service.

Trend: Fire/EMS services, fire inspections, and building inspection services to surrounding communities are expected to increase proportionately based upon service delivery cost increases. The fluctuation in inspection fees results from building permit activity within the contracted communities. A detailed service listing is provided in the General Fund discussion.

Interest Earnings - Interest earnings are allocated to funds based upon budgeted interest earnings. Investment earnings, which exceed budgetary appropriations, are distributed to capital construction funds based upon projected cash flow requirements.

The City's interest revenue is dependent on available rates when investments are made and on available cash balances. The City anticipates earning an investment (interest) rate that is 65-80 basis points greater than the annualized 90-day Treasury bill rate.

The Federal Reserve favorable economic outlook, which includes low inflationary pressure coupled with historically low unemployment, has resulted in marginal 2018 discount rate adjustments. The Federal Reserve has increased the discount by 75 basis points in 2018. Based upon market conditions, there is speculation that interest rates could remain at the September 2018 level of 2.00 – 2.25% into 2019. Future Federal Reserve adjustments could be dictated by continued strong economic growth along with inflation or inflationary expectations. It is anticipated that current economic indicators are providing the justification for gradual adjustments of the discount rate in 2019.

The City has conservatively estimated interest earnings for 2018 at \$245,000. Based upon the Federal Reserve communications and policy, the City can anticipate interest rates to increase slightly through 2019 and 2020. Interest earning projections has been increased \$290,000 for fiscal 2019.

Trend: It is expected that interest earnings will remain begin a slow but steady upward trend based upon Federal Reserve public statements and policy.

Other Revenues – This includes miscellaneous sources of revenue, which do not fit into any other categories. In the enterprise funds, they include the non-operating revenues of forfeited discounts, sale of scrap and surplus.

Trend: These revenue sources are expected to maintain constant over the next several years.

TAX LEVIES

| TAX LEVY YEAR | TOTAL | GENERAL LEVY | DEBT SERVICE | | |
|---------------------|-----------|-----------------|-------------------------|---------------------------|-------------------|
| | | | MUNICIPAL FACILITIES | YMCA / SPORT CENTER | CAPITAL CONST. |
| 2002 | 4,432,560 | 4,218,560 | 82,000 | 132,000 | |
| 2003 | 4,606,810 | 4,392,810 | 82,000 | 132,000 | |
| 2004 | 4,835,000 | 4,621,000 | 82,000 | 132,000 | |
| 2005 | 4,835,000 | 4,637,000 | 66,000 | 132,000 | |
| 2006 | 4,927,000 | 4,729,000 | 66,000 | 132,000 | |
| 2007 | 4,927,000 | 4,729,000 | 66,000 | 132,000 | |
| 2008 | 4,556,518 | 4,358,518 | 66,000 | 132,000 | |
| 2009 | 4,666,000 | 4,468,000 | 66,000 | 132,000 | |
| 2010 | 4,666,000 | 4,468,000 | 66,000 | 132,000 | |
| 2011 | 4,666,000 | 4,468,000 | 66,000 | 132,000 | |
| 2012 | 4,755,000 | 4,557,000 | 66,000 | 132,000 | |
| 2013 | 4,755,000 | 4,557,000 | | 198,000 | |
| 2014 | 4,845,000 | 4,779,000 | | 66,000 | |
| 2015 | 4,927,000 | 4,795,000 | | 132,000 | |
| 2016 | 5,173,000 | 5,041,000 | | 132,000 | |
| 2017 | 5,625,000 | 5,493,000 | | 132,000 | |
| 2018 | 6,345,000 | 5,993,000 | | 132,000 | 220,000 |

| PROPERTY TAX CAPACITY VALUATION & RATE | | | | |
|---|---|---|---|---|
| Item | Property Value For Taxes Collectable In 2016 | Property Value For Taxes Collectable In 2017 | Property Value For Taxes Collectable In 2018 | Property Value For Taxes Collectable In 2019 |
| Market Value | \$2,208,426,900 | \$2,363,681,100 | \$2,558,489,600 | \$2,739,232,500 |
| Taxable Property Value | | | | |
| Real Estate | 24,139,655 | 26,067,338 | 28,577,080 | 30,809,390 |
| Personal Property | 539,526 | 593,786 | 622,593 | 659,373 |
| Total property value | 24,679,181 | 26,661,124 | 29,199,673 | 31,468,763 |
| Less: Tax Increment project valuations | (422,195) | (420,167) | (475,519) | (515,812) |
| Subtotal - City | 24,256,986 | 26,240,957 | 28,724,154 | 30,952,951 |
| Less: Fiscal disparity contribution | (2,522,834) | (2,730,705) | (2,916,271) | (3,206,991) |
| Net Tax Capacity Value | 21,734,152 | 23,510,252 | 25,807,883 | 27,745,960 |
| Add: Fiscal Disparity Distribution | 3,179,106 | 3,623,055 | 3,725,181 | 3,966,912 |
| Total Tax Capacity | 24,913,258 | 27,133,307 | 29,533,064 | 31,712,872 |
| Tax Capacity Rate | | | | |
| Levy | 4,927,000 | 5,173,000 | 5,625,000 | 6,345,000 |
| Less: Fiscal Disparity | 647,506 | 713,386 | 706,621 | 756,030 |
| Net Levy | <u>4,279,494</u> | <u>4,459,614</u> | <u>4,918,379</u> | <u>5,588,970</u> |
| Divide by Net tax capacity | <u>21,734,152</u> | <u>23,510,252</u> | <u>25,807,883</u> | <u>27,745,960</u> |
| Tax Capacity Rate | <u>19.690%</u> | <u>18.969%</u> | <u>19.058%</u> | <u>20.143%</u> |

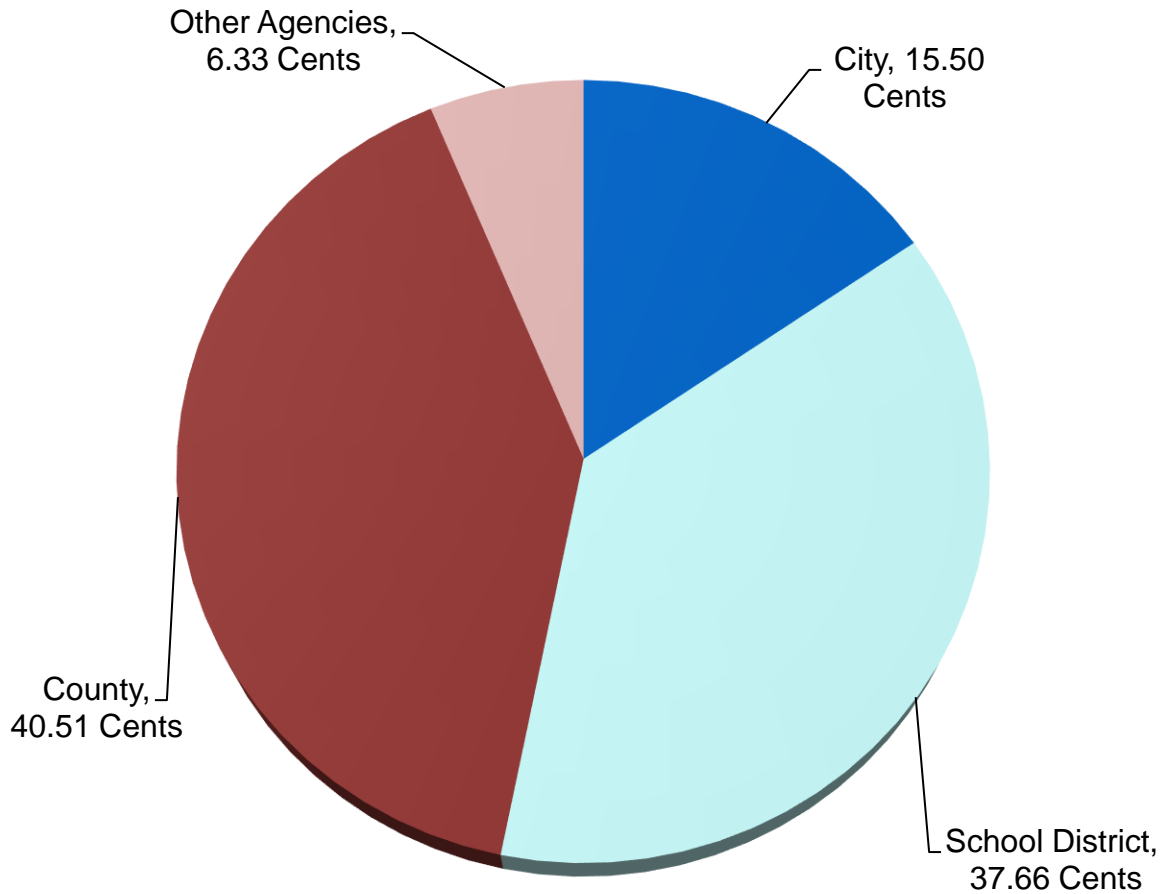
**TAX CAPACITY RATES &
MARKET VALUE RATES FOR DIRECT
AND OVERLAPPING GOVERNMENTS**

| Tax Levy Year | TOTAL | CITY | SCHOOL DISTRICT | COUNTY | OTHER |
|--|---------|--------|-----------------|--------|--------|
| 2007 | 88.228 | 17.706 | 17.731 | 44.825 | 7.966 |
| (1) 2007 | 0.116 | | 0.116 | | |
| 2008 | 83.561 | 16.524 | 15.422 | 44.023 | 7.592 |
| (1) 2008 | 0.213 | | 0.213 | | |
| 2009 | 88.881 | 15.302 | 19.396 | 46.546 | 7.637 |
| (1) 2009 | 0.174 | | 0.174 | | |
| 2010 | 96.226 | 16.520 | 21.716 | 50.067 | 7.923 |
| (1) 2010 | 0.191 | | 0.191 | | |
| 2011 | 103.259 | 17.705 | 22.521 | 54.678 | 8.355 |
| (1) 2011 | 0.241 | | 0.241 | | |
| 2012 | 117.314 | 19.940 | 26.102 | 61.317 | 9.955 |
| (1) 2012 | 0.248 | | 0.248 | | |
| 2013 | 125.341 | 21.448 | 28.562 | 65.144 | 10.187 |
| (1) 2013 | 0.264 | | 0.264 | | |
| 2014 | 123.224 | 21.102 | 28.562 | 63.735 | 9.825 |
| (1) 2014 | 0.273 | | 0.273 | | |
| 2015 | 115.129 | 20.368 | 26.660 | 58.922 | 9.179 |
| (1) 2015 | 0.240 | | 0.240 | | |
| 2016 | 113.863 | 19.690 | 26.236 | 58.885 | 9.052 |
| (1) 2016 | 0.235 | | 0.235 | | |
| 2017 | 106.853 | 18.969 | 23.476 | 55.850 | 8.558 |
| (1) 2017 | 0.230 | | 0.230 | | |
| 2018 | 104.531 | 18.993 | 23.631 | 53.692 | 8.215 |
| (1) 2018 | 0.223 | | 0.223 | | |
| 2019 | 107.058 | 20.143 | 26.034 | 52.652 | 8.229 |
| (1) 2019 | 0.232 | | 0.232 | | |
| Additional voter approved levy | | | | | |
| (1) Voter approved referendums are levied against market value rather than tax capacity value of the taxing authority. | | | | | |

Where Does Your Total Tax Dollar Go?

2019

Tax and Market Value Levies



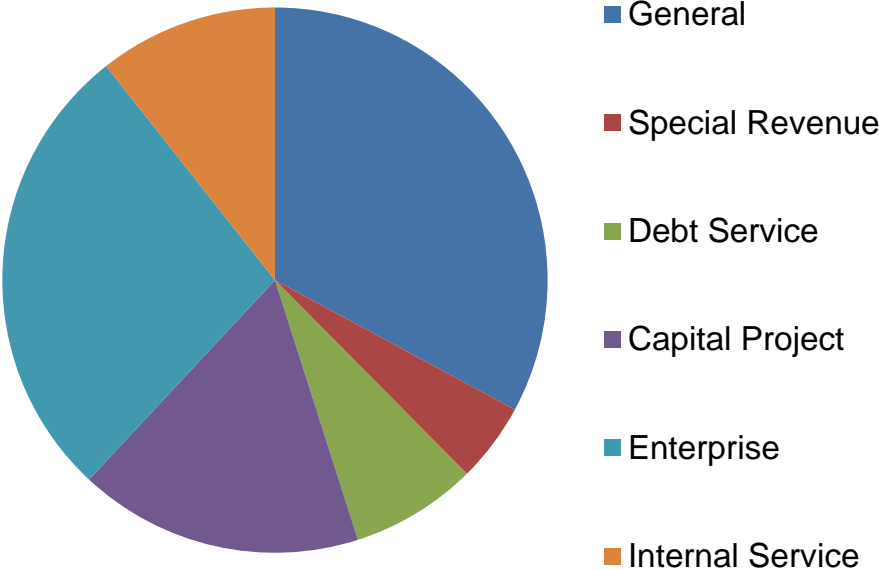
| 2019 BUDGET SUMMARY FOR ALL FUNDS | | | | | | | |
|---|--------------|--------------------|-----------------|---------------------|------------|---------------------|-----------------|
| Description | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service | Total Budget |
| Revenues: | | | | | | | |
| General property taxes | \$ 5,880,000 | \$ - | \$ 344,000 | \$ - | \$ - | \$ - | \$ 6,224,000 |
| Tax increment | | 20,000 | | 495,000 | | | 515,000 |
| Special assessments | | 62,200 | 1,175,000 | | | | 1,237,200 |
| Licenses and permits | 750,400 | | | | | | 750,400 |
| Franchise fee & fines | 410,000 | | | | | | 410,000 |
| Intergovernmental | 2,211,297 | 90,000 | | 1,065,000 | 60,000 | | 3,426,297 |
| Charges for services | 630,300 | 513,000 | | | 9,272,000 | | 10,415,300 |
| Interest on investments | | | | 65,000 | | | 65,000 |
| Rental income | | 810,500 | 155,000 | 426,000 | 391,000 | | 1,782,500 |
| Loan repayments | | 72,500 | 50,000 | 110,000 | | 235,000 | 467,500 |
| Bond sale | | | | 2,130,000 | | | 2,130,000 |
| Reimbursements | | | | | | 3,357,230 | 3,357,230 |
| Miscellaneous | 186,000 | 76,650 | 84,000 | 318,000 | 44,000 | 192,350 | 901,000 |
| Total operating revenues | 10,067,997 | 1,644,850 | 1,808,000 | 4,609,000 | 9,767,000 | 3,784,580 | 31,681,427 |
| Transfers in | 1,640,000 | 25,000 | 865,000 | 1,395,000 | | | 3,925,000 |
| Total revenues | 11,707,997 | 1,669,850 | 2,673,000 | 6,004,000 | 9,767,000 | 3,784,580 | 35,606,427 |
| Expenditures: | | | | | | | |
| General government | 1,937,435 | | | 230,000 | | | 2,167,435 |
| Public safety | 6,502,124 | 88,800 | | 1,025,150 | 1,827,273 | | 9,443,347 |
| Public works | 2,774,225 | 129,679 | | 4,123,100 | 4,219,016 | | 11,246,020 |
| Parks & recreation | | 906,840 | | 533,600 | | | 1,440,440 |
| Social & economic development | | 546,695 | | 291,300 | 227,220 | | 1,065,215 |
| Debt service | | | 1,237,936 | 155,000 | | | 1,392,936 |
| General services | 109,220 | | | 50,000 | 2,228,314 | 3,448,050 | 5,835,584 |
| Total operating expenditures | 11,323,004 | 1,672,014 | 1,237,936 | 6,408,150 | 8,501,823 | 3,448,050 | 32,590,977 |
| Transfers out | 25,000 | 80,000 | 1,140,000 | 1,065,000 | 1,115,000 | 195,000 | 3,620,000 |
| Total expenditures | 11,348,004 | 1,752,014 | 2,377,936 | 7,473,150 | 9,616,823 | 3,643,050 | 36,210,977 |
| Reserves | 230,000 | (10,000) | | (550,000) | 5,000 | | (325,000) |
| Total expenditures and reserves | 11,578,004 | 1,742,014 | 2,377,936 | 6,923,150 | 9,621,823 | 3,643,050 | 35,885,977 |
| Revenues Over (Under) Expenditures and Reserves | 129,993 | (72,164) | 295,064 | (919,150) | 145,177 | 141,530 | (279,550) |
| Fund balance January 1 | 179,470 | 3,106,348 | 712,819 | 7,761,189 | 518,757 | 3,032,144 | 15,310,727 |
| Fund balance December 31 | \$ 309,463 | \$ 3,034,184 | \$ 1,007,883 | \$ 6,842,039 | \$ 663,934 | \$ 3,173,674 | \$ 15,031,177 |

**BUDGET SUMMARY
BY FUND TYPE**

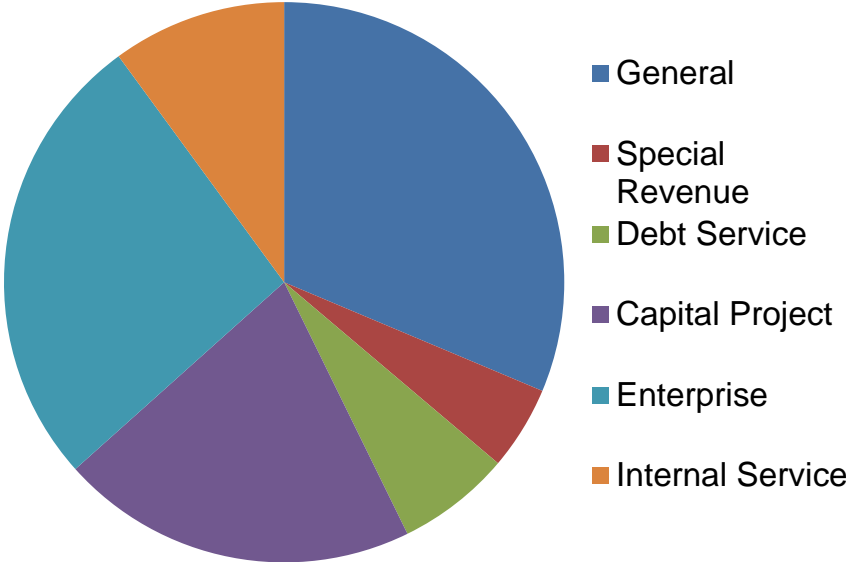
| Fund Description | 2016 ACTUAL | 2017 ACTUAL | 2018 BUDGET | 2018 REVISED | 2019 BUDGET |
|--|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Revenue | | | | | |
| General | \$ 8,982,372 | \$ 9,624,790 | \$10,247,670 | \$10,249,386 | \$11,707,997 |
| Special Revenue | 1,502,269 | 3,395,774 | 1,469,647 | 2,047,887 | 1,669,850 |
| Debt Service | 2,118,647 | 2,028,353 | 1,881,500 | 2,679,240 | 2,673,000 |
| Capital Projects | 8,590,138 | 3,895,033 | 7,538,300 | 14,774,700 | 6,004,000 |
| Enterprise | 7,901,210 | 9,042,856 | 8,982,500 | 9,319,000 | 9,767,000 |
| Internal Service | 3,297,953 | 3,906,155 | 3,938,805 | 4,108,619 | 3,784,580 |
| Total revenue | 32,392,589 | 31,892,961 | 34,058,422 | 43,178,832 | 35,606,427 |
| Expenditures | | | | | |
| General | 8,814,351 | 9,463,532 | 10,142,180 | 10,239,695 | 11,348,004 |
| Special Revenue | 1,300,615 | 2,260,888 | 1,497,567 | 1,771,653 | 1,752,014 |
| Debt Service | 1,621,044 | 2,109,421 | 2,518,228 | 3,153,401 | 2,377,936 |
| Capital Projects | 6,544,772 | 5,735,015 | 8,770,000 | 14,593,935 | 7,473,150 |
| Enterprise | 8,395,098 | 8,683,457 | 8,916,642 | 9,313,392 | 9,616,823 |
| Internal Service | 3,646,329 | 4,192,993 | 3,862,038 | 3,986,072 | 3,643,050 |
| Total expenditures | 30,322,209 | 32,445,306 | 35,706,655 | 43,058,148 | 36,210,977 |
| Reserves | (1,216,943) | (539,515) | (240,000) | 415,000 | (325,000) |
| Total expenditure & reserves | 29,105,266 | 31,905,791 | 35,466,655 | 43,473,148 | 35,885,977 |
| Revenues Over (Under) Expenditures & Reserves | 3,287,323 | (12,830) | (1,408,233) | (294,316) | (279,550) |
| Fund Balance January 1 | 12,330,550 | 15,617,873 | 12,201,324 | 15,605,043 | 15,310,727 |
| Fund Balance December 31 | \$15,617,873 | \$15,605,043 | \$10,793,091 | \$15,310,727 | \$15,031,177 |
| | | | | | |

2019 Budget By Fund Type

Total Revenues \$35,606,427



Total Expenditures \$36,210,977



**CITY OF WHITE BEAR LAKE
PERSONAL SERVICES STAFFING SUMMARY
FULL TIME EQUIVALENT POSITIONS
2016-2019**

| DEPARTMENT | POSITION | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|------------------------|--|----------------|----------------|-----------------|-----------------|----------------|
| Legislative (1) (1) | Mayor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Council | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| | City Clerk | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| | Total Legislative | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| Administration | City Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Assistant City Manager | 0.90 | 0.90 | 0.90 | 1.00 | 1.00 |
| | City Clerk | 0.40 | 0.40 | 0.40 | 0.50 | 0.50 |
| | Total Administration | 2.30 | 2.30 | 2.30 | 2.50 | 2.50 |
| Finance | Finance Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Assistant Finance Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Accounting Clerk | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| | Total Finance | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| City Hall | Receptionist | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | I.T. Coordinator | 0.40 | 0.40 | 0.40 | 1.00 | 1.00 |
| | Total City Hall | 1.40 | 1.40 | 1.40 | 2.00 | 2.00 |
| Elections | Assistant City Manager | 0.10 | 0.10 | 0.10 | | |
| | City Clerk | 0.10 | 0.10 | 0.10 | | |
| | Passport | 0.20 | | 0.20 | | |
| | Total Elections | 0.40 | 0.20 | 0.40 | | |
| Planning | Com Dev Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Zoning Coordinator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Housing Coordinator | | 1.00 | 1.00 | | |
| | Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Total Planning | 3.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Police | Chief | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Captain | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| | Sergeant | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| | Investigator | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| | Patrol Officer | 19.00 | 19.00 | 19.00 | 19.25 | 20.00 |
| | I.T. Coordinator | 0.35 | 0.35 | 0.35 | | |
| | Record Technicians | 2.65 | 2.65 | 2.65 | 2.65 | 3.00 |
| | Total Police | 32.00 | 32.00 | 32.00 | 31.90 | 33.00 |
| | | | | | | |
| Fire | Chief | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| | Asst. Chief / Fire Marshall | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Firefighters | | | | | 2.40 |
| | Recruit/Retention Coordinator | 1.00 | 1.00 | | | |
| | I.T. Coordinator | 0.25 | 0.25 | 0.25 | | |
| | Secretary | 0.25 | 0.25 | 0.25 | 0.25 | 0.20 |
| | Firefighters - Paid-on-call | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| | Total Fire | 58.00 | 58.00 | 57.00 | 56.75 | 59.10 |
| | | | | | | |
| (1) | Elected Officials (Part Time Positions) | | | | | |
| (2) | Volunteers / Paid on call | | | | | |

**CITY OF WHITE BEAR LAKE
PERSONAL SERVICES STAFFING SUMMARY
FULL TIME EQUIVALENT POSITIONS
2016-2019**

| DEPARTMENT | POSITION | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------------------------------|------------------------------------|----------------|----------------|-----------------|-----------------|----------------|
| Public Safety Support / Dispatch | Public Safety Support / Dispatcher | 5.50 | 5.50 | 5.50 | 2.75 | 1.75 |
| | Total Dispatch | 5.50 | 5.50 | 5.50 | 2.75 | 1.75 |
| Building & Code Enforcement | Building Official | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Building Inspector | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| | Rental Housing Specialist | | 1.00 | 1.00 | 1.00 | 1.00 |
| | Code Enforcement Officer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Total Building | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Engineering | City Engineer/Pub Works Dir. | | | | | 1.00 |
| | Assistant City Engineer | | | | | 1.00 |
| | Civil Engineer | | | | | 1.00 |
| | Engineering Tech IV | | | | | 1.00 |
| | Engineering Technician III | | | | | 1.00 |
| | Secretary | | | | | 1.00 |
| | Total Engineering | | | | | 6.00 |
| Public Works Facility | Pubic Works Superintendent | | | | 0.40 | 0.40 |
| | Pubic Works Office Clerk | | | | 0.50 | 0.50 |
| | Total P/W Facility | | | | 0.90 | 0.90 |
| Streets | Pubic Works Superintendent | 0.10 | 0.10 | 0.10 | | |
| | Maintenance III | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Maintenance II | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| | Pubic Works Office Clerk | 0.10 | 0.10 | 0.10 | | |
| | Total Streets | 4.20 | 4.20 | 4.20 | 4.00 | 4.00 |
| Parks | Pubic Works Superintendent | 0.20 | 0.20 | 0.20 | | |
| | Parks & Facility Superintendent | | | | 1.00 | 1.00 |
| | Maintenance III | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Maintenance II | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 |
| | Pubic Works Office Clerk | 0.20 | 0.20 | 0.20 | | |
| | Total Parks | 6.40 | 6.40 | 6.40 | 6.00 | 6.00 |
| Central Garage | Pubic Works Superintendent | | 0.10 | 0.10 | | |
| | Mechanic | | 1.00 | 1.00 | 1.00 | 1.00 |
| | Pubic Works Office Clerk | | 0.20 | 0.20 | | |
| | Total Central Garage | | 1.30 | 1.30 | 1.00 | 1.00 |
| | Total General Fund | 129.70 | 132.80 | 132.00 | 128.30 | 136.75 |
| Armory | Manager | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 |
| | Maintenance II | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| | Receptionist | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| | Total Armory Fund | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 |
| Surface Water | Environmental Specialist | | 0.50 | 0.50 | 0.50 | 0.50 |
| | Total Surface Water | | 0.50 | 0.50 | 0.50 | 0.50 |
| | | | | | | |

**CITY OF WHITE BEAR LAKE
PERSONAL SERVICES STAFFING SUMMARY
FULL TIME EQUIVALENT POSITIONS
2016-2019**

| DEPARTMENT | POSITION | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|---------------------------------------|----------------------------|----------------|----------------|-----------------|-----------------|----------------|
| Sport Center | Arena Manager | 0.85 | 0.85 | 0.85 | 0.85 | 0.85 |
| | Maintenance II | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 |
| | Receptionist/Cashier | 0.90 | 0.90 | 0.90 | 0.90 | 0.90 |
| | Skate School Leader | | | | 0.60 | 0.60 |
| | Custodian | 0.85 | 0.85 | 0.85 | 0.90 | 0.90 |
| | Total Sport Center Fund | 3.50 | 3.50 | 3.50 | 4.15 | 4.15 |
| Economic Development | Developmental Specialist | | 0.50 | 0.50 | 0.50 | 0.50 |
| | Housing Coordinator | | | | 1.00 | 1.00 |
| | Total Economic Develop. | | 0.50 | 0.50 | 1.50 | 1.50 |
| Water Distribution | Pubic Works Superintendent | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | Maintenance III | | 0.75 | 0.75 | 0.75 | 0.75 |
| | Maintenance II | 1.20 | 1.40 | 1.40 | 1.40 | 1.40 |
| | Maintenance I | | | | | |
| | Pubic Works Office Clerk | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | Total Water Distribution | 1.60 | 2.55 | 2.55 | 2.55 | 2.55 |
| Water Treatment | Pubic Works Superintendent | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | Maintenance III | 1.00 | 0.25 | 0.25 | 0.25 | 0.25 |
| | Maintenance II | 1.80 | 1.60 | 1.60 | 1.60 | 1.60 |
| | Pubic Works Office Clerk | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| | Total Water Treatment | 3.10 | 2.15 | 2.15 | 2.15 | 2.15 |
| | Total Water Fund | 4.70 | 4.70 | 4.70 | 4.70 | 4.70 |
| Sewer | Pubic Works Superintendent | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | Maintenance III | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | Maintenance II | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| | Maintenance I | | | | | |
| | Pubic Works Office Clerk | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | Total Sewer Fund | 4.40 | 4.40 | 4.40 | 4.40 | 4.40 |
| Environmental Recycling & Disposal | Assistant City Manager | 0.35 | | | | |
| | Environmental Specialist | 0.35 | | | | |
| | Total Environmental Fund | 0.70 | | | | |
| Ambulance (3) | Fire Chief | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| | Assistant Fire Chief | | | | 1.00 | 1.00 |
| | Secretary | 0.75 | 0.75 | 0.75 | 0.75 | 0.80 |
| | Quality Assurance Tech. | 2.00 | 2.00 | 2.00 | 1.00 | |
| | Paramedic | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| | EMT | 1.00 | 1.00 | 1.00 | 3.00 | 9.00 |
| | Ambulance support | 17.00 | 17.00 | 17.00 | 15.00 | 10.50 |
| | Total Ambulance Fund | 24.25 | 24.25 | 24.25 | 24.25 | 24.80 |
| Licensing & Registration | Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | License Clerk | 9.10 | 10.10 | 10.10 | 10.30 | 10.30 |
| | Total Licensing | 10.10 | 11.10 | 11.10 | 11.30 | 11.30 |
| | | | | | | |

**CITY OF WHITE BEAR LAKE
PERSONAL SERVICES STAFFING SUMMARY
FULL TIME EQUIVALENT POSITIONS
2016-2019**

| DEPARTMENT | POSITION | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-------------------|---------------------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| Engineering | City Engineer/Pub Works Dir. | 1.00 | 1.00 | 1.00 | 1.00 | |
| | Assistant City Engineer | 1.00 | 1.00 | 1.00 | 1.00 | |
| | Engineering Tech IV | 1.00 | 1.00 | 1.00 | 1.00 | |
| | Engineering Technician III | 2.00 | 2.00 | 2.00 | 2.00 | |
| | Secretary | 1.00 | 1.00 | 1.00 | 1.00 | |
| | Total Engineering | 6.00 | 6.00 | 6.00 | 6.00 | |
| (3) | (3) Paid on call staff | | | | | |
| Central Garage | Pubic Works Superintendent | 0.10 | | | | |
| | Mechanic | 1.00 | | | | |
| | Pubic Works Office Clerk | 0.20 | | | | |
| | Total Central Garage | 1.30 | | | | |
| | Total All Funds | 185.00 | 188.10 | 187.30 | 185.45 | 188.45 |
| | Total Full Time Equivalent | 107.00 | 110.10 | 109.30 | 109.45 | 116.95 |
| | Firefighters (Volunteer/Paid-on-call) | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| | Ambulance support (Paid-on-call) | 17.00 | 17.00 | 17.00 | 15.00 | 10.50 |
| | Mayor & Council | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| | Total | 185.00 | 188.10 | 187.30 | 185.45 | 188.45 |
| | | | | | | |

All positions are presented as full time equivalent except for Mayor & Council which are part time and Firefighters (paid-on-call), Ambulance paid-on-call support who are considered volunteers.

**City of White Bear Lake, Minnesota
Statement of Capital Equipment by Department**

| Department | Unit No. | Vehicle Identification No. |
|--------------------------------|-----------------|-----------------------------------|
| Police | | |
| 2006 CHEV IMPALA | 067 | 2G1WT55K969123537 |
| 2007 JEEP GRD CHEROKEE LAREDO | 071 | 1J8GR48K77C514771 |
| 2014 FORD SEDAN | 148 | 1FAHP2MK5EG102968 |
| 2012 DODGE DURANGO | CV6 | 1C4SDJFT3CC363612 |
| 2015 FORD EXPLORER | 157 | 1FM5K8AR6FGA28537 |
| 2016 FORD EXPLORER | 163 | 1FM5K8AR9GGA12303 |
| 2015 FORD SEDAN | 150 | 1FAHP2MK5G170110 |
| 2016 FORD SUV | 166 | 1FM5K8AR1GGD16161 |
| 2016 FORD SUV | 160 | 1FM5K8ARXGGD16160 |
| 2016 FORD POLICE SUV | 162 | 1FM5K8AR3GGD16162 |
| 2013 FORD FUSION | 133 | 3FA6P0K94DR196893 |
| 2017 FORD EXPLORER | 170 | 1FM5K8AR7HGD13654 |
| 2017 FORD EXPLORER | 171 | 1FM5K8AR3HGD13652 |
| 2017 FORD EXPLORER | 172 | 1FM5K8AR5HGD13653 |
| 2018 FORD EXPLORER | 183 | 1FM5K8D85JGB19133 |
| 2018 FORD F150 TRUCK | 180 | 1FTEW1PG4JKE18550 |
| 2018 FORD EXPLORER | 184 | 1FM5K8AR1JGA84734 |
| 2018 FORD EXPLORER | 185 | 1FM5K8AR3JGA84735 |
| 2018 FORD EXPLORER | 186 | 1FM5K8AR5JGA84736 |
| Fire | | |
| FIRE TRUCK RESCUE 2 | RESCUE 2 | |
| 1999 TELESQUIRT LADDER TRUCK | L914 | 4Z36ESEB1XRB17777 |
| 1997 PUMPER ENG 8 | ENG 8 | 2FV6DSEB8WA89899 |
| FIRE TRUCK RESCUE 2 | R923 | 3877 |
| 2012 FORD TRUCK F350 | UT931 | 1FT8W3B6XCEA33373 |
| ENG 5 2013 FREIGHTLINER CHASSI | T916 | 1FVHC5CY7DHBZ2430 |
| 2014 DODGE DURANGO | C905 | 1C4RDJFGXEC509296 |
| 2015 DODGE DURANGO | C904 | 1C4RDJFG9FC907875 |
| 2016 DODGE DURANGO | C903 | 1CRDJFG6GC468359 |
| 2016 DODGE DURANGO | C902 | 1C4RDJFG2GC468360 |
| 2016 DODGE RAM TRUCK | G932 | 1C6RR7XT9G5408881 |
| 2017 FORD EXPLORER | S918 | 1FM5K8AR3HGC72228 |
| 2015 FORD EXPLORER | C901 | 1FM5K8D84FGA74354 |

**City of White Bear Lake, Minnesota
Statement of Capital Equipment by Department**

| Department | Unit No. | Vehicle Identification No. |
|-------------------------------|-----------------|-----------------------------------|
| Ambulance | | |
| 2004 FORD E450 AMB TYPE III | M912 | 1FDXE45F43HB58377 |
| 2010 FORD E450 AMB TYPE III | M922 | 1FDXE4FP7ADA05651 |
| 2010 ROAD RESCUE E450 AMB | M911 | 1FDXE4FP7ADA25768 |
| 2015 ROAD RESCUE E450 AMB | M921 | 1FDXE4FS8FDZ28884 |
| 2018 FORD E450 ROAD RESCUE | M911 | 1FDXE4FSOJDC21653 |
| Streets | | |
| 2003 STERLING TRUCK | 8-03 | 2FZAATAK73AL64978 |
| WILDCAT SNOWBLOWER M8000 | 51-00 | 10110 |
| 2005 JOHN DEERE TRACTOR | 10-05 | DW544JZ598002 |
| 2006 SKIDSTEER | 71-06 | 550313108 |
| 2006 FREIGHTLINER TRUCK | 2-06 | 1FVHC3DA87HY16226 |
| TRACKLESS MT5 | 24-08 | MT5T-3632 |
| 2008 FORD TRUCK F550 | 88-08 | 1FDAF57R88ED86570 |
| 2008 FORD TRUCK F250 | 78-08 | 1FTNF21548EE22670 |
| ZAUGG SNOWBLOWER | 5570 | 25811 |
| 2009 FREIGHTLINER TRUCK | 12-09 | 1FVAC3BS49HAG6497 |
| 2010 FORD TRUCK F250 | 58-10 | 1FTNF2A5XAEA60009 |
| 2011 FREIGHTLINER HOTBOX | 26-11 | 1FVAC3BS3BHBA5683 |
| 2011 CASE LOADER | 16-11 | NBF215048 |
| 2013 FREIGHTLINER TRUCK | 9-13 | 1FVAG5BS0DHFB6591 |
| BOBCAT S590 SKID STEER LOADER | 75-13 | ANMN11081 |
| 2013 FORD TRUCK F250 | 60-13 | 1FTBF2F62DEB36370 |
| 2014 TYMCO/FRIEGHT SWEEPER | 27-14 | 1FVACXDT0FHGA4119 |
| 2015 CHEV TRUCK 2500 | 67-15 | 1GC0KUEG6FZ535071 |
| 2011 FORD BUCKET TRUCK | 89-11 | 1FDUF5HT2BEA23017 |
| 2017 FREIGHTLINER TRUCK | 3-17 | 1FVAG5CY0HHHZ1682 |
| 2018 FREIGHTLINER TRUCK | 4-19 | 1FVHG3DV3KHKJ7881 |
| Engineering | | |
| 2002 FORD TRUCK F150 | 34-02 | 2FTRX17292CA78482 |
| 2001 CHEV TRUCK 1500 | 96-01 | 2GCEC19W511313142 |
| 2000 FORD TRUCK F250 | 92-00 | 1FDNW20S2YEA80963 |

**City of White Bear Lake, Minnesota
Statement of Capital Equipment by Department**

| Department | Unit No. | Vehicle Identification No. |
|-----------------------------|-----------------|-----------------------------------|
| Building | | |
| 2006 FORD TRUCK F150 | 38-06 | 1FTRF12W26KD28675 |
| 2006 FORD TRUCK F150 | 54-06 | 1FTRF12W48R028676 |
| 2007 FORD TRUCK F150 | 00-07 | 1FTRF12W97KC75216 |
| 2013 FORD ESCAPE | 99-13 | 1FMCU0GX7DUC15213 |
| 2014 FORD ESCAPE | 98-17 | 1FMCU0GX6EUD17376 |
| Parks | | |
| 2003 CHEV TRUCK 2500 | 77-03 | 1GCGC24V632110078 |
| 1994 CHEV KODIAK DUMP TRUCK | 70-94 | 1GBP7H1J9RJ114025 |
| 2003 CHEV. | 65-03 | 1GCGC24V332109258 |
| 2005 CHEV TRUCK 2500 | 69-05 | 1GCHK24UX5E239782 |
| 2003 CHEV TRUCK 4500 | 76-03 | 1GBC4E1133F505459 |
| 2006 CHEV TRUCK 2500 | 37-06 | 1GCHC24U66E243472 |
| 2006 CHEV TRUCK 2500 | 36-06 | 1GCHK24U76E244164 |
| 2008 FORD TRUCK F250 | 62-08 | 1FTNF21518EC53644 |
| 2008 FORD TRUCK F150 | 44-08 | 1FTPF12V98KE22912 |
| 2015 CHEV TRUCK 2500 | 68-15 | 1GC0CUEG6FZ53843 |
| 2017 CHEV TRUCK 3500 | 64-17 | 1GC3KYCG0HZ311935 |
| Water | | |
| 2008 FORD TRUCK F250 | 40-08 | 1FTNF20578EC88884 |
| 2011 FORD TRUCK F250 | 33-11 | 1FTBF2B61BEB25938 |
| 2018 FORD F350 TRUCK | 32-18 | 1FDRF3B65JEC65604 |
| 2004 FREIGHTLINER MC-106 | 28-04 | 1FVHCYDC25HN66588 |
| 2011 FORD TRUCK F250 | 61-11 | 1FTBF2A66BEB33003 |
| Sewer | | |
| 2004 FORD TRUCK F250 | 57-04 | 1FTNF20L44ED03754 |
| 1996 VACON V311LHA | 35-06 | 1FVHC3DC06HW24041 |
| 2006 FREIGHTLINER TRUCK | 22-06 | 1FVACYDC27HY16223 |
| 2012 FORD TRUCK F250 | 66-12 | 1FTBF2B67CEC32848 |
| 2016 FORD TRUCK F250 | 25-16 | 1FTBF2B68GED01276 |
| Sports Center | | |
| 2002 OLYMPIA RESURFACE | 43-02 | RM0212304 |

**City of White Bear Lake
Capital Improvement Funding
For Budget Years 2018 - 2019**

Capital purchases are essential to the City's ability to deliver programs and services to its residents. Supplying police and fire protection, maintaining streets and parks, and providing water, sewer, waste disposal, recreational facilities, ambulance transportation, senior housing, and license application services all require substantial capital investments. These capital investments vary in type and value but each is important to the department making the purchase.

Capital expenditures for the City of White Bear Lake include the replacement of vehicles, equipment, building repairs, and infrastructure improvements that have an initial value of at least \$500 and a useful life of at least two years.

The 2018-2019 Budgets incorporate planned capital expenditures for all departments. Purchases or projects included in this budget document as capital expenditures have justifiable cost estimates. Each individual purchase or project will be evaluated at a subsequent date to determine if the purchase is necessary and if the cost is appropriate. At that time, the City Manager and City Council will review the information and decide if the item is approved for purchase. Once the approval is given the purchase can be made.

Many of the capital improvement items contained in the budget will produce operational savings; however, some of the items will require on-going operational costs. These operational savings or on-going costs cannot be expertly quantified until the following budget year. The operating budget impacts are expected to remain relatively unchanged, as the overwhelming majority of all capital replacements are funded by pre-established capital funding sources. The City does not anticipate any non-routine capital expenditures and expects that all capital purchases will be made on a regular schedule depending upon the item's useful life at the time replacement is anticipated. Capital expenditures will not occur if the item's useful life exceeds its estimated replacement life.

The following schedules details the impact of capital improvements on both the governmental and enterprises funds.

City of White Bear Lake
Combined Statement of Capital Outlay for Governmental Funds
M = Maintenance
N = New
R = Replacement

| | | 2018 Budget | 2019 Budget |
|------------------|---|------------------------|------------------------|
| City Hall | | | |
| | R Municipal Bldg - LED interior lighting conversion | \$ 35,000 | \$ - |
| | M Municipal Bldg - Bear mural cleaning | | 5,000 |
| | M Municipal Bldg - Painting | 3,000 | |
| | R Municipal Bldg - Bollard lighting replacement | | 10,000 |
| | R Municipal Bldg - First floor office improvements | | 13,200 |
| | R Municipal Bldg - License Bureau office improvements | | 51,000 |
| | N Municipal Bldg - Roof protection | | 15,000 |
| | R Municipal Bldg - Front entry door hardware | 3,000 | |
| | N Municipal Bldg - Air System return | 25,000 | |
| | N Municipal Bldg - Digital control conversion | | 60,000 |
| | R Equipment Acq - Computer and furniture replacement | 40,000 | 50,000 |
| | R Equipment Acq - Computer licensing agreements | 15,000 | 15,000 |
| | N Equipment Acq - Vehicle monitoring equipment | 14,000 | |
| | R Equipment Acq - Website integration | 3,600 | 4,000 |
| | R Equipment Acq - Laserfische | 3,000 | 3,500 |
| | N Equipment Acq - MaxGalaxy | 2,400 | 2,500 |
| | N Equipment Acq - Plan-IT software | 1,400 | 800 |
| | R Equipment Acq - Survey equipment | | 7,500 |
| | R Equipment Acq - Engineering Office Furniture | 6,000 | |
| | R Equipment Acq - Employee and visitor chairs | 8,500 | |
| | Total City Hall | 159,900 | 237,500 |
| Police | | | |
| | N Forfeiture - Office furniture and equipment | 37,000 | |
| | R Forfeiture - Vehicles | 69,500 | |
| | R Forfeiture - Training facility restroom renovations | | 40,000 |
| | R Municipal Bldg - Carpet | | 1,500 |
| | N Municipal Bldg - Dispatch office renovation | 38,500 | |
| | N Municipal Bldg - Lockers for Men's lockerroom | | 800 |
| | R Municipal Bldg - Training facility improvements | | 60,000 |
| | N Municipal Bldg - Facility needs study | | 10,000 |
| | R Municipal Bldg - LED lighting upgrades | 25,000 | |
| | M Municipal Bldg - Painting | 5,000 | 5,000 |
| | M Municipal Bldg - Demolition of 4701 and 4709 Miller Ave | 30,000 | |
| | R Equipment Acq - Radar unit | 5,000 | 3,500 |
| | R Equipment Acq - Taser replacements | 7,000 | 10,000 |
| | R Equipment Acq - Use of force mats, simulation equipment | 6,000 | 7,500 |
| | R Equipment Acq - Stop sticks | 1,700 | 1,700 |
| | R Equipment Acq - Computer equipment | 50,000 | 50,000 |
| | R Equipment Acq - Laptop mounts | 1,500 | 1,500 |
| | R Equipment Acq - Squad laptops | 15,000 | 25,000 |
| | R Equipment Acq - Radios | 60,000 | 14,000 |
| | N Equipment Acq - Body cameras | 60,000 | 30,000 |
| | R Equipment Acq - Vehicles | 125,000 | 120,000 |
| | Total Police | 536,200 | 380,500 |

City of White Bear Lake
Combined Statement of Capital Outlay for Governmental Funds
M = Maintenance
N = New
R = Replacement

| | <u>2018 Budget</u> | <u>2019 Budget</u> |
|--|------------------------|------------------------|
| Fire | | |
| N Municipal Bldg - Station 2 dumpster enclosure | \$ 35,000 | \$ - |
| N Municipal Bldg - Living quarters renovation and beds | 63,500 | 55,000 |
| N Municipal Bldg - Remove communication tower | 10,000 | |
| R Municipal Bldg - HVAC updates | 21,500 | |
| R Equipment Acq - Hose replacement | | 6,000 |
| R Equipment Acq - Adapters, couplings, nozzles | 5,185 | 12,250 |
| N Equipment Acq - LED scene lights | | 3,000 |
| R Equipment Acq - Office furniture | 1,075 | |
| R Equipment Acq - Trailer | 375 | |
| R Equipment Acq - Radios | 7,150 | |
| R Equipment Acq - Self contained breathing apparatus units | 8,400 | |
| N Equipment Acq - Heart monitors | 118,000 | |
| N Equipment Acq - Call monitoring system | 76,750 | |
| R Equipment Acq - Fire engine #7 replacement | 250,000 | 285,000 |
| R Equipment Acq - Thermal imaging camera | | 8,400 |
| N Equipment Acq - Fire extinguisher training device | | 20,000 |
| Total Fire | <u>596,935</u> | <u>389,650</u> |
| Public Safety (Police, Fire, Ambulance) | | |
| R Equipment Acq - Emergency warning siren | 25,000 | 25,000 |
| N Equipment Acq - Dispatch office conversion | 70,000 | |
| Total Public Safety | <u>95,000</u> | <u>25,000</u> |
| Building | | |
| R Equipment Acq - Vehicle | | 20,000 |
| Public Works Facility | | |
| R Municipal Bldg - Gutters | 3,500 | |
| N Municipal Bldg - Equipment storage overhead fans | | 4,000 |
| R Municipal Bldg - LED lighting improvements | 37,000 | 50,000 |
| R Municipal Bldg - Signage | 7,500 | |
| M Municipal Bldg - Salt storage facility improvements | 20,000 | |
| | <u>68,000</u> | <u>54,000</u> |
| Garage | | |
| R Equipment Acq - Floor scrubber | | 8,500 |
| N Equipment Acq - Equipment scanning system | | 5,000 |
| N Equipment Acq - Hydraulic hose crimper | | 14,000 |
| N Equipment Acq - Underbody washer | 3,500 | |
| Total Garage | <u>3,500</u> | <u>27,500</u> |

City of White Bear Lake
Combined Statement of Capital Outlay for Governmental Funds
M = Maintenance
N = New
R = Replacement

| | | 2018 Budget | 2019 Budget |
|----------------------|---|------------------------|------------------------|
| Armory | R Municipal Bldg - Tables and chairs | \$ 2,500 | \$ 2,500 |
| | R Municipal Bldg - Landscape improvements | 2,000 | |
| | R Municipal Bldg - Facility analysis funded by grant | 9,500 | |
| | R Municipal Bldg - Outside door replacements | | 25,000 |
| | R Municipal Bldg - HVAC with Historical Society grant | 50,000 | |
| | R Municipal Bldg - Boiler | 50,000 | |
| | | <u>114,000</u> | <u>27,500</u> |
| Sports Center | | | |
| R | Municipal Bldg - Facility project management | 375,000 | |
| R | Municipal Bldg - Refrigeration upgrade | 1,800,000 | |
| R | Municipal Bldg - Facility construction | 3,130,000 | |
| R | Municipal Bldg - Construction contingency | 55,000 | |
| | | <u>5,360,000</u> | <u>-</u> |
| Streets | | | |
| R | Equipment Acq - Sidewalk plow | 130,000 | |
| R | Equipment Acq - Plows and spreaders | | 17,000 |
| N | Equipment Acq - Push plow | | 38,000 |
| R | Equipment Acq - Walk behind saw | | 6,000 |
| R | Equipment Acq - Pole saw | 500 | 500 |
| R | Equipment Acq - Chain saw | 700 | 700 |
| N | Equipment Acq - Sweeper camera | 800 | |
| N | Equipment Acq - Hydra grapple attachment | 13,000 | |
| N | Equipment Acq - Wiper shakers | 1,000 | |
| R | Equipment Acq - Backpack blower | | 500 |
| R | Equipment Acq - Case loader tires | | 12,000 |
| R | Equipment Acq - Tandem axle dump truck | 180,000 | |
| N | Equipment Acq - Skid steer plow, broom, blower | 8,500 | |
| R | Equipment Acq - Pickup truck | | 30,000 |
| R | Equipment Acq - Tamper plate | | 2,500 |
| Total Streets | | <u>334,500</u> | <u>107,200</u> |
| Snow Removal | | | |
| M | Equipment Acq - Plow modification for #9-13 | | |
| R | Equipment Acq - Pickup plow | | |
| General | | | |
| R | Municipal Bldg - Counseling Center roof through grant | 33,000 | |
| N | Municipal Bldg - Cold storage conversion | 85,000 | 50,000 |
| N | Equipment Acq - Fiber optics | 15,000 | |
| R | Equipment Acq - Council Chambers cable equipment | 60,000 | |
| Total General | | <u>193,000</u> | <u>50,000</u> |

City of White Bear Lake
Combined Statement of Capital Outlay for Governmental Funds
M = Maintenance
N = New
R = Replacement

| | <u>2018 Budget</u> | <u>2019 Budget</u> |
|--|------------------------|------------------------|
| Parks | | |
| R Equipment Acq - Mower - 11 foot | | 65,000 |
| R Equipment Acq - Weed whips | 1,500 | 1,500 |
| R Equipment Acq - Saws, detectors, motors | 4,400 | 4,400 |
| N Equipment Acq - Irrigation controller | | 1,000 |
| R Equipment Acq - Loader forks | | 7,000 |
| R Equipment Acq - Trailer - 16' | 9,700 | 9,000 |
| R Equipment Acq - Pickup truck | | 30,500 |
| N Equipment Acq - Pickup truck | | 30,500 |
| R Park Imp - Bossard Park | | 1,000 |
| R Park Imp - Hidden Hollow Park | 1,500 | 3,000 |
| R Park Imp - Lakewood Hills Park | 75,000 | 81,000 |
| R Park Imp - Lions Park | | 9,000 |
| R Park Imp - Matoska Park | 29,000 | 20,000 |
| R Park Imp - McCarty Park | 25,000 | |
| R Park Imp - Podvin Park | 50,000 | 38,000 |
| R Park Imp - Railroad Park | 85,000 | 20,000 |
| R Park Imp - Ramaley Park | 5,000 | |
| R Park Imp - Rotary Park | | 3,800 |
| R Park Imp - Stellmacher Park | 25,000 | 5,000 |
| R Park Imp - Varney Lake Trail | | 800 |
| R Park Imp - Veteran's Memorial Park | 50,000 | 10,000 |
| R Park Imp - West Park/Memorial Beach | | 10,000 |
| R Park Imp - Weyerhauser Park | | 24,000 |
| R Park Imp - Yost Park | | 11,500 |
| R Park Imp - General costs | 215,000 | 39,000 |
| Total Parks | <u>576,100</u> | <u>425,000</u> |
| Construction | | |
| M Construction Fund - Sealcoating and cracksealing | 290,000 | 340,000 |
| N Construction Fund - Emerald Ash Borer Program | 35,000 | 35,000 |
| R Construction Fund - Street reconstruction projects | 3,482,000 | 3,035,000 |
| N Construction Fund - Centerville Road Intersections | 960,000 | |
| R Construction Fund - General expenditures | 580,000 | 1,130,000 |
| M Construction Fund - Trails | | 215,000 |
| Total Construction | <u>5,347,000</u> | <u>4,755,000</u> |
| Totals | <u>\$ 13,384,135</u> | <u>\$ 6,498,850</u> |

City of White Bear Lake
Combined Statement of Capital Outlay for Enterprise Funds
M = Maintenance
N = New
R = Replacement

| | 2018 Budget | 2019 Budget |
|--|------------------------|------------------------|
| Water | | |
| R Capital Outlay - Hydrant repair kits | \$ 20,000 | \$ 25,000 |
| R Capital Outlay - Treatment Plant breakroom upgrade | | 5,000 |
| N Capital Outlay - Meter/hydrant tool | 3,000 | |
| R Equipment Acq - Truck | 30,000 | |
| M Water Improve - Water treatment plant lime slaker | 20,000 | 65,000 |
| M Water Improve - Water treatment plant fence | 5,000 | |
| R Water Improve - Water treatment plant roof renovation | 130,000 | |
| R Water Improve - SCADA remote data recorder | 113,500 | |
| M Water Improve - Well #3 inspections | 30,000 | |
| M Water Improve - Well #3 property improvements | 3,000 | |
| M Water Improve - 1 million gallon water tower painting | 25,000 | |
| M Water Improve - Filter room painting | | 65,000 |
| R Water Improve - Chemical room exterior door | | 15,000 |
| M Water Improve - Well #4 inspections | | 58,000 |
| Total Water | 379,500 | 233,000 |
| Sewer | | |
| R Capital Outlay - Metal detector | | 800 |
| R Capital Outlay - Truck arrowboard | | 1,000 |
| R Capital Outlay - Jet hose | 2,200 | |
| N Capital Outlay - Camera monitor | 5,100 | |
| N Capital Outlay - LED flashlight | 900 | |
| N Capital Outlay - Granite software upgrade | 2,500 | 16,000 |
| R Capital Outlay - Lift station valve replacements | 10,000 | 10,000 |
| M Sewer Improve - Sewer relining | 113,000 | 115,000 |
| R Sewer Improve - Memorial Beach lift station reconstruction | 5,000 | |
| R Sewer Improve - SCADA remote data recorder | 111,500 | |
| Total Sewer | 250,200 | 142,800 |
| Ambulance | | |
| R Capital Outlay - Scuba dry suits (2) | 5,200 | 4,000 |
| R Capital Outlay - Dive rescue supplies and tools | 5,000 | 3,000 |
| R Capital Outlay - Rope rescue supplies and tools | 1,500 | 1,000 |
| R Capital Outlay - Life jackets | | 2,000 |
| R Equipment Acq - Ambulance | 230,000 | 250,000 |
| R Equipment Acq - Laptop computers | 9,000 | |
| Total Ambulance | 250,700 | 260,000 |
| Pioneer Manor | | |
| M Capital Outlay - Exterior building maintenance | 1,500 | 1,000 |
| M Capital Outlay - Interior entry and office maintenance | 1,200 | |
| R Capital Outlay - Carpeting on first floor | 13,000 | 10,050 |
| R Capital Outlay - Washing machines and dryers | | 22,400 |
| | 15,700 | 33,450 |
| Totals | \$ 896,100 | \$ 669,250 |

RESOLUTION NO. 12307

**RESOLUTION APPROVING THE 2018 TAX LEVY
COLLECTIBLE IN 2019**

WHEREAS, the City of White Bear Lake is annually required by Charter and State law to approve a resolution setting forth an annual tax levy to the Ramsey and Washington County Auditors; and

WHEREAS, Minnesota Statutes currently in force require certification of a proposed tax levy to the Ramsey and Washington County Auditors on or before December 28, 2018; and

WHEREAS, detail for the revised 2018 and 2019 budgets have been submitted to the City Council by the City Manager.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of White Bear Lake, Ramsey and Washington Counties, Minnesota that the following sums is levied in 2018, collectible in 2019, upon the taxable property in said City of White Bear Lake for the following purposes:

| | |
|--|------------------|
| General Fund | \$5,993,000 |
| Municipal Building – YMCA/Sport Center | |
| Debt Service | 132,000 |
| Street Construction - 2018 | |
| Debt Service | <u>220,000</u> |
| Gross Levy | 6,345,000 |
| Less: Fiscal Disparity | <u>(756,030)</u> |
| Net Levy | <u>5,588,970</u> |

BE IT FURTHER RESOLVED, that provision has also been made for payment of the City's share of Public Employees Retirement Association's contributions for the ensuring years; and

BE IT FURTHER RESOLVED, that there is a sufficient sum of monies in all Debt Service Funds of the City which are irrevocably pledged, to pay principal and interest in 2019 on all outstanding bond issues, and the deferred annual tax levies previously certified to the County Auditor are hereby canceled, and replaced by the above debt service tax levy; and

RESOLUTION NO. 12307

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the County Auditor's of Ramsey and Washington Counties, Minnesota, as required by law.

The foregoing resolution, offered by Councilmember **Edberg** and supported by Councilmember **Jones**, was declared carried on the following vote:

Ayes: Biehn, Edberg, Engstran, Jones

Nays: Walsh

Passed: December 11, 2018



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk

RESOLUTION NO. 12308

**RESOLUTION ADOPTING THE 2019 BUDGET AND REVISING THE 2018 BUDGET
AS ADOPTED BY RESOLUTION NO. 12130**

WHEREAS, the City Charter provides for the adoption of an annual operating budget and that such adoption shall precede the tax levy resolution; and

WHEREAS, State law provides that such tax levy resolution shall be submitted to the County Auditor prior to December 28th of the year preceding collection; and

WHEREAS, the Mayor and City Council had been presented with budget recommendations for expenditures and revenues, such that revenues fully fund expenditures and provide a safe margin of undesignated fund balances; and

WHEREAS, Resolution No.12130 adopted the 2018 operating budget; and

WHEREAS, the City Charter authorizes the transfer of sums to other purposes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota, that the 2019 operating budget shall be adopted and the 2018 operating budget shall be revised as follows:

| Revenue: | <u>2018 Revised</u> | <u>2019 Budget</u> |
|------------------------------------|---------------------|--------------------|
| <u>General Fund</u> | | |
| General Property Tax | \$5,117,000 | \$5,880,000 |
| Franchise Fee and Fines | 398,000 | 410,000 |
| Licenses and Permits | 738,600 | 750,400 |
| Intergovernmental | 2,600,744 | 2,211,297 |
| Charges for Services | 554,000 | 630,300 |
| Miscellaneous | 154,122 | 186,000 |
| Transfers In | 686,920 | 1,640,000 |
| Total General Fund | 10,249,386 | 11,707,997 |
| <u>Special Revenue Funds</u> | | |
| Armory | \$ 69,550 | \$ 69,550 |
| Surface Water Pollution Prevention | 104,197 | 90,000 |
| Marina Operations | 388,200 | 388,000 |
| Sport Center | 423,640 | 513,000 |
| Forfeiture | 77,500 | 61,000 |
| Economic Development | 984,800 | 548,300 |
| Total Special Revenue Funds | 2,047,887 | 1,669,850 |
| <u>Debt Service Funds</u> | | |
| Municipal Building | 284,000 | 284,000 |
| Non-Bonded Special Assessment | 1,469,500 | 1,350,000 |
| 2012 Special Assessment | 225,000 | 225,000 |
| 2012 Refunding Tax Increment (PM) | 160,000 | 160,000 |
| 2016 Tax Increment (BWC) | 160,000 | 160,000 |
| 2018 Construction / Refrigeration | 247,850 | 299,000 |
| 2018 Sport Center | 132,890 | 195,000 |
| Total Debt Service Funds | 2,679,240 | 2,673,000 |

RESOLUTION NO. 12308

Capital Project Funds

| | | |
|------------------------------------|-------------------|------------------|
| Equipment Acquisition | 1,347,000 | 855,000 |
| Municipal Building | 5,705,000 | 126,000 |
| Park Improvement | 134,200 | 60,000 |
| Water Improvement | 20,000 | 150,000 |
| Sewer Improvement | 12,000 | 22,000 |
| Construction | 6,949,500 | 3,986,000 |
| HRA Tax Increment | 600,000 | 605,000 |
| Total Capital Project Funds | 14,767,700 | 5,804,000 |

Enterprise Funds

| | | |
|--|------------------|------------------|
| Water Utility | 1,614,500 | 1,614,500 |
| Sewer Utility | 3,117,000 | 3,267,000 |
| Environmental Recycling & Disposal Waste | 1,393,000 | 1,464,000 |
| Ambulance | 1,830,000 | 2,050,000 |
| Pioneer Manor | 386,500 | 393,500 |
| License Bureau | 978,000 | 978,000 |
| Total Enterprise Funds | 9,319,000 | 9,767,000 |

Internal Service Funds

| | | |
|-------------------------------------|------------------|------------------|
| Insurance | 680,500 | 672,000 |
| Employee Expense | 2,755,413 | 3,112,580 |
| Engineering | 672,706 | |
| Total Internal Service Funds | 4,108,619 | 3,784,580 |

| | | |
|------------------------|-------------------|-------------------|
| Revenue Subtotal | <u>43,171,710</u> | <u>35,406,427</u> |
| Community Reinvestment | 125,000 | 135,000 |
| Total Revenue | 43,296,710 | 35,541,427 |

2018 Revised 2019 Budget

Appropriations/Reserves:

General Fund

| | | |
|-------------------------------|-----------|-----------|
| Legislative | \$143,544 | \$148,525 |
| Administration | 355,342 | 369,887 |
| Finance | 593,010 | 613,365 |
| Legal | 63,889 | 72,169 |
| City Hall | 238,968 | 316,082 |
| Elections | 94,438 | 58,771 |
| Planning | 320,209 | 358,636 |
| Public Safety | | |
| Police | 4,117,087 | 4,471,589 |
| Fire | 938,094 | 902,595 |
| Dispatch | 524,174 | 326,943 |
| Legal Prosecution | 153,970 | 148,970 |
| Animal Control | 18,725 | 23,405 |
| Emergency Preparedness | 14,754 | 14,149 |
| Building and Code Enforcement | 586,950 | 614,473 |

RESOLUTION NO. 12308

| Appropriations/Reserves continued | <u>2018 Revised</u> | <u>2019 Budget</u> |
|--|---------------------|--------------------|
| Public Works | | |
| Engineering | | 754,244 |
| Facility | 178,802 | 185,833 |
| Garage | 126,920 | 145,469 |
| Streets | 561,044 | 531,026 |
| Snow and Ice Removal | 280,728 | 233,928 |
| Street Lighting | 201,935 | 191,100 |
| Parks | 658,787 | 732,625 |
| Non-Departmental | | |
| General Services | | 14,220 |
| Senior Bus | 3,750 | 7,500 |
| Lake Conservation District | | 30,000 |
| Northeast Youth and Family Services | 39,575 | 42,000 |
| Contingency | | 15,500 |
| Transfers | <u>25,000</u> | <u>25,000</u> |
| Total General Fund | <u>10,239,695</u> | <u>11,348,004</u> |
| <u>Special Revenue Funds</u> | | |
| Armory | 78,044 | 77,456 |
| Surface Water Pollution Prevention | 182,408 | 129,679 |
| Marina Operations | 308,650 | 335,015 |
| Sport Center | 415,263 | 574,369 |
| Forfeiture | 127,000 | 15,000 |
| Economic Development | <u>1,407,488</u> | <u>536,695</u> |
| Total Special Revenue Funds | <u>2,518,853</u> | <u>1,668,214</u> |
| <u>Debt Service Funds</u> | | |
| Municipal Building | \$ 285,000 | \$ 285,000 |
| Non-Bonded Special Assessment | 2,131,323 | 1,220,000 |
| 2012 Special Assessment | 218,715 | 207,103 |
| 2012 Refunding Tax Increment (PM) | 173,600 | 175,450 |
| 2016 Tax Increment (BWC) | 150,913 | 153,738 |
| 2018 Construction / Refrigeration | 127,150 | 217,300 |
| 2018 Sport Center | <u>66,700</u> | <u>75,655</u> |
| Total Debt Service Funds | <u>3,153,401</u> | <u>1,236,246</u> |
| <u>Capital Project Funds</u> | | |
| Equipment Acquisition | 1,159,635 | 904,750 |
| Municipal Building | 5,979,500 | 433,000 |
| Park Improvement | 660,500 | 76,100 |
| Water Improvement | 326,500 | 203,000 |
| Sewer Improvement | 229,500 | 115,000 |
| Construction | 5,347,000 | 4,755,000 |
| HRA Tax Increment | <u>491,300</u> | <u>446,300</u> |
| Total Capital Project Funds | <u>14,193,935</u> | <u>6,933,150</u> |

RESOLUTION NO. 12308

Enterprise Funds

| | | |
|--|------------------|------------------|
| Water Utility | 1,613,009 | 1,609,828 |
| Sewer Utility | 3,031,699 | 3,164,188 |
| Environmental Recycling & Disposal Waste | 1,413,888 | 1,463,103 |
| Ambulance | 1,832,366 | 1,967,273 |
| Pioneer Manor | 380,270 | 392,220 |
| License Bureau | <u>1,001,420</u> | <u>1,022,961</u> |
| Total Enterprise Funds | <u>9,272,652</u> | <u>9,619,473</u> |


Internal Service Funds

| | | |
|------------------------------|------------------|------------------|
| Insurance | 495,000 | 698,500 |
| Employee Expense | 2,767,000 | 2,945,000 |
| Engineering | <u>724,072</u> | |
| Total Internal Service Funds | <u>3,986,072</u> | <u>3,643,500</u> |

| | | |
|----------------------------------|-------------------|-------------------|
| Appropriations/Reserves Subtotal | <u>43,364,608</u> | <u>34,448,587</u> |
| Community Reinvestment | <u>125,000</u> | <u>135,000</u> |
| Total Appropriations/Reserves | <u>43,489,608</u> | <u>34,583,587</u> |

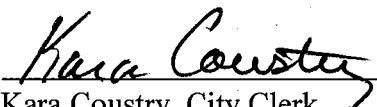
The foregoing resolution, offered by Councilmember **Jones**, and seconded by Councilmember **Biehn**, was declared carried on the following vote:

Ayes: Biehn, Edberg, Engstran, Jones
Nays: Walsh
Passed: December 11, 2012



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk

RESOLUTION NO. 12309

RESOLUTION COMMITTING FUND BALANCES FOR SPECIFIC PURPOSE

WHEREAS, the Governmental Accounting Standards Board’s Statement #54 defines committed fund balance as amounts that can only be used for specific purposes; and

WHEREAS, the City Council formalizes these fund balances for specific purpose in the budget document; and

WHEREAS, the budget document commits or reserves fund balances for defined purposes.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of White Bear Lake that the specific portions of fund balances or the actual amounts determined as of fiscal year end is committed as follows:

| <u>Fund</u> | <u>Purpose</u> | <u>Amount</u> | |
|------------------------------------|-----------------------------|---------------|-------------|
| | | <u>2018</u> | <u>2019</u> |
| General | Cash Flow | \$3,435,000 | \$3,665,000 |
| Special Revenue | | | |
| Armory | Community Utilization | 51,149 | 43,243 |
| Surface Water Pollution Prevention | Storm Water Run Off Control | 775,419 | 735,740 |
| Marina Operations | Community Utilization | 152,633 | 205,618 |
| Sport Center | Community Utilization | 291,548 | 230,179 |
| Forfeiture | Public Safety | 36,018 | 33,218 |
| Economic Development | Economic Improvement | 1,821,612 | 1,833,217 |
| Debt Service | | | |
| Municipal Building Department | Municipal Facility | 200,034 | 199,034 |
| Non-Bonded Debt | Special Assess. Fin. | 184,500 | 314,500 |
| Special Assessment - 2012 | Construction | 11,984 | 29,881 |
| Tax Increment – 2012 | Pioneer Manor | 99,636 | 84,186 |
| Tax Increment – 2016 | Boatworks Common | 29,775 | 36,037 |
| G.O. Construction - 2018 | Street & S.C. Refrig. | 120,700 | 202,400 |
| G.O. Sport Center – 2018 | Facility Renovation | 66,190 | 141,845 |


RESOLUTION NO. 12309

RESOLUTION COMMITTING FUND BALANCES FOR SPECIFIC PURPOSE

| <u>Fund</u> | <u>Purpose</u> | <u>Amount</u> | |
|------------------------|--------------------------|---------------|-------------|
| | | <u>2018</u> | <u>2019</u> |
| Capital Project | | | |
| Municipal Building | Facility Construction | \$652,736 | \$345,736 |
| Equipment Acquisition | City Equipment Purchases | 1,071,058 | 671,308 |
| Park Improvement | Park Construction | 1,592,776 | 1,376,676 |
| Water Improvement | Water Construction | 285,799 | 232,799 |
| Sewer Improvement | Sewer Construction | 445,640 | 352,640 |
| Construction | Street Construction | 4,378,087 | 3,609,087 |
| Community Reinvestment | Construction Financing | 7,655,000 | 7,655,000 |
| HRA | Tax Increment Financing | 573,093 | 731,793 |

The foregoing resolution, offered by Councilmember **Biehn** and supported by Councilmember **Edberg**, was declared carried on the following vote:

Ayes: Biehn, Edberg, Engstran, Jones, Walsh
Nays: None
Passed: December 11, 2018



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk

RESOLUTION NO. 12310

**RESOLUTION AUTHORIZING CITY CONTRIBUTIONS TOWARDS VOLUNTEER
AND EMPLOYEE RECOGNITION PRESENTED IN THE
2018 AND 2019 BUDGET**

WHEREAS, the City of White Bear Lake annually appropriates funds through the budget process which recognize contributions received by the City from volunteers and employees; and

WHEREAS, the detailed listing for this recognition is presented to declare these expenses are in the public's interest and to inform the public; and

WHEREAS, rent payments from Pioneer Manor funds the Pioneer Manor appropriations; and

WHEREAS, reimbursements fund the Insurance Fund appropriation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that the expenditure budgets for 2018 and 2019 specifically authorizes the following appropriations, which recognize volunteer and employee achievements.


| General Fund | <u>2018</u> | <u>2019</u> |
|--------------------------------------|-------------|-------------|
| Legislative | | |
| Employee Appreciation Lunch | \$ 900 | \$ 1,000 |
| Service Awards (attached) | 1,600 | 1,200 |
| Civic Promotion (plaques/mugs) | 600 | 1,200 |
| Volunteer Recognition Dinner | 1,700 | 1,700 |
| Police | | |
| Service Awards | - | 100 |
| TRIAD Events and Recognition | 600 | 550 |
| DARE | 6,500 | 2,500 |
| Crime Prevention | 100 | 200 |
| Volunteer Shirts / Award | - | 200 |
| CPA Shirts and Supplies | 935 | 1,350 |
| Emergency Preparedness | | |
| Reserve Recognition | 300 | 300 |
| | <u>2018</u> | <u>2019</u> |
| Fire | | |
| Service Awards | \$ 500 | \$ 500 |
| Annual Banquet (current and retired) | 5,000 | 7,000 |
| Twenty Year Awards | - | - |
| Explorer Recognition | 250 | 250 |
| Pioneer Manor | | |
| Social Activities | 1,300 | 1,300 |
| Insurance | | |
| Safety Awards | 500 | 500 |

RESOLUTION NO. 12310

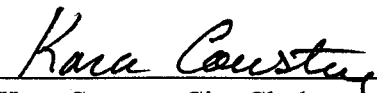
RESOLUTION AUTHORIZING CITY CONTRIBUTIONS TOWARDS VOLUNTEER
AND EMPLOYEE RECOGNITION PRESENTED IN THE
2018 AND 2019 BUDGET

The foregoing resolution, offered by Councilmember **Jones** and seconded by Councilmember **Walsh**, was declared carried on the following vote:

Ayes: Biehn, Edberg, Engstran, Jones, Walsh
Nays: None
Passed: December 11, 2018


Jo Emerson, Mayor

ATTEST:


Kara Coustry, City Clerk

Employee Recognition Program

Service Recognition Program

The City of White Bear Lake Employee Recognition Program recognizes and shows appreciation for long-term full and part-time employment with the City of White Bear Lake. Staff with five or more consecutive years of service are recognized at five year service milestones. Recognition occurs at the beginning of the calendar year following the year in which the anniversary occurs.

Eligibility

This policy applies to all full-time and part-time employees of the City. Employees are recognized for consecutive years of service based on the employment date in the City's payroll system. The eligible employee must be in active employment on their service anniversary date in order to receive this award.

Procedure

At the beginning of each year, employees who have reached a service anniversary during the calendar year prior will receive an award based on the number of years as follows:

- 5 Year: Silver Bear Lapel Pin
- 10 year: City emblem on either:
1. Lapel pin or tie tack - (gold filled)
 2. Charm – (gold-filled)
- 15 year: Choice of:
1. Large Swiss Army Knife with city emblem
 2. Leatherman Tool, engraved
 3. City emblem charm necklace
 4. White Bear Lake blanket
 5. White Bear Plate
- 20 year: Choice of:
1. Signet ring with bear emblem
 2. Choice of print: options provided by the City
 3. Concrete decorative bear
- 25 year: Choice of:
1. Men's or Women's ID Bracelet with bear emblem
 2. Pocket watch with emblem
 3. Choice of print: options provided by the City
 4. Concrete decorative bear
- 30 year: Mantle Clock
- 35 year: Table-top Bear Sculpture

(Employees may choose an award from selections for earlier milestones, if they wish).

RESOLUTION NO. 12311

RESOLUTION AUTHORIZING AND ACKNOWLEDGING CITY CONTRIBUTIONS AND INVOLVEMENT IN PROMOTING BUSINESS AND CULTURAL ACTIVITIES IN WHITE BEAR LAKE IN THE 2018 AND 2019 BUDGET

WHEREAS, the City of White Bear Lake annually appropriates funds through the budget process for activities which promote business and the Downtown area; and

WHEREAS, it is the funding of the City that such expenditures are in the public interest and promote the general welfare of the community; and

WHEREAS, the City is a third party conduit for restricted revenue remitted for use by the White Bear Main Street Association; and

WHEREAS, the City Council recognizes that through payment of annual membership dues to the White Bear Lake Area Chamber of Commerce, the City receives services including advertising, event planning and promotion, advocacy and visitor services of a value greatly exceeding the cost of dues.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that the expenditure budgets for 2018 and 2019 specifically authorize the following appropriations for which the City receives services of value exceeding the cost.

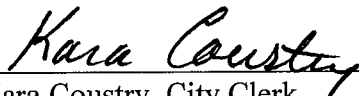
| General Fund | <u>2018</u> | <u>2019</u> |
|----------------------|-------------|-------------|
| Legislative | | |
| Chamber of Commerce | \$ 550 | \$ 560 |
| Community Groups | 200 | 400 |
| Economic Development | | |
| Marketfest | 7,000 | 7,000 |
| Historical Society | 14,733 | 14,733 |

The foregoing resolution, offered by Councilmember **Biehn** and seconded by Councilmember **Jones**, was declared carried on the following vote:

Ayes: Biehn, Edberg, Engstran, Jones, Walsh
Nays: None
Passed: December 11, 2018


Jo Emerson, Mayor

ATTEST:


Kara Coustry, City Clerk



Reader's Notes:

Fund: General Fund 1000

Department Activities and Responsibilities:

The General Fund accounts for revenues and expenditures to provide the basic governmental services of general administration, police protection, fire protection, community development, and the public works activities of street maintenance, street lighting/signal operations, snow removal, and park maintenance. In the pages that follow the discussion of overall General Fund operations, the activities, responsibilities, goals, measurable workload data and, expenditure details for each department.

Budget Summary:

The General Fund receives revenue from seven major funding sources, which are as follows:

1. **Property Taxes:** Taxes apply to all general taxable property within the City's boundaries. The availability of other revenues sources and the expenditure levels required to conduct City operations as directed by the City Council determine the amount of property tax revenue required to fund general operations.

Revenue Trends: The ultimate goal in setting the annual tax levy is to provide residents with a high level of service while keeping the taxes assessed to properties as reasonable as possible. Finding the right balance between the two is challenging, as the City must consider the outside influences of economic factors and policies affecting both the City and residents, while reviewing the City's revenues and expenditures.

The total proposed levy is \$6,345,000, of which \$5,993,000 or 94.4% supports General Fund operations. The City Council's philosophy has been to maintain a steady revenue stream, which eliminates wide fluctuations and provides residents with rational explanations for tax levy and service charge increases.

2. **Franchise Fees & Fines:** Franchise fees generate through a 1.5% fee imposed on total electricity consumption within the city's boundaries. The City receives fine revenues through two sources. One source is a portion of the revenue the State receives for tickets issued in our jurisdiction. The second source is the issuance of City administrative tickets issued by the Police Department's officer. The administrative ticket process allows officials to impose a stern warning and consequence on an individual without issuing a Ramsey County ticket, which carries with it a higher fine for the offense.

Revenue Trends: The annual electric consumption continues to grow even though residents strive to conserve energy in their daily lives. The amount collected in 2018 is slightly higher than revenues received in previous years. The 2019 Budget anticipates this slow growth trend will remain. The City could consider modifying the franchise fee agreement to apply a higher rate to the consumption total or impose a flat fee for residential and commercial locations. Any franchise fee changes would provide additional revenue, which would allow a reduction in the General Fund's reliance on property taxes for revenue.

Estimates for fine revenues remain consistent with actual amounts received in previous years.

3. **Business Licenses:** The City requires businesses operating in liquor sales, cigarette sales, entertainment operations, gambling activities and residential rental property owners to receive a license from the City before the business operations can commence.

Revenue Trends: Ideally, the license fee should cover the administrative costs associated with monitoring the business activities. The increase in business license revenues in 2017 represents adjustments to fees that have been in place since 2004. An annual review of the rates will ensure the fee provides the revenue needed for this function.

Fund: General Fund 1000

4. Non-Business Licenses: The City requires businesses and residents planning construction activities on their properties to obtain the necessary permits before beginning the project to confirm the plans conform with State codes and City ordinances. Project values drive the calculation of some permit fees, while other permits have a flat fee.

Revenue Trends: As with Business Licenses, the Non-Business Permit fees did not change between 2004 and 2017. The revenues received through the permit process should cover the costs the City incurs to provide the project review and mandated inspection process. The fee structure now receives an annual review process to ensure fees charged to customers for construction oversight activities meet this goal. The City expects a gradual decrease in building activity in future years due to limited opportunities for new building expansion as the City is close to full development. At this point, redevelopment activities taking place in blighted areas drive the revenues received. Building permit valuations for 2018 is just under \$50 million dollars, which is higher than previous years but not as high as anticipated in the 2018 Adopted Budget. The 2019 Budget estimates the building permit valuations at \$30-40 million.

The City issues two types of non-business permits that do not relate to construction activity. First, residents pay an animal permit fee when they license their dog and obtain an identification tag for the pet. Second, the launch fees reflect user payments received for utilization of the municipal boat launch at Matoska Park.

5. Intergovernmental: The City records revenues it receives from Federal, State and Local agencies for the support of general government operations in the General Fund. Of these funding sources, the primary support is the state aid allocated to the City in the form of Local Government Aid (LGA). The LGA program attempts to address the four main program areas:
 1. Create distribution stability
 2. Create regional balance
 3. Recognize the different needs of cities
 4. Distribute aid based upon a "need" and an "unmet" need

In recent years, the City has budgeted a significant portion of the LGA revenues in the General Fund, with a remaining amount allocated to the Surface Water Protection Fund. The 2019 Budget incorporates a philosophical change in how the City budgets this funding source. Since State aid payments can be uncertain and difficult to rely on for General Fund operations, a portion of the aid will now be included in the Capital Project Fund budgets for the Equipment Acquisition Fund and the Municipal Building Fund. The General Fund budget balances after this re-allocation by keeping the annual tax levy amounts previously included in these two funds. Through this change, if the State lowers the aid amount, the City will reduce capital purchase activities accordingly. This plan decreases the General Fund's reliance on the funding.

Revenue Trend: At this point, the City expects LGA funding to remain constant for the next couple of years; however, it now has a plan in place to mitigate the impact of a reduction.

A percentage of the State's motor fuel excise tax funds the State Highway Aid allocation given to communities for highway maintenance and improvements. The City assigns part of its allotment to the Interim Construction Fund to assist in financing the annual street rehabilitation program. The General Fund budget receives the balance of the allocation for highway maintenance.

The State's Police and Fire Relief Aid funding comes from a 2% surcharge applied to both automotive and property insurance coverages and is designed to help finance pension obligations for police officers and paid on-call firefighters. The State allocates Police Aid among communities proportionately based on revenues received throughout the entire State. In contrast, the State distributes Fire Aid based on the property liability insurance premiums imposed on properties within the Department's service district. The Legislature allocated nearly \$5 million in direct payments to cities to offset additional police pension costs. The Fire Aid also increased, in part due to higher amounts collected through the surcharge paid by on property owner's insurance coverages.

Fund: General Fund 1000

The City expects the Police Aid funding level to remain consistent through the next several years.

Revenue Trends: The Fire Relief Association Board and City Council both approved a transition of the Association's retirement fund management from the Association's Board to the Minnesota Public Employees Retirement Association (PERA). PERA will only handle investment activities and accounting duties related the retirement funds; the Board and City Council will retain oversight of fund balances and increases in pension payments. The City will continue to receive the annual Fire Aid payment; however, instead of payment to the City, the funds will go directly to PERA for deposit to the Fire Relief Association's account.

The local School District contributes support for two School Resource Officers assigned to the district's high school and middle school buildings and Drug Abuse Resistance Education (DARE) training programs for 5th grade students in the City's elementary schools.

The Police Department utilizes grant programs through the State of Minnesota and Ramsey County to fund safety initiatives for the community.

Revenue Trends: The City's Police Department continues to participate in the Ramsey County Traffic Safety Initiative (RCTSI), which is a collaborative effort between all police agencies within Ramsey County. The two largest components of the program are the DWI Saturation Patrols and the enhanced enforcement waves, which focus on seatbelt usage and speeding. The program's goal is to reduce traffic related deaths and injuries. The RCTSI program reimburses the City for the overtime charges that result from the department's participation. The budget anticipates revenues from the program to remain constant.

On October 1, 2018, the Department added one full-time Driving While Intoxicated (DWI) Officer position through a grant from the Minnesota Department of Public Safety to focus efforts on reducing DWI incidents in the police department's service area. The officer will work between the hours of 5:00 pm and 5:00 am, and will a minimum of two Fridays and Saturdays per month. The department has been very dedicated to traffic safety over the past several years and this position will increase their success.

- 6. Charges for Service: This category reflects payments received from other communities for services provided to their residents by the City. Fire service contracts renewed with the four communities for a five-year period effective January 2018. A police service contract with the City of Gem Lake also began in January 2018. The following list explains the current contracts:

| <u>Service</u> | <u>Community</u> |
|---------------------|---------------------|
| Fire | White Bear Township |
| Fire | Birchwood |
| Fire | Dellwood |
| Fire | Gem Lake |
| Police | Gem Lake |
| Building Inspection | Mahtomedi |
| Fire Inspection | White Bear Township |
| Fire Inspection | Gem Lake |

Revenue Trends: The City has experienced stable revenue from these service charges.

- 7. Miscellaneous Income and Transfers: Interest earnings and rental income are the significant revenue items in the Miscellaneous Income category. Donations and reimbursement funds are also included in this area when received.

Revenue Trends: The City's ability to generate interest earnings directly corresponds to the Federal Reserve's discount rate. The City's interest earnings dropped significantly when the Federal Reserve held the discount rate at extremely low levels between 2009 and 2016. The Federal

Fund: General Fund 1000

Reserve began gradually increasing the discount rate in 2017. This increase will provide slightly higher interest earnings for the City. The Budgets for 2018 and 2019 conservatively estimate interest earnings due to the uncertainty as to when the Federal Reserve will significantly adjust the discount rate.

The Water, Sewer, Refuse and License Bureau Funds contribute to the General Fund through internal transfers to cover administrative costs associated with the funds' operations. The Ambulance Fund transfer reimburses the General Fund for approximately 50% of the dispatch costs, the monthly Health Savings Account contribution for ambulance personnel, and the monthly life insurance costs for ambulance personnel.

The HRA Redevelopment transfer reflects a General Fund reimbursement for personnel costs associated with maintaining and managing the City's tax increment districts. The Marina Fund transfers funds to cover administrative costs associated with the fund's operations. Finally, the Interim Construction Fund transfers funds to the General Fund for reimbursement of engineering services provided to the annual street rehabilitation projects.

The budget presents General Fund's departmental expenditures with a detailed description of department activities and responsibilities, goals and measurable workload data. The City implemented performance indicators in 1999 to assess department operations and help in the budgeting process. This year, the budget process changed performance measurements to measurable workload data to assist departments in tracking their activities and improve their budgeting work. This budget reports actual data for 2016 and 2017 and anticipated results for 2018 and 2019.

Reserve:

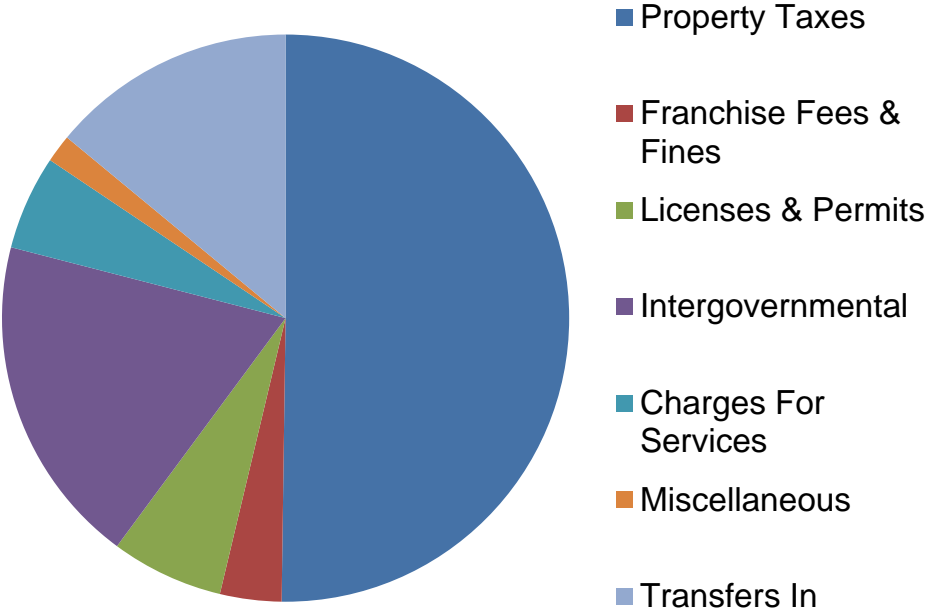
The General Fund's major revenue sources are property taxes and local government aid, which are received in July and December each year. Police State Aid which partially funds police officers' pension costs become available in October. The gap between receiving these revenue sources and paying the City's operating expenses is bridged by the General Fund cash flow reserve. The reserve fund is \$3,665,000 at December 31, 2019, to maintain a balance of approximately one-half of these revenue sources as follows:

| | |
|----------------------|------------------|
| Property Tax | \$5,880,000 |
| Local Government Aid | 1,202,297 |
| Police Aid | <u>249,000</u> |
| Total | <u>7,331,297</u> |
| Reserves at 50% | <u>3,665,648</u> |
| Budgeted reserve | <u>3,665,000</u> |

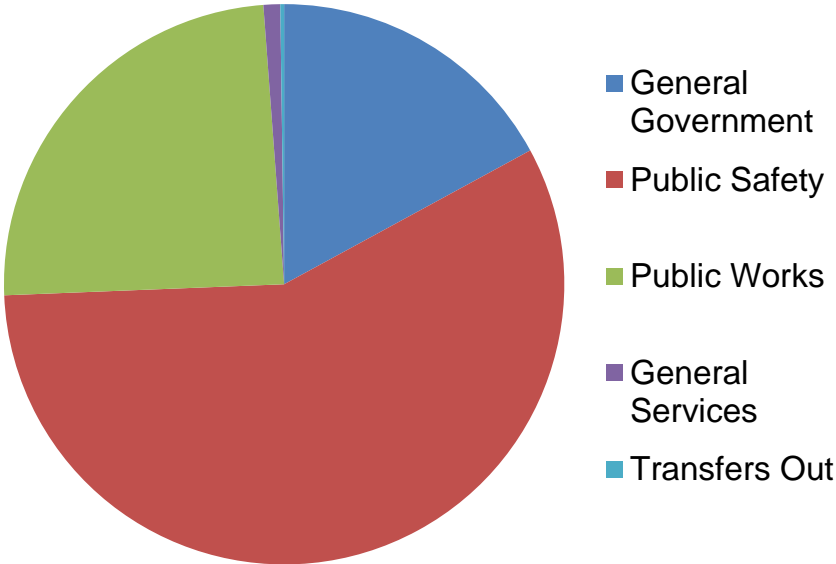
It has been the City's practice to maintain a steady revenue stream, which eliminates wide fluctuations and provides residents with rational explanations for tax levy and service charge increases. The 2019 tax levy maintains this philosophy. Any future state aid reductions will have to be offset by user fee increases, property tax increases, or service delivery reductions.

2019 General Fund Budget

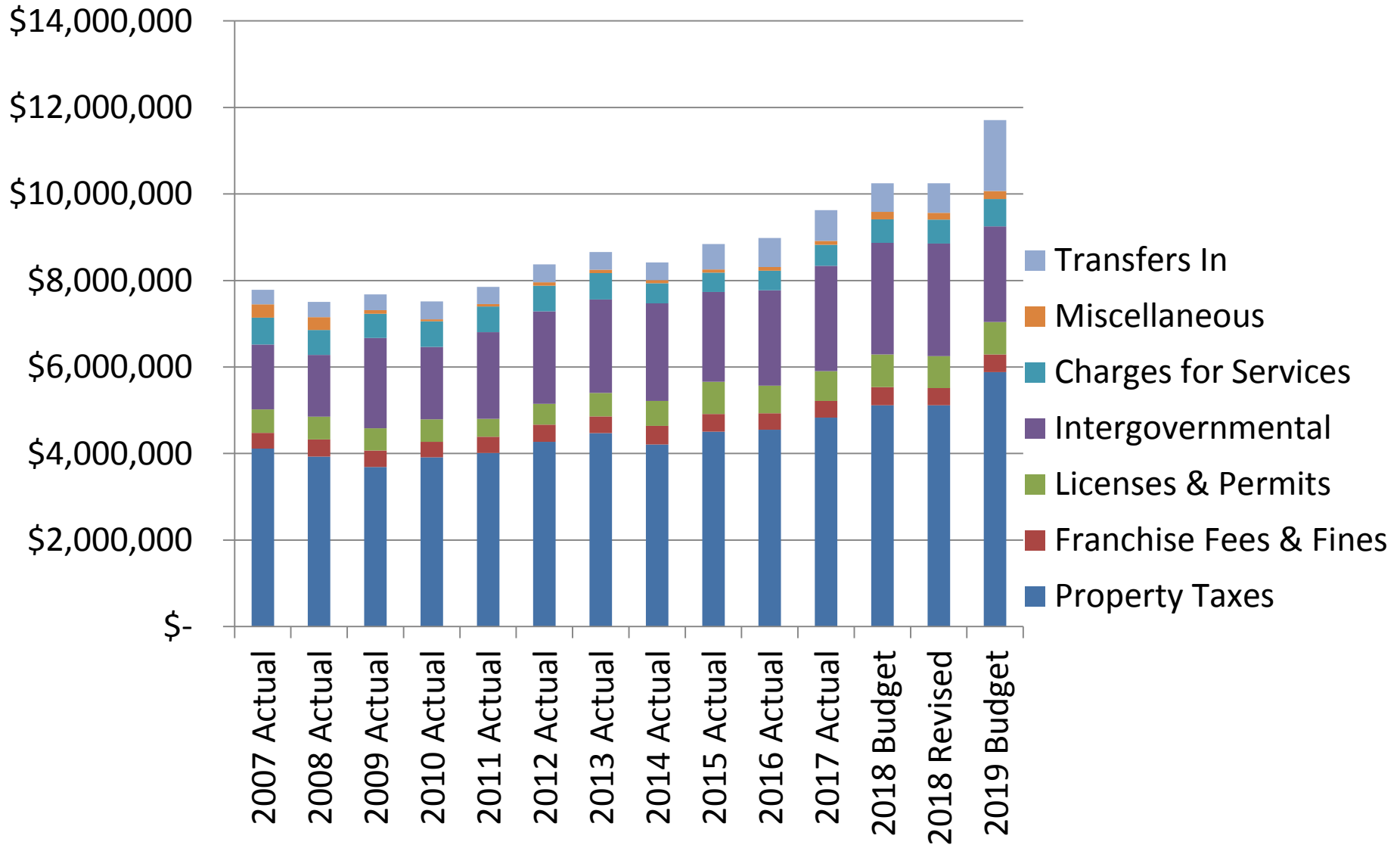
Total Revenues \$11,707,997



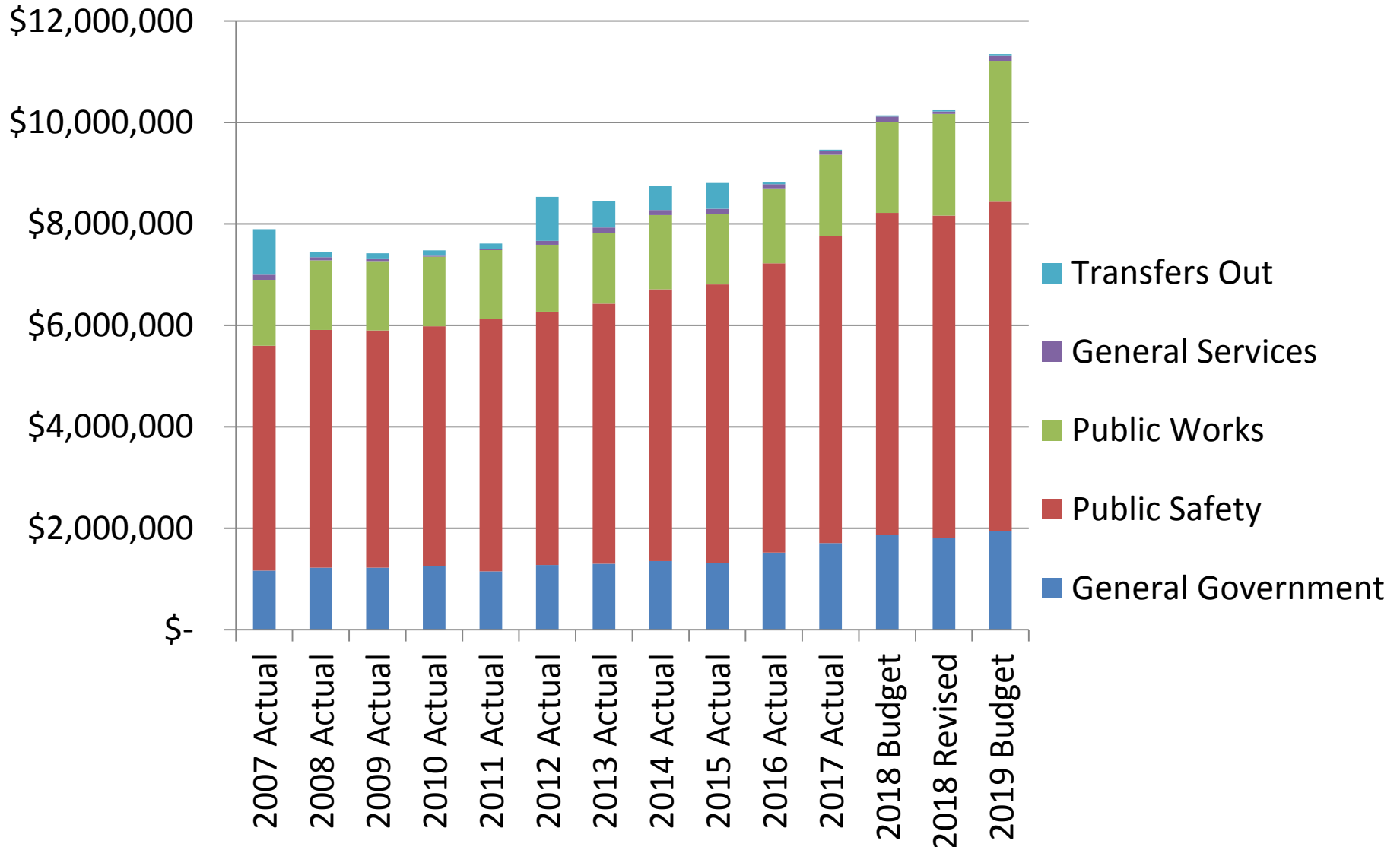
Total Expenditures \$11,348,004



General Fund Revenue Trend Analysis



General Fund Expenditure Trend Analysis





Reader's Notes:

| GENERAL FUND FUND SUMMARY | | | | | |
|---------------------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| Revenue: | | | | | |
| Operating | | | | | |
| Property taxes | 4,549,911 | 4,828,315 | 5,117,000 | 5,117,000 | 5,880,000 |
| Franchise fees & fines | 380,548 | 390,525 | 417,000 | 398,000 | 410,000 |
| Licenses & permits | 637,247 | 687,807 | 758,500 | 738,600 | 750,400 |
| Intergovernmental | 2,204,001 | 2,431,198 | 2,578,000 | 2,600,744 | 2,211,297 |
| Charges for services | 455,529 | 489,299 | 544,250 | 554,000 | 630,300 |
| Miscellaneous | 81,151 | 87,646 | 170,000 | 154,122 | 186,000 |
| Total operating revenue | 8,308,387 | 8,914,790 | 9,584,750 | 9,562,466 | 10,067,997 |
| Transfers In | 673,985 | 710,000 | 662,920 | 686,920 | 1,640,000 |
| Total revenues | 8,982,372 | 9,624,790 | 10,247,670 | 10,249,386 | 11,707,997 |
| Expenditures: | | | | | |
| Operating | | | | | |
| General government | 1,522,735 | 1,706,978 | 1,869,152 | 1,809,400 | 1,937,435 |
| Public safety | 5,702,709 | 6,053,454 | 6,347,418 | 6,353,754 | 6,502,124 |
| Public works | 1,474,409 | 1,604,294 | 1,796,535 | 2,008,216 | 2,774,225 |
| General svc. / contingency | 84,498 | 73,806 | 104,075 | 43,325 | 109,220 |
| Total operating expenditures | 8,784,351 | 9,438,532 | 10,117,180 | 10,214,695 | 11,323,004 |
| Transfers Out | | | | | |
| Armory | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Total transfers out | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Total expenditures | 8,814,351 | 9,463,532 | 10,142,180 | 10,239,695 | 11,348,004 |
| Revenues Over (Under) Expenditures | 168,021 | 161,258 | 105,490 | 9,691 | 359,993 |
| Reserve adjustment | 215,000 | 105,000 | 85,000 | 85,000 | 230,000 |
| Fund Balance January 1 | 245,500 | 198,521 | 93,921 | 254,779 | 179,470 |
| Fund Balance December 31 | 198,521 | 254,779 | 114,411 | 179,470 | 309,463 |
| Reserves for operations | 3,245,000 | 3,350,000 | 3,435,000 | 3,435,000 | 3,665,000 |

**GENERAL FUND
DETAIL OF REVENUE BY SOURCE**

| CODE NO. | SOURCE | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|----------------------------|-------------|-------------|--------------|--------------|-------------|
| | General Property Taxes | | | | | |
| 4015 | Current ad valorem: | | | | | |
| | Current | \$3,881,876 | \$4,102,145 | \$4,376,800 | \$4,376,800 | \$5,088,970 |
| 4040 | Fiscal Disparities | 639,445 | 698,900 | 705,200 | 705,200 | 756,030 |
| | Total Current ad valorem: | 4,521,321 | 4,801,045 | 5,082,000 | 5,082,000 | 5,845,000 |
| 4025 | Delinquent | 25,970 | 24,185 | 30,000 | 30,000 | 30,000 |
| 4030 | Penalties and Interest | 2,620 | 3,085 | 5,000 | 5,000 | 5,000 |
| | Total General Property Tax | 4,549,911 | 4,828,315 | 5,117,000 | 5,117,000 | 5,880,000 |
| 5095 | Franchise Fee | 287,580 | 301,463 | 302,000 | 308,000 | 315,000 |
| | Licenses and Permits | | | | | |
| | Business: | | | | | |
| 4305 | Liquor, intoxicating | 76,051 | 85,510 | 85,600 | 85,600 | 87,000 |
| 4307 | Liquor, nonintoxicating | 7,916 | 3,525 | 8,600 | 5,000 | 6,000 |
| 4309 | Cigarette | 2,700 | 3,750 | 3,000 | 4,000 | 5,000 |
| 4311 | Entertainment | 1,050 | 1,245 | 1,100 | 1,200 | 1,400 |
| 4315 | Apartment Reg Fee | 22,161 | 16,383 | 18,600 | 18,600 | 19,000 |
| 4317 | General Contractor | 9,950 | 9,532 | 12,000 | 12,000 | 12,500 |
| 4319 | Solicitor | 2,016 | 2,450 | 1,000 | 2,000 | 2,500 |
| 4321 | Service Station | 4,980 | 5,925 | 5,400 | 6,000 | 6,500 |
| 4323 | Other | 4,649 | 5,380 | 4,100 | 4,800 | 5,000 |
| 4325 | Gambling permits | 2,378 | 2,325 | 2,600 | 2,400 | 2,500 |
| | Total business | 133,851 | 136,025 | 142,000 | 141,600 | 147,400 |
| | Non Business: | | | | | |
| 4405 | Building | 365,309 | 410,876 | 436,500 | 450,000 | 455,000 |
| 4415 | Electrical | 37,668 | 36,589 | 60,000 | 40,000 | 40,000 |
| 4420 | Heating/Air Conditioning | 51,672 | 44,412 | 60,000 | 45,000 | 45,000 |
| 4425 | Plumbing | 24,563 | 29,705 | 35,000 | 35,000 | 35,000 |
| 4430 | Sewer & Water | 1,971 | 3,175 | 4,000 | 3,000 | 3,000 |
| 4435 | Sign | 7,622 | 9,595 | 8,000 | 8,000 | 8,000 |
| 4437 | Driveway | 2,550 | 4,000 | 2,000 | 4,000 | 4,000 |
| 4345 | Animal | 3,041 | 4,430 | 2,000 | 2,000 | 3,000 |
| 4350 | Other-Launch | 9,000 | 9,000 | 9,000 | 10,000 | 10,000 |
| | Total non business | 503,396 | 551,782 | 616,500 | 597,000 | 603,000 |
| | Total licenses and permits | 637,247 | 687,807 | 758,500 | 738,600 | 750,400 |
| | | | | | | |

**GENERAL FUND
DETAIL OF REVENUE BY SOURCE**

| CODE NO. | SOURCE | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|---|--------------------|--------------------|---------------------|---------------------|--------------------|
| | Fines | | | | | |
| 4510 | County | \$78,506 | \$75,573 | \$100,000 | \$75,000 | \$80,000 |
| 4520 | Administrative | 14,462 | 13,489 | 15,000 | 15,000 | 15,000 |
| | Total fines | 92,968 | 89,062 | 115,000 | 90,000 | 95,000 |
| | Intergovernmental Revenue | | | | | |
| 4624 | State Local Govt Aid | 1,334,573 | 1,456,765 | 1,500,000 | 1,500,000 | 1,202,297 |
| 4626 | MN State Aid Street Maint | | 126,000 | 290,000 | 290,000 | 375,000 |
| 4630 | State Police Relief Aid | 221,190 | 249,820 | 249,000 | 250,128 | 249,000 |
| 4632 | State Fire Relief Aid | 231,628 | 232,194 | 230,000 | 241,116 | |
| 4636 | 911 Distribution | 33,849 | 33,850 | 34,000 | 11,000 | |
| 4644 | State Aid Other-Post Board | 9,067 | 8,901 | 10,000 | 9,000 | 9,000 |
| 4662 | County Aid-other | 1,428 | | 3,000 | 3,000 | 3,000 |
| 4662 | Other - Police Services | 6,975 | 3,302 | 6,000 | 6,000 | 6,000 |
| 4662 | Other - Police Services | 48,938 | 30,000 | 35,000 | 35,000 | 35,000 |
| 4682 | Other - highway maintenance | 1,309 | 1,481 | 1,000 | 1,000 | 1,000 |
| 4666 | Other - School District - Resource Officer | 139,000 | 143,000 | 147,000 | 147,000 | 151,000 |
| 4604 | Other - Grant - Fire/Police Rem. | 20,828 | 49,355 | 18,000 | 30,000 | 35,000 |
| 4604 | Other - Grant - Safe & Sober | 63,396 | 56,110 | 55,000 | 55,000 | 55,000 |
| 4604 | Other - Grant - DUI Enforce. | | | | 22,500 | 90,000 |
| 4604 | Other - Grant - Recruitment | 91,820 | 40,420 | | | |
| | Total Intergovernmental | 2,204,001 | 2,431,198 | 2,578,000 | 2,600,744 | 2,211,297 |
| | Charges for Services | | | | | |
| 4807 | Cust Service Taxable | 251 | 476 | 250 | 500 | 500 |
| 4809 | Cust Service NonTaxable | 21,913 | 31,678 | 20,000 | 25,000 | 30,000 |
| 4819 | Charges to other Dept | 3,451 | | 3,000 | | |
| 4832 | Fire Service | 296,537 | 308,511 | 314,000 | 328,000 | 385,000 |
| 4834 | Police Service | 12,758 | 11,544 | 70,000 | 63,500 | 73,000 |
| 4842 | Misc Public Works | 2,175 | 2,155 | 2,000 | 2,000 | 1,800 |
| 4875 | Misc Current Services | 44 | 78 | | | |
| 4845 | Inspection services | 118,400 | 134,857 | 135,000 | 135,000 | 140,000 |
| | Total Charges for Services | 455,529 | 489,299 | 544,250 | 554,000 | 630,300 |

**GENERAL FUND
DETAIL OF REVENUE BY SOURCE**

| CODE NO. | SOURCE | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|-------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | Miscellaneous Revenue | | | | | |
| 4955 | Interest | | | \$100,000 | \$90,000 | \$115,000 |
| 4975 | Rental Income | 67,113 | 71,613 | 65,000 | 59,122 | 65,000 |
| 5010 | Sale of Property | 626 | 5,549 | 1,000 | 1,000 | 1,000 |
| 4990 | Donations | 3,593 | 2,767 | 2,000 | 2,000 | 2,000 |
| 5360 | Refunds/Reimbursements | 9,819 | 7,717 | 2,000 | 2,000 | 3,000 |
| | Total Miscellaneous | 81,151 | 87,646 | 170,000 | 154,122 | 186,000 |
| | Transfers | | | | | |
| | Administrative Charge | | | | | |
| 5205 | Water Distribution | 86,745 | 99,300 | 102,280 | 102,280 | 101,000 |
| 5205 | Water Treatment | 17,255 | 18,000 | 18,540 | 18,540 | 19,000 |
| 5205 | Sewer | 87,760 | 103,300 | 106,400 | 106,400 | 110,000 |
| 5205 | Refuse | 89,500 | 105,900 | 109,000 | 109,000 | 110,000 |
| 5205 | Ambulance | 263,725 | 282,800 | 270,000 | 254,000 | 140,000 |
| 5205 | License Bureau | 19,000 | 30,700 | 31,700 | 31,700 | |
| 5205 | HRA Redevelop - District # 25 | | 70,000 | 25,000 | 25,000 | 25,000 |
| 5205 | Marina | | | | 40,000 | 70,000 |
| 5205 | Interim Construction | | | | | 1,065,000 |
| 5205 | Employment Expense | 110,000 | | | | |
| | | 673,985 | 710,000 | 662,920 | 686,920 | 1,640,000 |
| | TOTAL GENERAL FUND | 8,982,372 | 9,624,790 | 10,247,670 | 10,249,386 | 11,707,997 |
| | | | | | | |

**GENERAL FUND
SUMMARY OF EXPENDITURES
BY DEPARTMENT, DIVISION AND ACTIVITY**

| ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-------------------------------------|----------------|----------------|-----------------|-----------------|----------------|
| <u>Legislative</u> | \$131,744 | \$144,574 | \$150,843 | \$143,544 | \$148,525 |
| <u>Department of Administration</u> | | | | | |
| Administration | 272,152 | 323,578 | 330,050 | 355,342 | 369,887 |
| Finance | 505,431 | 543,036 | 571,923 | 593,010 | 613,365 |
| Legal | 52,566 | 62,450 | 71,169 | 63,889 | 72,169 |
| City Hall | 193,933 | 227,354 | 233,280 | 238,968 | 316,082 |
| Elections | 63,545 | 34,976 | 94,162 | 94,438 | 58,771 |
| Planning | 303,364 | 371,016 | 417,725 | 320,209 | 358,636 |
| Total Administration | 1,390,991 | 1,562,410 | 1,718,309 | 1,665,856 | 1,788,910 |
| <u>Department of Public Safety</u> | | | | | |
| Police | 3,615,198 | 3,844,389 | 4,096,492 | 4,117,087 | 4,471,589 |
| Fire | 932,915 | 983,033 | 943,759 | 938,094 | 902,595 |
| Dispatch | 513,895 | 539,772 | 539,935 | 524,174 | 326,943 |
| Prosecution | 138,850 | 148,879 | 148,970 | 153,970 | 148,970 |
| Animal Control | 14,054 | 14,789 | 18,840 | 18,725 | 23,405 |
| Emergency Preparedness | 10,420 | 11,505 | 16,904 | 14,754 | 14,149 |
| Building & Code Enforcement | 477,377 | 511,087 | 582,518 | 586,950 | 614,473 |
| Total Public Safety | 5,702,709 | 6,053,454 | 6,347,418 | 6,353,754 | 6,502,124 |
| <u>Department of Public Works</u> | | | | | |
| Engineering | | | | | 754,244 |
| Public Works Facility | | | | 178,802 | 185,833 |
| Garage | | 136,021 | 175,577 | 126,920 | 145,469 |
| Streets | 539,548 | 545,166 | 522,350 | 561,044 | 531,026 |
| Snow / Ice Removal | 142,371 | 107,389 | 210,198 | 280,728 | 233,928 |
| Street Lighting & Signals | 179,386 | 170,161 | 195,835 | 201,935 | 191,100 |
| Parks | 613,104 | 645,562 | 692,575 | 658,787 | 732,625 |
| Total Public Works | 1,474,409 | 1,604,299 | 1,796,535 | 2,008,216 | 2,774,225 |
| <u>Non-Departmental</u> | | | | | |
| General Services | | | 14,220 | | 14,220 |
| Lake Conservation District | 35,205 | 34,777 | 34,780 | | 30,000 |
| Northeast Youth & Family Svc. | 49,293 | 39,029 | 39,575 | 39,575 | 42,000 |
| Senior Bus | | | | 3,750 | 7,500 |
| Contingency | | | 15,500 | | 15,500 |
| Total Non Departmental | 84,498 | 73,806 | 104,075 | 43,325 | 109,220 |
| Total operational expenditures | 8,784,351 | 9,438,543 | 10,117,180 | 10,214,695 | 11,323,004 |
| <u>Transfers</u> | | | | | |
| Armory | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Total Transfers | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Total General Fund | 8,814,351 | 9,463,543 | 10,142,180 | 10,239,695 | 11,348,004 |

Department: Legislative 1010

Fund: General Fund 1000

Department Activities and Responsibilities:

The City Charter grants all legislative powers of the City to the City Council, which consists of a mayor and five council representatives. These six positions work together to formulate City policies, enact legislation, adopt the annual budget, implement revenue controls, fund appropriations, approve levy taxes, and provide external auditing. In addition to these duties, the mayor appoints members to advisory boards and commissions and performs other responsibilities assigned by the City Charter.

The Charter divides the City's area into five wards for election purposes. Residents choose the mayor at-large and the council members through ward-only elections. City Council members serve four-year terms with elections for the Mayor and Council members from Wards 2 and 4 in the same year, and elections for Council members from Wards 1, 3, and 5 two years after the mayoral election. Current compensation rates for all council positions have been in effect since January 2016, with the mayor's monthly compensation at \$800 and the city council's monthly compensation at \$625.

Budget Summary:

The Other Supplies account provides funding for the City Council to support civic events and honor both City volunteers and employees. The City recognizes volunteers and employees at separate events each year. Staff members diligently plan both events to provide a cost effective celebration to recognize people for their commitment and help in making our programs succeed. Volunteer representatives receive a small token of appreciation at the evening affair and long-term employees receive service awards for their five-year employment milestones at an annual employee recognition luncheon.

During 2017, staff experimented with outsourcing the preparation of City Council meeting minutes to provide increase efficiency and allow time to complete other work priorities. Though the process did save typing time, it created other challenges of keeping staff current with the intricate details of council decisions and actions. The 2018 Revised Budget removes the funding for this activity as staff resumes the preparation duties.

The Subscription and Dues budget includes funding for organizations such as the League of Minnesota Cities, the Association of Metropolitan Municipalities, Ramsey County League of Local Governments, and the National League of Cities.

The budgets continue to support training through allocations for both internal Council work sessions and external conferences sponsored by government agencies and the League of Minnesota Cities.

Goals:

1. Provide leadership and public policy to maintain or improve the quality of life for residents.
2. Maintain communications with City residents through meetings and printed/electronic mediums.
3. Maintain strong cross-jurisdictional relationships with neighboring communities and local school districts.

Measurable Workload Data:

| | | | | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2018 |
| | <u>Actual</u> | <u>Actual</u> | <u>Budget</u> | <u>Budget</u> |
| Number of City Newsletters | 2 | 2 | 2 | 2 |

| | | | |
|--------------------|--------------|--------------------------------|------------------|
| FUNCTION: | FUND: | DEPT. & DIV: | ACCT. NO: |
| General Government | General | Legislative Mayor & Council | 1000 - 1010 |

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 75,670 | 77,341 | 78,231 | 77,971 | 78,974 |
| 6117 | Overtime-reg. employees | 82 | | 500 | 500 | 500 |
| 6122 | PERA | 2,149 | 2,268 | 2,375 | 2,353 | 2,422 |
| 6124 | FICA/Medicare | 5,760 | 5,769 | 6,025 | 6,003 | 6,080 |
| 6128 | Insurance contrib. | 3,565 | 4,545 | 4,775 | 4,775 | 5,015 |
| 6138 | Worker's compensation | 635 | 665 | 715 | 715 | 715 |
| 6148 | Other benefits | | 540 | 150 | 700 | 700 |
| | Total Personal Services | 87,861 | 91,128 | 92,771 | 93,017 | 94,406 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | | 13 | | | |
| 6250 | Other supplies | 4,834 | 2,300 | 6,000 | 5,400 | 5,900 |
| 6290 | Uniforms | | 1,334 | 200 | | 300 |
| | Total Supplies | 4,834 | 3,647 | 6,200 | 5,400 | 6,200 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 440 | 4,281 | 5,500 | | |
| 6434 | General Liab. insurance | 2,092 | 2,092 | 2,092 | 2,092 | 2,092 |
| 6445 | Postage | 7 | | 500 | 50 | 100 |
| 6449 | Inhouse printing | 410 | | 1,000 | 500 | 600 |
| 6450 | Outside printing | 1,707 | 2,080 | 3,350 | 3,300 | 3,500 |
| 6455 | Legal notice publishing | 2,336 | 1,969 | 2,500 | 2,300 | 2,500 |
| 6460 | Subscriptions/memberships | 28,652 | 30,649 | 29,500 | 31,230 | 32,202 |
| 6470 | Training | 2,679 | 7,211 | 5,380 | 4,255 | 4,925 |
| 6486 | Mileage | | | 100 | 50 | 50 |
| 6492 | Advertising | 665 | 1,511 | 1,050 | 900 | 1,050 |
| 6560 | Other contractual svc | 61 | | 900 | 450 | 900 |
| | Total Other Services and Charges | 39,049 | 49,793 | 51,872 | 45,127 | 47,919 |
| | Total | 131,744 | 144,568 | 150,843 | 143,544 | 148,525 |
| | | | | | | |

Department: Administration 1020

Fund: General Fund 1000

Department Activities and Responsibilities:

The City Manager's Office provides general administrative services to ensure implementation of all City Council policies and directives. In accordance with the City's Charter and Ordinance Code, the City Manager oversees enforcement of the City Council's ordinances and resolutions, appointment of City employees, preparation and enforcement of the budget adopted by the Council, labor relations, and control of all City departments.

The City Manager's Office staff is an integral part to connecting the City Council with city staff, advisory boards, commissions, other governmental agencies and residents. Through the preparation of agenda materials, council recommendations, and management reports, the daily responsibilities of this department keep City operations moving forward in a combined effort.

The City Clerk function for the City occurs through staff in this department.

Budget Summary:

In past years, budgets allocated the staff time of the Assistant City Manager and the City Clerk positions between multiple departments based on the percentage of work performed. Since the two positions work closely with all departments within the City, the percentage varied by department each year depending on the projects at hand. To simplify the accounting process and provide easier cost analysis, the time for these positions are budgeted primarily in this budget. The time allocation for the Assistant City Manager is now 100% in this budget, while the City Clerk is at a 50/50 split between this budget and the Legislative department budget.

This budget continues to fund training opportunities for employees through participation at national or local conferences and leadership development groups.

Goals:

1. Provide strong leadership to the City's administrative operations and encourage cooperative decision making among administrative staff.
2. Maintain responsiveness to citizen inquiries about City issues and services.
3. Provide thorough information to the Mayor and City Council concerning municipal operation and well-reasoned alternatives for public policy decisions.
4. Promote high levels of performance, innovation, and enthusiasm within the City's organization.

Measureable Workload Data:

| | <u>2016 Actual</u> | <u>2017 Actual</u> | <u>2018 Budget</u> | <u>2019 Budget</u> |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
| Number of resolutions prepared | 217 | 205 | 200 | 200 |

| | | | |
|--------------------|--------------|--------------------------------|------------------|
| FUNCTION: | FUND: | DEPT. & DIV: | ACCT. NO: |
| General Government | General | Administration City Manager | 1000 - 1020 |

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 213,211 | 248,186 | 255,119 | 276,002 | 284,973 |
| 6122 | PERA | 15,991 | 18,609 | 19,135 | 20,700 | 21,373 |
| 6124 | FICA/Medicare | 15,471 | 18,518 | 19,520 | 21,114 | 21,800 |
| 6128 | Insurance contributions | 9,049 | 11,535 | 12,115 | 13,955 | 14,660 |
| 6138 | Workers compensation | 1,615 | 1,700 | 1,820 | 1,820 | 2,100 |
| 6148 | Other benefits | | 2,000 | 540 | 540 | 2,510 |
| | Total Personal Services | 255,337 | 300,548 | 308,249 | 334,131 | 347,416 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 246 | 142 | 500 | 300 | 500 |
| 6220 | Equipment supplies | | | 100 | 50 | 100 |
| 6250 | Other supplies | 22 | 420 | 100 | 250 | 250 |
| 6280 | Books & periodicals | | | 150 | 50 | 150 |
| 6290 | Uniforms | 111 | 37 | 100 | | |
| | Total Supplies | 379 | 599 | 950 | 650 | 1,000 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 54 | 54 | 100 | 60 | 110 |
| 6411 | Telephone | 1,375 | 1,147 | 750 | 750 | 760 |
| 6412 | Cellular phone | 386 | 72 | | 350 | 350 |
| 6434 | General Liab. insurance | 1,941 | 1,941 | 1,941 | 1,941 | 1,941 |
| 6445 | Postage | 288 | 303 | 500 | 400 | 400 |
| 6449 | Inhouse printing | 424 | | 500 | 300 | 300 |
| 6450 | Outside printing | 84 | 105 | 200 | 200 | 200 |
| 6460 | Subscriptions/memberships | 1,743 | 2,243 | 2,600 | 2,300 | 2,550 |
| 6470 | Training | 4,426 | 10,480 | 7,700 | 7,700 | 8,300 |
| 6485 | Travel/allowance | 5,100 | 6,086 | 6,360 | 6,360 | 6,360 |
| 6492 | Advertising | 615 | | | | |
| 6505 | Equipment maint. service | | | 200 | 200 | 200 |
| | Total Other Services and Charges | 16,436 | 22,431 | 20,851 | 20,561 | 21,471 |
| | Total | 272,152 | 323,578 | 330,050 | 355,342 | 369,887 |

Department: Finance 1030

Fund: General Fund 1000

Department Activities and Responsibilities:

The Finance Department manages all financial aspects for the City. Duties include financial reporting, budgeting, payroll, accounts payable, accounts receivable, utility billing, special assessments, investments, debt management, capital financing, insurance administration and economic development reporting duties. The staff also assists the City Manager by providing internal auditing of the municipal operations and reporting to the City Council.

The City is a member of Local Government Information Systems (LOGIS), which is a consortium of cities formed to provide cost-effective computer system options for local governments. LOGIS supplies the City with software for the financial reporting, payroll, human resources and utility billing systems.

Budget Summary:

Professional Services expenditures provide funding for staff to work with Ehlers, Inc. to prepare a long-term financial plan for the City. Development of spreadsheets estimating revenues and expenditures for the next 5-10 years began in 2017. Staff continues to work closely with Ehlers' representatives to integrate the Capital Improvement Plan information into the financing model. Ehlers' staff will help incorporate the financial plan into the City's annual operations. Assistance from Ehlers' will decrease as staff assumes responsibility of annual spreadsheet maintenance.

The Professional Services account also includes an allocation for an actuarial valuation required by the Governmental Accounting Standards Board's Statement No. 75 for Other Post-Employment Benefits (OPEB), which the City will implement in the 2018 annual financial report. The statement requires a biennial OPEB actuarial valuation going forward.

The Contracted Services budget contains the charges to accept credit card and electronic payments for services. Though these service fees relate to the operational duties of other City departments, the Finance Department manages the costs to simplify the monitoring process and analysis. These features do increase the expenditures; therefore, a fee structure adjustment will help cover the costs since using the systems increase our customer service and allows for greater employee efficiency.

Goals:

1. Review options to improve the City's web-store associated with the website.
2. Educate City staff on budget process and proper invoice coding to correlate to their budget.
3. Increase utilization of the GL Inquiry software in general finance and payroll operations.

Measureable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Percent of investments made with a rate of return at 65 basis points higher than the 90-day Treasury Bill rate | 53% | 45% | 50% | 50% |
| Number of data input errors | 226 | 137 | 195 | 175 |
| GFOA awards received for work | 2 | 2 | 2 | 2 |

| FUNCTION: | | FUND: | | DEPT. & DIV: | | ACCT. NO: |
|-------------------------|-------------------------------------|-------------|-------------|---------------------------|--------------|-------------|
| General Government | | General | | Administration Finance | | 1000 - 1030 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries-reg. employees | 346,977 | 362,803 | 379,158 | 382,585 | 395,020 |
| 6117 | Overtime-reg. employees | 793 | 1,460 | 1,000 | 2,000 | 2,000 |
| 6122 | PERA | 26,377 | 27,613 | 28,435 | 28,900 | 29,630 |
| 6124 | FICA/Medicare | 26,657 | 28,130 | 29,005 | 29,435 | 30,220 |
| 6128 | Insurance contrib. | 26,872 | 34,264 | 35,980 | 35,980 | 37,800 |
| 6138 | Worker's Compensation | 7,490 | 7,865 | 8,415 | 8,415 | 8,415 |
| 6148 | Other benefits | | 3,600 | 1,000 | 1,000 | 4,650 |
| | Total Personal Services | 435,166 | 465,735 | 482,993 | 488,315 | 507,735 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 1,339 | 1,236 | 2,200 | 1,615 | 2,000 |
| 6250 | Other supplies | | | 100 | 50 | 50 |
| 6290 | Uniforms | 186 | 7 | 50 | 50 | 50 |
| 6295 | Small tools | 68 | 60 | 300 | 825 | 350 |
| | Total Supplies | 1,593 | 1,303 | 2,650 | 2,540 | 2,450 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 5,025 | 2,855 | 5,300 | 22,500 | 15,935 |
| 6402 | Data processing | 42,536 | 47,595 | 48,000 | 48,000 | 51,500 |
| 6411 | Telephone | 1,847 | 1,571 | 1,100 | 900 | 1,100 |
| 6434 | General Liab. insurance | 5,230 | 5,230 | 5,230 | 5,230 | 5,230 |
| 6445 | Postage | 3,308 | 3,154 | 3,200 | 3,100 | 3,200 |
| 6449 | Inhouse printing | 178 | | 700 | 200 | 500 |
| 6450 | Outside printing | 805 | 1,394 | 3,100 | 2,225 | 2,800 |
| 6455 | Legal notice publications | 2,703 | 2,340 | 3,100 | 2,500 | 2,700 |
| 6460 | Subscriptions/memberships | 838 | 1,468 | 950 | 750 | 1,725 |
| 6470 | Training | 1,228 | 1,542 | 4,300 | 3,640 | 5,730 |
| 6485 | Travel Allowance | 1,330 | 1,330 | 1,700 | 1,550 | 350 |
| 6505 | Equipment maint. service | 1,370 | 1,838 | 2,600 | 2,000 | 2,400 |
| 6560 | Other contractual svc | 2,274 | 5,681 | 7,000 | 9,560 | 10,010 |
| | Total Other Services and Charges | 68,672 | 75,998 | 86,280 | 102,155 | 103,180 |
| | Total | 505,431 | 543,036 | 571,923 | 593,010 | 613,365 |

Department: Legal Counselor 1040

Fund: General Fund 1000

Department Activities and Responsibilities:

The City contracts for legal services to provide legal representation at City Council meetings, assistance in drafting ordinances and resolutions, negotiations on development and improvement projects, and employment issues.

Budget Summary:

The City Council chose the law firm of Eckberg Lammers, P.C. to be the City's new legal counselor as of August 2017 after the retirement of the previous City Attorney. Andrew Pratt is the lead attorney who now works closely with staff and council on any legal matters.

Pursuant to the City Charter, the appointment extends for a period of one year and expires each January. Currently, the monthly retainer fee of \$3,085 covers corporate legal services within the retainer agreement. The law firm bills the City for any services or projects not covered under the corporate legal retainer at the staff person's hourly rate. Typically, these fees relate to public improvements or redevelopment projects, which the City expenses the costs directly to the specific activities.

Measurable Workload Data:

Listed below are total payments to the legal firm for the General Fund and other activities for the past four years and the current year to date:

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018*</u> |
|----------------|-------------|-------------|-------------|-------------|--------------|
| Counselor fees | \$102,942 | \$72,888 | \$92,810 | \$95,935 | \$37,423 |

*Partial year (January – July)

| | | | |
|--|-------------------------|--|----------------------------------|
| FUNCTION: General Government | FUND: General | DEPT. & DIV: Administration Legal Counselor | ACCT. NO.: 1000 - 1040 |
|--|-------------------------|--|----------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | OTHER SERVICES & CHARGES | \$ | \$ | \$ | \$ | \$ |
| 6401 | Professional services | 50,897 | 60,781 | 69,500 | 62,220 | 70,500 |
| 6434 | General Liab. insurance | 1,669 | 1,669 | 1,669 | 1,669 | 1,669 |
| | Total Other Services and Charges | 52,566 | 62,450 | 71,169 | 63,889 | 72,169 |
| | Total | 52,566 | 62,450 | 71,169 | 63,889 | 72,169 |

Department: City Hall 1050

Fund: General Fund 1000

Department Activities and Responsibilities:

The City Hall department manages the costs of central supplies, utilities, and maintenance services for the City's primary administrative office building. The City's main receptionist position and the Information Technology (IT) coordinator position appear in this budget as all departments in City Hall benefit from the positions' expertise and responsibilities.

Budget Summary:

When adding the IT Coordinator position in 2016, the budget allocated the position's salary and benefits between the City Hall, Police and Fire departments based on a preliminary workload assessment. A review of completed projects during the past two years reveals that all General Fund departments benefit from the services; therefore, the 2019 Budget allocates all costs associated with the position to the City Hall budget to represent a fair cost allocation between departments. This change has no impact of the General Fund budget as the departments formerly used in the allocation were all in the General Fund.

During 2017, the City converted many of its digital lines serviced by the State of Minnesota's Centrex system to a new Voice-Over Internet Protocol (VOIP) system through LOGIS. Currently, the elevator and fax lines remain connected through the State's system because these systems need dedicated analog lines. LOGIS continues to work on a solution to support these types of lines on the VOIP system.

The 2018 Revised Budget for Building Maintenance includes funding for a dedicated circuit for the main copy machine used by departments in the building. The 2019 Budget includes additional funds for HVAC and Elevator maintenance. Changes in the Contract Services account relate to specific cleaning projects by the janitorial staff outside of routine cleaning to maintain the building and snow removal costs for the facility.

Capital Outlay:

As the City Hall campus continues to age, the demand for maintenance and system replacements remain a high priority to preserve the building and surrounding areas. Each year the budgets reflect projects for the work plan; however, before the anticipated repairs take place, a review of the projects re-prioritizes the needs based on updated assessments. Therefore, items included in the budget can change depending on the current needs. The Municipal Building Fund in the Capital Project Funds section of the budget lists the building improvements planned for the City Hall complex.

The Equipment Acquisition Fund in the Capital Project Funds section of the budget provides funding for routine replacement of computer equipment, licensing agreements, annual technology maintenance fees, and server operations for City Hall.

Goals:

1. Continue to provide convenient meeting space for civic organizations and maintain compliance with City Hall protocols.
2. Maintain appearance of City Hall in a manner that sets quality standards for the community.
3. Evaluate maintenance practices and uses of City Hall and take necessary action to improve services.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of community organization meetings held in facility | 407 | 323 | 400 | 400 |

| FUNCTION: | | DEPT. & DIV: | | ACCT. NO: | | | |
|-------------------------|-------------------------------------|--------------|-------------|-----------------------------|--------------|-------------|--|
| General Government | | General | | Administration City Hall | | 1000 - 1050 | |
| SUMMARY OF EXPENDITURES | | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET | |
| | | \$ | \$ | \$ | \$ | \$ | |
| | PERSONAL SERVICES | | | | | | |
| 6105 | Salaries-reg. employees | 56,253 | 78,457 | 81,372 | 82,914 | 139,808 | |
| 6122 | PERA | 4,219 | 5,884 | 6,105 | 6,219 | 10,486 | |
| 6124 | FICA/Medicare | 4,076 | 6,225 | 6,225 | 6,343 | 10,695 | |
| 6128 | Insurance contrib. | 5,985 | 7,000 | 7,350 | 7,350 | 7,725 | |
| 6138 | Worker's compensation | 980 | 1,030 | 1,105 | 1,105 | 1,105 | |
| 6148 | Other benefits | | 500 | 140 | 140 | 650 | |
| | Total Personal Services | 71,513 | 99,096 | 102,297 | 104,071 | 170,469 | |
| | SUPPLIES | | | | | | |
| 6210 | Office supplies | 7,112 | 7,536 | 7,700 | 8,184 | 8,200 | |
| 6220 | Equipment supplies | 616 | 509 | 950 | 750 | 950 | |
| 6240 | Building supplies | 5,020 | 4,067 | 7,000 | 4,900 | 7,000 | |
| 6250 | Other supplies | 1,140 | 2,775 | 3,600 | 3,210 | 4,000 | |
| 6290 | Uniforms | 37 | 15 | 50 | | | |
| 6295 | Small tools | 1,049 | (15) | 300 | 25 | 300 | |
| | Total Supplies | 14,974 | 14,887 | 19,600 | 17,069 | 20,450 | |
| | OTHER SERVICES & CHARGES | | | | | | |
| 6401 | Professional services | 18 | 18 | 100 | 50 | 100 | |
| 6402 | Data processing | 19,642 | 18,724 | 21,500 | 21,500 | 22,500 | |
| 6411 | Telephone | 9,323 | 9,105 | 5,500 | 7,775 | 9,575 | |
| 6412 | Cell Phone | | 132 | 170 | 150 | 175 | |
| 6422 | Electric | 13,971 | 13,504 | 15,000 | 15,000 | 15,000 | |
| 6423 | Natural gas | 2,839 | 3,002 | 2,900 | 3,500 | 3,500 | |
| 6434 | General Liab. insurance | 10,009 | 10,009 | 10,009 | 10,009 | 10,009 | |
| 6436 | Equipment Liab. insurance | 304 | 304 | 304 | 304 | 304 | |
| 6445 | Postage | (2,622) | 4,660 | 2,900 | 3,500 | 3,500 | |
| 6450 | Outside printing | 124 | 132 | 100 | 150 | 150 | |
| 6460 | Subscription/memberships | | | 200 | | | |
| 6492 | Travel / Mileage reimburse. | | 1,200 | 1,200 | 1,200 | 1,200 | |
| 6505 | Equipment maint. service | 4,800 | 5,705 | 5,500 | 6,100 | 6,730 | |
| 6515 | Building maint. service | 10,126 | 13,102 | 7,850 | 9,840 | 10,100 | |
| 6555 | Equipment rental | 4,874 | 5,171 | 5,200 | 5,000 | 5,200 | |
| 6560 | Other contractual svc | 34,038 | 28,603 | 32,950 | 33,750 | 37,120 | |
| | Total Other Services and Charges | 107,446 | 113,371 | 111,383 | 117,828 | 125,163 | |
| | Total | 193,933 | 227,354 | 233,280 | 238,968 | 316,082 | |
| | | | | | | | |

Department: Elections & Voter Registration 1060

Fund: General Fund 1010

Department Activities and Responsibilities:

In accordance with State law and provisions within the City Charter, the City is responsible to enroll residents for the County's permanent list of registered voters and coordinate elections. The City lies in both Ramsey and Washington Counties, which requires coordination with both agencies in the election administration process.

National, state and county primary elections take place during even-numbered years with the primary elections in August and the general elections in November. The City of White Bear Lake Municipal elections take place during odd-numbered years. City Council elections are non-partisan with representatives from each of the five wards elected to serve on the Council and the Mayor elected at-large. Candidates file for Mayor or City Council positions with the City Clerk during the filing period in the election year.

Budget Summary:

In previous years, the Assistant City Manager, City Clerk and Passport Clerk worked with Ramsey and Washington County representatives to coordinate registration and voting services for White Bear Lake residents. The team evaluated the overall process after each election to establish the best strategy for providing the services in the future.

In 2013, a State law change enhanced absentee voting and implemented in-person absentee voting. This change significantly increased the number of voters opting to vote early under the new legislative provisions. Initially, to address the staffing issues associated with the high volume of early voters, the City contracted with Ramsey County for the absentee voting process. This year the City entered into a three year agreement with the County to administer the overall election process due to its growing complexity and subsequent staffing demands.

Even though the 2018 contract costs increase through the new agreement, total budget remains consistent with the Adopted Budget as contract costs replace salary and benefits to employees. The significant decrease in contract costs for 2019 recognize the cost sharing over a two-year agreement period. The City will continue to participate with the County for the purchase and maintenance of the voting machines used in the process. The City acquired the current voting machines in 2016 through an agreement with Ramsey County.

Goals:

1. Maintain a reasonable balance between election services and costs.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Election Day Registration | | | | |
| Primary | 0 | 0 | 0 | 0 |
| General Election | 1,515 | 80 | 1,500 | 75 |
| Total Number of Ballots Cast | | | | |
| Primary | 1,093 | 0 | 1,000 | 0 |
| General Election | 14,173 | 3,003 | 14,000 | 3,000 |
| Percent of Voter Turnout to Registered Voters: | | | | |
| Primary | 7% | 0% | 10% | 0% |
| General Election | 84% | 20% | 85% | 20% |

| | | | |
|--------------------|--------------|-----------------------------|------------------|
| FUNCTION: | FUND: | DEPT. & DIV: | ACCT. NO: |
| General Government | General | Administration Elections | 1000 - 1060 |

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|-------------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 17,096 | 13,056 | 31,313 | | |
| 6117 | Overtime- reg. employees | 1,085 | | 200 | | |
| 6119 | Salaries-temp. employees | 17,854 | | 30,408 | | |
| 6122 | PERA | 1,363 | 984 | 2,365 | | |
| 6124 | FICA/Medicare | 1,387 | 1,004 | 2,410 | | |
| 6128 | Insurance contrib. | 1,371 | 1,750 | 1,840 | | |
| 6138 | Worker's compensation | 245 | 260 | 280 | | |
| | Total Personal Services | 40,401 | 17,054 | 68,816 | | |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 624 | | 650 | | |
| | Total Supplies | 624 | | 650 | | |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional Services | 15,005 | 11,000 | 15,660 | | |
| 6434 | General Liab. insurance | 436 | 363 | 436 | 436 | 436 |
| 6445 | Postage | 106 | 3 | 150 | 10 | |
| 6449 | In-house printing | | | 500 | | |
| 6450 | Outside printing | 845 | | 850 | | |
| 6455 | Legal notice publication | 102 | 64 | 600 | 500 | 500 |
| 6486 | Mileage reimbursement | 66 | | 250 | | |
| 6505 | Equipment maint. service | 5,960 | 6,492 | 6,250 | 6,492 | 7,335 |
| 6560 | Contracted service | | | | 87,000 | 50,500 |
| | Total Other Services and Charges | 22,520 | 17,922 | 24,696 | 94,438 | 58,771 |
| | Total | 63,545 | 34,976 | 94,162 | 94,438 | 58,771 |

Department: Planning and Zoning Department 1070

Fund: General Fund 1000

Activities and Responsibilities:

The Community Development Department manages all aspects related to the development, expansion and growth within the community. To help the Department accomplish these objectives, the Planning staff works with the long-range development projects, property- zoning activities, and land use ordinances. Every ten years the staff prepares the City's Comprehensive Plan for the Metropolitan Council to ensure the City is in conformance with metropolitan system plans, consistent with adopted policy plans, and are compatible with the plans of affected and adjacent jurisdictions in the area.

Redevelopment activities focus on marketing potential business locations to new or existing companies, processing redevelopment plans to encourage improvements to blighted areas, working to keep a vibrant downtown district, and continuing overall City beautification efforts.

The department staff provides support services to the Planning Commission through the evaluation of applications for conditional use permits, zoning changes, and variances.

Budget Summary:

White Bear Lake is a community with a rich history, whose growth through the years now provides very limited availability of vacant land within the City. The current challenge is to promote redevelopment of underutilized areas to attract new residents and businesses. Redevelopment efforts are vital because newer accommodations and business opportunities draw people to the area, increase property values and provide the City more tax revenues without increasing property taxes for landowners each year. The City Council recognized the importance of these projects as they funded a new Housing and Economic Development Coordinator in 2017. The position will move to the Economic Development Fund in 2019 to provide a comprehensive analysis of the revenues and expenditures related to Economic Development.

The budget continues to include funding for an intern position to assist with the conclusion of the City's 2040 Comprehensive Plan and the County Road E Corridor smart growth visioning process. Both projects include a heavy emphasis on urban design and visual graphics.

The Training expenditure budget funds employee development through seminars and attendance to the annual conference for the Minnesota chapter and National chapter of the American Planning Association (APA). Increases in the Outside Printing and Contracted Services accounts relate to the Comprehensive Plan preparation process for zoning maps and graphic design layouts of the final project.

Goals:

1. Finalize and begin implementation of the 2040 Comprehensive Plan, which analyzes existing systems and identifies future needs and opportunities for redevelopment within the community.
2. Create a plan for the County Road E Corridor and report on the need for and feasibility of coordinated redevelopment of commercial and public property at the County Road E and Bellaire Avenue intersection.
3. Continue Station Area Planning activities along the planned Rush Line bus rapid transit corridor between St. Paul and Downtown White Bear Lake.
4. Initiate recurrent business retention and expansion visitation program in conjunction with the White Bear Area Chamber of Commerce.
5. Serve as a liaison and provide technical support to the White Bear Lake Economic Development Corporation.
6. Explore opportunities to promote housing rehabilitation through collaboration with homeowners and local contractors.

Department: Planning and Zoning Department 1070

Fund: General Fund 1000

Measurable Workload Data:

**LAND USE REGULATION
City of White Bear Lake**

| Year | Conditional Use Permits | Minor Sub- Divisions | Plats | Zoning/ Text Amend. | Variances | Vacations | Totals |
|--------------|----------------------------|----------------------------|-------|---------------------------|-----------|-----------|--------|
| 2012 | 15 | 3 | 1 | 2 | 16 | 0 | 37 |
| 2013 | 10 | 2 | 3 | 3 | 17 | 2 | 37 |
| 2014 | 8 | 1 | 1 | 8 | 26 | 1 | 45 |
| 2015 | 5 | 4 | 4 | 7 | 23 | 1 | 44 |
| 2016 | 15 | 1 | 1 | 7 | 21 | 0 | 45 |
| 2017 | 9 | 1 | 2 | 4 | 23 | 0 | 39 |
| 2018 to 8/31 | 6 | 2 | 0 | 0 | 16 | 0 | 24 |



Reader's Notes:

| FUNCTION: | | FUND: | | DEPT. & DIV: | | ACCT. NO: |
|-------------------------|-------------------------------------|-------------|-------------|-------------------------------------|--------------|-------------|
| General Government | | General | | Administration Planning & Zoning | | 1000 - 1070 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 220,079 | 264,559 | 304,332 | 219,080 | 243,892 |
| 6117 | Overtime - reg. employees | 1,052 | 1,351 | | | |
| 6119 | Salaries - temp. employees | 1,500 | 14,014 | 16,380 | 16,380 | 16,380 |
| 6122 | PERA | 16,585 | 19,943 | 24,055 | 18,616 | 19,520 |
| 6124 | FICA/Medicare | 17,251 | 21,569 | 24,535 | 19,000 | 19,911 |
| 6128 | Insurance contrib. | 16,452 | 20,980 | 20,030 | 17,925 | 21,000 |
| 6138 | Worker's compensation | 2,935 | 3,085 | 3,300 | 3,300 | 3,300 |
| 6148 | Other benefits | 10,246 | 2,400 | 650 | 650 | 3,000 |
| | Total Personal Services | 286,100 | 347,901 | 393,282 | 294,951 | 327,003 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 961 | 860 | 2,000 | 1,600 | 1,600 |
| 6220 | Equipment supplies | 11 | 8 | 185 | 150 | 150 |
| 6250 | Other supplies | 343 | 164 | 400 | 300 | 300 |
| 6280 | Books / manuals | | 46 | 75 | 75 | 75 |
| 6290 | Uniforms | 82 | 144 | 100 | 30 | 50 |
| 6295 | Small tools | | 212 | 300 | 250 | 250 |
| | Total Supplies | 1,397 | 1,434 | 3,060 | 2,405 | 2,425 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 89 | 54 | 1,055 | 1,250 | 1,000 |
| 6402 | Data processing | 3,461 | 3,964 | 4,150 | 4,150 | 5,000 |
| 6411 | Telephone | 1,245 | 1,025 | 660 | 550 | 645 |
| 6412 | Cell phone | | 390 | 360 | 720 | 720 |
| 6434 | General Liab. insurance | 3,168 | 3,168 | 3,168 | 3,168 | 3,168 |
| 6445 | Postage | 1,224 | 1,518 | 1,300 | 2,100 | 2,250 |
| 6449 | Inhouse printing | 403 | | 700 | 700 | 700 |
| 6450 | Outside printing | 665 | 352 | 650 | 500 | 1,500 |
| 6455 | Legal notices publications | 1,874 | 1,936 | 2,000 | 1,500 | 1,750 |
| 6460 | Subscription/memberships | 735 | 799 | 900 | 1,300 | 1,500 |
| 6470 | Training | 68 | 4,299 | 2,000 | 2,400 | 4,000 |
| 6485 | Travel Allowance | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| 6486 | Mileage Reimbursement | | | 100 | 100 | 175 |
| 6492 | Advertising | | 25 | | 75 | 100 |
| 6505 | Equipment maint. service | 535 | 1,717 | 1,800 | 1,800 | 1,800 |
| 6560 | Other contractual svc | | 34 | 140 | 140 | 2,500 |
| | Total Other Services and Charges | 15,867 | 21,681 | 21,383 | 22,853 | 29,208 |
| | Total | 303,364 | 371,016 | 417,725 | 320,209 | 358,636 |
| | | | | | | |

Department: Police 1110

Fund: General Fund 1000

Department Activities and Responsibilities:

Community relationships are important to the White Bear Lake Police Department and staff is committed to building strong connections with the public. As outlined in the President's 21st Century Policing Task Force Report, the department has put into action programs designed to promote positive interactions with the community, adopted new technologies to enhance public trust and public safety, and has provided opportunities for additional training of police officers to further build relationships and enhance community trust.

Primary department activities include enforcement of state and city laws, investigation of crimes, apprehension of violators, enforcement of traffic laws, reduction of traffic accidents, crime prevention and supervision of safe pedestrian movement. The department maintains a close relationship with other law enforcement agencies throughout the state, county and neighboring communities to improve coordination of policing services in the area.

The Police Department recognizes the importance of a strong working relationship between law enforcement officials and the local school district. In 2002, the department assigned two sworn officers to work as School Resource Officers (SROs). This long-standing initiative continues as a priority in the current budgets as it has benefited the department, the district and the community as a whole through the years. The SROs address all school district needs during the day, which allows fellow officers the ability to concentrate on other service calls when school is in session. On non-school days, the SROs provide traditional law enforcement duties or work on traffic and crash reduction strategies. In addition to the SRO positions, four other officers interact with students through the DARE program, which is taught at seven local elementary schools.

Officers may work extra hours during their off-duty times to assist with driver safety programs subsidized by State grants, or to provide police coverage at special events. The City receives reimbursement from the outside agencies and organizations to cover the overtime costs associated with these efforts. As of August 2018, the City has received approximately \$38,000 in overtime reimbursements.

The Department also works closely with regional special teams and task forces. These opportunities offer training and experience that benefit both the employee and the entire department, as employees participating in the teams share the specialized skills learned with co-workers.

Currently, one officer is a member of the Ramsey County Violent Crime Enforcement Team with responsibilities generally involving narcotic cases. The City continues to receive State grant funding to support participation with this project for 2018 and 2019.

Three officers participate on the Ramsey County Crime Scene Investigator Team. This team operates on-call, which means the officers receive overtime pay for any large crime scene calls received during non-working hours. Funding to cover overtime costs associated with these responsibilities is not available from other agencies. While there is a cost to the City, management feels there is a benefit to participate by having staff trained to address these situations, and the ability to have the combined team back fill our staffing needs at no additional cost when a call for service is in our coverage area.

Two officers are working with the Ramsey County SWAT Tactical Team and three officers serve as SWAT negotiators. This opportunity is similar to the Crime Scene Investigator team, as it is an on-call position with no additional funding from outside agencies; yet there is a great advantage to employing an officer with these skills to respond to calls.

Finally, three officers participate with the Ramsey County Mobile Field Force Unit. Similar to SWAT, this is a cooperative effort with the Ramsey County Sheriff's Department. The Mobile Field Force (MFF) is an experienced and well-disciplined squad, trained to address crowd management and deal with large gatherings that can transition into an unlawful assembly or riot. The White Bear Lake MFF officers not only assist with mutual aid callouts, but they also provide in service training to department members.

Department: Police 1110

Fund: General Fund 1000

Budget Summary:

In January 2018, the Minnesota POST Board approved new learning objectives for police training in crisis intervention and mental illness crises, conflict management and mediation, and recognizing and valuing community diversity and cultural differences, to include implicit bias, as required by Minn. Stat. 626.8469. The Board's training committee developed these objectives, with the assistance of subject matter experts and other interested parties, and vetted against state and national resources. The training officers developed instruction in these areas for the department's mandatory service in 2018 and 2019.

In late 2018, the department contracted the services of Thomson Reuters for the use of the CLEAR software. The CLEAR program meets the unique needs of police investigations. CLEAR streamlines police inquiries by bringing relevant content into a single working environment. CLEAR offers an efficient database for locating cell phone numbers and current addresses for vehicle owners, victims and other police related contacts.

On October 1, 2018, the Department implemented a DWI Officer position. A Minnesota Department of Public Safety grant funds the position. The grant will support one full time sworn officer dedicated to reducing DWI incidents. The officer's sole focus is on traffic and DWI enforcement within police department's service area. The officer will work between the hours of 5:00 pm and 5:00 am, a minimum of two Friday and two Saturdays a month. In addition to DWI enforcement, the Department has spent significant time enforcing crosswalk, stop sign, distracted driving, speed and seatbelt laws.

In 2019, the department, along with several other Ramsey County suburban agencies, are planning to enter into a contract with VITALS. VITALS is a St. Paul company whose app helps police interact with those with emotional and intellectual disorders. The app allows users to create profiles on a smartphone that describes the nature of their disability. This app will help protect people with visible and invisible conditions and disabilities by voluntarily communicating critical information in real time to law enforcement and first responders through the smart phone app.

Capital Outlay:

The Equipment Acquisition Fund allocates resources for the equipment capital expenditures related to Police Department operations and the Municipal Building Fund provides resources for the facility capital expenditure requirements. Both funds are included in the Capital Project Funds section of this budget and each provide a detailed list of planned purchases for 2018 and 2019.

Goals:

1. Host one Citizen Police Academy (CPA). The department will be seeking volunteers from the CPA to continue their involvement with the department by becoming CERT members.
2. Collaborate with the White Bear Lake School District to present training for parents in the areas of Teen Driving, Human Trafficking, Drug Awareness and Healthy Relationships/Safe Dating.
3. Host one community event each month to continue to build relationships in the community. These events include Donuts with the Cops, Cones with the Cops, Marketfest Public Safety Night, Personal Safety for College Bound Girls, and Coffee with a Cop.
4. Continue partnership with Ramsey County Traffic Safety Initiative to implement safety enforcement and education programs to improve driver behaviors and reduce deaths and serious injuries that occur on the roadways. These enforcement events focus on distracted driving, speed, cross walk, stop sign violations and DWI.
5. Engage officers in their assigned Community Oriented Policing area. Host four Neighborhood Watch meetings throughout the year and engage more citizens in National Night Out.

Department: Police 1110

Fund: General Fund 1000

6. Develop a Continuity of Operations Plan (COOP) for the City with the assistance of Ramsey County Emergency Management and Homeland Security staff. COOP is an internal effort within individual components of a government to ensure the capability exists to continue essential component functions across a wide range of potential emergencies, including localized acts of nature, accidents and technological or attack-related emergencies.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of police service calls | 26,756 | 28,986 | 28,000 | 29,000 |
| Citizen volunteer hours | 4,802 | 5,100 | 6,900 | 7,000 |
| Number of neighborhood watch groups maintained | 59 | 60 | 60 | 60 |
| Number of formal public complaints against officers | 3 | 0 | 0 | 0 |
| Number of National Night Out gatherings | 49 | 51 | 53 | 55 |

| FUNCTION: | | FUND: | | DEPT. & DIV: | | ACCT. NO: |
|-------------------------|-------------------------------------|-------------|-------------|-------------------------|--------------|-------------|
| Public Safety | | General | | Public Safety Police | | 1000 - 1110 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries-reg. employees | 2,360,163 | 2,439,862 | 2,644,835 | 2,645,669 | 2,810,676 |
| 6117 | Overtime - reg. employees | 157,594 | 168,788 | 150,000 | 165,000 | 165,000 |
| 6119 | Salaries-temp. employees | 43,477 | 51,796 | 58,220 | 58,085 | 84,293 |
| 6122 | PERA | 397,461 | 414,702 | 458,151 | 443,218 | 493,254 |
| 6124 | FICA/Medicare | 46,672 | 45,039 | 55,643 | 55,977 | 60,085 |
| 6128 | Insurance contrib. | 175,155 | 222,405 | 233,525 | 237,425 | 275,800 |
| 6138 | Worker's compensation | 98,500 | 103,425 | 110,665 | 111,565 | 138,255 |
| 6148 | Other benefits | | 31,625 | 9,000 | 9,250 | 46,850 |
| | Total Personal Services | 3,279,022 | 3,477,642 | 3,720,039 | 3,726,189 | 4,074,213 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 2,899 | 2,890 | 6,000 | 4,100 | 6,000 |
| 6220 | Equipment supplies | 4,021 | 5,871 | 4,950 | 4,950 | 4,950 |
| 6221 | Range supplies | 8,994 | 12,059 | 10,795 | 10,795 | 10,795 |
| 6230 | Vehicle supplies | 12,151 | 14,614 | 8,180 | 11,900 | 11,900 |
| 6240 | Building supplies | 4,200 | 5,639 | 4,700 | 7,100 | 6,600 |
| 6250 | Other supplies | 10,345 | 19,664 | 7,875 | 13,500 | 7,875 |
| 6272 | Motor fuels | 59,359 | 67,235 | 70,200 | 77,200 | 83,200 |
| 6280 | Books & Periodicals | | | 385 | 100 | 385 |
| 6290 | Uniforms | 24,126 | 32,664 | 32,315 | 36,500 | 36,350 |
| 6295 | Small tools | 2,374 | 1,707 | 2,700 | 1,700 | 2,700 |
| | Total Supplies | 128,469 | 162,343 | 148,100 | 167,845 | 170,755 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 4,169 | 4,532 | 6,150 | 8,525 | 9,930 |
| 6402 | Data processing | 6,672 | 7,328 | 8,000 | 8,000 | 8,600 |
| 6411 | Telephone | 6,925 | 7,373 | 4,760 | 4,760 | 4,760 |
| 6412 | Cellular | 9,599 | 8,967 | 10,750 | 10,750 | 10,750 |
| 6422 | Electric | 20,510 | 18,828 | 20,000 | 20,000 | 20,000 |
| 6423 | Natural gas | 3,480 | 3,684 | 3,600 | 3,600 | 3,600 |
| 6434 | General Liab. insurance | 29,287 | 29,287 | 29,287 | 29,287 | 31,475 |
| 6436 | Vehicle Liab. insurance | 7,826 | 7,826 | 7,826 | 7,826 | 7,826 |
| 6445 | Postage | 1,493 | 1,107 | 2,000 | 1,500 | 2,000 |
| 6450 | Outside printing | 1,588 | 1,610 | 1,900 | 1,150 | 1,900 |
| 6460 | Subscriptions/memberships | 2,092 | 1,400 | 2,200 | 1,640 | 2,200 |
| 6470 | Training | 20,116 | 27,873 | 24,440 | 24,275 | 27,040 |
| 6492 | Advertising | 50 | 40 | 1,000 | 100 | 1,000 |
| 6505 | Equipment maint. service | 5,059 | 5,893 | 5,740 | 5,140 | 5,740 |
| 6508 | Shop maint. service | 9,068 | | | | |
| 6510 | Vehicle maint. service | 17,068 | 13,503 | 20,700 | 20,700 | 20,700 |
| 6515 | Building maint. service | 9,711 | 7,956 | 6,000 | 6,000 | 6,000 |
| 6555 | Equipment rental | 2,362 | 2,392 | 2,500 | 2,500 | 2,500 |
| 6560 | Other contractual svc | 50,632 | 54,805 | 71,500 | 67,300 | 60,600 |
| | Total Other Services and Charges | 207,707 | 204,404 | 228,353 | 223,053 | 226,621 |
| | Total | 3,615,198 | 3,844,389 | 4,096,492 | 4,117,087 | 4,471,589 |

Department: Fire 1210

Fund: General Fund 1000

Department Activities and Responsibilities:

The Fire Department provides fire suppression and prevention services, special rescue operations, fire inspections for commercial and multi-family buildings, building plan reviews and pre-planning programs for businesses within the City. Several surrounding communities contract with the City for these services since they do not have their own fire department. The agreements with White Bear Township and the City of Gem Lake include all services provided to the City of White Bear Lake. The agreements with the City of Dellwood and Birchwood Village only include fire suppression, prevention services and special rescue operations. The City's population is about 65% of the total service area population within these communities.

In 2018, the Department celebrates its 130th year of fire service to White Bear Lake area. The past few years have marked significant change in the organization in an effort to meet ever-increasing customer needs. With the appointment of a new Fire Chief in September 2017, the department began a comprehensive strategic planning process to help assess current operations and identify potential improvements to address the changing landscape of fire service and emergency medical response.

Ultimately, it was determined that additional full-time medical responders were needed to further develop the "combination model", which began in 2014 with the hire of four (4) full-time responders, (two paramedics and two EMTs). This summer, the City Council approved the hire of four (4) additional full-time staff, bringing the total to eight (8) full-time emergency responders. It was determined to be most cost-effective to combine the roles for these employees into firefighter / paramedic positions, providing them the ability to respond to either type of call while on duty. The 2019 budget reflects the additional of four (4) more firefighter/paramedics, to bring the full-time complement up to 12 FTE. This staffing level provides for 24/7 FT coverage, with one team at each station. The paid-on-call members would then fill in for the third shift duty crew. The 2019 budget includes 20% of the associated staffing costs, with the remaining 80% assigned to the Ambulance Fund budget since a significant portion of the calls are for emergency medical issues. Both budgets include funding for paid on-call staff to respond to calls for service when full-time staff need assistance. It is expected that the temporary salaries line item will reduce significantly, as this model takes shape.

Budget Summary:

A vacancy in the Fire Inspector position provided an opportunity to create an Assistant Chief position to handle fire marshal duties and oversee daily fire operations. Though the new full-time firefighter/paramedic began in 2018, the budget impact is not realized until 2019 when the Personal Services expenditures for these positions are split between the Fire Department and Ambulance Fund budgets, 20/80 respectively. The 2019 Budget also includes four new firefighter / paramedic positions to bring the staff level to 12 for that position.

The Fire Department members belong to a Relief Association, managed by a group of elected leaders who represent the current membership. The primary function of the Relief Association is to handle the investments related to the membership's retirement fund. The State of Minnesota applies a 2% fee to all property insurance policies to fund an annual State aid payment to the City for contribution to the retirement investment account. To simplify accounting duties relating to the Association's retirement funds, increase investment returns and, decrease operating costs, the Relief Association Board and the City Council both approved transition to the management services offered by the Minnesota Public Employee Retirement Association (PERA). The Board and City Council will both retain the responsibility to assess fund balances and approve pension payment increases through this agreement. The Board and City Council may cancel the agreement with PERA and have the Fire Relief Association Board manage the funds if they are not satisfied with PERA service. Beginning in 2019, the State will submit the annual aid payment to PERA for investing instead of the City to fund the contribution.

Department: Fire 1210

Fund: General Fund 1000

The addition of full-time staff will help stabilize expenditures for outfitting and training members for duty. In the past, the department experienced a high turnover rate with the temporary employees as they left for full-time employment opportunities with other agencies or could not meet the required time commitment.

Capital Outlay:

The Equipment Acquisition Fund, found in the Capital Projects section of the budget, details the capital equipment requests for the department. The replacement of the fire pumper truck, Engine 7, is the most significant request in the 2018 and 2019 Budgets. The costs are in both years because the chassis is available at the end of one year and the truck assembly will be done the next year. The 2018 Budget allocates funds to replace expired Life Pack defibrillators on response vehicles. The budget includes resources to install a call alerting system at both fire stations to handle the new dispatching services provided by Ramsey County. Smaller cost budget requests replace equipment used in fire responses.

The Municipal Building Fund, found in the Capital Projects section of the budget, reports the capital building expenditures for the department. Fire Station 2, built in the early 1970s, receives needed replacements to the air handling system and the Heating Ventilation and Air Conditioning (HVAC) systems, while also renovating basement space to add sleeping quarters for the full-time firefighter / paramedic positions. The 2019 Budget finishes the updating replacements with first floor projects in the restrooms and kitchen area.

Goals:

1. Expand fire safety awareness to children and senior residents.
2. Develop leadership and professionalism in department officers through supervisory training opportunities.
3. Expand staged response program utilization.
4. Improve resident life safety by continuing to provide smoke detectors, carbon monoxide detectors, and stovetop fire extinguishers free of charge to the public.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of Fire and Rescue Calls* | 610 | 516 | 725 | 725 |
| Number of Staged Responses* | 359 | 207 | 5 | 5 |
| General Alarms | 21 | 40 | 40 | 40 |

*The Department changed the staged response function in 2018, which moves more calls to the fire and rescue call category.



Reader's Notes:

| FUNCTION: | | FUND: | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|-----------------------|--------------|--------------|-------------|
| Public Safety | | General | Public Safety Fire | | 1000 - 1210 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 160,178 | 164,861 | 126,939 | 140,977 | 309,085 |
| 6117 | Overtime - reg. employees | | 23 | 800 | | 8,000 |
| 6119 | Salaries-temp. employees | 121,820 | 139,771 | 130,000 | 121,198 | 68,026 |
| 6122 | PERA | 10,587 | 4,989 | 14,700 | 21,739 | 52,760 |
| 6124 | FICA/Medicare | 23,061 | 30,762 | 15,895 | 12,099 | 10,449 |
| 6126 | Fire Relief | 231,628 | 232,194 | 231,000 | 241,116 | |
| 6128 | Insurance contrib. | 15,216 | 19,230 | 20,195 | 20,195 | 21,200 |
| 6131 | Health Savings Acct. Contrib. | 52,722 | 46,359 | 53,000 | 50,400 | 50,400 |
| 6136 | Volunteer Life Insurance | 5,832 | 5,835 | 5,835 | 2,880 | 2,880 |
| 6138 | Worker's compensation | 70,000 | 73,500 | 78,645 | 78,645 | 103,650 |
| 6148 | Other benefits | | 6,490 | 1,825 | 1,825 | 9,250 |
| | Total Personal Services | 691,044 | 724,014 | 678,834 | 691,074 | 635,700 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 568 | 498 | 2,000 | 1,800 | 2,000 |
| 6220 | Equipment supplies | 5,338 | 2,493 | 6,300 | 3,600 | 4,000 |
| 6230 | Vehicle supplies | 4,922 | 3,441 | 5,500 | 3,500 | 3,500 |
| 6240 | Building supplies | 5,004 | 2,535 | 3,400 | 2,925 | 2,125 |
| 6250 | Other supplies | 5,808 | 27,915 | 5,400 | 4,880 | 4,350 |
| 6272 | Motor fuels | 7,168 | 11,584 | 8,200 | 14,000 | 14,000 |
| 6280 | Books & periodicals | 2,570 | 240 | 4,400 | 2,800 | 6,095 |
| 6290 | Uniforms | 38,696 | 43,291 | 45,650 | 30,800 | 38,800 |
| 6295 | Small tools | 1,897 | 6,417 | 3,000 | 3,000 | 3,300 |
| | Total Supplies | 71,971 | 98,414 | 83,850 | 67,305 | 78,170 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 21,857 | 26,755 | 25,650 | 24,650 | 24,100 |
| 6402 | Data processing | 4,483 | 5,135 | 5,375 | 5,375 | 6,000 |
| 6411 | Telephone | 4,014 | 3,936 | 1,800 | 3,015 | 3,535 |
| 6412 | Cellular | 2,045 | 447 | 2,000 | 3,970 | 5,160 |
| 6421 | Water and Sewer | | 56 | | 200 | |
| 6422 | Electric | 20,116 | 18,915 | 20,500 | 20,500 | 20,500 |
| 6423 | Natural gas | 5,091 | 5,247 | 5,500 | 8,400 | 8,400 |
| 6434 | General Liab. insurance | 9,561 | 9,561 | 9,561 | 9,561 | 9,561 |
| 6436 | Vehicle Liab. insurance | 13,039 | 13,039 | 13,039 | 13,039 | 13,039 |
| 6445 | Postage | 603 | 226 | 800 | 300 | 600 |
| 6449 | Inhouse printing | 177 | 34 | 500 | 100 | 250 |
| 6450 | Outside printing | 293 | 494 | 700 | 700 | 900 |
| 6460 | Subscription/memberships | 1,643 | 2,893 | 1,900 | 2,105 | 2,105 |
| 6470 | Training | 21,349 | 21,719 | 22,800 | 28,000 | 29,800 |
| 6492 | Advertising | 925 | | 2,000 | 1,000 | 2,000 |
| 6505 | Equipment maint. service | 5,843 | 9,281 | 12,000 | 10,400 | 12,500 |
| 6508 | Shop maint. service | 10,557 | | | | |
| 6510 | Vehicle maint. service | 15,266 | 15,365 | 21,550 | 14,500 | 14,950 |
| 6515 | Building maint. service | 21,363 | 17,034 | 20,000 | 18,000 | 20,150 |
| 6555 | Equipment rental | | 54 | 400 | 100 | 100 |
| 6560 | Other contractual svc | 9,890 | 10,414 | 15,000 | 15,800 | 15,075 |
| | Total Other Services & Charges | 168,115 | 160,605 | 181,075 | 179,715 | 188,725 |
| | CAPITAL OUTLAY | | | | | |
| 7120 | Building | | | | | |
| 7140 | Equipment | 1,785 | | | | |
| | Total Capital Outlay | 1,785 | | | | |
| | Total | 932,915 | 983,033 | 943,759 | 938,094 | 902,595 |

Department: Dispatch 1114

Fund: General Fund 1000

Department Activities and Responsibilities:

For many years, White Bear Lake remained the only city in Ramsey County to offer independent dispatching of personnel for emergency and non-emergency calls for service. As the number of calls for service continued to rise, equipment replacement deadlines approached, and industry standards evolved, it became evident that the current model used to provide dispatch services needed re-evaluating to determine if it was more efficient and cost effective to contract these services through Ramsey County.

Comparison results illustrated that transitioning to Ramsey County Emergency Communication Center for dispatching services offered cost savings, increased capacity, efficiencies of scale and direct connections to other emergency response agencies through a shared communications center. Given these factors, the City Council authorized staff to transition dispatch services to Ramsey County during 2018, with the final cutover of operations on April 30, 2018.

After the transition, renovations to the former dispatch office created a customer service center with staff available to assist customers in the facility between 7am and 10pm each weekday. The staff retained through this transition have taken on various duties to assist all departments within the City. In addition to tasks they previously performed while dispatching calls, they now complete background checks for business licenses, solicitor permits and liquor and tobacco licenses, manage parking permits, assist in the investigation of gas drive offs, and assist the City Manager's Office with Laserfische and document management.

Budget Summary:

The budget for this department becomes very simple with the new operations structure. Expenditures consist of personnel costs for the customer service center and contract payments to Ramsey County for dispatching services.

Capital Outlay:

The Equipment Acquisition Fund in the Capital Projects Fund section of the budget includes funding for the dispatch office and equipment conversion.

Goals:

1. Successfully complete transfer of dispatch services to Ramsey County Communication Center by May 30, 2018.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total service calls | 26,756 | 28,986 | 28,000 | 29,000 |
| Gas Drive Off Investigations | 43 | 61 | 63 | 65 |

| FUNCTION: | | FUND: | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|---------------------------|--------------|--------------|-------------|
| Public Safety | | General | Public Safety Dispatch | | 1000 - 1114 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. Employees | 345,865 | 330,741 | 326,621 | 278,046 | 96,843 |
| 6117 | Overtime-reg. employees | 22,705 | 30,925 | 37,000 | | |
| 6119 | Salaries-temp. employees | 18,978 | 37,259 | 26,000 | | |
| 6122 | PERA | 28,775 | 31,752 | 29,225 | 20,900 | 7,300 |
| 6124 | FICA/Medicare | 29,860 | 29,205 | 29,806 | 21,300 | 7,400 |
| 6128 | Insurance contrib. | 29,245 | 39,505 | 41,480 | 41,480 | 13,000 |
| 6138 | Worker's compensation | 5,700 | 5,985 | 6,405 | 6,405 | 2,000 |
| 6148 | Other benefits | | 4,220 | 1,105 | 1,105 | 400 |
| | Total Personal Services | 481,128 | 509,592 | 497,642 | 369,236 | 126,943 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 78 | 100 | 700 | 400 | |
| 6220 | Equipment supplies | 34 | 49 | 400 | 200 | |
| 6240 | Building supplies | 33 | 5 | 300 | 300 | |
| 6280 | Books & Periodicals | | | 375 | | |
| 6290 | Uniforms | 2,358 | 2,225 | 2,800 | 500 | |
| 6295 | Small tools | 604 | | 1,350 | 750 | |
| | Total Supplies | 3,107 | 2,379 | 5,925 | 2,150 | |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 1,668 | 1,668 | 2,200 | 400 | |
| 6402 | Data processing | 2,210 | 2,531 | 2,650 | 1,000 | |
| 6411 | Telephone | 3,291 | 3,215 | 2,680 | 1,300 | |
| 6412 | Cell Phones | | 420 | 450 | 200 | |
| 6413 | Radio Communications | 2,877 | 2,878 | 3,000 | 1,500 | |
| 6422 | Electric | 5,128 | 4,707 | 5,200 | 1,500 | |
| 6423 | Natural gas | 870 | 921 | 900 | 600 | |
| 6434 | General Liab. insurance | 2,188 | 2,188 | 2,188 | 2,188 | |
| 6450 | Outside printing | | | 450 | | |
| 6460 | Subscriptions/memberships | | | 100 | | |
| 6470 | Training | 564 | 54 | 1,500 | 3,300 | |
| 6505 | Equipment maint. service | 2,184 | 2,344 | 1,650 | 3,800 | |
| 6515 | Building maint. service | | | 2,500 | | |
| 6560 | Other contractual svc | 8,680 | 6,875 | 10,900 | 137,000 | 200,000 |
| | Total Other Services and Charges | 29,660 | 27,801 | 36,368 | 152,788 | 200,000 |
| | Total | 513,895 | 539,772 | 539,935 | 524,174 | 326,943 |

Department: Legal Prosecution 1041

Fund: General Fund 1000

Department Activities and Responsibilities:

The City contracts for legal prosecution services to address cases that violate the criminal code. The City considers these costs a component of the overall public safety expenditures.

The City Council appointed Robb Olson and the law office of Geck Duea & Olson, PLLC as the City's legal prosecutor. Pursuant to the City Charter, the appointment extends for a period of one year and expires each January. The office handles approximately 2,000 cases each year, which include 300+ DWI cases and 100+ Domestic Assault cases. The remaining cases involve misdemeanor and gross misdemeanor offenses, code violations, and traffic-related offenses. The City Prosecutor works closely with the police department, State Highway Patrol, and Ramsey County Sheriff's Office to prosecute the cases.

The City Prosecutor appears in court for two arraignment calendars per month, two to three Pretrial calendars, one Court Trial calendar for contested traffic tickets, and other appearances for sentencing defendants and probation violations as needed. The City Prosecutor also handles two in-custody arraignment calendars at the Ramsey County Law Enforcement Center (LEC) for suburban defendants arrested and in custody for Domestic Assault or Gross Misdemeanor DWI offenses. In addition, the City Prosecutor schedules a week for trials each month to address 15-20 cases that are unresolved and scheduled for trial or evidentiary hearing. The vast majority of these cases settle for various reasons, with about 2-3 cases per year actually going to a full jury trial. A majority of cases resolve after contested evidentiary hearings address legal issues relating to the stop of DWI defendants by the police or other similar issues. The downtown St. Paul Courthouse hosts all contested evidentiary hearings, jury trials, sentencing and probation violation hearings. The current court schedule requires prosecuting attorneys to be in court 22 times a month. The City's Prosecuting Attorney continues to work with the judges and the court system staff to modify the court schedule calendar to something with fewer court appearances per month.

The Prosecutor has been beneficial in prosecuting expenditures related to the Police Department's participation in the Ramsey County Joint Domestic Abuse Prosecution Enhancement Project, which began in January 2015. The goal of the project is to hold Domestic Abuse offenders more accountable for their behavior. The project findings support a shift in the way the Police Department and the Prosecutor's office handle and investigate domestic violence cases. By implementing a more thorough investigation process, a higher number of cases go to trial or are resolved with QDVRO (Qualified Domestic Violation of Restraining Order offenses) than ever before. Prior to the project, on average, two domestic abuse cases went to a jury trial each year; however, since the implementation of the Domestic Abuse Prosecution Enhancement Project there are now closer to ten cases going to a jury trial each year.

Budget Summary:

This budget includes funding for an administrative hearing officer who works at City Hall to address minor motor vehicle and code violation issues through the City's Administrative fine process.

The prosecutor billing change from a monthly retainer fee and hourly fees for court responsibilities to a new comprehensive pricing structure negotiated in 2017 assists in stabilizing the Professional Services expenditures each year.

Measurable Workload Data:

Total payments to the legal firm for the past five years are below:

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018*</u> |
|------------|-------------|-------------|-------------|-------------|--------------|
| Prosecutor | \$148,002 | \$136,520 | \$142,965 | \$142,875 | \$105,735 |

*Partial year (January - August)

| | | | |
|--|-------------------------|--|----------------------------------|
| FUNCTION: General Government | FUND: General | DEPT. & DIV: Administration Legal Prosecution | ACCT. NO.: 1000 - 1041 |
|--|-------------------------|--|----------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6119 | Salaries - temp. employees | 600 | 420 | 900 | 900 | 900 |
| 6124 | FICA/Medicare | 46 | 32 | 70 | 70 | 70 |
| | Total Personal Services | 646 | 452 | 970 | 970 | 970 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 138,204 | 148,427 | 148,000 | 153,000 | 148,000 |
| | Total Other Services and Charges | 138,204 | 148,427 | 148,000 | 153,000 | 148,000 |
| | Total | 138,850 | 148,879 | 148,970 | 153,970 | 148,970 |
| | | | | | | |

Department: Animal Control 1118

Fund: General Fund 1000

Department Activities and Responsibilities:

The Animal Control Department records costs to provide response to animal related service calls, animal patrol, boarding, and any other special services related to animal control. In March 2018, the City's boarding provider stopped providing this service, beginning discussions on the most cost effective and efficient way to operate the service in a new environment. The City entered into a contract with Saint Paul Animal Control for boarding services but continued to evaluate options for reuniting pets and their owners. During 2018, the Department began a program to house the animal in a kennel at the station, while attempting to locate the owner through posts on Facebook social media. Staff cares for the animals for the first 24 hours, if the pet remains in custody after that time, the Department moves the animal to Saint Paul Animal Control and Impound. This new practice has helped reunite 95% of the pets received with their families sooner, and has cut down on boarding costs for both the owner and the City.

The Police Department continues to review policies related to animal control, assess the equipment needs and develop staff training to support the animal control function.

Budget Summary:

The Department continues to monitor the program to maintain a cost effective structure that offers convenience and efficiency in the process.

Goals:

1. Review and monitor animal control calls for service and department functions to ensure high service levels to community residents.
2. Monitor that all animals taken in or impounded at Saint Paul Animal Control are licensed and in compliance with the White Bear Lake Animal Ordinances.
3. Work with the Minnesota Animal Control Association and the National Animal Control Association to provide training to ensure staff handle animal control calls appropriately and humanely.
4. Expand communication with citizens to provide current animal control information and ordinances via the city newsletter, webpage, and WBLPD Facebook page, and post found animals on the Police Department Facebook Page.

Measurable Workload Data:

| | <u>2016 Actual</u> | <u>2017 Actual</u> | <u>2018 Budget</u> | <u>2019 Budget</u> |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Total number of animal control calls | 430 | 446 | 440 | 440 |

| FUNCTION: | | FUND: | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|---------------------------------|--------------|--------------|-------------|
| General Government | | General | Animal Control Public Safety | | 1000 - 1118 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6119 | Salaries - temp. employees | 9,699 | 10,195 | 10,300 | 11,400 | 14,542 |
| 6124 | FICA/Medicare | 742 | 780 | 790 | 875 | 1,113 |
| | Total Personal services | 10,441 | 10,975 | 11,090 | 12,275 | 15,655 |
| | SUPPLIES | | | | | |
| 6250 | Other supplies | 287 | | 750 | 650 | 750 |
| | Total Supplies | 287 | | 750 | 650 | 750 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6402 | Data processing | 1,414 | 1,433 | 1,600 | 1,600 | 1,600 |
| 6470 | Training & Subsistance | | | 600 | 200 | 600 |
| 6565 | Disposal fees | 1,466 | 1,615 | 2,400 | 2,000 | 2,400 |
| 6570 | Impound fees | 446 | 766 | 2,400 | 2,000 | 2,400 |
| | Total Other Services and Charges | 3,326 | 3,814 | 7,000 | 5,800 | 7,000 |
| | Total | 14,054 | 14,789 | 18,840 | 18,725 | 23,405 |

Department: Emergency Preparedness 1220

Fund: General Fund 1000

Department Activities and Responsibilities:

The Emergency Preparedness Department oversees the integration of emergency response within the City's Police, Fire, and Public Works Departments, as well as connecting these staff members with emergency response personnel from other governmental agencies. The City regularly reviews and tests its emergency operations plan through trial implementations. The Police Department manages the operation, maintenance and repair of the five notification sirens located within the City limits. These sirens alert the community of threatening weather or other dangerous situations.

This Department supports the Police Reserves program and the Citizen's Emergency Response Team (CERT) to assist with community events and provide added capacity in the event of an emergency. Though the Police Reserves unit has been in place for many years, the Citizen's Emergency Response Team (CERT) is a newer program. The CERT model began at the national level within the Department of Homeland Security branch of the Federal Emergency Management Agency to help communities organize a group of community members who are prepared to help emergency response teams address early stages of disaster situations until other jurisdictions send more assistance. Members of both groups appreciate the opportunity to serve, and the departments value the additional support in times of need.

Budget Summary:

The annual budgets fund operations to remain consistent with previous years' activities.

The Other Supplies account funds the purchase of backpacks and supplies for the CERT team. Frequently, local businesses donate money to cover the annual costs for this endeavor because they believe in the community benefit of the group. The department will continue to explore business grants or donations in future years to assist in covering the on-going costs of operations.

Capital Outlay:

The Municipal Building Fund, found in the Capital Projects Fund section of the document, provides funding for the replacement of one emergency warning siren each year if necessary.

Goals:

1. Test and monitor the emergency generator for efficiency on a monthly basis.
2. Annually review emergency response plans used by the department.
3. Host a Community Emergency Response Team (CERT) event to train another group of volunteers to assist in a disaster situation.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of Volunteer Hours | 1,802 | 1700 | 1800 | 1900 |
| CERT Team Activations | * | 0 | 2 | 2 |

*New item, count not available.

| | | | |
|-----------------------------------|-------------------------|--|----------------------------------|
| FUNCTION: Public Safety | FUND: General | DEPT. & DIV: Emergency Preparedness | ACCT. NO.: 1000 - 1220 |
|-----------------------------------|-------------------------|--|----------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6119 | Salaries-temp. employees | 1,950 | 1,950 | 2,000 | 2,000 | |
| 6124 | FICA/Medicare | 150 | 150 | 155 | 155 | |
| | Total Personal services | 2,100 | 2,100 | 2,155 | 2,155 | |
| | SUPPLIES | | | | | |
| 6220 | Equipment supplies | 232 | 10 | 300 | | 300 |
| 6250 | Other Supplies | 2,032 | 896 | 1,100 | 3,000 | 2,500 |
| 6272 | Motor fuels | | | 1,500 | | |
| 6290 | Uniforms | 882 | 1,118 | 2,000 | 500 | 2,000 |
| 6295 | Small tools | | | 750 | 700 | 750 |
| | Total Supplies | 3,146 | 2,024 | 5,650 | 4,200 | 5,550 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6422 | Electric | 3,353 | 3,454 | 3,500 | 3,500 | 3,500 |
| 6423 | Natural gas | 1,186 | 1,490 | 1,400 | 1,600 | 1,600 |
| 6434 | General Liab. insurance | 299 | 299 | 299 | 299 | 299 |
| 6445 | Postage | | | 100 | | 100 |
| 6450 | Outside printing | | | 50 | | 50 |
| 6460 | Subscriptions/Dues | 236 | 314 | 50 | | 50 |
| 6470 | Training | | | 700 | | |
| 6505 | Equipment maint. service | 100 | 1,824 | 3,000 | 3,000 | 3,000 |
| | Total Other Services and Charges | 5,174 | 7,381 | 9,099 | 8,399 | 8,599 |
| | Total | 10,420 | 11,505 | 16,904 | 14,754 | 14,149 |
| | | | | | | |

Department: Building and Code Enforcement 1080

Fund: General Fund 1000

Departmental Activities and Responsibilities:

The Building Department enforces the Minnesota State Building, Electrical, Mechanical and Plumbing codes. As part of the enforcement process, the Building Official and Building Inspectors review original project plan applications to verify compliance with the required codes and then grants the appropriate permits for the project. Once work begins on the new construction or remodeling projects, the inspectors examine the work at specific stages of development to insure code compliance in the work. While performing these duties, the staff works closely with the Fire Department to maintain compliance with fire and life safety codes in residential and commercial buildings.

The Rental Housing Specialist oversees the licensing and maintenance concerns of rental properties to ensure they meet the minimum standards for public health, safety and welfare under Chapter 502 of the City's Municipal Code. The standards apply to all buildings, whether rented in whole or part as a dwelling for persons other than the property owner's family. The code does not apply to Minnesota Department of Health licensed rest homes, convalescent care facilities, nursing homes, or hotels/motels.

The Code Enforcement Officer responsibilities concentrate on property-by-property inspections and response to citizen complaints. Inspections aim to ensure neighborhoods throughout the City receive maintenance according to standards set forth in the City's Municipal Code. Typical code violations relate to tall grass, inoperable vehicles stored outside, chipping paint on buildings, broken windows, unauthorized outside storage or trash, and brush piles.

In addition to performing these functions in our city, the department contracts services to the City of Mahtomedi to provide these services to their residents.

Budget Summary:

The Department continues to seek new ways to improve efficiencies in performing their work. This budget allocates funds to purchase electronic tablets to access their permit system database during field inspections. Not only will the inspectors be able to see data on the current inspection site, they will be able to update inspection results immediately upon the completion of each inspection, reduce open permit backlog list by verifying no permits are outstanding for current inspection sites, and check permit issuance for construction site addresses to prevent illegal construction activity. The budget for Cellular service expenditures rise with the addition of hot spot capabilities for the new tablet technology.

Training expenditures include a course to certify the Building Official in Stormwater Pollution Prevention Plans.

Capital Outlay:

The 2019 Equipment Acquisition Fund budget provides funding to purchase a replacement vehicle for the department.

Goals:

1. Continue to expand the building permit tracking software system to offer customers an easy way to access permit history online.
2. Increase code enforcement of the Rental Housing Ordinance. The intent is to keep rental properties in compliance with minimum housing standards to ensure safe housing in our neighborhoods.
3. Implement a plan to concentrate code enforcement in neighborhoods of high violation frequency and coordinate with program promoting home repair.

Department: Building and Code Enforcement 1080

Fund: General Fund 1000

Measurable Workload Data:

The following Performance Measurements contain only the City of White Bear Lake data.

| | 2016 Actual | 2017 Actual | 2018 Budget | 2019 Budget |
|--|----------------|----------------|----------------|----------------|
| Total Inspections for All Permits | 3,192 | 3,871 | 3,673 | 3,700 |
| Total Number of Permits Issued | 2,362 | 2,617 | 2,071 | 2,300 |
| Total Number of Permits Completed | 1,368 | 1,834 | 1,571 | 1,700 |
| Number of Certificate of Occupancies Issued | 34 | 33 | 33 | 30 |
| Number of Rental Inspections Performed | 258 | 276 | 212 | 240 |
| Total Permit Fees Collected | \$409,557 | \$451,615 | \$393,157 | \$430,000 |
| Total Plan Review Fees Collected | \$82,179 | \$89,001 | \$77,111 | \$83,000 |
| Total Rental Fees Collected | \$13,892 | \$10,204 | \$7,997 | \$10,700 |
| Total Value of Construction (in millions) | \$42,543 | \$39,985 | \$39,744 | \$39,000 |
| Number of New Single Family Dwelling Permits | 9 | 11 | 8 | 9 |
| Number of Town Homes Permits | 0 | 0 | 0 | 0 |
| Number of Apartment Permits | 1 | 0 | 0 | 0 |



Reader's Notes:

| FUNCTION: | | FUND: | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|--|--------------|--------------|-------------|
| General Government | | General | Administration Building & Code Compl. | | 1000 - 1080 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries-reg. employees | 314,986 | 347,208 | 392,420 | 396,311 | 409,596 |
| 6117 | Overtime - reg. employees | 138 | 69 | | | |
| 6122 | PERA | 23,635 | 26,046 | 29,435 | 29,723 | 30,720 |
| 6124 | FICA/Medicare | 23,065 | 25,591 | 30,020 | 30,318 | 31,334 |
| 6128 | Insurance contrib. | 27,420 | 34,960 | 36,710 | 36,710 | 38,600 |
| 6138 | Worker's compensation | 4,890 | 5,135 | 5,500 | 5,500 | 5,500 |
| 6148 | Other benefits | | 3,405 | 925 | 925 | 4,300 |
| | Total Personal Services | 394,134 | 442,414 | 495,010 | 499,487 | 520,050 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 295 | 1,046 | 1,000 | 1,000 | 1,000 |
| 6220 | Equipment supplies | 187 | 177 | 200 | 200 | 200 |
| 6230 | Vehicle supplies | 107 | 1,663 | 1,000 | 1,000 | 1,500 |
| 6250 | Other supplies | 18 | 95 | 100 | 100 | 100 |
| 6272 | Motor fuels | 3,833 | 4,502 | 4,000 | 5,800 | 5,200 |
| 6280 | Books & periodicals | 317 | 385 | 1,300 | 600 | 1,300 |
| 6290 | Uniforms | 103 | 494 | 200 | 100 | 200 |
| 6295 | Small tools | 47 | 263 | 500 | 500 | 2,700 |
| | Total Supplies | 4,907 | 8,625 | 8,300 | 9,300 | 12,200 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 32,502 | 15,011 | 30,100 | 30,100 | 30,100 |
| 6402 | Data processing | 30,014 | 30,522 | 33,480 | 32,280 | 34,500 |
| 6411 | Telephone | 1,863 | 1,691 | 600 | 940 | 1,320 |
| 6412 | Cellular | 726 | 1,795 | 1,670 | 2,070 | 2,490 |
| 6434 | General Liab. insurance | 3,165 | 3,165 | 3,165 | 3,165 | 3,165 |
| 6436 | Auto. Liab. insurance | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 |
| 6445 | Postage | 1,310 | 822 | 1,400 | 1,000 | 1,400 |
| 6449 | Inhouse printing | 20 | | 300 | 100 | 300 |
| 6450 | Outside printing | 610 | 383 | 350 | 150 | 400 |
| 6460 | Subscription/memberships | 50 | 80 | 310 | 150 | 360 |
| 6470 | Training | 3,336 | 3,622 | 3,380 | 3,380 | 4,260 |
| 6505 | Equipment maint. service | 393 | 685 | 2,000 | 1,000 | 1,500 |
| 6508 | Shop maint. service | 2,465 | | | | |
| 6510 | Vehicle maint. service | 93 | 437 | 600 | 300 | 600 |
| 6545 | Credit card fees | 9 | 17 | 50 | 25 | 25 |
| 6560 | Other contractual service | 117 | 155 | 140 | 1,840 | 140 |
| | Total Other Services and Charges | 78,336 | 60,048 | 79,208 | 78,163 | 82,223 |
| | Total | 477,377 | 511,087 | 582,518 | 586,950 | 614,473 |

Department: Public Works Facility 1300

Fund: General Fund 1000

Departmental Activities and Responsibilities:

The Public Works Facility department manages the costs of central supplies, utilities, and maintenance services for the Public Works Division's administrative building. The salary and benefits for the Public Works Superintendent and Administrative Clerk appear in this budget as all departments in the Public Works Division benefit from their expertise and responsibilities.

In the past, a monthly journal entry allocated expenditures for this department to the Streets, Parks, Garage, Water Distribution, Water Treatment, and Sewer Departments. This process allowed departments to fund their share of the expenditure burden; however, it did not provide a simple process of reviewing annual operating costs. To improve cost management measures, the 2018 Revised Budget includes the Public Works Facility as a new department in the General Fund. The Department funds the salaries for the Public Works Superintendent and Public Works Clerk that were previously part of the Streets, Parks and Garage budgets since they part of the General Fund and there is no budget impact. The portion of these salaries attributed to Water Distribution, Water Treatment and Sewer Departments continue as before.

Budget Summary:

The part-time temporary employee allocation for building maintenance and cleaning services in the 2018 Revised Budget changed to a contracted service company mid-year.

In the 2019 Budget, the department begins to pay a portion of the general liability and vehicle liability insurance costs related to this activity. Previously, the other departments mentioned above absorbed these costs.

Capital Outlay:

The Equipment Acquisition Fund in the Capital Projects Fund includes funding for a floor scrubber in 2019.

Goals:

1. Maintain a facility that supports the Public Work departments in their daily operations. .

| FUNCTION: | | FUND: | | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|-------------|--------------------------|--------------|-------------|--|
| Public Works | | General | | Public Works Facility | | 1000 - 1300 | |
| SUMMARY OF EXPENDITURES | | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET | |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ | |
| 6105 | Salaries - reg. employees | | | | 63,569 | 65,635 | |
| 6119 | Salaries - temp. employees | | | | 3,500 | | |
| 6122 | PERA | | | | 4,768 | 4,923 | |
| 6124 | FICA/Medicare | | | | 5,150 | 5,025 | |
| 6128 | Insurance contrib. | | | | 5,865 | 6,150 | |
| 6138 | Worker's compensation | | | | 2,120 | 2,120 | |
| 6148 | Other benefits | | | | 780 | 780 | |
| | Total Personal Services | | | | 85,752 | 84,633 | |
| | SUPPLIES | | | | | | |
| 6210 | Office supplies | | | | 1,200 | 1,200 | |
| 6220 | Equipment supplies | | | | 800 | 800 | |
| 6230 | Vehicle supplies | | | | 500 | 500 | |
| 6240 | Building supplies | | | | 6,200 | 6,200 | |
| 6250 | Other supplies | | | | 1,100 | 1,100 | |
| 6272 | Fuel | | | | 100 | 100 | |
| 6274 | Lubricants & additives | | | | 1,000 | 1,000 | |
| 6290 | Uniforms | | | | 1,200 | 1,200 | |
| 6295 | Small tools | | | | 900 | 900 | |
| | Total Supplies | | | | 13,000 | 13,000 | |
| | OTHER SERVICES & CHARGES | | | | | | |
| 6401 | Professional services | | | | 750 | 800 | |
| 6402 | Data processing | | | | 2,650 | 3,000 | |
| 6411 | Telephone | | | | 6,300 | 6,500 | |
| 6412 | Cellular | | | | 1,400 | 1,400 | |
| 6422 | Electric | | | | 24,000 | 25,000 | |
| 6423 | Natural gas | | | | 12,000 | 12,000 | |
| 6434 | General Liab. insurance | | | | | 4,000 | |
| 6436 | Vehicle Liab. insurance | | | | | 1,000 | |
| 6445 | Postage | | | | 350 | 400 | |
| 6460 | Subscription/memberships | | | | 500 | 500 | |
| 6470 | Training | | | | 800 | 800 | |
| 6505 | Equipment maint. service | | | | 1,000 | 1,000 | |
| 6515 | Building maint. service | | | | 22,500 | 22,500 | |
| 6525 | Electrical repair service | | | | 500 | 500 | |
| 6555 | Equipment rental | | | | 2,500 | 2,500 | |
| 6560 | Other contractual svc | | | | 4,800 | 6,300 | |
| | Total Other Services and Charges | | | | 80,050 | 88,200 | |
| | Total | | | | 178,802 | 185,833 | |
| | | | | | | | |

Department: Engineering 1300

Fund: General Fund 1000

Department Activities and Responsibilities:

The Engineering Department provides engineering design and construction administrative services for the City's infrastructure improvement projects to ensure continued, reliable service from the street, water, sanitary sewer, park systems and public buildings. Many of these infrastructure systems require long-term planning efforts for local projects, and projects undertaken by various partners including Ramsey and Washington County, neighboring municipalities and township, the Metropolitan Council and multiple State agencies. The Engineering Department focuses on maximizing the positive local impact of these long-term projects by active participation during planning phases.

In addition to the City's projects and working with other governmental agencies, the staff provides engineering review and assistance for projects proposed by property owners and developers, promotes a program for the City's surface water management, and supervises any consultant engineering services provided to a project. Improvement project budgets cover the costs of any engineering services related to the work.

The City Engineer leads this department and the City's public works operations and maintenance function as the Director of Public Works.

Budget Summary:

Change is a key theme in the Engineering Department this budget cycle. In recent years, the Engineering function operated as an Internal Service Fund. Ideally, this structure was set to provide an opportunity to evaluate the operational efficiency of the department to those of a privately owned consulting firm. Even though the department charged project fees similar to private businesses, it was difficult to compare each venture due to the variations of responsibilities between the two. Therefore, in the 2019 Budget presents a philosophical change by moving the Engineering Department back to the General Fund and recognizing the department as a component of the City's General Fund operations. The improvement projects will continue to support their respective engineering costs completed by the department through a transfer to the General Fund.

Second, a change in leadership occurs in September 2018, as the City Engineer/Director of Public Works retires after 30 years of service to the City. The City Engineer concludes his career working with two projects requiring him to draw on his years of experience and extensive knowledge in the position: the Sports Center renovation project and the street reconstruction project in the oldest part of White Bear Lake. A hiring process is in progress and with plans to fill the position shortly after the retirement.

The Engineering Department anticipates a street reconstruction program incorporating street mill and overlay activity and street reconstruction in 2019. The street reconstruction project finishes the work in the older part of White Bear Lake that began in 2018.

Goals:

1. Assist in Updating the Five-year Capital Improvement Program.
2. Initiate departmental data file as-built information data migration to computer data.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Miles of street reconstruction completed | 0.0 | .2 | 2.5 | 2.2 |
| Miles of mill and overlay completed | 3.6 | 4.5 | .7 | 1.5 |

| | | | |
|------------------|--------------|-----------------------------|------------------|
| FUNCTION: | FUND: | DEPT. & DIV: | ACCT. NO: |
| Public Works | General | Public Works Engineering | 1000 - 1310 |

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|-------------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | | | | | 508,956 |
| 6117 | Overtime - reg. employees | | | | | 11,000 |
| 6119 | Salaries-temp. employees | | | | | 15,000 |
| 6122 | PERA | | | | | 38,997 |
| 6124 | FICA/Medicare | | | | | 40,924 |
| 6128 | Insurance contrib. | | | | | 46,300 |
| 6138 | Worker's compensation | | | | | 7,000 |
| 6148 | Other benefits | | | | | 6,500 |
| | Total Personal Services | | | | | 674,677 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | | | | | 2,000 |
| 6220 | Equipment supplies | | | | | 900 |
| 6230 | Vehicle supplies | | | | | 1,500 |
| 6250 | Other supplies | | | | | 200 |
| 6272 | Motor fuels | | | | | 2,000 |
| 6280 | Books & Periodicals | | | | | 100 |
| 6290 | Uniforms | | | | | 250 |
| 6295 | Small tools | | | | | 1,500 |
| | Total Supplies | | | | | 8,450 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | | | | | 600 |
| 6402 | Data processing | | | | | 38,700 |
| 6411 | Telephone | | | | | 845 |
| 6412 | Cellular phone | | | | | 2,800 |
| 6434 | General Liab. insurance | | | | | 5,274 |
| 6436 | Vehicle Liab. insurance | | | | | 1,073 |
| 6445 | Postage | | | | | 2,400 |
| 6449 | Inhouse printing | | | | | 2,500 |
| 6450 | Outside printing | | | | | 400 |
| 6460 | Subscriptions/memberships | | | | | 475 |
| 6470 | Training | | | | | 7,800 |
| 6485 | Travel | | | | | 5,650 |
| 6505 | Equipment maint. service | | | | | 1,500 |
| 6510 | Vehicle repair service | | | | | 1,000 |
| 6560 | Other Contractual Service | | | | | 100 |
| | Total Other Services and Charges | | | | | 71,117 |
| | Total | | | | | 754,244 |
| | | | | | | |

Department: Central Garage 1320

Fund: General Fund 1000

Departmental Activities and Responsibilities:

The Central Garage offers a full service facility to manage preventive maintenance work, repairs, and record keeping for City's vehicle fleet and equipment.

Budget Activity:

Creation of the Public Works Facility department moves the salary and benefit costs associated with the Public Works Superintendent and Secretary out of this budget. The Personal Services section presented includes costs for only the Mechanic working in the department.

Determining the costs of supplies and other services for this budget remains a work in process since the operation model transferred from an Internal Service Fund to the General Fund in 2017. This budget allocates resources to purchase general parts or services not associated with a specific vehicle or equipment unit. All City departments now include budget allocations for parts or service related to units in their control, as those expenditures charge directly to each department. General Fund departments with assets serviced in the garage do not pay mechanic labor fees related to the repairs because the departments are in the same fund, Enterprise Fund department budgets contain an operating transfer to the General Fund to pay labor charges relating to their fleet since they are in separate funds.

The Equipment Rental expenditures added in the Revised 2018 Budget purchase Acetylene and Oxygen used to power the torches for cutting and heating the solder for welding in repair projects. Previously, all Public Works departments paid a portion of these costs in their budgets. Consolidating the costs in this department allows for improved cost review and management.

Capital Outlay:

The Equipment Acquisition Fund in the Capital Project Funds includes funding for an under body vehicle washer in 2018 and equipment scanning software and a hydraulic hose crimper in 2019.

Goals:

1. Continue to utilize the vehicle maintenance system to provide historical data for equipment evaluations.
2. Complete all City vehicle maintenance requests promptly to reduce down time for the operating departments.
3. Coordinate vehicle and equipment preventive maintenance work with all departments.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Vehicle and equipment repair projects | 160 | 169 | 170 | 170 |
| Oil changes and preventive maintenance projects | 174 | 176 | 180 | 180 |
| Department of Transportation safety inspections | 15 | 15 | 15 | 15 |

| FUNCTION: | | FUND: | DEPT. & DIV: | ACCT. NO: | | |
|-------------------------|-------------------------------------|-------------|--------------|--------------|--------------|-------------|
| Public Works | | General | Garage | 1000 - 1320 | | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | | 77,736 | 80,852 | 61,554 | 63,555 |
| 6117 | Overtime-reg. employees | | | 500 | 500 | 500 |
| 6122 | PERA | | 5,830 | 6,100 | 4,654 | 4,804 |
| 6124 | FICA/Medicare | | 5,720 | 6,225 | 4,747 | 4,900 |
| 6128 | Insurance contrib. | | 9,090 | 9,545 | 7,270 | 7,615 |
| 6138 | Worker's compensation | | 4,760 | 5,095 | 3,880 | 3,880 |
| 6148 | Other benefits | | 875 | 240 | 845 | 845 |
| | Total Personal Services | | 104,011 | 108,557 | 83,450 | 86,099 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | | 49 | 100 | 100 | 100 |
| 6220 | Equipment supplies | | 8,188 | 26,000 | 10,000 | 18,000 |
| 6230 | Vehicle supplies | | 2,603 | 12,000 | 6,000 | 8,000 |
| 6240 | Building supplies | | 1,033 | 900 | 1,000 | 1,000 |
| 6250 | Other supplies | | 399 | 1,200 | 1,000 | 1,000 |
| 6274 | Lubricants & additives | | 774 | 1,500 | 4,000 | 4,000 |
| 6290 | Uniforms & clothing | | 386 | 550 | 500 | 500 |
| 6295 | Small tools | | 1,325 | 3,100 | 2,500 | 3,200 |
| | Total Supplies | | 14,757 | 45,350 | 25,100 | 35,800 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | | 56 | 200 | 200 | 200 |
| 6422 | Electric | | 6,327 | 5,500 | 6,000 | 6,500 |
| 6423 | Natural gas | | 2,677 | 2,900 | 2,000 | 2,200 |
| 6434 | General liability insurance | | 2,920 | 2,920 | 2,920 | 2,920 |
| 6445 | Postage | | 16 | 50 | 50 | 50 |
| 6450 | Outside printing | | | 100 | 100 | 100 |
| 6460 | Subscriptions | | 1,523 | 100 | 100 | 100 |
| 6470 | Training | | 342 | 1,500 | 1,000 | 1,000 |
| 6505 | Equipment repair services | | | 5,000 | 2,000 | 5,500 |
| 6515 | Building maint. service | | 1,068 | 500 | | |
| 6555 | Equipment rental | | 1,491 | | 2,500 | 2,500 |
| 6560 | Contractual services | | 833 | 2,900 | 1,500 | 2,500 |
| | Total Other Services and Charges | | 17,253 | 21,670 | 18,370 | 23,570 |
| | Total | | 136,021 | 175,577 | 126,920 | 145,469 |

Department: Streets 1410

Fund: General Fund 1000

Department Activities and Responsibilities:

The Street Department provides maintenance to 86 miles of streets and alleys, 10 miles of trails, 40 miles of sidewalks, 21 parking lots, in excess of 500 signs, and all associated above ground infrastructure within the public right of way and other public spaces in the City. The maintenance activities include: street sweeping, curb repairs, pothole patching, storm sewer repairs, street surface repairs after watermain breaks and Citywide tree trimming.

The City maintains a Pavement Management Program (PMP) to coordinate the maintenance, rehabilitation and reconstruction of the City's pavement infrastructure. It is essential to follow the program to keep annual expenditures manageable and provide a longer lifespan for the road system. Inspection and minor routine maintenance minimizes problems when damage occurs, timely repairs prevent damage from deteriorating into more severe problems that become more expensive to replace. The City's Pavement Management Program consists of a range of techniques including patching, crack sealing, sealcoating, milling and overlaying, and total reconstruction.

The initial stage of pavement maintenance begins with crack sealing to prevent moisture from infiltrating the pavement, which weakens the structural subsurface layers of the road and causes pavement deterioration. After this procedure, a seal coating of asphalt and fine aggregate tops the entire road surface to protect the pavement from damage. This work prolongs the life of a pavement that is structurally sound but beginning to age and show some surface distress. The City's plan provides for crack sealing and seal coating of a street every five to seven years.

The second stage of pavement maintenance involves milling the top 2 inches of asphalt off the existing road surface. This process removes the damaged road layer and then applies a new layer of asphalt, creating a smooth, even driving surface, which extends the overall life of the road. The City's plan provides for a mill and overlay process in the 20th – 25th year of the street's life cycle. With this strategy, each road receives approximately three sealcoating cycles before a more extensive rehabilitation process is required. Following the mill and overlay guidelines in the PMP is essential because allowing too much time between cycles provides an opportunity for more damage to occur, which can remove this technique as a repair option and escalates the road repairs to reconstruction status and costs. Though the mill and overlay process is a newer technique to the City, it is something that will become a long-term method to maintain the streets that have already been constructed to current engineering standards.

The final stage in pavement maintenance involves completely removing and replacing the roadway pavement and base layers. Street reconstruction projects also include repairs to underground utility infrastructure. These projects are more extensive and expensive than the other repair stages and typically include new concrete curb and gutter. Financing for these projects include a combination of City funding, Municipal State Aid allocations and special assessments to benefitting property owners. The City's plan provides for reconstructing streets at roughly the 50th year in the street's life cycle.

In years when the interest earnings were very high, the City was able to pay a larger portion of the street reconstruction expenditures with the interest revenues. However, in the past 10 years, the decline in interest revenue after the economic slow-down has had a significant impact on the City's available revenues. As the City continues to implement the pavement management plan, it will be important to continue review of alternative revenue sources.

The Street Department also cleans and maintains street and highway medians in the City to preserve their appearance throughout the year. This work often extends to State and County highways through the City because, while these highways are not the City's responsibility, their appearance has a direct reflection on the City.

Department: Streets 1410

Fund: General Fund 1000

Budget Activity:

Recent changes to the re-classification of the Central Garage Fund and the Engineering Fund from the Internal Service Funds to the General Fund and the creation of the Public Works Facility budget present the greatest changes in the Street Department's operating expenditures. The rise in supply costs for equipment and vehicles demonstrate the change, as these repair expenditures are now charged directly to departments instead of including these costs in an internal shop charge from the Garage. The elimination of building related expenditures from this budget reflect the new philosophy of grouping the amounts in the Public Works Facility budget rather than dividing the expenditures between all Public Works Departments. Finally, the Professional Services allocations decrease in the 2019 Budget with the removal of the internal engineering fees offered to department operations.

In 2014, the City worked with the Minnesota Department of Transportation to resurface Highway 61 and upgrade the road's median, as it is the main road through much of the City and downtown area. Even though the road is not City property, preserving the lighting, landscaping, decorative concrete and monuments in the median is a high priority as this area is a main focal point for residents and visitors. The Contracted Services budget allocates funding for City staff to work with contractors to provide mowing, plant maintenance, weeding, and irrigation systems. Initially, estimating these costs was difficult to predict; however, as staff continues to create a comprehensive maintenance schedule based on experience, the annual costs are easier to calculate. The 2018 Revised Budget for Contracted Services account includes annual costs of approximately 63,000 for the maintenance efforts; staff believes this amount should remain consistent in future years. Additional expenditure allocations for 2018 purchase plant replacements omitted in previous years and the effects of a tough winter season last year.

Heavy snowfall into April 2018 influenced the Measurable Workload Data for the year.

Capital Outlay:

A detailed list of equipment purchases for this department is included in the Equipment Acquisition Fund, which is part of the Capital Projects Funds section of this budget document.

Goals:

1. Emphasize maintenance and improved appearance of public right-of-ways within the City.
2. Increase frequency of street sweeping to effectively reduce pollutants from entering City's surface water bodies and support the City's Storm Water Pollution Prevention Program.
3. Conduct tree trimming to improve visibility on city streets and sidewalks.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Tons of Debris Swept | 1,632 | 1,949 | 1,650 | 1,900 |
| Miles of Streets Swept | 567 | 657 | 550 | 650 |
| Tons of Asphalt used for street patching | 299 | 480 | 260 | 450 |
| Man Hours Spent Tree Trimming | 276 | 501 | 900 | 500 |



Reader's Notes:

| FUNCTION: | | FUND: | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|-------------------------|--------------|--------------|-------------|
| Public Works | | General | Public Works Streets | | 1000 - 1410 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries - reg. employees | 224,750 | 233,214 | 210,753 | 209,855 | 206,092 |
| 6117 | Overtime - reg. employees | 1,781 | 700 | 3,000 | 2,750 | 3,090 |
| 6119 | Salaries - temp. employees | 11,097 | 9,236 | 15,350 | 15,000 | 15,350 |
| 6120 | Overtime - temp. employees | | | 600 | 600 | 600 |
| 6122 | PERA | 16,990 | 17,544 | 16,035 | 15,945 | 15,689 |
| 6124 | FICA/Medicare | 17,697 | 18,177 | 17,575 | 17,460 | 17,223 |
| 6128 | Insurance contrib. | 23,033 | 29,365 | 30,835 | 30,400 | 32,045 |
| 6138 | Worker's compensation | 18,000 | 18,900 | 20,225 | 17,962 | 19,890 |
| 6148 | Other benefits | 1,414 | 2,400 | 650 | 650 | 2,820 |
| | Total Personal Services | 314,762 | 329,536 | 315,023 | 310,622 | 312,799 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 276 | 147 | 500 | 250 | 250 |
| 6220 | Equipment supplies | 6,029 | 16,178 | 8,200 | 12,000 | 10,000 |
| 6230 | Vehicle supplies | 1,094 | 2,637 | 2,600 | 7,000 | 5,000 |
| 6240 | Building supplies | 2,528 | 1,374 | 2,000 | | |
| 6250 | Other supplies | 555 | 573 | 4,000 | 3,000 | 3,000 |
| 6253 | Street materials | 19,337 | 23,585 | 24,000 | 24,000 | 24,000 |
| 6254 | Signs & stripping materials | 6,937 | 13,896 | 10,000 | 10,000 | 10,000 |
| 6272 | Motor fuels | 11,664 | 11,749 | 15,000 | 19,400 | 19,400 |
| 6274 | Lubricants & additives | 600 | 760 | 1,000 | | |
| 6290 | Uniforms | 1,408 | 2,250 | 1,600 | 2,000 | 2,000 |
| 6295 | Small tools | 2,285 | 1,477 | 2,100 | 2,100 | 2,100 |
| | Total Supplies | 52,713 | 74,626 | 71,000 | 79,750 | 75,750 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 27,266 | 28,207 | 29,500 | 29,500 | 500 |
| 6402 | Data processing | 3,962 | 4,538 | 4,750 | 4,750 | 5,000 |
| 6411 | Telephone | 812 | 1,251 | 500 | 500 | 500 |
| 6412 | Cellular | 188 | 581 | 600 | 600 | 600 |
| 6422 | Electric | 1,865 | 1,582 | 1,600 | 700 | 800 |
| 6423 | Natural gas | 1,096 | 669 | 1,100 | 600 | 800 |
| 6434 | General Liab. insurance | 17,340 | 17,340 | 17,340 | 17,340 | 17,340 |
| 6436 | Vehicle Liab. insurance | 3,532 | 3,532 | 3,532 | 3,532 | 3,532 |
| 6445 | Postage | 80 | 47 | 100 | 100 | 100 |
| 6450 | Outside printing | 230 | | 150 | 150 | 150 |
| 6460 | Subscription/memberships | 137 | 218 | 200 | | |
| 6470 | Training | 359 | 1,270 | 2,800 | 2,800 | 2,800 |
| 6492 | Advertising | 62 | | 100 | | |
| 6505 | Equipment maint. service | 8,401 | 7,300 | 6,855 | 6,000 | 6,855 |
| 6508 | Shop maint. service | 44,449 | | | | |
| 6510 | Vehicle maint. service | 18,312 | 4,226 | 3,200 | 5,000 | 5,000 |
| 6515 | Building maint. service | 4,148 | 3,205 | 4,000 | | |
| 6555 | Equipment rental | 544 | 621 | 500 | 500 | 500 |
| 6560 | Other contractual svc | 39,290 | 66,417 | 59,500 | 98,600 | 98,000 |
| | Total Other Services and Charges | 172,073 | 141,004 | 136,327 | 170,672 | 142,477 |
| | Total | 539,548 | 545,166 | 522,350 | 561,044 | 531,026 |
| | | | | | | |

Department: Snow and Ice Removal 1420

Fund: General Fund 1000

Department Activities and Responsibilities:

This department manages the costs associated with snow removal and ice control activities on City streets, alleys, parking lots, sidewalks and trails.

Per City policies, snow removal activities begin when the area receives snow accumulation of three or more inches of snow or supervisors deem the operations necessary due to drifting snow or icy street conditions. The department estimates removal of approximately 54 inches of snow during the season when creating this budget. Within this annual snowfall total, the calculations anticipate the area receiving four snowstorms producing over 6 inches of snow. Storms of this magnitude significantly increase removal costs for clearing snow out of public areas. The accumulation and timing of snowfalls cause significant fluctuations in the actual expenditures for employee overtime pay and contracted snow removal services. The department attempts to minimize overtime costs by adjusting employees' schedules when removal work will occur at times outside of regular working hours. In addition to this practice, during Spring months each year the City does not clear snow if the forecast predicts sunshine and warmer temperatures after the snowfall which helps reduce unnecessary employee overtime hours and equipment usage.

Budget Summary:

High snowfall levels during the beginning of 2018 greatly affected the budget for this department. As stated above, the budget expenditure estimates anticipate 54 inches of snow fall per year. During the first four months of 2018, 73 inches of snow actually fell. This unexpected weather caused increases in the employee expenses, fuel and contracted services. Vehicle repair expenditures rose above original estimates with the additional work of clearing more snow.

The department now has experience with over a year of activity with the City's central garage function operating as a component of the General Fund. This change simplified the fleet service activities by charging individual departments the direct costs of supplies and services used to repair their vehicles and equipment. The department no longer pays staff mechanic fees since both departments are part of the General Fund.

The debate of how to treat roads and address icy surface conditions continues to be an important discussion between department members and the greater Public Works community throughout the state. Within the City, each road receives different pre-treatment work and clearing activities based on the usage of the street and predicted weather forecasts. Currently, the department applies salt to roads to prevent dangerous conditions. However, in recent years, the department tested the application of a pre-treatment brine solution to some high volume streets to see if the mixture would minimize icy adhesion to roadway surfaces, assist in removing accumulations faster and return the road to clear pavement quicker and easier than the salt application. The department learned that the science and timing of application is very important to have the brine solution provide the best results. After their review, the department determined the practice is too expensive for our City to implement universally now because our trucks need new equipment to apply the mixture. The current budget funds salt purchases in the Other Supplies account but staff continues to investigate other options for improved service and cost savings. Salt expenditures fluctuate each budget cycle. Staff cannot place orders on an "as needed" basis during the year; rather the vendor requires the order be submitted in July of the current year and is based on the usage during the past year. Thoughtful planning goes into the quantity of each order to ensure a balance between the potential need of the community and the cost.

Since 2007, all new plow trucks purchased by the City have included "belly plows", which are located on the bottom of the truck. The department finds these plows very effective in certain conditions because they can scrape the road surface down to bare pavement easier and reduce the salt application to treat the road surface.

Department: Snow and Ice Removal 1420

Fund: General Fund 1000

Capital Outlay:

The Equipment Acquisition Fund, which is part of the Capital Project Funds section of the budget, details the 2018 and 2019 capital purchases for this department. After much consideration and discussion over multiple years, the 2018 Revised Budget adds a sidewalk plow. During the timeframe, conversations focused on reviewing current equipment and projects to confirm this purchase offers the best option to meet multiple needs within the departments. Though employees chose to pass on the purchase in a previous budget, they decided to forego the purchase of the mini loader originally funded in the 2018 budget and buy the sidewalk plow.

Goals:

1. Provide snowplowing services to allow safe travel conditions for motorists and pedestrians.
2. Prevent snowplow related accidents by maintaining a trained workforce.
3. Clear all plow-able areas efficiently and effectively after snow events.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Seasonal Snowfall in Inches | 35.25 | 19.75 | 78 | 54 |
| Snow plow events outside regular working hours | 5 | 1 | 7 | 4 |
| Road salt de-icing/anti-caking usage per ton | 297 | 484 | 650 | 475 |
| Annual road salt cost | \$21,256 | \$14,714 | \$36,975 | \$29,000 |
| Snow plow sessions needing Cul-De-Sac plowing | 11 | 6 | 18 | 10 |



Reader's Notes:

| FUNCTION: | | FUND: | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|------------------------------|--------------|--------------|-------------|
| Public Works | | General | Public Works Snow Removal | | 1000 - 1420 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 8,657 | 8,866 | 51,300 | 51,300 | 52,840 |
| 6117 | Overtime - reg. employees | 14,779 | 5,273 | 15,500 | 40,000 | 20,000 |
| 6122 | PERA | 1,758 | 1,060 | 5,010 | 6,900 | 5,500 |
| 6124 | FICA/Medicare | 1,759 | 1,048 | 5,110 | 7,000 | 5,600 |
| 6128 | Insurance contrib. | 5,438 | 6,940 | 7,290 | 7,290 | 7,650 |
| 6138 | Worker's compensation | 5,000 | 5,250 | 5,620 | 5,620 | 5,620 |
| 6148 | Other benefits | | 720 | 200 | 200 | 1,000 |
| | Total Personal Services | 37,391 | 29,157 | 90,030 | 118,310 | 98,210 |
| | SUPPLIES | | | | | |
| 6220 | Equipment supplies | 7,395 | 4,683 | 7,000 | 14,000 | 10,000 |
| 6230 | Vehicle supplies | 584 | 216 | 1,700 | 1,700 | 1,700 |
| 6250 | Other supplies | 44,926 | 24,894 | 51,500 | 43,250 | 65,000 |
| 6272 | Motor fuels | 15,011 | 19,473 | 14,000 | 26,000 | 20,000 |
| 6274 | Lubricants & additives | | | 250 | 1,250 | 1,000 |
| 6295 | Small tools | | | 300 | 300 | 300 |
| | Total Supplies | 67,916 | 49,266 | 74,750 | 86,500 | 98,000 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 8,600 | 8,897 | 9,200 | 9,200 | |
| 6434 | General Liab. insurance | 4,125 | 4,125 | 4,125 | 4,125 | 4,125 |
| 6436 | Vehicle Liab. insurance | 843 | 843 | 843 | 843 | 843 |
| 6450 | Outside printing | | | 250 | 250 | 250 |
| 6470 | Training | 195 | | 600 | 600 | 600 |
| 6505 | Equipment maint. service | 1,420 | 1,657 | 2,900 | 2,900 | 2,900 |
| 6508 | Shop maint. service | 7,480 | | | | |
| 6510 | Vehicle maint. service | | | 2,500 | 8,000 | 3,000 |
| 6560 | Other contractual svc | 14,401 | 13,444 | 25,000 | 50,000 | 26,000 |
| | Total Other Services and Charges | 37,064 | 28,966 | 45,418 | 75,918 | 37,718 |
| | Total | 142,371 | 107,389 | 210,198 | 280,728 | 233,928 |
| | | | | | | |

Department: Street Lighting and Signal Operation 1430

Fund: General Fund 1000

Department Activities and Responsibilities:

This department accounts for the operating activities and maintenance costs related to 975 decorative streetlights and 24 signalized intersections in the City.

The City does not operate any traffic signals within its boundaries; however, there are 24 signal systems operated by either Minnesota Department of Transportation (MNDOT) or Ramsey County, which intersect a city street. The City shares in the costs associated with the operation and maintenance of these systems. The actual cost is a percentage based on the number of city street legs of the intersection. All intersection traffic signal systems utilize light emitting diode (LED) light sources to save energy, reduce monthly electrical costs, require minimal maintenance and increase visibility for drivers. The City pays all costs related to the operation and maintenance of the Emergency Vehicle Preemption (EVP) devices on the signal systems. This department budget allocates funds to pay the electricity usage for all other cobra-type intersection lighting within the City, while Xcel Energy pays maintenance fees for these units.

The City operates and maintains decorative streetlights for the downtown area, along Lake Avenue and in the median of County Road 96. Currently, the downtown lighting system consists of two different light units, one is an aging wooden carriage style light and the other is a newer acorn style light. The top sections of both styles are subject to damage from the sun and weather, which allows water to get in and corrode the hardware. In 2017, the department began budgeting for maintenance to these lighting units to ensure timely repairs meet safety and visibility needs. Replacement of the carriage style lights will occur with the reconstruction of downtown streets and redevelopment. LED light sources are not included in the budget calculations but the department is reviewing options to convert current light poles to the technology.

This department also contains the costs to support the seasonal holiday lighting in the downtown area. LED lighting replaces any worn out strands for great efficiency.

Budget Summary:

The increase in Other Supplies expenditure budget allocates funds for the replacement of broken decorative streetlight ballasts and globes. This work and painting of the poles will keep the structures in good condition and prevent issues that are more extensive.

The 2019 Budget eliminates the Professional Service charge for engineering services now that the Engineering Fund is a component of the General Fund operations.

Goals:

1. Prioritize replacement of timeworn light poles to maintain safe levels of street lighting.
2. Determine best method to restore faded decorative light poles.
3. Replace wooden street poles to improve appearance and consistency in the downtown area.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of repair calls for downtown streetlights | 15 | 7 | 9 | 9 |
| Number of decorative street light poles painted | 3 | 10 | 0 | 0 |
| Number of light poles or fixtures replaced | 9 | 4 | 8 | 8 |

| | | | |
|----------------------------------|-------------------------|--|---------------------------------|
| FUNCTION: Public Works | FUND: General | DEPT. & DIV: Public Works : Street Lighting/Signal Operations | ACCT. NO: 1000 - 1430 |
|----------------------------------|-------------------------|--|---------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 8,497 | 7,155 | 7,400 | 7,400 | 7,600 |
| 6122 | PERA | 638 | 537 | 555 | 555 | 570 |
| 6124 | FICA/Medicare | 657 | 547 | 570 | 570 | 580 |
| 6128 | Insurance contrib. | 548 | 700 | 735 | 735 | 775 |
| 6138 | Worker's compensation | 425 | 445 | 475 | 475 | 475 |
| | Total Personal Services | 10,765 | 9,384 | 9,735 | 9,735 | 10,000 |
| | SUPPLIES | | | | | |
| 6220 | Equipment supplies | 1,281 | 1,405 | 2,100 | 1,700 | 2,100 |
| 6250 | Other supplies | 2,490 | 4,468 | 8,400 | 15,500 | 11,000 |
| | Total Supplies | 3,771 | 5,873 | 10,500 | 17,200 | 13,100 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 9,225 | 9,497 | 10,000 | 10,000 | |
| 6422 | Electric | 11,929 | 12,007 | 12,000 | 12,000 | 13,000 |
| 6505 | Equipment maint. services | | | 7,000 | 7,000 | 7,000 |
| 6525 | Electrical maint. services | 10,942 | (762) | 7,800 | 10,000 | 10,000 |
| 6555 | Equipment rental | | | 800 | | |
| 6560 | Other contractual services | 132,754 | 134,162 | 138,000 | 136,000 | 138,000 |
| | Total Other Services and Charges | 164,850 | 154,904 | 175,600 | 175,000 | 168,000 |
| | Total | 179,386 | 170,161 | 195,835 | 201,935 | 191,100 |

Department: Parks 1510

Fund: General Fund 1000

Department Activities and Responsibilities:

The Parks Department maintains downtown boulevards, park facilities, and 160+ acres of parkland in their daily operations. The on-going weekly duties of mowing grass, trimming vegetation, removing trash, general cleaning, and maintaining rest room facilities balance around seasonal tasks to maintain playground equipment, rental boat buoys, rental boat skids and outdoor skating rinks. The department's expertise in plant and ground care assists them in maintenance tasks around the City's two fire stations, the police station, and City Hall.

The Park Improvement Fund has supported significant building and other improvements in the City's parks over the years. While these improvements offer great accommodations for the City's residents to enjoy, they require regular maintenance and repair to meet use demand and ensure their long-term presence. Department employees strive to keep the park areas clean through daily cleanings and weekend inspections at heavily used facilities to ensure these areas stay welcoming through high traffic times.

Park vandalism and repair costs remain a challenge for the department. To address these issues, the Parks Department and Police Department collaborate to add extra presence in park areas using Police Department Community Service Officers (CSOs) and Reserve Officers. Though their presence does not eliminate the vandalism, it helps deter vandals from damaging property at times when others might not be in the area using the accommodations.

Budget Summary:

As detailed above, the responsibilities performed by department employees each year continue to expand through park improvement projects. In recent years, the department strived to determine the best staffing model with a mix of full-time and temporary employees to meet the workload demand. During 2018, staffing changes prompted a workload distribution analysis, which recognized the need for more centralized facility management within the Public Works department and the City as a whole. To fill the open positions and meet this need, the funding for a full-time Maintenance II position transformed to a new capacity by creating a Parks and Facilities Superintendent position. In this new capacity, the Superintendent will provide a high level of leadership to the Parks Department and coordinate the maintenance between all city facilities to improve efficiency in service.

The decrease in the 2019 Budget for Professional Services expenditures is the result of the Engineering Fund becoming a component of the General Fund operations.

The department now has over a year of working with the City's Central Garage operating as a component of the General Fund's operations. The accounting classification change simplified service of vehicles and equipment and allows easier analysis of the work done by the mechanic for the department. Invoices for supplies and services for the Parks Department are included in the budget; however, no labor changes apply to the repair since both departments are in the General Fund.

In the 2019 Budget for Contracted Services, funding for a program to address the Emerald Ash Borer (EAB) invasive species in street boulevard trees joins allocations for the routine treatment or removal of diseased vegetation or swimmer's itch. The 2019 tax levy includes \$25,000 for this initiative. These expenditures begin the program but do not cover all costs. The Park Improvement Fund adds an additional \$23,000 to meet the annual costs to cover 1/3 of the street boulevard trees in the City. The next two budgets cycles will also include this total amount to complete work on the street boulevard trees. The costs included here only relate to treatment of the disease and do not address any removal or replacement tree costs. Since there are fewer ash trees in City parks, the EAB treatment covers all trees every three years at the cost of \$16,000, with the next treatment needed in 2021. These topics open the conversation of implementing an urban tree management program to ensure our community will enjoy the benefits of trees through proper techniques and management practices.

Department: Parks 1510

Fund: General Fund 1000

Capital Outlay:

The Park Improvement Fund in the Capital Project Fund section of this budget details amount allocated for individual park renovation and improvement projects. The Equipment Acquisition Fund, also in the Capital Project Fund section, provides funding for the equipment needs of the department. The main items included in the equipment requests are a large mower for park maintenance and the replacement of two aging pickup trucks.

Goals:

1. Continue the park patrol program for public safety and reduce vandalism in our parks.
2. Promote public awareness of park facility availability.
3. Improve methods used to care for turf, trees and shrubs on public property.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Hours Spent Mowing for the Season | 1,631 | 1,646 | 1,000 | 1,000 |
| Number of Park Reservations | 240 | 311 | 350 | 350 |
| Number of Tree Inspections Performed | 53 | 54 | 75 | 75 |
| Man Hours Spent Tree Trimming | 349 | 235 | 305 | 300 |
| Number of Special Events Supported | 38 | 70 | 55 | 60 |



Reader's Notes:

| FUNCTION: | | FUND: | | DEPT. & DIV: | | ACCT. NO: |
|-------------------------|-------------------------------------|-------------|-------------|-----------------------|--------------|-------------|
| Public Works | | General | | Public Works Parks | | 1000 - 1510 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries - reg. employees | 294,496 | 304,196 | 351,717 | 301,194 | 362,687 |
| 6117 | Overtime - reg. employees | 9,790 | 6,880 | 10,000 | 10,000 | 10,000 |
| 6119 | Salaries - temp. employees | 36,648 | 53,774 | 29,535 | 39,745 | 39,745 |
| 6122 | PERA | 23,395 | 23,737 | 27,660 | 23,340 | 27,955 |
| 6124 | FICA/Medicare | 25,420 | 27,103 | 29,930 | 26,850 | 31,555 |
| 6128 | Insurance contrib. | 29,614 | 37,760 | 39,650 | 36,495 | 38,290 |
| 6138 | Worker's compensation | 18,000 | 18,900 | 20,225 | 19,580 | 19,655 |
| 6148 | Other benefits | 2,828 | 3,300 | 910 | 910 | 3,865 |
| | Total Personal Services | 440,191 | 475,650 | 509,627 | 458,114 | 533,752 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 327 | 194 | 375 | 375 | 375 |
| 6220 | Equipment supplies | 7,423 | 12,499 | 7,300 | 10,000 | 9,000 |
| 6230 | Vehicle supplies | 4,084 | 2,922 | 3,500 | 3,500 | 3,500 |
| 6240 | Building supplies | 7,883 | 12,062 | 11,500 | 11,500 | 11,500 |
| 6250 | Other supplies | 6,141 | 4,672 | 9,400 | 7,000 | 7,000 |
| 6255 | Landscaping supplies | 4,962 | 9,315 | 11,400 | 15,400 | 15,400 |
| 6272 | Motor fuels | 7,708 | 7,690 | 9,000 | 16,600 | 16,600 |
| 6274 | Lubricants & additives | 400 | 564 | 660 | 660 | 660 |
| 6280 | Books & periodicals | | | 100 | 100 | 100 |
| 6290 | Uniforms | 2,571 | 3,674 | 3,000 | 3,500 | 3,500 |
| 6295 | Small tools | 2,369 | 1,869 | 5,000 | 5,000 | 5,000 |
| | Total Supplies | 43,868 | 55,461 | 61,235 | 73,635 | 72,635 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 25,639 | 26,309 | 27,325 | 27,350 | 350 |
| 6411 | Telephone | 970 | 1,558 | 650 | 650 | 650 |
| 6412 | Cellular phone | 465 | 282 | 600 | 2,000 | 2,000 |
| 6422 | Electric | 22,781 | 29,017 | 24,000 | 29,000 | 29,000 |
| 6423 | Natural gas | 3,017 | 3,987 | 3,000 | 4,000 | 4,000 |
| 6434 | General Liab. insurance | 12,148 | 12,148 | 12,148 | 12,148 | 12,148 |
| 6436 | Vehicle Liab. insurance | 2,690 | 2,690 | 2,690 | 2,690 | 2,690 |
| 6450 | Outside printing | 374 | 179 | 400 | 400 | 400 |
| 6460 | Subscription/memberships | 102 | 163 | 500 | 500 | 500 |
| 6470 | Training | 664 | 1,698 | 3,100 | 3,100 | 2,500 |
| 6492 | Advertising | 62 | 199 | | 200 | |
| 6505 | Equipment maint. service | 4,053 | 5,315 | 10,600 | 8,500 | 8,500 |
| 6508 | Shop maint. service | 20,413 | | | | |
| 6510 | Vehicle maint. service | 3,288 | 6,276 | 7,000 | 5,000 | 7,000 |
| 6515 | Building maint. service | 3,859 | 7,798 | 4,500 | 4,500 | 4,500 |
| 6525 | Electrical maint. service | 6,655 | 375 | 1,500 | 1,500 | 1,500 |
| 6540 | Vandalism | 3,135 | 4,584 | 3,200 | 5,000 | 5,000 |
| 6555 | Equipment rental | 2,490 | 1,492 | 3,000 | 3,000 | 3,000 |
| 6560 | Other contractual svc | 15,548 | 10,381 | 17,500 | 17,500 | 42,500 |
| | Total Other Services and Charges | 128,353 | 114,451 | 121,713 | 127,038 | 126,238 |
| | CAPITAL OUTLAY | | | | | |
| 7140 | Equipment | 692 | | | | |
| | Total Capital Outlay | 692 | | | | |
| | Total | 613,104 | 645,562 | 692,575 | 658,787 | 732,625 |

Department: General Services and Contingency 1610

Fund: General Fund 1000

Department Activities and Responsibilities:

The General Services budget includes expenditures not allocated to a specific General Fund department budget and transfers to other funds for specific purposes.

Budget Summary:

The General and Emergency appropriations are available to provide funding for expenditures that are specific to the General Fund, but are not allocable to a specific department.

The City budgets costs to participate in the White Bear Lake Conservation District in this category. The District currently emphasizes management of problems caused by the spread of Eurasian Water Milfoil within White Bear Lake. In 2014, the invasive species zebra mussel appeared in White Bear Lake. It is unknown if any additional funding to address the invasive species will be required.

In 2012, the City owned Community Counseling Center merged with Northeast Youth and Family Services (NYFS) to provide youth and family counseling options to residents. This organization receives support from area cities to uphold its mission and provide a cost savings strategy, which addresses these needs for each participating authority.

In 2018, the City collaborated with other local organizations to provide a senior transportation option for area residents.

Transfers:

The Armory transfer each year provides funding to maintain a positive fund balance and prevent a possible revenue shortfall.

| | | |
|--------------------------------------|--|----------------------------------|
| FUNCTION: Non Departmental | DEPT. & DIV: General Services - Contingency | ACCT. NO.: 1000 - 1610 |
|--------------------------------------|--|----------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-----------------------------------|-------------|-------------|--------------|--------------|-------------|
| | General Services | \$ | | \$ | \$ | \$ |
| 6148 | General | | | 14,220 | | 14,220 |
| 6560 | Lake Conservation District | 35,205 | 34,777 | 34,780 | | 30,000 |
| 6560 | Northeast Youth & Family Services | 49,293 | 39,029 | 39,575 | 39,575 | 42,000 |
| 6560 | Senior Bus | | | | 3,750 | 7,500 |
| 6560 | Emergency appropriations | | | 15,500 | | 15,500 |
| | Total Contingency | 84,498 | 73,806 | 104,075 | 43,325 | 109,220 |
| 7605 | TRANSFERS TO OTHER FUNDS | | | | | |
| | Armory operations | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| | Total Transfers | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| | Total | 114,498 | 98,806 | 129,075 | 68,325 | 134,220 |



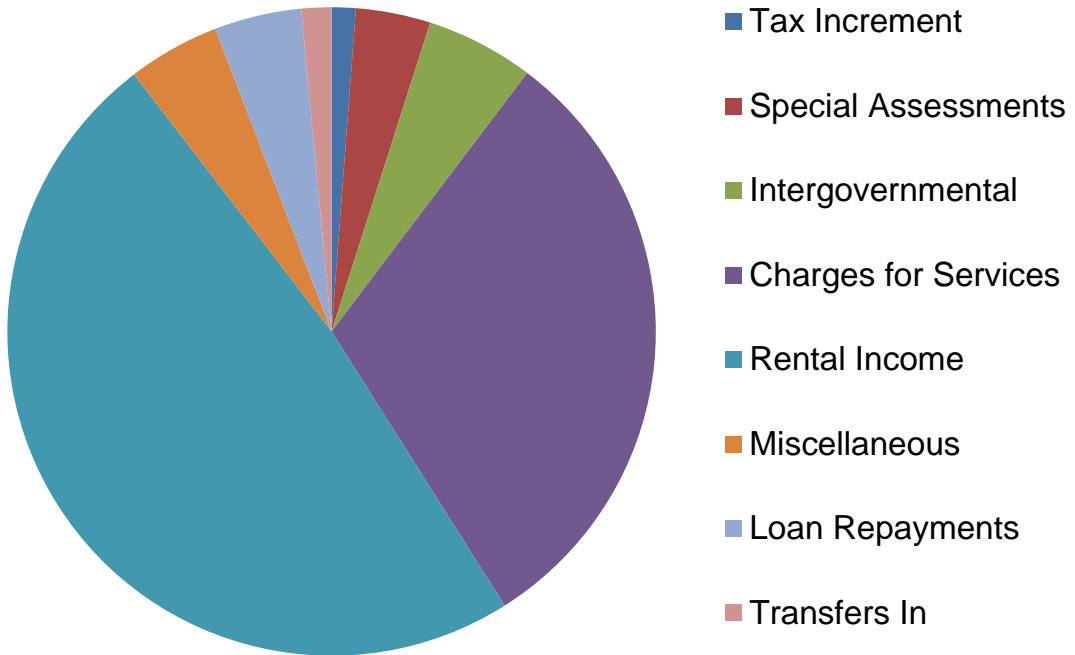
Reader's Notes:

**COMPARATIVE ANALYSIS OF FUND BALANCE
SPECIAL REVENUES FUNDS**

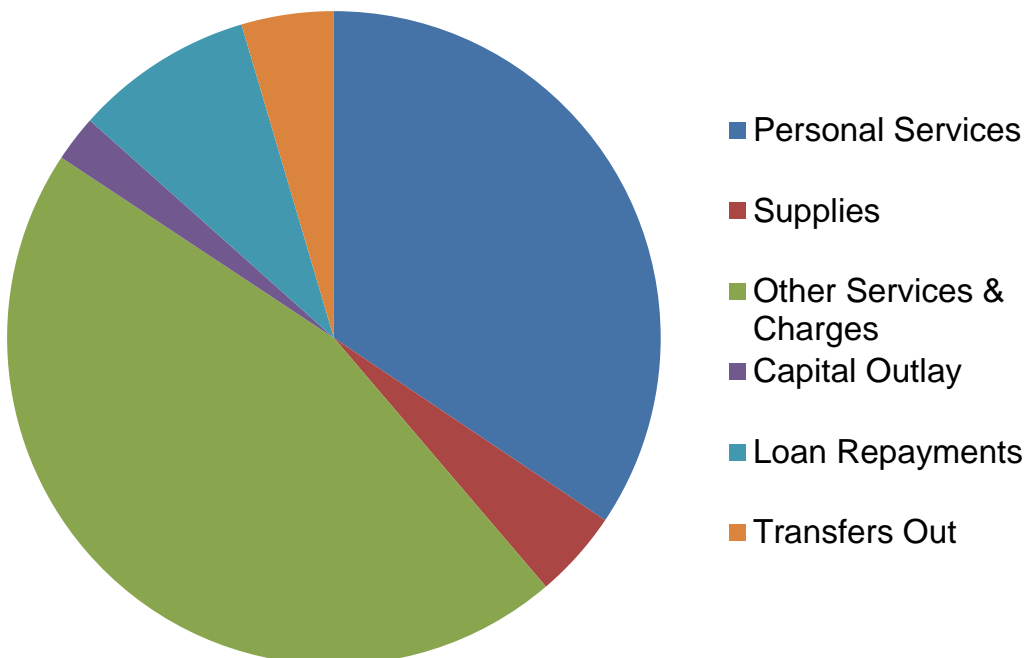
| | 2016 ACTUAL | 2017 ACTUAL | 2018 BUDGET | 2018 REVISED | 2019 BUDGET |
|--|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Revenues | | | | | |
| Tax Increment | \$ - | \$ 40,596 | \$ 10,000 | \$ 35,000 | \$ 20,000 |
| Special Assessments | 58,205 | 59,388 | 57,200 | 62,200 | 62,200 |
| Intergovernmental | 227,411 | 87,059 | 87,297 | 527,197 | 90,000 |
| Charges for Services | 537,353 | 499,419 | 407,000 | 423,500 | 513,000 |
| Rental Income | 335,031 | 782,515 | 776,300 | 810,700 | 810,500 |
| Miscellaneous | 91,327 | 187,604 | 47,350 | 91,790 | 76,650 |
| Interest | 5,742 | | | | |
| Loan Repayments | 22,340 | 65,044 | 59,500 | 72,500 | 72,500 |
| Transfers In | 224,860 | 1,674,149 | 25,000 | 25,000 | 25,000 |
| Total Revenues | 1,502,269 | 3,395,774 | 1,469,647 | 2,047,887 | 1,669,850 |
| Expenditures | | | | | |
| Personal Services | 379,835 | 457,050 | 452,865 | 449,150 | 602,991 |
| Supplies | 43,381 | 42,502 | 74,655 | 68,505 | 76,160 |
| Other Services & Charges | 506,012 | 1,079,563 | 790,047 | 942,498 | 797,863 |
| Capital Outlay | 216,387 | 516,773 | 15,000 | 106,500 | 40,000 |
| Loan Repayments | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| Transfers Out | | 10,000 | 10,000 | 50,000 | 80,000 |
| Total Expenditures | 1,300,615 | 2,260,888 | 1,497,567 | 1,771,653 | 1,752,014 |
| Reserves | (26,878) | (289,515) | 5,000 | 770,000 | (10,000) |
| Total Expenditures and Reserves | 1,273,737 | 1,971,373 | 1,502,567 | 2,541,653 | 1,742,014 |
| Revenues Over (Under) Expenditures and Reserves | 228,532 | 1,424,401 | (32,920) | (493,766) | (72,164) |
| Fund Balance, January 1 | 1,947,181 | 2,175,713 | 3,688,166 | 3,600,114 | 3,106,348 |
| Fund Balance, December 31 | \$ 2,175,713 | \$ 3,600,114 | \$ 3,655,246 | \$ 3,106,348 | \$ 3,034,184 |
| | | | | | |

2019 Special Revenue Funds

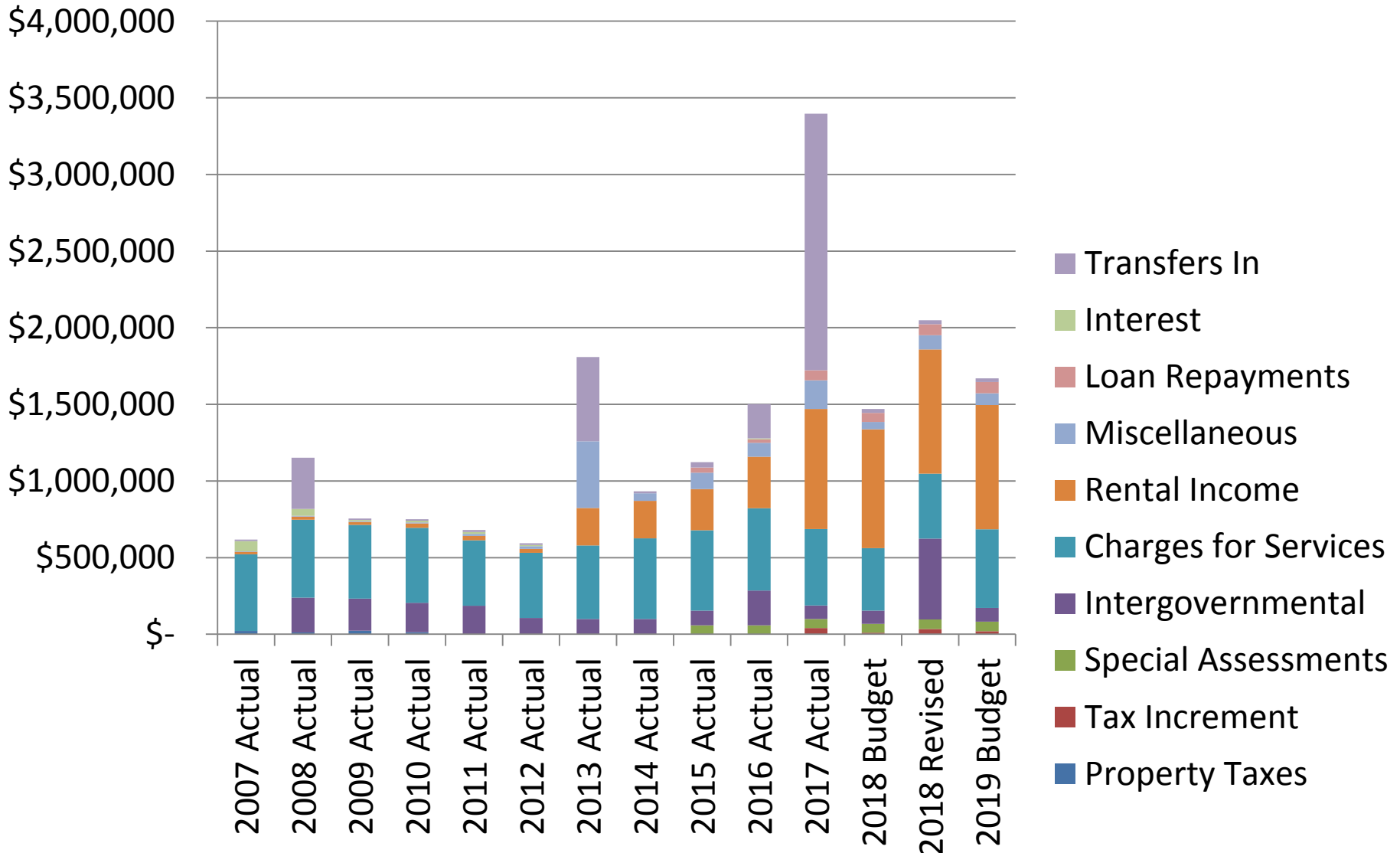
Total Revenues \$1,669,850



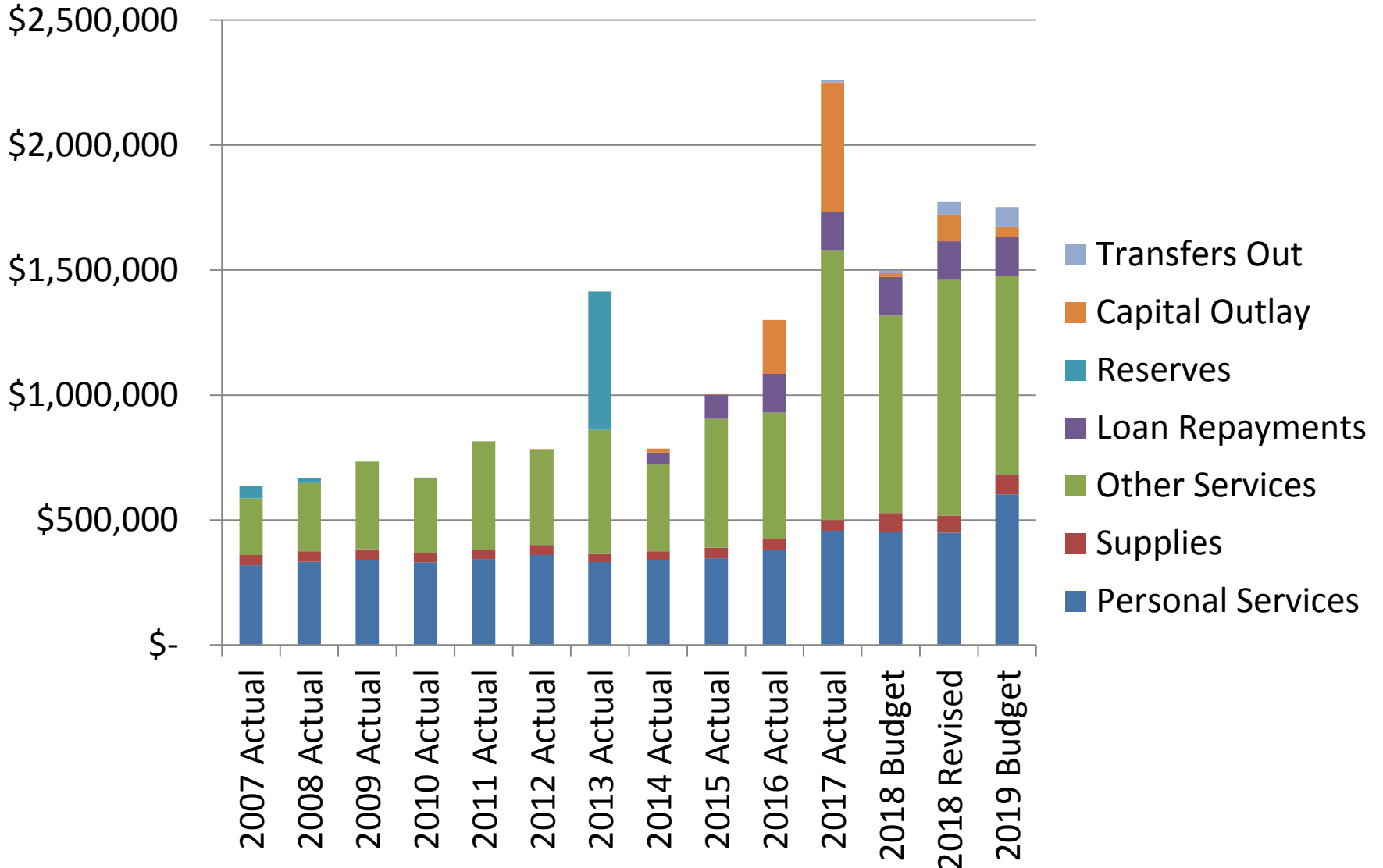
Total Expenditures \$1,752,014



Special Revenue Funds Revenue Trend Analysis



Special Revenue Funds Expenditure Trend Analysis



Fund: Armory Fund 2030

Department Activities and Responsibilities:

This fund accounts for revenues and expenditures related to the Armory operations. The Armory provides a community facility for private and public gatherings, sporting activities, and social events.

The Armory facility has three general types of users: local non-profit groups, private party rentals and recreational activity rentals. The City does not expect the facility to be entirely fee-supported because the building's purpose is to provide a low cost place for local groups to host events so that they are able to give future contributions of money or services back to the community. To support this philosophy, White Bear Lake non-profit organizations utilize the facility at no charge if the activity is for one day and does not conflict with private party rental reservations. Therefore, the user fees supporting operations derive from private party and recreational activity rentals. In creating the budget, the City anticipates recovering approximately 60% of its operating costs through user fees.

The facility faces unique challenges in serving as both a banquet hall and a recreational facility. The ambiance generally desired by private parties for wedding receptions or upscale events is not available at the Armory. Therefore, the revenue producing events scheduled are for family gatherings, with non-residents utilizing the space for events more than residents do. Council policies restrict rental to users who will not cause physical damage or abnormal deterioration to the building, and require private security officers to be at the facility for any private events serving alcohol.

The facility's current rental rates have been in effective since August 2016 and are as follows:

| | Resident | Non-Resident |
|------------------------------|----------|--------------|
| Private Party Daily Rates | | |
| Full Day Rental | \$ 550 | \$ 750 |
| Kitchen Rental | 100 | 150 |
| Private Party Hourly Rates | | |
| Monday - Thursday | 80 | 80 |
| Friday - Saturday | 100 | 120 |
| Athletic Events Hourly Rates | 25 | 25 |

Staff plans to schedule a Council work session in 2019 to discuss their vision for the facility, ensure its operations meet a public benefit, and evaluate user rates to provide resources to support the facility.

Budget Summary:

The budget remains consistent with previous years and includes resources to purchase replacement chairs and tables for use during private party rentals. An annual transfer from this fund to the Municipal Building Fund supports future capital improvements.

Capital Outlay:

As the building ages, system maintenance costs continue to rise. The Municipal Building Fund, included in the Capital Projects Fund section of this document, supports the replacement of the failing boiler unit installed in the 1970's. The City will take advantage of rebate offers available through Xcel Energy to offset the cost. The budget also supports the installation of a new Heating, Ventilation, and Air Conditioning (HVAC) unit. The joint project with the White Bear Lake Area Historical Society (WBLAHS) combines City funds with grants the WBLAHS received through the MN Arts and Cultural Heritage Fund administered through the Minnesota Historical Society.

Fund: Armory Fund 2030

Goals:

1. Continue to monitor user groups to ensure compliance with established facility use protocol.
2. Promote the facility to encourage revenue producing rental opportunities.
3. Monitor the number of weekends the facility is booked for non-profit events to ensure the facility is not turning away revenue-producing customers.

Measurable Workload Data:

| | <u>2016 Actual</u> | <u>2017 Actual</u> | <u>2018 Budget</u> | <u>2019 Budget</u> |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| Private Parties Rentals | | | | |
| Resident | 18 | 13 | 14 | 14 |
| Non-Resident | 12 | 10 | 12 | 12 |
| Non-Profit Group Rentals | | | | |
| Resident | 5 | 8 | 7 | 7 |
| Non-Resident | 3 | 4 | 4 | 4 |
| Community Group Rentals | | | | |
| Resident | 61 | 131 | 136 | 136 |
| Non-Resident | 6 | 3 | 4 | 4 |
| Sporting Group Rentals | | | | |
| Resident | 199 | 231 | 182 | 182 |
| Non-Resident | <u>77</u> | <u>92</u> | <u>67</u> | <u>67</u> |
| Total | <u>381</u> | <u>492</u> | <u>426</u> | <u>426</u> |
| Overall Use Analysis | | | | |
| Resident | 283 | 383 | 339 | 339 |
| Non-Resident | <u>98</u> | <u>109</u> | <u>87</u> | <u>87</u> |
| Total | <u>381</u> | <u>492</u> | <u>426</u> | <u>426</u> |

| ARMORY OPERATIONS FUND SUMMARY | | | | | | |
|-----------------------------------|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | Revenues: | | | | | |
| 4975 | Rental income | 23,531 | 27,728 | 29,000 | 35,000 | 35,000 |
| 4975 | Lease - armory bus garage | 4,250 | 4,250 | 4,250 | 4,250 | 4,250 |
| 4975 | Lease - Lions | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 |
| 5360 | Security Guard Fees | 2,844 | 1,404 | 2,000 | 2,000 | 2,000 |
| 5205 | Transfers | | | | | |
| | General Fund | 30,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| | Total revenues | 63,925 | 61,682 | 63,550 | 69,550 | 69,550 |
| | Expenditures: | | | | | |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 20,912 | 20,830 | 22,161 | 22,114 | 22,832 |
| 6119 | Salaries-temp. employees | 5,030 | 5,265 | 5,875 | 5,875 | 5,875 |
| 6122 | PERA | 1,905 | 1,820 | 2,105 | 2,099 | 2,153 |
| 6124 | FICA/Medicare | 1,914 | 1,930 | 2,145 | 2,141 | 2,196 |
| 6128 | Insurance contrib. | 2,005 | 2,105 | 2,210 | 2,210 | 2,350 |
| 6138 | Worker's compensation | 200 | 215 | 230 | 230 | 300 |
| 6148 | Other benefits | | 50 | 881 | | |
| | Total Personal Services | 31,966 | 32,215 | 35,607 | 34,669 | 35,706 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | | | | | 150 |
| 6240 | Building supplies | 1,432 | 2,198 | 2,175 | 2,175 | 2,175 |
| 6250 | Other supplies | 302 | 699 | 150 | 300 | 300 |
| 6295 | Small tools | 441 | 484 | 2,600 | 2,100 | 2,600 |
| | Total Supplies | 2,175 | 3,381 | 4,925 | 4,575 | 5,225 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional Services | 507 | 369 | 450 | 400 | 425 |
| 6411 | Telephone | 617 | 887 | 950 | 1,000 | 1,100 |
| 6422 | Electric | 7,463 | 6,847 | 7,500 | 7,000 | 7,500 |
| 6423 | Natural gas | 5,287 | 5,240 | 5,500 | 6,000 | 6,000 |
| 6492 | Advertising | | 380 | 700 | 500 | 500 |
| 6505 | Repair/Maint Equipment | 800 | 1,278 | 800 | 800 | 800 |
| 6515 | Repair/Maint Building | 3,720 | 5,116 | 6,550 | 7,200 | 4,050 |
| 6535 | Repair/Maint Other | | | 200 | | 200 |
| 6555 | Equipment Rental | | | 250 | 250 | 250 |
| 6560 | Contractual services | 2,100 | 2,560 | 3,750 | 3,650 | 3,700 |
| 6560 | Contractual services - Security | 2,844 | 2,225 | 2,000 | 2,000 | 2,000 |
| | Total Other Services and Charges | 23,338 | 24,902 | 28,650 | 28,800 | 26,525 |
| 7605 | TRANSFER | | | | | |
| | Municipal Building Fund | | 10,000 | 10,000 | 10,000 | 10,000 |
| | Total Expenditures | 57,479 | 70,498 | 79,182 | 78,044 | 77,456 |
| | Revenues Over (Under) Expenditures | 6,446 | (8,816) | (15,632) | (8,494) | (7,906) |
| | Fund Balance January 1 | 62,013 | 68,459 | 51,903 | 59,643 | 51,149 |
| | Fund Balance December 31 | 68,459 | 59,643 | 36,271 | 51,149 | 43,243 |



Reader's Notes:

Fund: Surface Water Pollution Prevention 2040

Department Activities and Responsibilities:

The Surface Water Pollution Prevention Fund accounts for revenue and expenditures related to the construction and maintenance of systems to support surface water and storm water management.

As part of fiscal planning, the City must recognize the long-term financial needs of these activities and their potential impact on property taxes. Currently, the fund's main source of income is a small portion of the State's Local Government Aid (LGA) allocation.

Budget Summary:

The City received a reimbursement from Rice Creek Watershed District (RCWD) as a cost share partnership for expenditures related to a contract with Field Outdoor Spaces to install five raingardens on four residential properties. Property owners paid the City for the share of expenditures not covered by the RCWD reimbursement.

A component of the Surface Water Pollution Prevention concept is supporting the ongoing maintenance of rain gardens to ensure they remain viable and can absorb rain runoff rather than allowing storm water to flow directly into water bodies.

The fund supports .50 FTE staff position who is responsible to develop, manage, and ensure the long-term viability of the program to handle surface water pollution prevention. Position responsibilities help fulfill the City's MS4 permit requirements for the US Environmental Protection Agency storm water pollution prevention program (SWPPP), which focuses on reducing the discharge of pollutants from a storm sewer system to the maximum extent practicable.

**SURFACE WATER POLLUTION PREVENTION
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | Revenues: | | | | | |
| | Intergovernmental | | | | | |
| 4624 | Local Government Aid | 100,000 | 86,940 | 87,297 | 87,297 | 90,000 |
| 4682.1 | Rice Creek Watershed District | | | | 16,900 | |
| 5360 | Refunds & Reimbursements | 7,466 | | | | |
| | Total Revenues | 107,466 | 86,940 | 87,297 | 104,197 | 90,000 |
| | Expenditures: | | | | | |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries - Reg. employees | 15,318 | 26,345 | 27,958 | 33,408 | 34,494 |
| 6117 | Overtime - Reg. employees | | | | 500 | 500 |
| 6119 | Salaries - temp. employees | | | 7,500 | | 5,000 |
| 6122 | PERA | 1,150 | 1,976 | 2,100 | 2,545 | 2,625 |
| 6124 | FICA | 1,140 | 1,905 | 2,715 | 2,595 | 3,060 |
| 6128 | Insurance | 657 | 4,110 | 4,320 | 4,320 | 4,550 |
| 6138 | Worker's Compensation | 115 | 685 | 740 | 740 | 750 |
| 6148 | Other benefits | | 285 | 80 | 400 | 400 |
| | Total Personal Services | 18,380 | 35,306 | 45,413 | 44,508 | 51,379 |
| | SUPPLIES | | | | | |
| 6220 | Equipment supplies | 207 | | 750 | 200 | 500 |
| 6250 | Other supplies | 5,582 | 4,359 | 7,200 | 2,400 | 7,800 |
| 6255 | Landscaping materials | | 325 | 20,000 | 10,000 | 17,000 |
| 6295 | Small tools | | | 4,000 | 2,000 | 4,000 |
| 6290 | Uniforms | | 30 | 50 | | 100 |
| | Total Supplies | 5,789 | 4,714 | 32,000 | 14,600 | 29,400 |

**SURFACE WATER POLLUTION PREVENTION
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | OTHER SERVICES & CHARGES | \$ | \$ | \$ | \$ | \$ |
| 6401 | Professional services | 6,018 | 5,381 | 5,000 | 3,000 | 3,000 |
| 6402 | Data Processing | 1,500 | 1,500 | 2,000 | 2,000 | 2,000 |
| 6412 | Cellular phones | 385 | 420 | 450 | 450 | 450 |
| 6422 | Electrical service | 288 | 181 | 300 | 300 | 300 |
| 6445 | Postage | | | 200 | 100 | 200 |
| 6450 | Outside printing | | 47 | 300 | 100 | 300 |
| 6455 | Legal Notice | 78 | 80 | 100 | 100 | 100 |
| 6460 | Subscription | 965 | 1,465 | 1,500 | 1,500 | 1,500 |
| 6470 | Training | 1,749 | 532 | 2,300 | 1,750 | 2,050 |
| 6560 | Surface Water Quality Improvements | | | | | |
| | Street Reconstruction Area | | | 75,000 | 75,000 | |
| | Rain Garden Maintenance | 3,214 | 12,300 | 20,000 | 22,000 | 22,000 |
| | Storm Sewer Replacement | 28,933 | 2,900 | 15,000 | 5,000 | 5,000 |
| | Storm Sewer Cleaning | 1,683 | 3,200 | 5,000 | 2,000 | 2,000 |
| | Infiltration Monitoring | | 1,555 | 5,000 | 2,000 | 2,000 |
| | General Maintenance | | | | 8,000 | 8,000 |
| | Total Other Services and Charges | 44,813 | 29,561 | 132,150 | 123,300 | 48,900 |
| | Total Expenditures | 68,982 | 69,581 | 209,563 | 182,408 | 129,679 |
| | Revenues Over (under) Expenditures | 38,484 | 17,359 | (122,266) | (78,211) | (39,679) |
| | Fund Balance January 1 | 797,787 | 836,271 | 735,684 | 853,630 | 775,419 |
| | Fund Balance December 31 | 836,271 | 853,630 | 613,418 | 775,419 | 735,740 |



Reader's Notes:

Fund: Marina Fund 2050

Department Activities and Responsibilities:

The Marina Fund accounts for revenues and expenditures to operate a 160-boat slip marina on White Bear Lake. Marina slip revenues provide the primary source of revenue for the fund.

In November 2009, the City Council agreed to contribute funds to the White Bear Area YMCA for a facility renovation and expansion during 2010. The contribution included a \$1,000,000 internal loan with resources from the Park Improvement Fund, Insurance Fund, and the Non-Bonded Debt Service Fund. Resolution No. 10604 from November 2009 established a 15-year repayment schedule for the internal loan principal and interest through an annual tax levy allocation of \$132,000 and \$155,000 of marina operation revenues during 2017-2025. The Marina Fund makes the annual transfer to the Municipal Building Fund, which in turn, makes an entry to pay the internal loan payments to the three funds.

The City completed installation of a new dock system at the marina in 2017.

Budget Summary:

The Marina Fund budget continues to improve with the lake water at its highest level in years and the installation of the new dock system. Customers rented all available marina slips during the 2017 and 2018 seasons and it appears this activity will continue in future years.

Temporary staff time allocated to the budget provides for Police Community Service Officers (CSOs) to patrol the area during high usage times.

The City contracts with White Bear Boat Works to operate the marina.

| MARINA OPERATION FUND SUMMARY | | | | | | |
|--|-----------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4975 | Rental | | | | | |
| | Slips | 287,330 | 367,200 | 367,000 | 367,200 | 367,000 |
| | Storage | 12,000 | 16,000 | 12,000 | 16,000 | 16,000 |
| | Property | 5,388 | 5,408 | | 5,000 | 5,000 |
| 5010 | Sale of Property | 3,750 | | | | |
| | Total Revenues | 308,468 | 388,608 | 379,000 | 388,200 | 388,000 |
| | Expenditures: | | | | | |
| | Personal Services | | | | | |
| 6119 | Salaries - temp employees | | | 10,000 | 5,000 | 10,000 |
| 6124 | FICA | | | 765 | 400 | 765 |
| | Total Personal Services | | | 10,765 | 5,400 | 10,765 |
| | Professional Services | | | | | |
| 6401 | Management | 56,200 | 72,950 | 72,950 | 72,950 | 72,950 |
| | Conservation District | 6,450 | 7,800 | 7,800 | 7,800 | 7,800 |
| | Permits | 250 | 350 | 500 | 500 | 500 |
| | Total Professional Services | 62,900 | 81,100 | 81,250 | 81,250 | 81,250 |
| | Operational | | | | | |
| 6422 | Electrical | | | 3,000 | | |
| | Total Operational | | | 3,000 | | |
| | Maintenance & Repair | | | | | |
| 6220 | Equipment Supplies | 3,266 | 1,162 | 2,500 | 10,000 | 5,000 |
| 6250 | Other Supplies | 503 | | 500 | 500 | 500 |
| 6505 | Equipment Repair Service | | 1,191 | 1,000 | 10,000 | 5,000 |
| 6555 | Equipment Rental | | | 750 | 500 | 500 |
| | Total Maintenance & Repair | 3,769 | 2,353 | 4,750 | 21,000 | 11,000 |
| | | | | | | |

| MARINA OPERATION FUND SUMMARY | | | | | | |
|----------------------------------|--|-------------|-------------|--------------|--------------|-------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| 6560 | Contractual Service | \$ | \$ | \$ | \$ | \$ |
| | Weed Control | 3,070 | 2,050 | 3,100 | 3,000 | 3,000 |
| | Dock Repair | | | | 3,000 | 4,000 |
| | Total Contractual Service | 3,070 | 2,050 | 3,100 | 6,000 | 7,000 |
| 7604 | Loan Repayment | | | | | |
| | YMCA | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| | Total Loan Repayment | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| 7160 | Capital | | | | | |
| | Dock System Replacement | | | | | |
| | 160 Slip dock | 72,444 | 456,354 | | | |
| | Dock removal / installation | | 16,975 | | | |
| | Ramp revision | | 12,977 | | | |
| | Pole extension | | 8,718 | | | |
| | Total Capital | 72,444 | 495,024 | | | |
| 7605 | Transfer | | | | | |
| | General Fund | | | | 40,000 | 70,000 |
| | Total Expenditures | 297,183 | 735,527 | 257,865 | 308,650 | 335,015 |
| | Reserves | | (250,000) | | | |
| | Total Expenditures & Reserves | 297,183 | 485,527 | 257,865 | 308,650 | 335,015 |
| | Revenues Over (Under) Expenditures and Reserves | 11,285 | (96,919) | 121,135 | 79,550 | 52,985 |
| | Fund Balance January 1 | 158,717 | 170,002 | 64,732 | 73,083 | 152,633 |
| | Fund Balance December 31 | 170,002 | 73,083 | 185,867 | 152,633 | 205,618 |
| | Reserves | | | | | |
| | Balance Jan. 1 | 250,000 | 250,000 | | | |
| | Additions / (Deletions) | | (250,000) | | | |
| | Balance Dec. 31 | 250,000 | | | | |

Fund: Sports Center Fund 5200

Department Activities and Responsibilities:

In 1989, the City purchased an old tennis club and converted it to Sports Center offering an indoor ice rink, courts for racquetball, dodgeball or wallyball, an exercise room and a community room.

After years of operations, the original Sports Center facility developed significant issues involving the refrigerant system and building insulation. City staff and City Council contemplated the future of the facility, if the City should own it and if they do keep it, how to cover the expensive repairs to ensure the facility remains solid for future operations. During these conversations, they sought to find a local organization willing to step up as a partner in the large-scale renovation project since a facility study estimated the entire project to cost \$5,600,000.

The White Bear Lake Hockey Association recognized the importance of the facility to their organization and the community as a whole, therefore, they pledged \$2,500,000 to the project to ensure financial support for the renovation. The agreement provided a significant down-payment construction completion and annual payments to support the debt service agreement.

The City incurred new debt service for the remaining project costs and through reallocation of current obligations, sufficient resources are available for future debt payments. The City did not incur new debt levies related to the project. With this support, the City Council voted to proceed with the renovation through this partnership and authorized work to begin In May 2018.

The project replaced the rink floor, installed a new refrigerant system using Ammonia, replaced the roof, increased insulation, retrofitted lighting fixtures for LED bulbs, improved air handling system, implemented ADA compliant features and improvement the outer appearance of the building. Construction ended during September 2018 and the City, Hockey Association and community celebrated the grand re-opening of the facility in time to kick off the winter skating season.

The refrigeration system and building improvements support the ability to add a second sheet of ice to the facility. The City will not pay for an additional sheet of ice but is interested to forming another local organization partnership if there is interest. The extra ice rental fees from a second sheet of ice would help the Sports Center Fund break even in annual operations.

Three primary users will supply user free revenues for ice time at the Sports Center. Each provides services to area youth and compete to rent prime ice time hours. The White Bear Hockey Association utilizes the facility for practice sessions, games and several tournaments throughout the winter. The City operated Skate School offers skating lessons to participants of all levels, from beginning students in "Learn to Skate" classes, to competitive figure skating programs, and finally the White Bear Lake Girls High School hockey program will move to the renovated facility and use it for practices and games during the season.

The contract between the City and the White Bear Lake Area School District provides an annual donation to the Sports Center operations to participate in future capital costs for the facility.

In addition to the three primary users, the facility offers creative activities to attract residents to the facility. The Sports Center offers a "birthday party" rental option to provide a place for parents to host their child's birthday party at the ice rink. The party package includes ice skating time and a room for the children to have treats and open presents. The facility also offers holiday open skate events with games and treats.

Budget Summary:

The Sports Center began operations in their renovated space September 2018, allowing a reduction in typical maintenance and repair costs. Sports Center full-time staff and Fire Department members will receive training on how to handle the new Ammonia based refrigerant system. All Sports Center staff will learn to read the indoor air quality system.

Fund: Sports Center Fund 5200

Goals:

1. Complete facility renovation during 2018.
2. Secure community groups required capital investment necessary to complete facility renovation.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Ice time hours rented based on a 17-hour day (6 a.m. to 11 p.m.) | 1,740* | 1,397 | 1,397 | 1,397 |
| Registrations for skating lessons and programs (does not include competition skaters) | 1,351 | 1,365 | 1,365 | 1,365 |
| Number of high school games | 5 | 0 | 5 | 9 |

*Ice rented to the Twin City Steel hockey team this year

**SPORT CENTER FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|--------------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| | Charges for Services | | | | | |
| 4888 | Ice Rental | 257,335 | 261,233 | 207,000 | 185,000 | 265,000 |
| 4890 | Skating School | 177,304 | 144,341 | 114,000 | 142,000 | 150,000 |
| 4891 | Skate Camps | 49,383 | 36,339 | 45,000 | 50,000 | 50,000 |
| 4892 | Open Skate | 19,666 | 24,608 | 16,000 | 12,000 | 16,000 |
| 4894 | Hockey games | 1,158 | | 1,500 | 5,500 | 5,000 |
| 4896 | Court Fees | 12,018 | 12,286 | 9,500 | 14,000 | 12,000 |
| 4975 | Rent | 4,260 | 4,546 | 3,500 | 3,000 | 3,500 |
| 5310 | Vending Sales | 2,255 | 2,125 | 500 | 2,000 | 2,000 |
| 5312 | Sale of Goods | 5,470 | 4,382 | 3,000 | 2,000 | 2,500 |
| 5350 | Miscellaneous | 8,504 | 9,559 | 7,000 | 8,000 | 7,000 |
| | Total Charges for Service | 537,353 | 499,419 | 407,000 | 423,500 | 513,000 |
| | Other Revenues: | | | | | |
| 4990 | Donation / rebate | 11,522 | 146 | | 140 | |
| | Total Other Revenues | 11,522 | 146 | | 140 | |
| | Total Revenues | 548,875 | 499,565 | 407,000 | 423,640 | 513,000 |
| | Total Expenditures | 544,894 | 564,379 | 510,483 | 415,263 | 574,369 |
| | Revenue Over (under) Expenditures | 3,981 | (64,814) | (103,483) | 8,377 | (61,369) |
| | Fund Balance, January 1 | 301,473 | 305,454 | 313,499 | 240,640 | 249,017 |
| | Fund Balance, December 31 | 305,454 | 240,640 | 210,016 | 249,017 | 187,648 |
| | | | | | | |

| FUNCTION: | | FUND: | | | | ACCT. NO: |
|-------------------------|-------------------------------------|---------------|-------------|--------------|--------------|-------------|
| Special Revenue | | Sports Center | | | | 5200 - 5205 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries-reg. employees | 178,017 | 194,050 | 181,646 | 136,945 | 209,756 |
| 6117 | Overtime - reg. employees | 3,436 | 3,435 | 2,000 | 2,000 | 2,000 |
| 6119 | Salaries-temp. employees | 80,807 | 68,200 | 65,000 | 55,000 | 67,000 |
| 6122 | PERA | 18,284 | 18,350 | 18,820 | 14,920 | 20,910 |
| 6124 | FICA/Medicare | 19,536 | 20,243 | 19,025 | 14,850 | 31,325 |
| 6128 | Insurance contrib. | 22,324 | 26,360 | 27,680 | 19,680 | 29,100 |
| 6138 | Worker's compensation | 7,085 | 7,225 | 7,730 | 5,515 | 7,730 |
| 6148 | Other benefits | | 10,350 | 2,150 | 2,900 | 4,000 |
| | Total Personal Services | 329,489 | 348,213 | 324,051 | 251,810 | 371,821 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 496 | 468 | 2,185 | 600 | 1,585 |
| 6220 | Equipment supplies | 2,134 | 1,175 | 1,500 | 765 | 1,050 |
| 6230 | Vehicle supplies | 910 | 907 | 2,300 | 300 | 1,300 |
| 6240 | Building supplies | 5,419 | 3,596 | 3,350 | 4,250 | 3,350 |
| 6250 | Other supplies | 14,260 | 15,081 | 15,900 | 14,635 | 15,750 |
| 6255 | Landscaping supplies | | 167 | 2,160 | | |
| 6272 | Motor fuels & lubr. | 2,897 | 2,599 | 100 | 1,500 | 2,300 |
| 6290 | Uniforms | 56 | 1,332 | 3,985 | 4,050 | 1,100 |
| 6295 | Small tools | 1,199 | 252 | 250 | 1,230 | 600 |
| | Total Supplies | 27,371 | 25,577 | 31,730 | 27,330 | 27,035 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 3,808 | 2,900 | 3,000 | 3,000 | 5,150 |
| 6402 | Data Processing | 7,879 | 8,426 | 8,760 | 8,760 | 9,500 |
| 6411 | Telephone | 1,443 | 2,359 | 660 | 3,065 | 2,120 |
| 6412 | Cellular | 275 | 390 | 360 | 360 | 360 |
| 6422 | Electric | 97,649 | 99,955 | 67,500 | 46,000 | 90,000 |
| 6423 | Natural gas | 14,710 | 16,249 | 12,500 | 9,000 | 18,000 |
| 6434 | General Liab. insurance | 15,529 | 15,529 | 15,529 | 15,529 | 15,529 |
| 6436 | Auto. Liab. insurance | 929 | 929 | 929 | 929 | 929 |
| 6445 | Postage | 133 | 118 | 300 | 150 | 250 |
| 6450 | Outside printing | 952 | 1,194 | 2,000 | 1,850 | 2,000 |
| 6460 | Subscription/memberships | 4,451 | 1,611 | 1,475 | 1,425 | 1,575 |
| 6470 | Training | 1,878 | 830 | 2,150 | 1,250 | 2,150 |
| 6486 | Travel | | 43 | 150 | 50 | 50 |
| 6492 | Advertising | 554 | 702 | 1,250 | 750 | 1,250 |
| 6505 | Equipment maint. service | 12,826 | 7,670 | 9,675 | 3,300 | 5,750 |
| 6508 | Shop repair service | 317 | | | | |
| 6510 | Vehicle maint. service | 207 | 95 | 4,000 | 1,400 | 2,000 |
| 6515 | Building maint. service | 5,529 | 12,880 | 3,200 | 1,000 | 2,000 |
| 6525 | Electrical maint. Service | 2,300 | 2,905 | 2,000 | | 1,000 |
| 6535 | Other maint. service | | | 2,500 | 1,875 | 500 |
| 6555 | Equipment rental | 10,628 | 12,316 | 11,664 | 11,000 | 10,300 |
| 6560 | Other contractual services | 769 | 942 | 1,100 | 23,250 | 1,100 |
| 7570 | Cost of goods sold | 5,268 | 2,546 | 4,000 | 2,180 | 4,000 |
| | Total Other Services and Charges | 188,034 | 190,589 | 154,702 | 136,123 | 175,513 |
| | Total | 544,894 | 564,379 | 510,483 | 415,263 | 574,369 |

Fund: Forfeiture Fund 2060

Department Activities and Responsibilities:

The Police Department has the authority to seize property associated with certain crimes, and under proceedings known as “civil forfeiture”, to assume ownership of the property. Typically, vehicles tend to be the property seized from people. This fund manages the proceeds from the sale of the seized vehicles and the expenditures related to the City taking ownership of the property. Any remaining funds support the Police Department in training and crime prevention activities.

The City does not plan to hold a significant Fund Balance for this department. If revenues exceed budget expectations during a year and increase the Fund Balance, the City will utilize available resources to purchase expenditures allowed by Federal and State guidelines to reduce the reserves.

Budget Summary

The 2018 property seizure activity significantly increases above the anticipated budget amounts. As mentioned above, in this scenario, the City will utilize the additional revenue to purchase front line police vehicles and police officer workstations for the year to reduce the Fund Balance. Future capital acquisitions will be budgeted and purchased through either the Equipment Acquisition Fund or the Municipal Building Fund unless there are excess funds to use in this department.

Addressing mental health issues in the community continues to be a high priority within the Police Department. The department recently began a collaboration with other Ramsey County suburban police departments to find a proactive solution that encourages and supports mental health and wellness within their communities. The plan proposes each community contribute to funding a shared mental health coordinator through Northeast Youth and Family Services to connect people in crisis with the care they need to reduce mental health crisis related arrests and calls for service. The initial agreement suggests a two-year trial period to begin in 2019 to assess the program. The City of White Bear Lake’s portion is included in Professional Services account of this budget.

Goals

1. Maintain the Forfeiture program in compliance with Federal and State regulations.
2. Utilize forfeiture funds for public safety acquisition that enhances public safety operations.
3. Utilize forfeiture funds for accreditation, reaccreditation, and necessary associated staff training which serves to improve law enforcement activity.
4. Utilize forfeiture funds for equipment to assist with the investigation and enforcement of DWI and Controlled Substance laws.

| FORFEITURE FUND SUMMARY | | | | | | |
|----------------------------|------------------------------------|-------------|-------------|--------------|--------------|-------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4646 | State Forfeiture | | 111 | | | |
| 4662 | Ramsey County Forfeiture | 3,551 | 8 | | 2,000 | |
| 5350 | DUI Case Proceeds | 48,135 | 36,843 | 30,000 | 70,000 | 60,000 |
| 5350 | Criminal Case Proceeds | 3,440 | 1,121 | 1,000 | 5,500 | 1,000 |
| 5205 | Contribution From Escrow Fund | | | | | |
| | DUI Case Proceeds | 153,354 | | | | |
| | Criminal Case Proceeds | 41,506 | | | | |
| | Total Revenues | 249,986 | 38,083 | 31,000 | 77,500 | 61,000 |
| | Expenditures: | | | | | |
| | Supplies | | | | | |
| 6220 | Equipment supplies | 270 | | 200 | | 200 |
| 6230 | Vehicle supplies | | 394 | 500 | 400 | 500 |
| 6250 | Other supplies | | | 300 | 2,500 | 300 |
| 6295 | Small tools | 3,440 | 5,114 | | 6,600 | 6,000 |
| | Total Supplies | 3,710 | 5,508 | 1,000 | 9,500 | 7,000 |
| | Other Services and Charges | | | | | |
| 6401 | Professional Services | 4,760 | 7,705 | 9,000 | 8,000 | 24,000 |
| 6560 | Shared Proceeds | | | | | |
| | State of Minnesota | 403 | 93 | 300 | 300 | 300 |
| | Ramsey County | 909 | 1,659 | 2,500 | 1,500 | 2,500 |
| 6560 | Contractual services | 16,393 | 26,105 | 8,000 | 24,000 | 15,000 |
| | Total Contractual Service | 22,465 | 35,562 | 19,800 | 33,800 | 41,800 |
| | Capital Outlay | | | | | |
| 7140 | Equipment | | | 15,000 | | |
| | Protective Equipment | 9,135 | 2,176 | | | |
| | Office Furniture & Equipment | | | | 37,000 | |
| | Speed Monitoring | 7,800 | | | | |
| | Building Monitoring | 53,322 | 19,573 | | | |
| | Police Admin. Vehicles (2) | | | | 69,500 | |
| | PD Training Room Improvements | | | | | 40,000 |
| | Total Capital Outlay | 70,257 | 21,749 | 15,000 | 106,500 | 40,000 |
| | Total Expenditures | 96,432 | 62,819 | 35,800 | 149,800 | 88,800 |
| | Revenues Over (Under) Expenditures | 153,554 | (24,736) | (4,800) | (72,300) | (27,800) |
| | Fund Balance January 1 | | 153,554 | 153,554 | 128,818 | 56,518 |
| | Fund Balance December 31 | 153,554 | 128,818 | 148,754 | 56,518 | 28,718 |

Fund: Economic Development Fund 4240

Department Activities and Responsibilities:

Economic development is vital to the City of White Bear Lake as its rich history and growth through the years now presents very limited availability of vacant land within the City boundaries. The community relies on redevelopment to expand housing options and business opportunities, which draw people to the area, increase property values and reduce the tax burden to each landowner as a larger number of properties pay taxes each year.

For many years, the City maintained two separate economic development funds; however, after a review of the operations, the HRA Economic Development Fund and the Economic Development Fund merged into this fund during 2017 to provide a concentrated financial picture of the City's available economic development resources.

The following sections highlight unique activities this fund conducts to support economic activities:

City Owned Rental Properties

The City owns the Bellaire Center at County Road F and Bellaire Avenue, the Boatworks Commons community room and a building on Fourth Street that is home to the Burger Bar and the White Bear Bar. The net revenues received from these three locations assist in providing additional resources for the City to use in other economic development initiatives. At this time, the City plans to manage all facilities in their current state; however, future conversations might include a cost benefit analysis of owning, contracting management duties or selling the properties to determine the City's best use of resources. This fund receives the excess tax increment financing proceeds related to these sites to provide additional resources for development activities. The HRA Tax Increment Fund accounts for the tax increment related to each district.

Special Service Districts

The City assists two special service districts by collecting property owner special assessment payments and remitting them to the respective organizations for appropriate expenditures.

The Downtown Special Service District levy promotes downtown business activities to encourage customers to visit the downtown area. The Special Service District assessment provides approximately \$47,000 for promoting the downtown during 2018.

The Birch Lake Improvement District levy funds environmental improvements to the area surrounding Birch Lake. The Birch Lake Improvement assessment provides approximately \$15,000 for improving and protecting the lake.

Revolving Business Loans:

In 1989, the White Bear Lake Area Economic Development Corporation (WBLAEDC) began a program promoting downtown revitalization through a Revolving Loan and Grant Program (RDGP). The White Bear Lake Housing and Redevelopment Authority administers the program under the guidance of policies set by the WBLAEDC. The program aims at improving the utility and appearance of downtown businesses while encouraging private investment, which might not otherwise occur. Business owners apply for front-end project financing at a 2% interest rate for a loan up to 10 years. The program began with a \$150,000 allocation and received an additional \$100,000 to bring the total loan money available to \$250,000 as the program expanded.

Due to the success of the Downtown program, the White Bear Lake Housing and Redevelopment Authority created the County Road E Revolving Loan and Grant Program in 2017 with an initial investment of \$150,000. The program targets small to medium sized businesses located on the County Road E corridor who have limited capital for improvements to their buildings. Businesses may receive a maximum loan of \$40,000 with a 2% interest rate with a required 100% match from a local bank at a negotiated rate. A Building Façade Grant of \$3,000 is available for the first loan event, with a total of \$5,000 available for all loan events on the property.

Fund: Economic Development Fund 4240

Farmer's Market

The City sponsors a Farmer's Market in its Central Business District to encourage commerce and availability of fresh produce to area residents. The Farmer's Market operates weekly from late June through October each year. Vendors pay a reservation fee to participate in the market in order to offset the City's operating costs to host the event.

Flower program

The City's flower program supports planting and maintenance efforts throughout the downtown area, parks and City entrance monuments to welcome residents and visitors. The program compliments the Downtown's vibrant environment and natural beauty of the area.

Budget Summary:

In 2017, the City Council providing funding for a new Housing and Economic Development Coordinator. The position was originally included in the Planning Department budget; however, after further consideration, the position moves to this fund in 2018 to record corresponding revenues and expenditures for economic activities together. The position joins a half time position allocation already included in the budget for promoting environmental business initiatives and long-term resiliency planning and activity.

As in previous years, the budgets continue to include support for Marketfest, the White Bear Lake Area Historical Society, Farmer's Market and the City flower program.

**ECONOMIC DEVELOPMENT FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-----------------------------------|-------------|-------------|--------------|--------------|-------------|
| 4975 | Economic Develop Revenues: | \$ | \$ | \$ | \$ | \$ |
| | Rental Income | | | | | |
| | Bellaire Center | | 268,197 | 272,000 | 274,000 | 274,000 |
| | 4th Street | | 92,304 | 91,800 | 107,000 | 107,000 |
| | Other | 3,482 | 5,678 | 4,500 | 6,500 | 6,500 |
| | Total Rental Income | 3,482 | 366,179 | 368,300 | 387,500 | 387,500 |
| 4045 | Excess TIF | | 40,596 | 10,000 | 35,000 | 20,000 |
| 4210 | Special Assess - Svc. Dists. | 55,572 | 54,071 | 55,000 | 58,000 | 58,000 |
| 4230 | Special Assess - Penalty & Int | 161 | 787 | 200 | 200 | 200 |
| 4220 | Special Assess - Prepay City | 2,472 | 4,530 | 2,000 | 4,000 | 4,000 |
| 4955 | Interest | 5,742 | | | | |
| 4646 | Met Council - Lake Ave. Grant | | | | 396,000 | |
| 4662.1 | Ramsey County - Grant | | | | 25,000 | |
| 4670 | State - Water Develop - Soils | 127,411 | | | | |
| 4818 | Farmers Market | 5,480 | 5,480 | 6,000 | 5,000 | 5,000 |
| 5010 | Land sale | | | | | |
| 5322 | Loan Repayment | 22,340 | 35,044 | 37,000 | 50,000 | 50,000 |
| 5322 | Boatworks Loan Repayment | | 30,000 | 22,500 | 22,500 | 22,500 |
| 5360 | Reimbursement - | | | | | |
| | Bond sale fees / repayment | | 14,163 | | | |
| | MCES fees | | 9,940 | | | |
| | TIF Closure - District 10 | | 41,378 | | | |
| | TIF Closure - District 11 | | 66,510 | | | |
| 3901 | Refunds - Downtown | | 811 | | | |
| 5350 | Miscellaneous | 773 | 1,228 | 500 | 1,000 | 500 |
| | Coins | | | | | |
| | Signs | 116 | 1,030 | 300 | 600 | 600 |
| 5205 | HRA Development Fund Contribution | | 1,649,149 | | | |
| | Total Revenues | 223,549 | 2,320,896 | 501,800 | 984,800 | 548,300 |
| | Expenditures: | | | | | |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries - Reg. Employees | | 27,215 | 27,689 | 82,118 | 103,585 |
| 6119 | Salaries - Temp. Employees | | 4,567 | | 4,500 | |
| 6122 | PERA | | 2,137 | 2,080 | 6,160 | 7,770 |
| 6124 | FICA/Medicare | | 2,317 | 2,120 | 6,630 | 7,925 |
| 6128 | Insurance | | 4,110 | 4,320 | 12,330 | 13,000 |
| 6128 | Worker Compensation | | 685 | 740 | 740 | 740 |
| 6148 | Other benefits | | 285 | 80 | 285 | 300 |
| | Total Personal Services | | 41,316 | 37,029 | 112,763 | 133,320 |
| | SUPPLIES | | | | | |
| 6250 | Supplies | 567 | 2,160 | 2,000 | 2,000 | 2,000 |
| | Total Supplies | 567 | 2,160 | 2,000 | 2,000 | 2,000 |

**ECONOMIC DEVELOPMENT FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---------------------------------|-------------|-------------|--------------|--------------|-------------|
| 6401 | OTHER SERV. & CHARGES | \$ | \$ | \$ | \$ | \$ |
| | Professional Services | | | | | |
| | Main St. Incorpor. - Svc. Dist. | 45,500 | 44,000 | 47,000 | 44,000 | 45,000 |
| | Birch Lake - Svc. Dist. | 12,125 | 22,175 | 15,000 | 14,000 | 14,000 |
| | TIF Analysis | 4,412 | | 6,000 | 5,000 | 6,000 |
| | Strategic Planning | | 4,491 | 20,000 | | 20,000 |
| | Landscape design | | | 3,000 | 3,000 | 3,000 |
| | Development Corp. | | 2,900 | 5,000 | 2,000 | 5,000 |
| | Miscellaneous | 5,565 | 1,244 | 2,000 | 2,000 | 2,000 |
| | Total Professional Service | 67,602 | 74,810 | 98,000 | 70,000 | 95,000 |
| 6411 | Telephone | 310 | 165 | 370 | | |
| 6422 | Electric | 246 | 379 | 500 | 450 | 500 |
| 6423 | Natural Gas | | 147 | 100 | 200 | 200 |
| 6445 | Postage | | | 100 | 100 | 100 |
| 6450 | Printing | | 34 | 500 | 400 | 500 |
| 6460 | Subscriptions | 110 | 150 | 300 | 300 | 300 |
| 6470 | Conferences/Schools | 352 | 263 | 2,200 | 2,200 | 2,200 |
| 6486 | Mileage | | | | 100 | 100 |
| 6492 | Advertising | 1,251 | 1,251 | 2,000 | 1,500 | 2,000 |
| 6515 | Equipment Maintenance Serv. | 1,015 | 1,237 | 2,500 | 2,000 | 2,500 |
| 6555 | Rental - Farmers Market | 1,826 | 2,317 | 3,000 | 3,000 | 3,000 |
| | Total Other Services | 5,110 | 5,943 | 11,570 | 10,250 | 11,400 |
| 6560 | Contractual Services | | | | | |
| | Revolving Loan Prog. | 40,000 | 190,000 | 25,000 | 80,000 | 60,000 |
| | Grant | 8,500 | | 10,000 | 9,000 | 9,000 |
| | Marketfest | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| | Flower / Lighting program | 18,407 | 28,774 | 30,000 | 35,000 | 35,000 |
| | Historical Society | 14,773 | 14,773 | 14,733 | 14,733 | 14,733 |
| | Metro. SAC Contribution | | 19,880 | | | |
| | Other | | | 5,242 | 5,242 | 5,242 |
| | Total Contractual Service | 88,680 | 260,427 | 91,975 | 150,975 | 130,975 |
| | Total Operating Expenses | 161,959 | 384,656 | 240,574 | 345,988 | 372,695 |

**ECONOMIC DEVELOPMENT FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|--|-------------|-------------|--------------|--------------|-------------|
| 6560 | Property Acquisition/Management | \$ | \$ | \$ | \$ | \$ |
| | Waters Development - Soils | 72,106 | 55,305 | | | |
| | Bellaire Center | | 64,535 | 76,000 | 73,000 | 73,000 |
| | 4th Street | | 72,461 | 42,000 | 127,000 | 35,000 |
| | Marina Triangle District | | 90,251 | 44,500 | 43,000 | 43,000 |
| | 2511 County Rd EE | | 45,067 | | | |
| | 1325 Birch Lake | | 16,880 | | | |
| | 4668 Murray | | | | 29,000 | |
| | City Wide Property Taxes | | | | 18,000 | 21,000 |
| | Other | 1,580 | 28,929 | 1,600 | 1,500 | 2,000 |
| | Total Property | 73,686 | 373,428 | 164,100 | 291,500 | 174,000 |
| | Reserves | (26,878) | (39,515) | 5,000 | 770,000 | (10,000) |
| | Total Expenditures and Reserves | 208,767 | 718,569 | 409,674 | 1,407,488 | 536,695 |
| | Revenues Over (Under) Expenditures & Reserves | 14,782 | 1,602,327 | 92,126 | (422,688) | 11,605 |
| | Fund Balance January 1 | 627,191 | 641,973 | 2,368,794 | 2,244,300 | 1,821,612 |
| | Fund Balance December 31 | 641,973 | 2,244,300 | 2,460,920 | 1,821,612 | 1,833,217 |
| | Reserve for Downtown | | | | | |
| | Revolving loans | 196,621 | 174,620 | 201,621 | 144,620 | 134,620 |
| | Special Svc. Dist. - Downtown | 22,024 | 22,284 | 12,000 | 22,284 | 22,284 |
| | Special Svc. Dist. - Birch Lake | 7,840 | 6 | 3,864 | 6 | 6 |
| | Property Acquisition | | | | 800,000 | 800,000 |
| | MCES SAC Credits | 32,305 | 22,365 | 12,305 | 22,365 | 22,365 |
| | Total Reserves | 258,790 | 219,275 | 229,790 | 989,275 | 979,275 |

**COMPARATIVE ANALYSIS OF FUND BALANCE
DEBT SERVICE FUNDS**

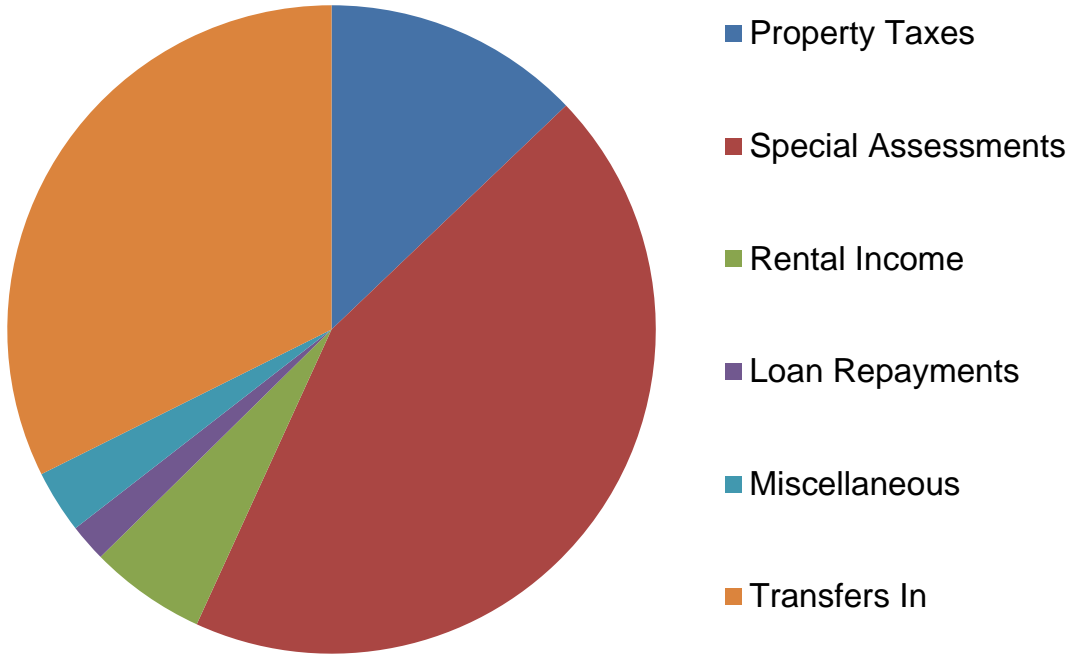
| | 2016 ACTUAL | 2017 ACTUAL | 2018 BUDGET | 2018 REVISED | 2019 BUDGET |
|---------------------------------------|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Revenues | | | | | |
| Property Tax | \$ 129,000 | \$ 129,100 | \$ 129,000 | \$ 129,000 | \$ 344,000 |
| Special Assessment | 1,305,435 | 1,209,503 | 1,010,000 | 1,222,000 | 1,175,000 |
| Rental Income | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| Loan Repayments | 38,500 | 39,750 | 47,500 | 47,500 | 50,000 |
| Bond Sale | 90,712 | | | 380,740 | |
| Miscellaneous | | | | | 84,000 |
| Transfers In | 400,000 | 495,000 | 540,000 | 745,000 | 865,000 |
| Total Revenues | 2,118,647 | 2,028,353 | 1,881,500 | 2,679,240 | 2,673,000 |
| Expenditures | | | | | |
| Other Services & Charges | 100,080 | 74,085 | 81,400 | 279,373 | 82,885 |
| Debt Service Payments | 675,260 | 793,051 | 826,828 | 826,828 | 1,155,051 |
| Transfers Out | 845,704 | 1,242,285 | 1,610,000 | 2,047,200 | 1,140,000 |
| Total Expenditures | 1,621,044 | 2,109,421 | 2,518,228 | 3,153,401 | 2,377,936 |
| Revenues Over (Under) Expenditures | 497,603 | (81,068) | (636,728) | (474,161) | 295,064 |
| Fund Balance, January 1 | 770,445 | 1,268,048 | 1,021,797 | 1,186,980 | 712,819 |
| Fund Balance, December 31 | \$ 1,268,048 | \$ 1,186,980 | \$ 385,069 | \$ 712,819 | \$ 1,007,883 |
| | | | | | |



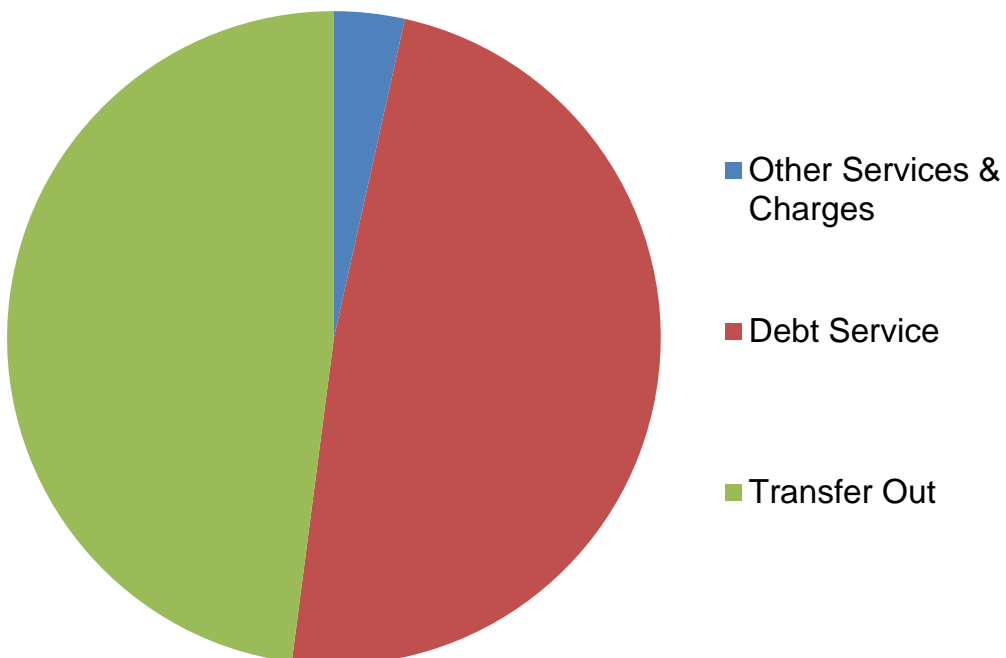
Reader's Notes:

2019 Debt Service Funds

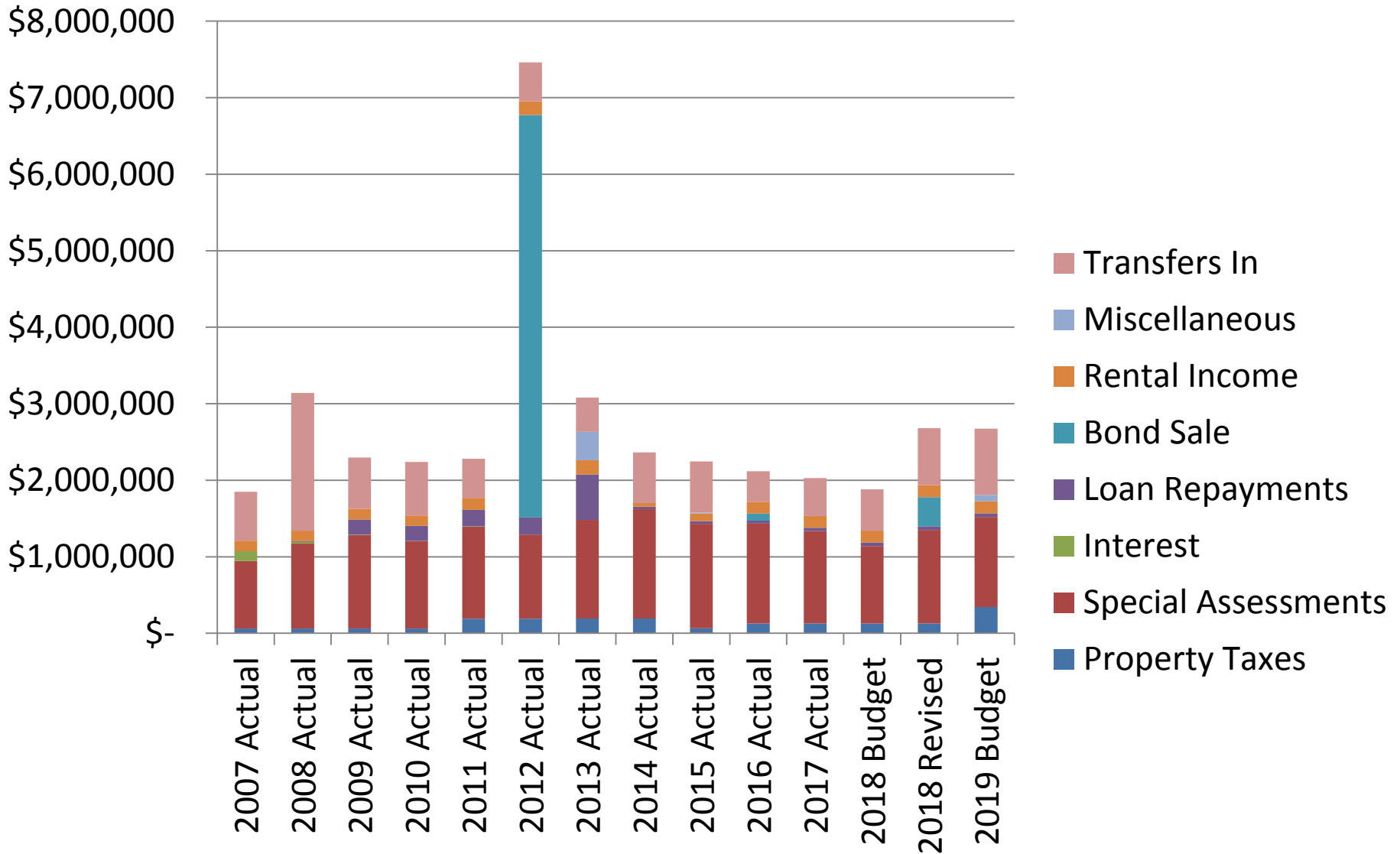
Total Revenues \$2,673,000



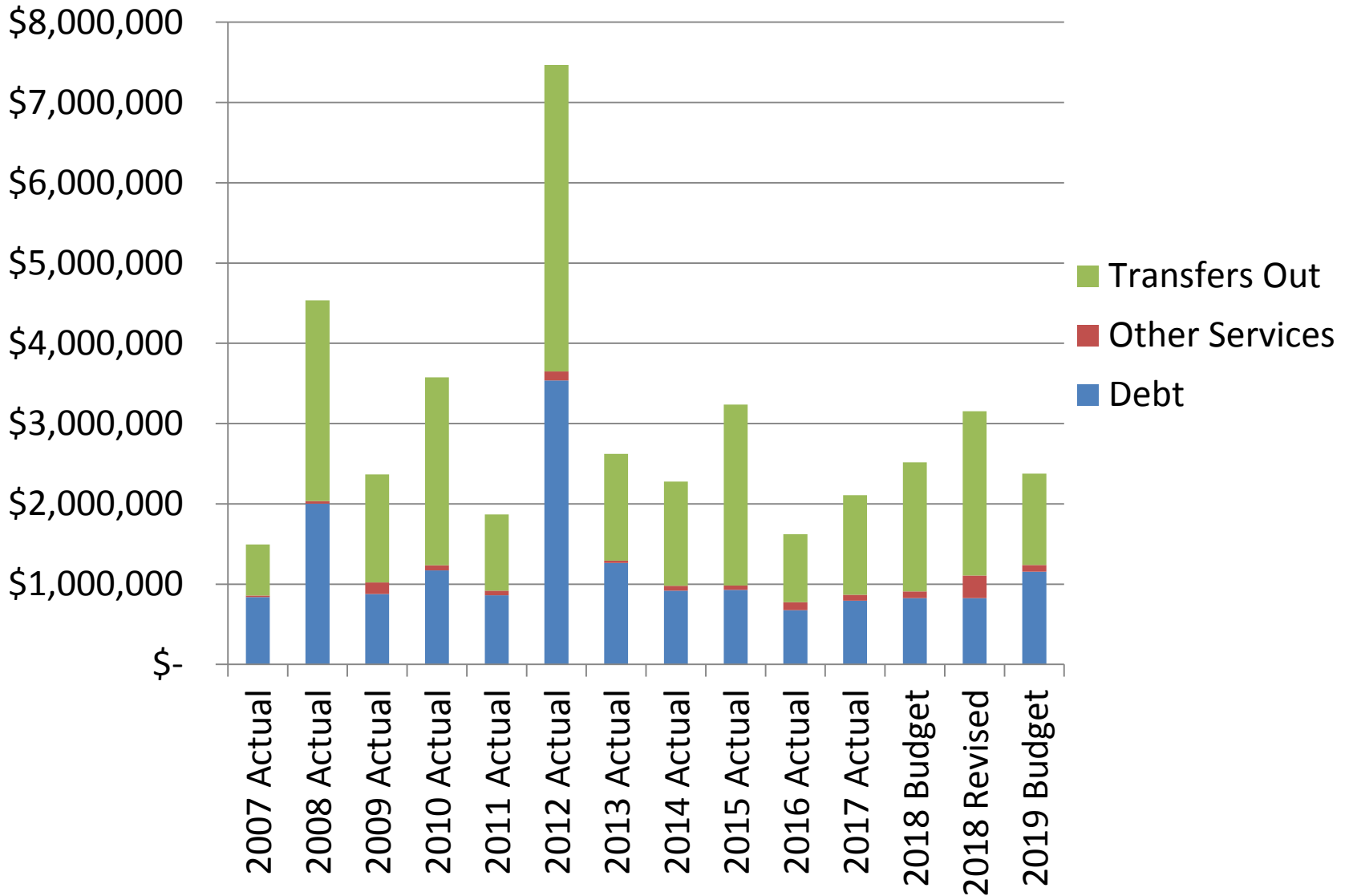
Total Expenditures \$2,377,936



Debt Service Funds Revenue Trend Analysis



Debt Service Funds Expenditure Trend Analysis



Fund: Municipal Building General Obligation Debt Service 3020

Department Activities and Responsibilities:

The City created this fund pursuant to Section 5.13 of the City Charter for retirement of “at large” general obligation bonds or loans related to public improvements, which are not assessable against specific properties. The public improvements financed through these bonds or loans are a general benefit to the City as a whole and ad valorem tax levies repay the debt obligations.

Budget Summary:

In 2010, the White Bear Area YMCA renovated and expanded their facility in a \$6 million project. Acknowledging the benefit this reconstruction plan would bring to the community, the City Council agreed to contribute \$2.75 million to the YMCA to assist in the overall project costs. An internal loan from the following funds financed the City’s contribution to the YMCA:

| | |
|------------------|--------------------|
| Park Improvement | \$ 725,000 |
| Insurance Fund | 1,000,000 |
| Non-Bonded Fund | <u>1,000,000</u> |
| Total | <u>\$2,725,000</u> |

Resolution No. 10604 from November 2009 established a 15-year repayment schedule for the debt. At the time of the loan origination, the City anticipated to pay the internal loan obligation through an annual tax levy allocation and rental income from the City’s marina operations. For the years of 2017 – 2025, the City plans to utilize an annual tax levy payment of \$132,000 and \$155,000 of marina operations revenue to pay the loan principal and interest amounts due.

The City’s internal loan obligation as of December 31, 2019 for the YMCA expansion is as follows:

YMCA – Internal Loan

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Rate</u> |
|-------------|------------------|-----------------|------------------|-------------|
| 2020 | \$ 230,000 | \$ 65,000 | \$ 295,000 | 4.60% |
| 2021 | 230,000 | 55,000 | 285,000 | 4.80% |
| 2022 | 235,000 | 45,000 | 280,000 | 4.90% |
| 2023 | 235,000 | 35,000 | 270,000 | 5.00% |
| 2024 | 235,000 | 25,000 | 260,000 | 5.10% |
| 2025 | <u>235,000</u> | <u>15,000</u> | <u>250,000</u> | 5.20% |
| Total | <u>1,400,000</u> | <u>240,000</u> | <u>1,640,000</u> | |

The loan principal and interest repayment schedule as of December 31, 2019 is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Fund</u> | <u>Interest</u> | | <u>Total Interest</u> |
|-------------|------------------|-------------|------------------|-------------------|-----------------------|
| | | | <u>Insurance</u> | <u>Non-Bonded</u> | |
| 2020 | \$ 230,000 | Insurance | \$ 12,000 | \$ 53,000 | \$ 65,000 |
| 2021 | 170,000 | Insurance | 8,000 | 47,000 | 55,000 |
| 2021 | 60,000 | Non-Bonded | | | |
| 2022 | 235,000 | Non-Bonded | | 45,000 | 45,000 |
| 2023 | 235,000 | Non-Bonded | | 35,000 | 35,000 |
| 2024 | 235,000 | Non-Bonded | | 25,000 | 25,000 |
| 2025 | <u>235,000</u> | Non-Bonded | | 15,000 | 15,000 |
| Total | <u>1,615,000</u> | | <u>20,000</u> | <u>220,000</u> | <u>240,000</u> |

**MUNICIPAL BUILDING FUND
DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---|-------------|-------------|--------------|--------------|-------------|
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4015 | General Property Tax Regular levy YMCA / Sport Center | 129,000 | 129,100 | 129,000 | 129,000 | 129,000 |
| | Total Property Tax | 129,000 | 129,100 | 129,000 | 129,000 | 129,000 |
| 4975 | Rental income Marina operations YMCA | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| | Total Rental Income | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| | Total Revenues | 284,000 | 284,100 | 284,000 | 284,000 | 284,000 |
| | Expenditures: | | | | | |
| | Debt Service | | | | | |
| | YMCA / SC Bonds | | | | | |
| 7410 | Principal - internal financing | 195,000 | 195,000 | 210,000 | 210,000 | 215,000 |
| 7420 | Interest - internal financing | 85,000 | 85,000 | 75,000 | 75,000 | 70,000 |
| | Total YMCA / SC bonds | 280,000 | 280,000 | 285,000 | 285,000 | 285,000 |
| | Total Debt Service | 280,000 | 280,000 | 285,000 | 285,000 | 285,000 |
| | Revenues Over (Under) Expenditures | 4,000 | 4,100 | (1,000) | (1,000) | (1,000) |
| | Fund Balance January 1 | 192,934 | 196,934 | 201,034 | 201,034 | 200,034 |
| | Fund Balance December 31 | 196,934 | 201,034 | 200,034 | 200,034 | 199,034 |

Fund: Non-Bonded Special Assessment Debt Service Fund 3070

Department Activities and Responsibilities:

This fund accounts for construction costs paid through property owner special assessments. The special assessment payments the fund receives support annual payments to the Interim Construction Fund to pay for property owner portion of the projects completed during the year. Completed construction costs continue to accumulate with applicable special assessment collections until it is prudent for the City to sell long-term bonds to finance projects.

In 2010, the White Bear Area YMCA renovated and expanded their facility in a \$6 million project. The City agreed to contribute a total of \$2.75 million to the overall project costs, with \$1,000,000 coming from this fund and the rest coming from two other funds. Resolution No. 10604 from November 2009 established a 15-year repayment schedule to all three funds for the loan. The \$1,000,000 loan repayment schedule for this fund is as follows:

| Year | Principal | Interest | Total | Rate |
|-------|------------------|----------------|------------------|--------|
| 2020 | \$ - | \$ 53,000 | \$ 53,000 | 4.600% |
| 2021 | 60,000 | 47,000 | 107,000 | 4.800% |
| 2022 | 235,000 | 45,000 | 280,000 | 4.900% |
| 2023 | 235,000 | 35,000 | 270,000 | 5.000% |
| 2024 | 235,000 | 25,000 | 260,000 | 5.100% |
| 2025 | 235,000 | 15,000 | 250,000 | 5.200% |
| Total | <u>1,000,000</u> | <u>220,000</u> | <u>1,220,000</u> | |

During 2012, the City elected to utilize historic low interest rates and issued \$2,555,000 of general obligation improvement bonds in 2012. Future transfers to the 2012 Special Assessment Debt Service Fund from the Non-bonded Debt Service Fund to meet debt service obligations are as follows:

| Year | Amount |
|-------|------------------|
| 2020 | \$ 205,000 |
| 2021 | 198,000 |
| 2022 | 190,000 |
| 2023 | 178,000 |
| 2024 | 170,000 |
| 2025 | 163,000 |
| 2026 | 155,000 |
| 2027 | 102,000 |
| 2028 | 70,000 |
| Total | <u>1,431,000</u> |

Budget Summary:

The 2018 Budget includes a contribution to the Equipment Acquisition Fund to assist the Fire Department in purchasing a new truck to replace Engine #7. The budget also allocates additional resources to the Water Fund to cover significant costs associated with fixing water main issues and breaks during the year. The Water Fund Budget includes a water rate increase in 2019 to help repay the Non-Bonded Fund back during that year.

**SPECIAL ASSESSMENT FUND
NON BONDED DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| | Special Assessment | | | | | |
| 4210 | Current | 772,656 | 712,137 | 795,000 | 700,000 | 810,000 |
| 4215 | Prepaid - County | 176,202 | 183,595 | 100,000 | 90,000 | 100,000 |
| 4220 | Prepaid - City | 339,331 | 266,840 | 100,000 | 400,000 | 250,000 |
| 4225 | Delinquent | 9,333 | 33,260 | 10,000 | 25,000 | 10,000 |
| 4230 | Penalties / Interest | 7,913 | 13,671 | 5,000 | 7,000 | 5,000 |
| | Total Special Assessments | 1,305,435 | 1,209,503 | 1,010,000 | 1,222,000 | 1,175,000 |
| 5323 | Loan Repayment Int. - YMCA | 38,500 | 39,750 | 47,500 | 47,500 | 50,000 |
| 5205 | Transfer - Sewer | | | | 200,000 | |
| 5205 | Transfer - Water | | | | | 125,000 |
| | Total Revenues | 1,343,935 | 1,249,253 | 1,057,500 | 1,469,500 | 1,350,000 |
| | EXPENDITURES: | | | | | |
| 6560 | Other Services & Charges | | | | | |
| | Professional Services | 22,805 | 12,895 | 30,000 | 30,000 | 30,000 |
| | Sewer line repair | | 42,244 | 30,000 | 30,000 | 30,000 |
| | Miscellaneous | 3,857 | 5,096 | 20,000 | 24,123 | 20,000 |
| | Total Other Serv. and Chgs | 26,662 | 60,235 | 80,000 | 84,123 | 80,000 |
| 7605 | Debt Service | | | | | |
| | Transfer Out | | | | | |
| | Debt Service Funds | | | | | |
| | 2012 Special Assessment | 240,000 | 220,000 | 225,000 | 225,000 | 225,000 |
| | Water - Operations | | 300,000 | | 125,000 | |
| | Sewer - Operations | | 200,000 | | | |
| | Equip. Acquisition - Fire | | | 400,000 | 400,000 | |
| | Interim Construction Fund | | | 970,000 | | 900,000 |
| | Operating Transfer | | | | | |
| | Miscellaneous - Property | 1,459 | 2,330 | 15,000 | 15,000 | 15,000 |
| | Bald Eagle / Fourth | 299,080 | | | | |
| | Linden | 20,183 | | | | |
| | Commerce / Willow | 98,847 | | | | |
| | Buerkle Road | 186,135 | | | | |
| | WB Parkway / Bay Lane | | 137,400 | | | |
| | Birch Lake / Bloom | | 208,040 | | | |
| | Linden / Cedar / Hoffman | | 106,360 | | | |
| | Cedar / Bellaire / WB Ave | | 68,155 | | | |
| | Morehead / Johnson / 8th | | | | 653,800 | |
| | Birch Lake Blvd | | | | 64,200 | |
| | Old White Bear Ave | | | | 56,500 | |
| | Manitou / Sumac / 11th | | | | 127,200 | |
| | Centerville Road / Signal | | | | 380,500 | |
| | Total Debt Service | 845,704 | 1,242,285 | 1,610,000 | 2,047,200 | 1,140,000 |
| | Total Expenditures | 872,366 | 1,302,520 | 1,690,000 | 2,131,323 | 1,220,000 |
| | Revenues Over (Under) Expenditures | 471,569 | (53,267) | (632,500) | (661,823) | 130,000 |
| | Fund Balance January 1 | 428,021 | 899,590 | 674,890 | 846,323 | 184,500 |
| | Fund Balance December 31 | 899,590 | 846,323 | 42,390 | 184,500 | 314,500 |
| | | | | | | |

Fund: 2012 Special Assessment Debt Service Fund 3071

Department Activities and Responsibilities:

This fund manages the principal and interest payments related to special assessment bonds issued in 2012. The City issued bonds in amounts necessary to meet expenditure requirements for special assessment projects completed during 2010 through 2012 due to the favorable interest rate at the time. Revenues to retire these bonds come from property owner special assessment payments for the improvements benefiting their properties.

The Non-Bonded Fund collects the special assessment payments and makes an annual transfer to pay the debt principal and interest obligations.

Bond maturing on and after February 1, 2019, are subject for call at par by the City.

Budget Summary:

No tax levy is required to support this fund. The City's principal and interest obligation as of December 31, 2019, for the Special Assessment Bonds are as follows:

| Year | Principal | Interest | Total | Rate |
|-------|------------------|---------------|------------------|--------|
| 2020 | \$ 185,000 | \$ 19,802 | \$ 204,802 | 1.100% |
| 2021 | 180,000 | 17,660 | 197,660 | 1.250% |
| 2022 | 175,000 | 15,310 | 190,310 | 1.400% |
| 2023 | 165,000 | 12,806 | 177,806 | 1.550% |
| 2024 | 160,000 | 10,208 | 170,208 | 1.650% |
| 2025 | 155,000 | 7,531 | 162,531 | 1.750% |
| 2026 | 150,000 | 4,787 | 154,787 | 1.850% |
| 2027 | 100,000 | 2,400 | 102,400 | 2.000% |
| 2028 | 70,000 | 700 | 70,700 | 2.000% |
| Total | <u>1,340,000</u> | <u>91,204</u> | <u>1,431,204</u> | |

**SPECIAL ASSESSMENT FUND
2012 DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| 5205 | Transfer In Non-Bonded Fund | 240,000 | 220,000 | 225,000 | 225,000 | 225,000 |
| | Total Revenues | 240,000 | 220,000 | 225,000 | 225,000 | 225,000 |
| | EXPENDITURES: | | | | | |
| 7430 | Other Services & Charges Fiscal agent fees | 450 | 7,150 | 450 | 450 | 450 |
| | Total Other Services & Chgs | 450 | 7,150 | 450 | 450 | 450 |
| 7410 | Debt Service Principal | 205,000 | 200,000 | 195,000 | 195,000 | 185,000 |
| 7420 | Interest | 26,060 | 24,745 | 23,265 | 23,265 | 21,653 |
| | Total Debt Service | 231,060 | 224,745 | 218,265 | 218,265 | 206,653 |
| | Total Expenditures | 231,510 | 231,895 | 218,715 | 218,715 | 207,103 |
| | Revenues Over (Under) Expenditures | 8,490 | (11,895) | 6,285 | 6,285 | 17,897 |
| | Fund Balance January 1 | 9,104 | 17,594 | 11,949 | 5,699 | 11,984 |
| | Fund Balance December 31 | 17,594 | 5,699 | 18,234 | 11,984 | 29,881 |
| | | | | | | |

**Fund: 2012 Refunding Tax Increment Bond Debt Service 3040
Pioneer Manor**

Department Activities and Responsibilities:

The City sold \$2,820,000 tax increment general obligation bonds in 1993 to finance the land acquisition and construction of a 42-unit senior housing complex called Pioneer Manor. The HRA Tax Increment Fund contributed \$144,000 for Pioneer Manor construction between 1995 and 2003.

The City refinanced the bonds in 2012, which provided a net savings of \$244,472. The savings reduced Pioneer Manor's anticipated debt service (mortgage) obligation by \$17,000 annually from 2012 through 2023. The refinancing established Pioneer Manor's annual contribution to pay the debt at \$160,000. This revenue stream will provide sufficient funding to meet the annual debt service obligation.

Budget Summary:

The City does not expect any general tax levy will be required to retire these bond debt obligations. At the end of 2019, the City's principal obligation on the bond issue will total \$670,000. Bonds maturing on or after February 1, 2020 are subject to early redemption at par at the option of the City. Future principal and interest obligations on this debt are as follows:

| Year | Principal | Interest | Total | Rate |
|-------|------------|-----------|------------|--------|
| 2020 | \$ 160,000 | \$ 11,800 | \$ 171,800 | 2.000% |
| 2021 | 170,000 | 8,500 | 178,500 | 2.000% |
| 2022 | 170,000 | 5,100 | 175,100 | 2.000% |
| 2023 | 170,000 | 1,700 | 171,700 | 2.000% |
| Total | 670,000 | 27,100 | 697,100 | |

**REFUNDING TAX INCREMENT BOND FUND
PIONEER MANOR
2012 DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| 5205 | Transfer In Pioneer Manor Fund | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| | Total Revenues | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| | EXPENDITURES: | | | | | |
| 7430 | Other Services & Charges Fiscal agent fees | 450 | 6,250 | 450 | 450 | 450 |
| | | 450 | 6,250 | 450 | 450 | 450 |
| 7410 | Debt Service Principal - 2012 Bonds | 140,000 | 155,000 | 155,000 | 155,000 | 160,000 |
| 7420 | Interest - 2012 Bonds | 24,200 | 21,250 | 18,150 | 18,150 | 15,000 |
| | Total Debt Service | 164,200 | 176,250 | 173,150 | 173,150 | 175,000 |
| | Total Expenditures | 164,650 | 182,500 | 173,600 | 173,600 | 175,450 |
| | Revenues Over (Under) Expenditures | (4,650) | (22,500) | (13,600) | (13,600) | (15,450) |
| | Fund Balance January 1 | 140,386 | 135,736 | 113,236 | 113,236 | 99,636 |
| | Fund Balance December 31 | 135,736 | 113,236 | 99,636 | 99,636 | 84,186 |
| | | | | | | |

**Fund: 2016 Tax Increment Bond Debt Service Fund 3081
Boatworks Commons**

Department Activities and Responsibilities:

The City sold \$2,275,000 tax increment general obligation bonds in 2016 to assist in financing the redevelopment of the Johnson Boat Works property into the Boatworks Commons development. The bond sale provided \$2,250,000 for site cleanup, soil correction, utility improvements, and public facility improvements. In addition to the bond sale, an internal loan was set up to complete the project.

The Boatworks Common Tax Increment District No. 27 is the funding source for payment of the bond and loan obligation. The City does not expect any general tax levy will be required to retire the bonded debt obligation.

Budget Summary:

Bond Obligation

The City's principal obligation on the bond issue will total \$2,130,000 on December 31, 2019. Bonds maturing on or after February 1, 2025 are subject to early redemption at par at the option of the City. Future principal and interest obligations on the debt are as follows:

| Year | Principal | Interest | Total | Rate |
|--------------|------------------|----------------|------------------|--------|
| 2020 | \$ 80,000 | \$ 53,413 | \$ 133,413 | 3.000% |
| 2021 | 85,000 | 50,938 | 135,938 | 3.000% |
| 2022 | 90,000 | 48,313 | 138,313 | 3.000% |
| 2023 | 90,000 | 45,612 | 135,612 | 3.000% |
| 2024 | 95,000 | 42,837 | 137,837 | 3.000% |
| 2025 | 100,000 | 39,912 | 139,912 | 3.000% |
| 2026 | 105,000 | 37,363 | 142,363 | 2.000% |
| 2027 | 110,000 | 35,212 | 145,212 | 2.000% |
| 2028 | 115,000 | 32,962 | 147,962 | 2.000% |
| 2029 | 120,000 | 30,552 | 150,552 | 2.100% |
| 2030 | 125,000 | 27,917 | 152,917 | 2.200% |
| 2031 | 130,000 | 25,047 | 155,047 | 2.300% |
| 2032 | 135,000 | 21,932 | 156,932 | 2.400% |
| 2033 | 140,000 | 18,563 | 158,563 | 2.500% |
| 2034 | 145,000 | 15,000 | 160,000 | 2.500% |
| 2035 | 150,000 | 11,125 | 161,125 | 2.750% |
| 2036 | 155,000 | 6,932 | 161,932 | 2.750% |
| 2037 | 160,000 | 2,400 | 162,400 | 3.000% |
| Total | 2,130,000 | 546,030 | 2,676,030 | |

**Fund: 2016 Tax Increment Bond Debt Service Fund 3081
Boatworks Commons**

Internal Loan Obligation

The Boatworks Commons project required the establishment of a \$750,000 internal loan to complete financing of the redevelopment project within TIF District #27. The City established the internal loan interest rate at 3.00%, which in March 2016 was 1.00% below the maximum statutory interest rate allowed.

The loan's future principal and interest obligation is as follows:

| Year | Principal | Interest | Total | Rate |
|--------------|----------------|----------------|------------------|--------|
| 2020 | \$ - | \$ 22,500 | \$ 22,500 | 3.000% |
| 2021 | - | 22,500 | 22,500 | 3.000% |
| 2022 | - | 22,500 | 22,500 | 3.000% |
| 2023 | - | 22,500 | 22,500 | 3.000% |
| 2024 | - | 22,500 | 22,500 | 3.000% |
| 2025 | - | 22,500 | 22,500 | 3.000% |
| 2026 | - | 22,500 | 22,500 | 3.000% |
| 2027 | - | 22,500 | 22,500 | 3.000% |
| 2028 | - | 22,500 | 22,500 | 3.000% |
| 2029 | - | 22,500 | 22,500 | 3.000% |
| 2030 | - | 22,500 | 22,500 | 3.000% |
| 2031 | - | 22,500 | 22,500 | 3.000% |
| 2032 | 10,000 | 22,350 | 32,350 | 3.000% |
| 2033 | 10,000 | 22,050 | 32,050 | 3.000% |
| 2034 | 10,000 | 21,750 | 31,750 | 3.000% |
| 2035 | 10,000 | 21,450 | 31,450 | 3.000% |
| 2036 | 10,000 | 21,150 | 31,150 | 3.000% |
| 2037 | 10,000 | 20,850 | 30,850 | 3.000% |
| 2038 | 190,000 | 17,850 | 207,850 | 3.000% |
| 2039 | 200,000 | 12,000 | 212,000 | 3.000% |
| 2040 | 200,000 | 6,000 | 206,000 | 3.000% |
| 2041 | 100,000 | 1,500 | 101,500 | 3.000% |
| Total | 750,000 | 436,950 | 1,186,950 | |



Reader's Notes:

**TAX INCREMENT BOND FUND
BOATWORKS COMMON
2016 DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| 5105 | Bond Sale proceeds | 25,000 | | | | |
| 5324 | Bond Sale Premium | 49,235 | | | | |
| 5324 | Bond Sale Interest | 16,477 | | | | |
| 5205 | Transfer Boat Works Common - TIF | | 115,000 | 155,000 | 160,000 | 160,000 |
| | Total Revenues | 90,712 | 115,000 | 155,000 | 160,000 | 160,000 |
| | EXPENDITURES: | | | | | |
| | Other Services & Charges | | | | | |
| 6401 | Professional services | | | | | |
| 6401 | Bond Sale Fiscal Agent | 24,875 | | | | |
| 6401 | Bond Sale Legal | 8,500 | | | | |
| 6401 | Bond Rating | 10,300 | | | | |
| 7440 | Bond Issuance Discount | 28,043 | | | | |
| 7430 | Fiscal agent fees | 800 | 450 | 500 | 500 | 500 |
| | Total Other Services & Chgs | 72,518 | 450 | 500 | 500 | 500 |
| | Bond Debt Service | | | | | |
| 7410 | Principal | | | 70,000 | 70,000 | 75,000 |
| 7420 | Interest | | 82,056 | 57,913 | 57,913 | 55,738 |
| | Total Bond Debt Service | | 82,056 | 127,913 | 127,913 | 130,738 |
| | Loan Debt Service | | | | | |
| 7410 | Principal | | | | | |
| 7420 | Interest | | 30,000 | 22,500 | 22,500 | 22,500 |
| | Total Loan Debt Service | | 30,000 | 22,500 | 22,500 | 22,500 |
| | Total Expenditures | 72,518 | 112,506 | 150,913 | 150,913 | 153,738 |
| | Revenues Over (Under) Expenditures | 18,194 | 2,494 | 4,087 | 9,087 | 6,262 |
| | Fund Balance January 1 | | 18,194 | 20,688 | 20,688 | 29,775 |
| | Fund Balance December 31 | 18,194 | 20,688 | 24,775 | 29,775 | 36,037 |

**Fund: 2018A General Obligation Bond Debt Service Fund 3082
Street Reconstruction and Sports Center Refrigeration Equipment**

Department Activities and Responsibilities:

The \$5,850,000 General Obligation Bonds, Series 2018A were issue pursuant to Minnesota Statutes, Sections 410.32 and 412.301 and Chapters 429 and 475 to finance the 2018 street reconstruction project and the acquisition of the refrigeration equipment system for the City’s Sport Center. The bonds are a general obligation of the City for which the City pledges its full faith, credit and taxing powers for the repayment.

The City and the White Bear Lake Hockey Association partnered in the project to renovate the Sports Center Facility. The City Council adopted Resolution No. 12138 in December 2017 to approve a financial agreement with the Association. The City agreed to issue debt to cover the entire project, while the Association agreed to pay an initial contribution at the completion of the renovation for construction costs and annual payments for 20 years to assist in paying debt service costs up to \$2 million dollars.

Bonds maturing on or after February 1, 2025, are subject for early redemption call at par at the option of the City.

Budget Summary:

The White Bear Lake Hockey Association begins their annual contribution for debt service in 2019. As of December 31, 2019, the City’s principal obligation on the debt is \$5,850,000. Future principal and interest obligations on this debt by expense category are as follows:

| Year | GO Improve. Principal | GO Improve. Interest | SC Equipment Principal | SC Equipment Interest | Total | Rate |
|--------------|-----------------------------|----------------------------|------------------------------|-----------------------------|------------------|--------|
| 2020 | \$ 160,000 | \$ 128,350 | \$ 65,000 | \$ 59,731 | \$ 413,081 | 3.000% |
| 2021 | 165,000 | 123,475 | 70,000 | 57,706 | 416,181 | 3.000% |
| 2022 | 165,000 | 117,700 | 70,000 | 55,256 | 407,956 | 4.000% |
| 2023 | 170,000 | 111,000 | 75,000 | 52,356 | 408,356 | 4.000% |
| 2024 | 175,000 | 104,100 | 75,000 | 49,356 | 403,456 | 4.000% |
| 2025 | 180,000 | 97,900 | 80,000 | 46,656 | 404,556 | 3.000% |
| 2026 | 185,000 | 92,425 | 80,000 | 44,256 | 401,681 | 3.000% |
| 2027 | 190,000 | 86,800 | 85,000 | 41,781 | 403,581 | 3.000% |
| 2028 | 190,000 | 81,100 | 90,000 | 39,156 | 400,256 | 3.000% |
| 2029 | 195,000 | 75,325 | 90,000 | 36,456 | 396,781 | 3.000% |
| 2030 | 200,000 | 69,400 | 95,000 | 33,681 | 398,081 | 3.000% |
| 2031 | 205,000 | 63,325 | 95,000 | 30,831 | 394,156 | 3.000% |
| 2032 | 210,000 | 56,969 | 100,000 | 27,844 | 394,813 | 3.125% |
| 2033 | 215,000 | 50,328 | 100,000 | 24,719 | 390,047 | 3.125% |
| 2034 | 215,000 | 43,475 | 105,000 | 21,450 | 384,925 | 3.250% |
| 2035 | 225,000 | 36,325 | 110,000 | 17,956 | 389,281 | 3.250% |
| 2036 | 230,000 | 28,787 | 110,000 | 14,312 | 383,099 | 3.375% |
| 2037 | 235,000 | 20,941 | 115,000 | 10,516 | 381,457 | 3.375% |
| 2038 | 240,000 | 12,776 | 120,000 | 6,476 | 379,252 | 3.500% |
| 2039 | 245,000 | 4,288 | 125,000 | 2,188 | 376,476 | 3.500% |
| Total | 3,995,000 | 1,404,789 | 1,855,000 | 672,683 | 7,927,472 | |

**GENERAL OBLIGATION BOND FUND
2018A CONSTRUCTION DEBT SERVICE
2018A SPORT CENTER REFRIGERATION DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| 5105 | Bond sale Proceeds | | | | 65,950 | |
| 5324 | Bond Sale Premium | | | | 61,180 | |
| 5324 | Bond Sale Capitalized Int. | | | | 120,720 | |
| 4015 | Property Tax - Current | | | | | 215,000 |
| | Street Improvement | | | | | 84,000 |
| 5360 | White Bear Hockey - Contrib. | | | | | 84,000 |
| | Total Revenues | | | | 247,850 | 299,000 |
| | EXPENDITURES: | | | | | |
| | Other Services & Charges | | | | | |
| 6401 | Professional services | | | | | |
| 6401 | Bond Sale - Fiscal Agent | | | | 41,650 | |
| 6401 | Bond Sale - Legal | | | | 6,000 | |
| 6401 | Bond Sale - Rating | | | | 14,500 | |
| 6401 | Bond Underwriter Discount | | | | 63,625 | |
| 6401 | Bond Sale - Fees | | | | 525 | |
| 7430 | Fiscal agent fees | | | | 850 | 848 |
| | Total Other Services & Chgs | | | | 127,150 | 848 |
| | Debt Service | | | | | |
| 7410 | Principal - Construction | | | | | |
| 7410 | Principal - Sport Center | | | | | |
| | Total Principal | | | | | |
| 7420 | Interest - Construction | | | | | 147,820 |
| | Interest - Sport Center | | | | | 68,632 |
| | Total Interest | | | | | 216,452 |
| | Total Debt Service | | | | | 216,452 |
| | Total Expenditures | | | | 127,150 | 217,300 |
| | Revenues Over (Under) Expenditures | | | | 120,700 | 81,700 |
| | Fund Balance January 1 | | | | | 120,700 |
| | Fund Balance December 31 | | | | 120,700 | 202,400 |

**Fund: 2018B General Obligation Tax Abatement Bonds Debt Service Fund 3083
Sports Center**

Department Activities and Responsibilities:

The \$3,330,000 General Obligation Tax Abatement Bonds, Series 2018B issued on June 14, 2018, pursuant to Minnesota Statutes, Chapters 429 and 475 to finance costs associated with the City's Sport Center Renovation. The bonds are a general obligation of the City for which the City pledges its full faith, credit and taxing powers for the repayment.

Bonds maturing on or after February 1, 2025, are subject for early redemption call at par at the option of the City.

Budget Summary:

As of December 31, 2019, the City's principal obligation on the debt is \$3,330,000. Future principal and interest obligations on this debt by expense category are as follows:

| Year | Principal | Interest | Total | Rate |
|--------------|------------------|------------------|------------------|--------|
| 2020 | \$ 125,000 | \$ 103,125 | \$ 228,125 | 3.000% |
| 2021 | 125,000 | 99,375 | 224,375 | 3.000% |
| 2022 | 130,000 | 95,550 | 225,550 | 3.000% |
| 2023 | 135,000 | 91,575 | 226,575 | 3.000% |
| 2024 | 140,000 | 87,450 | 227,450 | 3.000% |
| 2025 | 145,000 | 83,175 | 228,175 | 3.000% |
| 2026 | 150,000 | 78,750 | 228,750 | 3.000% |
| 2027 | 150,000 | 74,250 | 224,250 | 3.000% |
| 2028 | 155,000 | 69,675 | 224,675 | 3.000% |
| 2029 | 160,000 | 64,950 | 224,950 | 3.000% |
| 2030 | 165,000 | 60,075 | 225,075 | 3.000% |
| 2031 | 170,000 | 55,050 | 225,050 | 3.000% |
| 2032 | 175,000 | 49,766 | 224,766 | 3.125% |
| 2033 | 180,000 | 44,219 | 224,219 | 3.125% |
| 2034 | 190,000 | 38,319 | 228,319 | 3.250% |
| 2035 | 195,000 | 32,063 | 227,063 | 3.250% |
| 2036 | 200,000 | 25,519 | 225,519 | 3.375% |
| 2037 | 205,000 | 18,684 | 223,684 | 3.375% |
| 2038 | 215,000 | 11,462 | 226,462 | 3.500% |
| 2039 | 220,000 | 3,850 | 223,850 | 3.500% |
| Total | 3,330,000 | 1,186,882 | 4,516,882 | |

**GENERAL OBLIGATION TAX ABATEMENT BOND FUND
2018B SPORT CENTER RENOVATION DEBT SERVICE
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|--|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| 5105 | Bond sale Proceeds | | | | 60,300 | |
| 5324 | Bond Sale Premium | | | | 6,390 | |
| 5324 | Bond Sale Capitalized Int. | | | | 66,200 | |
| 5205 | Transfer - Insurance Fund Sport Center | | | | | 195,000 |
| | Total Revenues | | | | 132,890 | 195,000 |
| | EXPENDITURES: | | | | | |
| | Other Services & Charges | | | | | |
| 6401 | Professional services | | | | | |
| 6401 | Bond Sale - Fiscal Agent | | | | 18,550 | |
| 6401 | Bond Sale - Legal | | | | 7,000 | |
| 6401 | Bond Sale - Rating | | | | 1,000 | |
| 6401 | Bond Underwriter Discount | | | | 39,300 | |
| 7430 | Fiscal agent fees | | | | 850 | 637 |
| | Total Other Services & Chgs | | | | 66,700 | 637 |
| | Debt Service | | | | | |
| 7410 | Principal | | | | | |
| 7420 | Interest | | | | | 118,708 |
| | Total Debt Service | | | | | 118,708 |
| | Total Expenditures | | | | 66,700 | 119,345 |
| | Revenues Over (Under) Expenditures | | | | 66,190 | 75,655 |
| | Fund Balance January 1 | | | | | 66,190 |
| | Fund Balance December 31 | | | | 66,190 | 141,845 |



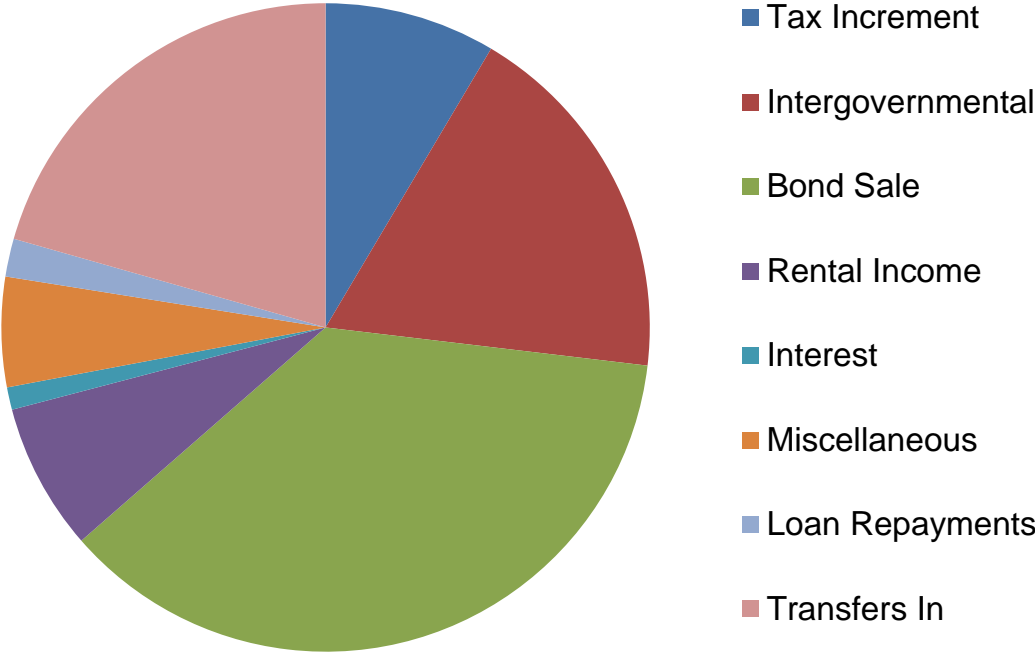
Reader's Notes:

**COMPARATIVE ANALYSIS OF FUND BALANCE
CAPITAL PROJECT FUNDS**

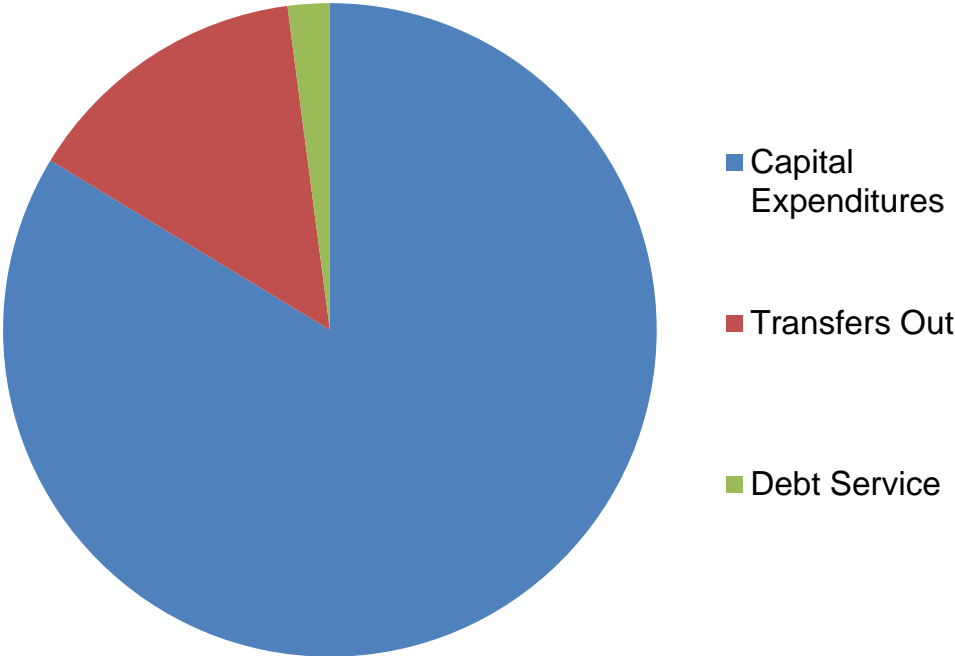
| | 2015 ACTUAL | 2017 ACTUAL | 2018 BUDGET | 2018 REVISED | 2019 BUDGET |
|--|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Revenues | | | | | |
| Property Tax | \$ 228,000 | \$ 146,300 | \$ 287,800 | \$ 287,800 | |
| Tax Increment | 454,490 | 444,615 | 483,000 | 490,000 | 495,000 |
| Intergovernmental | 1,039,767 | 790,363 | | 764,000 | 1,065,000 |
| Interest | 102,740 | 155,731 | | 50,000 | 65,000 |
| Rental Income | 439,367 | 407,115 | 400,500 | 416,000 | 426,000 |
| Miscellaneous | 897,070 | 773,124 | 1,217,000 | 1,701,900 | 318,000 |
| Loan Repayments | 278,000 | 145,500 | 110,000 | | 110,000 |
| Loan | 750,000 | | | | |
| Bond Sale | 2,250,000 | | 4,600,000 | 8,975,000 | 2,130,000 |
| Transfers In | 2,150,704 | 1,032,285 | 440,000 | 2,090,000 | 1,395,000 |
| Total Revenues | 8,590,138 | 3,895,033 | 7,538,300 | 14,774,700 | 6,004,000 |
| Expenditures | | | | | |
| Capital Expenditures | 5,544,772 | 5,420,015 | 8,615,000 | 13,923,935 | 6,253,150 |
| Debt Service Payments | | 115,000 | 155,000 | 155,000 | 155,000 |
| Transfers Out | 1,000,000 | 200,000 | | 515,000 | 1,065,000 |
| Total Expenditures | 6,544,772 | 5,735,015 | 8,770,000 | 14,593,935 | 7,473,150 |
| Reserves | (1,270,000) | (255,000) | (295,000) | (400,000) | (550,000) |
| Total Expenditures and Reserves | 5,274,772 | 5,480,015 | 8,475,000 | 14,193,935 | 6,923,150 |
| Revenues Over (Under) Expenditures and Reserves | 3,315,366 | (1,584,982) | (936,700) | 580,765 | (919,150) |
| Fund Balance, January 1 | 5,450,040 | 8,765,406 | 4,125,681 | 7,180,424 | 7,761,189 |
| Fund Balance, December 31 | \$ 8,765,406 | \$ 7,180,424 | \$ 3,188,981 | \$ 7,761,189 | \$ 6,842,039 |
| | | | | | |

2019 Capital Project Funds

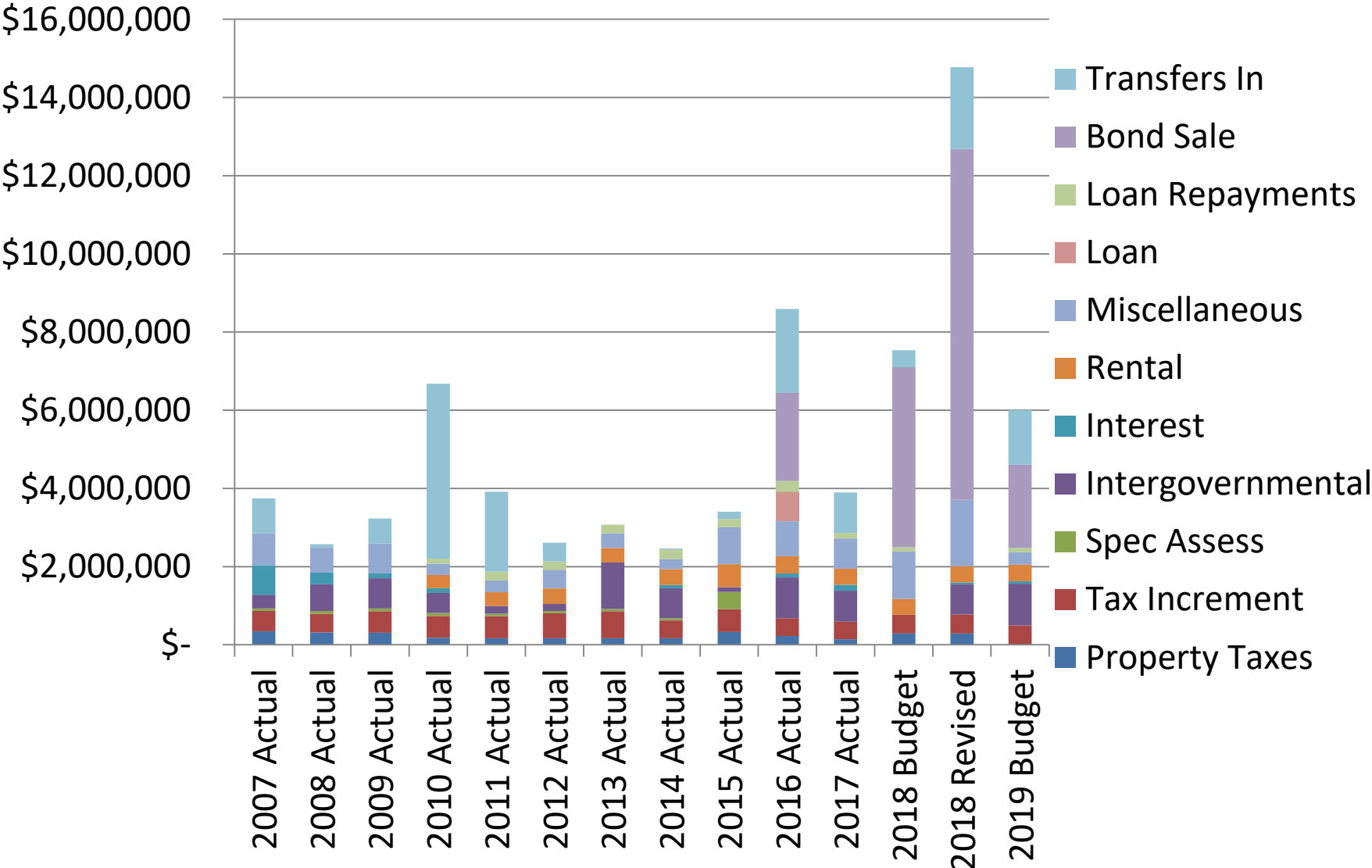
Total Revenues \$5,804,000



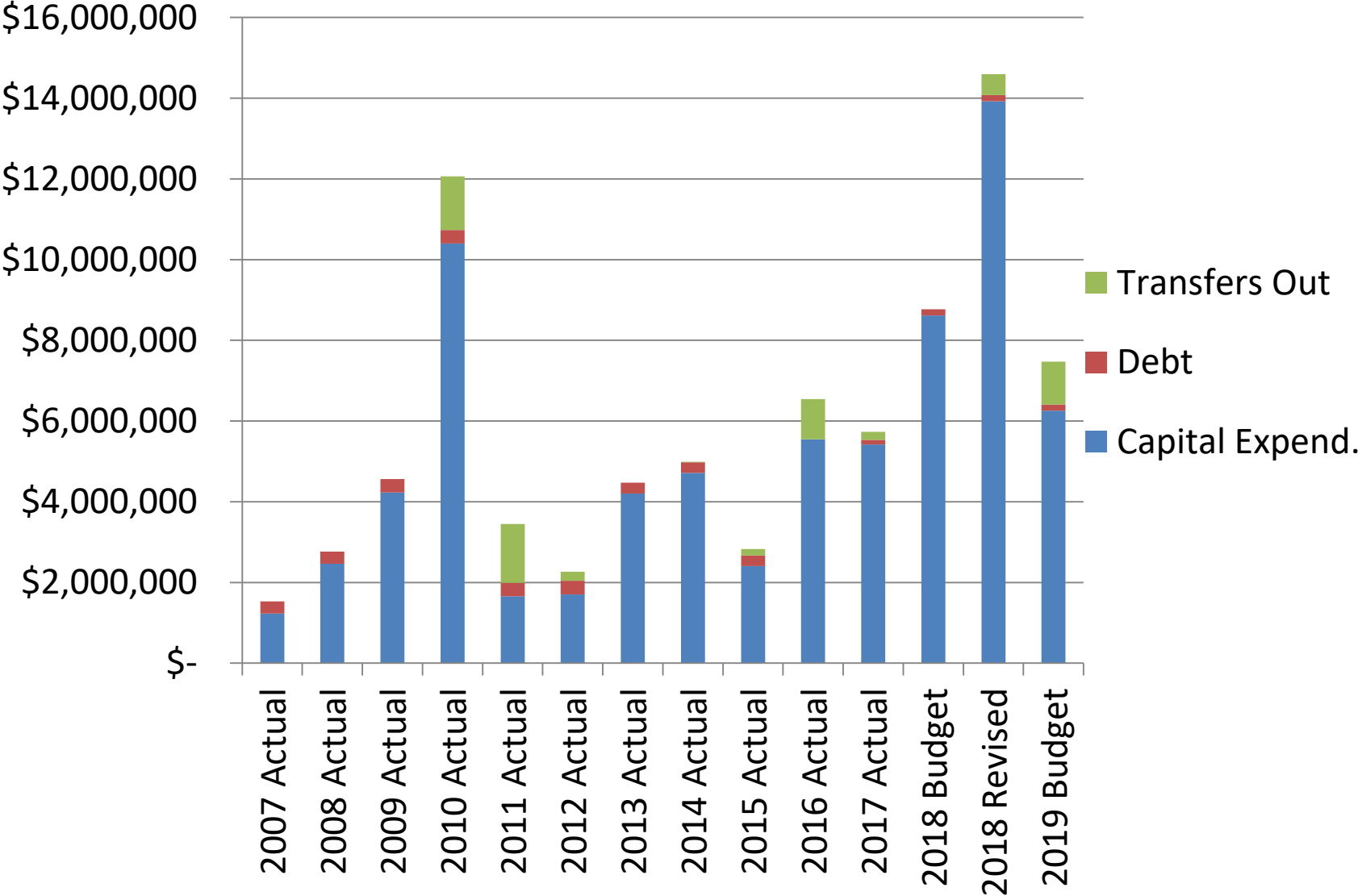
Total Expenditures \$7,473,150



Capital Project Funds Revenue Trend Analysis



Capital Project Funds Expenditure Trend Analysis



Fund: Equipment Acquisition Fund 4100

Department Activities and Responsibilities:

The Equipment Acquisition Fund accounts for major capital equipment purchases identified in the City's long-range plans for departments in the General and Special Revenue Funds.

Previously, the Fund received a portion of the annual tax levy to support operations; however, in 2019 a philosophical change replaces the tax levy allocation with a portion of the annual State's Local Government Aid. The State aid payment can be uncertain, making it difficult to rely on for General Fund operations. By recognizing the revenue in this budget, the City may modify expenditures if the State reduces or eliminates the aid.

The City designates special revenue from lease payments for cell tower sites on city properties and the franchise fee from Ramsey Washington Cable to provide additional revenue to this Fund. These special revenue streams represent 73% of the fund's operating revenue. Without these revenue streams, the City would be required to reduce equipment replacement expenditures or increase its tax levy.

Budget Summary:

Ramsey Washington Cable contributed funds to upgrade the cablecasting equipment used in the City Council chambers. The 2018 Budget also includes a \$400,000 contribution from the Non-Bonded Debt Fund to assist the Fire Department in purchasing a new pumper truck to replace Engine #7.

The following pages detail proposed expenditures by department. Even though the budget allocates resources for these expenditures, each item will undergo a detailed analysis and review before final approval for the purchase. Funding for capital replacements could move to future years' budgets based on unanticipated equipment failure of other units or budget reductions during the year.

As described in the 2018 Budget, the Dispatch Department's emergency phone system was originally budgeted for replacement in 2017; however, the City's decision to transition the dispatch duties through a contract with Ramsey County eliminated the need for the new system. The budget narrative explained the savings would fund capital costs related to the transition in 2018, even though the amount was not included as a line item in the budget. Expenditures related to the use of this savings is in the Dispatch/Public Safety section in this budget and the Public Safety and Fire Department sections of the Municipal Building Fund budget.

The City reserves funds for significant capital expenditures, which require multiple-year funding in order to maintain a stable revenue stream. In recent years, the fund used reserves to contribute funds to street construction projects, install fiber optic connections for remote sites, update telephone equipment to the Voice-over Internet Protocol (VoIP) technology, emergency response equipment. The 2019 Budget includes allocations for Public Works equipment, Police equipment and technology purchases.

**EQUIPMENT ACQUISITION FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|--|-------------|-------------|--------------|--------------|-------------|
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4015 | General Property Tax Regular levy | 73,000 | 48,500 | 190,000 | 190,000 | |
| | Total property tax | 73,000 | 48,500 | 190,000 | 190,000 | |
| 4624 | State - LGA | | | | | 195,000 |
| 4638 | State - Emergency Equipment | 9,869 | | | | |
| 4662 | County - Emergency Equipment | 30,906 | | | | |
| 4955 | Interest | 13,800 | 19,830 | | 10,000 | 15,000 |
| 4975 | Rental - Towers | 425,788 | 391,440 | 385,000 | 400,000 | 410,000 |
| 5010 | Sale of Equipment | 46,771 | 39,384 | 10,000 | 60,000 | 20,000 |
| 5360 | Ramsey/Washington Cable | 299,753 | 195,044 | 195,000 | 213,000 | 215,000 |
| 5360 | Ramsey/Washington - Equipment | | | | 60,000 | |
| 5360 | Xcel Engery - Equip. Monitor | | | | 14,000 | |
| 5320 | Escrow Fund Contribution | 32,301 | | | | |
| 5205 | Transfer - Ambulance - Squads | 45,000 | | | | |
| 5205 | Transfer - Non-Bonded - Fire | | | 400,000 | 400,000 | |
| | Total other revenue | 904,188 | 645,698 | 990,000 | 1,157,000 | 855,000 |
| | Total revenues | 977,188 | 694,198 | 1,180,000 | 1,347,000 | 855,000 |
| | Expenditures | 1,310,522 | 1,057,379 | 1,687,000 | 1,659,635 | 1,234,750 |
| | Transfer to Construction Fund | 1,000,000 | | | | |
| | Transfer to General Fund | | | | | |
| | Reserves | (1,270,000) | (255,000) | (445,000) | (500,000) | (350,000) |
| | Total expenditures & reserves | 1,040,522 | 802,379 | 1,242,000 | 1,159,635 | 884,750 |
| | Revenues Over (Under) Expenditures & Reserves | (63,334) | (108,181) | (62,000) | 187,365 | (29,750) |
| | Fund Balance January 1 | 310,208 | 246,874 | 142,204 | 138,693 | 326,058 |
| | Fund Balance December 31 | 246,874 | 138,693 | 80,204 | 326,058 | 296,308 |
| | Reserves | | | | | |
| | Technology | 182,350 | 180,000 | 132,000 | 250,000 | 150,000 |
| | Public Safety - Communications | 180,000 | 180,000 | | | |
| | City Wide - Telephone System | 87,650 | | | | |
| | City Wide - Fiber Optics | 150,000 | 80,000 | 50,000 | | |
| | Fire Equipment | 550,000 | 455,000 | | 200,000 | |
| | Police Equipment | 150,000 | 150,000 | | 95,000 | 95,000 |
| | Public Works - Equipment | 200,000 | 200,000 | 170,000 | 200,000 | 150,000 |
| | Total Reserves | 1,500,000 | 1,245,000 | 352,000 | 745,000 | 395,000 |

| FUNCTION: | | FUND: | | | ACCT. NO: | |
|-------------------------|--|-----------------------|-------------|--------------|--------------|-------------|
| Capital Projects | | Equipment Acquisition | | | 4100 - 4102 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2019 REVISED | 2019 BUDGET |
| | GENERAL FUND | \$ | \$ | \$ | \$ | \$ |
| | Police (4108) | | | | | |
| 7130 | Computer / Office equipment | 3,703 | 3,547 | 60,000 | 50,000 | 50,000 |
| 7130 | Servers | 8,160 | 5,770 | | | |
| 7130 | 800 MHZ Portable Radios | 30,898 | 51,423 | 64,000 | 60,000 | 14,000 |
| 7130 | Squad laptop computers | 16,491 | | 20,000 | 15,000 | 20,000 |
| 7130 | Squad laptop computer mounts | | | 1,500 | 1,500 | 1,500 |
| 7150 | Squad in camera system | | | | | 5,000 |
| 7150 | Vehicles Police squads | 141,138 | 124,838 | 120,000 | 125,000 | 120,000 |
| 7150 | Vehicles Police Administration in Forfeiture | | | | | |
| 7150 | Radar unit | | | | 5,000 | 3,500 |
| 7150 | Taser replacement | | | | 7,000 | 10,000 |
| 7130 | Use of force mats, simulation equipment | | | | 6,000 | 7,500 |
| 7150 | Stop sticks - 3 per year | | 4,320 | 17,700 | 1,700 | 1,700 |
| 7150 | Body Cameras | | | 3,000 | 60,000 | 30,000 |
| | Total Police | 200,390 | 189,898 | 286,200 | 331,200 | 263,200 |
| | Fire (4109) | | | | | |
| 7130 | 800 MHZ Portable Radios / Equip.(2) | 82,932 | 42,110 | 91,000 | 7,150 | |
| 7140 | Thermal imaging camera | 6,525 | | | | 8,400 |
| 7140 | Self contained breathing appartus | | 295,032 | | 8,400 | |
| 7140 | SCBA fill station | | 46,693 | | | |
| 7140 | Adapters, couplings and nozzles | 11,435 | 23,719 | 9,200 | 2,585 | 12,250 |
| 7140 | Automatic flow nozzles | | | | 2,600 | |
| 7140 | Desk | | | | 1,075 | |
| 7140 | Hose replacement | | | | | 6,000 |
| 7140 | LED scene lights | | | | | 3,000 |
| 7140 | Vehicle equipment | | | | 375 | |
| 7140 | Rescue equipment | | 4,884 | | | |
| 7140 | Air Compressor | 2,777 | | | | |
| 7140 | Life Pack - Monitors / Defibrillator (4) | | | | 118,000 | |
| 7140 | Station 1 and 2 alerting system | | 12,774 | | 76,750 | |
| 7140 | Fire extinguisher training equipment | | | | | 20,000 |
| 7150 | Vehicle | 105,537 | 59,100 | | | |
| 7150 | Engine # 7 - Pumper | | | 500,000 | 250,000 | 285,000 |
| | Total Fire | 209,206 | 484,312 | 600,200 | 466,935 | 334,650 |
| (A) | Dispatch / Public Safety (4111) | | | | | |
| 7140 | Emergency Generator | 28,900 | | | | |
| 7130 | Identification system | | 7,096 | | | |
| 7140 | Dispatch Conversion | | | | 70,000 | |
| 7140 | Console Equipment | 188,516 | 6,726 | | | |
| | Total Public Safety | 217,416 | 13,822 | | 70,000 | |
| | Building (4104) | | | | | |
| 7150 | Pick Up Truck | 16,685 | 16,960 | | | 20,000 |
| | Total Building | 16,685 | 16,960 | | | 20,000 |

| FUNCTION: | | FUND: | | ACCT. NO: | | |
|-------------------------|---|-----------------------|-------------|--------------|--------------|-------------|
| Capital Projects | | Equipment Acquisition | | 4100 - 4102 | | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2019 REVISED | 2019 BUDGET |
| | Public Works Facility (4118) | \$ | \$ | \$ | \$ | \$ |
| 7140 | Floor Scrubber | | | | | 8,500 |
| 7140 | Equipment Scanning | | | | | 5,000 |
| 7140 | Hydraulic Hose Crimper | | | | | 14,000 |
| 7140 | Washer - underbody | | | 3,500 | 3,500 | |
| | Total Garage | | | 3,500 | 3,500 | 27,500 |
| | Streets / Snow Removal (4106) | | | | | |
| 7130 | Office Equipment | 3,959 | 1,090 | | | |
| 7140 | Plows / spreaders | 10,972 | 21,407 | | | 17,000 |
| 7140 | Sidewalk plow | | | | 130,000 | |
| 7140 | Push plow - downtown | | | | | 38,000 |
| 7150 | Dump truck - Single axle / equip & plow | 185,559 | | | | |
| 7150 | Dump truck - Tandem | 11,314 | | 225,000 | 180,000 | |
| 7150 | Loader tires | | | 12,000 | | 12,000 |
| 7150 | Bucket truck | 83,860 | | | | |
| 7150 | Pick up truck | | | | | 30,000 |
| 7140 | Pole saw | | | | 500 | 500 |
| 7140 | Chain saw | | | | 700 | 700 |
| 7140 | Backpack blower | | | | | 500 |
| 7140 | Sweeper camera | | | | 800 | |
| 7140 | Wiper shakers | 4,352 | 4,654 | 3,000 | 1,000 | |
| 7140 | Plate tamper | | | | | 2,500 |
| 7150 | Trailer - Tandem | | 11,919 | | | |
| 7150 | Walk behind saw | | | | | 6,000 |
| 7150 | Skid Steer - plow / broom / blower | | | 8,500 | 8,500 | |
| 7150 | Excavator - Mini / attachments | | | 14,300 | 13,000 | |
| | Total Streets | 300,016 | 39,070 | 262,800 | 334,500 | 107,200 |
| | Parks (4107) | | | | | |
| 7130 | Saws, detectors, mowers, etc. | 1,404 | 4,581 | 4,400 | 4,400 | 4,400 |
| 7150 | Pick up | 4,790 | 29,280 | | | |
| 7140 | Skid Steer Tracks | | 58,258 | | | |
| 7140 | Tactor - with mower | 61,849 | | | | |
| 7140 | Mower - flail | 9,264 | | | | |
| 7140 | Mower - 48" | 3,722 | | | | |
| 7140 | Mower - 3 deck | | 51,353 | | | |
| 7140 | Mower - 11' | | | | | 65,000 |
| 7140 | Loader - mini | | | 80,000 | | |
| 7140 | Pick-up Parks Department | | | | | 30,500 |
| 7140 | Pick-up Mark Meyer | | | | | 30,500 |
| 7140 | Weed whips | 20,424 | 12,442 | 1,500 | 1,500 | 1,500 |
| 7140 | Irrigation controller | | | | | 1,000 |
| 7140 | Loader forks | | | | | 7,000 |
| 7140 | Trailer - 20' in 2018, 16' in 2019 | 9,936 | | 12,500 | 9,700 | 9,000 |
| | Total Parks | 111,389 | 155,914 | 98,400 | 15,600 | 148,900 |

| FUNCTION: | | FUND: | | ACCT. NO: | | |
|-------------------------|---|-----------------------|-------------|--------------|--------------|-------------|
| Capital Projects | | Equipment Acquisition | | 4100 - 4102 | | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2019 REVISED | 2019 BUDGET |
| | City Hall (4102) | | | | | |
| 7130 | Computer / Office equipment / Licensing | 46,335 | 46,979 | 70,000 | 40,000 | 50,000 |
| 7130 | Computer licensing agreements | | | | 15,000 | 15,000 |
| 7150 | Vehicle Monitoring Equipment | | | | 14,000 | |
| 7130 | Phone System - City wide | 62,352 | 16,568 | | | |
| 7130 | Servers | 10,195 | 4,364 | 25,000 | | |
| 7130 | Laserfische | 24,832 | 2,897 | 6,000 | 3,000 | 3,500 |
| 7130 | MaxGalaxy | | | | 2,400 | 2,500 |
| 7130 | Website Renovation | | 20,600 | 3,500 | 3,600 | 4,000 |
| 7130 | Plan-it! Software | | | | 1,400 | 800 |
| 7130 | City Engineer's Office furniture | | | | 6,000 | |
| 7130 | Chair replacements | 14,920 | | 6,400 | 8,500 | |
| | Total City Hall | 158,634 | 91,408 | 110,900 | 93,900 | 75,800 |
| | Total General Fund | 1,213,736 | 991,384 | 1,362,000 | 1,315,635 | 977,250 |
| | Other (4116) | | | | | |
| 7160 | Election machines | 50,076 | | | | |
| 7220 | Fiber Optics | | 65,995 | 45,000 | 15,000 | |
| 7160 | Council Chambers Cable Equip. | | | | 60,000 | |
| 7160 | Engineering - Survey Equipment | 46,710 | | | | 7,500 |
| 7150 | Water - Pick up | | | 30,000 | 30,000 | |
| 7150 | Ambulance - Lap top computers | | | | 9,000 | |
| 7150 | Ambulance | | | 250,000 | 230,000 | 250,000 |
| 7605 | Construction Contribution | 1,000,000 | | | | |
| | Total Other | 1,096,786 | 65,995 | 325,000 | 344,000 | 257,500 |
| | Total | 2,310,522 | 1,057,379 | 1,687,000 | 1,659,635 | 1,234,750 |

Fund: Municipal Building Fund 4300

Department Activities and Responsibilities:

The Municipal Building Fund provides the funding sources and expenditures associated with the development or renovation of the City's government building facilities. Previously, the Fund received a portion of the annual tax levy to support operations; however, in 2019 a philosophical change replaces the tax levy allocation with a portion of the annual State's Local Government Aid. The State aid payment can be uncertain, making it difficult to rely on for General Fund operations. By recognizing the revenue in this budget, the City may modify expenditures if the State reduces or eliminates the aid.

The Community Counseling Center merger with Northeast Youth and Family Services (NYFS) allows NYFS to rent the counseling center facility if the center's purpose assists community mental health needs of the greater White Bear area. Counseling Center funds are set aside as a reserve for future building improvements. The rent paid by NYFS increases the building reserve balance each year.

Budget Summary:

Revenues include two grants for building maintenance. First, a Ramsey County grant funds a majority of the cost to replace the roof at the Community Counseling Center building since facility tenants, Northeast Youth and Family Services, serve the greater Ramsey County area. The second grant supports the installation of a new Heating, Ventilation, and Air Conditioning (HVAC) unit. The joint project with the White Bear Lake Area Historical Society (WBLAHS) combines City funds with a grant the WBLAHS received through the MN Arts and Cultural Heritage Fund administered through the Minnesota Historical Society.

The main building activity this year involves the renovation of the City's Sports Center. After 30 years of heavy utilization, the systems of the facility began to fail. The refrigerant system that maintains the sheet of ice experienced numerous failures and need updating use Ammonia instead of Freon to comply with operating standards. A facility study also identified work needed on the flooring, roof, insulation, lighting, air handling system, Americans with Disabilities Act (ADA) compliance, and external building improvements.

During earlier project discussions, the City Council acknowledged the arena's importance to the community but struggled in the decision of whether to complete the renovation because of the approximate \$5.6 million dollar price tag. The White Bear Lake Hockey Association offered to partner in the project with the City to meet the needs of both organizations. The City issued debt to cover the entire project, while the Association agreed to an initial contribution at the completion of the renovation and annual payments for 20 years to assist in paying debt service costs. The project only updated the current single sheet of ice at the facility; however, an upgrade to the refrigerant system capacity can support a second sheet of ice at a future date. The project finished on time with a grand re-opening celebration in September 2018 to begin the fall skating season.

The following pages detail proposed expenditures by department. Even though the budget allocates resources for these expenditures, each item will undergo a detailed analysis and review before final approval for the purchase. Funding for capital replacements could move to future years' budgets based on unanticipated equipment failure of other units or budget reductions during the year.

As described in the 2018 Budget, the Dispatch Department's emergency phone system was originally budgeted in the Equipment Acquisition Fund for replacement in 2017; however, the City's decision transition to the dispatch duties to a contract with Ramsey County eliminated the need for the new system. The budget narrative explained the savings would fund capital costs related to the transition in 2018, even though the amount was not included as a line item in the budget. Expenditures related to the use of this savings is in the Dispatch/Public Safety section in this budget and the Public Safety and Fire Department sections of the Municipal Building Fund budget.

**MUNICIPAL BUILDING FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---|-------------|-------------|--------------|--------------|-------------|
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4955 | Interest | 8,080 | 12,175 | | 10,000 | 10,000 |
| 4015 | General Property Tax Levy | 155,000 | 97,800 | 97,800 | 97,800 | |
| 4624 | Local Government Aid | 108,165 | | | | 100,000 |
| 4662 | Ramsey County - Counseling Ctr | | | | 32,000 | |
| 4662 | Ramsey County - Food Shelf | | | | | |
| 4664 | Historical Society - Armory | 4,989 | 9,500 | | 30,000 | |
| 4975 | Rental - Counseling Ctr | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| 4990 | Donation | 500 | 5,312 | | | |
| 4990 | Donation - WB Hockey | | 91,894 | 925,000 | 500,000 | |
| 5105 | Bond Sale Proceeds | | | 4,600,000 | 5,000,000 | |
| 5360 | Refunds & Reimbursement | | 3,418 | | 19,200 | |
| 5205 | Transfer from - Armory | | 10,000 | 10,000 | 10,000 | 10,000 |
| | Total revenue | 282,734 | 236,099 | 5,638,800 | 5,705,000 | 126,000 |
| | Expenditures | 130,974 | 391,505 | 5,856,500 | 5,979,500 | 443,000 |
| | Revenues Over (Under) Expenditures | 151,760 | (155,406) | (217,700) | (274,500) | (317,000) |
| | Fund Balance January 1 | 930,882 | 1,082,642 | 837,142 | 927,236 | 652,736 |
| | Fund Balance December 31 | 1,082,642 | 927,236 | 619,442 | 652,736 | 335,736 |
| | Fund Balance Reserved for: Counseling Center | 59,178 | 60,417 | 63,178 | 31,417 | 67,417 |
| | Other | 1,023,464 | 866,819 | 556,264 | 621,319 | 268,319 |
| | Total | 1,082,642 | 927,236 | 619,442 | 652,736 | 335,736 |

| MUNICIPAL BUILDING FUND SUMMARY OF EXPENDITURES | | | | | | |
|--|--------------------------------------|-------------|-------------|--------------|--------------|-------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| 7120 | Public Works Building (4316) | \$ | \$ | \$ | \$ | \$ |
| | Gutter replacement | | | | 3,500 | |
| | Overhead fans for equip storage | | | | | 4,000 |
| | LED internal lighting conversion | | | 37,000 | 37,000 | 50,000 |
| | Salt Storage Upgrade | | | 20,000 | 20,000 | |
| | Signage | | 2,000 | 7,500 | 7,500 | |
| | Total Public Works | | 2,000 | 64,500 | 68,000 | 54,000 |
| 7120 | North Fire Station # 1 (4312) | | | | | |
| | Beds for sleeping quarters | 4,076 | | | 9,000 | |
| | Exterior improvements | | | 6,000 | | |
| | Interior improvements | | 18,985 | | | |
| | Furance replacement | 8,819 | | | | |
| | LED interior lighting conversion | | | 5,000 | | |
| | Total North Fire Station | 12,895 | 18,985 | 11,000 | 9,000 | |
| 7120 | South Fire Station # 2 (4314) | | | | | |
| | Fire tower removal | | | | 10,000 | |
| | Sleeping quarter renovations | | | | 54,500 | |
| | Basement air handling system | | | | 35,000 | |
| | First level living quarters | | | | | 55,000 |
| | HVAC updates | | | | 21,500 | |
| | Dumpster Enclosure | | | 35,000 | | |
| | LED interior lighting conversion | | | 3,000 | | |
| | Total South Fire Station | | | 38,000 | 121,000 | 55,000 |
| 7120 | Public Safety (4310) | | | | | |
| | Painting | 22,935 | 7,467 | 5,000 | 5,000 | 5,000 |
| | Carpeting Investigations/TR Hall | | | | | 1,500 |
| | Men's lockerroom lockers | | | | | 800 |
| | Roof top heat exchangers | | 34,719 | | | |
| | Water heaters | | 5,345 | | | |
| | Emergency sirens (1 per year) | | | 25,000 | 25,000 | 25,000 |
| | Garage door replacement | | 12,444 | | | |
| | Training room restroom improve. | | | 13,000 | | 60,000 |
| | Training room improve in Forfeiture | | | 30,000 | | |
| | Dispatch Facility Renovation | | | | 38,500 | |
| | Facilty needs study | | 2,500 | | | 10,000 |
| | LED interior lighting conversion | | | 25,000 | 25,000 | |
| | Demolition - 4701 Miller | | | | 12,000 | |
| | Demolition - 4709 Miller | | 4,945 | | 18,000 | |
| | Total Public Safety Building | 22,935 | 67,420 | 98,000 | 123,500 | 102,300 |

| MUNICIPAL BUILDING FUND SUMMARY OF EXPENDITURES | | | | | | |
|--|--------------------------------------|----------------|----------------|------------------|------------------|----------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| 7120 | City Hall (4304) | | | | | |
| | Painting | 3,110 | | 10,000 | 3,000 | |
| | Main entry hardware upgrade | | | | 3,000 | |
| | Bear mural cleaning | | | | | 5,000 |
| | Ballard replacement/maintenance | 1,235 | | 10,000 | | 10,000 |
| | Roof Protection | | | 15,000 | | 15,000 |
| | Clock tower repairs | 1,341 | | | | |
| | Front entry repairs | | 47,534 | | | |
| | Window replacement | | 16,400 | | | |
| | HVAC Digital control conversion | | | | | 60,000 |
| | Air Handling System Return | 32,223 | | 35,000 | 25,000 | |
| | First Floor Office Improvements | | 35,285 | | | 13,200 |
| | LB Office Layout Change | | | | | 51,000 |
| | Landscaping renovation | | | | | |
| | City Hall / Public Safety | 33,610 | | | | |
| | LED interior lighting conversion | | 17,582 | 35,000 | 35,000 | |
| | Total City Hall | 71,519 | 116,801 | 105,000 | 66,000 | 154,200 |
| 7120 | Armory (4308) | | | | | |
| | Chairs and tables | 4,989 | 2,998 | | 2,500 | 2,500 |
| | Landscape improvements | | 2,601 | | 2,000 | |
| | Elevator improvements | 13,434 | | | | |
| | Facility Analysis funded by grant | | | | 9,500 | |
| | Door replacements (4) | | | | | 25,000 |
| | HVAC with Historical Society grant | | | | 50,000 | |
| | Boiler | | | | 50,000 | |
| | Total Armory | 18,423 | 5,599 | | 114,000 | 27,500 |
| 7120 | Counseling Center (4306) | | | | | |
| | Roof replacement with grant | | | | 33,000 | |
| | Refuse enclosure improvement | | 4,761 | | | |
| | Total Counseling Center | | 4,761 | | 33,000 | |
| 7120 | Sport Center (4320) | | | | | |
| | Design & plan preparation | | 160,207 | | | |
| | Project management | | | 375,000 | 375,000 | |
| | Refrigeration upgrade / Replace | | | 1,800,000 | 1,800,000 | |
| | Construction | | | 3,025,000 | 3,130,000 | |
| | Contingency | | | 240,000 | 55,000 | |
| | Total Sport Center Improve. | | 160,207 | 5,440,000 | 5,360,000 | |
| 7120 | City Wide Improvements (4321) | | | | | |
| | Cold Storage Conversion | | 173 | 100,000 | 85,000 | 50,000 |
| | Depot Improvements | 5,170 | 11,612 | | | |
| | Caboose | 32 | 3,947 | | | |
| | Total City Wide Improvements | 5,202 | 15,732 | 100,000 | 85,000 | 50,000 |
| | Total | 130,974 | 391,505 | 5,856,500 | 5,979,500 | 443,000 |

Fund: Park Improvement Fund 4010

Department Activities and Responsibilities

This fund accounts for the acquisition, development, and improvement to City owned parkland and facilities. Primary revenue sources are park dedication fees levied against all new buildings or major subdivisions constructed within the City and an annual transfer from the Park Improvement Trust within the Community Reinvestment Fund. The fund receives additional revenue from boat launch tag sales at Matoska Park, charitable gambling fees, and grants for park and trail improvements.

The City Council delegates the decision to prioritize park improvement ideas to the Parks Advisory Commission. The improvement project process begins with commission meetings to help develop detailed plans the City Council will review for final approval. Both the Park Advisory Commission and the City Council approve any major park renovations before construction commences. For the past several years, the commission recommendations typically focus improvements on two parks per year in order to make a more meaningful impact with available funds.

In 2017, The Fund received its final internal loan repayment from the Municipal Building Debt Fund for the YMCA expansion authorized by Resolution No. 10604 dated November 2009.

Budget Summary

Two major projects supported by the 2018 Revised Budget include playground improvements at Lakewood Hills Park and a complete renovation to the flagpole monument at Railroad Park in the City's downtown area.

The 2019 Budget focuses efforts to continue work at Lakewood Hills Park and significant improvements at Podvin Park, but also features targeted low-cost, high-value improvements at 16 different parks throughout the City.

The a portion of the Fund Balance is reserved for renovations for the Geist Gazebo at Matoska Park and playground equipment improvements throughout the park system.

**PARK IMPROVEMENT FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|--|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | Revenues: | | | | | |
| 4955 | Interest | 15,120 | 22,830 | | | |
| 4975 | Rental income | 2,450 | 1,201 | 1,500 | | |
| 4350 | Rental income - launch tags | 5,129 | 8,474 | 8,000 | 10,000 | 10,000 |
| 5045 | Dedicated Fees | 75,600 | 23,025 | 10,000 | 18,000 | 20,000 |
| 5046 | Tree Dedication Fund | | 9,119 | | | |
| 5318 | Gambling Contributions | 50,261 | 56,451 | 40,000 | | |
| | Loan Repayment - Municipal Building Debt Svc. | | | | | |
| 5322 | Principal - YMCA | 195,000 | 25,000 | | | |
| 5323 | Interest - YMCA | 8,000 | 500 | | | |
| 5360 | Refunds & Reimbursement | 1,685 | 828 | | 1,200 | |
| 4990 | Donations | 10,198 | 16,340 | | 82,000 | |
| | Total revenue | 363,443 | 163,768 | 59,500 | 111,200 | 30,000 |
| 5205 | Transfers Community Reinvestment Fund | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| | Total Transfers | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| | Total Revenues | 393,443 | 193,768 | 89,500 | 141,200 | 60,000 |
| | Expenditures | 301,938 | 204,514 | 300,000 | 560,500 | 276,100 |
| | Reserves | | | 150,000 | 100,000 | (200,000) |
| | Total expenditures & reserves | 301,938 | 204,514 | 450,000 | 660,500 | 76,100 |
| | Revenues Over (Under) Expenditures & Reserves | 91,505 | (10,746) | (360,500) | (519,300) | (16,100) |
| | Fund Balance January 1 | 1,538,317 | 1,629,822 | 1,569,722 | 1,619,076 | 1,099,776 |
| | Fund Balance December 31 | 1,629,822 | 1,619,076 | 1,209,222 | 1,099,776 | 1,083,676 |
| | Playground Equipment | 400,000 | 400,000 | 400,000 | 350,000 | 150,000 |
| | Gazebo Renovation | | | 150,000 | 150,000 | 150,000 |
| | Total Reserves | 400,000 | 400,000 | 550,000 | 500,000 | 300,000 |
| | | | | | | |



Reader's Notes:

| FUNCTION: | | FUND: | | | ACCT. NO: | |
|-------------------------|--|------------------|-------------|--------------|--------------|-------------|
| Capital Projects | | Park Improvement | | | 4012 - 4081 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | Bossard Park (4015) | \$ | \$ | \$ | \$ | \$ |
| 7160 | Prairie management | | | | | 1,000 |
| | Boatworks Park / Boardwalk (4079) | | | 3,500 | | |
| 7160 | Refinish benches, tables and chairs | | | | 1,000 | |
| 7160 | Boardwalk maintenance | | | | 1,000 | |
| 7160 | Invasive species control on shoreline | | | | 1,000 | |
| 7160 | Plant and mulch replacement | | | | 500 | |
| | Ebba Park (4021) | 1,115 | | | | |
| | Geist Gazebo (4081) | | | | 4,000 | |
| | Hidden Hollow Park (4024) | | | 2,000 | 1,500 | |
| 7160 | Buckthorn control | | | | | 3,000 |
| | Lakeview Park (4030) | | | | | |
| 7160 | Replace two benches | | 2,500 | 3,500 | 2,000 | |
| 7160 | Lakeshore upgrade | | | | 2,500 | |
| | Lakewood Hills Park (4033) | 33,090 | 21,003 | 12,000 | | |
| 7160 | Prairie Mowing | | | | | 1,000 |
| 7160 | Pavillion door replacement | | | | | 15,000 |
| 7160 | Fixture replacement | | | | | 10,000 |
| 7160 | Lions Pavillion gable ends soffit and fascia | | | | | 12,000 |
| 7160 | Trail maintenance | | | | | 40,000 |
| 7160 | Play equipment upgrade | | | | 60,000 | |
| 7160 | Ballfield infield restoration | | | | 15,000 | |
| 7160 | Buckthorn control | | | | | 3,000 |
| | Lions Park (4036) | 9,403 | 1,100 | 1,000 | | |
| 7160 | Shoreline restoration | | | | | 1,000 |
| 7160 | Picnic table replacement | | | | | 8,000 |
| | Matoska Park (4039) | 7,294 | 37,202 | 88,000 | | |
| 7160 | Skid replacement | | | | | 5,000 |
| 7160 | Sailboat dock section, floats, redecking | | | | 5,000 | |
| 7160 | Picnic table replacement | | | | | 15,000 |
| | Marina (4027) | | 895 | | | |
| | McCarty Park (4042) | | | | | |
| 7160 | Basketball court with bench | | | 25,000 | 28,000 | |

| FUNCTION: | | FUND: | | | ACCT. NO: | |
|-------------------------|--|------------------|-------------|--------------|--------------|-------------|
| Capital Projects | | Park Improvement | | | 4012 - 4081 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | Podvin Park (4048) | \$ 15,760 | \$ 495 | \$ | \$ | \$ |
| 7160 | Restroom hand dryers | | | | | 8,000 |
| 7160 | Lacrosse field improvements | | | | 16,500 | |
| 7160 | Drinking fountain with bottle filler | | | | | 5,000 |
| 7160 | Drain tile | | | | | 10,000 |
| 7160 | Pave hockey rink | | | | | 15,000 |
| | Railroad Park (4051) | 4,628 | 678 | 10,000 | | |
| 7160 | Fountain repairs | | | | 15,000 | 20,000 |
| 7160 | Flag pole | | | | 85,000 | |
| | Ramaley Park (4054) | | 6,010 | 5,000 | | |
| 7160 | Shelter ceiling sealing | | | | 5,000 | |
| | Rotary Nature Preserve (4057) | 24,161 | 3,736 | | | |
| 7160 | Prairie mowing | | | | | 800 |
| 7160 | Buckthorn removal | | | | | 3,000 |
| | Spruce Park (4060) | | | | | |
| 7160 | Shelter ceiling sealing | | | | 4,000 | |
| | Stellmacher Park (4063) | | | 32,000 | | |
| 7160 | Volleyball court | | | | 1,000 | |
| 7160 | Playground upgrades | | | | 15,500 | |
| 7160 | Shelter ceiling sealing | | | | | 5,000 |
| | Varney Lake Trail (4065) | | | | | |
| 7160 | Prairie mowing | | | | | 800 |
| | Veteran's Memorial Park (4066) | 1,946 | 44,987 | 48,000 | | |
| 7160 | Fishing pier structure and floor repair | | | | 50,000 | |
| 7160 | Paver replacement | | | | | 10,000 |
| | West Park and Memorial Beach (4069) | 109,057 | 16,688 | 18,000 | | |
| 7160 | Drinking fountain with bottle filler | | | | 3,500 | |
| 7160 | Sign replacement | | | | | 10,000 |
| | Weyerhauser Park (4072) | | | | | |
| 7160 | Ballfield restoration | | | | | 24,000 |
| | Yost Park (4078) | 47,887 | 3,350 | 4,000 | | |
| 7160 | Signs | | | | | 2,000 |
| 7160 | Floor coating | | | | | 4,500 |
| 7160 | Shelter ceiling sealing | | | | | 5,000 |

| FUNCTION: | | FUND: | | | ACCT. NO: | |
|-------------------------|--|------------------|----------------|----------------|----------------|----------------|
| Capital Projects | | Park Improvement | | | 4012 - 4081 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | Miscellaneous Projects and Expenditures | \$ 27,122 | \$ 22,670 | \$ 25,500 | \$ | \$ |
| 6250 | Arbor Day | | | | 5,000 | 5,000 |
| 6560 | Tree trimming | | | | 7,000 | 10,000 |
| 7160 | Playground equip. matching grant program | | | | | 8,000 |
| 7160 | Playground equipment replacement | | | | | 10,000 |
| 7160 | Park bench restoration | | | | 3,000 | 6,000 |
| 7160 | Clark Avenue Solder's Memorial | | | | 28,500 | |
| 7160 | Clark Avenue swim dock | | | | | |
| | Trail Repairs and Maintenance | | | | 125,500 | |
| 7160 | Bald Eagle Avenue | | | | | |
| 7160 | County Road 96 | | | | | |
| | General Expenditures (4012) | | | | | |
| 6401 | Engineering fees | 20,475 | 43,200 | 22,500 | 22,500 | |
| | Lawful gambling reimbursements | | | | 52,000 | |
| | Total | 301,938 | 204,514 | 300,000 | 560,500 | 276,100 |
| | | | | | | |

Fund: Water Improvement Fund 4220

Department Activities and Responsibilities

This fund accounts for resources to provide system-wide expansion and improvements to the City's water production and distribution network that may or may not provide direct benefit or be assessable to private property. These improvements include water main replacement, treatment plant upgrades, and major water infrastructure renovations to facilities such as wells or reservoirs.

Water availability charges levied when buildings connect to the water system is the primary source of revenue for the fund. However, this budget anticipates a bond sale in 2019 to provide additional revenue to cover necessary improvement expenditures.

Budget Summary

The 2018 Revised Budget provides resources to replace the Water Treatment Plant roof and complete the upgrade to the Supervisory Control and Data Acquisition (SCADA) system used to monitor the treatment plant and wells remotely.

The 2019 Budget contains allocations to paint the water filter room at the treatment plant, upgrade the lime slaker machine and continue the annual well rehabilitation program.

| WATER IMPROVEMENT FUND FUND SUMMARY | | | | | | |
|--|--------------------------------------|-------------|-------------|--------------|--------------|-------------|
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4955 | Interest | 5,140 | 7,400 | | | |
| 5010 | Sale of Property | | | | | |
| 5025 | Connection Charges | 63,500 | 25,350 | 20,000 | 20,000 | 20,000 |
| 5105 | Bond Sale Proceeds | | | | | 130,000 |
| 5360 | Refunds & Reimbursement | 6,478 | | | | |
| | Total revenue | 75,118 | 32,750 | 20,000 | 20,000 | 150,000 |
| | Expenditures: | | | | | |
| | General Improvements (4222) | | | | | |
| 7220 | Plant Improvement Costs | | | | | |
| | Lime Slaker paddles and chain | | | | 20,000 | |
| | Lime Slaker improvements | 16,933 | | 20,000 | | 65,000 |
| | Fence Improvements | | | 5,000 | 5,000 | |
| | Brick work renovations | 56,048 | | | | |
| | Heating System renovation | 36,100 | | | | |
| | Roof Renovation | | | 100,000 | 130,000 | |
| | Garage Renovation | | 6,004 | | | |
| | Accelerator Improvements | 3,631 | | | | |
| | Filter room painting | | 26,484 | | | 65,000 |
| | Production meter | 1,830 | | | | |
| | CO2 vaporizer / tank | | 28,164 | | | |
| | Remote data recorder (SCADA) | 11,108 | 45,121 | 85,000 | 113,500 | |
| | Consumption Recording Meter | | 8,383 | | | |
| | Pipe Gallery Improvements - lighting | 5,884 | | | | |
| | Door replace - ext,chemical room | | | | | 15,000 |
| 7220 | Water Tower Improvement Costs | | | | | |
| | 1 Million Gallon Tower Paint & Eng | | | 25,000 | 25,000 | |
| | 3 Million Gallon tank improvements | | 8,967 | | | |
| 7220 | Watermains and Wells (4224) | | | | | |
| | Well #2 Inspection / pump / motor | 10,254 | | | | |
| | Well #3 Inspections | | | 25,000 | 30,000 | |
| | Well #3 Landscaping | | 5,195 | 3,000 | 3,000 | |
| | Well #4 Inspection,pump,motor | 4,661 | | | | 58,000 |
| | Well #4 Discharge valve replace. | 5,483 | | | | |
| | Well #4 VFD | 10,215 | | | | |
| | Total expenditures | 162,147 | 128,318 | 263,000 | 326,500 | 203,000 |
| | Revenues Over (Under) Expenditures | (87,029) | (95,568) | (243,000) | (306,500) | (53,000) |
| | Fund Balance January 1 | 774,896 | 687,867 | 601,567 | 592,299 | 285,799 |
| | Fund Balance December 31 | 687,867 | 592,299 | 358,567 | 285,799 | 232,799 |
| | | | | | | |

Fund: Sewer Improvement Fund 4200

Department Activities and Responsibilities

This fund provides for system-wide expansion and improvements to the City's sanitary sewer network, which may or may not provide direct benefit or be assessable to private property. These improvements include projects such as sanitary sewer main upgrades, lift station expansion, and metering.

Sewer availability charges levied when buildings connect to the sewer system is the primary source of revenue for the fund.

The City began its sanitary sewer main lining program in 1994. This program improves existing sewer mains by installing a fiberglass liner to add strength and integrity to the pipe. The lining projects address damaged and compromised sewer main locations. This prevents tree roots from penetrating through the pipe, which leads to sewer back-ups to connected services. The relining process provides a cost effective way to maintain and extend the useful life of the pipes without significant excavation.

Similarly, the City began a sanitary sewer manhole-lining program in 2017. This program improves existing sewer manholes by installing a composite liner that adds strength and integrity to the manhole. The lining project addresses damaged and compromised manholes. The manhole lining process is a cost effective alternative to full reconstruction of the area.

Budget Summary

The 2018 Revised Budget and the 2019 Budget provide resources to line the sanitary sewer pipes associated with the annual lining program. The 2019 estimate could change based on results of the project planning process. If this occurs, a revision will adjust the budget allocation next year.

The 2018 Revised Budget completes the upgrade to the Supervisory Control and Data Acquisition (SCADA) system used to monitor the sanitary sewer lift stations remotely.

**SEWER IMPROVEMENT FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-------------|---------------------------------------|----------------|----------------|-----------------|-----------------|----------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | Revenues: | | | | | |
| 4955 | Interest | 5,600 | 7,925 | | | |
| 5025 | Connection Charges | 35,500 | 27,950 | 17,000 | 7,000 | 15,000 |
| 5360 | Refund & Reimbursements | 3,900 | | | | |
| 5360 | Refund - Township Whitaker Lift Stat. | 7,995 | 7,146 | | 5,000 | 7,000 |
| | Total Revenues | 52,995 | 43,021 | 17,000 | 12,000 | 22,000 |
| | Expenditures: | | | | | |
| 7220 | Sewer Relining Projects (4204) | | | | | |
| | Linden, Grand, Martin | 70,303 | 3,869 | | | |
| | Cedar, Hoffman, Bellaire | | 90,402 | | | |
| | Morehead, Johnson, 7th - 10th | | | 125,000 | 113,000 | |
| | Glen Oaks / Sumac Ct / Garden Lane | | | | | 115,000 |
| 7220 | General Improvements (4202) | | | | | |
| | Lift Station Reconstruction | | | | | |
| | Memorial Beach | | | | 5,000 | |
| | Bald Eagle - Pump Replacement | 14,732 | 2,898 | | | |
| | Remote Data Recorder (SCADA) | | 45,000 | 50,000 | 111,500 | |
| | Total Expenditures | 85,035 | 142,169 | 175,000 | 229,500 | 115,000 |
| | Revenues Over (Under) Expenditures | (32,040) | (99,148) | (158,000) | (217,500) | (93,000) |
| | Fund Balance January 1 | 794,328 | 762,288 | 627,288 | 663,140 | 445,640 |
| | Fund Balance December 31 | 762,288 | 663,140 | 469,288 | 445,640 | 352,640 |
| | | | | | | |

Fund: Community Reinvestment Fund 4770

Department Activities and Responsibilities:

During 1996 Budget process, City staff expressed concern regarding the high cost of street improvement projects as assessed to homeowners, and the expected loss of revenue from dedicated park availability fees imposed against new construction projects. To address these concerns, the City established the Community Reinvestment Fund with the intent of building a significant fund balance to use as an endowment to assist in reducing the cost of street improvements assessed to homeowners and securing a perpetual source of park improvement funding. The endowment has grown substantially through the years through settlements, interest earned on special assessments and debt service savings gained through special assessment debt restructuring.

Budget Summary:

The Fund maintains a reserve balance of \$7,655,000, with no draw down of the fund balance since its formation. Annual interest earnings from the endowment assist in providing resources to offset street improvement costs budgeted in the Interim Construction Fund and park improvement costs budgeted in the Park Improvement Fund. If the City adheres to its fiscal policy, this critical revenue source will be perpetual.

**COMMUNITY REINVESTMENT
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|--|--------------------|--------------------|---------------------|---------------------|--------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| 4955 | Revenues: Unrestricted Interest | 125,000 | 125,000 | 125,000 | 125,000 | 135,000 |
| | Total Revenues | 125,000 | 125,000 | 125,000 | 125,000 | 135,000 |
| | Expenditures: | | | | | |
| 7605 | Transfer to Interim Construction Street Improvement | 95,000 | 95,000 | 95,000 | 95,000 | 105,000 |
| 7605 | Transfer to Park Improvement | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| | Total expenditures | 125,000 | 125,000 | 125,000 | 125,000 | 135,000 |
| | Fund Balance, December 31 | | | | | |
| | Reserved for: | | | | | |
| | Street Improvements | 5,980,000 | 5,980,000 | 5,980,000 | 5,980,000 | 5,980,000 |
| | Park Improvements | 1,675,000 | 1,675,000 | 1,675,000 | 1,675,000 | 1,675,000 |
| | Total Fund Balance Reserves | 7,655,000 | 7,655,000 | 7,655,000 | 7,655,000 | 7,655,000 |
| | | | | | | |

Fund: HRA Tax Increment Financing Pool Fund 4600

Department Activities and Responsibilities:

This fund accounts for the revenues and expenditures related to the City's tax increment districts. Tax Increment Financing (TIF) is a statutory tool used by local governments to assist in paying for certain development expenses. TIF allows for the financing of qualifying improvements to be paid from the increased property taxes generated from the new development, redevelopment or housing that would not have otherwise occurred "but for" the use of TIF. Tax increment is the difference between the existing taxes on a parcel before development or redevelopment occurs and the increased property taxes created by the new development. The City may use tax increment revenue for a certain time, depending on the type of tax increment district, to finance qualifying improvements.

The four most commonly used types of tax increment districts available to a city are housing, economic development, redevelopment and soils districts.

Housing districts may be established and tax increment used in order to provide affordable, decent, safe, and sanitary housing for low and moderate-income occupants. Housing may be either rental or for-sale and based on income limits defined by the Internal Revenue Code.

Economic development districts promote economic development through creation of increased tax base and job creation. Eligible development is generally restricted to manufacturing, industrial, and warehouse type development.

Redevelopment districts promote the redevelopment of blighted properties and most often involves acquiring parcels of land, which contain blighted structures, removing the structures and conveying the site to a redeveloper.

Soils districts help pay the remedial expenses associated with the cleanup of polluted soils in order to encourage development. In the past, cities could also create soils districts to improve soils not polluted but were deficient for building purposes due to other characteristics, i.e. organic content. Today, however, the soil must have a hazardous substance, pollution or contaminants to establish a soils district.

In 1982, amendments to the statutes loosened restrictions to allow cities to "pool" tax increment districts, which groups several districts together into a master project area and allows tax increment from one district's development to fund improvements anywhere in the much broader "project" area, including expenses in other districts in the project area. It did not, however, allow the increment revenue to be used for improvements or activities other than those allowed for the specific district type from which they were derived. For example, the restrictions placed on tax increments from a "soils" district require those funds to be spent on soil mitigation within the master project area even if they are pooled.

The City pooled HRA districts 1 through 11, which allows the funds in each of the districts to share their resources within an expanded project area. HRA districts 12 through 27 are restricted districts, which require tax increment expenditures to stay within the district and are not available to contribute to the area-wide pool.

The HRA Fund has maintained reporting and budgeting practices, which recognizes and coordinates the following activities into separate and distinct reporting entities. The HRA Fund accounts for only tax increment revenues and expenditures, assigns all expenditures to specific TIF districts, and charges both principal and interest portions of debt service payments directly to the appropriate TIF district.

District Operating Loans

A number of the tax increment districts have resources available to share with other tax increment districts through an internal loan to provide funding until the receiving district generates sufficient revenue to repay the loan.

Fund: HRA Tax Increment Financing Pool Fund 4600

District No. 25 – Project C:

In 2005, District 25 incurred street, lighting and landscaping costs associated with the annual street reconstruction project. Since the District did not have enough funds to cover the costs, the White Bear Lake Housing and Redevelopment Authority approved a loan to the District since the estimated tax increment collections over the District’s life exceeded the loan amount needed to pay the expenditures.

The original loan schedule planned for a sixteen-year repayment plan; however, tax increment revenues exceeded expectations and an additional loan payment of \$45,000 in 2017 was able to eliminate the 2021 payment of \$20,000 and reduced the 2020 loan repayment from \$115,000 to \$90,000. The loan repayments do not include interest because the loans are within the same fund. The remaining loan balance as of December 31, 2019 is as follows:

| Receiving District | Loaning District | Payment Schedule | Amount |
|--------------------|---------------------|------------------|---------------|
| Project C Dist. 25 | Birch Cove Dist. 19 | 12/1/2020 | \$ 90,000 |
| Total | | | <u>90,000</u> |

District No. 27 – Boatworks Common:

On November 12, 2012, the City Council created Tax Increment Financing (TIF) District No. 27 (Boatworks Commons) within the Development Project Area No. 1. The Boatworks Common TIF District assisted in financing extensive public improvements planned both onsite and within the adjacent Lake Avenue right-of-way. The City Council adopted resolution # 11770 on March 8, 2016 establishing a \$750,000 internal loan with a 3.00% interest rate from the Economic Development Fund to complete Boatworks Commons financing on November 24, 2015.

| Year | Principal | Interest | Total | Rate |
|-------|----------------|----------------|------------------|--------|
| 2020 | \$ - | \$ 22,500 | \$ 22,500 | 3.000% |
| 2021 | - | 22,500 | 22,500 | 3.000% |
| 2022 | - | 22,500 | 22,500 | 3.000% |
| 2023 | - | 22,500 | 22,500 | 3.000% |
| 2024 | - | 22,500 | 22,500 | 3.000% |
| 2025 | - | 22,500 | 22,500 | 3.000% |
| 2026 | - | 22,500 | 22,500 | 3.000% |
| 2027 | - | 22,500 | 22,500 | 3.000% |
| 2028 | - | 22,500 | 22,500 | 3.000% |
| 2029 | - | 22,500 | 22,500 | 3.000% |
| 2030 | - | 22,500 | 22,500 | 3.000% |
| 2031 | - | 22,500 | 22,500 | 3.000% |
| 2032 | 10,000 | 22,350 | 32,350 | 3.000% |
| 2033 | 10,000 | 22,050 | 32,050 | 3.000% |
| 2034 | 10,000 | 21,750 | 31,750 | 3.000% |
| 2035 | 10,000 | 21,450 | 31,450 | 3.000% |
| 2036 | 10,000 | 21,150 | 31,150 | 3.000% |
| 2037 | 10,000 | 20,850 | 30,850 | 3.000% |
| 2038 | 190,000 | 17,850 | 207,850 | 3.000% |
| 2039 | 200,000 | 12,000 | 212,000 | 3.000% |
| 2040 | 200,000 | 6,000 | 206,000 | 3.000% |
| 2041 | 100,000 | 1,500 | 101,500 | 3.000% |
| Total | <u>750,000</u> | <u>436,950</u> | <u>1,186,950</u> | |

Fund: HRA Tax Increment Financing Pool Fund 4600

Budget Summary:

An annual transfer to the General Fund serves as reimbursement for the portion of staff time related to the planning and administrative duties for redevelopment projects financed in this Fund.

The Fund Balance at yearend is comprised of activity in the following tax increment districts:
A detailed analysis of each tax increment district and project is included in the activity reporting of the fund.

| District | Business | | Type | Fund | Fund |
|----------|----------|-------------------|---------------|----------------|----------------|
| | Unit | Name | | Balance | Balance |
| | | | | 12/31/2018 | 12/31/2019 |
| 25 | 4640 | Project C | Redevelopment | \$ 406,697 | \$ 487,197 |
| 26 | 4641 | Hoffman Place | Housing | 40,290 | 44,290 |
| 27 | 4645 | Boatworks Commons | Redevelopment | 82,206 | 94,506 |
| Total | | | | <u>529,193</u> | <u>625,993</u> |

**HRA TAX INCREMENT POOL
FUND SUMMARY**

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|---|----------------|----------------|-----------------|-----------------|----------------|
| Fund Balance, January 1 | \$ (2,451,762) | \$ 629,646 | \$ 347,758 | \$ 464,393 | \$ 529,193 |
| Total Fund Revenues | 3,663,525 | 771,542 | 593,000 | 552,000 | 539,000 |
| Total Fund Expenditures | 582,117 | 936,795 | 488,500 | 487,200 | 442,200 |
| Net Fund Revenues over (under) Fund expenditures | 3,081,408 | (165,253) | 104,500 | 64,800 | 96,800 |
| Fund Balance, December 31 | 629,646 | 464,393 | 452,258 | 529,193 | 625,993 |
| REVENUE | | | | | |
| Tax Increment | 454,490 | 444,615 | 483,000 | 442,000 | 429,000 |
| Loan Repayments | 75,000 | 120,000 | 110,000 | 110,000 | 110,000 |
| Bond Sale Proceeds | 2,250,000 | | | | |
| Loan | 750,000 | | | | |
| Refunds / Reimbursements | 133,996 | 200,000 | | | |
| Miscellaneous | 39 | 6,927 | | | |
| Total Revenue | 3,663,525 | 771,542 | 593,000 | 552,000 | 539,000 |
| EXPENSE | | | | | |
| Debt service | | | | | |
| TI Bonds - Principal | | | 70,000 | 70,000 | 75,000 |
| TI Bonds - Interest | | 85,000 | 60,000 | 60,000 | 55,000 |
| TI Loan - Interest | | 30,000 | 25,000 | 22,500 | 22,500 |
| Developer payments | 70,010 | 57,351 | 38,500 | 38,500 | 38,500 |
| Loan Repayment | 75,000 | 120,000 | 110,000 | 110,000 | 110,000 |
| County Reimbursement | 256,563 | 200,000 | 155,000 | 155,000 | 110,000 |
| Transfers To Districts | | 200,000 | | | |
| Contractual | 10,102 | 14,176 | 5,000 | 6,200 | 6,200 |
| Administrative Fees | | 177,888 | 25,000 | 25,000 | 25,000 |
| Construction: | | | | | |
| - Boatworks Site | 170,442 | 52,380 | | | |
| - TH 61 Improvement | | | | | |
| | 582,117 | 936,795 | 488,500 | 487,200 | 442,200 |

HRA TAX INCREMENT POOL
FUND SUMMARY

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|--|----------------|----------------|-----------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 4608 CSM | | | | | |
| Revenue: | | | | | |
| Market Value Credit Aid | 39 | | | | |
| Total Revenue | 39 | | | | |
| Expenditures: | | | | | |
| TH 61 Improvements | | | | | |
| Contractual Services | 39 | | | | |
| Total Expenditures | 39 | | | | |
| Net Revenues over (under) expenditures | | | | | |
| 4609 Michael Development | | | | | |
| Revenue: | | | | | |
| Refund & Reimbursements | | 445 | | | |
| Total Revenue | | 445 | | | |
| Expenditures: | | | | | |
| Miscellaneous | 78 | | | | |
| Contractual Services | 367 | | | | |
| Total Expenditures | 445 | | | | |
| Net Revenues over (under) expenditures | (445) | 445 | | | |
| 4610 Homecraft | | | | | |
| Revenue: | | | | | |
| Refund & Reimbursements | | 367 | | | |
| Total Revenue | | 367 | | | |
| Expenditures: | | | | | |
| Contractual Services | 367 | | | | |
| Total Expenditures | 367 | | | | |
| Net Revenues over (under) expenditures | (367) | 367 | | | |

HRA TAX INCREMENT POOL
FUND SUMMARY

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|--|----------------|----------------|-----------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 4611 McGowan | | | | | |
| Revenue: | | | | | |
| Refund & Reimbursements | | 367 | | | |
| Total Revenue | | 367 | | | |
| Expenditures: | | | | | |
| Contractual Services | 367 | | | | |
| Total Expenditures | 367 | | | | |
| Net Revenues over (under) expenditures | (367) | 367 | | | |
| 4612 North Star Bank | | | | | |
| Revenue: | | | | | |
| Refund / Reimbursement | | 5,748 | | | |
| Total Revenue | | 5,748 | | | |
| Expenditures: | | | | | |
| General Liability Ins | 5,355 | | | | |
| Contractual Services | 393 | | | | |
| Total Expenditures | 5,748 | | | | |
| Net Revenues over (under) expenditures | (5,748) | 5,748 | | | |
| 4613 Anderson | | | | | |
| Revenue: | | | | | |
| Loan Repayment | | | | | |
| Project C - Dist. 25 (4640) | 55,000 | | | | |
| Refund - TH 61 Contrib. | 130,000 | | | | |
| Total Revenue | 185,000 | | | | |
| Expenditures: | | | | | |
| County Reimbursement | 185,000 | | | | |
| Total Expenditures | 185,000 | | | | |
| Net Revenues over (under) expenditures | | | | | |

HRA TAX INCREMENT POOL
FUND SUMMARY

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|---|----------------|----------------|-----------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 4620 CPA Parkway | | | | | |
| Expenditures: | | | | | |
| County Reimbursement | | 105,000 | | | |
| Total Expenditures | | 105,000 | | | |
| Net Revenues over (under) expenditures | | (105,000) | | | |
| 4632 County Rd E/Bellaire | | | | | |
| Revenue: | | | | | |
| Refund - TH61 Contrib. | 3,996 | | | | |
| Total Revenue | 3,996 | | | | |
| Expenditures: | | | | | |
| County Reimbursement | 3,996 | | | | |
| Total Expenditures | 3,996 | | | | |
| Net Revenues over (under) expenditures | | | | | |
| 4638 Wall Proposal Parcel A - Dist. 11 | | | | | |
| Revenue: | | | | | |
| Tax Increment | 81,513 | | | | |
| Total Revenue | 81,513 | | | | |
| Expenditures: | | | | | |
| Admin. Fees - Econ. Develop. | | 66,510 | | | |
| Contractual Services | 446 | | | | |
| Total Expenditures | 446 | 66,510 | | | |
| Net Revenues over (under) expenditures | 81,067 | (66,510) | | | |

**HRA TAX INCREMENT POOL
FUND SUMMARY**

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|--|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 4639 Commonweal Parcel B - Dist. 10 | | | | | |
| Revenue: | | | | | |
| Tax increment | 42,010 | | | | |
| Total Revenue | 42,010 | | | | |
| Expenditures: | | | | | |
| Admin. Fees - Econ. Develop. | | 41,378 | | | |
| Contractual Services | 459 | | | | |
| Total Expenditures | 459 | 41,378 | | | |
| Net Revenues over (under) expenditures | 41,551 | (41,378) | | | |
| 4630 Smith - Birch Cove | | | | | |
| Revenue: | | | | | |
| Loan Repayment | | | | | |
| Project C Dist. 25 (4640) | 20,000 | 120,000 | 110,000 | 110,000 | 110,000 |
| Total Revenue | 20,000 | 120,000 | 110,000 | 110,000 | 110,000 |
| Expenditures: | | | | | |
| County Reimbursement | | 95,000 | 155,000 | 155,000 | 110,000 |
| Total Expenditures | | 95,000 | 155,000 | 155,000 | 110,000 |
| Net Revenues over (under) expenditures | 20,000 | 25,000 | (45,000) | (45,000) | |

HRA TAX INCREMENT POOL
FUND SUMMARY

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|--|----------------|----------------|-----------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 4640 Downtown Expansion Parcel C - Dist. 25 | | | | | |
| Revenue: | | | | | |
| Tax Increment | 252,416 | 238,723 | 270,000 | 235,000 | 220,000 |
| Total Revenue | 252,416 | 238,723 | 270,000 | 235,000 | 220,000 |
| Expenditures: | | | | | |
| Loan Repayment | | | | | |
| Anderson Dist. 7 (4613) | 55,000 | | | | |
| Birch Cove Dist. 19 (4630) | 20,000 | 120,000 | 110,000 | 110,000 | 110,000 |
| Contribution to: | | | | | |
| Dist. 3 Micheal Develop. | | 445 | | | |
| Dist. 4 Homecraft | | 367 | | | |
| Dist. 5 McGowan | | 367 | | | |
| Dist. 6 North Star Bank | | 5,748 | | | |
| Dist. 27 Boatworks | | 200,000 | | | |
| Developer payments | 35,832 | 19,875 | | | |
| County Reimbursement | 67,567 | | | | |
| Admin. Fees - General Fund | | 70,000 | 25,000 | 25,000 | 25,000 |
| Contractual Services | 1,378 | 5,583 | 4,500 | 4,500 | 4,500 |
| Total Expenditures | 179,777 | 422,385 | 139,500 | 139,500 | 139,500 |
| Net Revenues over (under) expenditures | 72,639 | (183,662) | 130,500 | 95,500 | 80,500 |
| 4644 Hoffman Place Dist. 26 | | | | | |
| Revenue: | | | | | |
| Tax Increment | 40,182 | 42,953 | 43,000 | 43,000 | 43,000 |
| Total Revenue | 40,182 | 42,953 | 43,000 | 43,000 | 43,000 |
| Expenditures: | | | | | |
| Developer payments | 34,178 | 37,476 | 38,500 | 38,500 | 38,500 |
| Administrative Fees | 367 | 655 | 500 | 500 | 500 |
| Total Expenditures | 34,545 | 38,131 | 39,000 | 39,000 | 39,000 |
| Net Revenues over (under) expenditures | 5,637 | 4,822 | 4,000 | 4,000 | 4,000 |

HRA TAX INCREMENT POOL
FUND SUMMARY

| ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|--|----------------|----------------|-----------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 4645 Boatworks (Dist. 27) | | | | | |
| Revenue: | | | | | |
| Tax Increment | 38,369 | 162,939 | 170,000 | 164,000 | 166,000 |
| TIF Bond Sale Proceeds | 2,250,000 | | | | |
| HRA Development Loan | 750,000 | | | | |
| Refunds & Reimbursement | | 200,000 | | | |
| Total Revenue | 3,038,369 | 362,939 | 170,000 | 164,000 | 166,000 |
| Expenditures: | | | | | |
| Professional Services | 17,160 | 7,271 | | | |
| Construction Activity | 126,777 | 45,109 | | | |
| Marina / Landscape Const. | 26,505 | | | | |
| 2016 TI Bond - Princ. / Interest | | 85,000 | 130,000 | 130,000 | 130,000 |
| 2016 TI Loan - Interest | | 30,000 | 25,000 | 22,500 | 22,500 |
| Administrative Fees | 486 | 1,011 | | 1,200 | 1,200 |
| Total Expenditures | 170,928 | 168,391 | 155,000 | 153,700 | 153,700 |
| Net Revenues over (under) expenditures | 2,867,441 | 194,548 | 15,000 | 10,300 | 12,300 |

Fund: Interim Construction Fund 4400

Department Activities and Responsibilities:

The Interim Construction Fund handles the revenues and expenditures for City projects relating to street rehabilitation, sidewalks, trails, and traffic signals.

Budget Summary:

Revenue sources include state assistance for construction and maintenance of streets that are part of a municipal state-aid street system. Funding comes via transportation-related taxes with distribution based on a statutory formula.

The City receives reimbursements annually from residential property owners for extra driveway work or sewer televising complete for their lines during their street reconstruction project. The Proposed Budget estimates the amount since these items are unknown until the project work begins the next year.

The City coordinated a traffic signal and street project on Centerville Road in 2018. The Commercial Improvement revenue is the developer payment of the difference between the total project cost and the special assessment payments received from benefiting property owners.

In 2018, a philosophical change in the funding of street rehabilitation projects uses bond sale proceeds for the first time. The City has not done this in previous years because high annual investment interest earnings, strong fund balances and excess License Bureau revenues were able to provide revenues for the project expenditures. However, the City's finance plan needed restructuring after poor investment markets in recent years and the need to shift from reliance on fund balances to support the ongoing work.

The Construction Fund revenues includes transfers from other City funds to strengthen the construction program budgets. The Non-Bonded Fund transfer moves special assessment payments from property owners benefiting from the project to cover their share of the project costs. The Community Reinvestment Fund transfer shares annual interest earnings on the Fund's endowment to offset street improvement costs for residents. The City allocates excess revenues from the License Bureau Fund to these operations since the customer activity for the department relates to streets and transportation.

The City originally included \$100,000 for an Emerald Ash Borer elimination program in this Fund; however, beginning in 2019 the Park Department will take responsibility for the program. The allocation in this fund will assist the Park Department with funding through a drawdown of the amount over a three-year period ending in 2020.

The budget allocation for the South Shore trail in 2019 funds work to connect a City trail with a larger project planned by Ramsey County. Since this work is part of comprehensive plan, the City will only expend this money when Ramsey County moves forward with the main project. The County may not complete the work in 2019, requiring the City to move the funding to future years.

In 2019, this Fund shifts resources to the General Fund as reimbursement for services provided by the Engineering Department.

**CONSTRUCTION FUND
FUND SUMMARY**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------|-------------|-------------|--------------|--------------|-------------|
| | Revenues: | \$ | \$ | \$ | \$ | \$ |
| 4626 | MSA - Street | 878,770 | 790,363 | | 764,000 | 770,000 |
| 4662 | Ramsey County - Grant | 4,905 | | | | |
| 4682 | Ramsey / Washington - Grant | 2,163 | | | | |
| 5360 | Refunds & Reimbursements | | | | | |
| | Century College - Trial Links | 100,096 | | | | |
| | Fuel Tax | 9,007 | | | | |
| | Residential Improvements | | 14,994 | | 65,000 | 20,000 |
| | Commerical Improvements | | 40,182 | | 575,000 | |
| | General | 19,490 | 260 | | 500 | 1,000 |
| 4955 | Interest | 55,000 | 85,571 | | 30,000 | 40,000 |
| 5105 | Bond Sale Proceeds | | | | 3,865,000 | 2,000,000 |
| 5205 | Transfer | | | | | |
| | Non Bonded - Special Assess. | 605,704 | 522,285 | | 1,280,000 | 900,000 |
| | Community Reinvestment | 95,000 | 95,000 | | 95,000 | 105,000 |
| | License Bureau | 375,000 | 375,000 | | 200,000 | 150,000 |
| | Surface Water Prevention | | | | 75,000 | |
| | Sewer | | | | | 200,000 |
| | Equipment Acquisition | 1,000,000 | | | | |
| | Total Revenues | 3,145,135 | 1,923,655 | | 6,949,500 | 4,186,000 |
| | Expenditures: | | | | | |
| | Construction Projects | | | | | |
| 4402 | Engineering Services | 475,000 | 456,797 | | | |
| 4402 | Tax Increment Refund | 99,560 | | | | |
| 4404 | Seal Coating & Crack Sealing | 374,906 | 396,926 | | 290,000 | 340,000 |
| 4405 | Sidewalks | 7,250 | 15,185 | | | |
| 4491 | Ash Borer | | | | 35,000 | 35,000 |
| 15-06 | Cedar Ave | 1,876 | | | | |
| 15-09 | TH96/35E Bridge | 80,805 | | | | |
| 16-01 | Bald Eagle / 4th Street | 1,000,742 | | | | |
| 16-04 | Linden Street | 70,870 | | | | |
| 16-06 | Commerce | 255,628 | | | | |
| 16-13 | Buerkle Road | 491,695 | | | | |

**CONSTRUCTION FUND
FUND SUMMARY**

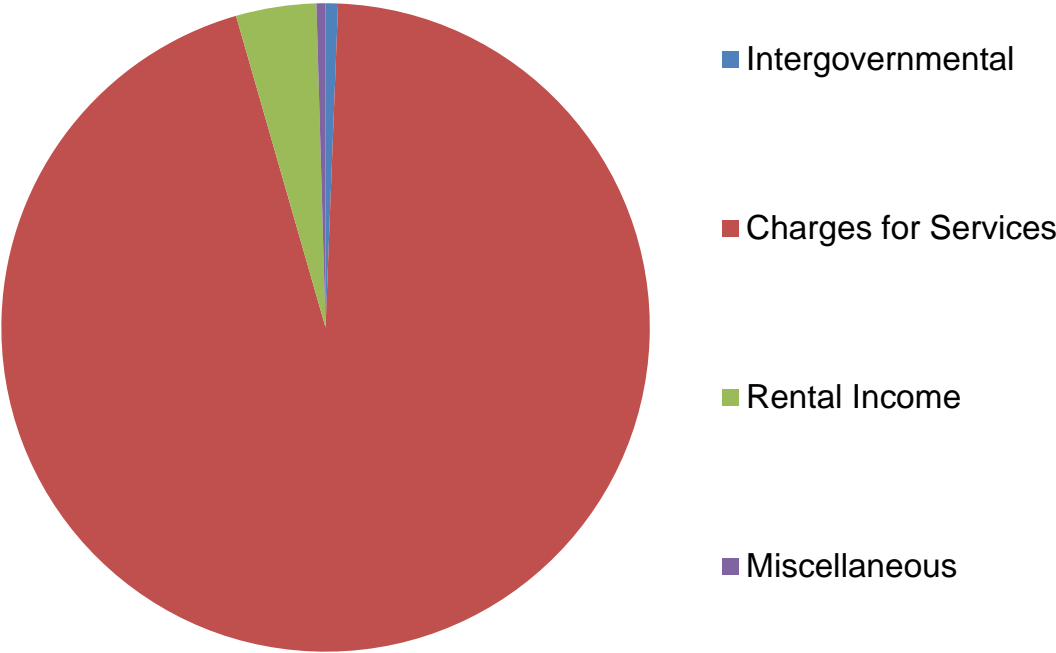
| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | Expenditures: | \$ | \$ | \$ | \$ | \$ |
| | Construction Projects | | | | | |
| 17-01 | WB Parkway / Bay Lane | | 329,055 | | 2,000 | |
| 17-04 | Birch Lake / 2nd / 3rd | | 1,095,716 | | | |
| 17-06 | Old White Bear Ave | | 6,310 | | 760,000 | |
| 17-10 | Linden / Tony / Cedar | | 233,646 | | | |
| 17-13 | Cedar / WB Ave / Bellaire | | 256,807 | | | |
| 18-01 | 8th - 11th / Morehead | | 7,203 | | 2,150,000 | |
| 18-04 | Garden Lane | | 1,560 | | | |
| 18-06 | Birch Lake South | | | | 310,000 | |
| 18-13 | Sumac / Manitou / 11th Street | | | | 260,000 | |
| 18-14 | Hwy 61 / Whitaker - Ped. Cross | | 9,820 | | | |
| 18-16 | Centerville Road & Signal | | | | 960,000 | |
| 19-01 | Johnson / Steward / 4th - 7th Street | | | | | 1,980,000 |
| 19-04 | Glen Oaks / Aspen / Sumac | | | | | 295,000 |
| 19-06 | Garden Lane | | | | | 335,000 |
| | Mill Overlay | | | | | 425,000 |
| | South Shore Trail | | | | | 10,000 |
| | Trails | | | | | 185,000 |
| | Clark Ave Parkway | | | | | 20,000 |
| 4402 | WB Ave / Cty Rd E - Traffic Signal | 79,432 | | | | |
| 4402 | Miscellaneous | 34,275 | 65,310 | | 65,000 | 65,000 |
| 7605 | Transfers | | | | | |
| | Engineering Service | | | | 515,000 | 754,000 |
| | Reserve Contingency - General Fund | | | | | 311,000 |
| | Total Expenditures | 2,972,039 | 2,874,335 | | 5,347,000 | 4,755,000 |
| | Revenues Over (under) Expenditures | 173,096 | (950,680) | | 1,602,500 | (569,000) |
| | Fund Balance January 1 | 3,553,171 | 3,726,267 | | 2,775,587 | 4,378,087 |
| | Fund Balance December 31 | 3,726,267 | 2,775,587 | | 4,378,087 | 3,809,087 |
| | | | | | | |

**COMPARATIVE ANALYSIS OF FUND BALANCE
ENTERPRISE FUNDS**

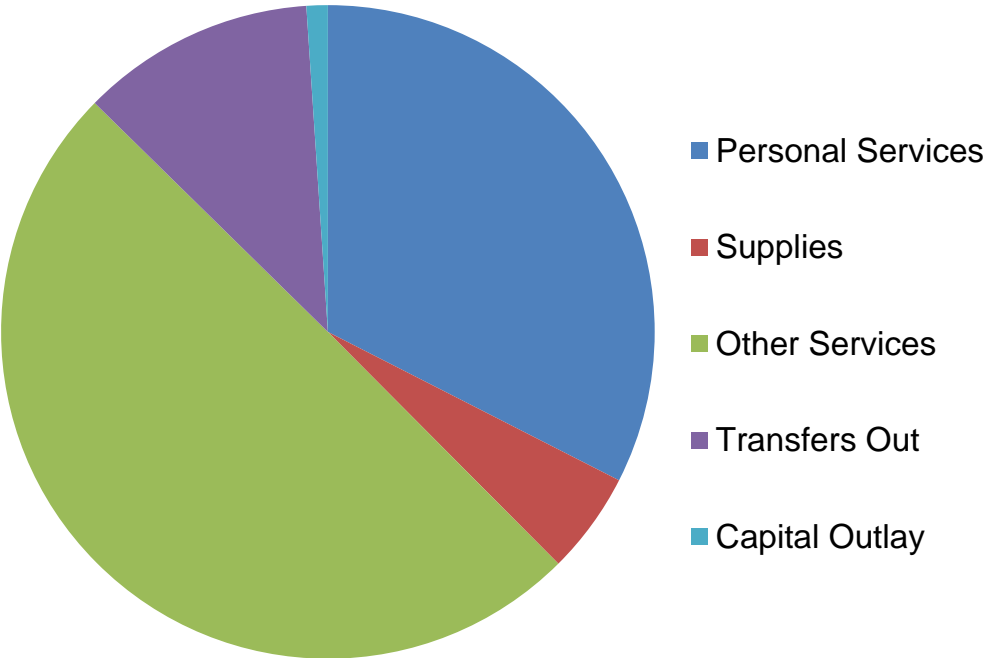
| | 2016 ACTUAL | 2017 ACTUAL | 2018 BUDGET | 2018 REVISED | 2019 BUDGET |
|--|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Revenues | | | | | |
| Intergovernmental | \$ 146,692 | \$ 77,717 | \$ 64,000 | \$ 60,000 | \$ 60,000 |
| Charges for Service | 7,290,525 | 7,712,202 | 8,459,000 | 8,706,000 | 9,272,000 |
| Rental Income | 376,385 | 379,573 | 386,000 | 384,000 | 391,000 |
| Miscellaneous | 87,608 | 93,364 | 73,500 | 44,000 | 44,000 |
| Transfer In | | 780,000 | | 125,000 | |
| Total Revenues | 7,901,210 | 9,042,856 | 8,982,500 | 9,319,000 | 9,767,000 |
| Expenditures | | | | | |
| Personal Services | 2,195,711 | 2,332,268 | 2,634,550 | 2,814,561 | 3,125,747 |
| Supplies | 415,318 | 410,556 | 616,855 | 637,595 | 484,785 |
| Other Services & Charges | 4,489,792 | 4,577,942 | 4,510,417 | 4,608,216 | 4,790,041 |
| Capital Outlay | 150,292 | 187,691 | 56,900 | 71,100 | 101,250 |
| Transfers Out | 1,143,985 | 1,175,000 | 1,097,920 | 1,181,920 | 1,115,000 |
| Total Expenditures | 8,395,098 | 8,683,457 | 8,916,642 | 9,313,392 | 9,616,823 |
| Reserves | (135,065) | (100,000) | (35,000) | (40,000) | 5,000 |
| Total Expenditures and Reserves | 8,260,033 | 8,583,457 | 8,881,642 | 9,273,392 | 9,621,823 |
| Revenues Over (Under) Expenditures and Reserves | (358,823) | 459,399 | 100,858 | 45,608 | 145,177 |
| Fund Balance, January 1 | 372,573 | 13,750 | 462,017 | 473,149 | 518,757 |
| Fund Balance, December 31 | \$ 13,750 | \$ 473,149 | \$ 562,875 | \$ 518,757 | \$ 663,934 |
| | | | | | |

2019 Enterprise Funds

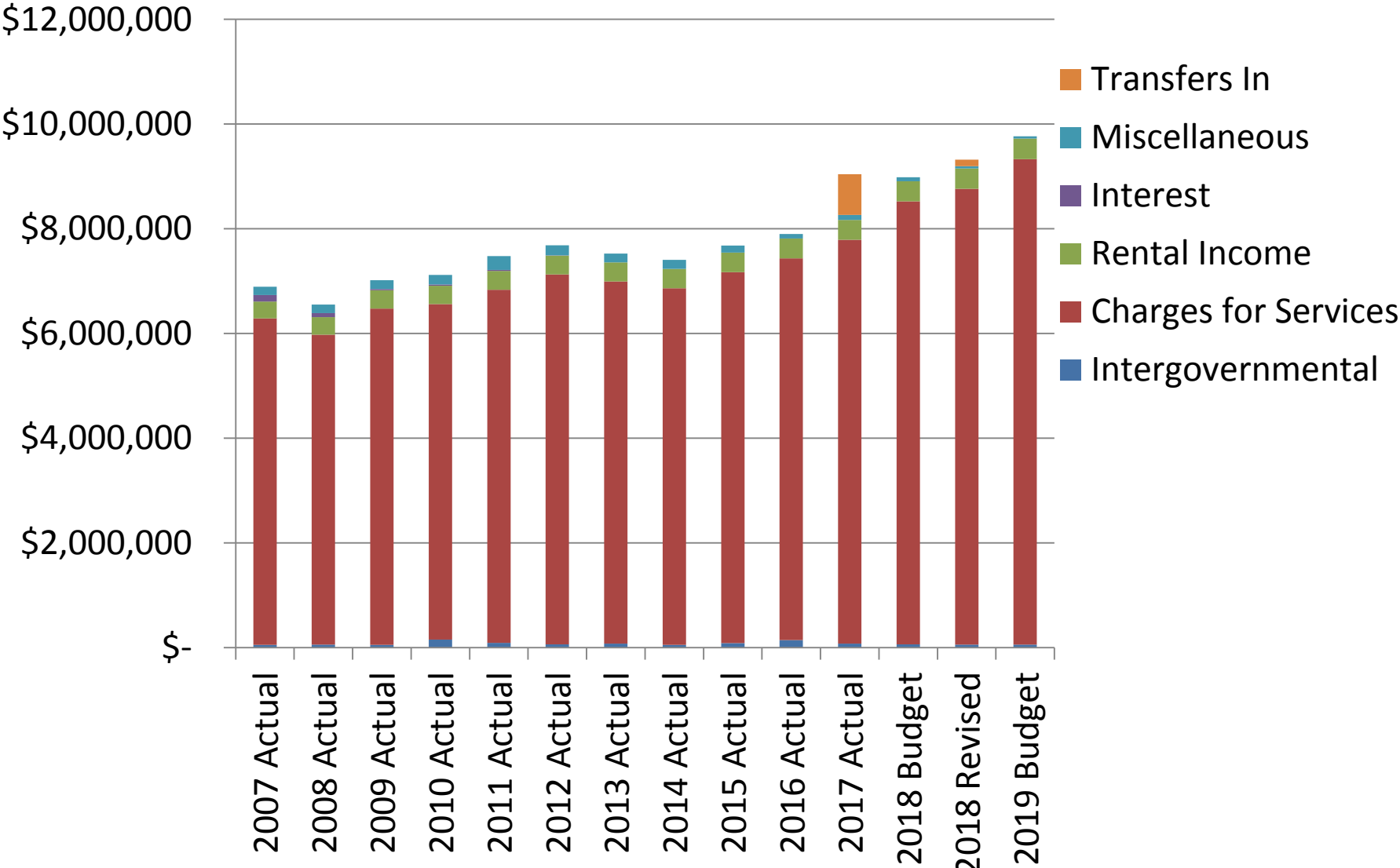
Total Revenues \$9,767,000



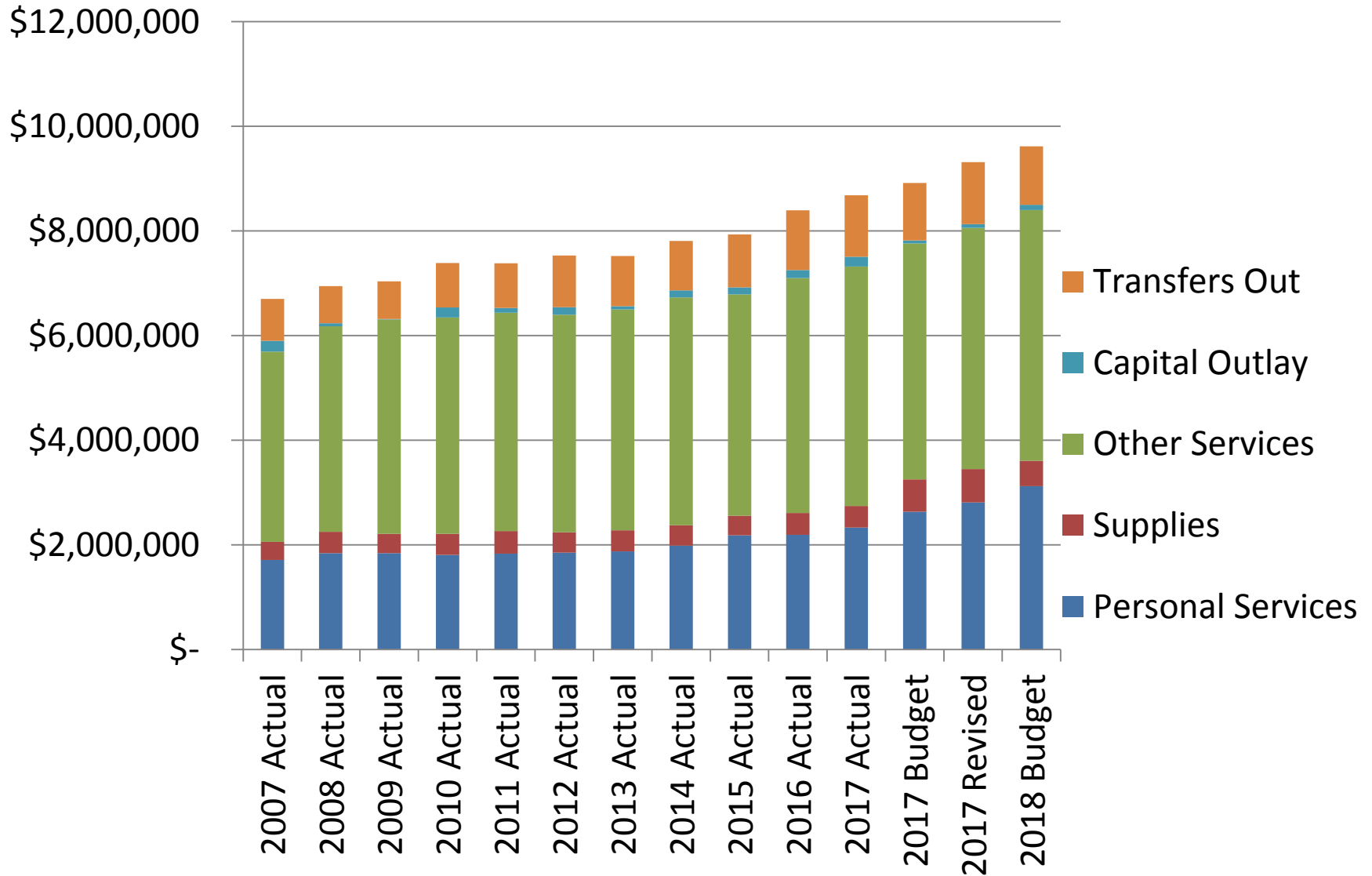
Total Expenditures \$9,616,823



Enterprise Funds Revenue Trend Analysis



Enterprise Funds Expenditure Trend Analysis



Fund: Water Fund 5010

Department Activities and Responsibilities:

The Water Fund, which is a function of the City's Public Works Department, accounts for the operation, maintenance, and repair of all facilities necessary for the production, treatment, storage, and distribution of water to residents and commercial/industrial enterprises in White Bear Lake. As part of the daily operations, this division also oversees the installation of all new water connections for customers, final service reads, fire hydrant maintenance, and fire hydrant flushing activities twice each year.

The City uses five deep wells, three storage reservoirs, and one treatment plant in the water production process. The production levels fluctuate each season since weather conditions influence customer usage during the summer months.

The water level in White Bear Lake dropped significantly in 2008 and remained low for the following years. Some area residents living by the lake became concerned that City pumping activities in the local aquifer were drawing down the lake level. They formed the White Bear Lake Restoration Association to protect the interests of the lake by submitting a lawsuit against the Minnesota Department of Natural Resources regarding the water pumping permits given to the City of White Bear Lake. The City was not originally part of the lawsuit; however, the legal challenge directly involved City operations. Therefore, in 2014, the City intervened in the lawsuit, authorizing the City Manager and City Attorney to take all actions necessary to protect the City's investments in its public water supply infrastructure.

The Water Fund originally absorbed the legal costs within the operating budget; however, as the extra expenditures began to deplete the Fund Balance, the City added a lake level litigation fee to the quarterly utility bills to subsidize the costs. At that point, the litigation fees collected from users and legal costs moved to the Insurance Fund to account for the situation as a claim against the City.

The Ramsey County District Judge ruled in favor of the White Bear Lake Restoration Association and declared certain remedies that would adversely affect the City and its residents. The DNR and City chose to appeal the court's decision.

Budget Summary:

The City faces a unique challenge in maintaining Water Fund operations as it promotes water conservation to customers to reduce pumping and production activities, while trying to receive sufficient revenues to support expenditures.

The Water Fund recorded operating losses over the four-year period from 2013-2016 causing a deficit in the fund balance. The City reversed this trend in 2017 by transferring the lake level litigations fees and legal costs to the Insurance Fund and a one-time contribution from the Non-Bonded Debt Fund. A water rate increase in 2018 should have stabilized the fund balance; however, significant costs to repair water main breaks during the year offset the additional revenue. The 2018 Revised Budget includes a transfer in from the Non-Bonded Debt Fund to provide supplementary revenue to address the unanticipated expenditures. The 2019 Budget includes a rate increase to build the fund balance and repay the Non-Bonded Debt Fund for the 2018 transfer.

The following charts present the most current rates and the rate used to prepare the 2019 Budget.

| Residential Units Consumed | 2017 Rate | 2018 Rate | Proposed 2019 Rate |
|-------------------------------|-----------------|------------------|-----------------------|
| 0-8 | \$9.75 flat fee | \$12.30 flat fee | \$13.40 flat fee |
| Winter quarter >8 | 1.15 per unit | 1.45 per unit | 1.60 per unit |
| Non-winter quarter >8 | 1.40 per unit | 1.80 per unit | 1.95 per unit |

Fund: Water Fund 5010

| Commercial Units Consumed | 2017 Rate | 2018 Rate | Proposed 2019 Rate |
|------------------------------|-----------------|------------------|-----------------------|
| 0-8 | \$9.75 flat fee | \$12.30 flat fee | \$13.40 flat fee |
| 8-27 | 1.10 per unit | 1.40 per unit | 1.55 per unit |
| 27-75 | 1.15 per unit | 1.45 per unit | 1.60 per unit |
| >75 | 1.30 per unit | 1.65 per unit | 1.80 per unit |
| Non-winter quarter over base | 1.40 per unit | 1.80 per unit | 1.95 per unit |

In creating this budget with the proposed rate increase, the City recognizes the need for an in depth review of the water rate structure to create a steady funding source for both operational, capital and infrastructure expenditures in future years. The analysis process will compare the current rate structure to models used by other municipalities to determine the best option for our system.

The City provides water to the neighboring communities of Birchwood Village and Gem Lake through a cooperative contract agreement. Each community receives a quarterly charge and it becomes their responsibility to charge the costs to their residents.

Water Distribution:

As mentioned above, the City experienced multiple significant water main breaks during the year which impacted expenditures related to employee overtime and maintenance repairs. Ground shifting caused old infrastructure to break in this year's events. Staff began reviewing plans to determine areas that might provide a high risk of potential damage if a break were to occur. If there is an uncertainty in any of the areas, staff will check the service end caps on the system and soil conditions to prevent a potential issue.

The replacement of residential and commercial water meters continues to remain a high priority for the department as meters experience reduced accuracy with age. Though a project of this magnitude is expensive, upgrading all meters to a radio read system would provide a savings in contracted meter reading services and ensure users pay for their actual water consumption each quarter. An internal committee continues to consider implementation costs, schedules and options to determine the best time to commence the project. Ideally, a phased replacement plan for residential properties would occur in 2020. The City needs to review long range financial planning because revenue bonds would provide resources to pay for the project. At this time, the Utility Billing Clerk continues to work with Water Department staff to identify non-functioning meters needing replacement immediately.

Water Treatment:

Water treatment operations remain consistent with previous years. The budget allocates funds for employees to attend training opportunities and qualify for certification licenses.

Capital Outlay:

This budget supports the upgrade of the Water Treatment Plant break room and the purchase of five fire hydrant repair kits. The Water Improvement Fund, found in the Capital Project Funds section of this budget, itemizes all other capital purchases for the Water Department operations.

Goals:

1. Develop and implement conservative measures with goal of reducing water consumption by three to five percent.
2. Monitor/adjust utility rates in a fiscally responsible matter that will result in the Water Fund financial stability.

Fund: Water Fund 5010

3. Ensure that a high quality, reliable, secure water supply is readily available to residents and businesses of White Bear Lake.
4. Investigate the feasibility for establishing a citywide meter replacement program.
5. Continue to install touch read metering equipment and to administer the large meter replacement and calibration program.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of Gallons (in Millions) Pumped and Treated | 815 | 813 | 625 | 625 |
| Meters converted to T10 Sensus radio read units | 457 | 361 | 400 | 375 |
| Flush water mains and exercise gate valves and hydrants annually to ensure reliable operations. | 100% | 100% | 100% | 100% |



Reader's Notes:

**WATER FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| 4882 | Revenues: Charges for Services | 1,112,977 | 1,139,485 | 1,305,000 | 1,375,000 | 1,495,000 |
| | Total Service Charges | 1,112,977 | 1,139,485 | 1,305,000 | 1,375,000 | 1,495,000 |
| 5205 | Other Revenue Transfers | | | | | |
| | Insurance - Lake Litigation | | 280,000 | | | |
| | Non-Bonded - Operations | | 300,000 | | 125,000 | |
| 4670 | Grant - Water Conservation | 48,599 | 15,191 | | | |
| 4886 | Penalties | 90,345 | 93,501 | 83,000 | 95,000 | 100,000 |
| 5010 | Sale of goods / property | 10,204 | 8,053 | 10,000 | 12,000 | 12,000 |
| 5350 | Miscellaneous | 23,570 | 16,985 | 3,000 | 7,500 | 7,500 |
| | Total Other Revenues | 172,718 | 713,730 | 96,000 | 239,500 | 119,500 |
| | Total Revenues | 1,285,695 | 1,853,215 | 1,401,000 | 1,614,500 | 1,614,500 |
| | Expenditures: | | | | | |
| | Water distribution | 936,494 | 907,355 | 888,873 | 1,044,242 | 908,616 |
| | Water treatment | 492,794 | 528,922 | 528,582 | 545,767 | 546,212 |
| | Total Operating Expenditures | 1,429,288 | 1,436,277 | 1,417,455 | 1,590,009 | 1,454,828 |
| | Capital | 17,300 | 32,300 | 27,000 | 23,000 | 30,000 |
| | Transfer - Non-Bonded Fund | | | | | 125,000 |
| | Total Expenditures | 1,446,588 | 1,468,577 | 1,444,455 | 1,613,009 | 1,609,828 |
| | Revenues Over (Under) Expenditures | (160,893) | 384,638 | (43,455) | 1,491 | 4,672 |
| | Fund Balance January 1 | (155,743) | (316,636) | 61,985 | 68,002 | 69,493 |
| | Fund Balance December 31 | (316,636) | 68,002 | 18,530 | 69,493 | 74,165 |
| | | | | | | |

| FUNCTION: | | FUND & DIV: | | | | ACCT. NO: |
|-------------------------|-------------------------------------|-------------------------|-------------|--------------|--------------|-------------|
| Enterprise | | Water - Distribution | | | | 5010 - 5012 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries-reg. employees | 124,894 | 151,249 | 158,157 | 158,401 | 163,549 |
| 6117 | Overtime - reg. employees | 10,528 | 11,016 | 13,000 | 21,000 | 13,000 |
| 6119 | Salaries-temp. employees | 3,167 | 6,102 | 4,500 | 4,500 | 4,500 |
| 6122 | PERA | 10,157 | 12,170 | 11,975 | 13,455 | 13,241 |
| 6124 | FICA/Medicare | 10,002 | 12,414 | 13,440 | 14,070 | 13,850 |
| 6128 | Insurance contrib. | 8,774 | 11,190 | 11,750 | 11,750 | 12,300 |
| 6138 | Worker's compensation | 5,475 | 5,750 | 6,155 | 6,155 | 6,150 |
| 6148 | Other benefits | | 1,160 | 315 | 1,500 | 1,500 |
| | Total Personal Services | 172,997 | 211,051 | 219,292 | 230,831 | 228,090 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 625 | 339 | 500 | 500 | 500 |
| 6220 | Equipment supplies | 1,467 | 3,261 | 2,500 | 5,500 | 4,000 |
| 6230 | Vehicle supplies | 3,714 | 946 | 1,700 | 3,500 | 3,000 |
| 6240 | Building supplies | 4,353 | 2,780 | 2,250 | 2,250 | 2,250 |
| 6250 | Other supplies | 2,696 | 300 | 31,200 | 31,200 | 31,200 |
| 6272 | Motor fuels | 7,744 | 7,690 | 9,000 | 9,000 | 9,000 |
| 6274 | Lubricants & additives | 400 | 491 | 600 | 400 | 400 |
| 6280 | Books & periodicals | | | 100 | 100 | 100 |
| 6290 | Uniforms | 1,154 | 2,097 | 1,500 | 1,500 | 1,500 |
| 6295 | Small tools | 111,774 | 93,991 | 90,000 | 100,000 | 95,000 |
| | Total Supplies | 133,927 | 111,895 | 139,350 | 153,950 | 146,950 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 104,977 | 64,294 | 68,800 | 74,800 | 54,300 |
| 6402 | Data processing | 39,880 | 34,523 | 27,000 | 27,000 | 28,700 |
| 6411 | Telephone | 1,354 | 2,070 | 800 | 800 | 800 |
| 6412 | Cellular | 322 | 1,077 | 2,200 | 1,150 | 1,150 |
| 6422 | Electric | 181,195 | 177,698 | 180,000 | 180,000 | 180,000 |
| 6423 | Natural gas | 11,972 | 15,480 | 15,000 | 15,000 | 15,000 |
| 6434 | General Liab. insurance | 21,217 | 21,217 | 21,217 | 21,217 | 21,217 |
| 6436 | Auto. Liab. insurance | 6,634 | 6,634 | 6,634 | 6,634 | 6,634 |
| 6445 | Postage | 5,100 | 5,210 | 6,000 | 6,000 | 6,000 |
| 6450 | Outside printing | 4,155 | 2,102 | 2,900 | 2,550 | 2,900 |
| 6460 | Subscription/memberships | 61 | 113 | 350 | 455 | 475 |
| 6470 | Training | 123 | 1,889 | 2,500 | 2,275 | 2,500 |
| 6487 | Water Conservation | 64,217 | 19,693 | | | |
| 6505 | Equipment maint. service | 1,916 | 2,534 | 3,600 | 5,900 | 7,400 |
| 6508 | Shop maint. service | 1,452 | | | | |
| 6510 | Vehicle maint. service | 690 | 1,428 | 2,000 | 1,500 | 1,500 |
| 6515 | Building maint. service | 8,251 | 6,671 | 4,000 | 4,000 | 4,000 |
| 6525 | Electrical repair service | | | | 5,100 | 5,300 |
| 6535 | Other maint. service | 74,969 | 109,027 | 70,000 | 190,000 | 80,000 |
| 6555 | Equipment rental | 906 | 512 | 950 | 300 | 700 |
| 6560 | Other contractual svc | 13,434 | 12,937 | 14,000 | 12,500 | 14,000 |
| | Total Other Services and Charges | 542,825 | 485,109 | 427,951 | 557,181 | 432,576 |

| | | |
|--------------------------------|---|----------------------------------|
| FUNCTION: Enterprise | FUND & DIV: Water - Distribution | ACCT. NO.: 5010 - 5012 |
|--------------------------------|---|----------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | CAPITAL OUTLAY | | | | | |
| 7140 | Building | | | | | 5,000 |
| 7140 | Equipment | 17,300 | 32,300 | 27,000 | 23,000 | 25,000 |
| | Total Capital Outlay | 17,300 | 32,300 | 27,000 | 23,000 | 30,000 |
| | TRANSFERS | | | | | |
| 7605 | General Fund - Admin. Charge | 86,745 | 99,300 | 102,280 | 102,280 | 101,000 |
| | Total Transfers | 86,745 | 99,300 | 102,280 | 102,280 | 101,000 |
| | Total | 953,794 | 939,655 | 915,873 | 1,067,242 | 938,616 |

| FUNCTION: | | FUND & DIV: | | | ACCT. NO: | |
|-------------------------|-------------------------------------|----------------------|-------------|--------------|--------------|-------------|
| Enterprise | | Water - Treatment | | | 5010 - 5013 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 129,794 | 139,580 | 147,208 | 147,069 | 151,849 |
| 6117 | Overtime - reg. employees | 7,406 | 5,215 | 8,000 | 10,000 | 10,000 |
| 6122 | PERA | 10,290 | 10,860 | 11,640 | 11,780 | 12,140 |
| 6124 | FICA/Medicare | 10,260 | 10,928 | 11,875 | 12,025 | 12,400 |
| 6128 | Insurance contrib. | 17,000 | 21,675 | 22,760 | 22,760 | 23,900 |
| 6138 | Worker's compensation | 12,155 | 12,765 | 13,660 | 13,660 | 13,660 |
| 6146 | Other benefits | | 2,000 | 600 | 3,000 | 3,000 |
| | Total Personal Services | 186,905 | 203,023 | 215,743 | 220,294 | 226,949 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 247 | 147 | 300 | 150 | 150 |
| 6220 | Equipment supplies | 2,716 | 6,822 | 6,500 | 6,000 | 6,500 |
| 6230 | Vehicle supplies | 270 | 155 | 500 | 300 | 500 |
| 6240 | Building supplies | 3,771 | 5,619 | 4,000 | 4,000 | 4,000 |
| 6250 | Other supplies | 2,608 | 547 | 1,750 | 1,200 | 1,750 |
| 6260 | Chemicals | 128,217 | 131,629 | 125,000 | 135,000 | 135,000 |
| 6272 | Motor fuels | 1,927 | 2,001 | 2,000 | 1,000 | 1,000 |
| 6274 | Lubricants & additives | 100 | 161 | 250 | 100 | 250 |
| 6280 | Books & periodicals | | | 100 | 100 | 100 |
| 6290 | Uniforms | 1,351 | 1,533 | 2,200 | 1,000 | 1,400 |
| 6295 | Small tools | 729 | 1,410 | 2,500 | 2,000 | 2,000 |
| | Total Supplies | 141,936 | 150,024 | 145,100 | 150,850 | 152,650 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 6,395 | 6,651 | 7,500 | 7,500 | 525 |
| 6411 | Telephone | 2,197 | 3,176 | 1,300 | 2,540 | 1,920 |
| 6412 | Cellular | 1,032 | 1,337 | 2,400 | 1,420 | 1,420 |
| 6434 | General Liab. insurance | 23,866 | 23,866 | 23,866 | 23,865 | 23,865 |
| 6436 | Auto. Liab. insurance | 3,983 | 3,983 | 3,983 | 3,983 | 3,983 |
| 6450 | Outside printing | 230 | | 400 | | |
| 6460 | Subscriptions/memberships | 137 | 224 | 350 | 300 | 350 |
| 6470 | Training | 107 | 638 | 1,800 | 1,500 | 1,800 |
| 6492 | Advertising | 62 | | 100 | | 100 |
| 6505 | Equipment maint. service | 4,383 | 5,436 | 5,000 | 5,875 | 5,650 |
| 6508 | Shop maint. service | 137 | | | | |
| 6510 | Vehicle maint. service | | | 1,000 | 750 | 1,000 |
| 6515 | Building maint. service | 3,464 | 5,197 | 3,100 | 6,000 | 3,100 |
| 6525 | Electrical maint. service | 4,753 | 3,237 | 4,000 | 3,000 | 4,000 |
| 6535 | Other maint. service | 1,422 | 2,883 | | 1,050 | 1,500 |
| 6555 | Equipment rental | 1,387 | 1,072 | 1,500 | 800 | 900 |
| 6560 | Other contractual svc | 5,523 | 4,822 | 5,200 | 5,200 | 5,200 |
| 6565 | Disposal fees | 87,620 | 95,353 | 87,700 | 92,300 | 92,300 |
| | Total Other Services and Charges | 146,698 | 157,875 | 149,199 | 156,083 | 147,613 |

| | | |
|--------------------------------|--|----------------------------------|
| FUNCTION: Enterprise | FUND & DIV: Water - Treatment | ACCT. NO.: 5010 - 5013 |
|--------------------------------|--|----------------------------------|

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|------------------------------|-------------|-------------|--------------|--------------|-------------|
| | TRANSFERS | \$ | \$ | \$ | \$ | \$ |
| 7605 | General Fund - Admin. Charge | 17,255 | 18,000 | 18,540 | 18,540 | 19,000 |
| | Total Transfers | 17,255 | 18,000 | 18,540 | 18,540 | 19,000 |
| | Total | 492,794 | 528,922 | 528,582 | 545,767 | 546,212 |

Fund: Sewer Fund 5050

Department Activities and Responsibilities:

The Sewer Fund maintains the financial information for the sewer collection system and oversees the treatment of wastewater to allow its safe return to the environment. The costs for these services fall into two categories.

The first category includes costs associated with moving the sewage from local residential and commercial customers to the regional wastewater treatment facility. The City has complete control over the operating and capital improvement costs related to the activity.

The second category refers to the wastewater collection and treatment costs associated with the regional facility operated by the Metropolitan Council Environmental Services (MCES). The regional program serves 109 communities within the seven-county metro area. Communities connected to the system pay an annual Municipal Wastewater Charge (MWC) to MCES based on their percentage of the total regional wastewater flow. The high level of oversight and coordination of services offered through the MCES regional wastewater treatment program provides communities with cost savings and enhances the region's environmental quality. Though the service is a significant portion of the Sewer Department budget that the city cannot control, the City would incur greater costs providing these services on its own.

Budget Summary:

The City continues to make considerable efforts to control operational costs; however, with MCES charges at approximately 75% of the total fund expenditures, it becomes extremely difficult to control overall costs for the department. The following chart summarizes the operational and MCES disposal costs affecting the fund over a ten-year period:

| <u>Year</u> | <u>Operations</u> | <u>Disposal</u> | <u>Total</u> |
|-------------|-------------------|-----------------|--------------|
| 2010 | \$551,852 | \$1,814,791 | \$2,366,643 |
| 2011 | 569,651 | 1,855,043 | 2,424,694 |
| 2012 | 549,569 | 1,738,459 | 2,288,028 |
| 2013 | 574,050 | 1,793,656 | 2,367,706 |
| 2014 | 619,724 | 1,692,271 | 2,311,995 |
| 2015 | 591,805 | 1,788,793 | 2,380,598 |
| 2016 | 590,410 | 1,967,272 | 2,557,682 |
| 2017 | 662,655 | 2,079,102 | 2,741,757 |
| 2018 Est. | 655,999 | 2,155,000 | 2,810,999 |
| 2019 Est. | 657,388 | 2,279,000 | 2,936,388 |

Analysis of the Department's expenditures begins the discussion of creating a fee structure to provide sufficient revenue to support operations and provide adequate reserves for unanticipated costs and capital improvements.

After multiple years without a sewer rate increase, the City began adjusting rates during 2016 to avoid a fund deficit. The increase did not alleviate the issue; therefore, the rates adjusted again in 2017 and the fund balance stabilized through a one-time contribution from the Non-Bonded Debt Service Fund. Minimal rate adjustments in 2018 and 2019 continue to offset operating expenditures and create a financial base for future years.

| <u>Units Consumed</u> | <u>2017 Rate</u> | <u>2018 Rate</u> | <u>Proposed 2019 Rate</u> |
|-----------------------|------------------|------------------|-------------------------------|
| 0-8 | \$27.20 flat fee | \$31.75 flat fee | \$33.45 flat fee |
| >8 | 3.40 per unit | 3.95 per unit | 4.15 per unit |

Fund: Sewer Fund 5050

The recommended rate increases do not include funding for infrastructure improvements. The City will need to consider establishing a flat fee for all accounts to pay for required infrastructure improvements since additional revenues are not available through interest earnings or customer service billings.

The 2019 MCES disposal costs increase 5.76% over the 2018 rates. The City's share of the total flow for the year accounts for 1.33% of that change, leaving the remaining percentage related to MCES expenditure increases for the year.

Capital Outlay:

This budget includes funding to complete the program to replace lift station valves and upgrade the GraniteNet software used with the televising camera to perform sewer line inspections and help staff make informed decisions on the condition of the pipes. Additional smaller items consist of a camera monitor for the inspection system, a jet hose, a truck arrow board, LED flashlight and a metal detector.

Goals:

1. Monitor and maintain a reliable collection system for City sanitary sewer flow by performing routine maintenance work.
2. Improve public awareness of City's technology to investigate potential sewer problems through brochures, website, cable access, utility bill information, in addition, newspaper articles.
3. Increase sewer line recording and monitoring with additional software equipment.
4. Restructure sanitary sewer maintenance inspections to take full advantage of the new remote telemetry alarm systems.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Miles of Sewer Lines Rodded and Jetted | 35 | 36 | 30 | 30 |
| Number of Public Line Sewer Backups | 4 | 7 | 1 | 4 |
| Number of Private Line Sewer Backups | 40 | 29 | 40 | 40 |
| Percent of Sewer Lift Station Monthly Alarm Checks | 100% | 100% | 100% | 100% |



Reader's Notes:

**SEWER FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| 4882 | Revenues: Charges for Services | 2,434,114 | 2,702,496 | 2,975,000 | 3,115,000 | 3,265,000 |
| 5316 | Other Revenue SAC Charge Retainer | 3,280 | 944 | 2,000 | 2,000 | 2,000 |
| 5205 | Transfer - Non-Bonded Fund | | 200,000 | | | |
| | Total Other Revenues | 3,280 | 200,944 | 2,000 | 2,000 | 2,000 |
| | Total Revenues | 2,437,394 | 2,903,440 | 2,977,000 | 3,117,000 | 3,267,000 |
| | Expenditures: | | | | | |
| | Operational | 590,410 | 662,655 | 694,715 | 655,999 | 657,388 |
| | Disposal | 1,967,272 | 2,079,102 | 2,155,000 | 2,155,000 | 2,279,000 |
| | Total Operational | 2,557,682 | 2,741,757 | 2,849,715 | 2,810,999 | 2,936,388 |
| | Capital - Operations | 34,963 | 9,512 | 18,200 | 20,700 | 27,800 |
| | Transfer - Non-Bonded Fund | | | | 200,000 | |
| | Transfer - Construction Fund | | | | | 200,000 |
| | Total Other Uses | 34,963 | 9,512 | 18,200 | 220,700 | 227,800 |
| | Total Expenditures | 2,592,645 | 2,751,269 | 2,867,915 | 3,031,699 | 3,164,188 |
| | Revenues Over (Under) Expenditures | (155,251) | 152,171 | 109,085 | 85,301 | 102,812 |
| | Fund Balance January 1 | 41,657 | (113,594) | 41,354 | 38,577 | 123,878 |
| | Fund Balance December 31 | (113,594) | 38,577 | 150,439 | 123,878 | 226,690 |
| | | | | | | |

| FUNCTION: | | FUND: | | | | ACCT. NO: |
|-------------------------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| Enterprise | | Sewer | | | | 5050 - 5052 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | PERSONAL SERVICES | \$ | \$ | \$ | \$ | \$ |
| 6105 | Salaries-reg. employees | 208,408 | 241,809 | 262,270 | 240,194 | 262,073 |
| 6117 | Overtime - reg. employees | 5,491 | 2,884 | 6,200 | 8,000 | 8,000 |
| 6119 | Salaries-temp. employees | 6,252 | 6,390 | 7,200 | 7,200 | 7,200 |
| 6122 | PERA | 16,043 | 18,352 | 20,135 | 18,615 | 20,255 |
| 6124 | FICA/Medicare | 16,833 | 19,522 | 21,090 | 19,540 | 21,215 |
| 6128 | Insurance contrib. | 24,130 | 30,765 | 32,305 | 30,305 | 33,900 |
| 6138 | Worker's compensation | 17,610 | 18,490 | 19,785 | 19,785 | 19,785 |
| 6148 | Other benefits | | 2,830 | 770 | 3,600 | 3,600 |
| | Total Personal Services | 294,767 | 341,042 | 369,755 | 347,239 | 376,028 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 412 | 245 | 500 | 300 | 400 |
| 6220 | Equipment supplies | 9,455 | 8,795 | 11,000 | 11,000 | 11,000 |
| 6230 | Vehicle supplies | 2,514 | 1,135 | 1,600 | 1,600 | 1,600 |
| 6240 | Building supplies | 3,695 | 3,269 | 2,500 | 2,500 | 2,500 |
| 6250 | Other supplies | 1,290 | 221 | 2,500 | 600 | 600 |
| 6260 | Chemicals | | 6,485 | 500 | 500 | 500 |
| 6272 | Motor fuels | 9,635 | 9,612 | 11,000 | 9,000 | 9,000 |
| 6274 | Lubricants & additives | 500 | 852 | 800 | 600 | 600 |
| 6290 | Uniforms | 1,711 | 2,659 | 2,500 | 2,200 | 2,200 |
| 6295 | Small tools | 1,268 | 1,435 | 1,700 | 4,000 | 4,000 |
| | Total Supplies | 30,480 | 34,708 | 34,600 | 32,300 | 32,400 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 40,407 | 41,961 | 43,250 | 43,400 | 10,600 |
| 6402 | Data processing | 34,858 | 35,679 | 27,000 | 27,000 | 28,700 |
| 6411 | Telephone | 1,354 | 2,006 | 700 | 700 | 700 |
| 6412 | Cellular | 668 | 1,370 | 1,150 | 1,150 | 1,150 |
| 6422 | Electric | 18,391 | 18,358 | 19,000 | 14,400 | 14,400 |
| 6423 | Natural gas | 3,544 | 3,716 | 3,500 | 1,500 | 1,500 |
| 6434 | General Liab. insurance | 30,500 | 30,500 | 30,500 | 30,500 | 30,500 |
| 6436 | Auto. Liab. insurance | 5,310 | 5,310 | 5,310 | 5,310 | 5,310 |
| 6445 | Postage | 5,100 | 5,264 | 6,000 | 5,500 | 5,500 |
| 6450 | Outside printing | 2,953 | 163 | 1,000 | 700 | 700 |
| 6460 | Subscription/memberships | 61 | 113 | 300 | 500 | 500 |
| 6470 | Training | 1,503 | 2,364 | 2,400 | 2,400 | 2,400 |
| 6494 | Advertising | 484 | | | | |
| 6505 | Equipment maint. service | 8,619 | 9,409 | 8,500 | 8,500 | 8,500 |
| 6508 | Shop maint. service | 1,945 | | | | |
| 6510 | Vehicle maint. service | 2,613 | 1,851 | 4,950 | 4,000 | 4,000 |
| 6515 | Building maint. service | 5,773 | 5,229 | 5,000 | | |
| 6525 | Electrical maint. service | 2,170 | 112 | 2,000 | 2,000 | 2,000 |
| 6535 | Other maint. service | 3,993 | 12,460 | 14,000 | 14,000 | 14,000 |
| 6555 | Equipment rental | 906 | 512 | 1,900 | 1,000 | 1,000 |
| 6560 | Other contractual svc | 6,251 | 7,228 | 7,500 | 7,500 | 7,500 |
| 6565 | Disposal charges | 1,967,272 | 2,079,102 | 2,155,000 | 2,155,000 | 2,279,000 |
| | Total Other Services and Charges | 2,144,675 | 2,262,707 | 2,338,960 | 2,325,060 | 2,417,960 |

| FUNCTION: | | FUND: | | | | ACCT. NO: |
|-------------------------|------------------------------|-------------|-------------|--------------|--------------|-------------|
| Enterprise | | Sewer | | | | 5050 - 5052 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | CAPITAL OUTLAY | | | | | |
| 7140 | Equipment | 7,179 | 5,865 | 8,200 | 8,200 | 1,800 |
| 7150 | Mobile equipment | 27,784 | 3,647 | | | |
| 7220 | Other | | | 10,000 | 12,500 | 26,000 |
| | Total Capital Outlay | 34,963 | 9,512 | 18,200 | 20,700 | 27,800 |
| | TRANSFERS | | | | | |
| 7605 | General Fund - Admin. Charge | 87,760 | 103,300 | 106,400 | 106,400 | 110,000 |
| | Total Transfers | 87,760 | 103,300 | 106,400 | 106,400 | 110,000 |
| | Total | 2,592,645 | 2,751,269 | 2,867,915 | 2,831,699 | 2,964,188 |

Fund: Environmental Recycling and Waste Disposal Fund 5100

Department Activities and Responsibilities:

To offer refuse collection and recycling services to residents, the City works with three main organizations: a contracted collection and hauling company, a trash processing facility and a recycling facility.

First, the City contracts with Republic Services to provide organized collection of residential refuse, recyclables, and yard waste through wheeled cart service on a weekly basis. The contract defines residential service as single-family homes, duplexes, triplexes, quad homes and townhomes. This arrangement allows for a lower rate through efficient service routes, guarantees collection from all residential properties, reduces the wear on City streets by limiting the number of heavy vehicles traveling the streets each week, and improves resident recycling participation through coordinated pick up. The City invoices residents for this service on their quarterly utility bills and remits one payment to Republic. The City's contract with Republic began in October 2016, with the contract renewal period for September 2019.

Any properties within the City not qualifying as a residential unit within the agreement with Republic Services contracts their own refuse and recycling collection through a licensed private hauler.

Second, the City must have their contracted refuse hauler deliver collected refuse to the Ramsey – Washington County Recycling & Energy Center facility in Newport, MN to process the trash into fuel for Xcel Energy power plants to produce electricity. The facility bills the City per ton of refuse delivered. The County currently offers a per ton rebate; however, a reduction of the County rebate begins in 2019 as the County works to eliminate the program. The following illustrates disposal fee changes for the facility over a twelve-year period.

| <u>Year</u> | <u>Cost per ton</u> | <u>County Rebate</u> | <u>Net Disposal</u> | <u>% increase</u> |
|--------------|-------------------------|--------------------------|---------------------|-------------------|
| January 2008 | 55.00 | 12.00 | 43.00 | 13.15% |
| January 2009 | 59.00 | 12.00 | 47.00 | 9.30% |
| January 2010 | 64.00 | 12.00 | 52.00 | 10.64% |
| January 2011 | 68.00 | 14.00 | 54.00 | 3.85% |
| January 2012 | 72.00 | 14.00 | 58.00 | 7.41% |
| January 2013 | 84.00 | 28.00 | 56.00 | (3.45%) |
| January 2014 | 84.81 | 28.00 | 56.81 | 1.45% |
| January 2015 | 86.22 | 28.00 | 58.22 | 2.48% |
| January 2016 | 70.00 | 12.00 | 58.00 | (0.38%) |
| January 2017 | 70.00 | 12.00 | 58.00 | 0.00% |
| January 2018 | 77.00 | 12.00 | 65.00 | 12.07% |
| January 2019 | 79.00 | 10.00 | 69.00 | 6.15% |

Third, while Republic Services collects the recyclables from residential customers, their responsibility ends once they transport the materials to the recycling processing facility. Therefore, the City contracts with Eureka Recycling to handle the materials after drop off. Eureka Recycling uses best management practices to lead the local industry in innovation and environmental stewardship by focusing on a wide range of initiatives related to reuse, recycling, composting, waste reduction, and producer responsibility. Eureka Recycling provides a single sort processing system, which is consistent with the long-range environmental policy of the City's Environmental Advisory Commission.

The recycling sale proceeds received by the City fluctuates with market conditions. If the market is good, the City will receive a payment for the sale of recyclables. However, when there is a limited market for recycling materials, the City pays Eureka for the recycling processing work.

Fund: Environmental Recycling and Waste Disposal Fund 5100

Budget Summary:

The City passes the disposal fees paid to these three organizations on to residents through a pay-as-you-throw (PAYT) system. Residents choose one of three container sizes for weekly pick up. Each size has a corresponding monthly charge that the City bills to residents on a quarterly basis. The fees are set at rates to encourage residents to promote waste reduction and recycling to decrease the cost of collection, processing and disposal. The refuse contract allows the hauler to collect additional disposal fees from residents who generate more garbage than their selected weekly service level billed by the City.

The City monitors the residential rates to ensure they provide sufficient revenue to offset contract costs and provide financial integrity to the fund. It is a challenge for this fund to remain stable when the hauler contract fees and the Ramsey Washington County Recycling and Energy Center environmental fees constitute a significant portion of the budget. A reduction in the recyclables market, an estimated 2% increase in the Republic Services contract costs, and a 6% increase in the County environmental fees contribute to a proposed rate adjustment in the 2019 Budget in order to avoid an operating deficit. The following chart presents a comparison of recent and proposed residential rates.

| Monthly Service Level | 2017 Rate | 2018 Rate | Proposed 2019 Rate |
|-----------------------|-----------|-----------|--------------------|
| 30 gallon senior | \$9.50 | \$10.00 | \$10.55 |
| 30 gallon | 9.70 | 10.25 | 10.80 |
| 60 gallon | 14.25 | 15.05 | 15.90 |
| 90 gallon | 19.40 | 20.50 | 21.65 |

The City provides a local clean up day in May and October each year to give residents the opportunity to dispose of large items, hazardous waste products, or other items that are difficult to dispose at the Public Works facility. The City coordinates these events with the garbage hauler and other recycling companies to simplify the disposal process. Residents pay a minimal charge to help the City recover some of the disposal costs.

The City promotes environmental friendly activities by purchasing compost bins and rain barrels to sell to residents through allocations in the Other Supplies account. Outside printing expenditures provide funding for a portion of the City's newsletter designed to share environmental news and ideas. As described above, the Contracted Services account records the costs for recycling and refuse disposal activities.

Goals:

1. Establish convenient and cost effective recycling options for businesses.
2. Investigate options to incorporate multi-unit housing into organized recycling collection.

Measurable Workload Data:

| | 2016 Actual | 2017 Actual | 2018 Budget | 2019 Budget |
|---|-------------|-------------|-------------|-------------|
| Number of weekly collection accounts | 7,590 | 7,595 | 7,590 | 7,590 |
| Tons of Residential Garbage Collected | 5,995 | 5,623 | 5,600 | 5,600 |
| Tons of Residential Recycling Collected | 2,050 | 1,965 | 1,975 | 1,975 |

**ENVIRONMENTAL RECYCLING & WASTE DISPOSAL FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-----------------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | Revenues: | | | | | |
| | Charges for Services | | | | | |
| 4882 | Disposal charges | 997,661 | 999,115 | 1,052,000 | 1,052,000 | 1,109,000 |
| 4884 | Renewable waste charges | 249,187 | 250,246 | 263,000 | 262,000 | 276,000 |
| | Total Charges for Service | 1,246,848 | 1,249,361 | 1,315,000 | 1,314,000 | 1,385,000 |
| | Other Revenue | | | | | |
| 5010 | Sales recyclables | 15,007 | 40,796 | 40,000 | | |
| 4660 | County Aid-SCORE grant | 56,223 | 62,526 | 64,000 | 60,000 | 60,000 |
| 4646 | Community Grant | 38,171 | | | | |
| 5350 | Miscellaneous | 4,537 | | 2,000 | 3,000 | 3,000 |
| 5350 | Clean up | 19,845 | 18,338 | 14,000 | 16,000 | 16,000 |
| | Total Other Revenues | 133,783 | 121,660 | 120,000 | 79,000 | 79,000 |
| | Total Revenues | 1,380,631 | 1,371,021 | 1,435,000 | 1,393,000 | 1,464,000 |
| | Expenditures: | | | | | |
| | Operational | 214,391 | 184,456 | 193,608 | 198,888 | 205,103 |
| | Disposal | 1,164,859 | 1,162,400 | 1,240,000 | 1,215,000 | 1,258,000 |
| | Total Expenditures | 1,379,250 | 1,346,856 | 1,433,608 | 1,413,888 | 1,463,103 |
| | Net operating income (loss) | 1,381 | 24,165 | 1,392 | (20,888) | 897 |
| | Fund Balance January 1 | 77,717 | 79,098 | 81,010 | 103,263 | 82,375 |
| | Fund Balance December 31 | 79,098 | 103,263 | 82,402 | 82,375 | 83,272 |
| | | | | | | |

| FUNCTION: | | FUND: | | | | ACCT. NO: |
|-------------------------|-------------------------------------|--|-------------|--------------|--------------|-------------|
| Enterprise | | Environmental Recycling & Waste Disposal | | | | 5100 - 5102 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 33,604 | | | | |
| 6117 | Overtime-reg. employees | 4,109 | 3,188 | 4,000 | 4,000 | 4,120 |
| 6119 | Salaries-Temp. employees | | | | | |
| 6122 | PERA | 2,828 | 239 | 300 | 300 | 310 |
| 6124 | FICA/Medicare | 2,790 | 245 | 305 | 305 | 315 |
| 6128 | Insurance contrib. | 343 | | | | |
| 6138 | Worker's Compensation | 60 | | | | |
| | Total Personal Services | 43,734 | 3,672 | 4,605 | 4,605 | 4,745 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | | | 200 | | |
| 6250 | Other supplies | 1,523 | 1,105 | 3,750 | 3,075 | 3,600 |
| | Total Supplies | 1,523 | 1,105 | 3,950 | 3,075 | 3,600 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 14,791 | 10,084 | 11,400 | 10,525 | 10,725 |
| 6402 | Data processing | 34,858 | 35,310 | 27,000 | 27,000 | 28,700 |
| 6434 | General Liab. insurance | 3,983 | 3,983 | 3,983 | 3,983 | 3,983 |
| 6445 | Postage | 7,394 | 7,176 | 10,500 | 7,900 | 8,000 |
| 6450 | Outside printing | 793 | 1,939 | 7,200 | 5,500 | 6,500 |
| 6460 | Subscription/memberships | 50 | 63 | 100 | 100 | 100 |
| 6470 | Training | 144 | | 270 | 50 | 50 |
| 6555 | Equipment rental | 120 | 130 | 200 | 150 | 200 |
| 6560 | Other contractual service | 17,501 | 15,094 | 15,400 | 27,000 | 28,500 |
| 6565 | Disposal fees | 1,164,859 | 1,162,400 | 1,240,000 | 1,215,000 | 1,258,000 |
| | Total Other Services and Charges | 1,244,493 | 1,236,179 | 1,316,053 | 1,297,208 | 1,344,758 |
| | TRANSFER | | | | | |
| 7605 | General Fund - Admin. Charge | 89,500 | 105,900 | 109,000 | 109,000 | 110,000 |
| | Total | 1,379,250 | 1,346,856 | 1,433,608 | 1,413,888 | 1,463,103 |
| | | | | | | |

Fund: Ambulance Fund 5250

Department Activities and Responsibilities:

The Ambulance Fund accounts for revenues and expenditures related to providing emergency medical services to the City of White Bear Lake and the surrounding communities of White Bear Township, Birchwood Village, the City of Dellwood and a small section of the City of Lino Lakes. The total coverage area includes a population of approximately 37,000 people.

The Fire Chief leads the department in conjunction with the Fire Department. Fire Department members serve as paramedics or emergency medical technicians (EMTs) for emergency medical response operations. There is a distinct division of duties and pay structure between the two departments even though the same employees work for both. The employees train according to the State Health Department and the Emergency Medical Service Emergency Regulatory Board requirements.

Though the Fire Department operation is celebrating its 130th year of service to White Bear Lake area, in 2018, the City has only provided the emergency medical services to the area since the 1990s. As with the progression of any long-term organization, change is inevitable and necessary to meet customer needs. With the appointment of a new Fire Chief in September 2017, the department began a comprehensive strategic planning process to help assess current operation models and identify potential improvements to address the changing landscape of emergency medical response and fire service.

How members respond to calls and the volume of call responses needed continue to rise each year, requiring a major time commitment to the department members that is difficult for many to balance with their personal life and full-time work schedule outside of the department. Through the years, the scheduling changes for on-call times tried to mitigate the challenge for employees without much success. Since the membership struggled to respond to calls for service during daytime hours Monday through Friday, the department hired two full-time paramedics and two full-time EMTs in 2014 to respond to emergency calls for service during these shifts. The process reduced pressure on paid on-call staff during those hours, it did not address the issue with the increase in evening and weekend calls. With building strain on employee time commitments, the department tried a "Duty Crew" scheduling system in the beginning of 2018, which allowed employees to sign up for specific shifts at each station to balance schedule flexibility for employees while providing staff for call coverage. Even with accommodating schedule option of Duty Crews, employees continued to struggle to meet required percentages and shifts often remained uncovered.

The situation indicated the need for a "combination staffing model" department, which uses a full-time employee base supported by paid on-call staff members. To provide this staffing structure change and be cost-effective, the City combined the job roles for the Fire Department and Ambulance Fund employees to create a full-time firefighter/paramedic position to allow employees to respond to either type of call while on duty. Beginning in 2019, the Ambulance Fund budget will include 80% of the staffing costs while the remaining 20% of staffing costs will be in the Fire Department budget, since a significant portion of the calls are for emergency medical issues. This new configuration provides 24 hour coverage by full-time staff members with additional assistance in both budgets for paid on-call staff to help respond to calls during high volume times.

As an Enterprise Fund in the City's financial structure, the Ambulance Fund operates similar to a private business with revenues from user charges funding the operational costs of the department. The City Council establishes the service rates billed to patients on a per run basis. Third party denials for selected billings and client non-payments reduce the revenue collections for the department. City ambulance rates remain lower than the metropolitan average.

One challenge the department faces with revenue relates to the federal law that limits the fees ambulance service providers may collect for Medicare patient transportations. All medical response services are required to accept the reimbursement amount allowable set by the law and are required to write off any difference without billing the patient for the difference between the billed amount and the federally authorized reimbursed amount. In 2017, the collections for approximately 70% of the patients using the City's ambulance service fall under this revenue collection restriction through programs such as Medicare or Medicaid. These accounts reduce the ambulance billing revenues by roughly \$1,750,000 due to the

Fund: Ambulance Fund 5250

federal law. The 2019 Budget assumes a 2.00% increase in Medicare and Medicaid reimbursement rates.

In light of the revenue collection limits and the additional staff needed to respond to calls for service, a review of ambulance rates demonstrates a need to adjust the rates in the 2019 Budget to ensure the fund can financially support ambulance operations. A comparison of recent rates and the proposed rates are shown below:

| Call Type | Rates | | Rates | |
|-------------------------|-------------|-------------|-------------|-------------|
| | Effective | Effective | Effective | Proposed |
| | 5/1/2017 | 1/1/2018 | 1/1/2018 | 1/1/2019 |
| Basic Life Support | \$ 1,195.00 | \$ 1,285.00 | \$ 1,285.00 | \$ 1,415.00 |
| Advanced Life Support-1 | 1,575.00 | 1,695.00 | 1,695.00 | 1,865.00 |
| Advanced Life Support-2 | 1,720.00 | 1,850.00 | 1,850.00 | 2,035.00 |
| Treatment No Transport | 400.00 | 430.00 | 430.00 | 475.00 |
| Mileage per mile | 24.75 | 26.60 | 26.60 | 30.00 |

While these revenues support anticipated operations, they do not support replacement of major capital. The Fund's budget currently relies on contributions from the Equipment Acquisition Fund for these purchases.

Budget Summary:

A vacancy in the Quality Assurance Technician position provided an opportunity to create an Assistant Chief position to oversee daily emergency service operations. Though new full-time staff began in 2018, this budget does not realize the effect of this change until 2019 when the Personal Services expenditures for the new firefighter / paramedic positions are split between the Fire Department and Ambulance Fund budgets. The 2019 Budget also includes four additional firefighter/paramedic positions to bring the staff level to 12 for that position.

The addition of full-time staff will help stabilize expenditures for outfitting and training members for duty. In the past, the department experienced a high turnover rate with the temporary employees as they left for full-time employment opportunities with other agencies or could not meet the required time commitment.

The 2018 Budget assumed a lower cost for fuel than what is available in the present market, causing an increase to the Revised Budget amount. The 2018 Small Tool expenditures include additional resources to purchase mounts and cables for the new heart monitors replaced due to unit expirations during the year.

Training expenditures decrease as the department discontinues the program to pay a member's paramedic training costs in return for five years of employment after completing the program. Initially, this arrangement worked for members willing to expand their skills at the local community college and maintain a career within the department. However, as members arrived to the area to attend the college, many joined the department for a brief time before moving to a new location. Collecting the paid tuition from members leaving before the completion of their 5-year commitment proved to be an inefficient use of resources.

Transfers to the General Fund decrease as the department's share of dispatching costs decrease due to the transition to the Ramsey County dispatch services in May 2018. In addition to this charge, the transfer amount includes allocations for administrative services, funding assistance for the Health Savings Account and life insurance contributions for paid on-call members.

Capital Outlay:

The budget incorporates purchases to replace supplies and tools for water, and rope rescue events. The Equipment Acquisition Fund, found in the Capital Project section of the budget, will contribute resources to replace an ambulance truck in 2018 and 2019 since the fund does not have the means. These two

Fund: Ambulance Fund 5250

acquisitions replace half of the ambulance used in operations. Two ambulances are stored at each fire station. Typically, the department functions with three units, using the fourth oldest one when there are four simultaneous calls for service or one of the main units is out of service for maintenance.

Goals:

1. Effective utilization of personnel to increase overall service delivery.
2. Adjust personnel utilization that will ensure proper staffing and reduce paid-on-call demand service levels.
3. Implementation of a shift program to enhance service levels.
4. Increase involvement of members in various community education endeavors including general health awareness, safety seatbelt education, and CPR training.
5. Utilize the information collected on the ambulance run reports to determine the training needs of department members.
6. Educate paramedics on the procedures for working new equipment for critically ill patients.

Measurable Workload Data:

| | 2016 | 2017 | 2018 | 2019 |
|-------------------|---------------|---------------|---------------|---------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Budget</u> | <u>Budget</u> |
| Ambulance 1 Calls | 1,115 | 1,181 | 1,200 | 1,200 |
| Ambulance 2 Calls | 1,184 | 1,222 | 1,200 | 1,200 |
| Ambulance 3 Calls | 142 | 95 | 125 | 125 |
| Ambulance 4 Calls | <u>190</u> | <u>171</u> | <u>125</u> | <u>125</u> |
| Total | 2,631 | 2,669 | 2,650 | 2,650 |

**AMBULANCE FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|---|---------------------|---------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| 4882 | Revenues: Charges for Services Ambulance Charges | 1,370,947 | 1,557,164 | 1,818,000 | 1,830,000 | 2,050,000 |
| | Total Charges for Service | 1,370,947 | 1,557,164 | 1,818,000 | 1,830,000 | 2,050,000 |
| 4605 | Other Revenue Grant - EMT Training | 3,699 | | | | |
| 5010 | Sale of property | 2,071 | 2,390 | | | |
| 5360 | Refunds / Reimbursements | 4,800 | 975 | | | |
| | Total Other Revenues | 10,570 | 3,365 | | | |
| | Total Revenues | 1,381,517 | 1,560,529 | 1,818,000 | 1,830,000 | 2,050,000 |
| | Expenditures: Operations | 1,519,988 | 1,525,025 | 1,709,778 | 1,820,666 | 1,957,273 |
| | Capital Reserve | 58,457 (135,065) | 6,686 | 11,700 | 11,700 | 10,000 |
| | Total expenditures & reserves | 1,443,380 | 1,531,711 | 1,721,478 | 1,832,366 | 1,967,273 |
| | Revenues Over (Under) Expenditures | (61,863) | 28,818 | 96,522 | (2,366) | 82,727 |
| | Fund Balance January 1 | 44,987 | (16,876) | 37,079 | 11,942 | 9,576 |
| | Fund Balance December 31 | (16,876) | (1) 11,942 | 133,601 | 9,576 | 92,303 |
| | Reserves: Balance Jan. 1 Additions Usage - Equipment Usage - Ambulance/Rescue | | | | | |
| | Balance Dec. 31 | | | | | |
| | (1) Fund Balance includes \$120,000 in increased account receivables | | | | | |

| FUNCTION: | | FUND: | | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| Enterprise | | Ambulance | | | 5250 - 5252 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 363,410 | 336,203 | 400,922 | 508,642 | 788,157 |
| 6117 | Overtime-reg. employees | 596 | 1,760 | 2,000 | 40,000 | 32,000 |
| 6119 | Salaries-temp. employees | 357,837 | 365,597 | 435,000 | 363,595 | 272,102 |
| 6122 | PERA Define Benefit | 32,185 | 26,728 | 34,175 | 81,024 | 135,071 |
| 6123 | PERA Define Contribution | 20,889 | 17,919 | 23,000 | 17,820 | 17,820 |
| 6124 | FICA/Medicare | 50,082 | 52,656 | 59,765 | 41,369 | 35,297 |
| 6128 | Insurance contrib. | 39,759 | 50,700 | 53,235 | 53,235 | 56,000 |
| 6138 | Worker's compensation | 81,000 | 85,050 | 91,005 | 111,005 | 119,000 |
| 6148 | Other benefits | | 7,855 | 2,150 | 10,000 | 10,000 |
| | Total Personal Services | 945,758 | 944,468 | 1,101,252 | 1,226,690 | 1,465,447 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 246 | | 350 | 350 | 400 |
| 6220 | Equipment supplies | 2,507 | 3,887 | 3,750 | 2,200 | 6,700 |
| 6230 | Vehicle supplies | 1,804 | 4,498 | 4,300 | 4,700 | 5,000 |
| 6240 | Building supplies | 18 | 56 | 1,200 | 1,000 | 1,000 |
| 6250 | Other supplies | 63,884 | 62,170 | 63,000 | 63,000 | 65,000 |
| 6272 | Motor fuels | 17,380 | 17,372 | 16,000 | 21,000 | 23,000 |
| 6280 | Books & periodicals | | | 700 | 600 | 600 |
| 6290 | Uniforms | 3,259 | 9,692 | 10,000 | 10,000 | 10,000 |
| 6295 | Small tools | 390 | 694 | 2,000 | 7,000 | 7,000 |
| | Total Supplies | 89,488 | 98,369 | 101,300 | 109,850 | 118,700 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 109,483 | 120,078 | 115,000 | 115,000 | 119,000 |
| 6402 | Data processing | 6,527 | 6,625 | 7,100 | 7,000 | 9,000 |
| 6405 | Minnesota Care 2% tax | 15,555 | 11,637 | 15,700 | 20,000 | 20,000 |
| 6412 | Cellular | 6,474 | 4,443 | 6,000 | 5,200 | 5,200 |
| 6434 | General Liab. insurance | 6,634 | 6,634 | 6,634 | 6,634 | 6,634 |
| 6436 | Vehicle Liab. insurance | 7,967 | 7,967 | 7,967 | 7,967 | 7,967 |
| 6445 | Postage | 117 | 11 | 200 | 200 | 200 |
| 6450 | Outside printing | 474 | | 1,000 | | |
| 6460 | Subscription/memberships | | 85 | 325 | 325 | 325 |
| 6470 | Training | 30,182 | 13,126 | 43,000 | 29,000 | 32,000 |
| 6486 | Travel | | | 300 | 300 | 300 |
| 6492 | Advertising | | | 3,000 | 3,000 | 3,000 |
| 6505 | Equipment maint. service | 5,863 | 1,878 | 9,000 | 9,000 | 9,000 |
| 6508 | Shop maint. service | 4,263 | | | | |
| 6510 | Vehicle maint. service | 25,393 | 26,264 | 20,000 | 25,000 | 19,000 |
| 6560 | Other contractual service | 2,085 | 640 | 2,000 | 1,500 | 1,500 |
| | Total Other Services and Charges | 221,017 | 199,388 | 237,226 | 230,126 | 233,126 |

| | | |
|------------------|--------------|------------------|
| FUNCTION: | FUND: | ACCT. NO: |
| Enterprise | Ambulance | 5250 - 5252 |

SUMMARY OF EXPENDITURES

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-----------------------|-------------|-------------|--------------|--------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ |
| 7140 | CAPITAL OUTLAY | | | | | |
| | Equipment | 13,457 | 6,686 | 11,700 | 11,700 | 10,000 |
| | Total Capital Outlay | 13,457 | 6,686 | 11,700 | 11,700 | 10,000 |
| 7605 | TRANSFER | | | | | |
| | General Fund | 263,725 | 282,800 | 270,000 | 254,000 | 140,000 |
| | Total | 1,578,445 | 1,531,711 | 1,721,478 | 1,832,366 | 1,967,273 |

Fund: Pioneer Manor Fund 5300

The Pioneer Manor Fund accounts for the operation, maintenance, and repair of the City-owned 42-unit senior citizen housing facility. The City's goal for Pioneer Manor focuses on providing a quality independent living environment at a reasonable cost without direct tax payer support.

Department Activities and Responsibilities:

Though City staff oversee the long range planning for the facility, Walker Methodist Consulting performs the day-to-day management operations. The one-year contract began in January 2018 and will continue to renew for 3-year periods if not cancelled 90 days in advance. Walker Methodist's experience in managing senior facilities and their strong customer service have both residents and staff please with this new agreement.

In 2012, a cost/benefit analysis of the debt issue indicated a benefit to refinancing the debt issue to take advantage of savings available through record low interest rates in the market. Even though this process reduced the Fund's annual debt payment obligation for the remaining years of the issue, the fund's annual debt service transfer will not follow the amortization schedule and remains at the established rate of \$160,000 per year. The excess amounts transferred to the Debt Service Fund in current years will be offset the payment increases required by the schedule in future years. This strategy provides a consistent budget amount for debt service. The debt obligation will expire in 2023.

Budget Summary:

The City attempts to balance between providing a quality senior living environment, controlling operational costs, and maintaining an equitable rent structure when creating the budget for this fund. As the building continues to age, expenditures will increase to repair or replace the building and amenities. In 2018 and 2019, the budget allocates resources to update main floor carpeting, wall coverings, and the laundry machines on all three floors. In light of these capital expenditures and the need to maintain current operations, the City proposed a minimal rate increase in April 2019. The minimal increase provides additional means to sustain the fund but recognizes the limited monthly budget of many senior citizens. The following schedule provides the rental rates from 2015 through the proposed 2019 fee adjustment. The facility's caretaker occupies one two-bedroom unit.

| Type of Unit | No. of Units | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------|--------------|-------|-------|-------|-------|-------|
| 1 bedroom | 23 | \$665 | \$665 | \$675 | \$690 | \$705 |
| 1 bedroom/den | 3 | 710 | 710 | 725 | 740 | 755 |
| 2 bedroom | 6 | 775 | 775 | 790 | 805 | 825 |
| 2 bedroom deluxe | 10 | 825 | 825 | 840 | 855 | 875 |
| Garage | 20 | 54 | 54 | 55 | 56 | 57 |

Goals:

1. Continue to provide a quality senior facility for residents at affordable rental rates.
2. Implement a Resident Advisory Committee to help guide allocation of resources for facility improvements and/or community enhancement activities.
3. Continue providing social activities through management programming efforts.
4. Receive monthly reports from management organization that includes, but is not limited to, resident events, apartment vacancies and the number of applications received.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Budget</u> | 2018 <u>Budget</u> | 2019 <u>Actual</u> |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Number of Unit-day vacancies per year | 120 | 165 | 128 | 100 |
| Scheduled resident events | 225 | 120 | 90 | 180 |

**PIONEER MANOR FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|--------------------------------------|-------------|-------------|--------------|--------------|-------------|
| 4975 | Revenues: | | | | | |
| | Rents | | | | | |
| | 1 Bedroom units (23) | 183,292 | 184,844 | 188,000 | 187,000 | 190,400 |
| | 1 Bedroom with den units (3) | 25,484 | 25,700 | 26,500 | 26,000 | 26,500 |
| | 2 Bedroom units (6) | 55,870 | 56,343 | 57,400 | 57,000 | 58,000 |
| | 2 Bedroom deluxe units (10) | 98,801 | 99,638 | 101,000 | 100,800 | 102,600 |
| | Garage (20) | 12,938 | 13,048 | 13,100 | 13,200 | 13,500 |
| 5350 | Miscellaneous | 3,055 | 3,361 | 2,500 | 2,500 | 2,500 |
| | Total Revenues | 379,440 | 382,934 | 388,500 | 386,500 | 393,500 |
| | Expenditures: | 398,545 | 497,328 | 361,720 | 370,270 | 387,220 |
| | Reserve for replacement | | (100,000) | 15,000 | 10,000 | 5,000 |
| | Total Expenditures & Reserves | 398,545 | 397,328 | 376,720 | 380,270 | 392,220 |
| | Revenue Over (Under) Expenditures | (19,105) | (14,394) | 11,780 | 6,230 | 1,280 |
| | Fund Balance January 1 | 72,967 | 53,862 | 38,292 | 39,468 | 45,698 |
| | Fund Balance December 31 | 53,862 | 39,468 | 50,072 | 45,698 | 46,978 |
| | Reserve Balance | 240,000 | 240,000 | 125,000 | 140,000 | 150,000 |
| | Addition / Usage | | (100,000) | 15,000 | 10,000 | 5,000 |
| | Total Reserves | 240,000 | 140,000 | 140,000 | 150,000 | 155,000 |
| | | | | | | |



Reader's Notes:

| FUNCTION: | | FUND: | | | ACCT. NO: | |
|-------------------------|-------------------------------------|------------------|-------------|--------------|--------------|-------------|
| Enterprise | | Pioneer Manor | | | 5300 - 5302 | |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 291 | 124 | 350 | 900 | 700 |
| 6240 | Building supplies | 9,347 | 6,970 | 16,000 | 12,000 | 17,000 |
| 6250 | Other supplies | 132 | 270 | 500 | 500 | 500 |
| 6255 | Landscaping supplies | 133 | 39 | 1,000 | 1,000 | 1,200 |
| 6295 | Small tools | 261 | 11 | 500 | 700 | 500 |
| | Total Supplies | 10,164 | 7,414 | 18,350 | 15,100 | 19,900 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 46,927 | 43,148 | 49,200 | 49,200 | 49,200 |
| 6411 | Telephone | 2,151 | 2,227 | 2,300 | 2,300 | 2,400 |
| 6421 | Water / Sewer | 4,962 | 6,538 | 7,000 | 6,000 | 7,000 |
| 6422 | Electric | 14,916 | 14,140 | 15,700 | 15,000 | 16,000 |
| 6423 | Natural gas | 7,272 | 8,924 | 11,000 | 9,000 | 10,000 |
| 6434 | General Liab. insurance | 3,320 | 3,320 | 3,320 | 3,320 | 3,320 |
| 6445 | Postage | 31 | 25 | 50 | 150 | 150 |
| 6449 | Inhouse printing | 88 | | 300 | 500 | 500 |
| 6487 | Programs | 1,084 | 256 | 1,300 | 1,300 | 1,300 |
| 6505 | Equipment maint. service | 1,399 | 1,120 | 2,800 | 1,500 | 1,500 |
| 6515 | Building maint. service | 41,599 | 64,241 | 55,000 | 55,000 | 52,500 |
| 6560 | Other contractual svc | 29,782 | 48,007 | 35,400 | 36,200 | 30,000 |
| | Total Other Services and Charges | 153,531 | 191,946 | 183,370 | 179,470 | 173,870 |
| | OPERATING EXPENDITURES | 163,695 | 199,360 | 201,720 | 194,570 | 193,770 |
| | CAPITAL OUTLAY | | | | | |
| 7120 | Building | 74,850 | 137,968 | | 15,700 | 11,050 |
| 7140 | Equipment | | | | | 22,400 |
| | Total Capital Outlay | 74,850 | 137,968 | | 15,700 | 33,450 |
| | TRANSFER | | | | | |
| 7605 | Debt Service Fund | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| | Total Transfers | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 |
| | Total | 398,545 | 497,328 | 361,720 | 370,270 | 387,220 |
| | | | | | | |

Fund: License Bureau Fund 5350

The License Bureau serves as a Deputy Registrar on behalf of the Minnesota Department of Public Safety. The office handles transactions for motor vehicle registrations, title transfers, driver's license renewals, instruction permits, ID cards, watercraft, snowmobiles, off-road vehicles and hunting licenses. As an Enterprise Fund in the City's financial structure, the License Bureau operates similar to a private business with revenues from user charges funding the operational costs of the department. The State of Minnesota requires the department submit transaction reports and transfer applicable license fees to the State's bank account on a daily basis.

The Fund also employs a full-time Passport Clerk to assist residents with passport applications and passport photos. Federal security regulations require passport activities be physically separate from all driver's license or motor vehicle transaction operations to restrict personnel from handling both transaction types. Based upon these requirements, the office is in a separate secure work area within City Hall.

Department Activities and Responsibilities:

The State requires all Deputy Registrar offices to utilize one computer system to process customer transactions. After many years of planning and preparation, in 2017, the State launched a new secure web-based system, Minnesota Licensing and Registration System (MNLARS) to replace the 30-year old legacy IT system. The project contained two implementation phases, the first phase in 2017 concentrated on the vehicle registration and ownership transactions and the second phase in 2018 focused on the driver's license and identification card transactions.

The initial transition to MNLARS during 2017 was challenging to employees, costly for the City and frustrating to customers. The system's slow processing times have improved during the year and many transactions now process correctly; however, the State must fix some functionality issues before users can handle all types of transaction in the system. The second phase of the implementation included improved system testing and expanded employee training to prevent issues experienced the year before. Despite improvements since initial implementation, significant data entry that had previously been performed at the state level is now done on the front end, which is reflected in time spent per transaction.

Budget Summary:

Through the implementation of both MNLARS phases, the State of Minnesota transferred many duties previously completed by its staff to the local Deputy Registrar offices to streamline transaction processing. Our department staff now enters all information directly into MNLARS to provide real-time data for the Department of Public Safety and system users. This shift in responsibilities drastically affects the department's operations. Each transaction requires extra time to finish, which creates longer customer lines and a backlog of dealership paperwork needing to be processed. The Department added two new staff positions after the MNLARS implementation to assist walk in customers and provide further support to process dealership transactions. Furthermore, the Department added a third position to focus entirely on completing dealership transaction work. Supervisors continue to track walk in customer and daily dealership transactions to ensure appropriate staffing levels are available to provide fast and efficient service to all customers.

Salary expenditures due to the increased workload are not the only budgeting issue, the department's small office space requires renovation to accommodate the new staff members and additional technology equipment is needed for new processing responsibilities. The City does not include any administrative service charges or building costs related to the department in this budget to reduce the expenditures; however, these measures are not helping and the department is slowly becoming less profitable. The City is not alone in this issue as other Deputy Registrar offices are experiencing similar situations. To address the problem, the Minnesota Deputy Registrar's Association drafted legislation to increase processing fees paid to Deputy Registrar's offices to cover the change in operating costs. The Governor did not sign the legislation when presented during the 2018 session, leaving the old rates in place.

State Statutes set the rate for the motor vehicle fees, which are the main revenues in the Fund. With no influence on the rates, the City can only balance the budget with strict expenditure management. This situation presents a major challenge as the department operations revolve around staff costs in a customer service driven department. If department cannot increase revenues but hires additional staff to offer great

Fund: License Bureau Fund 5350

customer service it loses revenue; however, if the department maintains lower staffing costs customers could wait longer for service and choose to visit other Deputy Register offices which reduces our revenue. Finding a balance between appropriate staffing levels and a desired level of customer service will be the basis of discussions for the next year.

In previous years, the City chose to transfer the Fund's profits to the Interim Construction Fund to support the annual street reconstruction program. Though the annual transfer remained consistent for many years, the extra operating expenditures associated with the MNLARS system affects the transfer amounts in future years. The transfer for 2019 is less than half of what it has been and this will continue to decrease and eliminate if the legislators do not change the motor vehicle license fees paid to Deputy Registrar offices in the State Statutes.

The current authorized rates became effective on January 1, 2014:

| <u>Transaction Type</u> | <u>Current Rates</u> |
|------------------------------|----------------------|
| Long Forms for Title Changes | \$10.00 |
| Tab Renewals | 6.00 |
| Drivers Licenses | 8.00 |

As mentioned above, the City no longer charges this budget for administrative leadership as of 2019; therefore, the salary and benefit expenditures in the budget reflect actual costs of employees providing direct customer service to walk-in customers and dealerships. The 2018 Salary expenditures increased above previous years as the re-evaluation of the License Bureau Clerk job changed its rank in the City's Position Classification and Compensation Plan. The move aligns the License Bureau Clerk position to other City positions with similar responsibilities.

The Small Tools account includes funding for a new vision tester in 2018 and a multi-function copy machines for the front counter workstations in 2019.

Capital Outlay:

The Municipal Building Fund, in the Capital Project Funds section of the budget, includes an appropriation to renovate the office to improve capacity for the new staff. Additional project review needs to assess the plan to ensure it is the best solution to the issue and cost effective.

Goals:

1. Enhance relationship with local automobile dealerships by processing transactions electronically.
2. Work with State of Minnesota as a pilot office to develop new business operation plans for all license bureau offices.
3. Adjust staffing levels and schedule for implementation of the Driver's License and Identification Card portion of the MNLARS project 2018.

Measurable Workload Data:

| | 2016 <u>Actual</u> | 2017 <u>Actual</u> | 2018 <u>Budget</u> | 2019 <u>Budget</u> |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Transactions processed, Counter | 66,020 | 62,183 | 65,000 | 65,000 |
| Transactions processed, Dealer | 28,822 | 27,902 | 28,000 | 28,500 |
| Drivers Licenses Processed | 18,696 | 17,724 | 18,000 | 18,000 |
| Passport transactions processed | 2,272 | 2,002 | 2,250 | 2,000 |

**LICENSE BUREAU FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|--|-------------|-------------|--------------|--------------|-------------|
| | Revenues: | | | | | |
| 4811 | Deputy Registrar | \$947,409 | \$883,965 | \$890,000 | \$872,000 | \$872,000 |
| 4812 | Passports | 56,975 | 50,125 | 45,000 | 65,000 | 65,000 |
| 4814 | Passport Photos | 16,654 | 19,848 | 16,000 | 22,000 | 22,000 |
| 4816 | Passport Renewal Photos | 14,256 | 16,257 | 12,000 | 18,000 | 18,000 |
| 5350 | Miscellaneous | 1,239 | 1,522 | | 1,000 | 1,000 |
| | Total Revenues | 1,036,533 | 971,717 | 963,000 | 978,000 | 978,000 |
| | Expenditures: | | | | | |
| | Operating - License Bureau | 546,381 | 634,112 | 694,344 | 740,580 | 792,124 |
| | Construction Contribution | 375,000 | 375,000 | 300,000 | 200,000 | 150,000 |
| | General Fund Contribution | 19,000 | 30,700 | 31,700 | 31,700 | |
| | Subtotal | 940,381 | 1,039,812 | 1,026,044 | 972,280 | 942,124 |
| | Operating - Passport | 59,244 | 47,904 | 61,422 | 79,880 | 83,087 |
| | Reserve | | | (50,000) | (50,000) | |
| | Total Expenditures & Reserves | 999,625 | 1,087,716 | 1,037,466 | 1,002,160 | 1,025,211 |
| | Revenues Over (Under) Expenditures and reserves | 36,908 | (115,999) | (74,466) | (24,160) | (47,211) |
| | Fund Balance January 1 | 290,988 | 327,896 | 202,297 | 211,897 | 187,737 |
| | Fund Balance December 31 | 327,896 | 211,897 | 127,831 | 187,737 | 140,526 |
| | Reserve: | | | | | |
| | Balance Jan. 1 | 50,000 | 50,000 | 50,000 | 50,000 | |
| | Additions | | | | | |
| | Usage | | | (50,000) | (50,000) | |
| | Total Reserves | 50,000 | 50,000 | | | |
| | | | | | | |

| FUNCTION: | | DEPT. & DIV: | | | | ACCT. NO: |
|-------------------------|-------------------------------------|--------------|-------------|--------------|--------------|-------------|
| Enterprise | | Licensing | | | | 5350 - 5352 |
| SUMMARY OF EXPENDITURES | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 358,802 | 387,424 | 483,137 | 492,116 | 539,645 |
| 6117 | Overtime-reg. employees | 5,581 | 28,033 | 4,000 | 16,000 | 9,000 |
| 6119 | Salaries-temp. employees | 18,398 | 27,372 | 11,870 | 19,358 | 16,745 |
| 6122 | PERA | 28,210 | 31,917 | 37,425 | 39,561 | 42,404 |
| 6124 | FICA/Medicare | 29,083 | 32,653 | 38,174 | 40,352 | 43,252 |
| 6128 | Insurance contrib. | 48,939 | 62,395 | 65,515 | 71,210 | 80,000 |
| 6138 | Worker's compensation | 9,282 | 9,855 | 10,545 | 11,460 | 11,500 |
| 6148 | Other benefits | | 6,585 | 1,220 | 6,200 | 6,200 |
| | Total Personal Services | 498,295 | 586,234 | 651,886 | 696,257 | 748,746 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 3,276 | 3,372 | 3,500 | 3,200 | 3,725 |
| 6220 | Equipment supplies | | 125 | 300 | 100 | 200 |
| 6240 | Building supplies | 275 | 307 | 275 | 325 | 100 |
| 6250 | Other supplies | 1,734 | 1,131 | 1,375 | 1,175 | 900 |
| 6290 | Uniforms & Clothing | 356 | 112 | 60 | 120 | 60 |
| 6295 | Small tools | 75 | 613 | 375 | 1,280 | 2,300 |
| | Total Supplies | 5,716 | 5,660 | 5,885 | 6,200 | 7,285 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 126 | 126 | 375 | 250 | 200 |
| 6402 | Data processing | 7,027 | 8,048 | 8,425 | 8,425 | 9,000 |
| 6411 | Telephone | 2,812 | 2,899 | 1,975 | 2,635 | 2,635 |
| 6422 | Electric | 1,552 | 1,500 | 1,700 | 1,700 | 1,700 |
| 6423 | Natural gas | 315 | 334 | 800 | 600 | 800 |
| 6434 | General Lab. insurance | 7,233 | 7,233 | 7,233 | 7,233 | 7,233 |
| 6445 | Postage | 2,238 | 1,715 | 2,800 | 2,300 | 2,500 |
| 6449 | Inhouse printing | 80 | | 100 | | |
| 6450 | Outside printing | | | 150 | 75 | 150 |
| 6460 | Subscriptions/memberships | 575 | 633 | 815 | 635 | 675 |
| 6470 | Training | 21 | 531 | 1,000 | 1,120 | 1,000 |
| 6486 | Mileage reimbursement | 21 | 33 | 100 | 100 | 100 |
| 6492 | Advertising | 2,040 | 1,311 | 2,700 | 2,300 | 2,700 |
| 6505 | Equipment maint. service | 4,906 | 5,890 | 4,650 | 6,850 | 6,950 |
| 6515 | Building maint. service | 1,550 | 1,550 | 1,550 | 1,550 | |
| 6560 | Other contractual svc | 2,152 | 9,190 | 2,200 | 2,350 | 450 |
| | Total Other Services and Charges | 32,648 | 40,993 | 36,573 | 38,123 | 36,093 |
| | CAPITAL OUTLAY | | | | | |
| 7130 | Furniture & equipment | 9,722 | 1,225 | | | |
| | Total Capital Outlay | 9,722 | 1,225 | | | |
| | Total Operating Expenditures | 546,381 | 634,112 | 694,344 | 740,580 | 792,124 |
| | TRANSFERS | | | | | |
| 7605 | Interim Construction Fund | 375,000 | 375,000 | 300,000 | 200,000 | 150,000 |
| 7605 | General Fund | 19,000 | 30,700 | 31,700 | 31,700 | |
| | Total Transfers | 394,000 | 405,700 | 331,700 | 231,700 | 150,000 |
| | Total | 940,381 | 1,039,812 | 1,026,044 | 972,280 | 942,124 |

| | | |
|------------------|-------------------------|------------------|
| FUNCTION: | DEPT. & DIV: | ACCT. NO: |
| Enterprise | Passports | 5353 |

SUMMARY OF EXPENDITURES

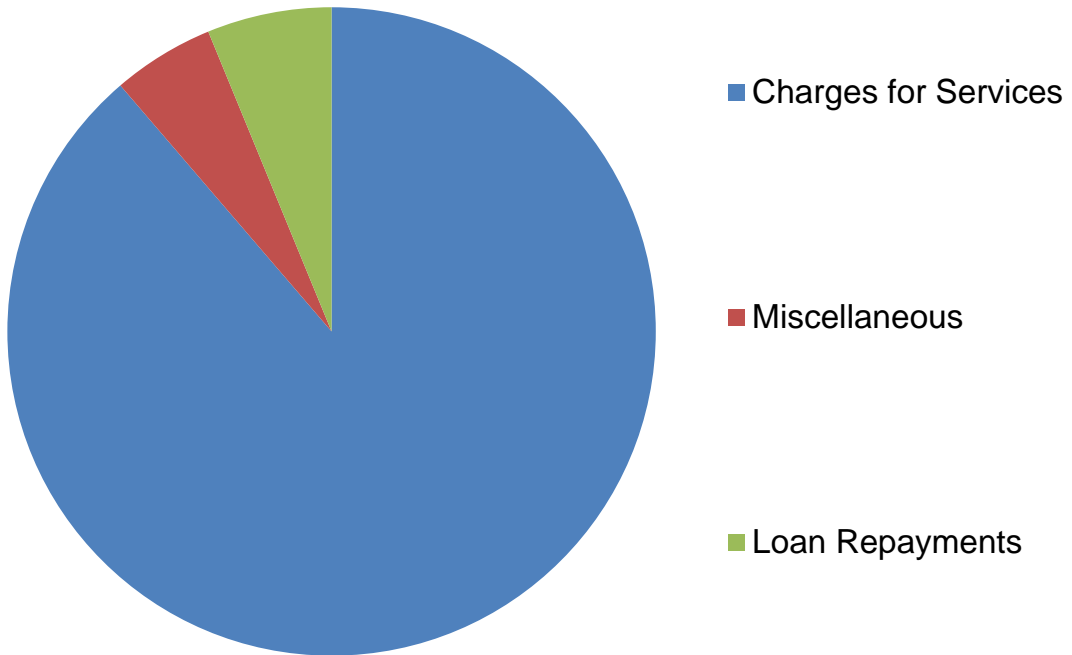
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|-------------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| | PERSONAL SERVICES | | | | | |
| 6105 | Salaries-reg. employees | 36,230 | 26,655 | 35,262 | 52,451 | 54,155 |
| 6117 | Overtime-reg. employees | 946 | 425 | 700 | 700 | 700 |
| 6119 | Salaries-temp. employees | 4,941 | 4,664 | 5,145 | 5,227 | 5,445 |
| 6122 | PERA | 2,791 | 2,031 | 2,700 | 3,986 | 4,114 |
| 6124 | FICA/Medicare | 3,173 | 2,333 | 3,145 | 4,466 | 4,613 |
| 6128 | Insurance contrib. | 4,256 | 5,425 | 5,695 | 5,695 | 5,695 |
| 6138 | Worker's compensation | 918 | 855 | 915 | 915 | 915 |
| 6148 | Other benefits | | 390 | 105 | 105 | 105 |
| | Total Personal Services | 53,255 | 42,778 | 53,667 | 73,545 | 75,742 |
| | SUPPLIES | | | | | |
| 6210 | Office supplies | 1,857 | 1,220 | 2,450 | 1,450 | 2,450 |
| 6220 | Equipment supplies | 23 | 8 | 250 | 100 | 250 |
| 6250 | Other supplies | 116 | 50 | 200 | 150 | 200 |
| 6295 | Small tools | 88 | 103 | 400 | 200 | 400 |
| | Total Supplies | 2,084 | 1,381 | 3,300 | 1,900 | 3,300 |
| | OTHER SERVICES & CHARGES | | | | | |
| 6401 | Professional services | 18 | 18 | 20 | 20 | 20 |
| 6411 | Telephone | 458 | 434 | 250 | 250 | 250 |
| 6445 | Postage | 2,455 | 2,048 | 2,500 | 2,500 | 2,500 |
| 6449 | Inhouse printing | 69 | | 100 | 100 | 100 |
| 6450 | Outside printing | | 211 | 150 | 100 | 100 |
| 6460 | Subscriptions/memberships | | 140 | | | |
| 6470 | Training | | | | | |
| 6492 | Advertising | 266 | 531 | 500 | 365 | 500 |
| 6505 | Equipment maint. service | 99 | 253 | 275 | 250 | 275 |
| 6560 | Contracted services | 540 | 110 | 660 | 850 | 300 |
| | Total Other Services and Charges | 3,905 | 3,745 | 4,455 | 4,435 | 4,045 |
| | CAPITAL OUTLAY | | | | | |
| 7130 | Furniture & equipment | | | | | |
| | Total Capital Outlay | | | | | |
| | Total | 59,244 | 47,904 | 61,422 | 79,880 | 83,087 |
| | | | | | | |

**COMPARATIVE ANALYSIS OF FUND BALANCE
INTERNAL SERVICE FUNDS**

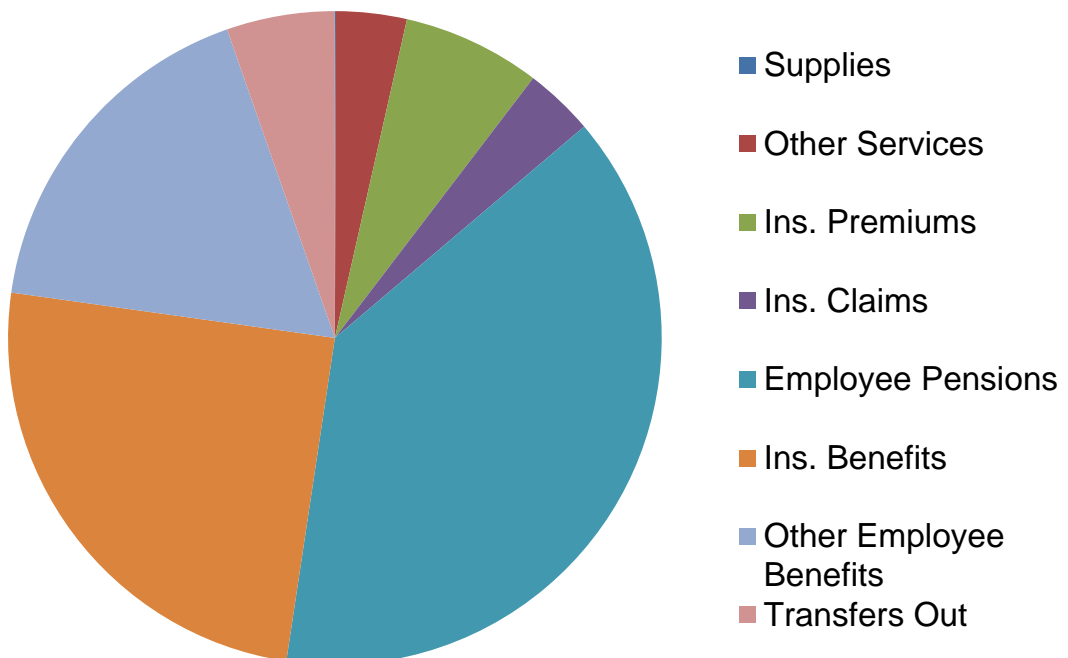
| | 2016 ACTUAL | 2017 ACTUAL | 2018 BUDGET | 2018 REVISED | 2019 BUDGET |
|--|------------------------|------------------------|------------------------|-------------------------|------------------------|
| Revenues | | | | | |
| Reimbursements | \$ 3,046,025 | \$ 3,405,693 | \$ 3,524,955 | \$ 3,672,769 | \$ 3,357,230 |
| Miscellaneous | 213,428 | 285,712 | 176,350 | 198,350 | 192,350 |
| Loan Repayments | 38,500 | 214,750 | 237,500 | 237,500 | 235,000 |
| Total Revenues | 3,297,953 | 3,906,155 | 3,938,805 | 4,108,619 | 3,784,580 |
| Expenditures | | | | | |
| Personal Services | 560,596 | 618,257 | 631,896 | 648,700 | |
| Supplies | 6,356 | 4,058 | 12,550 | 9,650 | 2,000 |
| Other Services & Charges | 39,371 | 567,673 | 162,592 | 196,722 | 127,050 |
| Insurance Premiums | 242,065 | 253,344 | 267,000 | 242,000 | 249,000 |
| Insurance Claims | 246,462 | 84,103 | 125,000 | 122,000 | 125,000 |
| Employee Pensions | 1,177,366 | 1,243,895 | 1,310,000 | 1,354,000 | 1,405,000 |
| Insurance Benefits | 707,092 | 733,364 | 826,000 | 813,000 | 905,000 |
| Other Benefits | 557,021 | 688,299 | 527,000 | 600,000 | 635,000 |
| Transfers Out | 110,000 | | | | 195,000 |
| Total Expenditures | 3,646,329 | 4,192,993 | 3,862,038 | 3,986,072 | 3,643,050 |
| Reserves | | | | | |
| Total Expenditures and Reserves | 3,646,329 | 4,192,993 | 3,862,038 | 3,986,072 | 3,643,050 |
| Revenues Over (Under) Expenditures and Reserves | (348,376) | (286,838) | 76,767 | 122,547 | 141,530 |
| Fund Balance, January 1 | 3,544,811 | 3,196,435 | 2,809,742 | 2,909,597 | 3,032,144 |
| Fund Balance, December 31 | \$ 3,196,435 | \$ 2,909,597 | \$ 2,886,509 | \$ 3,032,144 | \$ 3,173,674 |
| | | | | | |

2019 Internal Service Funds

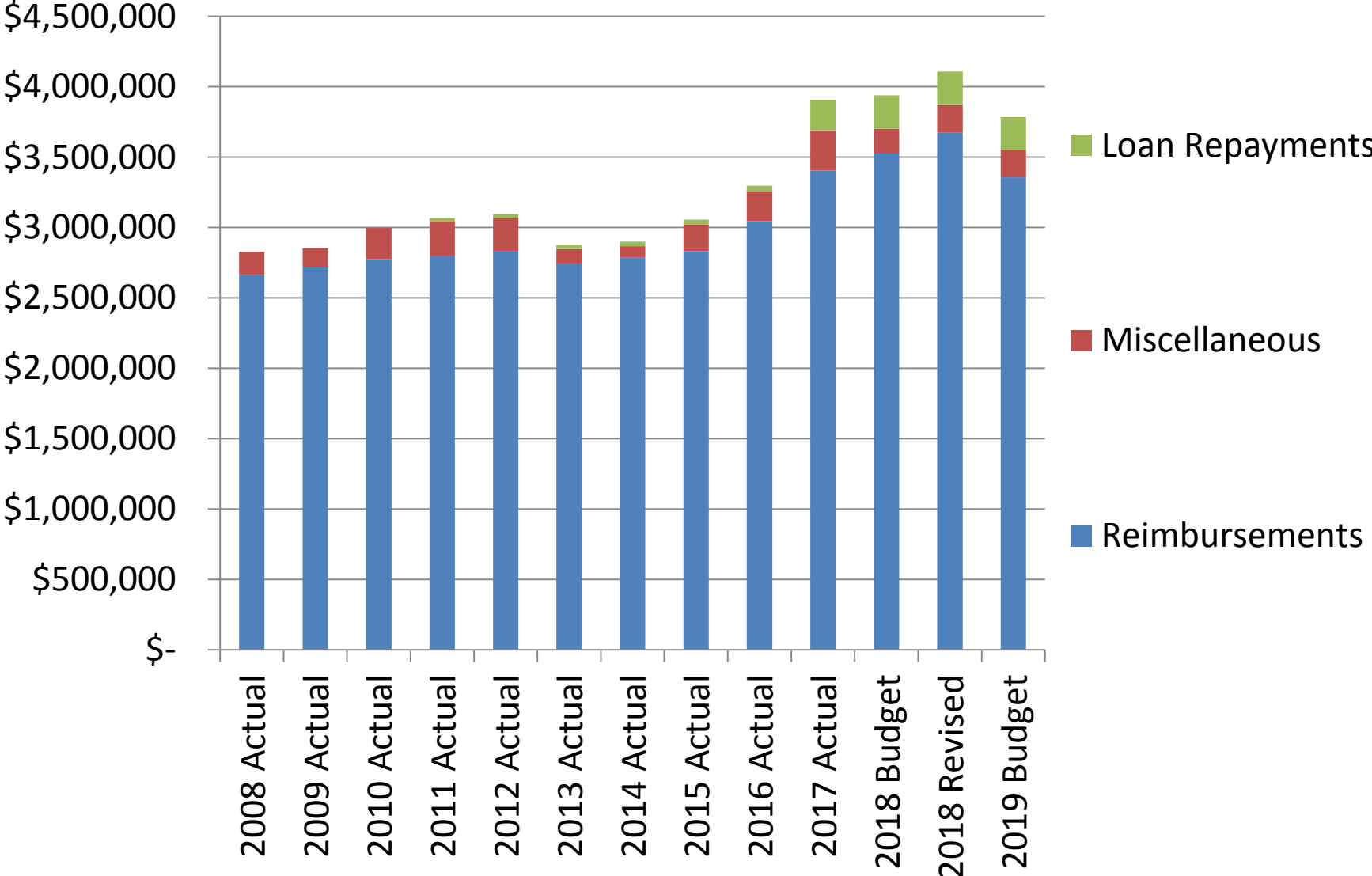
Total Revenues \$3,784,580



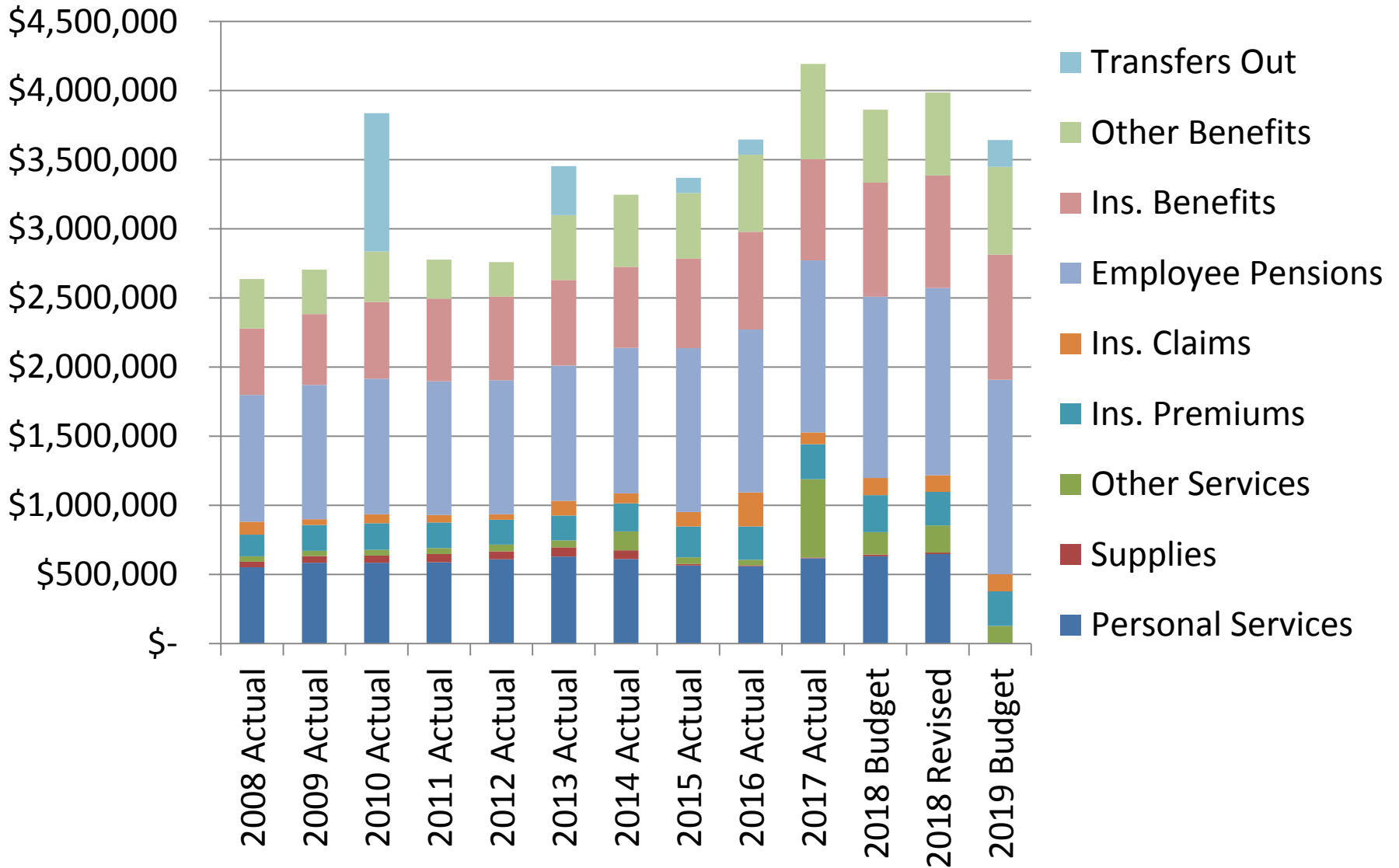
Total Expenditures \$3,643,050



Internal Service Funds Revenue Trend Analysis



Internal Service Funds Expenditure Trend Analysis



Fund: Insurance Fund 6000

The Insurance Fund accounts for property and liability insurance premiums and losses related to the City's property and liability deductible.

Department Activities and Responsibilities:

Reimbursements from the City's operating departments provide the primary source of revenue to the Fund. These revenues cover the cost of annual insurance premiums for the City. The City's property and liability insurance coverage contains a deductible of \$25,000 per occurrence and a \$100,000 aggregate level per year. This deductible level offers premium savings, which pay for claims that do not exceed the deductible amount. The City will monitor insurance premiums and claims and adjust departmental charge backs to maintain a sufficient fund balance.

In 2010, the White Bear Area YMCA renovated and expanded their facility in a \$6 million project. The City agreed to contribute a total of \$2.75 million to the overall project costs, with \$1,000,000 coming from this fund and the rest coming from two other funds. Resolution No. 10604 from November 2009 established a 15-year repayment schedule to all three funds for the loan. The remaining loan repayment schedule for this fund is as follows:

| Year | Principal | Interest | Total | Rate |
|-------|------------|-----------|------------|--------|
| 2020 | \$ 230,000 | \$ 12,000 | \$ 242,000 | 4.600% |
| 2021 | 170,000 | 8,000 | 178,000 | 4.800% |
| Total | 400,000 | 20,000 | 420,000 | |

A group of residents formed the White Bear Lake Restoration Association to protect the interests of the lake by submitting a lawsuit against the Minnesota Department of Natural Resources regarding the water pumping permits given to the City of White Bear Lake. The City was not originally part of the lawsuit; however, the legal activities revolved around City operations. Therefore, in 2014, the City intervened in the lawsuit, authorizing the City Manager and City Attorney to take all actions necessary to protect the City's investments in its public water supply infrastructure.

The Water Fund originally absorbed the legal costs within the operating budget; however, as the extra expenditures began to deplete the Fund Balance, the City added a lake level litigation fee to the quarterly utility bills to subsidize the costs. At that point, the litigation fees collected from users and legal costs moved to the Insurance Fund to account for the situation as a claim against the City. The fee should provide \$150,000 annually to help cover costs of litigation. Based upon current litigation costs the fee will need to continue at least through 2020.

Budget Summary:

This budget includes an expenditure to pay the annual debt service payment for the Sports Center in 2019 with the internal loan repayment proceeds. This payment will continue with through 2021. Upon completion of the loan repayment to this Fund, Non-Bonded Debt Service Fund will pay the Sports Center debt service with the loan repayment proceeds it receives.

The increase in the Training account budget funds a safety consultant to ensure OSHA compliance and provide monthly employee safety training at Public Works. This consultant also maintains the City's written safety records and conducts annual citywide A Workplace Accident and Injury Reduction (AWAIR) training.

The City's long-term objective is to build an adequate reserve to increase the insurance deductible amount to lower the City's overall insurance premium costs.

**INSURANCE FUND
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-----------------------------|-------------|-------------|--------------|--------------|-------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| | Reimbursements | | | | | |
| 4819 | General Fund | 132,555 | 135,402 | 134,895 | 134,895 | 134,895 |
| 4819 | Water Fund | 55,700 | 55,700 | 54,850 | 54,850 | 54,850 |
| 4819 | Sewer Fund | 35,810 | 35,810 | 35,555 | 35,555 | 35,555 |
| 4819 | Refuse Fund | 3,983 | 3,983 | 3,960 | 3,960 | 3,960 |
| 4819 | Sport Center Fund | 16,458 | 16,458 | 16,455 | 16,455 | 16,455 |
| 4819 | Ambulance Fund | 14,601 | 14,601 | 14,525 | 14,525 | 14,525 |
| 4819 | Pioneer Manor | 3,320 | 3,320 | 3,250 | 3,250 | 3,250 |
| 4819 | License Bureau | 7,233 | 7,233 | 7,210 | 7,210 | 7,210 |
| 4819 | Central Garage | 2,920 | | | | |
| 4819 | Engineering | 6,347 | 6,347 | 6,300 | 6,300 | 6,300 |
| | Total Reimbursements | 278,927 | 278,854 | 277,000 | 277,000 | 277,000 |
| | Other revenue | | | | | |
| 5360 | Refund - Insurance dividend | 75,511 | 18,911 | | | |
| 5360 | Reimbursements | 27,616 | 11,664 | | 6,000 | |
| 5360 | Insurance Claim | | | | | |
| | Water Treatment | 58,866 | | | | |
| 4885 | Lake Litigation | | 162,037 | 150,000 | 160,000 | 160,000 |
| 5322 | Loan Principal Repayment | | 175,000 | 210,000 | 210,000 | 215,000 |
| 5323 | Loan Interest Repayment | 38,500 | 39,750 | 27,500 | 27,500 | 20,000 |
| | Total Revenues | 479,420 | 686,216 | 664,500 | 680,500 | 672,000 |
| | EXPENDITURES: | | | | | |
| 6220 | General supplies | | | 1,500 | 750 | 1,500 |
| 6250 | Other supplies | 69 | 42 | 500 | 500 | 500 |
| 6460 | Subscriptions | | | 500 | 250 | 500 |
| 6470 | Training / Safety Program | 1,300 | 57 | 22,500 | 22,500 | 25,000 |
| 6560 | Contractual services | | | 2,000 | 2,000 | 2,000 |
| | Total Supplies | 1,369 | 99 | 27,000 | 26,000 | 29,500 |

**INSURANCE FUND
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|----------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|
| | EXPENDITURES (cont.) | \$ | | \$ | \$ | \$ |
| | Insurance Coverage Fees | | | | | |
| 6401 | Professional Services | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| 6434 | General Liability | 196,984 | 223,034 | 235,000 | 210,000 | 215,000 |
| 6436 | Auto Liability | 39,081 | 24,310 | 26,000 | 26,000 | 28,000 |
| | Total Insurance Premiums | 242,065 | 253,344 | 267,000 | 242,000 | 249,000 |
| 6560 | Insurance Claims | | | | | |
| | General | 7,840 | 34,900 | 50,000 | 40,000 | 50,000 |
| | Auto | 9,917 | 21,060 | 30,000 | 30,000 | 30,000 |
| | Sewer | | | 20,000 | 10,000 | 20,000 |
| | Water | | 5,533 | 5,000 | 7,000 | 5,000 |
| | Public Safety | 52,058 | 14,556 | 20,000 | 35,000 | 20,000 |
| | Sport Center | 66,037 | | | | |
| | Water Treatment | 110,610 | 8,054 | | | |
| | Total Insurance Claims | 246,462 | 84,103 | 125,000 | 122,000 | 125,000 |
| 6401 | Professional Services | | | | | |
| 6401 | Lake Litigation | | | | | |
| 7605 | City Attorney 2014 - 2016 | | 70,000 | | | |
| 7605 | Greene 2014 - 2016 | | 210,000 | | | |
| 6401 | City Attorney | | 29,655 | 20,000 | 5,000 | 20,000 |
| 6401 | Greene | | 225,663 | 50,000 | 100,000 | 80,000 |
| | Total Professional Services | | 535,318 | 70,000 | 105,000 | 100,000 |
| 7605 | Transfer | | | | | |
| | Sport Center Debt Service Fund 3083 | | | | | 195,000 |
| | Total Transfers | | | | | 195,000 |
| | Total Expenditures | 489,896 | 872,864 | 489,000 | 495,000 | 698,500 |
| | Revenues Over (Under) Expenditures | (10,476) | (186,648) | 175,500 | 185,500 | (26,500) |
| | Fund Balance January 1 | 1,899,508 | 1,889,032 | 1,585,782 | 1,702,384 | 1,887,884 |
| | Fund Balance December 31 | 1,889,032 | 1,702,384 | 1,761,282 | 1,887,884 | 1,861,384 |
| | | | | | | |

Fund: Employment Expense Fund 6200

The Employment Expense Fund centralizes the reporting of employment–related expenses and benefit payments for all City employees. This fund includes expenses related to Workers Compensation, City contributions to health, dental and life insurance, Public Employees Retirement Association (PERA), FICA, and Medicare.

Department Activities and Responsibilities:

Workers Compensation:

The City promotes employee safety to reduce workers compensation injuries, which subsequently saves money on annual workers compensation insurance premiums. A new safety program, budgeted in the Insurance Fund, will begin in 2018 to further strengthen these efforts and provide opportunity to save costs on potential claims in this fund. Even with these educational efforts, employee accidents cause unexpected injuries.

For many years, the City participated in the League of Minnesota Cities Retrospective Worker's Compensation Rated Premium Option as a means to save money if workers compensation claims were minimal. However, during recent years the City experienced significant claims, which resulted in the City paying a substantial share of those claims. The City opted out of the Retrospective Rated Premium Program at the annual renewal on February 1, 2017. At that time, the City changed coverage to a \$5,000 deductible premium program to stabilize premium expenditures for future years. Continuing obligations remain from the Retrospective Rated Premium coverage due to two open claims; however, these costs will decrease over time as reserves build.

Health Insurance Options:

The City offers three insurance options to give employees choice of coverage for their medical needs and financial circumstances. Two of the plans have higher monthly premiums charges with deductibles due for service, while the third plan is a Health Savings Account (HSA) that allows an ability to save unused funds for future years. Monthly premiums vary considerably between the plan options. The City's monthly contribution to the insurance coverage varies by employee as it factors in the level of insurance selected, the employee's bargaining group, and participation in the non-smoking incentive program.

The City created a Health Insurance Committee, which is composed of representatives from the bargaining and non-bargaining groups, to provide employee feedback regarding these coverages and make recommendations on what plans the City should offer employees.

The City completed a Request for Proposal (RFP) process during 2018 in hopes of improving coverage and lowering the annual rate increase through the competitive bid process with insurance companies. Responses met part of the goals as they included improvements to the HSA coverage through an embedded deductible, which limits the employees' out of pocket maximum amounts paid for one family member, and added specialty care through the Mayo Health Systems and Hazeltine in some plans; however, the increase in rates were much higher than anticipated at approximately 15%. After much discussion, the Health Insurance Committee recommended a change in health care providers from HealthPartners to Medica to accept the plan improvements with the least cost impact.

In past years, the City and employees have split any insurance premium increases evenly. Management recognizes this cost-sharing arrangement with employees is a setback in pay as the increase in insurance costs negates the annual pay adjustment employees receive each year. In trying to improve employee benefits for current employees and attract future employee candidates, management decided to cover the entire increase in health insurance costs for the year. The City also raised the monthly amount contributed to the Health Savings Account for people on that plan to help their transition to a higher deductible amount through the new embedded deductible plan.

Employees who can provide proof of insurance coverage through another group plan can opt out of the City's health insurance plan and receive a payment in lieu of a contribution to a health insurance premium

Fund: Employment Expense Fund 6200

to their retirement account. Roughly, 35% of the workforce opts out of the City's health insurance. The impact of this option on health insurance premiums requires future monitoring. There is no change in the amount paid to employees who opt out of the City's health insurance coverage for the 2019 plan year.

A major challenge in controlling insurance costs for the group revolves around the small pool of employees covered through multiple plan options and the ability for some to opt out of coverage completely. Small groups with a high experience-rating factor due to significant health issues in past years have rates that rise to cover costs. The City might be able to reduce insurance related costs by combining all employees into one group under one insurance coverage option without the ability to opt out of coverage. The RFP in 2018 did not include this scenario; however, this structure will be an important discussion in future years.

Other Insurance:

The City offers life, short-term and long-term disability, and dental insurance plans to employees. The life insurance premiums decreased through the RFP process, while the short-term disability insurance rates remain unchanged and the long-term disability insurance rates decrease. Dental insurance premiums remain the same; however, the coverage shifted to a different plan within the HealthPartners offerings and provides a higher annual benefit amount and eliminated the wait period for new employees.

Pension Benefits:

The City participates in the Public Employees Retirement Association (PERA), a statewide pension program administered and managed by the State Legislature. The City employees qualify for one of two plans, either the Coordinated Plan or the Police and Fire Plan. PERA contribution rates adjust periodically to ensure the financial integrity of the plans.

Current rates fund PERA's Coordinated Pension Plan; therefore, rates from January 1, 2018 will remain in effect for 2019. The Legislature passed a bill during their 2018 session to increase the Police and Fire Pension Plan contributions in 2019 and 2020 to provide long-term financial stability. Rates for both pension plans are as follows:

| <u>Year</u> | <u>Coordinated</u> | | <u>Police/Fire</u> | |
|-----------------|--------------------|-----------------|--------------------|-----------------|
| | <u>Employee</u> | <u>Employer</u> | <u>Employee</u> | <u>Employer</u> |
| January 1, 2015 | 6.50% | 7.50% | 10.80% | 16.20% |
| January 1, 2019 | 6.50% | 7.50% | 11.30% | 16.95% |
| January 1, 2020 | 6.50% | 7.50% | 11.80% | 17.70% |

Coordinated Plan participants receive retirement benefits from PERA and Social Security. Police and Fire Plan participants receive retirement benefits from only PERA.

Budget Summary:

The 2019 Budget bases employee related expenditures on a full complement of positions throughout the entire year. The budget also reflects the increase in City contributions to employee health insurance premiums and employee HSA accounts to cover the annual rate increase from the insurance company and the higher deductible amount for the HSA.

**EMPLOYMENT EXPENSE FUND
FUND SUMMARY**

| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|-----------------|-----------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|
| | REVENUES: | \$ | \$ | \$ | \$ | \$ |
| | Reimbursements | | | | | |
| 4819 | General Fund | 1,423,846 | 1,661,249 | 1,682,875 | 1,765,445 | 2,165,953 |
| 4819 | Armory Fund | 6,023 | 6,119 | 835 | 6,680 | 6,999 |
| 4819 | Surface Water | 3,408 | 8,960 | 9,385 | 11,096 | 11,500 |
| 4819 | Econ. Develop | 2,885 | 10,858 | 9,385 | 26,145 | 29,735 |
| 4819 | Water Fund | 84,112 | 100,912 | 104,945 | 110,155 | 112,141 |
| 4819 | Sewer Fund | 74,616 | 89,959 | 94,500 | 91,845 | 98,755 |
| 4819 | Refuse Fund | 3,620 | 484 | 3,920 | 605 | 625 |
| 4819 | Sport Center Fund | 67,230 | 82,528 | 83,365 | 78,694 | 82,536 |
| 4819 | Ambulance Fund | 223,915 | 240,908 | 267,365 | 314,453 | 373,188 |
| 4819 | License Bureau | 126,652 | 154,440 | 155,795 | 183,950 | 198,798 |
| 4819 | Engineering | 105,635 | 140,025 | 127,385 | 133,995 | |
| 4819 | Central Garage Fund | 24,156 | | | | |
| | Total Reimbursements | 2,146,098 | 2,496,442 | 2,539,755 | 2,723,063 | 3,080,230 |
| 4646 | PERA | 17,350 | 17,350 | 17,350 | 17,350 | 17,350 |
| 5360 | Miscellaneous | 11,940 | 5,416 | 9,000 | 5,000 | 5,000 |
| 5360 | Worker's comp. reimburse. | 22,145 | 18,715 | | 10,000 | 10,000 |
| 5360 | OPEB Adjustment | | 51,619 | | | |
| | Total Revenues | 2,197,533 | 2,589,542 | 2,566,105 | 2,755,413 | 3,112,580 |
| | EXPENDITURES: | | | | | |
| | Employee Pensions | | | | | |
| 6122 | PERA - Defined Benefit | 730,922 | 763,632 | 810,000 | 825,000 | 855,000 |
| 6123 | PERA - Defined Contribution | 20,889 | 17,919 | 25,000 | 14,000 | 15,000 |
| 6124 | FICA | 425,555 | 462,344 | 475,000 | 515,000 | 535,000 |
| | Total Employee Pensions | 1,177,366 | 1,243,895 | 1,310,000 | 1,354,000 | 1,405,000 |
| | Insurance Benefits | | | | | |
| 6130 | Health | 575,413 | 592,292 | 650,000 | 660,000 | 770,000 |
| 6131 | H.S.A. - Regular | 28,592 | 26,469 | 32,000 | 30,000 | 30,000 |
| 6134 | Dental | 275 | 477 | 1,000 | 2,000 | 1,000 |
| 6132 | Life | 1,213 | | 3,000 | 6,000 | 4,000 |
| 6136 | Deferred Compensation | 101,599 | 114,126 | 140,000 | 115,000 | 100,000 |
| | Total Insurance Benefits | 707,092 | 733,364 | 826,000 | 813,000 | 905,000 |

| EMPLOYMENT EXPENSE FUND FUND SUMMARY | | | | | | |
|---|---------------------------------------|-------------|-------------|--------------|--------------|-------------|
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
| | | \$ | | \$ | \$ | \$ |
| | Other Employee Benefits | | | | | |
| 6138 | Worker's Compensation | 378,291 | 328,328 | 340,000 | 350,000 | 375,000 |
| 6138 | Worker's Comp Deductible | | 15,068 | 17,000 | 20,000 | 20,000 |
| 6138 | Worker's Comp Retro Rating | | 175,026 | | 25,000 | |
| 6144 | Unemployment | 18,850 | 5,414 | 15,000 | 15,000 | 15,000 |
| 6146 | Severance Contribution | 135,482 | 148,230 | 120,000 | 160,000 | 190,000 |
| 6560 | Miscellaneous | 24,398 | 16,233 | 35,000 | 30,000 | 35,000 |
| | Total Other Employee Benefits | 557,021 | 688,299 | 527,000 | 600,000 | 635,000 |
| | Total Employee Expenditures | 2,441,479 | 2,665,558 | 2,663,000 | 2,767,000 | 2,945,000 |
| | Transfer | | | | | |
| | General Fund | 110,000 | | | | |
| | Total Expenditures | 2,551,479 | 2,665,558 | 2,663,000 | 2,767,000 | 2,945,000 |
| | Revenues Over (Under) Expenditures | (353,946) | (76,016) | (96,895) | (11,587) | 167,580 |
| | Fund Balance January 1 | 1,585,809 | 1,231,863 | 1,166,477 | 1,155,847 | 1,144,260 |
| | Fund Balance December 31 | 1,231,863 | 1,155,847 | 1,069,582 | 1,144,260 | 1,311,840 |
| | | | | | | |

Fund: Engineering Fund 6320

Department Activities and Responsibilities:

The Engineering Department provides engineering design and construction administrative services for the City's infrastructure improvement projects to ensure continued, reliable service from the street, water, sanitary sewer, park systems and public buildings. Many of these infrastructure systems require long-term planning efforts for local projects, and projects undertaken by various partners including Ramsey and Washington County, neighboring municipalities and township, the Metropolitan Council and multiple State agencies. The Engineering Department focuses on maximizing the positive local impact of these long-term projects by active participation during planning phases.

In addition, to the City's projects and working with other governmental agencies, the staff provides engineering review and assistance for projects proposed by property owners and developers, promotes a program for the City's surface water management, and supervises any consultant engineering services provided to a project. Improvement project budgets cover the costs of any engineering services related to the work.

The City Engineer leads this department and the City's public works operations and maintenance function as the Director of Public Works.

As an Internal Fund in the City's budget structure, the Engineering Fund operations are responsible for generating appropriate billable charges to projects to maintain operations. City construction projects, particularly street reconstruction, water improvements, and sewer improvements, will incur approximately 90% of the engineering charge-backs.

Budget Summary:

In recent years, the Engineering function operated as an Internal Service Fund in the City's financial reporting. Ideally, this structure was set to provide an opportunity to evaluate the operational efficiency of the department to those of a privately owned consulting firm. Even though the department charged project fees similar to private businesses, it was difficult to compare each venture due to the variations of responsibilities between the two. Therefore, this Fund is closing as of December 31, 2018 and moving to the General Fund in the 2019 Budget to recognize the department as a component of the City's General Fund operations. The improvement projects will continue to support their respective engineering costs completed by the department through a transfer to the General Fund.

Goals:

This information is included in the Engineering Department narrative in the General Fund section of the budget.

Measureable Workload Data:

This chart is included in the Engineering Department narrative in the General Fund section of the budget.

**ENGINEERING FUND
FUND SUMMARY
(MODIFIED ACCRUAL)**

| CODE NO. | ITEM | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET |
|--|----------------------------|-------------|-------------|--------------|--------------|-------------|
| 5360 | Revenues: | \$ | \$ | \$ | \$ | \$ |
| | Reimbursements | | | | | |
| | General Fund | | | | | |
| | Street Department | 27,000 | 28,000 | 29,000 | 29,000 | |
| | Street Lighting Department | 9,225 | 9,500 | 10,000 | 10,000 | |
| | Snow Removal Department | 8,600 | 8,900 | 9,200 | 9,200 | |
| | Park Department | 25,000 | 26,000 | 27,000 | 27,000 | |
| | Total General Fund | 69,825 | 72,400 | 75,200 | 75,200 | |
| | Park Improvement Fund | 20,475 | 43,200 | 22,500 | 22,500 | |
| | Water Fund | 24,700 | 26,000 | 27,500 | 27,500 | |
| | Sewer Fund | 31,000 | 32,000 | 33,000 | 33,000 | |
| | Interim Construction Fund | 475,000 | 456,797 | 550,000 | 514,506 | |
| | HRA Tax Increment Fund | | | | | |
| | Total Revenues | 621,000 | 630,397 | 708,200 | 672,706 | |
| | Expenditures: | 604,954 | 654,571 | 710,038 | 724,072 | |
| | Total Expenditures | 604,954 | 654,571 | 710,038 | 724,072 | |
| Revenues Over (Under) Expenditures | 16,046 | (24,174) | (1,838) | (51,366) | | |
| Fund Balance January 1 | 59,494 | 75,540 | 57,483 | 51,366 | | |
| Fund Balance December 31 | 75,540 | 51,366 | 55,645 | | | |
| Fund Closed to to the General Fund January 1 2019. | | | | | | |

| FUNCTION: | | FUND: | | DEPT. & DIV: | | ACCT. NO: | |
|-------------------------|-------------------------------------|-------------|-------------|--------------|--------------|-------------|--|
| Internal Service | | Engineering | | Public Works | | 6320 - 6322 | |
| SUMMARY OF EXPENDITURES | | | | | | | |
| CODE NO. | ITEMS | 2016 ACTUAL | 2017 ACTUAL | 2018 ADOPTED | 2018 REVISED | 2019 BUDGET | |
| | | \$ | \$ | \$ | \$ | \$ | |
| | PERSONAL SERVICES | | | | | | |
| 6105 | Salaries-reg. employees | 447,601 | 467,363 | 480,406 | 484,650 | | |
| 6117 | Overtime - reg. employees | 7,360 | 10,869 | 11,000 | 15,000 | | |
| 6119 | Salaries-temp. employees | | | 13,000 | 15,000 | | |
| 6122 | PERA | 34,554 | 36,298 | 36,855 | 37,500 | | |
| 6124 | FICA/Medicare | 32,307 | 33,867 | 38,590 | 39,400 | | |
| 6128 | Insurance contrib. | 32,904 | 41,950 | 44,050 | 44,050 | | |
| 6138 | Worker's compensation | 5,870 | 6,165 | 6,600 | 6,600 | | |
| 6148 | Other benefits | | 21,745 | 1,395 | 6,500 | | |
| | Total Personal Services | 560,596 | 618,257 | 631,896 | 648,700 | | |
| | SUPPLIES | | | | | | |
| 6210 | Office supplies | 927 | 596 | 3,000 | 2,000 | | |
| 6220 | Equipment supplies | 907 | 371 | 900 | 900 | | |
| 6230 | Vehicle supplies | 838 | 124 | 2,200 | 1,500 | | |
| 6250 | Other supplies | 71 | 125 | 200 | 200 | | |
| 6272 | Motor fuels | 1,512 | 1,591 | 2,000 | 1,700 | | |
| 6280 | Books & Periodicals | 95 | | 100 | 100 | | |
| 6290 | Uniforms | 172 | 52 | 250 | 250 | | |
| 6295 | Small tools | 465 | 1,157 | 1,900 | 1,750 | | |
| | Total Supplies | 4,987 | 4,016 | 10,550 | 8,400 | | |
| | OTHER SERVICES & CHARGES | | | | | | |
| 6401 | Professional services | | 647 | 600 | 600 | | |
| 6402 | Data processing | 8,252 | 10,151 | 36,200 | 33,000 | | |
| 6411 | Telephone | 1,529 | 1,282 | 720 | 700 | | |
| 6412 | Cellular phone | 2,317 | 2,449 | 2,600 | 2,800 | | |
| 6434 | General Liab. insurance | 5,274 | 5,274 | 5,274 | 5,274 | | |
| 6436 | Vehicle Liab. insurance | 1,073 | 1,073 | 1,073 | 1,073 | | |
| 6445 | Postage | 2,049 | 2,203 | 2,400 | 2,400 | | |
| 6449 | Inhouse printing | 1,417 | | 2,500 | 2,500 | | |
| 6450 | Outside printing | 120 | 116 | 400 | 400 | | |
| 6460 | Subscriptions/memberships | 594 | 202 | 675 | 675 | | |
| 6470 | Training | 4,489 | 2,648 | 7,800 | 7,800 | | |
| 6485 | Travel | 5,135 | 4,900 | 5,650 | 5,650 | | |
| 6492 | Advertising | 656 | | | 1,000 | | |
| 6505 | Equipment maint. service | 551 | 1,353 | 600 | 1,500 | | |
| 6508 | Shop maint. service | 2,842 | | | | | |
| 6510 | Vehicle repair service | 3,073 | | 1,000 | 1,500 | | |
| 6560 | Other Contractual Service | | | 100 | 100 | | |
| | Total Other Services and Charges | 39,371 | 32,298 | 67,592 | 66,972 | | |
| | Total | 604,954 | 654,571 | 710,038 | 724,072 | | |

City of White Bear Lake, Minnesota

Statistical Section

This part of the City of White Bear Lake's budget presents detailed statistical information originally provided in the previous year's Comprehensive Annual Financial Report. The following sections provide the reader with historical data to provide valuable trend information and insight into the City's financial health.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

The schedules in this section present information to help the reader assess the City's current outstanding debt. They also assess the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

The schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

City of White Bear Lake, Minnesota
Assessed Tax Capacity and Market Value of Property
Last Ten Fiscal Years

| Levy Year | Fiscal Year | Real Property | | Personal Property | |
|--------------|----------------|-----------------------------|------------------|-----------------------------|-----------------|
| | | Assessed Tax Capacity | Market Value | Assessed Tax Capacity | Market Value |
| 2008 | 2009 | \$ 28,964,179 | \$ 2,421,999,645 | \$ 452,118 | \$ 62,102,555 |
| 2009 | 2010 | 27,966,642 | 2,318,041,440 | 420,296 | 59,436,960 |
| 2010 | 2011 | 26,122,322 | 2,191,275,486 | 440,313 | 37,895,914 |
| 2011 | 2012 | 23,638,933 | 1,969,224,043 | 467,304 | 34,055,757 |
| 2012 | 2013 | 21,941,998 | 1,967,835,949 | 488,011 | 34,031,751 |
| 2013 | 2014 | 22,166,306 | 1,984,183,927 | 495,853 | 34,314,473 |
| 2014 | 2015 | 23,397,317 | 2,103,140,198 | 495,867 | 36,371,702 |
| 2015 | 2016 | 24,139,655 | 2,170,883,643 | 539,526 | 37,543,257 |
| 2016 | 2017 | 26,067,338 | 2,323,498,521 | 593,786 | 40,182,579 |
| 2017 | 2018 | 28,577,080 | 2,514,995,277 | 622,593 | 43,494,323 |

Source: Ramsey County and Washington County

| Total | | | |
|-----------------------------|------------------|---|--------------------------|
| Assessed Tax Capacity | Market Value | % Total of Assessed Tax Capacity to Market Value | Total Direct Tax Rate |
| \$ 29,416,297 | \$ 2,484,102,200 | 1.18% | 15.302 |
| 28,386,938 | 2,377,478,400 | 1.19% | 16.520 |
| 26,562,635 | 2,229,171,400 | 1.19% | 17.705 |
| 24,106,237 | 2,003,279,800 | 1.20% | 19.940 |
| 22,430,009 | 2,001,867,700 | 1.12% | 21.496 |
| 22,662,159 | 2,018,498,400 | 1.12% | 21.102 |
| 23,893,184 | 2,139,511,900 | 1.12% | 20.367 |
| 24,679,181 | 2,208,426,900 | 1.12% | 19.690 |
| 26,661,124 | 2,363,681,100 | 1.13% | 18.969 |
| 29,199,673 | 2,558,489,600 | 1.14% | 19.058 |

City of White Bear Lake, Minnesota
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Rates
(Per \$100 of Tax Capacity Valuation)
(Per \$100 of Market Valuation)

| Fiscal Year | City | | | | Ind. School District No. 624 | Ramsey County | Other Special Districts | Total |
|-------------|--------------|--------------|---------|--------|------------------------------|---------------|-------------------------|---------|
| | General Fund | Debt Service | Capital | Total | | | | |
| 2008 | 13.693 | 0.615 | 0.994 | 15.302 | 15.422 | 46.546 | 7.637 | 84.907 |
| (A) 2008 | | | | | 0.213 | | | 0.213 |
| 2009 | 13.531 | 0.663 | 1.072 | 15.266 | 19.396 | 46.496 | 7.642 | 88.800 |
| (A) 2009 | | | | | 0.174 | | | 0.174 |
| 2010 | 15.200 | 0.701 | 0.619 | 16.520 | 21.716 | 50.067 | 7.923 | 96.226 |
| (A) 2010 | | | | | 0.191 | | | 0.191 |
| 2011 | 16.290 | 0.751 | 0.664 | 17.705 | 22.521 | 54.678 | 8.355 | 103.259 |
| (A) 2011 | | | | | 0.241 | | | 0.241 |
| 2012 | 18.346 | 0.846 | 0.748 | 19.940 | 26.102 | 61.317 | 9.955 | 117.314 |
| (A) 2012 | | | | | 0.248 | | | 0.248 |
| 2013 | 19.766 | 0.893 | 0.789 | 21.448 | 28.562 | 65.144 | 10.187 | 125.341 |
| (A) 2013 | | | | | 0.264 | | | 0.264 |
| 2014 | 19.447 | 0.879 | 0.777 | 21.102 | 28.562 | 63.735 | 9.825 | 123.224 |
| (A) 2014 | | | | | 0.273 | | | 0.273 |
| 2015 | 18.682 | 0.277 | 1.408 | 20.368 | 26.660 | 58.922 | 9.179 | 115.129 |
| (A) 2015 | | | | | 0.240 | | | 0.240 |
| 2016 | 18.223 | 0.528 | 0.939 | 19.690 | 26.236 | 58.885 | 9.052 | 113.863 |
| (A) 2016 | | | | | 0.235 | | | 0.235 |
| 2017 | 17.936 | 0.484 | 0.550 | 18.970 | 23.454 | 55.920 | 8.565 | 106.909 |
| (A) 2017 | | | | | 0.212 | | | 0.212 |
| 2018 | 17.548 | 0.446 | 0.999 | 18.993 | 23.631 | 53.692 | 8.215 | 104.531 |
| (A) 2018 | | | | | 0.223 | | | 0.223 |

(A) Voter approved referendums are levied against market value rather than tax capacity value of the taxing authority.

City of White Bear Lake, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2017 | | | 2008 | | |
|--------------------------------|----------------------|------|---|----------------------|------|---|
| | Tax Capacity Value | Rank | Percentage of Total City Tax Capacity Value | Tax Capacity Value | Rank | Percentage of Total City Tax Capacity Value |
| Xcel Energy | \$ 450,864 | 1 | 1.54% | | | |
| White Bear Woods Apartments | 468,911 | 2 | 1.61% | \$ 267,188 | 3 | 0.90% |
| White Bear Marketplace | 301,766 | 3 | 0.82% | | | |
| Trane Corporation | 240,106 | 4 | 0.78% | 380,316 | 1 | 1.28% |
| Sam's Club Retail | 228,870 | 5 | 0.65% | 205,838 | 6 | 0.69% |
| White Bear Shopping Center | 188,528 | 6 | 0.64% | 292,762 | 2 | 0.99% |
| Aspen Research | 185,880 | 7 | 0.61% | 176,768 | 8 | 0.60% |
| Taylor Corporation | 179,326 | 8 | 0.61% | 225,068 | 4 | 0.76% |
| Birch Lake Townhomes | 209,184 | 9 | 0.72% | | | |
| Life Time Fitness | 134,250 | 10 | 0.46% | 155,250 | 9 | 0.52% |
| Festival Foods | | | | 195,602 | 7 | 0.66% |
| K Mart Corporation | | | | 209,250 | 5 | 0.71% |
| Oak Ridge Pond Office Building | | | | 137,218 | 10 | 0.46% |
| Total | <u>\$ 2,587,685</u> | | <u>8.44%</u> | <u>\$ 2,245,260</u> | | <u>7.58%</u> |
| Total Tax Capacity of City | <u>\$ 29,199,673</u> | | | <u>\$ 29,639,594</u> | | |

Source: Ramsey County and Washington County

City of White Bear Lake, Minnesota
Property Tax Levies and Collections
For the Last Ten Fiscal Years

| Levy Year | Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Delinquent Tax Collections |
|-----------|-------------|----------------|-------------------------|---------------------------|----------------------------|
| 2007 | 2008 | \$ 4,927,000 | \$ 4,796,048 | 97.34% | \$ 54,557 |
| 2008 | 2009 | 4,556,518 | 4,482,377 | 98.37% | 44,646 |
| 2009 | 2010 | 4,666,000 | 4,247,804 (1) | 91.04% | 49,790 |
| 2010 | 2011 | 4,666,000 | 4,337,357 (1) | 92.96% | 35,702 |
| 2011 | 2012 | 4,666,000 | 4,624,251 | 99.11% | 14,820 |
| 2012 | 2013 | 4,755,000 | 4,734,372 | 99.57% | 89,755 |
| 2013 | 2014 | 4,755,000 | 4,606,934 | 96.89% | (27,094) |
| 2014 | 2015 | 4,845,000 | 4,841,359 | 99.92% | 56,605 |
| 2015 | 2016 | 4,927,000 | 4,878,320 | 99.01% | 25,970 |
| 2016 | 2017 | 5,173,000 | 5,076,444 | 98.13% | 24,185 |

(1) Tax collections reflect elimination of State market value credit aid totaling \$224,832 in 2010 and \$249,777 in 2011 being credited to residential property but being eliminated as a State reimbursement to the City. Property tax collections percentage would have been 95.9% in 2010 and 98.31% in 2011 if the State had remitted their obligation.

| | Total Tax Collections | Total Collections as Percent of Current Levy | Outstanding Delinquent Taxes | Outstanding Delinquent Taxes as Percent of Current Levy |
|----|-----------------------------|--|------------------------------------|---|
| \$ | 4,850,605 | 98.45% | \$ 7,000 | 0.14% |
| | 4,527,023 | 99.35% | 70,000 | 1.54% |
| | 4,297,594 | 92.10% | 60,000 | 1.29% |
| | 4,373,059 | 93.72% | 114,000 | 2.44% |
| | 4,639,071 | 99.42% | 105,000 | 2.25% |
| | 4,824,127 | 101.45% | 45,000 | 0.95% |
| | 4,579,840 | 96.32% | 47,882 | 1.01% |
| | 4,897,964 | 101.09% | 42,000 | 0.87% |
| | 4,904,290 | 99.54% | 15,000 | 0.30% |
| | 5,100,629 | 98.60% | 25,000 | 0.48% |

City of White Bear Lake, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | Business-Type Activities | Total Primary Government |
|-------------|--------------------------|-------------------------------|--------------------------|--------------------------|
| | Special Assessment Bonds | Tax Increment Financing Bonds | Revenue Bonds | |
| 2008 | \$ 580,000 | \$ 4,215,000 | \$ 250,000 | \$ 5,045,000 |
| 2009 | 445,000 | 3,845,000 | 130,000 | 4,420,000 |
| 2010 | - | 3,465,000 | - | 3,465,000 |
| 2011 | - | 3,070,000 | - | 3,070,000 |
| 2012 | 2,555,000 | 2,650,000 | - | 5,205,000 |
| 2013 | 2,555,000 | 2,195,000 | - | 4,750,000 |
| 2014 | 2,340,000 | 1,745,000 | - | 4,085,000 |
| 2015 | 2,125,000 | 1,280,000 | - | 3,405,000 |
| 2016 | 1,920,000 | 3,415,000 | - | 5,335,000 |
| 2017 | 1,720,000 | 3,260,000 | - | 4,980,000 |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

| Personal Income | Percentage of Personal Income | Population | Per Capita |
|--------------------|-------------------------------------|------------|------------|
| \$ 1,154,363,392 | 0.44% | 24,776 | 203.62 |
| 1,197,326,364 | 0.37% | 24,679 | 179.10 |
| 1,138,448,480 | 0.30% | 23,797 | 145.61 |
| 1,199,083,236 | 0.26% | 23,797 | 129.01 |
| 1,218,273,900 | 0.43% | 23,820 | 218.51 |
| 1,286,899,744 | 0.37% | 24,074 | 197.31 |
| 1,497,574,000 | 0.27% | 24,100 | 169.50 |
| 1,347,975,564 | 0.25% | 24,159 | 140.94 |
| 1,458,514,512 | 0.37% | 24,138 | 221.02 |
| 1,458,514,512 | 0.34% | 25,001 | 199.19 |

City of White Bear Lake, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Market Value of Property | Percentage of Market Value of Property | Assessed Value of Property | Percentage of Assessed Value of Property |
|----------------|--------------------------------|--------------------------------|--|----------------------------------|--|
| 2008 | \$ 4,795,000 | \$ 2,417,968,500 | 0.20% | \$ 29,639,594 | 16.18% |
| 2009 | 4,290,000 | 2,484,102,200 | 0.17% | 29,416,297 | 14.58% |
| 2010 | 3,465,000 | 2,377,478,400 | 0.15% | 28,386,938 | 12.21% |
| 2011 | 3,070,000 | 2,229,171,400 | 0.14% | 26,562,635 | 11.56% |
| 2012 | 5,205,000 | 2,003,279,800 | 0.26% | 24,106,237 | 21.59% |
| 2013 | 4,750,000 | 2,001,867,700 | 0.24% | 22,430,009 | 21.18% |
| 2014 | 4,085,000 | 2,018,498,400 | 0.20% | 22,662,159 | 18.03% |
| 2015 | 3,405,000 | 2,139,511,900 | 0.16% | 23,893,184 | 14.25% |
| 2016 | 5,335,000 | 2,208,426,900 | 0.24% | 24,679,181 | 21.62% |
| 2017 | 4,980,000 | 2,558,489,600 | 0.19% | 29,199,673 | 17.05% |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

| Population | Per Capita |
|------------|------------|
| 24,776 | \$ 193.53 |
| 24,679 | 173.83 |
| 23,797 | 145.61 |
| 23,797 | 129.01 |
| 23,820 | 218.51 |
| 24,074 | 197.31 |
| 24,100 | 169.50 |
| 24,159 | 140.94 |
| 24,138 | 221.02 |
| 25,001 | 199.19 |



Reader's Notes:

City of White Bear Lake, Minnesota
 Computation of Direct and Overlapping
 Bonded Debt and Comparative Debt Ratios
 December 31, 2017

| Jurisdiction | Net General Obligation Bonded Debt Outstanding | Percentage Applicable to City | Amount Applicable to Government |
|--|---|-------------------------------------|---------------------------------------|
| Direct Debt: | | | |
| Special Assessments | \$ 1,720,000 | 100.00% | \$ 1,720,000 |
| Tax Increment | <u>3,260,000</u> | 100.00% | <u>3,260,000</u> |
| Subtotal | <u>4,980,000</u> | | <u>4,980,000</u> |
| City of White Bear Lake | <u>4,980,000</u> | 100.00% | <u>4,980,000</u> |
| Overlapping Debt: | | | |
| Ramsey County | 125,966,015 | 4.93% | 6,205,865 |
| Washington County | 113,534,007 | 0.18% | 203,054 |
| Independent School District #622 | 84,113,361 | 0.10% | 88,261 |
| Independent School District #624 | 70,666,335 | 34.09% | 24,091,870 |
| Independent School District #832 | 50,565,607 | 2.49% | 1,257,968 |
| Independent School District #916 | 76,887,597 | 8.34% | 6,410,083 |
| Metropolitan Council - Parks | (11,170,775) | 0.78% | (87,132) |
| Metropolitan Council - Regional Transit | <u>95,775,206</u> | 0.86% | <u>823,667</u> |
| Total overlapping debt | <u>606,337,353</u> | | <u>38,993,636</u> |
| Total direct and overlapping debt | <u><u>\$ 611,317,353</u></u> | | <u><u>\$ 43,973,636</u></u> |

Source: Information obtained from Ramsey County and Washington County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of White Bear Lake. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of White Bear Lake, Minnesota
 Legal Debt Margin Information
 Last Ten Fiscal Years

| | 2008 | 2009 | 2010 | 2011 |
|--|------------------|------------------|-------------------------|---------------|
| Debt limit | \$ 49,682,044 | \$ 47,549,568 | \$ 44,583,428 | \$ 64,046,034 |
| Total net debt applicable to limit | - | - | - | - |
| Legal debt margin | \$ 49,682,044 | \$ 47,549,568 | \$ 44,583,428 | \$ 64,046,034 |
| Total net debt applicable to the limit as a percentage of the debt limit | 0.00% | 0.00% | 0.00% | 0.00% |
| Market value | | | <u>\$ 2,558,489,600</u> | |
| Debt limit - 3.00% of market value (Note A) | | | <u>\$ 76,754,688</u> | |
| Total bonded debt | | 4,980,000 | | |
| Less (Note B) | | | | |
| Tax Increment Bonds | 3,260,000 | | | |
| Special Assessment Bonds | <u>1,720,000</u> | | | |
| | | <u>4,980,000</u> | | |
| Total debt applicable | | | - | |
| Legal debt margin | | | <u>\$ 76,754,688</u> | |

The debt limit percentage of market value was established at 3.00% beginning in fiscal year 2011.

Note A:

M.S.A. Section 475.53 (Limit on Net Debt)

"Subdivision 1. Generally, except as otherwise provided in Sections 475.51 to 475.75 to municipality, except a school district or a city of the first class shall incur or be subject to a net debt in excess of 3.00% of the market value of taxable property in the municipality.

Note B:

M.S.A. Section 475.51 (Definitions) "Subdivision 4. Net Debt means the amount remaining after deducting from its gross debt the aggregate of the principal of the following":

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
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 funds.
5. Obligations issued for the acquisition, and betterment of public water works systems and public lighting, heating or power systems and of any combinations thereof, or for any combination thereof, or for any other public convenience from which a revenue is or may be derived.
6. Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.
7. All other obligations which under the provisions of the law authorizing their issuance are not to be included in computing the net debt of the municipality.

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|---------------|---------------|--------------|--------------|---------------|
| \$ 55,413,426 | \$ 60,099,952 | \$ 64,185,357 | \$66,276,306 | \$70,917,876 | \$ 77,077,101 |
| - | - | - | - | - | - |
| \$ 55,413,426 | \$ 60,099,952 | \$ 64,185,357 | \$66,276,306 | \$70,917,876 | \$ 77,077,101 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |



Reader's Notes:

City of White Bear Lake, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Personal Income | Per Capita Personal Income (2) | School District Enrollment (3) | Ramsey County Unemployment Rate (4) |
|-------------|----------------|------------------|--------------------------------|--------------------------------|-------------------------------------|
| 2008 | 24,776 | \$ 1,154,363,392 | \$ 46,592 | 8,272 | 8.10% |
| 2009 | 24,679 | 1,197,326,364 | 48,516 | 8,238 | 9.30% |
| 2010 | 23,797 | 1,138,448,480 | 47,840 | 8,065 | 8.10% |
| 2011 | 23,797 | 1,199,083,236 | 50,388 | 8,000 | 7.20% |
| 2012 | 23,820 | 1,218,273,900 | 51,145 | 7,946 | 6.40% |
| 2013 | 24,074 | 1,286,899,744 | 53,456 | 8,056 | 5.30% |
| 2014 | 24,100 | 1,497,574,000 | 62,140 | 8,019 | 4.30% |
| 2015 | 24,159 | 1,347,975,564 | 55,796 | 8,038 | 3.10% |
| 2016 | 24,138 | 1,458,514,512 | 60,424 | 8,206 | 3.50% |
| 2017 | 25,001 | 1,458,514,512 | 58,338 | 8,551 | 2.80% |

Sources:

- (1) Metropolitan Council
- (2) U.S. Department of Labor
- (3) White Bear Lake Area School District.
- (4) Minnesota Department of Economic Development - Ramsey County rate

City of White Bear Lake, Minnesota
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

| | Fiscal Year | | | |
|------------------------------|-------------|-------------|-------------|-------------|
| | 2008 | 2009 | 2010 | 2011 |
| Building | | | | |
| Building permits issued | 883 | 753 | 759 | 777 |
| Other permits issued | 1,334 | 1,161 | 1,458 | 1,366 |
| Police | | | | |
| Number of Calls for Service | 14,322 | 14,169 | 23,229 | 29,000 |
| Administrative Citations | | | | |
| City | 1,226 | 872 | 411 | 378 |
| State | | | 186 | 273 |
| Total | 1,226 | 872 | 597 | 651 |
| Fire | | | | |
| Fire calls | 212 | 141 | 147 | 132 |
| Staged responses (Silent) | 345 | 277 | 351 | 288 |
| Rescue calls | 73 | 70 | 69 | 67 |
| Parks | | | | |
| Reservations | 242 | 261 | 296 | 279 |
| Water | | | | |
| Gallons pumped | 993,721,000 | 976,543,000 | 897,078,000 | 885,638,000 |
| Water main breaks | 16 | 16 | 17 | 11 |
| Refuse | | | | |
| Accounts serviced each week | 7,544 | 7,545 | 7,553 | 7,575 |
| Ambulance | | | | |
| Ambulance calls | 2,598 | 2,618 | 2,700 | 2,786 |
| License Bureau | | | | |
| Motor Vehicle transactions | 87,871 | 88,548 | 87,268 | 92,361 |
| Drivers License transactions | 18,679 | 17,981 | 18,032 | 17,859 |
| DNR licenses | 7,183 | 6,487 | 6,608 | 6,290 |
| Game and Fish licenses | 703 | 624 | 703 | 584 |

Note: Details regarding the City's operating indicators can be found in the annual finance director's summary to the City Manager.

| Fiscal Year | | | | | |
|-------------|-----------|-----------|-----------|-----------|------------|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 17 | 18 | 18 | 17 | 19 | 19 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 114.81 | 114.81 | 114.81 | 114.81 | 114.81 | 114.81 (1) |
| 515 | 515 | 515 | 515 | 515 | 515 |
| 9 | 9 | 9 | 9 | 9 | 9 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 11 | 11 | 11 | 11 | 11 | 11 |
| 13 | 13 | 13 | 13 | 13 | 13 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 126.81 | 126.81 | 126.81 | 126.81 | 126.81 | 126.81 |
| 907 | 907 | 907 | 907 | 907 | 907 |
| 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| 50.02 | 50.02 | 50.02 | 50.61 | 50.61 | 50.61 |
| 120.36 | 120.36 | 120.36 | 120.36 | 120.36 | 120.36 |

City of White Bear Lake, Minnesota
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

| | Fiscal Year | | | |
|--------------------------|-------------|-----------|-----------|-----------|
| | 2008 | 2009 | 2010 | 2011 |
| Public Safety | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Patrol Vehicles | 15 | 18 | 17 | 17 |
| Fire | | | | |
| Stations | 2 | 2 | 2 | 2 |
| Fire trucks (1) | 6 | 6 | 6 | 6 |
| Rescue boats with motors | 3 | 3 | 3 | 2 |
| Public Works | | | | |
| Streets | | | | |
| Miles | 114.84 | 114.84 | 114.81 | 114.81 |
| Street lights | 515 | 515 | 515 | 515 |
| Parks and recreation | | | | |
| Public Docks (1) | 11 | 11 | 7 | 9 |
| Outdoor ice rinks | 8 | 7 | 2 | 5 |
| Playgrounds | 10 | 9 | 9 | 11 |
| Softball fields | 13 | 13 | 13 | 13 |
| Basketball court | 2 | 1 | 2 | 2 |
| Disc golf course | 1 | 1 | 1 | 1 |
| Sports Center | | | | |
| Indoor ice rink | 1 | 1 | 1 | 1 |
| Racquetball courts | 5 | 4 | 4 | 4 |
| Water | | | | |
| Miles of watermains | 126.81 | 126.81 | 126.81 | 126.81 |
| Fire hydrants | 906 | 906 | 906 | 907 |
| Water tower storage | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Sewer | | | | |
| Miles of storm sewers | 48.04 | 48.80 | 49.37 | 49.72 |
| Miles of sanitary sewers | 120.36 | 120.36 | 120.36 | 120.36 |

Sources: Various city departments

Note:

(1) Street miles listed on this report includes City, County, MSA, State and Private mileage within the City limits.

| Fiscal Year | | | | | |
|-------------|-----------|-----------|-----------|-----------|------------|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 17 | 18 | 18 | 17 | 19 | 19 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 114.81 | 114.81 | 114.81 | 114.81 | 114.81 | 114.81 (1) |
| 515 | 515 | 515 | 515 | 515 | 515 |
| 9 | 9 | 9 | 9 | 9 | 9 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 11 | 11 | 11 | 11 | 11 | 11 |
| 13 | 13 | 13 | 13 | 13 | 13 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 126.81 | 126.81 | 126.81 | 126.81 | 126.81 | 126.81 |
| 907 | 907 | 907 | 907 | 907 | 907 |
| 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| 50.02 | 50.02 | 50.02 | 50.61 | 50.61 | 50.61 |
| 120.36 | 120.36 | 120.36 | 120.36 | 120.36 | 120.36 |

GLOSSARY OF TERMS

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

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned (Whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

AMORTIZATION: (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of a debt by regular payments of principal and interest sufficient to retire the debt by maturity.

APPROPRIATION: An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

ASSESSED VALUATION: A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSESSMENT: (1) The process of making the official valuation of property for taxation. (2) The valuation placed upon property as a result of this process.

ASSETS: Property owned by a government which has a monetary value.

BOND: A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date [s]) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

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 budget office and supporting staff which presents the proposed budget to the legislative body.

BUDGET MESSAGE: A general discussion of the proposed budget presented in writing as a part of or supplement to 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 chief executive and budget officer.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL IMPROVEMENTS BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget which includes capital outlays. The capital budget normally is based on a capital improvement plan (CIP).

CAPITAL IMPROVEMENT PLAN (CIP): A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAYS: Expenditures for the acquisition of capital assets.

CAPITAL PROJECTS: Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

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

CATV: Cable television

CITY CHARTER: Legal document which establishes the formal government and powers of the City.

COMMUNITY ORIENTED POLICING: Residents and Police Officers work together to promote safety in the City.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of a government. It includes (a) the five combined financial statements in the combined statements-overview and their related notes and (b) combining statements by fund type and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

CONDITIONAL/SPECIAL USE PERMIT: Those uses which may be appropriate or desirable in a zoning district, but require special approval because they may create problems such as excessive height or bulk, traffic congestions, strain on essential facilities and services, etc.

CONTINGENCY ACCOUNT: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

CPR: Cardiac Pulmonary Resuscitation

CPTED: Crime Prevention Through Environmental Design

DARE: Drug Abuse Resistance and Education

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include: bonds, time warrants and interest.

DEBT SERVICE: Payment of interest and repayment of principal to holders of a government's debt instruments.

DEBT SERVICE FUND: A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFICIT: (1) The excess of an entity's liabilities over its assets (See Fund Balance); (2) the excess of expenditures or expenses over revenues during a single accounting period.

DEPARTMENT: A distinct division of an organization having a specialized function and personnel.

DEPRECIATION: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) that portion of the cost of capital asset which is charged as an expense during a particular period.

EMS: Emergency Medical Services

ENTERPRISE FUND: (1) A fund established to account for operations finance and operated in a manner similar to private business enterprises. In this case, the governing body intends that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

FINES & FORFEITS: A sum of money imposed or surrendered as a penalty.

FISCAL DISPARITIES: A distribution of 40% of the growth in commercial and industrial properties within the seven-county metropolitan area since 1971.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FULL FAITH AND CONCEPT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

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 excess of funds assets over its liabilities. A negative fund balance is sometimes called a deficit.

GENERAL FUND: The fund used to account for all financial resources, except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS: When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

GENERAL OBLIGATION REVENUE BONDS: Intended to be paid first from the revenues of the enterprise fund. They are backed by the full faith, credit and taxing power of the City.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP): Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GAAP.

G.I.S.: Geographic Information System

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

GOVERNMENTAL FUNDS: 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. Under current GAAP, there are four governmental fund types: general, special revenue, debt service and capital projects.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

HOMESTEAD AND AGRICULTURAL CREDIT AID (HACA): A property tax relief program that replaced the former homestead credit program and the agricultural credit program. HACA is tied to class rate reductions for certain classes of property.

HRA: Housing and Redevelopment Authority

HVAC: Heating, Ventilation, Air Conditioning system

INFRASTRUCTURE: The basic facilities, equipment, services and installations needed for the growth and functioning of a community. Includes roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

INTERGOVERNMENTAL REVENUES: Revenues from other governments in the form of grants, entities, shared revenues or payments in lieu of taxes.

INTERNAL SERVICE FUND: A fund used to account for the financing of goods or services provided by one department of agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

IUOE LOCAL 49: International Union of Operating Engineers

LEGAL DEBT LIMIT: The maximum amount of outstanding gross or net debt legally permitted.

LEGAL DEBT MARGIN: The legal debt limit less outstanding debt subject to limitation.

LEGISLATIVE: Having the power to create laws.

LEVY: (1) (Verb) To impose taxes, special assessments or service charges for the support of government activities. (2) (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

LOCAL GOVERNMENT AID (LGA): A state government revenue sharing program for cities and townships that is intended to provide an alternative to the property tax. LGA is distributed through a formula based on tax base, population, population decline, age of housing and the percent of market value classified as commercial or industrial.

LOGIS: Local Government Information Systems Association. A consortium of twenty-three Minnesota cities providing computer services to members under the governing of its members.

MARKET VALUE: An assessor's estimate of what property would be worth on the open market if sold. The market value is set on January 2 of the year before taxes are payable.

MARKET VALUE CREDIT AID: A state government obligation to pay a certain portion of residential property tax. Homes valued at \$76,000 or less receives a \$304 state credit. The credit decreases \$9 for \$10,000 increase in market valuation. The credit is eliminated on homes valued at more than \$413,000.

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 taxes levied and revenue earned.

MATURITIES: The dates on which the principal or stated value of investments or debt obligations mature and may be reclaimed.

OBJECT OF EXPENDITURE: Expenditure classification based upon the types or categories of goods and services purchased. Typical objects of expenditure include:

- personal services (salaries and wages);
- contracted services (utilities, maintenance contracts, travel);
- supplies and materials; and,
- capital outlay.

OBJECTIVE: Serving as a goal; being the object of a course of action.

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

OPERATING EXPENSES: Proprietary fund expenses related directly to the fund's primary activities.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A formal legislative enactment by the government body of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

PERA: Public Employees Retirement Association

PERFORMANCE INDICATORS: A quantitative or qualitative measurement of activity.

POLICY: A set of guidelines used for making decisions.

PRE-EMPTIVE DEVICES: Radio frequency controlled traffic light on emergency vehicles.

PROGRAM: Group activities, operations or organizational units directed to attaining specific purposes or objectives.

PROPRIETARY FUNDS: Account for government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination on net income, financial position and changes in financial position. Includes enterprise and internal service funds.

RESERVES: Assets kept back or saved for future use or special purpose.

RESIDUAL EQUITY TRANSFER: Non-recurring or non-routine transfers of assets between funds.

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of the government's proprietary funds (those funds where service charges will recover costs of providing those services).

REVENUE: The term designates an increase to a fund's assets which:

- does not increase a liability (e.g., proceeds from a loan);
- does not represent a repayment of an expenditure already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in contributed capital.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

TAX CAPACITY: A valuation set upon real estate and certain personal property by the County Assessor as a basis for levying property taxes. The assessor determines the estimated market (resale) value of the property. This value is converted to tax capacity by a formula specified in state law.

TAX CAPACITY RATE: The property tax rate which is based on the taxes levied as a proportion of the property value. A tax rate of 18.751% produces \$18.75 of taxes on each \$100 of tax capacity that a property is valued at.

TAX LEVY: The total amount to be raised by general property taxes for the purposes stated in the resolution certified to the County Auditor.

TAXES: Compulsory charges levied by a government to finance services performed for the common benefit.

TRIAD: Local senior citizens group working with police officers to promote safety in their daily lives.

TRUTH IN TAXATION: The "taxation and notification law" which requires local governments to set estimated levies, inform taxpayers about the impacts, and hold a separate hearing to take taxpayer input.

VARIANCE: A relaxation of the terms of the zoning ordinance where such variance will not be contrary to the public interest and where, owing to conditions peculiar to the property and not the result of the actions of the applicant, a literal enforcement of the ordinance would result in unnecessary and undue hardship.



Reader's Notes: