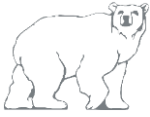


2023

City of White Bear Lake, Minnesota
Annual Budget





Adopted By:

Mayor

Dan Louismet

Councilpersons

Bill Walsh – Ward 1

Heidi Hughes – Ward 2

Dan Jones – Ward 3

Kevin Edberg – Ward 4

Steven Engstran – Ward 5

Presented By:

Management Team

Lindy Crawford, City Manager

Rick Juba, Assistant City Manager

Caley Longendyke, City Clerk

Paul Kauppi, City Engineer

Kerri Kindsvater, Finance Director

Jason Lindahl, Community Development Director

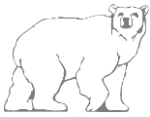
Julie Swanson, Police Chief

Greg Peterson, Fire Chief

Cover:

The Historic Erd-Geist Gazebo Newly Restored in 2021

Courtesy of City Staff



Introductory Section

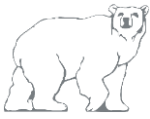
Distinguished Budget Presentation Award 1
Budget Highlights 3
City Manager’s Budget Message..... 5

Summary Data

Organizational Chart 15
Geographic Location Map..... 16
Historical Beginnings and the Legend of White Bear Lake 17
Summary Information..... 19
Summary of Revenue Sources and Assumptions for all Funds..... 30
Tax Levy 39
Property Tax Capacity Valuation and Rate 40
Tax Capacity & Market Value Rates 41
Residential Property Tax Calculation 43
Budget Summary for All Funds 44
Budget Summary by Fund Type 45
Personnel Services Staffing Summary 47
Strategic Plan 48
Financial Management Plan..... 50
Capital Improvement Plan 54
Debt Summary 69
External Links 70
Budget Adoption Resolution..... 71
Tax Levy Resolution..... 76
Resolution Committing Fund Balances for Specific Purpose..... 78
Recognition Resolution 80
Business Activities and Cultural Activities Promotion Resolution 83

General Fund

Narrative and Fund Summary 85
Revenue by Source..... 95
Summary of Expenditures..... 97
General Government
Legislative 99
Administration 103
Finance 106
Legal Counselor 110
City Hall 113
Technology..... 116
Elections/Voter Registration 119
Planning and Zoning 123
Public Safety
Public Safety Facility 126
Police 128



General Fund (Continued)

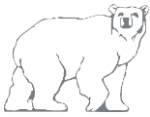
Public Safety	
Fire	135
Dispatch	140
Legal Prosecutor	143
Animal Control	147
Emergency Preparedness	151
Building and Code Enforcement	154
Public Works	
Public Works Facility	158
Engineering	161
Central Garage	165
Streets	168
Snow/Ice Removal	173
Street Lighting.....	177
Parks	180
General Services/Contingency.....	184

Special Revenue Funds

Comparative Analysis of Fund Balance/Revenues & Expenditures.....	187
American Rescue Plan Aid.....	190
Armory.....	194
Surface Water Pollution Prevention	198
Marina....	202
Sports Center.....	204
Forfeiture Fund	211
Economic Development.....	215

Debt Service Funds

Comparative Analysis of Fund Balance/Revenues & Expenditures.....	223
2012 Refunding Tax Increment.....	226
Non Bonded Special Assessment Fund	228
2012 Special Assessment	232
2016 Refunding Tax Increment Boatworks.....	234
2018 General Obligation Street Construction / Sports Center Equipment.	237
2018 General Obligation Tax Abatement Sports Center Construction	241
2019 General Obligation Street Construction	244
2020 General Obligation Street Construction / Equipment Certificates.....	247
2021 General Obligation Street Construction / Equipment Certificates.....	251
2022 General Obligation Street Construction	254
2022 General Obligation Capital Improvement Plan.....	256
2023 General Obligation Capital Improvement Plan.....	258



Capital Project Funds

Comparative Analysis of Fund Balance/Revenues & Expenditures.....	261
Equipment Acquisition	265
Municipal Building	268
Park Improvement	272
Community Reinvestment	276
HRA Tax Increment	278
HRA Tax Increment District 25.....	280
HRA Tax Increment District 26.....	282
HRA Tax Increment District 27	284
Construction.....	288

Enterprise Funds

Comparative Analysis of Fund Balance/Revenues & Expenditures.....	291
Water.....	294
Sewer.....	305
Environmental Recycling and Disposal Waste	311
Ambulance	319
Pioneer Manor	326
License Bureau	330

Internal Service Funds

Comparative Analysis of Fund Balance/Revenues & Expenditures.....	337
Insurance	341
Employment Expense	344

Appendix

Demographics	349
Ratios of Outstanding Debt by Type	354
Legal Debt Margin.....	355
Principal Property Taxpayers	356
Larger Employers	357
Capital Asset Statistics by Function	358
Glossary.....	359



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of White Bear Lake
Minnesota**

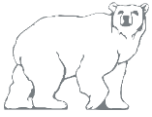
For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morrill

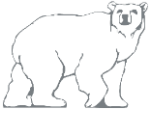
Executive Director

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- The 2023 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. S&P assigned its AA+ rating to the 2022A and 2022B General Obligation bond issues and affirmed the rating on all of the City's previously issued General Obligation debt. This rating is only one-step below the highest rating possible.
- The tax levy for 2023 is \$9,955,000 and represents a \$1,875,000 increase above the 2022 tax levy.
- The City expects to remain one of the lowest per capita tax levies statewide for communities with a population between 16,000 and 37,000.
- The median value home changed from \$260,300 in 2021 to \$306,100 in 2022, which is a 17.60% increase year to year. The City share of the 2023 property tax levy on a median value home will be \$724.64.
- The budget funds initiatives to address environmental concerns regarding surface water run-off. Funding for projects involving the retention and infiltration of surface water allows pollutants to be contained or absorbed before the water reenters lakes and streams.
- The budget recommends modifications to the Enterprise Fund fee structures for Water, Environmental Waste Removal, Ambulance, and Pioneer Manor to reestablish or maintain the individual fund's financial integrity. The fee structure for Sewer services does not change for 2023.
- Public Safety employees will received improved support through a new program offering embedded mental health services.
- The budget adds two full-time Firefighter/Paramedic positions as the second part of a three-year plan to build a third 24/7 full-time crew to the Fire and Ambulance staffing structure.
- Allocation of the Firefighter/Paramedic positions remains at 25% Fire/75% Ambulance as set in 2022 for 2023; however, the percentage will be re-evaluated for the 2024 Budget in an effort to balance the budgets of each department while continuing to provide timely high quality service to those calling for service.
- The budget incorporates the final steps to implement the City's new Classification and Compensation Plan adopted by the City Council in 2022.
- The 2023 Capital Improvement Plan within the City's Financial Management Plan funds a major construction project to the Public Safety Facility adjacent to City Hall. The project adds a garage for all Police vehicles and completely renovates the Fire Department apparatus bay while improving offices/sleeping quarters for the full-time staff.

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November 10, 2022

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

Mayor and City Council:

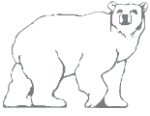
I am pleased to present to you the 2022 Revised and 2023 annual budgets. This combined document provides the citizens of White Bear Lake, their elected officials, City staff and other interested parties, information about the financial operations of the City for the coming year.

WHAT GUIDES BUDGET DECISIONS

Budget development focuses on meeting resident expectations within realistic financial parameters. The City uses two significant guides for the process: the City's long-range Capital Improvement Plan (CIP) and the long-range financial management plan (FMP). The updated CIP was incorporated into the 2023 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 its financial management decisions.
4. A comprehensive review of capital equipment to ensure 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 supporting the implementation of Council policies and recognizing 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.



PRIORITIES, OPPORTUNITIES AND ISSUES

The budget addresses both the short-term financial issues of the next year and the longer-term issues anticipated for the next 2-5 years. Each year discussions focus on topics such as: municipal service levels, tax levy impacts, current economic challenges, long range financial planning, capital improvement planning, and environmental protection activities. The following sections highlight specific activities considered when preparing this document:

Council/Manager:

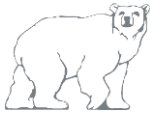
The Council and Staff participated in work sessions during 2022 to discuss long-term planning for capital and finances, economic development, in-depth review of the Armory operations, the Public Safety Facility project.

Plans for 2023 include completing a mobility study in anticipation for the downtown street reconstruction and improvement project, a comprehensive review of the Zoning Code and further refinement of the long-range financial management plan.

Financial Planning:

- The City's fiscal condition continues to evolve, change, and adapt to economic realities. The City's fiscal status during an extended period beginning in the mid-2000's reflected overall declining revenues and required use of fund balances and reserves to maintain services and preserve critical infrastructure while keeping the tax levy low. Continued reliance on fund balance draw-downs without an increase in offsetting revenues was not sustainable and required the City to begin issuing municipal bonds to maintain the City's critical infrastructure and capital investments.

While most metro area cities have historically relied on annual municipal bonding, this practice is relatively new for the City of White Bear Lake; consequently, there is a greater annual impact on the City's tax levy as bonds are issued without the offsetting benefit of retiring older bonds, which would otherwise cancel corresponding old debt service obligations. As demonstrated through the City's long-range financial management plan, alternative options to bonding for near term infrastructure projects are limited to either significantly reducing operations and services or revoking scheduled capital improvement projects and equipment purchases. Despite increased reliance on municipal bonding, City residents remain among the lowest taxed per capita when compared to cities our size throughout the state.



S&P Global Ratings supported the City's approach to financial planning when they affirmed the City's long-term debt rating of AA+ during the 2022B debt issuance process. Their report identifies the following key variables supporting their decision:

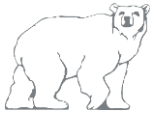
- Very strong economy, with access to a broad and diverse metropolitan statistical area, with notable residential development and strong commercial demand
- Strong management, with good financial policies and practices under their Financial Management Assessment (FMA) methodology
- A strong institutional framework
- Strong budgetary performance, reflecting conservative budgeting and positive variances with respect to permitting revenue

The City's financial future for 2023 and beyond is well positioned based upon the solid framework noted by S&P Global Ratings. Continued attention to maintenance of capital fund balances supported by secure revenue streams is critical. As outlined in the FMP, accelerated dedication of tax revenues to capital funds coupled with continued municipal bonding to assist with capital project financing will accomplish this objective.

- The formula used to calculate allocation of Local Government Aid to cities reduces aid as property values increase. The City began seeing a reduction in the aid allocation in 2021. Due to the pandemic, the Legislature authorized supplemental aid in 2022 to hold the City's aid received at the 2021 funding level. The 2023 allotment calculation did not take into account the 2022 supplemental aid payment; therefore, the City is recognizing the decrease for both 2022 and 2023 in 2023. The City's financial plans anticipate annual decreases of approximately \$250,000 in the next few years until the distribution reaches zero.
- The City will experience a decrease in permit revenues as the local school district's multi-year facility improvement project concludes in 2022.
- Budget discussions incorporated discussions of the economic impacts related to high costs for electricity, natural gas and fuel; supply chain issues delaying the receipt of ordered capital equipment, and the low availability of supplies for facility or infrastructure projects.
- Revenue limitations in the License Bureau due to the fee structure set by the Legislature since the office serves as a Deputy Registrar on behalf of the Minnesota Department of Public Safety.

Facilities:

- In 2017, the City Council identified the replacement of the North Station's fire apparatus bay and construction of a garage for indoor storage of patrol squads and administrative vehicles for both police and fire. Since 2019, the City has been working with Wold Architects on a space



needs study, creation of a site master plan, final project designs and preparation of construction bid documents for the project. The City received 138 bids for 30 separate work scopes on October 11, 2022. Overall the bid coverage was good; however, project costs were significantly higher than originally anticipated due to industry uncertainty and large market costs increases. The City Council held a work session in late October to discuss funding options as they are committed to completing the renovation project. The financial plans include:

- Issuing Capital Improvement Plan bonds in both 2022 and 2023 to remain under the annual bank qualified limit of \$10,000,000 to allow the opportunity for more qualified investors at lower interest rates
- Interest earnings on bond proceeds, within allowable levels per arbitrage regulations
- Sales tax refunds on qualifying material purchases for the project
- Community Reinvestment Fund contribution, as part of its authority to fund municipal building improvement purposes

The City Council awarded construction contracts in November 2022. Construction will begin March 2023, and the project will be substantially complete in June 2024.

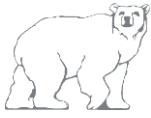
- The City purchased the local Armory from the National Guard when it was decommissioned. As a condition of the sale to the City, a Preservation Easement was granted to the State of Minnesota ensuring that any future changes be reviewed and approved by the State Historic Preservation Office. In addition to the easement, the building was also placed on the National Register of Historic Places in 2019, furthering ensuring the building be maintained to its historic standards.

During the City's ownership, the building has served as a home for local non-profit groups and provided a gymnasium for community events and private functions. As utilization for events has tapered off, City staff had searched for a permanent use of the facility that would both continue the community utilization of the Armory, preserve its historic character, and while also generating some revenue to support operations.

During 2022, the White Bear Lake Area Historical Society (WBLAHS) was approached by a generous community donor who proposed to make a significant donation and aid in a capital campaign to raise funds that would be used to obtain the Armory, create a local museum, and operate the facility.

After discussing this concept at three work sessions throughout the year, the City Council approved a resolution to sell the facility to the WBLAHS since the organization offered a unique opportunity to maintain the Armory as a community facility, ensuring the historic character. The WBLAHS purchased the facility on November 4, 2022.

- In 2021, the City contracted Trane Technologies to perform an investment grade audit of the Sports Center and conduct a city wide lighting analysis. This work resulted in the identification



projects related to the Sports Center building envelope, equipment controls and solar array; and lighting in City facilities and parks that together demonstrate a return on investment through energy savings over approximately nine (9) years. Work on these energy improvements commenced in late 2021 and carried through 2022.

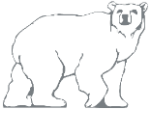
- The City's ten-year Capital Improvement Plan contains other future improvements for city owned facilities; however, there are no additional large scale projects anticipated during this time period.

Infrastructure:

- In typical years, the City's annual pavement rehabilitation projects include both full reconstruction and mill and overlay projects as part of the City's pavement management program. However, these annual projects fluctuate as the City balances the financial impact of large-scale infrastructure or facility projects with any economic or staffing challenges. The 2021 pavement projects focused on only mill and overlay projects in efforts to lower costs for both the City and benefitting property owners during the pandemic. After experiencing a typical project year in 2022, the City Council chose to shift all projects for 2023 and future years forward a year to allow all bonding activities in the bank qualified range of \$10 million to be directed to the Public Safety Facility renovation and expansion project.
- The City remains committed to the maintenance and development of its pedestrian and bicycle infrastructure. The long awaited South Shore Trail project, which began in 2022, will add another significant segment to the Lake Links Trail surrounding White Bear Lake. The City and White Bear Township will also continue their work toward the development of design options for a trail on the north side of the lake along T.H. 96.
- There is also considerable inter-jurisdictional coordination of infrastructure planning efforts following passage of the White Bear Lake School District's facilities referendum in 2019 as the newly expanded high school facility neighbors the expanding Arts District and is across the main thoroughfare from the City's Downtown District. These planning efforts are significant and will continue into 2024.

Economic Development & Redevelopment:

- The City is concluding a much anticipated Corridor Action Plan with neighboring municipalities for the County Road E corridor. With the conclusion of this plan, the City will be better situated to attract development and investment to underutilized sites along the corridor, which is a major economic hub for the community.
- The City Council approved the Final Development Plans for a Planned Unit Development that will allow for the redevelopment of a former restaurant and single family home to a 244 unit



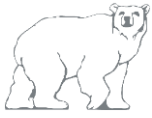
market rate multifamily development. Site demolition will begin in the coming weeks, with construction anticipated to begin in the first quarter of 2023. The building permit valuation is \$44.7 million. Based on the developer's Phase 1 development of sites adjacent to this project, we anticipate the current taxable market value for the two parcels in this project to increase from a taxable value of \$2,150,000 to more than \$50 million upon completion.

- Over the next several years, the City will continue its work with the Downtown District to ensure it remains vibrant and relevant as “walkable urban places” become a preferred setting. The impending downtown street reconstruction project in 2024-2025 offers opportunities for additional parking and pedestrian related improvements. The City will engage in a comprehensive mobility study in 2023 to identify these opportunities, which will involve the active participation of downtown businesses and property owners.
- Overall, the City will strive to continue providing the support, the infrastructure, and the services to facilitate an economically viable community that serves the diverse needs of its community and future generations.

Technology:

The City continues to invest in technology to better serve our residents and enhance internal productivity.

- In recent years, 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, Accounts Payable records, and Human Resources documentation. The focus for the next 2-5 years is complete indexing the historical engineering, building and planning department records.
- The City participates in a local government consortium (LOGIS) for finance, payroll, human resources and utility billing software. Involvement with this group provides the City an opportunity to utilize software systems it would not be able to buy on its own. Current systems have been in place since the early 2000's. The consortium evaluated responses to a Request for Proposal to replace all systems with a new Enterprise Resource Planning (ERP) and utility billing software in 2022. The consortium will begin implementing agencies in 2023, with the City's implementation planned for 2025.
- The City hired a Geographic Information System (GIS) Technician in 2021 to support construction of the GIS database. In addition to expanding use of the functionality in the



Engineering and Public Works departments; the mapping tools will be greatly improved for zoning, land use, and housing, and will be integrated with the City's building permit system. Future opportunities integrate GIS into the Police and Fire Departments, and develop geographic capabilities over a wide range of City operations.

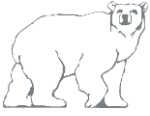
Public Safety:

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.

- The murder of George Floyd in 2020 shifted law enforcement's paradigm and peace officers are under ever-increasing public scrutiny. The White Bear Lake community continues to reinforce its strong support for our officers; however, as is true in all communities, one incident has the potential to compromise that well-earned trust. Continued emphasis on Use of Force Training, Implicit Bias Training and Mental Health Awareness remains critical. Officers utilize body worn cameras to 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 in 2018. Initial analysis after completing approximately three full years under this new model demonstrates operational efficiencies and success in meeting the demands of increasing calls for service. The 2022 and 2023 Budgets include funding for two additional full-time positions each year as part of a three-year plan to build a third crew to help cover duties.
- Faced with the limitations of ambulance service revenues due in part to Medicare collection limits and the expansion of patient deductibles, the City began migrating its personnel costs for firefighter/paramedic positions to a more sustainable split between the Fire and Ambulance operating budgets. The 2023 budget continues the 25% Fire and 75% Ambulance personnel allocation as set for 2022; however, after review of the year to date financial reports in late 2022, the percentage will need to change to either a 30/70 or a 40/60 allocation beginning in 2024.
- The 2022 Revised budget incorporates funding for improved mental health support for our public safety employees through embedded mental health services. The new service model integrates a contracted service into our Police and Fire Departments while employees are working. The service provides training, ride-a-longs, accompanying the crews on significant calls, and is available during crisis situations to help debrief significant events.

Employee Recruitment and Retention:

In October 2021, the City Council authorized a Classification and Compensation Study (Study) to be completed by McGrath Human Resources Group to replace the current Classification and



Compensation Plan originally implemented in 1988. While the City has remained in compliance with the Pay Equity Act, much has changed over the last 30 plus years and a new plan was warranted.

The goals of the new Study were to ensure future compliance with the Pay Equity Act, keep the City competitive in the labor market and confirm that positions are classified appropriately. The City Council approved the new pay plan in September 2022 following the conclusion of the Study.

The City began a three-step process to implement the plan in the 2022 Revised Budget by placing non-bargaining employees at their closest step, without a reduction in pay, in their new grade to avoid dramatic increases to the budget as of September 1, 2022. The following schedule describes how the plan impacts the budget for 2023 and future years:

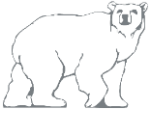
1. On January 1, 2023, staff will receive a Cost of Living Adjustment (COLA) of 3%.
2. On July 1, 2023, qualifying non-bargaining employees will receive an increase for longevity. Employees with over five (5) years of service in their current position will be moved to step five (5) if their closest step was below that point. Employees with over ten (10) years of service in their current position will be moved to step eight (8) if their closest step was below that point. This will help alleviate compression amongst non-bargaining employees within the pay system.
3. In 2024, regular step adjustments, in addition to COLA, will begin.

Implementation of the plan for union employees will be part of labor contract negotiations and approved separately by the City Council.

TAX LEVY

In accordance with the City Charter and State Statute, the City Council will adopt the 2023 budget and the 2022 tax levy collectible in 2023 on December 13, 2022. Staff prepared the budget based upon a \$9,955,000 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
- 2018A General Obligation Debt Service Fund for street improvements
- 2018B General Obligation Tax Abatement Debt Service Fund for the Sport Center renovation
- 2019A General Obligation Debt Service Fund for street improvements
- 2020A General Obligation Debt Service Fund for street improvements and equipment purchases
- 2021A General Obligation Debt Service Fund for street improvements and equipment purchases



- 2022A General Obligation Debt Service Fund for street improvements
- 2022B General Obligation Debt Service Fund for the Public Safety Facility Project
- 2023A General Obligation Debt Service Fund for the Public Safety Facility Project

In addition to the funds supported by property taxes, the budget includes all other operating or capital funds presented as Special Revenue, Debt Service, Capital Project, Enterprise or Internal Service Funds.

BUDGET FORMAT

As in past years, the budget presents two years of historical activity; the original adopted budget, a revised budget for the current year based on actual revenue and expenditure estimates, and proposed revenue and expenditure estimates for the coming year for each fund.

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

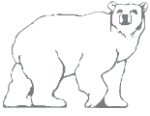
This budget has been prepared with the intent of being responsive to perceived public service requirements and, as such, it should be used by the reader as a statement of priorities and a mechanism that relates public policy decisions to tangible public services.

The document follows the format from previous years and contains a continuum of information for the benefit of a first-time reader as well as 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.

GOALS AND 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 City has monitored departmental goals and measureable work load data for over twenty years. The 2023 budget reports actual measureable workload results for 2020 and 2021, estimates for 2022 based on year to date actual data, and establishes an objective for 2023. 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. Purchases over \$5,000 occur only after multiple quotations are received and the lowest responsible price is selected. State Statutes authorize cities to enter into contracts that are less than \$175,000 without conducting a formal bidding process. Purchases over \$175,000 may only be approved by the City Council and require competitive bids.

ACKNOWLEDGEMENTS

Each year, several members of the team are involved in preparing the proposed budget. This participation ranges from direct input and data gathering, to building 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, my gratitude is extended to all employees who participated.

In addition to the management team, special recognition is given to Finance Director Kerri Kindsvater and Assistant Finance Director, Jessica Saari, for the many hours spent developing, modifying, and incorporating readability improvements to 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, 2022. This was the 24th consecutive year the City has received this award, which is a reflection of the excellent work of those involved.

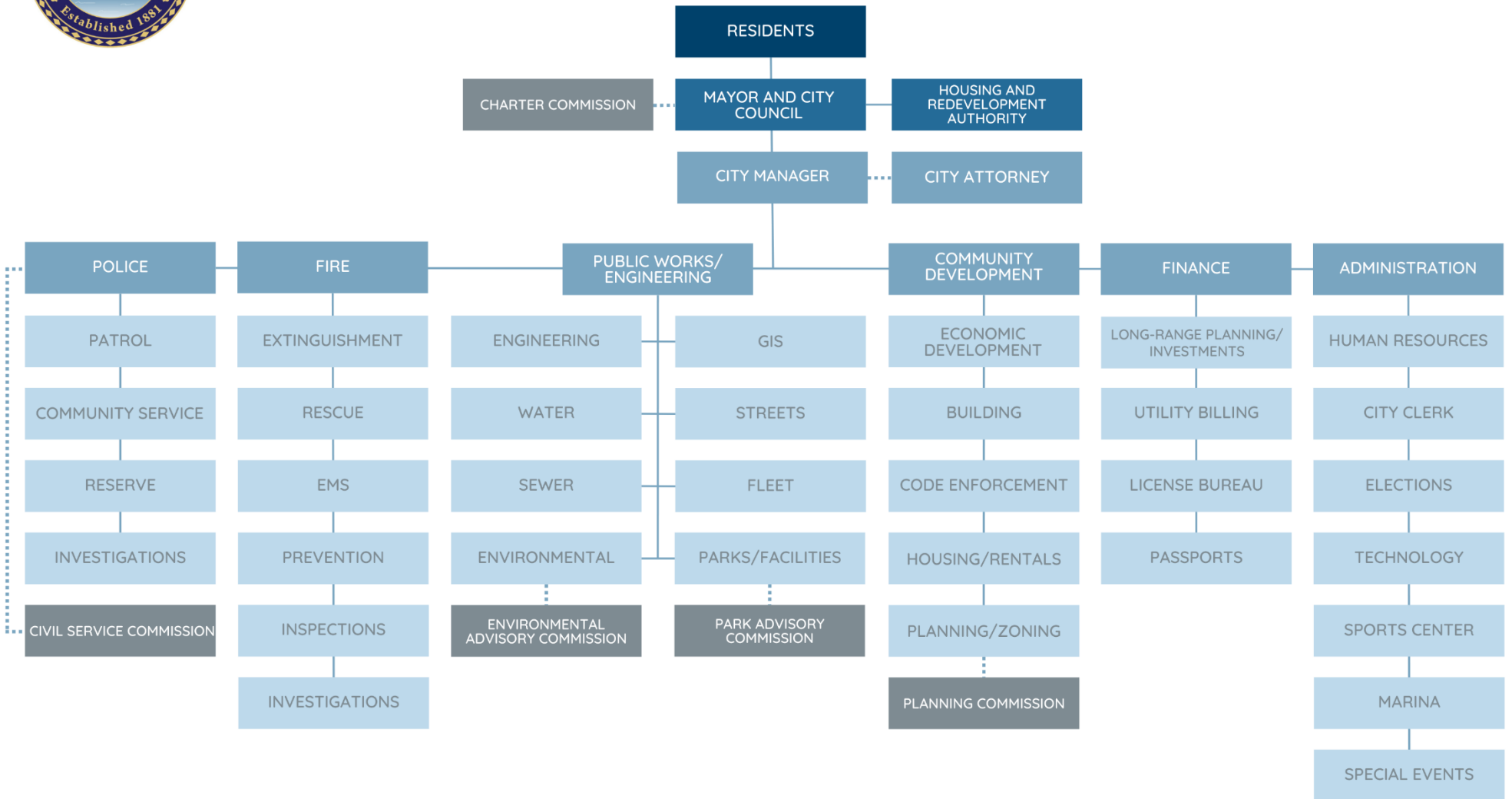
The Management Team would also like to express its gratitude to the Mayor and City Council for their continued support throughout the year. Above all, we will always strive to uphold the public's trust as stewards of the City's physical and natural environment.

Respectfully submitted,

Lindy Crawford
City Manager

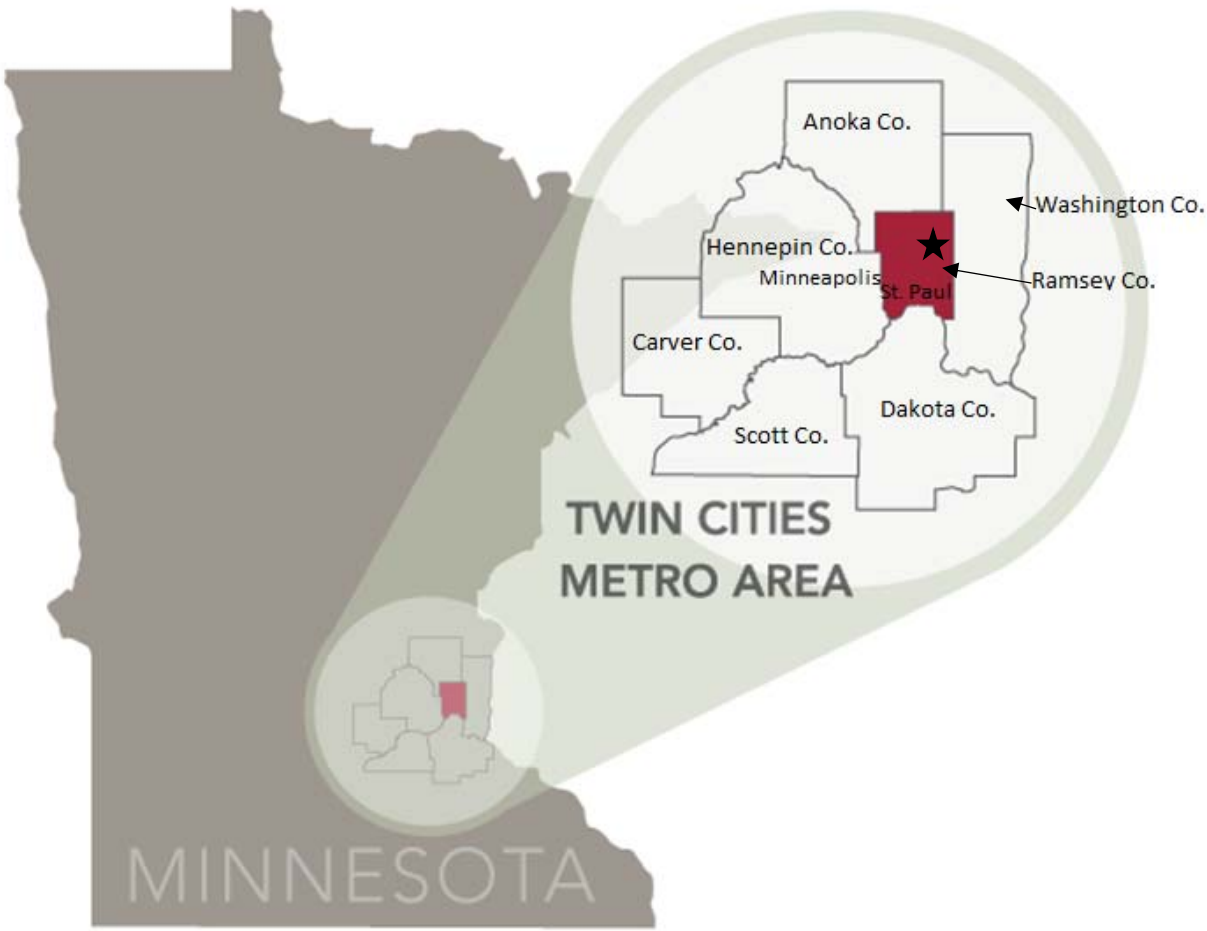


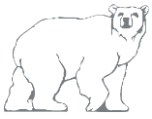
CITY OF WHITE BEAR LAKE ORGANIZATIONAL CHART



City of White Bear Lake

Geographical Location





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

Historical Beginnings

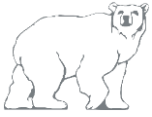
The earliest inhabitants of the White Bear Lake area were the Dakota and Ojibwa Indians who used it for their migratory hunting and harvesting grounds. The United States government designated the area as Dakota land in an 1825 treaty, but later purchased all Dakota Territory east of the Mississippi to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

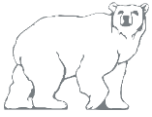
As the resort era faded shortly after the turn of the century, other industries, including farming and lumbering, continued to prosper. In keeping pace with this steady growth and development, leaders of the community officially incorporated the City of White Bear Lake in 1921. At that time, the city 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, though the young brave cowardly. One night, the young lovers met secretly and sat amount 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.



The following narrative provides an overview of the process and policies used by the City in creating the annual budget.

Budget Process

Section 5.03 through 5.09 of the White Bear Lake City Charter requires the City Manager prepare and submit an annual budget to the City Council. The Mayor, City Council, and citizens are asked to convey budget priorities to the City Manager prior to preparation of the budget.

The City's Strategic Plan and Financial Management Plan guide the preparation of the budget document. During the budget preparation process, expenditure requests are compared to the Strategic Plan to determine if they address the City's overall goals, objectives, and funding plan. Program costs and measurable workload data are analyzed to determine if the program is achieving the desired goals at the current level of funding. Department budget requests should include recommendations to either continue the program at the existing cost level, restructure the program to recognize savings, request additional funding to increase the service level, or change the service level to decrease costs.

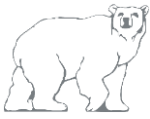
Budget work sessions are held in April, August and October each year to allow the City Council, City Manager and staff opportunities to analyze operations, review requests and provide recommendations for the budget.

The City Council formally discusses the budget at two of their regularly scheduled meetings each year:

- The first discussion is in September to adopt the preliminary tax levy, which needs to be approved by the City Council prior to September 30th per Minnesota State Law. Once the City Council adopts the proposed tax levy, the final tax levy can be decreased but not increased over the proposed tax levy certified to the county.
- The second discussion occurs in December when the City Council conducts the annual Truth in Taxation hearing and adopts the budget.

The White Bear Lake City Charter requires the City Manager to enforce the provisions of the budget upon adoption.

Each budgeted fund shall be balanced when submitted to the City Council. The City considers the budget balanced when total expenditures are equal to total revenues. However, there are a couple of exceptions to that rule. First, the budget is also considered balanced when total expenditures are less than total revenues, which is technically a surplus. Second, the City might plan to spend fund balance. The City considers the budget to be balanced in this case provided the fund balance is available from previous years. This type of balanced budget is common when

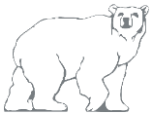


capital projects are budgeted using proceeds from the issuance of bonds or after multiple years ending with a funding surplus.

Budget Calendar

The budget is prepared on an annual basis and follows the calendar year, January 1 through December 31. The following chart is a detailed timeline for development of the 2023 budget:

Date	Process
January 10th	Finance distributes Capital Improvement Plan (CIP) to departments for annual update.
February 1st – February 28th	Finance Director and City Manager review department CIP requests and create a recommended plan for the City Council
March 1st– March 31st	Finance Director prepares annual update of the Financial Management Plan (FMP) and analyzes year to date results for prior year operations.
April 19th	Budget work session with City Council to discuss CIP, FMP and any departments that need additional discussion based on prior year results
June 11th	Budget documents and current year activity reports distributed to departments.
June 14th - June 25th	Departments prepare budget requests and submit to Finance Director for review.
June 28th - July 22nd	Departments discuss budget requests with Finance Director and City Manager.
July 23rd – July 31st	City Manager and Finance Director complete a preliminary budget for tax supported funds.
August 16th	Budget work session with City Council to discuss tax levy recommendation to support General Fund and Debt Service Funds.
August 17th - August 30th	City Manager and Finance Director finalize the preliminary budget.
September 13th	City Council adopts preliminary tax levy and establishes the Truth in Taxation hearing date.
September 29th	Finance Director certifies the preliminary levy and hearing date to Ramsey County.
September 1st – October 13th	Finance Director and City Manager complete preliminary budgets for Special Revenue Funds, Enterprise Funds and a draft Fee Schedule for 2023.
October 18th	Budget work session with City Council to discuss budgets for the Special Revenue Funds, Enterprise Funds and the draft Fee Schedule.
November 21st	City Council receives proposed budget document.
December 13th	City Council holds its Truth in Taxation hearing.



December 13th	City Council adopts the tax levy collectible in 2023, the Revised 2022 Budget and the 2023 Budget.
December 28th	Finance Director submits the 2022 tax levy collectible in 2023 to State and County agencies.

Basis of Budgeting

The basis of budgeting for the City is consistent with the Comprehensive Annual Financial Report (CAFR), with some exceptions.

Governmental funds (General, Special Revenue, Debt Service, and Capital Project Funds) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected with 60 days after the current period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Differences between the budget and the CAFR are as follows:

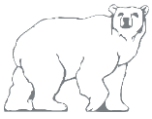
- Gains and losses on the disposal of fixed assets are not budgeted
- Non-cash items, such as investment adjustments to market value, are not budgeted

Proprietary funds (Enterprise and Internal Service Funds) are budgeted on an accrual basis similar to private-sector businesses, with a focus on total economic resources. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Differences between the budget and the CAFR are as follows:

- Non-cash items, such as investment adjustments to market value, pension expense, and other post-employment benefit expense (OPEB) are not budgeted
- Capital outlay within the Enterprise Funds are recorded as assets in the CAFR but are expended in the budget
- Principal payments on long-term debt within the Enterprise Funds are recorded as a liability in the CAFR but are expended in the budget

The City’s basic account structure has three dimensions: fund, department, and object. The City groups the budgeted funds into two broad categories:

Governmental Funds – Governmental Funds account for the City activities that receive a significant portion of their funding from property taxes, state aids, and various grants.



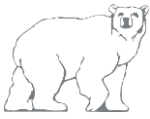
City of White Bear Lake, Minnesota Summary Information

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 account for the “business-type” activities of the City, which receive a significant portion of their funding through user charges. The proprietary funds budgeted by the City are the Enterprise Funds and the Internal Service Funds.

The following chart explains how the budgeted funds in this document relate to the financial reporting structure within the Annual Comprehensive Financial Report:

Budget Fund Structure	Budget Fund Number	Fund Type	Financial Reporting	Financial Reporting Function*
General Fund	1000	Govt	Major	Allocated
Special Revenue Funds				
American Recovery Act	2020	Govt	Major	Allocated
Armory	2030	Govt	Non-Major	Parks
Surface Water Pollution Prevention	2040	Govt	Non-Major	Public Works
Marina	2050	Govt	Non-Major	Parks
Sports Center	5200	Govt	Non-Major	Parks
Forfeiture	2060	Govt	Non-Major	Public Safety
Economic Development	4240	Govt	Major	Development
Debt Service Funds				
Municipal Building	3020	Govt	Non-Major	Interest
Non-Bonded Special Assessment	3070	Govt	Major	Public Works
2003 Refunding Tax Increment Pioneer Manc	3040	Govt	Non-Major	Interest
2012 Special Assessment	3071	Govt	Non-Major	Interest
2016 Tax Increment Boat Works	3081	Govt	Non-Major	Interest
2018A General Obligation	3082	Govt	Non-Major	Interest
2018B General Obligation	3083	Govt	Non-Major	Interest
2019A General Obligation	3084	Govt	Non-Major	Interest
2020A General Obligation	3085	Govt	Non-Major	Interest
2021A General Obligation	3086	Govt	Non-Major	Interest
2022A General Obligation	3087	Govt	Non-Major	Interest
2022B General Obligation	3088	Govt	Non-Major	Interest
2023A General Obligation	3089	Govt	Non-Major	Interest



City of White Bear Lake, Minnesota Summary Information

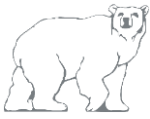
Budget Fund Structure	Budget Fund Number	Fund Type	Financial Reporting	Financial Reporting Function*
Capital Project Funds				
Equipment Acquisition	4100	Govt	Non-Major	Allocated
Municipal Building	4300	Govt	Major	Allocated
Park Improvement	4010	Govt	Non-Major	Parks
Water Improvement	4220	Govt	Non-Major	Public Works
Sewer Improvement	4200	Govt	Non-Major	Public Works
Construction	4400	Govt	Major	Public Works
Community Reinvestment	4770	Govt	Major	General
HRA Tax Increment	4600	Govt	Major	Development
Enterprise Funds				
Water	5010	Proprietary	Major	Water
Sewer	5050	Proprietary	Major	Sewer
Environmental Recycling/Water Disposal	5100	Proprietary	Major	Refuse
Ambulance	5250	Proprietary	Major	Ambulance
Pioneer Manor	5300	Proprietary	Non-Major	Pioneer Manor
License Bureau	5350	Proprietary	Non-Major	License Bureau
Internal Service Funds				
Insurance	6000	Proprietary	Non-Major	Allocated
Employment Expense	6200	Proprietary	Non-Major	Allocated

* Allocated - Expenditures are assigned to function categories based on their purpose:
General, Development, Public Safety, Public Works, Parks, Water, Sewer, Refuse, Ambulance,
Pioneer Manor, License Bureau

The City Manager and the Finance Department prepare estimates for the annual budget. The document is presented by fund/department and includes budgets for all funds and departments of the City.

Each budget includes the following:

- A Narrative section describes the operations, service levels, financial obligations and significant items or changes within the budget. The narrative for operating departments also includes the goals and measurable workload data.
- A Fund Summary report assists readers in understanding the fund's financial direction.
 - Revenues:
 - Revenue accounts are summarized by categories:
 - Taxation
 - Licenses and permits
 - Fines



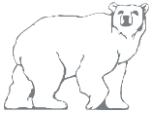
- Interest
- Service charges
- Special assessments
- Sales of bonds and other obligations
- Governmental aids
- Miscellaneous not included in the foregoing
- Revenues are estimated based on the following criteria:
 - Legislative action; past and anticipated
 - Consultation with departments directly involved in raising certain revenues
 - Revenue history review
 - Economic trends
 - Current indexes; public and private sectors
- Expenditures:
 - Expenditures are show either as a total or summarized by the following categories:
 - Personal Service - employees' salaries and benefits
 - Supplies – general supply purchases
 - Other Services and Charges - operating costs other than supplies
 - Capital Outlay – new construction, equipment, and all improvements of a lasting character
 - Debt - payments of principal, interest and other fixed charges for bonds issues
 - Transfers - operating transfers between funds.
- Fund Balance:
 - The accumulation of revenues minus expenditures.
 - Fund balance can be re-appropriated for future use through the budget process; however, the ongoing restrictions for each particular fund continue to apply to the re-appropriated funds.
- An Expenditure Summary report provides greater detail of the accounts that make up each expenditure category in the budget.

The Fund Summary and Summary of Expenditure reports all contain the following columns:

- Actual data for each of the two previous years
- Current year adopted budget
- Current year revised budget
- Proposed budget for the next fiscal year

Budget Amendments

After adoption of the budget resolution, the City 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.

At any time during the year, the City Council may choose to pass a resolution to reduce the sums appropriated for any purpose in the original budget resolution. The City 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.

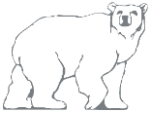
Financial Management Guidelines

The City of White Bear Lake's financial management guidelines aim to achieve the following objectives:

- Utilize one-time revenue sources to fund capital improvements instead of operating expenditures.
- Maintain a General Fund cash reserve that is at least one-half of projected property tax collection and local government aid, which the City receives in July and December, and the police relief aid, which the City receives in October.
- Maintain budgetary controls through City Council review of quarterly financial reports.
- Monitor purchases to ensure departments receive multiple quotes for purchases over \$10,000.
- Develop a General Fund budget that has current revenues paying current expenditures.
- Maintain and replace City facilities and equipment per direction of Capital Improvement Plan.
- Annually review fees and charges to maintain sufficient revenue to recover costs of providing the service. Service charges in Enterprise Funds should include funds to pay for future infrastructure replacements and upgrades.
- Avoid wide shifts in the City's tax levy.

Debt Management

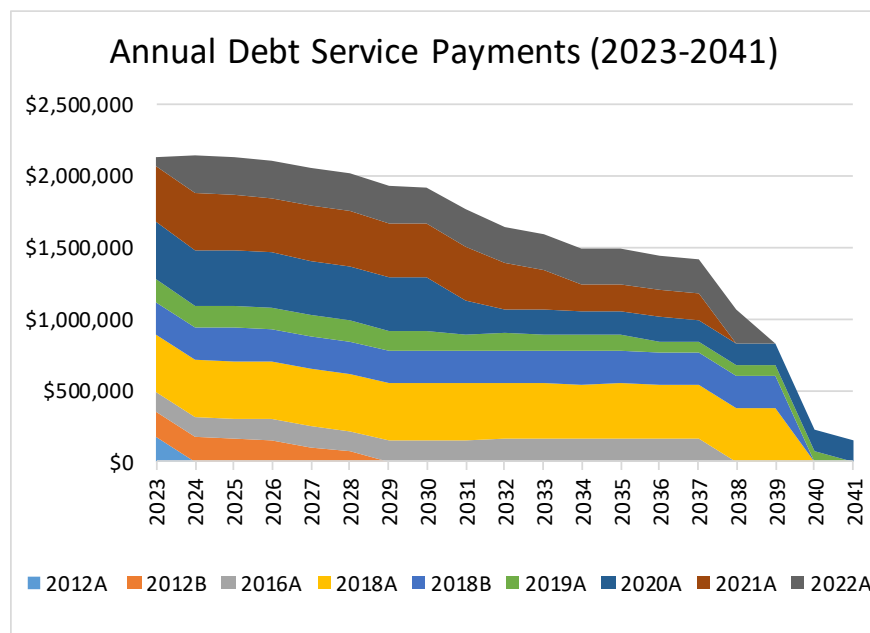
The City restricts long-term borrowing to equipment purchases or capital improvements that operating revenues or a portion of existing reserves cannot fund. The City created a Non-Bonded Debt Service Fund to accumulate construction related special assessments for projects without a related bond issue. The City was able to internally finance many construction costs by providing a bridge between the point at which the Non-Bonded Fund "purchased" the assessments from the Construction Fund and when the City received the special assessment payments. This internal financing significantly reduced the City's need to sell bonds and incur undue interest costs in previous years.



When the City finances capital projects through a bond issue, it will pay back the bonds within a period not to exceed the expected useful life of the project. The City attempts 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.

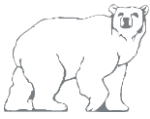
As required by Minnesota State Statutes Section 475.53 the City’s total legal debt margin will not exceed three percent of the market value of taxable property. The City’s legal debt margin was \$91,722,803 as of December 31, 2021, of that amount \$3,085,480 outstanding debt applied to the City’s legal debt margin. Projections of the 2022 legal debt margin are not included in this document as the 2022B G.O. CIP bonds will be sold after the compilation of this document. Calculation of the legal debt margin is presented in the appendix section.

The following graph illustrates the City’s debt service principal and interest payments for all outstanding debt as of December 31, 2022. Annual debt service payments for the 2022B G.O. CIP Bonds are not available as the bonds have not been issued at the time of this publication.



Reserve Policy

The City maintains two General Fund reserves. The first reserve is for cash flow and it bridges the funding gap between the beginning of the year and the dates when the City receives its three major revenue sources: property taxes and local government aid in July and December and the Police aid in October. The City will transfer any excess fund balance amounts beyond these reserves to fund capital improvements related to equipment purchases, building facility improvements or street improvements. The second reserve is undesignated General Fund Balance to be maintained at minimal level since the cash flow reserve supports the revenue and expenditures funding gaps.



The total of the cash flow reserve and the undesignated fund balance reserve should equal approximately 50% of the current year property taxes and intergovernmental revenues and 35% to 50% of the following year's expenditures per Minnesota State Auditor recommendations.

The reserve balance anticipated for December 31, 2022, reserves 46.16% of the proposed General Fund 2023 expenditures, which complies with the State Auditor guidelines.

Capital Project Funds, Water Fund and Sewer Fund all contain reserves to provide funding sources for future equipment or construction improvements.

The City remains in compliance with its reserves policy.

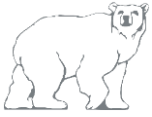
Fund Balance Policy

The Governmental Accounting Standard Board has established a detailed fund balance classification schedule for the City's General, Special Revenue, Debt Service, and Capital Project Fund account groups. The City fund balances are classified in a hierarchy based on the extent that each fund's 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 category.

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.

The City remains compliance with its fund balance policy.



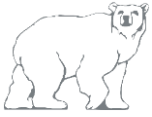
Investment Policy

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 City's Investment Policy includes the following priority statements and selected procedures. The Investment Policy contains further detail on specific legal and administrative guidelines.

1. **Statement of Priority**
The primary objective of the investment activities is the preservation of capital and the protection of investment principal. Liquidity and yield are important, but secondary to capital preservation.
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**
The City distributes interest earnings based on an average cash balance per fund for the year.
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.

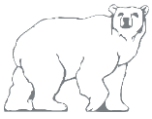
The City remains in compliance with its investment policy.



Public Involvement

The following are platforms and tools used by the City to communicate with the public and provide involvement with the budget process. The City encourages the public to find the City on each of these platforms and engage in two-way communication.

Ways to Get Involved	
Public Meetings	Find the next public meeting at https://www.whitebearlake.org/calendar
Phone and Email	Find the staff directory or submit a request at https://www.whitebearlake.org/contact
News and Events	Find news and events related to the City at https://www.whitebearlake.org/news
Public Notices	View public notices at https://www.whitebearlake.org/public-notice
Notify Me	Sign up for email subscriptions to notices for news and events, public notices, City projects, and more at https://www.whitebearlake.org/newsletter/subscriptions
Facebook	Find the City on Facebook at https://www.facebook.com/cityofwhitebearlake/
Twitter	Find the City on Twitter at https://twitter.com/cityofwhitebear



City of White Bear Lake, Minnesota Summary of Revenue Sources and Assumptions for all Funds

General Property Taxes – The 2022 Revised and 2023 Budget allocates the general property tax levy revenue to the following fund or fund type listed below:

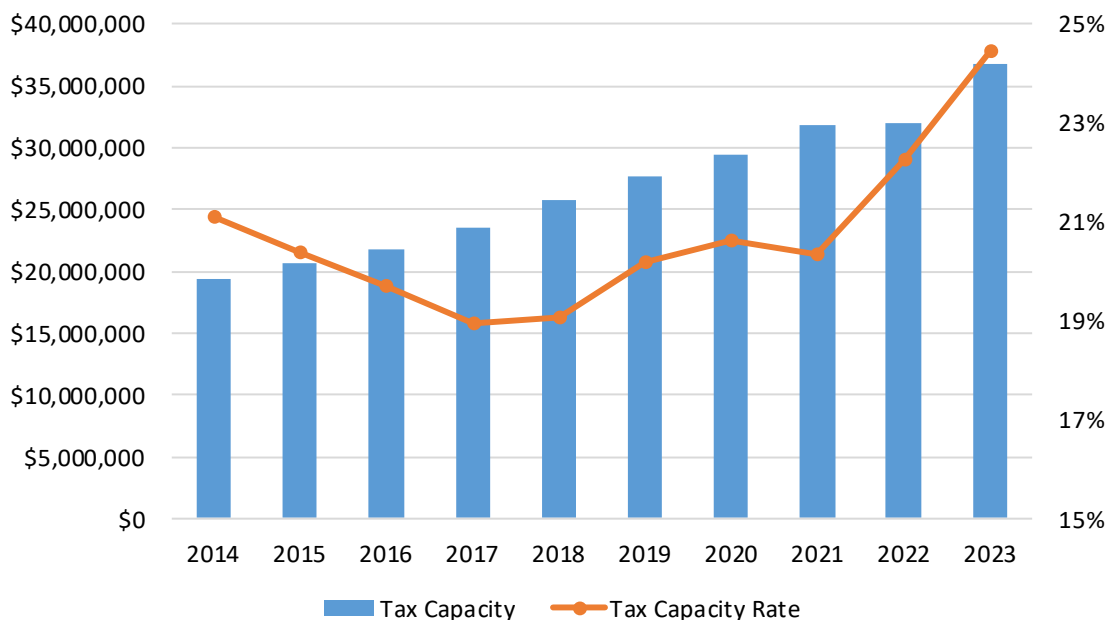
- General Fund – support governmental operations and services
- Debt Service Funds – pay annual debt service obligations

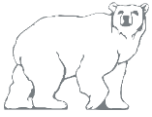
The following process explains how the city's tax levy is allocated to properties:

1. The County Assessor's Office sets the taxable values for each property and makes required adjustments related to the Fiscal Disparity Program to calculate the total net tax capacity value for the City.
2. The City calculates its tax capacity rate by dividing the annual tax levy by the net tax capacity value received from the County.
3. The tax capacity rate is multiplied by the taxable value of each property determine the property's share of the tax levy.

The City's 2023 tax capacity rate is 24.448%. The graph below demonstrates the relationship between the City's tax capacity rate and the net tax capacity value for the past 10 years. As you can see by the information, as the net tax capacity value increases, the tax capacity rate will typically decrease as the levy is distributed over a great base for the year. The information for 2018 through 2022 deviates from that norm as the levy increased at a percentage higher than the taxable values increased.

Tax Capacity and Tax Capacity Rate





City of White Bear Lake, Minnesota

Summary of Revenue Sources and Assumptions for all Funds

The property market values continue to expand with overall growth. The chart below shows the percentage change for each property type from 2022 to 2023.

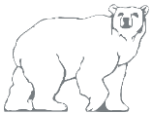
Property Type	Median EMV Percent Change 2022 to 2023
Residential	18%
Apartment	11%
Commercial	12%
Commercial	2%
Industrial	3%

Looking specifically at the residential market, the median market value home for the 2023 payable tax year is \$306,100, which is \$45,800 higher than the median market value home for the 2022 tax year. The 17.6% increase in the median value home is within the average increase for residential property values for the City.

These valuation trends influence the City’s residential taxable property values:

1. The Homestead Market Valuation Exclusion will continue to decline in 2021 as the residential property values increase. For every \$10,000 in valuation increase above \$76,000, the taxable market value for a residential property increases \$9.
2. Commercial property continues to comprise the largest portion of the property tax burden since the taxable valuation percentage applied to market values of commercial/industrial properties is higher than the percentage for residential properties. Commercial/industrial properties have 2.0% applied to their market value over \$15,000, while residential properties apply 1.0% to the first \$500,000 of market value and 1.25% to any value over the \$500,000 limit. The vast majority of residential properties have a market value less than \$500,000 and use the 1.0% in calculating the taxable value. Residential property taxes increase as the commercial property values decrease because the residential properties would be responsible for a larger share of the total.
3. In general, property taxes for apartment complexes in White Bear Lake will increase as seen in the information above; however, newer facilities may experience a higher rate based on their specific circumstances. As the apartment complexes increase in value, the residential property taxes decrease as their segment of the City’s total value is lower.

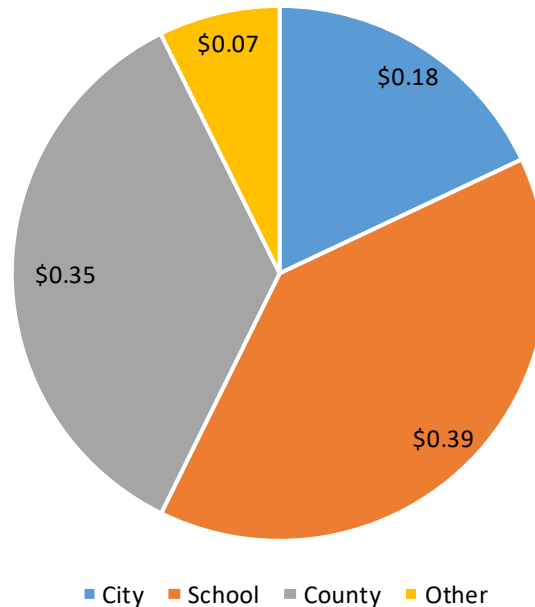
The City receives tax payments from the counties three times a year: July, December and a small amount in January as residents make payments before year-end. The City anticipates 2023 tax collections to remain consistent with previous years.



City of White Bear Lake, Minnesota Summary of Revenue Sources and Assumptions for all Funds

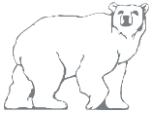
Several governmental entities assess taxes to properties. For every property tax dollar paid, \$0.18 is collected by the City of White Bear Lake. The remainder is then divided up among Ramsey and Washington Counties, Independent School District #624, and other agencies, which includes various watershed districts.

Where does your total tax dollar go?



Tax Increment Collections – Tax Increment revenues are collected on the incremental growth in designated redevelopment areas. The revenue provides funding for debt service payments for redevelopment projects. The 2023 Budget bases tax increment revenue estimates on prior years' historical information and actual revenue receipts for 2022 as of August 2022. The City has one district that will be decertified before the end of 2022 and two active districts.

- Tax Increment District 25 will be decertified in 2022.
- Tax Increment District 26 is a housing district that began in 2009 to facilitate the development of Hoffman Place Apartments. The City signed a developer agreement pledging future tax increment receipts to pay a developer note with Sand Companies.
- Tax Increment District 27 is a redevelopment district that began in 2013; however, tax increments were not received until 2016. This area is also known as Boatworks Commons, which consists of community facilities, retail space and rental housing, redeveloped a blighted structures to a vibrant area on the shore of White Bear Lake.



City of White Bear Lake, Minnesota Summary of Revenue Sources and Assumptions for all Funds

Ehlers, Inc. is finalizing a Tax Increment Financing Management Plan to analyze activity in each of the three districts and determine a financial plan for the increment received. The City has no plans to add any new districts in 2023.

Special Assessments - Revenue collected from property owners to pay for improvement projects that benefitted their properties. The 2023 budget conservatively estimates revenues to be slightly less than the actual collections in prior years to account for prepayments of amounts due by property owners.

The City has received payments between \$772,000 and \$1,650,000 annually in special assessments since 2005. The 2023 budget anticipates special assessment collections to be approximately \$727,000.

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

Annual electrical consumption continues to grow in our community, even though residents strive to conserve energy in their daily lives. In previous years, the City budgeted a 3.00% increase in this revenue source to account for growth, but the amount received often exceeds that estimate. The scenario changed in the 2019 franchise fee received in 2020 in part due to the Tax Cut Jobs Act tax reform. Since the City’s agreement with Xcel Energy is percentage-based, it can fluctuate because of the number of customers and their energy use during the different seasons and weather conditions during the year.

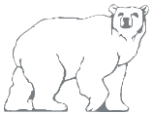
Some cities changed to a flat monthly fee for collection to guarantee a more stable revenue stream throughout the year. The City could consider changing to the flat fee or increasing the percentage rate. Any franchise fee changes would provide additional revenue, which would allow a reduction in the General Fund’s reliance on property taxes for revenue.

The 2023 franchise fee payment conservatively estimates a decrease of 3.28% from 2022.

The 2023 fine revenue anticipates collections to match historical levels for county ticket fines relating to our jurisdiction, city administrative tickets, and the city share of state administrative tickets.

License/Permits – Revenues in this category fall into either a “business” or a “non-business” classification.

- Business Licenses – fee collected from certain businesses for authority to operate
 - Fee covers a portion of the administration costs to monitor business
 - Type of businesses include liquor sales, cigarette sales, entertainment devices, gambling-site operations, and residential property rentals



City of White Bear Lake, Minnesota

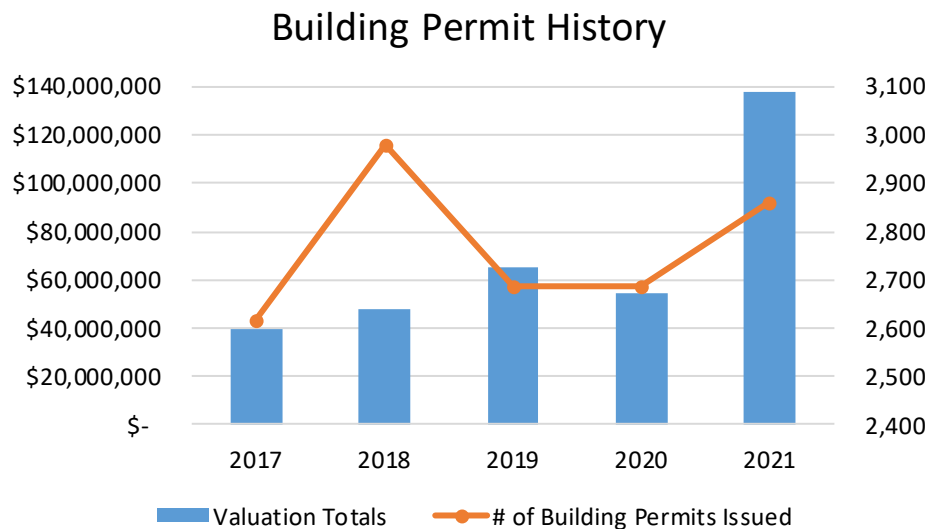
Summary of Revenue Sources and Assumptions for all Funds

- Non-Business Licenses – fee collected to enforce construction activities
 - Collected at time of permit issue to cover inspection services
 - Depending on permit type, fees calculated either on project value or a flat fee
 - Redevelopment activity on blighted areas currently driving revenues in this category

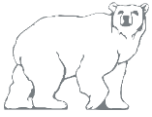
Non-Business Licenses for building permit activities remain steady due to multiple redevelopment projects. The community passed the White Bear Lake Area School District’s \$326 million bond referendum in November 2019 to fund a multi-year improvement plan for additions and renovations to current buildings. The plan is both complex and comprehensive as it touches each of their buildings in some way. Passing of the referendum increased building permit activity for the years 2020 through 2022. The final permits were issued in 2022, ending the extremely high revenues received in recent years. In 2023, the City anticipates issuing permits for the Shafer Richardson Phase 2 development of a multi-family housing complex. The City expects a gradual decrease in building activity in future years due to limited opportunities for new construction.

An annual review of both the business licenses and the non-business licenses ensures the fees received cover the cost of the monitoring activities within each category.

The graph below compares total building permit valuation to the number of building permits issued from 2017-2021. Valuation totals spiked in 2019 due to the redevelopment of several land parcels into the Shafer Richardson Phase 1 development of a large market-rate apartment complex.



Intergovernmental – The State of Minnesota provides the City with a variety of shared revenue streams. The City records these revenues in the General Fund as many of these revenues relate to General Fund operations.



City of White Bear Lake, Minnesota Summary of Revenue Sources and Assumptions for all Funds

Of the funding sources in this category, the primary support received is the state Local Government Aid (LGA). The state created the LGA program to stabilize the local property taxes and ensure that quality basic city services are available in all Minnesota cities, regardless of population or property tax base. LGA has been an important part of the City's budget throughout the years.

The City received notice in 2020 stating the 2021 allocation decreased \$254,000. Though initially thought to be a one-time drop, further investigations revealed the beginning of a shift in LGA funding to the City. Per information from the Minnesota Department of Revenue, White Bear Lake has an above average tax base growth that is coupled with a growing tax base per capita, which contrasts with many of the cities receiving LGA.

In recent years, White Bear Lake's unmet need calculated through the LGA formula went below the LGA amount and were it not for the 2019 legislative changes, a reduction would have occurred in the City's LGA distribution in 2020. The State capped the annual LGA reduction at \$10 per capita for pay year 2021. For pay year 2022, the City's allocation decreased by \$258,000; however, the State approved supplemental LGA for cities whose allocation had dropped based on the formula to hold their 2021 LGA level for 2022. The 2023 allotment calculation did not take into account the 2022 supplemental aid payment; therefore, the City recognizes a decrease of \$506,350 in 2023, which is essentially a two year decrease in one year.

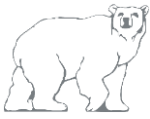
Given the recent reductions in the White Bear Lake's need for LGA based on the distribution formula, Council is planning for annual decreases of approximately \$250,000 in the next few years until the distribution reaches zero. The 2023 LGA distribution is \$827,265; which means there are probably three years more years of full reductions and a fourth year with a limited reduction.

In 2022, LGA was allocated \$100,000 to the Municipal Building Fund and the remaining amount to the General Fund. The 2023 Budget eliminates the allocation to the Municipal Building Fund and recognizes all LGA revenue in the General Fund.

State Highway Aid is a portion of the state motor fuel excise tax distributed back to communities for highway maintenance and improvement. The City allocates \$720,000 or 66% of its 2023 allotment to the Interim Construction Fund to assist in financing projects.

A 2% surcharge in automotive insurance coverages fund the State Police Aid, which helps to finance pension obligations for police officers. The estimate for Police Aid remains consistent with previous year budget levels.

Charges for Service - This category reflects contractual payments from surrounding communities for fire protection, fire inspection, and police services in the General Fund. The General Fund accounts reflect contractual payments for the following activities:



City of White Bear Lake, Minnesota

Summary of Revenue Sources and Assumptions for all Funds

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

The formula used to distribute the operating and capital expenditures for contracted services provided to other communities varies by service type.

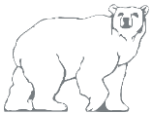
- Police – distribution based on population
- Fire – based on a combination of taxable property value and population
- Fire Inspection – based on a predefined percentage
- Building Inspection – based on percentage of building activity within the two communities

The City anticipates contract revenue from public safety and building inspection services to surrounding communities to increase proportionately based upon service delivery cost increases. Any fluctuation in building inspection fees relates to building permit activity within the communities. Construction activity estimates the receipt of inspection service charges from Mahtomedi of \$150,000 for 2023. A detailed service listing is provided in the General Fund discussion.

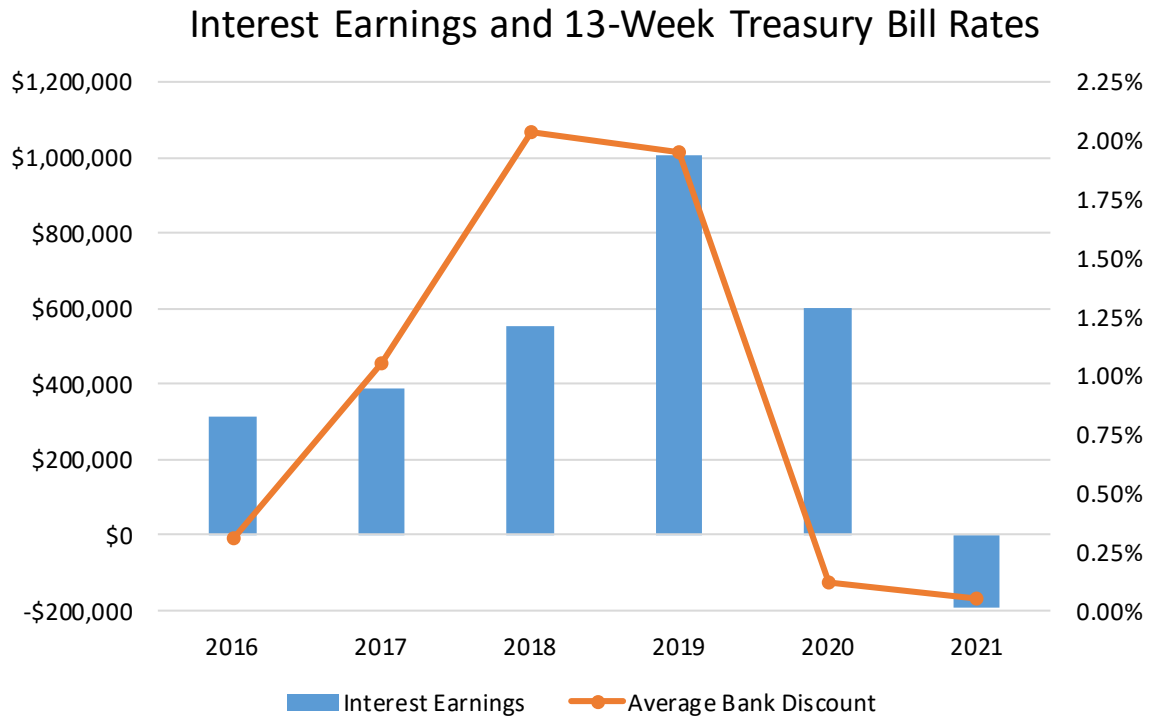
In the Enterprise Funds, this category reflects collections from users of the funds providing the product or service.

Interest Earnings – The City distributes investment earnings to each fund based on an average cash balance in the fund for the year. The City’s interest revenue depends on available rates when making the investments and on available cash balances.

The graph below shows the City’s total interest earnings as compared to the average Treasury bill rate calculated from an average of quarterly rates of return from www.treasury.gov.

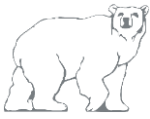


City of White Bear Lake, Minnesota Summary of Revenue Sources and Assumptions for all Funds



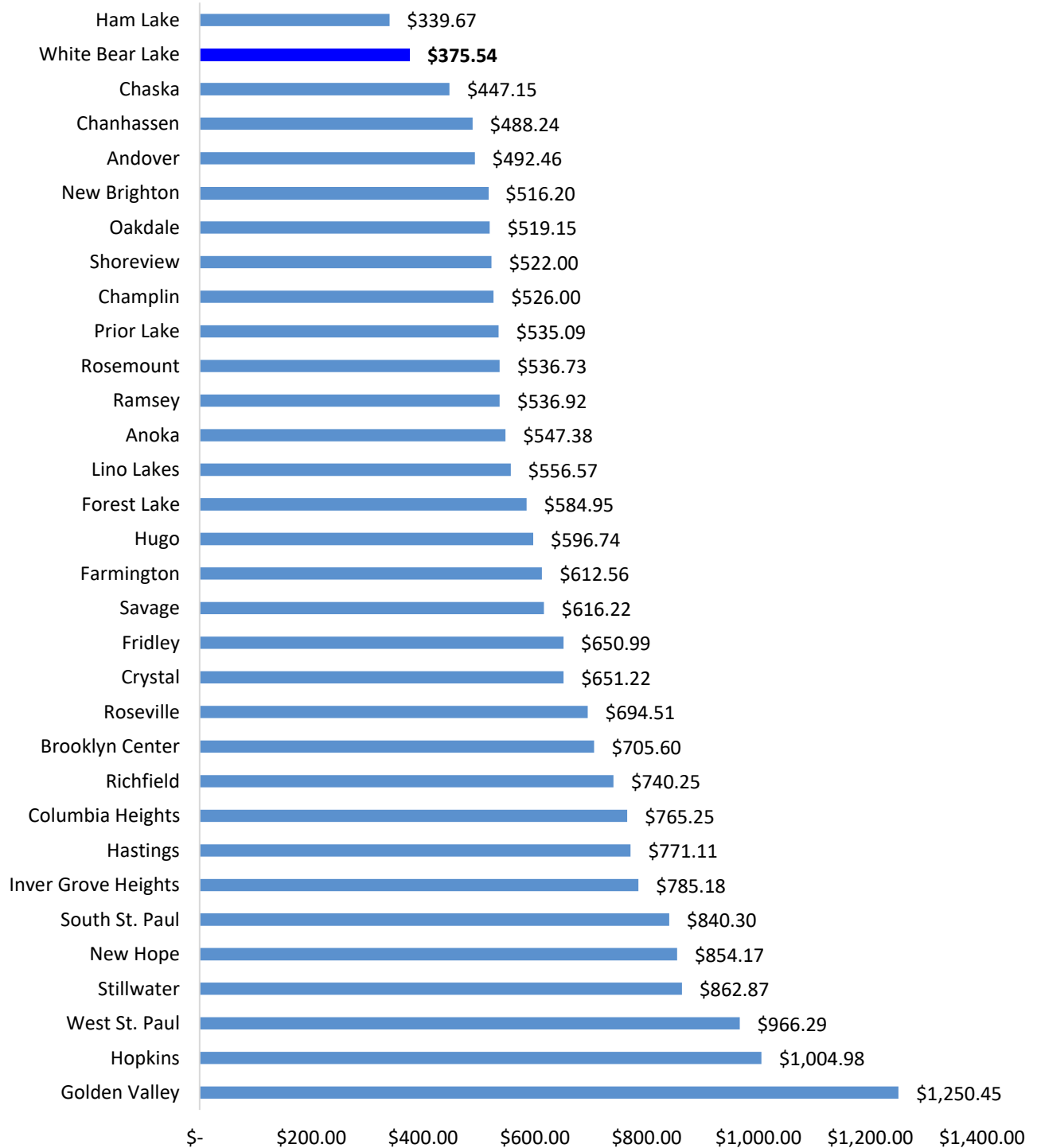
After experiencing increased interest earnings in recent years, the tide changed with the arrival of the COVID-19 pandemic in 2020. Given the lack of yield in the market across all investment types, coupled with the thin supply of Certificate of Deposits, the City conservatively estimated total interest earnings for 2021 that ended up being higher than the actual earnings. To prevent recognizing a loss in interest in future years, the 2023 Budget does not include an estimate for interest earnings because earnings are not definite.

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 sales of recyclables, resident payments for city-wide cleanup events, sale of scrap and surplus. The City does not budget for all of these revenues as they are not guaranteed each year; however, the expectation is actual revenues for 2022 and 2023 will remain consistent with previous year's experiences.



City of White Bear Lake, Minnesota Summary of Revenue Sources and Assumptions for all Funds

2022 Tax Levy and Local Government Aid per Capita for Metro Cities with a Population Between 16,000 - 37,000



City of White Bear Lake

Annual Budget

Tax Levy

Tax Levy Year	Total	General Levy	Debt Service			
			CIP for Municipal Facilities or Equipment	YMCA / Sports Center	Street Construction	Emerald Ash Borer
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	-
2019	6,908,000	6,450,000	-	132,000	301,000	25,000
2020	7,370,000	6,653,000	152,000	132,000	408,000	25,000
2021	8,080,000	7,200,000	215,000	132,000	508,000	25,000
2022	9,955,000	8,233,000	886,000	132,000	704,000	-

City of White Bear Lake
Property Tax Capacity Valuation & Rate

Annual Budget

Item	Property Value for Taxes Collectable in 2019	Property Value for Taxes Collectable in 2020	Property Value for Taxes Collectable in 2021	Property Value for Taxes Collectable in 2022	Property Value for Taxes Collectable in 2023
Total Estimated Market Value	\$ 2,739,232,500	\$ 2,804,152,700	\$ 3,108,858,300	\$ 3,156,599,200	\$ 3,603,341,200
Taxable Property Value					
Real estate	\$ 30,809,390	\$ 32,814,944	\$ 35,193,508	\$ 35,930,953	\$ 40,908,111
Personal property	659,373	616,990	691,896	425,614	470,135
Total property value	<u>31,468,763</u>	<u>33,431,934</u>	<u>35,885,404</u>	<u>36,356,567</u>	<u>41,378,246</u>
Tax increment project valuations	<u>(515,812)</u>	<u>(529,588)</u>	<u>(609,646)</u>	<u>(603,972)</u>	<u>(950,797)</u>
Subtotal - City	30,952,951	32,902,346	35,275,758	35,752,595	40,427,449
Fiscal disparity contribution	<u>(3,206,991)</u>	<u>(3,465,043)</u>	<u>(3,426,066)</u>	<u>(3,793,357)</u>	<u>(3,689,685)</u>
Net Tax Capacity Value	27,745,960	29,437,303	31,849,692	31,959,238	36,737,764
Fiscal disparity distribution	<u>3,966,912</u>	<u>4,137,333</u>	<u>4,299,572</u>	<u>4,728,009</u>	<u>4,370,502</u>
Total Tax Capacity	<u>\$ 31,712,872</u>	<u>\$ 33,574,636</u>	<u>\$ 36,149,264</u>	<u>\$ 36,687,247</u>	<u>\$ 41,108,266</u>
Tax Capacity Rate					
Levy	\$ 6,345,000	\$ 6,908,000	\$ 7,370,000	\$ 8,080,000	\$ 9,955,000
Fiscal disparity distribution levy	<u>(756,030)</u>	<u>(835,344)</u>	<u>(886,963)</u>	<u>(962,390)</u>	<u>(973,350)</u>
Net Levy	<u>5,588,970</u>	<u>6,072,656</u>	<u>6,483,037</u>	<u>7,117,610</u>	<u>8,981,650</u>
Divide by net tax capacity	<u>27,745,960</u>	<u>29,437,303</u>	<u>31,849,692</u>	<u>31,959,238</u>	<u>36,737,764</u>
Tax Capacity Rate	<u>20.143%</u>	<u>20.629%</u>	<u>20.355%</u>	<u>22.271%</u>	<u>24.448%</u>

City of White Bear Lake

Annual Budget

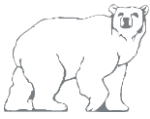
Tax Capacity Rates and Market Value Rates for Direct and Overlapping Governments

Tax Levy Year	Total	City	School District	County	Other
2011	103.26	17.71	22.52	54.68	8.36
2011*	0.24	-	0.24	-	-
2012	117.31	19.94	26.10	61.32	9.96
2012*	0.25	-	0.25	-	-
2013	125.34	21.45	28.56	65.14	10.19
2013*	0.26	-	0.26	-	-
2014	123.22	21.10	28.56	63.74	9.83
2014*	0.27	-	0.27	-	-
2015	115.13	20.37	26.66	58.92	9.18
2015*	0.24	-	0.24	-	-
2016	113.86	19.69	26.24	58.89	9.05
2016*	0.24	-	0.24	-	-
2017	106.85	18.97	23.48	55.85	8.56
2017*	0.23	-	0.23	-	-
2018	104.95	19.06	23.69	53.96	8.25
2018*	0.22	-	0.22	-	-
2019	107.42	20.19	26.08	52.88	8.27
2019*	0.23	-	0.23	-	-
2020	117.96	20.63	36.78	52.30	8.25
2020*	0.22	-	0.22	-	-
2021	113.00	20.36	37.07	47.76	7.82
2021*	0.18	-	-	-	-
2022	105.24	22.27	34.80	48.07	0.10
2022*	0.19	-	-	-	-
2023	107.41	24.45	34.80 **	48.07 **	0.10 **
2023*	0.19 **	-	-	-	-

* Additional voter approved levy. Voter approved referendums are levied against market value rather than tax capacity value of the taxing authority.

** Tax capacity rates for the School District, County, and Other were not available at the time of publication. Prior year numbers were used for the current year calculation.

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City of White Bear Lake, Minnesota

How to Calculate Your Residential Property Taxes Payable

The assessor determines the estimated market value and classification of your property on January 2nd of each year. The estimated market value does not directly affect your property tax bill. Instead, the taxable market value is used to calculate how much of the levy you will pay.

The assessor classifies your property according to how it is used (homestead, apartment, commercial-industrial, etc.). Each class of property is taxed at a different percentage of its value. These classification (class) rates are set by state law. Different class rates may result in some types of property paying a greater share of local property taxes than others. For example, commercial properties typically pay more than residential homesteads.

Statutory Class Rates		
Property Class	Market Value	Taxable Valuation
Residential	First \$500,000	1.00%
	Excess over \$500,000	1.25%
Apartments	N/A	1.25%
Commercial	First \$150,000	1.50%
	Excess over \$150,000	2.00%

The chart below demonstrates how the estimated market value is used to calculate property taxes payable in 2023 for a residential homestead.

How to Calculate Your Residential Property Taxes Payable in 2023		
	Instructions:	Example:
Step 1: Determine Home Market Value	This is the estimated market value that the Assessor has assigned to the property. You can find this amount in the Valuation Notice sent out by Ramsey County for 2022 values for taxes payable in 2023.	\$250,000
Step 2: Calculate the Market Value Homestead	A. Maximum Exclusion: multiply the first \$76,000 of taxable market value by 40% B. Value over \$76,000: taxable market value less \$76,000 C. Benefit reduction amount: B x 9% D. Homestead exclusion amount: A - C*	A. \$76,000 x 40% = \$30,400 B. \$250,000 - \$76,000 = \$174,000 C. \$174,000 x 9% = \$15,660 D. \$30,400 - \$15,660 = \$14,740
Step 3: Calculate the Taxable Market Value	Subtract the homestead exclusion amount calculated in Step 2D (rounded to the nearest 100) from your home market value in Step 1	\$250,000 - \$14,740 = \$235,260 (rounded up to \$235,300)
Step 4: Calculate the Tax Capacity	Multiply the taxable market value calculated in Step 3 by the statutory class rates for residential homestead property: A. Multiply the first \$500,000 of taxable market value by 1.00% B. Multiply the remainder of the taxable market value by 1.25% C. A + B = total tax capacity	A. \$235,300 x 1.00% = \$2,353 B. \$0 x \$1.25% = \$0 C. \$2,353 + 0 = \$2,353
Step 5: Calculate the Tax Capacity Tax	Multiply the tax capacity of the property calculated in Step 4 by the City's tax capacity rate. The total tax capacity rate in tax year 2023 for the City is 24.448%, as noted on the previous page.	\$2,353, x 24.448% = \$504.67
Residential Property Taxes Payable in 2023	This amount is the total residential property taxes payable in 2023 for the City of White Bear Lake. This does not include the property taxes payable to the School District, County, or other taxing entities.	\$504.67

*For a homestead valued at \$413,800 or more, there is no valuation exclusion.

City of White Bear Lake
2023 Budget Summary

Annual Budget
All Funds

Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues					
General property taxes	\$ 6,876,001	\$ 7,372,055	\$ 8,096,000	\$ 8,080,828	\$ 9,955,000
Tax increment	596,082	664,583	593,000	625,773	626,000
Special assessments	1,424,125	1,235,409	864,365	901,827	727,282
Licenses and permits	827,378	1,393,967	1,006,690	1,303,053	1,128,807
Franchise fees & fines	354,568	385,578	381,000	392,664	382,000
Intergovernmental	5,898,878	4,048,653	4,374,164	5,420,096	3,139,975
Charges for services	10,138,139	11,767,411	11,451,732	11,792,495	12,785,781
Interest on investments	524,217	(161,653)	372,068	117,793	109,244
Rental income	1,723,406	1,818,486	1,629,300	1,584,993	1,713,316
Loan repayments	413,145	451,248	187,810	242,930	154,610
Bond sale	4,842,715	4,470,996	16,669,000	10,019,846	10,000,000
Reimbursements	3,321,469	3,401,594	4,022,250	4,020,875	4,358,709
Miscellaneous	1,473,623	1,346,487	381,175	781,503	274,728
Total operating revenues	<u>38,413,746</u>	<u>38,194,814</u>	<u>50,028,554</u>	<u>45,284,676</u>	<u>45,355,452</u>
Transfers in	<u>5,805,591</u>	<u>3,835,108</u>	<u>2,902,400</u>	<u>4,971,934</u>	<u>2,312,100</u>
Total revenues	<u>44,219,337</u>	<u>42,029,922</u>	<u>52,930,954</u>	<u>50,256,610</u>	<u>47,667,552</u>
Expenditures					
Personnel services	15,660,051	16,279,821	18,111,334	18,325,703	20,031,210
Materials and supplies	1,658,182	1,141,923	1,311,918	1,391,720	1,493,488
Other services and charges	9,301,944	8,589,650	9,086,222	9,115,949	9,847,385
Capital outlay	6,575,036	7,054,137	23,827,094	10,282,491	19,546,954
Debt service	1,237,449	1,493,681	1,788,828	1,788,828	2,360,842
Total expenditures	<u>34,432,662</u>	<u>34,559,212</u>	<u>54,125,396</u>	<u>40,904,691</u>	<u>53,279,878</u>
Transfers out	<u>5,805,591</u>	<u>3,834,136</u>	<u>2,901,400</u>	<u>4,971,934</u>	<u>2,329,100</u>
Total expenditures and transfers out	<u>40,238,253</u>	<u>38,393,348</u>	<u>57,026,796</u>	<u>45,876,625</u>	<u>55,608,978</u>
Revenues over (under) expenditures	<u>3,981,084</u>	<u>3,636,574</u>	<u>(4,095,842)</u>	<u>4,379,985</u>	<u>(7,941,426)</u>
Reserve adjustment (to) from	<u>(878,175)</u>	<u>(213,642)</u>	<u>202,764</u>	<u>66,450</u>	<u>(549,463)</u>
Fund balance, January 1	<u>27,914,100</u>	<u>31,017,010</u>	<u>30,641,100</u>	<u>34,492,442</u>	<u>38,938,877</u>
Fund balance, December 31	<u>\$ 31,017,009</u>	<u>\$ 34,439,942</u>	<u>\$ 26,748,022</u>	<u>\$ 38,938,877</u>	<u>\$ 30,447,988</u>
Reserves	<u>5,107,300</u>	<u>5,320,942</u>	<u>5,368,178</u>	<u>5,201,992</u>	<u>5,751,455</u>
Total fund balance and reserves, December 31	<u>\$ 36,124,309</u>	<u>\$ 39,760,884</u>	<u>\$ 32,116,200</u>	<u>\$ 44,140,869</u>	<u>\$ 36,199,443</u>

City of White Bear Lake
2023 Budget Summary

Annual Budget
By Fund Type

Fund Description	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenue					
General	\$ 13,763,872	\$ 13,146,420	\$ 12,947,906	\$ 13,580,643	\$ 13,802,873
Special Revenue	3,613,459	2,164,677	3,221,442	3,428,458	1,820,176
Debt Service	2,342,171	3,057,463	2,518,675	2,495,360	3,165,427
Capital Projects	8,151,375	6,204,003	19,179,668	15,656,757	12,472,394
Enterprise	12,297,644	13,534,615	10,960,963	11,006,086	12,046,895
Internal Service	4,340,123	3,922,744	4,102,300	4,089,306	4,359,787
Total revenue	<u>44,508,644</u>	<u>42,029,922</u>	<u>52,930,954</u>	<u>50,256,610</u>	<u>47,667,552</u>
Expenditures					
General	12,861,332	12,293,497	12,929,505	13,557,057	14,472,894
Special Revenue	2,858,740	2,081,524	4,205,594	3,894,885	3,208,981
Debt Service	2,396,922	1,950,681	2,083,019	2,299,479	2,524,105
Capital Projects	7,564,969	6,293,927	21,914,032	9,945,253	18,626,951
Enterprise	11,319,893	12,030,877	11,553,320	11,843,435	12,193,822
Internal Service	3,725,738	3,742,842	4,341,325	4,336,516	4,582,225
Total expenditures	<u>40,727,594</u>	<u>38,393,348</u>	<u>57,026,796</u>	<u>45,876,625</u>	<u>55,608,978</u>
Revenues over (under) expenditures	<u>3,781,050</u>	<u>3,636,574</u>	<u>(4,095,842)</u>	<u>4,379,985</u>	<u>(7,941,426)</u>
Reserve adjustment (to) from	<u>(878,175)</u>	<u>(213,642)</u>	<u>202,764</u>	<u>66,450</u>	<u>(549,463)</u>
Fund balance January 1	<u>28,114,134</u>	<u>31,017,010</u>	<u>30,641,100</u>	<u>34,492,442</u>	<u>38,938,877</u>
Fund balance December 31	<u>\$ 31,017,009</u>	<u>\$ 34,439,942</u>	<u>\$ 26,748,022</u>	<u>\$ 38,938,877</u>	<u>\$ 30,447,988</u>
Reserves	<u>5,107,300</u>	<u>5,320,942</u>	<u>5,368,178</u>	<u>5,201,992</u>	<u>5,751,455</u>
Total fund balance and reserves, December 31	<u>\$ 36,124,309</u>	<u>\$ 39,760,884</u>	<u>\$ 32,116,200</u>	<u>\$ 44,140,869</u>	<u>\$ 36,199,443</u>

City of White Bear Lake
2023 Budget Summary

Annual Budget
By Fund Type

Fund Description	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenue					
General	\$ 13,763,872	\$ 13,146,420	\$ 12,947,906	\$ 13,580,643	\$ 13,802,873
Special Revenue	3,613,459	2,164,677	3,221,442	3,428,458	1,820,176
Debt Service	2,052,864	3,057,463	2,518,675	2,495,360	3,165,427
Capital Projects	8,151,375	6,204,003	19,179,668	15,656,757	12,472,394
Enterprise	12,297,644	13,534,615	10,960,963	11,006,086	12,046,895
Internal Service	4,340,123	3,922,744	4,102,300	4,089,306	4,359,787
Total revenue	<u>44,219,337</u>	<u>42,029,922</u>	<u>52,930,954</u>	<u>50,256,610</u>	<u>47,667,552</u>
Expenditures					
General	12,861,332	12,293,497	12,929,505	13,557,057	14,472,894
Special Revenue	2,858,740	2,081,524	4,205,594	3,894,885	3,208,981
Debt Service	1,907,581	1,950,681	2,083,019	2,299,479	2,524,105
Capital Projects	7,564,969	6,293,927	21,914,032	9,945,253	18,626,951
Enterprise	11,319,893	12,030,877	11,553,320	11,843,435	12,193,822
Internal Service	3,725,738	3,742,842	4,341,325	4,336,516	4,582,225
Total expenditures	<u>40,238,253</u>	<u>38,393,348</u>	<u>57,026,796</u>	<u>45,876,625</u>	<u>55,608,978</u>
Revenues over (under) expenditures	<u>3,981,084</u>	<u>3,636,574</u>	<u>(4,095,842)</u>	<u>4,379,985</u>	<u>(7,941,426)</u>
Reserve adjustment (to) from	<u>(878,175)</u>	<u>(213,642)</u>	<u>202,764</u>	<u>66,450</u>	<u>(549,463)</u>
Fund balance January 1	<u>27,914,100</u>	<u>31,017,010</u>	<u>30,641,100</u>	<u>34,492,442</u>	<u>38,938,877</u>
Fund balance December 31	<u>\$ 31,017,009</u>	<u>\$ 34,439,942</u>	<u>\$ 26,748,022</u>	<u>\$ 38,938,877</u>	<u>\$ 30,447,988</u>
Reserves	<u>5,107,300</u>	<u>5,320,942</u>	<u>5,368,178</u>	<u>5,201,992</u>	<u>5,751,455</u>
Total fund balance and reserves, December 31	<u>\$ 36,124,309</u>	<u>\$ 39,760,884</u>	<u>\$ 32,116,200</u>	<u>\$ 44,140,869</u>	<u>\$ 36,199,443</u>

City of White Bear Lake
Personnel Services Staffing Summary

Annual Budget
Full-Time Equivalent Positions

	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
General Fund					
General Government					
Legislative	6.50	6.50	6.50	6.50	6.50
Administration	2.50	2.50	2.50	2.50	2.50
Finance (1)	5.00	5.00	6.00	5.00	5.00
City Hall (2)	2.00	2.00	2.00	2.00	1.00
Technology (2)	-	-	-	-	1.00
Planning	3.00	3.00	3.00	3.00	3.00
Total General Government	19.00	19.00	20.00	19.00	19.00
Public Safety					
Police	36.95	36.95	38.50	38.20	39.00
Fire (3)	9.30	9.30	11.45	10.50	11.25
Building & Code	6.00	6.00	6.00	6.00	6.00
Total Public Safety	52.25	52.25	55.95	54.70	56.25
Public Works					
Engineering	5.00	5.00	5.00	5.00	5.00
Public Works Facility	0.90	0.90	0.90	0.90	0.90
Streets	4.00	4.00	4.00	4.00	4.00
Parks	5.00	5.00	5.00	5.00	5.00
Central Garage	1.00	1.00	2.00	2.00	2.00
Total Public Works	15.90	15.90	16.90	16.90	16.90
Total General Fund	87.15	87.15	92.85	90.60	92.15
Special Revenue Funds					
Armory (4)	0.35	0.35	0.35	0.35	-
Surface Water	0.50	0.50	1.00	1.00	1.00
Sports Center (4)	4.10	4.10	4.22	4.22	4.57
Economic Development	1.15	1.15	1.15	1.15	1.15
Total Special Revenue Funds	6.10	6.10	6.72	6.72	6.72
Enterprise Funds					
Water Distribution	2.55	2.55	2.55	2.55	2.55
Water Treatment	2.15	2.15	2.15	2.15	2.15
Sewer	4.40	4.40	4.40	4.40	4.40
Ambulance (3)	32.70	32.70	31.55	28.50	29.75
Licensing & Passports (5)	9.20	9.20	9.90	9.90	11.15
Total Enterprise Funds	51.00	51.00	50.55	47.50	50.00
Total	144.25	144.25	150.12	144.82	148.87
Total Full Time Equivalent					
Firefighters (Volunteer/Paid-on-call)	112.25	112.25	144.12	117.82	121.87
Ambulance support (Paid-on-call)	5.20	5.20	-	5.25	5.25
Mayor & Council	20.80	20.80	-	15.75	15.75
Mayor & Council	6.00	6.00	6.00	6.00	6.00
Total	144.25	144.25	150.12	144.82	148.87

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

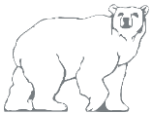
(1) The Finance Department originally intended to hire a new Accounting Technician position at the end of 2021. After reassessing duties during 2022 and reallocating responsibilities to the City's receptionist position, the Department eliminated the position from the budget.

(2) In previous years, this department has funded the personnel costs for the IT Coordinator position; however, in the 2023 budget year, a separate Technology department that will fund this position was created.

(3) In 2022, the City hired two new full-time positions as part of a three-year plan to build a third 24/7 full-time crew. The City intends to hire two final full-time positions, which will bring the three-year plan to build a third 24/7 full-time crew to completion.

(4) In November 2022, the City is selling the Armory. A portion of salaries for the Sports Center's Manager, Receptionist, and Maintenance Technician are allocated to the Armory. After November 2022, this portion of salaries will be moved to the Sports Center budget.

(5) Passport operations were halted at the start of the COVID-19 pandemic. The City plans to hire a full-time Passport Clerk position and resume these operations in January 2023. The 2023 Budget also plans for temporary summer help at the License Bureau.

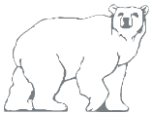


From February to May 2019, the White Bear Lake City Council and senior leadership team engaged in a strategic planning process. The process resulted in a strategic plan covering 2019-2022. The plan consists of six strategic priorities – the issues of greatest importance to the City over the three-year period. The planning effort began with an examination of the operating environment via a Strength, Weakness, Opportunity, and Threat (SWOT) analysis and a staff review of current conditions. On February 23, 2019, the City Council and senior leadership team held a strategic planning retreat. They developed a set of priorities, key outcomes and performance targets, and refined the City’s vision and mission. Based upon those priorities, the City’s senior staff met March 28, 2019 to identify a set of strategic initiatives and begin the process of developing detailed action steps. The City Council and senior leadership team will meet again in 2024 to create a strategic plan covering 2024-2027. The creation of the new strategic plan was delayed as a result of the COVID-19 pandemic, as well as turnover in the City Manager position and City Council at the end of 2021 and beginning of 2022.

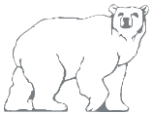
The Strategic Plan is one of many strategic documents that were used as a guide in the preparation of the City’s annual budget. The Strategic Plan serves as a road map to prioritize the initiatives, resources, goals, and department operations and projects. The major themes (or strategic priorities) identified through this planning process include:

- Financial sustainability
- Clear community vision
- Reliable, high quality infrastructure
- Focused redevelopment
- Modern operating systems
- Talented and engaged workforce

To successfully address the strategic priorities and achieve intended outcomes, the City has established a set of strategic initiatives. The strategic initiatives are broadly defined, but narrowly focused activities that are aligned with the priorities. Below is a summary of the City’s Strategic Plan.



Strategic Priority	Desired Outcome	Strategic Initiatives
Financial sustainability	<ol style="list-style-type: none"> 1. Decrease reliance on taxes in General Fund 2. Clear picture of long-term financial position 3. Stable enterprise fund balances 	<ol style="list-style-type: none"> 1. Complete utility rate study 2. Develop the financial management plan 3. Evaluate fees and charges 4. Coordinate long-range financial planning with other taxing jurisdictions
Clear community vision	<ol style="list-style-type: none"> 1. City's strategic vision is aligned with citizen expectations 2. City's strategic vision is responsive to the needs of community stakeholders 3. Staff performance is aligned with the City's vision and values 	<ol style="list-style-type: none"> 1. Engage partners and outside stakeholders in development of Community Vision 2. Develop a communication and feedback system 3. Develop staff performance metrics around vision and values
Reliable, high quality infrastructure	<ol style="list-style-type: none"> 1. Improvement in water treatment/conveyance systems 2. Facilities that meet our needs 3. Completion of an asset management and funding plan by 12/31/2021 	<ol style="list-style-type: none"> 1. Complete space needs analysis 2. Conduct an inventory and condition study/review 3. Develop an asset management plan
Focused redevelopment	<ol style="list-style-type: none"> 1. A vibrant County Road E corridor 2. A housing stock that serves older and younger buyers 3. Be prepared for the Bus Rapid Transit services coming to the City (jobs, infrastructure, housing, parking, bus connections) 	<ol style="list-style-type: none"> 1. Complete comprehensive housing analysis 2. Facilitate targeted redevelopment along County Road E corridor 3. Explore community land bank opportunities 4. Examine neighborhood stabilization opportunities
Modern operating systems	<ol style="list-style-type: none"> 1. Improved technology efficiency in three areas: Geographic Information System (GIS), Police, and Fire 2. Increased response time targets 3. Broad and responsive community systems 	<ol style="list-style-type: none"> 1. Implement GIS 2. Draft a mobile technology strategy 3. Establish processing response time benchmarks and performance measurements 4. Conduct communications audit and develop strategies
Talented and engaged workforce	<ol style="list-style-type: none"> 1. Satisfied employees 2. Well-trained work force 3. Adequate staffing levels comparable to peer cities where appropriate 	<ol style="list-style-type: none"> 1. Conduct employee survey 2. Create performance standards 3. Strengthen annual performance review and goal setting process 4. Conduct staffing review using comparable cities 5. Establish annual staff development program 6. Develop employee engagement strategy



The City created its first long-term financial management plan in 2017. The plan allows the City to project expected revenues and expenditures to help anticipate financial requirements. The City updates this document at the beginning of each year in conjunction with the Capital Improvement Plan.

Revenues and expenditures in the plan are forecasted over a 10-year period. The forecast is adjusted as each year's final results are known and as new years are budgeted. The plan only assumes known decisions and does not presume future decisions of the Council.

Items impacting the long-term financial management plan include:

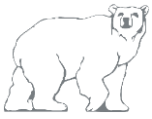
- Current financial position (fund balances)
- Debt burden
- Regulatory environment
- Condition of existing capital assets
- Growth trends, inflation, and City objectives

The plan also assumes that the population will remain stable at the current level over the next 10 years as the City is a primarily built-out community with few undeveloped sites left.

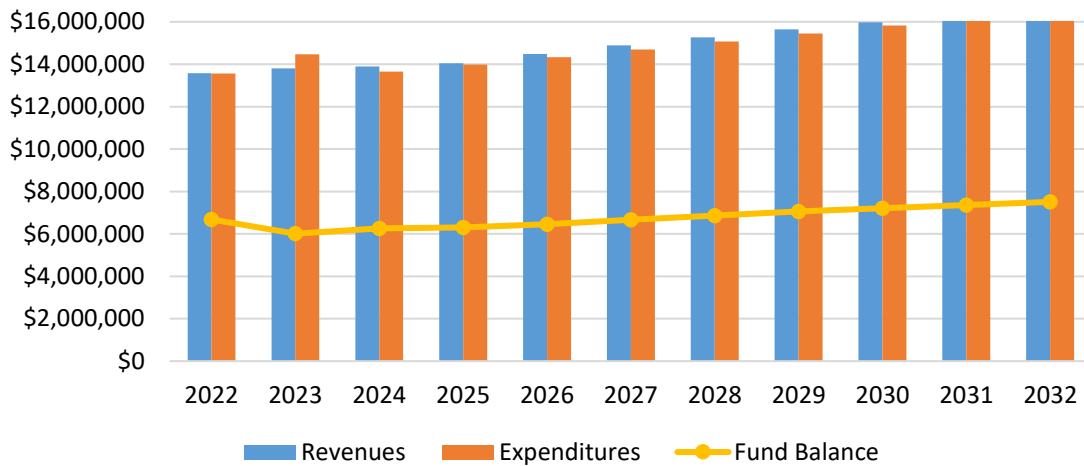
In the General Fund, annual expenditures are projected to increase by 2.5% per year, interest earnings are projected to increase by 1.5%, and all other non-property tax revenues are projected to increase by 2.0%. The annual property tax levy is calculated by taking the difference between the expenditures and non-property tax revenues and other financing sources. According to policy, the City is to maintain a minimum unassigned fund balance of one-half the City's General Fund major revenue sources, which are property taxes, local government aid, and police state aid.

The General Fund Financial Management Plan includes an allocation of \$100,000 in 2023 to account for any additional staff that are hired during the year. This allocation increases by 2.5% each year of the plan.

Per information from the Minnesota Department of Revenue, the City has an above average tax base growth that is coupled with a growing tax base per capita, in contrast with many of the other cities receiving Local Government Aid (LGA). As the City's market value continues to increase, it reduces the eligibility to receive aid through this program. As a conservative measure, the City has begun preparing for the possible reduction of LGA by allocating a portion of the LGA to the Equipment Acquisition and Municipal Building Funds and moving the tax levies previously allocated to these two budgets to the General Fund to decrease its direct reliance on LGA for funding. The General Fund allocation of LGA decreases by 5% in each year of the financial management plan, which in turn increases the property tax levy.



General Fund



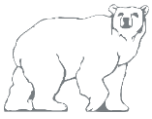
The Capital Project Funds in the Financial Management Plan are the Equipment Acquisition, Municipal Building, Park Improvement, Community Reinvestment, and Construction Funds. For each of these funds, annual operating expenditures are projected to increase by 2.5% per year, capital expenditures are projected to increase by 1.5% to 3.5%, interest earnings are projected to increase by 0.50% to 1.5%, and all other non-property tax revenues are projected to increase by 2.0%.

The large spike in 2023 occurs within the Municipal Building Fund, which expects approximately \$14,600,000 for an expansion to the Public Safety Facility. The City intends to bond for this project. The Municipal Building Fund begins receiving a property tax allocation in 2023 to fund the annual Public Safety Facility bond principal and interest payments, which also begin in 2023. The Municipal Building Fund receives an allocation of Local Government Aid (LGA) each year to support operations. As discussed above, the City’s above average tax base coupled with a growing tax base per capita is reducing the eligibility to receive LGA. The Municipal Building Fund will no longer receive an allocation of LGA after 2026, but the City is adding a levy to support operations starting in 2025.

In order to support park improvement expenditures, the Park Improvement Fund will start receiving an annual transfer in from the Marina Fund in 2023, and in 2028, the Fund will begin levying for property taxes.

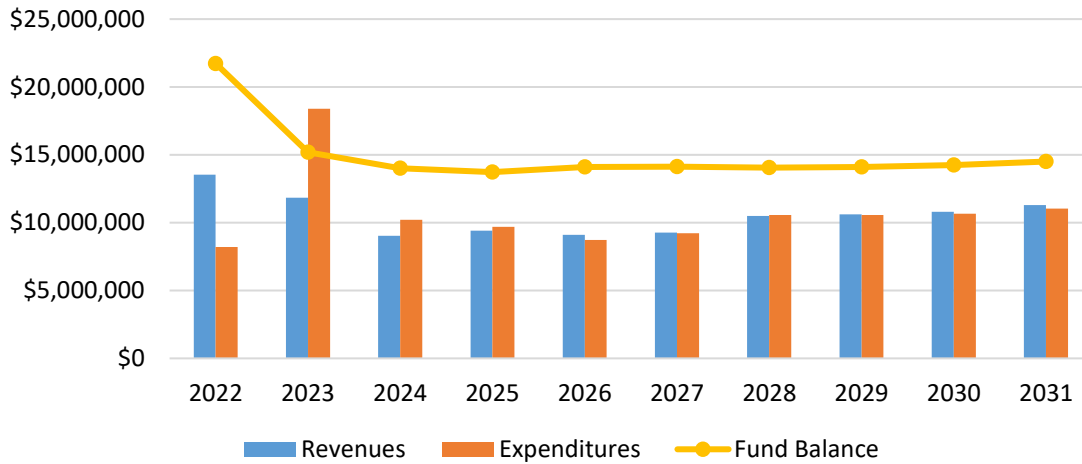
The Equipment Acquisition Fund begins levying for property taxes in 2024 to cover Equipment Certificate debt service payments and to build the fund balance. The City collects a franchise fee from Ramsey Washington Cable Commission each year. The long-term financial management plan decreases the amount collected each year as customers choose to leave cable television for other streaming options.

Previously, the Construction Fund only levied property taxes to manage the impacts of the Emerald Ash Borer tree disease. This levy was moved to the General Fund in 2022. The Fund has



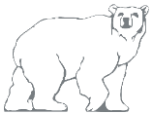
previously received a transfer in from the License Bureau fund to help the annual street improvement project, but this transfer was eliminated in 2020 as the License Bureau no longer had the resources. As a result, the Fund will begin to rely on property tax levies in 2024 to fund the street improvement projects and annual debt service payments.

Capital Project Funds

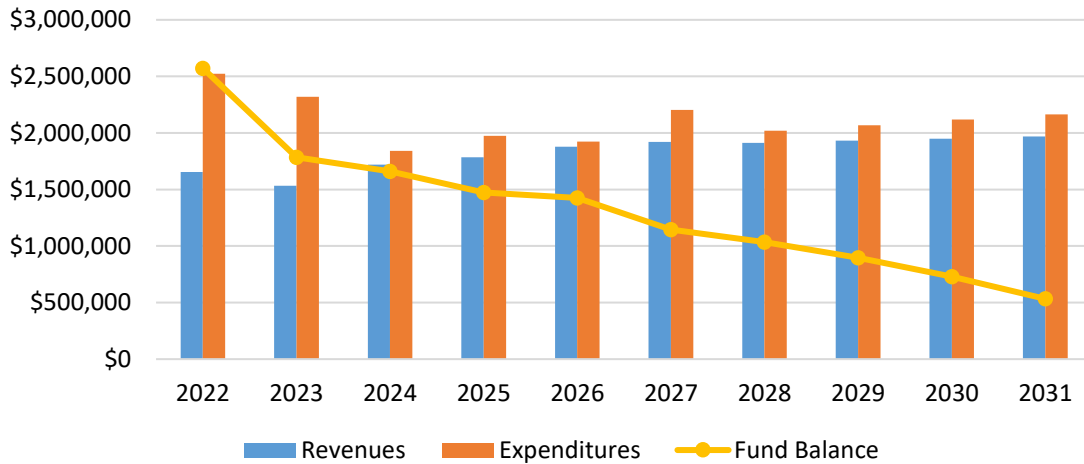


The Special Revenue Funds included in the Financial Management Plan are the Surface Water, Marina, Sports Center and Economic Development Funds. For each fund, capital expenditures are projected to increase by 1.5% to 3.5% each year, personnel expenditures are projected to increase 3.0%, operating expenditures are projected to increase by 2.5%, interest earnings are projected to increase by 1.5%, and all other non-property tax revenues are projected to increase by 2.0%.

The City currently does not levy property taxes for the Sports Center Fund, but beginning in 2024, the Financial Management Plan includes a levy to support operations. Similarly, the City currently does not levy property taxes in the Economic Development Fund, but is projected to do so beginning in 2026. The fund balance begins to decrease in 2022 due to a planned increase in economic development spending. As mentioned above, the Marina Fund will begin an annual transfer out in 2023 to help fund park improvement expenditures. Expenditures spike in 2027 due to the planned replacement of the Normandy Center Roof, which is included in the Capital Improvement Plan for the Economic Development Fund.

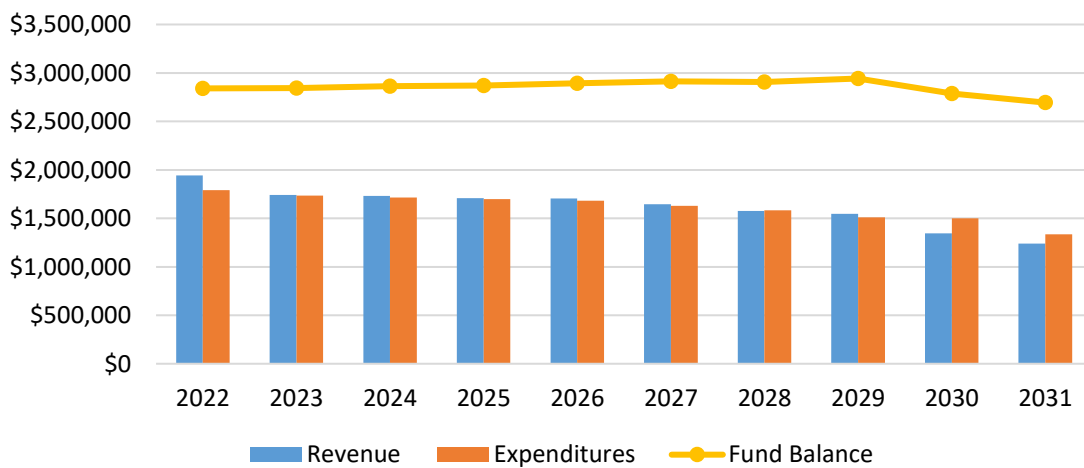


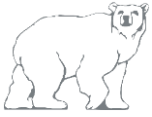
Special Revenue Funds



The Debt Service Funds included in the Financial Management Plan are the 2018A GO Bond, 2018B GO Tax Abatement Bond, 2019A GO Bond, 2020A GO Bond, 2021 GO Bond, 2022A GO Bond, and the Non-Bonded Special Assessments Funds. The fund balance goal in these funds is 105% of the next year’s debt payment. Projected revenues include special assessments and property taxes. The Non-Bonded Special Assessments Fund also includes revenues related to a 20-year loan agreement the City entered into with the White Bear Lake Hockey Association to help cover their agreed portion of the Sports Center renovation. The majority of expenditures included the financial management plan for debt service funds are scheduled principal and interest payments.

Debt Service Funds



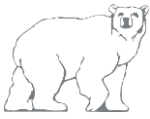


The City’s Capital Improvement Plan (CIP) allows for the prioritization of projects that maximize public investment and avoid duplication, waste, and conflict while meeting safe standards and public expectations. By looking at future needs, the City is better able to find funding sources to fill the gaps and to coordinate projects with other jurisdictions. The capital investments vary in type and value, but each is important to the department making the purchase. The 2022-2023 approved capital purchases are incorporated into the budget for all departments. 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 \$5,000 and a useful life of at least two years. Departments evaluate the need for CIP projects and submit their proposed requests in February of each year. In late-February, the City Manager and Finance Director discuss the proposed requests with each department and prepare a draft CIP. In April, the City Council holds a CIP workshop, followed by the approval of the CIP in late-April. Purchases or projects included in this budget document as capital expenditures have justifiable cost estimates. An evaluation of each individual item or project occurs before purchase to confirm the continued need and review an updated cost. Once approved, the departments complete the purchase.

Capital improvement projects can generate future operating budget costs associated with debt service and changes to operations to support new or renovated facilities (such as maintenance, utilities, and additional staffing). A capital improvement project may also increase revenues or add additional cost savings (such as more efficient energy savings or lower maintenance and repairs). Operating impacts of the City’s CIP are included in the CIP discussion on the following pages for significant, non-recurring projects.

Reconciliation of Total CIP in the Budget to the CIP Document

2022-2023 total per the Capital Improvement Plan	\$	29,677,045
Total CIP in budget document:		
Ambulance Fund		310,000
American Rescue Plan Aid Fund		1,442,700
Economic Development Fund		265,000
Equipment Acquisition Fund		2,344,730
Construction Fund		4,340,500
Marina Fund		216,000
Municipal Building Fund		16,917,542
Park Improvement Fund		1,203,302
Pioneer Manor Fund		115,500
Surface Water Pollution Prevention Fund		207,500
Sewer Fund		758,000
Water Fund		1,556,271
 Total	 \$	 29,677,045



Ambulance Fund (Business Unit 5252)

The department typically uses four ambulances in its operations, with two ambulances stored at each fire station. The department primarily functions with three units, using the fourth oldest unit when there are four simultaneous calls for service, or if one of the main units is out of service for maintenance. The City has a 10-year replacement schedule for ambulances. In line with this schedule, the City plans to replace one ambulance in 2023, 2024, 2028, and 2029. 2023 also includes a \$60,000 allocation for four Lucas Chest Compression Systems.

American Rescue Plan Aid Fund (Business Unit 2022)

The City's share of the American Rescue Plan Act (ARPA) relief package was \$2,827,678. The State of Minnesota distributed 50% of the total amount to the City in 2021, with the remaining 50% to be distributed in 2022. The funds can be used through December 31, 2024. The City intends to expend \$1,442,700 of these funds on the following capital projects in 2022 and 2023:

- City Hall - \$260,000 is budgeted in 2022 for the replacement of two City Hall boilers and the south-side exhaust well. An additional \$140,000 is budgeted in 2023 for an office expansion.
- Normandy Center - \$200,000 is allocated in 2023 to relocate the License Bureau from City Hall to the Normandy Center to provide a workspace that is more efficient and allows for proper social distancing for staff and customers
- Police - \$43,172 and \$121,828 are budgeted for a squad car replacements in 2022 and 2023, respectively. \$40,000 is set aside in 2022 for 800MHZ radios and squad laptops, and \$15,000 is set aside in 2023 for squad cameras.
- Fire - \$20,000 is budgeted for four 800MHZ radios in 2022
- Public Works - \$125,000 is budgeted in 2022 for a backup generator for the Public Works Facility, and \$230,000 is budgeted in the same year for the replacement of a single axle dump truck used by the Streets Department. In 2022, the Water Treatment Plant will install security fencing and equipment, gates, card readers, and a CO2 sensor for \$220,200 in 2022, and the Water Well 3 rehab is budgeted for \$27,500.

Economic Development Fund (Business Unit 4242)

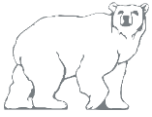
The Plan earmarked \$120,000 in both 2022 and 2023 to construct city entrance monuments at two key areas in the southern section of the City.

\$25,000 is budgeted in 2023 to add a parking ramp security camera system, meeting room technology, and monument lighting at Boatworks Commons.

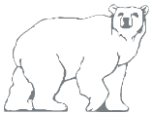
The City owns and rents out spaces in the Normandy Center at County Road F. \$200,000 is set aside in 2027 for the replacement of Normandy Center's roof.

Equipment Acquisition Fund (Business Units 4102-4120)

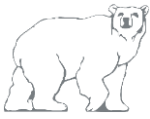
The Equipment Acquisition portion of the CIP details the capital equipment funds set aside for general government departments. The departments with significant capital equipment requests are discussed below.



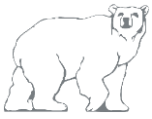
- **Building (4104)** – The Building department follows a 7-year replacement plan for its six vehicles. In 2022 and 2023, the department will replace one vehicle for \$35,000 and \$38,500, respectively. \$40,000 is budgeted for a vehicle each year from 2027-2031, which is in-line with the 7-year replacement plan.
- **City Hall (4102)** – In 2022, the City budgeted \$35,950 for key card security access at City Hall, \$10,000 for meeting room conference equipment and monitors, and \$5,200 for implementation of the new parks and recreation reservation software. In 2023, \$20,000 is budgeted for recodification of the City code. The City earmarked \$75,000 in 2023 and \$90,000 in both 2024 and 2025 for the implementation of a new enterprise resource planning (ERP) software. The ERP software includes financial reporting, payroll, human resources, and utility billing systems. Between 2028 and 2029, the City set aside \$130,000 for the purchase of a new facility generator for City Hall.
- **Engineering (4105)** – The Engineering department budgeted \$40,000, \$50,000, and \$31,000 in 2024, 2026, and 2031, respectively, for the replacement of vehicles. \$25,000 is budgeted in 2022 and 2023, \$15,000 in 2024 and 2025, and \$3,600 in 2026-2031 for maintenance of the City’s communication towers. \$35,000 was earmarked in 2026 for new survey equipment. \$30,000 is set aside in 2024 for painting the Public Safety Monopole.
- **Fire (4109)** – In 2022, the CIP includes \$47,100 for the purchase of ten fire truck radios, \$25,225 for an alarm system at Fire Station 2, and \$8,400 for installation of KeySecure systems in all department fleet vehicles. In 2023, \$392,000 is budgeted for the replacement of one fire truck, and \$200,000 is budgeted for the purchase of a new rescue boat with pumping functionality. Beginning in 2023, the CIP includes an annual allocation of \$20,000 for the replacement for four 800MHz radios. The Department plans to replace one vehicle annually in 2024, 2025, and 2026 at an estimated cost of \$46,250, and one vehicle replacement is budgeted in both 2028 and 2031 for \$47,500. \$24,000 is earmarked for rebranding of vehicle graphics in 2024. Starting in 2024, CIP includes an annual allocation of \$8,000 for the replacement of laptop computers and vehicle light bars. In 2025, \$60,000 is set aside for an SCBA fill station compressor, and \$28,000 is set aside for four thermal imagers. In 2027, the CIP begins to include an annual allocation of \$6,500 for vehicle radios.
- **Parks (4107)** – The majority of CIP requests for the Parks department are for mobile equipment purchases or replacements. The annual allocations include the following:
 - 2022 - \$153,000 for the purchase of a multi-use garbage truck and \$38,000 to replace a Jacobsen Turfcut mower
 - 2023 - \$55,000 for the replacement of 2006 ¾-ton truck and \$20,000 for the replacement of a 2014 Exmark mower
 - 2024 - \$55,000 for the replacement of a 2008 ¾-ton truck and \$80,000 for the replacement of a 1999 and 2013 Cushman Haulster
 - 2025 - \$100,000 for the replacement of a 2003 Chevrolet 4500 truck and \$55,000 for the replacement of a 2013 ¾-ton truck
 - 2026 - \$40,000 for the replacement of a 2016 Toro mower and a 2019 Ventrac mower
 - 2027 - \$55,000 for the replacement of a 2015 Chevrolet 2500 truck and \$85,000



- for the replacement of a 2017 Toro mower
- 2028 - \$40,000 for the replacement of a Jacobsen Turfcut mower, \$55,000 for the replacement of a 2015 Chevrolet 2500 truck, and \$35,000 for the replacement of a 2016 John Deere tractor
- 2029 - \$57,000 for the replacement of a 2017 1-ton truck, \$50,000 earmarked for the replacement of a 2016 John Deere tractor in 2031, and \$45,000 for the replacement of a 2017 Cat Skid Steer.
- 2030 - \$50,000 earmarked for the replacement of a 2016 John Deere tractor in 2031
- 2031 - \$55,000 for the replacement of a 2019 ¾-ton truck and \$85,000 for the replacement of a 2016 John Deere Tractor
- **Police (4108)** –The Police department rotates between replacing three squads and one administration vehicle one year and four squads the next year. Vehicle replacements are budgeted in the CIP at \$185,000 per year in 2023-2024, \$190,000 per year in 2026-2028, and \$195,000 per year in 2029-2031. The CIP includes an allocation for the annual replacement of five 800MHz portable radios. The allocation is \$14,000 in 2022, and \$35,000 every year after. The CIP also includes annual allocations for the replacement of miscellaneous equipment including squad laptop computers, radar units, squad equipment, body cameras, squad cameras, and taser units. The allocations for these replacements are \$41,000 in 2022, \$93,750 in 2023, and \$100,000 every year thereafter. Other significant items budgeted include \$56,125 in 2022 for the purchase of Central Square Records Management System and \$25,000 in 2025 to replace a John Deere Gator.
- **Public Safety (4111)** - \$15,000 has been set aside in 2024 for new exercise machines.
- **City-wide Improvements (4116)** - \$25,000 per year has been earmarked in 2024-2031 for general security upgrades and improvements across the City. The City also set aside \$25,000 in 2022, \$20,000 in 2023-2027, and \$15,000 in 2028-2031 for a general maintenance contingency.
- **Public Works (4118)** – The CIP includes the following allocations for the Public Works department:
 - 2022 - \$15,000 for a fuel management/monitoring system, \$30,000 for a four-post lift, and \$5,370 for a welder
 - 2023 - \$15,000 for an A/C recovery/recycler machine and \$10,000 for a light duty scan tool
 - 2024 - \$40,000 for a floor scrubber and \$12,000 for miscellaneous equipment including a drill press, hydraulic hose saw, torque multiplier, and a metal chop saw
 - 2025 - \$35,000 to replace a 2008 ½-ton truck and \$60,000 for a mobile vehicle lift
 - 2026 - \$20,000 for an air compressor
 - 2027 - \$210,000 for a gasoline pump station, \$10,000 for a fuel island asset works system, and \$45,000 for a Komatso forklift
 - 2030 - \$55,000 to replace a 2019 ¾-ton truck



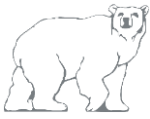
- **Sports Center (4119)** – \$85,000 is included for the replacement of a Zamboni in 2022. This would replace the current Zamboni, a 2002 Olympia Ice Resurfacers. \$6,600 is also budgeted in 2022 for a battery powered edger. \$7,000 is set aside in 2023 for a new floor scrubber. \$30,000 is earmarked in 2029 to replace a 2005 Chevrolet 2500 truck.
- **Streets (4106)** – The Streets department has budgeted for the replacement of several large vehicles and equipment over the next ten years, including the following:
 - 2022 - \$55,000 to replace a 2008 Chevrolet 2500 and \$80,630 to replace a Wildcat snowblower
 - 2024 - \$55,000 to replace a paver unit, \$75,000 to replace a 2013 Bobcat, \$80,000 to replace a 2008 Chevrolet 3500, \$10,000 for a salt treatment pump system, \$25,000 earmarked for the replacement of a 2011 Freightliner truck in 2026, and \$7,000 for a hydro hammer
 - 2025 - \$105,000 earmarked for the replacement of a 2011 Freightliner truck in 2026 and \$10,000 for a pavement striping machine
 - 2026 - \$70,000 earmarked for the replacement of a 2011 Freightliner truck and \$45,000 to replace a 2014 Brush Bandit wood chipper
 - 2027 - \$117,500 earmarked for the replacement of a 2013 Freightliner truck in 2028 and \$10,000 for a pavement mill
 - 2028 - \$117,500 for the replacement of a 2013 Freightliner truck
 - 2029 - \$50,000 earmarked to replace a 2011 Ford bucket truck in 2031, \$50,000 to replace an asphalt roller, and \$90,000 earmarked to purchase a new loader in 2030
 - 2030 - \$60,000 to replace a 2020 1-ton truck, \$50,000 earmarked to replace a 2011 Ford bucket in 2031, \$90,000 earmarked to purchase a new loader, and \$75,000 to replace a 2015 Case mini excavator
 - 2031 - \$50,000 earmarked to replace a 2011 Ford bucket and \$140,000 to replace a sidewalk plow
- **Technology (4120)** – Routine computer and office equipment replacements are budgeted at \$65,000 per year in 2022 and 2023, and then increased to \$70,000 per year in 2024-2031. Microsoft and Adobe licenses are budgeted at \$28,500 per year in 2022-2025. These expenditures are planned to be moved to the General Fund operating expenditure budget in 2026. In 2022-2023, the City included \$12,000 for upgrades to Laserfiche, a business process automation, and document imaging software. The City intends to add fiber optic connections for City Hall, Public Works, Fire Station 2, and the Water Treatment Plant for \$45,000 in 2024 and for \$30,000 in 2030 at the Sports Center. The City is a member of Local Government Information Systems (LOGIS), a consortium of cities formed to provide cost-effective computer system options for local governments. Among many services, LOGIS provides the City with IT services. Each year, LOGIS will recommend IT upgrades and maintenance that the City should perform. \$44,100 and \$61,000 are budgeted for these projects in 2022-2023, respectively, while \$20,000 is earmarked annually in 2024-2031.



Construction Fund (Business Units 4402-4599)

The Interim Construction Fund portion of the CIP details the funds allocated for projects relating to street rehabilitation, sidewalks, trails, and traffic signals.

- **General Expenditures** - The City maintains decorative streetlights for the downtown area, along Lake Avenue, and in the median of County Road 96. The CIP has allocated \$71,000 in 2023 to replace aging street lights and implement the use of LED lighting to save energy and reduce monthly electrical costs. Another \$155,000 has been set aside in 2023 for decorative light pole painting and the Sports Center parking lot mill and overlay.
- **Emerald Ash Borer** – The Emerald Ash Borer is an invasive beetle that is one of the most destructive and costly forest insects in urban forest history. Proper treatment and prevention can protect healthy ash trees. The Emerald Ash Borer program budgets \$25,000 in 2022 for Ash Borer prevention and treatment of the City’s ash trees. The Emerald Ash Borer expenditures will be moved to the General Fund in 2023.
- **Crack Sealing and Sealcoating** – Crack sealing prevents moisture from infiltrating the pavement, which weakens the structural subsurface layers of the road and causes pavement deterioration. In correlation with sealcoating, 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 plan allocates \$75,000 in 2022 and then \$100,000 each year thereafter for crack sealing. \$285,500 is allocated for sealcoating in 2022 and \$275,000 each year thereafter.
- **Pavement Rehabilitation Projects:**
 - Mill and overlay removes the top 2 inches of asphalt off the existing damaged road surface 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. Mill and overlay improves the condition of the City’s streets, and is less expensive than street reconstruction. The Street Reconstruction Program 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. The City’s plan provides for reconstructing streets at roughly the 50th year in the street’s life cycle. The city reconstructs approximately 2-3 miles of streets each year, prioritizing the streets selected for reconstruction based on a rating system (pavement condition, drainage problems, etc.), area, and special projects and/or requests of property owners. \$2,436,000 is planned for pavement rehabilitation in 2022, \$3,000,000 in 2024, \$7,000,000 in 2025, and \$3,500,000 in 2026-2031. No pavement rehabilitation is planned for 2023 due to the Public Safety Facility expansion project.
- **Miscellaneous Concrete Projects** – \$65,000 is budgeted annually for miscellaneous street and sidewalk concrete projects.
- **Miscellaneous Street-Related Projects** – \$438,000 is budgeted in 2022 for the South Shore and Highway 96 trails. Beginning in 2023, the plan allocates \$50,000 per year for

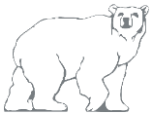


trail and sidewalk network expansion projects. \$430,000 is budgeted in 2023 for the Sports Center Parking Lot mill and overlay, sealcoating on the Lake Avenue North and South trails, and the County Road F sidewalk. \$455,000 is included in 2024 for the trail on Otter Lake Road and a traffic signal pedestrian crossing at Highway 61/Whitaker. \$75,000 is allocated in 2026 for the traffic signal at Highway 61 and CSAH, \$150,000 is budgeted for the traffic signal at Highway 61 and 2nd Street in 2028, \$75,000 is budgeted for the traffic signal at County Road D and Highway 120 in 2029, \$150,000 is budgeted for the traffic signal at Highway 61 and 7th Street in 2030, and \$75,000 is budgeted for the traffic signal at White Bear Avenue and Buerkle Road in 2031.

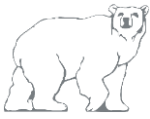
Municipal Building Fund (4304-4323)

The Municipal Building portion of the CIP details the funds allocated for expenditures associated with the development or renovation of the City's government building facilities.

- **Boatworks Commons (4322)** – The Boatworks Commons area is a combination of a privately-owned multi-family apartment building, multi-tenant retail building with a lakefront restaurant and publically owned community room facility, public art, restrooms, and a boardwalk. The onsite parking ramp also has split ownership. The plan includes a \$10,000 appropriation to sand and refinish the community room wood floors every seven years, a \$5,000 appropriation every six years to buff and overcoat the floors, and a 2024 appropriation of \$20,000 for painting of the walls and ceilings for the publicly owned parking ramp level.
- **Counseling Center (4306)** – An allocation of \$9,500 is included in 2022 for roof fall protection.
- **City Hall (4304)** – The current City Hall building was built in 1988. As the campus continues to age, the demand for maintenance and system replacements remain a high priority to preserve the building and surrounding areas. The more significant projects budgeted over the life of the CIP include:
 - \$119,000 in 2022 for elevator upgrade and waterproofing.
 - \$206,000 in 2023 for replacement of City Hall's air handler.
 - \$25,000 earmarked over both 2024 and 2025 for the first-floor restroom project set to take place in 2025, as well as \$51,000 earmarked in 2026 for the second-floor restroom project.
 - \$150,000 earmarked over both 2024 and 2025 for window replacements in 2025.
 - \$30,000 earmarked in 2024 and \$35,000 earmarked in 2025 for the attic fire suppression upgrade planned in 2025.
- **Depot (4323)** – The Depot, originally built in 1935 and rehabilitated in the 1980s, offers office space for the White Bear Area Chamber of Commerce and features a display of railroad history by the White Bear Lake Area Historical Society. Its use remains the same today. In 2022, \$30,550 was set aside for an air conditioning condenser and the caboose rehabilitation. \$85,000 is set aside in 2023 for a paver block walkway.
- **Fire Station 2 (4314)** – Fire Station 2 was built in 1972. The more significant projects included within the CIP include:
 - 2022 – \$155,000 for a new roof
 - 2023 - \$27,500 for fuel tank removal



- 2024 – \$26,000 for training tower repairs and \$18,000 for apparatus bay floor epoxy enhancements
- 2025 – \$29,000 for all exterior doors
- 2026 - \$55,000 for a privacy fence and retaining wall
- **Public Safety Facility (4310)** – The Public Safety Facility, built in 1996, houses the Police Station and main Fire Department offices. One of the improvements the Police and Fire Departments includes the additional of a police garage, replacement of the fire apparatus bay, and modification to the current building interior to better accommodate current police and fire operations. The project will extend to the two City owned properties directly across from the station and are currently utilizing one for surface parking. \$669,600, \$14,112,500, and \$2,569,700 has been budgeted for the construction of a public safety facility in 2022, 2022, and 2023, respectively.
 - Operating Budget Impact – The design phase will have no impact on operations. Once constructed, it is estimated that the facility will have an additional 22,272 of useable square footage. Based on the current gas and electric cost per square foot in the existing facility, this will result in an estimated increase of \$32,400 in annual gas and electric costs. This increase will be partially offset by increases in efficiencies related to a new roof, a centralized HVAC digital control system that will increase energy efficiency, and new low voltage lighting controls that will provide occupancy control, dimming, daylight harvesting, and energy saving measures.
- **Public Works Facility (4316)** – The current Public Works Facility was constructed in 2010. Significant projects in the CIP include:
 - 2024 – \$28,000 for a camera update
 - 2025 – \$30,000 to wash and clean shop walls
 - 2026 – \$155,000 to seal concrete floors in the main garage, \$26,000 earmarked for the replacement of one HVAC rooftop unit in 2028, and \$25,000 earmarked for replacement of two boilers in 2027
 - 2027 – \$85,000 for a canopy for the fuel island, \$40,000 for the replacement of two boilers, \$112,500 earmarked for the replacement of the roof in 2030, and \$26,000 earmarked for the replacement of one rooftop HVAC unit in 2028
 - 2028 – \$30,000 earmarked for the replacement of two boilers in 2028, \$112,500 earmarked for the replacement of the roof in 2030, and \$43,000 for the replacement of two rooftop HVAC units
 - 2029 – \$35,000 for the replacement of two boilers and \$112,500 earmarked for the replacement of the roof in 2030
 - 2030 – \$112,500 to replace the facility's roof
 - 2031 - \$65,000 to replace two boilers
- **Sports Center (4320)** – The Sports Center was newly renovated in 2018. \$17,000 is allocated in 2022 for a new water heater and roof fall protection. \$27,500 is allocated in 2023 for upgrades to the conference room and waiting area. \$55,000 is earmarked over 2023-2025 for the replacement of rubber flooring in 2025. An additional \$250,000 is earmarked over 2028-2030 for the installation of new rink boards and glass in 2030.

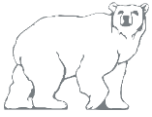


- **Energy Performance (4324)** - \$1,222,923 is set aside in 2022 to complete the energy improvement project that began in 2021.
 - Operating Budget Impact – A detailed investment grade energy performance audit was performed on the Sports Center and city-wide lighting. Energy conservation measure options that were determined through this audit included lighting upgrades, insulation, building envelope, controls upgrades, and mechanical upgrades. The annual cost savings of these five measures is estimated to be \$68,424 and the average simple payback is 8.7 years.

Park Improvement Fund (Business Unit 4012-4078)

The Park Improvement Fund CIP accounts for the acquisition, development, and improvement to City owned parkland and facilities. Significant budget amounts are discussed below:

- **Bossard Park (4015)** – The Boatworks Park CIP includes \$250,000 earmarked over 2026-2028 for a new parking lot in 2028.
- **Hidden Hollow Park (4024)** – \$32,195 is budgeted in 2022 for trail paving and replacing playground sand. \$90,000 is earmarked over 2023-2025 for a new pavilion in 2025.
- **Lions Park (4036)** – Improvements for Lions Park in the CIP include \$130,000 for a shelter replacement and \$95,500 for a restroom replacement, both of which were budgeted for in 2022. Residents have expressed a desire for a “fitness trail”, an outdoor route with exercise stations that provide a variety of strength building exercises that can be done in between walking or jogging along the trail. \$35,000 is set aside in 2029 for an exercise station.
- **Lakewood Hills (4033)** – The CIP earmarks \$15,000 in both 2024 and 2025 for installation of exercise stations in 2025. \$20,000 is earmarked in 2023 and \$205,000 in 2024 for paving and connecting trails. An additional \$86,019 is budgeted in 2023 for restroom upgrades, pavilion steps and apron, the All Abilities Park, and other small maintenance items. \$200,000 is earmarked over 2025-2027 for upgrades to the three ballfield shelters in 2027. \$40,000 is budgeted each year in 2025-2027 to replace the pavilion in 2027.
- **Matoska Park (4039)** – \$20,000 is budgeted in 2025 for the park entrance sign. \$15,000 is earmarked in both 2025 and 2026 for the installation of exercise equipment in 2026.
- **McCarty Park (4042)** – \$90,000 is earmarked over 2027-2029 for a picnic shelter in 2029.
- **General Parks (4012)** – The General Parks CIP accounts for general expenditures for all parks, including Arbor Day plantings, playground equipment, tree trimming, and park bench restoration. The CIP includes \$10,000 annually for playground equipment, and tree trimming, \$6,000 annually for park bench restoration, and \$9,000 annually for Arbor Day plantings. Beginning in 2024, Arbor Day plantings will move to General Fund operating expenditures, as will playground equipment in 2025, tree trimming in 2026, and park bench restoration in 2027. 2023 includes a one-time allocation of \$25,000 for composite benches and architectural sign design for all parks.
- **Podvin Park (4048)** – 2023 includes a \$20,000 allocation for the pavilion exterior ceilings and soffit and new park picnic tables. 2024 has an allocation of \$18,100 for basketball backboards and pavilion floor restoration. \$50,000 is earmarked in both 2025 and 2026



to replace older play equipment in 2026. 2026 also includes an allocation of \$35,000 for skate park ramps and jump rails. An additional \$8,000 is set aside in 2029 for meeting room air conditioning.

- **Rotary Nature Preserve (4057)** - \$10,000 is budgeted in 2023 for sealing the restroom and pavilion logs. \$10,000 is earmarked in both 2027 and 2028 and \$5,000 in 2029 to install a green metal roof in 2029. An additional \$30,000 is allocated for a drinking fountain with bottle filler, restroom fixture replacement, and reconstruction of the wetland overlook.
- **West Park (4069)** - \$30,000 is included in the 2023 CIP for putting in an accessible path to Lake Ave and the beach stairs.
- **Weyerhaeuser Park (4072)** – The CIP earmarks \$50,000 in both 2025 and 2026 to install player benches and shelter and to upgrade the irrigation system. \$15,000 is earmarked each year from 2027-2029 to continue the trail to the ballfields. An additional \$19,000 is budgeted in 2029 to replace the spectator stand concrete.

Pioneer Manor Fund (Business Unit 5302)

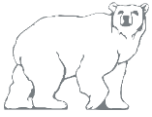
Pioneer Manor is a City-owned senior living facility. Significant expenditures budgeted in the CIP include:

- 2022 – \$78,500 for an FOB access system, fire panel, garage air exchanger, and first floor corridor carpeting
- 2023 – \$37,000 for second and third floor corridor carpeting, garage and parking security cameras, and striping and sealing the parking lot
- 2024 – \$137,000 to paint the entry area and upgrade the elevator
- 2025 – \$70,000 to replace light fixtures, purchase new furniture and décor, paint the common space, and replace a water heater
- 2026 – \$92,500 for exterior painting, replacing a water heater and a chiller, and striping and sealing the parking lot
- 2027 – \$30,000 for replacing garage driveways
- 2028 - \$20,000 for new faucets and toilets

Surface Water Pollution Prevention (Business Unit 2042)

The Surface Water Pollution Prevention Fund accounts for expenditures related to the City's Municipal Separate Storm Sewer System (MS4) General Permit Requirements. The MS4 General Permit is designed to reduce the amount of sediment and pollution that enters surface and ground water from storm sewer systems to the maximum extent practicable. Through its MS4 General Permit, the City developed a stormwater pollution prevention program which has been incorporated into this CIP. Significant expenditures included in the CIP include:

- East Goose Lake – The City is collaborating with Vadnais Lake Area Water Management Organization to implement the adaptive lake management programs and projects. \$30,000 is budgeted in 2022 and 2023, \$75,000 in 2024-2026, and \$50,000 in 2027-2030.
- Alleys - \$150,000 is set aside to address existing localized street flooding issues during the City's planned street reconstruction project
- Pond sediment dredging and testing – \$20,000, \$120,000, \$150,000, \$170,000, and



\$100,000 are budgeted in 2023-2027, respectively, to monitor sedimentation and implement pond cleanout and dredging, when needed

- Treatment opportunities – The City budgeted \$25,000 in 2023, \$100,000 in 2024, \$150,000 in 2025, \$200,000 in 2026, \$300,000 in 2027, and \$400,000 in 2028, 2029, and 2030 to perform treatment in accordance with the MS4 General Permit’s best management practices during City street and parking lot reconstruction
- Street sweeping equipment – \$150,000 is budgeted in 2024 and \$100,000 in 2025 to purchase a new street sweeper

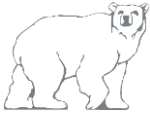
Sewer Fund (Business Unit 5052)

The plan includes an allocation of \$125,000 each year from 2022-2031 for sewer lining projects, which installs a fiberglass liner to the pipe to add strength and integrity. The plan also includes \$40,000 per year for manhole lining projects in 2022-2031 and \$30,000 per year to repair and replace coating on several sewer lift stations that pump wastewater or sewage from a lower to higher elevation in 2022-2027. 2022 includes an allocation of \$150,000 for a sanitary sewer extension on South Shore Boulevard and 2024 has a \$190,000 allocation for an easement at Willow Avenue. \$60,000 is earmarked each year from 2023-2027 for the replacement of the City’s Vacon truck in 2027. Additional smaller items consist of replacement of ¾ ton pickup trucks for \$80,000 in 2023, \$40,000 in 2026, and \$65,000 in 2028. \$25,000 is earmarked in 2024 and \$50,000 in 2025 for a lift station generator. \$100,000 is set aside in 2031 to replace the vactor/jetter truck.

Water Fund (Business Units 5012 & 5013)

Significant Water Fund expenditures in the CIP include:

- 2022 – The CIP supports \$156,300 to replace two ¾ ton pickups, \$400,000 for a water treatment plant lime slaker, and \$592,149 to complete the residential and commercial meter replacement project that began in 2021.
 - Operating Budget Impact – The City issued Utility Revenue bonds in the amount of \$2,465,000 in 2021. The bond proceeds will cover the purchase and installation the meters. The City will pay the principal and interest payment on the bond over a 15-year period water user fees. Currently, the City budgets \$63,000 each year to replace failing residential meters. It is expected that this annual expenditure will no longer be necessary as all meters will be new. Additionally, the City expects to save money on contracted meter reading services. Previously, the City has contracted with a company who reads the meters on a monthly basis. Many of the meters the City intends to replace require the reader to physically see the meter or even go into the resident’s house to read the meter. The new meters will be radio read meters, which can be read from the reader’s vehicle and are much less time consuming. The contract with the meter reading company expired at the end of 2021, and the City began performing meter reads in-house. The City expects to save approximately \$71,500 per year due to this change.
- 2023 – \$40,000 is budgeted for Water Well #2 rehab, \$165,000 for Water Well #3 generator replacement, and \$135,000 is earmarked for the water lagoon cold storage



- construction set to take place in 2025
- 2024 – \$40,000 is budgeted for Water Well #4 rehab, \$150,000 is budgeted for Well #4 generator replacement, \$135,000 is earmarked for the water lagoon cold storage construction set to take place in 2025, and \$400,000 is budgeted for the rehabilitation and painting of the Water Treatment Plan filter room
 - 2025 – The CIP includes \$100,000 exterior upgrades and facelifts to the water well, \$110,000 is earmarked for the purchase of a new Water Treatment Plant generator in 2026, \$135,000 is earmarked for the water lagoon cold storage construction, and \$100,000 is budgeted for the Water Treatment Plant clear well inspection and repairs
 - 2026 – \$60,000 is budgeted for Water Well #1 rehab, \$165,000 is earmarked for painting the exterior of the 3 MG reservoir in 2027, and \$140,000 is earmarked for the purchase of a new Water Treatment Plant generator
 - 2027 - \$40,000 is budgeted for Water Well #3 rehab and \$335,000 is earmarked for painting the exterior of the 3 MG reservoir
 - 2028 - \$40,000 is budgeted for Water Well #4 rehab
 - 2029 - \$40,000 is budgeted for Water Well #2 rehab
 - 2030 - \$60,000 is budgeted for Water Well #1 rehab

City of White Bear Lake

Annual Budget
Capital Improvement Plan

Business Unit	Funding Source	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Ambulance Fund											
5252	Mobile equipment	\$ 17,000	\$ 233,000	\$ 265,000	\$ -	\$ -	\$ -	\$ 265,000	\$ 265,000	\$ -	\$ -
5252	Equipment and technology	-	60,000	-	-	-	-	-	-	-	-
	Total Ambulance Fund	17,000	293,000	265,000	-	-	-	265,000	265,000	-	-
American Rescue Plan Aid Fund											
2022	City Hall	260,000	140,000	-	-	-	-	-	-	-	-
2022	Normandy Center	-	200,000	-	-	-	-	-	-	-	-
2022	Police	83,172	136,828	-	-	-	-	-	-	-	-
2022	Fire Department	20,000	-	-	-	-	-	-	-	-	-
2022	Public Works	602,700	-	-	-	-	-	-	-	-	-
	Total American Rescue Plain Aid Fund	965,872	476,828	-	-	-	-	-	-	-	-
Economic Development Fund											
4242	General	120,000	120,000	-	-	-	-	-	-	-	-
4247	Normandy Center	-	-	-	-	-	200,000	-	-	-	-
4248	Boatworks Commons	-	25,000	-	-	-	-	-	-	-	-
4250	Rental properties	-	-	-	-	-	-	-	-	-	-
	Total Economic Development Fund	120,000	145,000	-	-	-	200,000	-	-	-	-
Equipment Acquisition Fund											
4104	Building department	35,000	38,500	-	-	-	40,000	40,000	40,000	40,000	40,000
4102	City Hall	58,600	101,700	94,000	90,000	-	-	60,000	70,000	-	-
4105	Engineering	34,000	25,000	85,000	15,000	88,600	3,600	3,600	3,600	3,600	34,600
4109	Fire	76,725	612,000	569,250	162,250	74,250	34,500	852,000	334,500	34,500	82,000
4107	Parks	191,000	75,000	135,000	465,000	40,000	140,000	130,000	152,000	50,000	140,000
4108	Police	113,755	321,250	320,000	35,000	325,000	327,000	342,500	332,000	332,000	332,000
4111	Public Safety	-	-	15,000	-	-	-	-	-	-	-
4116	General	25,000	20,000	45,000	45,000	45,000	45,000	40,000	40,000	40,000	40,000
4118	Public Works	50,370	25,000	52,000	95,000	20,000	265,000	-	-	55,000	-
4119	Sports Center	95,100	7,000	-	-	-	-	-	30,000	-	-
4106	Streets	135,630	-	402,000	490,000	340,000	127,500	117,500	190,000	275,000	190,000
4120	Technology	139,600	164,500	163,500	118,500	90,000	90,000	90,000	90,000	120,000	90,000
	Total Equipment Acquisition Fund	954,780	1,389,950	1,880,750	1,515,750	1,022,850	1,072,600	1,675,600	1,282,100	950,100	948,600
Construction Fund											
4402	General expenditures	-	96,000	-	-	-	-	-	-	-	-
4491	Emerald ash borer	25,000	-	-	-	-	-	-	-	-	-
4404	Seal coating and crack sealing	360,500	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
	Street reconstruction projects	-	-	-	-	-	-	-	-	-	-
	Pavement Rehabilitation	2,436,000	-	3,000,000	7,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
	Mill and overlay projects	-	130,000	-	-	-	-	-	-	-	-
	Miscellaneous concrete projects	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	Miscellaneous street related projects	438,000	350,000	1,005,000	250,000	125,000	50,000	200,000	125,000	200,000	125,000
	Total Interim Construction Fund	3,324,500	1,016,000	4,445,000	7,690,000	4,065,000	3,990,000	4,140,000	4,065,000	4,140,000	4,065,000
Marina Fund											
2052	Furniture/Equipment	6,000	85,000	-	-	-	-	-	-	-	-
2052	Dock System	30,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	33,000
2052	Other Improvements	-	50,000	-	-	1,700	1,700	1,700	1,700	1,700	1,700
	Total Marina Fund	36,000	180,000	50,000	50,000	51,700	51,700	51,700	51,700	51,700	34,700

City of White Bear Lake

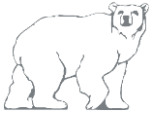
Annual Budget
Capital Improvement Plan

Business Unit	Funding Source	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Municipal Building Fund											
4322	Boatworks Commons	-	-	20,000	5,000	-	-	10,000	-	-	5,000
4304	City Hall	163,200	290,500	235,000	225,000	51,000	25,000	25,000	25,000	25,000	150,000
4306	Counseling Center	9,500	-	-	-	-	-	-	-	-	-
4323	Depot	30,550	85,000	-	-	-	-	-	-	-	-
4312	Fire Station 1	-	-	-	-	-	-	-	-	-	-
4314	Fire Station 2	163,433	27,500	44,000	29,000	61,500	-	-	-	-	-
4310	Public Safety Facility	713,100	14,112,500	3,003,500	21,100	-	-	-	-	-	-
4316	Public Works Facility	336	11,500	28,000	30,000	206,000	263,500	185,500	147,500	112,500	65,000
4320	Sports Center	17,000	45,500	18,000	19,000	-	-	50,000	75,000	125,000	-
4321	City-wide	-	25,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
4324	Energy Performance	1,222,923	-	-	-	-	-	-	-	-	-
	Total Municipal Building Fund	2,320,042	14,597,500	3,368,500	349,100	338,500	308,500	290,500	267,500	282,500	240,000
Park Improvement Fund											
4015	Bossard Park	-	-	-	-	15,000	15,000	220,000	-	-	-
4079	Boatworks Park	1,705	1,700	1,700	1,700	-	-	-	-	-	-
4012	Downtown	-	-	-	-	-	-	-	-	-	-
4021	Ebba Park	4,570	-	-	-	-	-	-	-	-	-
4024	Hidden Hollow Park	32,195	30,000	32,000	40,000	-	2,000	-	2,000	-	-
4030	Lakeview Park	-	-	2,500	-	-	-	-	-	-	-
4033	Lakewood Hills	9,015	142,176	225,000	69,000	50,000	224,500	-	-	-	-
4036	Lions Park	702,483	81,900	-	-	-	-	-	35,000	-	-
4039	Matoska Park	-	-	-	35,000	25,000	-	-	-	-	-
4042	McCarty Park	-	-	-	-	-	15,000	15,000	60,000	-	-
4045	Memorial Beach	5,650	-	-	-	-	-	-	-	-	-
4012	General parks	7,208	68,000	34,000	34,000	24,000	18,000	18,000	18,000	10,000	10,000
4048	Podvin Park	-	20,000	18,100	50,000	85,000	-	-	8,000	-	-
4051	Railroad Park	-	19,000	-	-	-	-	-	-	-	-
4054	Ramaley Park	-	25,500	-	-	-	-	-	-	-	-
4057	Rotary Nature Preserve	-	-	-	-	-	10,000	10,000	35,000	-	-
4060	Spruce Park	-	3,200	-	-	9,000	-	-	-	-	-
4063	Stellmacher Park	-	7,000	-	-	15,000	-	-	-	-	-
4066	Veteran's Memorial Park	-	12,000	-	-	-	-	-	-	-	-
4069	West Park	-	30,000	-	-	-	-	-	-	-	-
4072	Weyerhauser Park	-	-	-	50,000	50,000	15,000	15,000	34,000	-	-
	Total Park Improvement Fund	762,826	440,476	313,300	279,700	273,000	299,500	278,000	192,000	10,000	10,000
Pioneer Manor Fund											
5302	Building upgrades	78,500	37,000	137,000	70,000	92,500	30,000	20,000	3,000	-	-
	Total Pioneer Manor Fund	78,500	37,000	137,000	70,000	92,500	30,000	20,000	3,000	-	-
Surface Water Pollution Prevention											
2042	Surface water projects/management	55,000	152,500	755,000	725,000	520,000	535,000	555,000	525,000	510,000	25,000
2042	Software	-	-	14,000	14,000	-	-	-	-	-	-
	Total Surface Water Fund	55,000	152,500	769,000	739,000	520,000	535,000	555,000	525,000	510,000	25,000
Refuse Fund											
5102	Software	-	-	14,000	14,000	-	-	-	-	-	-
	Total Pioneer Manor Fund	-	-	14,000	14,000	-	-	-	-	-	-

City of White Bear Lake

Annual Budget
Capital Improvement Plan

Business Unit	Funding Source	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sewer Fund											
5052	Equipment and technology	-	15,000	14,000	14,000	-	-	-	-	-	-
5052	Mobile equipment	12,000	140,000	60,000	60,000	100,000	60,000	65,000	-	-	100,000
5052	Sanitary sewer projects	315,000	165,000	355,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
5052	Lift station improvements	78,500	32,500	80,000	80,000	30,000	30,000	25,000	-	25,000	-
	Total Sewer Fund	<u>405,500</u>	<u>352,500</u>	<u>509,000</u>	<u>319,000</u>	<u>295,000</u>	<u>255,000</u>	<u>255,000</u>	<u>165,000</u>	<u>190,000</u>	<u>265,000</u>
Water Fund											
5012/5013	Equipment and technology	1,015,786	165,000	164,000	124,000	140,000	-	-	-	-	-
5012/5013	Mobile equipment	156,300	-	-	-	-	-	20,000	20,000	60,000	-
5012/5013	Building improvements	22,185	135,000	593,000	202,000	7,500	15,000	-	-	-	-
5012/5013	Pump improvements	20,000	40,000	44,000	100,000	60,000	40,000	40,000	40,000	-	60,000
5012/5013	Other improvements	2,000	-	25,000	110,000	165,000	335,000	-	-	-	-
	Total Water Fund	<u>1,216,271</u>	<u>340,000</u>	<u>826,000</u>	<u>536,000</u>	<u>372,500</u>	<u>390,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
	Total	<u>\$ 10,256,291</u>	<u>\$ 19,420,754</u>	<u>\$ 12,577,550</u>	<u>\$ 11,562,550</u>	<u>\$ 7,031,050</u>	<u>\$ 7,132,300</u>	<u>\$ 7,590,800</u>	<u>\$ 6,876,300</u>	<u>\$ 6,194,300</u>	<u>\$ 5,648,300</u>



General Obligation Debt

The City issues general obligation bonds to provide funds for the acquisition and redevelopment of property, construction of streets and utilities, financing acquisition of capital equipment, and the construction of major capital facilities. The City's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

As of December 31, 2022, the long-term bonded debt of the City consisted of the following:

	Interest Rate	Issue Date	Final Maturity	Original Issue	Principal Outstanding
Governmental activities					
G.O. Tax Increment Refunding Bonds, Series 2012A	2.00%	4/3/2012	2/1/2023	\$ 2,650,000	\$ 170,000
G.O. Improvement Bonds, Series 2012B	0.40-2.00%	12/19/2012	2/1/2028	2,555,000	800,000
G.O. Tax Increment Revenue Bonds, Series 2016A	2.00-3.00%	3/10/2016	2/1/2037	2,275,000	1,875,000
G.O. Bonds, Series 2018A	3.00-4.00%	6/14/2018	2/1/2039	5,850,000	5,155,000
G.O. Tax Abatement Bonds, Series 2018B	3.00-3.38%	6/14/2018	2/1/2039	3,330,000	2,950,000
G.O. Improvement Bonds, Series 2019A	3.00-4.00%	7/18/2019	2/1/2040	1,925,000	1,725,000
G.O. Improvement and Equipment Certificate Bonds, Series 2020A	2.00-3.00%	7/16/2020	2/1/2041	3,580,000	3,330,000
G.O. Improvement and Equipment Certificate Bonds, Series 2021A	1.50-2.50%	6/17/2021	2/1/2037	1,815,000	1,815,000
G.O. Bonds, Series 2022A	3.00-3.25%	6/2/2022	2/1/2038	3,010,000	3,010,000
Business-type activities					
G.O. Utility Revenue Bonds, Series 2020A	2.00-3.00%	7/16/2020	2/1/2041	860,000	825,000
G.O. Utility Revenue Bonds, Series 2021A	1.50-2.50%	6/17/2021	2/1/2037	2,465,000	2,465,000
Total				<u>\$30,315,000</u>	<u>\$24,120,000</u>

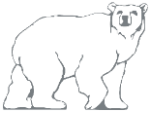
The chart above does not include amounts related to the 2022B G.O. CIP Bonds as bonds have not been issued as of the time of publication and the amounts are subject to change.

Bond Rating

Standard & Poor's (S&P) Global Ratings assigned its "AA+" long-term rating to the City's general obligation (GO) bonds, series 2022B in November of 2022. At the same time, S&P affirmed their "AA+" long-term rating on the City's outstanding GO debt. The outlook is stable.

Legal Debt Limit

According to Minnesota Statutes, the City's net debt cannot exceed 3% of the estimated market value of taxable property in the municipality. For 2022, the total debt applicable is \$2,955,175 which is 0.08% of the City's preliminary total estimated market value of \$3,603,341,200.



Below are links to useful documents and information related to the City.

Useful Documents and Information
<u>2040 Comprehensive Plan</u>
<u>Fee Schedule</u>
<u>Annual Comprehensive Financial Report</u>
<u>Facebook</u>
<u>Twitter</u>
<u>White Bear Lake Historical Society</u>
<u>White Bear Area Chamber of Commerce</u>
<u>White Bear Lake Area Schools</u>
<u>Marketfest</u>
<u>Explore White Bear</u>

RESOLUTION NO. 13111

**RESOLUTION ADOPTING THE 2023 BUDGET AND REVISING THE 2022 BUDGET AS ADOPTED BY
RESOLUTION NO. 12898**

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

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;

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;

WHEREAS, Resolution No. 12898 adopted the 2022 operating budget;

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 2023 operating budget shall be adopted and the 2022 operating budget shall be revised as follows:

Revenue:	<u>2022 Budget</u>	<u>2023 Budget</u>
<u>General Fund</u>		
General Property Tax	\$ 7,200,828	\$ 8,233,000
Franchise Fees and Fines	392,664	382,000
Licenses and Permits	1,303,053	1,128,807
Intergovernmental	2,529,034	2,073,590
Charges for Services	784,696	871,126
Miscellaneous	134,158	65,750
Transfers In	1,236,210	1,048,600
Total General Fund	<u>13,580,643</u>	<u>13,802,873</u>
<u>Special Revenue Funds</u>		
Amercian Rescue Plan Aid	1,455,678	-
Armory	77,461	-
Surface Water Pollution Prevention	237,417	274,031
Marina Operations	400,000	432,000
Sports Center	698,115	661,814
Forfeiture	3,700	13,000
Economic Development	556,087	439,331
Total Special Revenue Funds	<u>3,428,458</u>	<u>1,820,176</u>

RESOLUTION NO. 13111

Debt Service Funds

Non-Bonded Special Assessment	652,110	506,810
2012 Special Assessment	192,000	178,000
2012 Refunding Tax Increment (PM)	160,000	160,000
2016 Tax Increment (BWC)	140,000	137,000
2018A G.O. Improvement and Equip. Cert.	406,475	404,000
2018B G.O. Tax Abatement Bonds	247,000	230,000
2019A G.O. Improvement Bonds	125,100	122,800
2020A G.O. Improvement and Equip. Cert.	319,045	293,400
2021A G.O. Improvement and Equip. Cert.	192,073	183,100
2022A G.O. Improvement and Equip. Cert.	61,557	281,317
2022B G.O. CIP Bonds (PS Facility)	-	365,000
2023A G.O. CIP Bonds (PS Facility)	-	304,000
Total Debt Service Funds	<u>2,495,360</u>	<u>3,165,427</u>

Capital Project Funds

Equipment Acquisition	622,008	636,200
Municipal Building	8,364,771	10,078,450
Park Improvement	282,911	112,500
Construction	4,159,721	910,000
HRA Downtown Expansion District 25	1,453,856	303,000
HRA Hoffman Place District 26	120,703	63,000
HRA Boatworks District 27	539,994	260,000
Total Capital Project Funds	<u>15,543,964</u>	<u>12,363,150</u>

Enterprise Funds

Water Utility	2,037,802	2,434,326
Sewer Utility	3,534,318	3,666,700
Environmental Recycling & Disposal Waste	1,761,820	1,830,969
Ambulance	2,469,773	2,772,000
Pioneer Manor	431,143	451,500
License Bureau	771,230	891,400
Total Enterprise Funds	<u>11,006,086</u>	<u>12,046,895</u>

Internal Service Funds

Insurance	282,473	285,907
Employee Expense	<u>3,806,833</u>	<u>4,073,880</u>
Total Internal Service Funds	<u>4,089,306</u>	<u>4,359,787</u>

Revenue Subtotal	<u>50,143,817</u>	<u>47,558,308</u>
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Community Reinvestment	<u>112,793</u>	<u>109,244</u>
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Total Revenue	<u><u>\$ 50,256,610</u></u>	<u><u>\$ 47,667,552</u></u>
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RESOLUTION NO. 13111

Appropriations/Reserves:	<u>2022 Budget</u>	<u>2023 Budget</u>
<u>General Fund</u>		
Legislative	\$ 148,800	\$ 164,768
Administration	409,185	451,873
Finance	694,333	746,042
Legal	70,236	72,836
City Hall	360,258	258,507
Technology	-	142,958
Elections	81,905	80,405
Planning	328,686	381,240
Public Safety		
Public Safety Facility	132,360	148,755
Police	5,173,269	5,651,606
Fire	1,435,674	1,521,176
Dispatch	223,300	251,800
Legal Prosecution	153,907	160,063
Animal Control	23,080	27,116
Emergency Preparedness	18,223	18,579
Building and Code Enforcement	756,868	849,900
Public Works		
Public Works Facility	252,651	262,181
Engineering	745,269	790,413
Garage	261,779	277,911
Streets	613,614	621,634
Snow and Ice Removal	287,316	287,458
Street Lighting	238,714	244,823
Parks	724,758	815,806
Non-Departmental		
General Services	-	147,792
Senior Bus	7,500	7,800
Lake Conservation District	36,025	22,450
Northeast Youth and Family Services	52,960	57,000
Contingency	2,900	10,000
Transfers	323,485	-
Total General Fund	<u>13,557,057</u>	<u>14,472,894</u>
 <u>Special Revenue Funds</u>		
American Rescue Plan Aid	965,872	486,828
Armory	101,652	-
Surface Water Pollution Prevention	248,518	369,880
Marina Operations	373,465	502,960
Sports Center	719,586	801,072
Forfeiture	56,800	33,100
Economic Development	1,428,991	1,015,141
Total Special Revenue Funds	<u>3,894,885</u>	<u>3,208,981</u>

RESOLUTION NO. 13111

Debt Service Funds

Non-Bonded Special Assessment	602,750	381,476
2012 Special Assessment	191,470	178,966
2012 Refunding Tax Increment (PM)	176,310	172,910
2016 Tax Increment (BWC)	139,423	136,772
2018A G.O. Improvement and Equip. Cert.	409,166	409,566
2018B G.O. Tax Abatement Bonds	226,760	230,785
2019A G.O. Improvement Bonds	166,360	163,510
2020A G.O. Improvement and Equip. Cert.	343,410	344,585
2021A G.O. Improvement and Equip. Cert.	42,620	205,985
2022A G.O. Improvement and Equip. Cert.	1,210	109,130
2022B G.O. CIP Bonds (PS Facility)	-	189,210
2023A G.O. CIP Bonds (PS Facility)	-	1,210
Total Debt Service Funds	2,299,479	2,524,105

Capital Project Funds

Equipment Acquisition	971,780	1,622,950
Municipal Building	2,320,042	14,597,500
Park Improvement	762,826	440,476
Construction	3,917,910	1,442,200
HRA Tax Increment	1,491,553	-
HRA Downtown Expansion District 25	6,250	6,250
HRA Hoffman Place District 26	55,842	56,300
HRA Boatworks District 27	180,150	171,275
Total Capital Project Funds	9,706,353	18,336,951

Enterprise Funds

Water Utility	2,956,617	2,345,558
Sewer Utility	3,277,763	3,271,337
Environmental Recycling & Disposal Waste	1,716,228	1,875,137
Ambulance	2,464,517	3,070,797
Pioneer Manor	527,987	527,152
License Bureau	900,323	1,103,841
Total Enterprise Funds	11,843,435	12,193,822

Internal Service Funds

Insurance	389,750	446,250
Employee Expense	3,946,766	4,135,975
Total Internal Service Funds	4,336,516	4,582,225

Appropriations/Reserves Subtotal

45,637,724	55,318,978
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Community Reinvestment

238,900	290,000
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Total Appropriations/Reserves

\$ 45,876,624	\$ 55,608,978
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RESOLUTION NO. 13111

The foregoing resolution, offered by Councilmember Hughes and seconded by Councilmember Edberg, was declared carried on the following vote:

Ayes: Edberg, Engstran, Hughes, Jones, Walsh

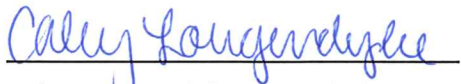
Nays: None

Passed: December 13, 2022



Dan Louismet, Mayor

ATTEST:



Caley Longendyke, City Clerk

RESOLUTION NO. 13112

**RESOLUTION APPROVING THE 2022 FINAL TAX LEVY
FOR TAXES COLLECTIBLE IN 2023**

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;

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, 2022; and

WHEREAS, detail for the revised 2022 and 2023 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 are levied in 2022, collectible in 2023, upon the taxable property in said City of White Bear Lake for the following purposes:

General Fund	\$ 8,233,000
Debt Service: YMCA/Sports Center	132,000
Debt Service: Street Construction - 2018	220,000
Debt Service: Street Construction - 2019	80,000
Debt Service: Street Construction - 2020	103,000
Debt Service: Equipment Certificates - 2020	155,000
Debt Service: Street Construction - 2021	99,000
Debt Service: Equipment Certificates - 2021	62,000
Debt Service: Street Construction - 2022	202,000
Debt Service: Public Safety Facility CIP - 2022	365,000
Debt Service: Public Safety Facility CIP - 2023	<u>304,000</u>
Gross Levy	9,955,000
Less: Fiscal Disparity	<u>(973,350)</u>
Net Levy	<u><u>8,981,650</u></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 ensuing years; and

BE IT FURTHER RESOLVED, that there is a sufficient sum of monies in all Debt Service

RESOLUTION NO. 13112

Funds of the City which are irrevocably pledged to pay principal and interest in 2023 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

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.

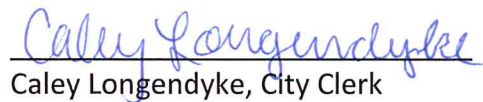
The foregoing resolution, offered by Councilmember Jones and supported by Councilmember Engstran, was declared carried on the following vote:

Ayes: Edberg, Engstran, Hughes, Jones, Walsh
Nays: None
Passed: December 13, 2022



Dan Louismet, Mayor

ATTEST:



Caley Longendyke, City Clerk

RESOLUTION NO. 13113

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;

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>2022</u>	<u>2023</u>
Special Revenue			
American Recovery Act Fund	Community Utilization	\$ 487,127	\$ 299
Armory	Community Utilization	24,191	-
Surface Water Pollution Prevention	Storm Water Run Off Control	829,386	733,537
Marina	Community Utilization	331,643	260,683
Sports Center	Community Utilization	170,650	31,391
Forfeiture	Public Safety	21,787	1,687
Economic Development	Economic Improvement	2,069,783	1,493,973
Debt Service			
Non-Bonded Debt	Special Assessment Finance	803,310	928,644
Special Assessment - 2012	Street Improvements	31,047	30,081
Tax Increment - 2012	Pioneer Manor	36,941	24,031
Tax Increment - 2016	Boatworks Commons	32,828	33,056
G.O. Impr. And Eq. Cert. - 2018	Street Impr, SC Equipment	449,090	443,524
G.O. Tax Abatement - 2018	Facility Renovation	241,585	240,800
G.O. Improvement - 2019	Street Improvements	402,378	361,668
G.O. Impr. and Eq. Cert. - 2020	Street Impr, Equipment	601,425	550,240
G.O. Impr. and Eq. Cert. - 2021	Street Impr, Equipment	342,167	319,282
Capital Projects			
Equipment Acquisition	City Equipment Purchases	2,095,790	1,109,040
Municipal Building	City Facility Construction	6,899,592	2,380,542
Park Improvement	Park Construction	1,129,121	801,145
Construction	Street Construction	4,304,404	3,772,204
Community Reinvestment	Infrastructure Finance	7,300,001	7,119,245
HRA Downtown Expansion District 25	Tax Increment Finance	1,447,606	1,744,356
HRA Hoffman Place District 26	Tax Increment Finance	64,861	71,561
HRA Boatworks District 27	Tax Increment Finance	359,844	448,569

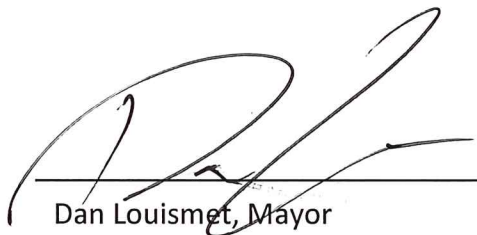
RESOLUTION NO. 13113

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

Ayes: Edberg, Engstran, Hughes, Jones, Walsh

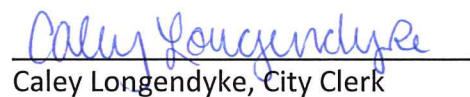
Nays: None

Passed: December 13, 2022



Dan Louismet, Mayor

ATTEST:



Caley Longendyke, City Clerk

RESOLUTION NO. 13114

**RESOLUTION AUTHORIZING CITY CONTRIBUTIONS TOWARDS VOLUNTEER AND EMPLOYEE
RECOGNITION PRESENTED IN THE 2022 REVISED AND 2023 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;

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

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 2022 and 2023 specifically authorizes the following appropriations, which recognize volunteer and employee achievements.

<u>General Fund</u>	<u>2022</u>	<u>2023</u>
Legislative		
Employee Appreciation Lunch	\$ 1,000	\$ 8,000
Service Awards (attached)	2,500	2,500
Civic Promotion (plaques/mugs)	1,200	1,200
Volunteer Recognition Dinner	1,700	1,700
Council Appreciation	150	150
Police		
Service Awards	-	100
TRIAD Events and Recognition	-	250
DARE	3,550	3,550
Crime Prevention	225	225
Volunteer Shirts/Award	-	1,000
CPA Shirts and Supplies	825	825
Fire		
Service Awards	500	500
Annual Banquent (current and retired)	3,500	-
Explorer Recognition	250	250
Pioneer Manor		
Social Activities	2,500	3,000
Insurance		
Safety Awards	100	100

RESOLUTION NO. 13114

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

Ayes: Edberg, Engstran, Hughes, Jones, Walsh

Nays: None

Passed: December 13, 2022

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Dan Louismet, Mayor

ATTEST:

A handwritten signature in blue ink, written in a cursive style, positioned above a horizontal line.

Caley Longendyke, 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 for each five-year service milestone.

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. Employees who have reached a service anniversary during the rolling calendar year since the previous recognition will receive an award based on the number of years as indicated below.

Instructions

Choose your gift based on your celebrated years of service. You may choose an award from the selection of your current milestone, or any of the awards from earlier milestones you've already passed. Please send your selection and specified option as necessary to City Clerk Caley Longendyke at clongendyke@whitebearlake.org by Friday, September 23.

More details on the attached pages.

Service	Summary of gift choice
5 years	<ul style="list-style-type: none"> • Sterling silver lapel pin • Backpack cooler • Blanket
10 years	<ul style="list-style-type: none"> • Key chain • Leatherman • Necklace pendant, silver
15 years	<ul style="list-style-type: none"> • Necklace pendant, gold filled • Keepsake box • Jacket
20 years	<ul style="list-style-type: none"> • Concrete bear • Sand timer • Framed watercolor print
25 years	<ul style="list-style-type: none"> • Concrete bear • ID bracelet • Jacket
30 years	<ul style="list-style-type: none"> • Mantle clock • Signet ring • Jacket
35 years	<ul style="list-style-type: none"> • Concrete bear • Necklace pendant, gold

RESOLUTIO NO. 13115

RESOLUTION AUTHORIZING AND ACKNOWLEDGING CITY CONTRIBUTIONS AND INVOLVEMENT IN PROMOTING BUSINESS AND CULTURAL ACTIVITIES IN WHITE BEAR LAKE IN THE 2022 REVISED AND 2023 BUDGETS

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

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

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 2022 and 2023 specifically authorize the following appropriations for which the City receives services of value exceeding the cost.


	<u>2022</u>	<u>2023</u>
General Fund		
Legislative		
Chamber of Commerce	\$ 560	\$ 600
Economic Development		
Marketfest	7,000	7,000
Historical Society	19,800	19,800

The foregoing resolution, offered by Councilmember Edberg and seconded by Councilmember Hughes, was declared carried on the following vote:

Ayes: Edberg, Engstran, Hughes, Jones, Walsh

Nays: None

Passed: December 13, 2022



Dan Louismet, Mayor

ATTEST:



Caley Longendyke, City Clerk

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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.

Budget Summary:

The General Fund receives revenue from seven major funding sources to support the operations of twenty-four different departments. The following paragraphs describe each revenue source in detail, followed by a brief discussion of expenditure presentation.

Revenues - Property Taxes

Property taxes apply to all general taxable property within the City's boundaries. The City calculates the annual property tax levy by subtracting the anticipated expenditures and reserve adjustments from all other revenue sources to determine the remaining revenues needed for operations. The ultimate goal in setting the annual tax levy is to provide residents with a high level of service at the lowest possible cost. Finding the right balance between the two is challenging, as the City must consider the outside influences of economic factors and policies that affect both the City and residents, while reviewing the City's revenues and expenditures.

The total proposed levy is \$9,955,000, of which \$8,233,000 or 82.7% supports General Fund operations. The City Council's philosophy is to maintain a steady revenue stream that eliminates wide fluctuations and provide residents with transparency in understanding tax levy increases.

Revenues - Franchise Fees & Fines

Franchise fee revenues are derived from a 1.5% fee imposed on total electric consumption within the City's boundaries. Annual consumption continues to grow in our community, even though residents strive to conserve energy in their daily lives. In previous years, the City budgeted a 3.00% increase for this revenue item to account for growth; however, the amount received often exceeded that estimate. The scenario changed in the 2019 franchise fee received in 2020 in part due to the Tax Cut Jobs Act tax reform. Since the City's agreement with Xcel Energy is percentage-based, it can fluctuate due to the number of customers and their energy use during the different seasons and weather conditions during the year. Some cities now utilize a flat monthly fee for collection to guarantee a more stable revenue stream throughout the year. The City could consider changing to the flat fee or increasing the percentage rate. Any franchise fee changes could provide additional revenue to allow a reduction in the General Fund's reliance on property taxes for revenue. The 2023 franchise fee payment conservatively estimates a decrease of 3.28% from 2022.

The City receives fine revenues through two sources. One source is a portion of the revenue the State receives for violation tickets issued within our jurisdiction. The second source is the issuance of City administrative tickets issued by the Police Department. The administrative ticket process

Fund: General Fund 1000

allows officials to impose a stern warning and consequence on individuals without issuing a Ramsey County ticket that carries a higher fine for the offense.

Fine revenues tend to remain relatively consistent each year, even though they are dependent on activities the City cannot control. Subsequently, the City relies on actual amounts received in previous years to create budget estimates.

Revenues - Business Licenses

The City requires businesses operating in liquor sales, cigarette sales, entertainment operations, gambling activities and residential rental activities to receive a license from the City before the business operations can commence. An annual rate review allows staff to recommend increases to the current rate structure to ensure fees provide revenues to cover the administrative costs associated with monitoring the activities.

Revenues - Non-Business Licenses

The City requires businesses and residents planning construction activities on their properties to obtain a permit through an approval process before beginning the project to confirm the plans conform to State codes and City ordinances. Project values drive the calculation of some permit fees, while other permits have a flat fee. As with business licenses, the revenues received through the permit process should cover the costs the City incurs to provide the project review and mandated inspections, but not overcharge property owners. An annual review of the fee structure maintains these objectives. The City expects a gradual decrease in building activity in future years due to limited opportunity 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.

The community passed the White Bear Lake Area School District's \$326 million bond referendum in November 2019 to fund a multi-year improvement plan for additions and renovations to current district buildings. The plan is both complex and comprehensive as it touches each of their buildings in some way. Passing of the referendum increases building permit activity between the end of 2020 and 2022. The final permits were issued in 2022, ending the extremely high revenues received in recent years.

In 2023, the City anticipates issuing permits for the Shafer Richardson Phase 2 development of a multi-family housing complex. The City expects a gradual decrease in building activity in future years due to limited opportunities for new construction.

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

Fund: General Fund 1000

Revenues - Intergovernmental

The City records revenues it receives from Federal, State and Local agencies supporting general government operations in the General Fund. Of the funding sources in this category, the primary support received is the state Local Government Aid (LGA). The state created the LGA program to stabilize the local property taxes and ensure that quality basic city services are available in all Minnesota cities, regardless of population or property tax base. LGA has been an important part of the City's budget throughout the years.

The City received notice in 2020 stating the 2021 allocation decreased \$254,000. Though initially thought to be a one-time drop, further investigations revealed the beginning of a shift in LGA funding to the City. Per information from the Minnesota Department of Revenue, White Bear Lake has an above average tax base growth that is coupled with a growing tax base per capita, which contrasts with many of the cities receiving LGA.

In recent years, White Bear Lake's unmet need calculated through the LGA formula went below the LGA amount and were it not for the 2019 legislative changes, a reduction would have occurred in the City's LGA distribution in 2020. The State capped the annual LGA reduction at \$10 per capita for pay year 2021. For pay year 2022, the City's allocation decreased by \$258,000; however, the State approved supplemental LGA for cities whose allocation had dropped based on the formula to hold their 2021 LGA level for 2022. The 2023 allotment calculation did not take into account the 2022 supplemental aid payment; therefore, the City recognizes a decrease of \$506,350 in 2023, which is essentially a two year decrease in one year.

Given the recent reductions in the White Bear Lake's need for LGA based on the distribution formula, Council is planning for annual decreases of approximately \$250,000 in the next few years until the distribution reaches zero. The 2023 LGA distribution is \$827,265; which means there are probably three years more years of full reductions and a fourth year with a limited reduction.

In 2022, LGA was allocated \$100,000 to the Municipal Building Fund and the remaining amount to the General Fund. The 2023 Budget eliminates the allocation to the Municipal Building Fund and recognizes all LGA revenue in the General Fund.

A percentage of the State's motor fuel excise tax funds the Municipal State Aid (MSA) for street maintenance and improvements. The City assigns part of its allotment to the Construction Fund to assist in financing the annual street rehabilitation program. The General Fund budget receives the balance of the allocation to support road maintenance.

A 2% surcharge applied to automotive insurance coverages funds the State's Police Aid, which assists in financing pension obligations for police officers. The State allocates Police Aid among communities proportionately based on revenues received throughout the entire State. The Legislature allocated nearly \$5 million in direct payments to cities to offset additional police pension costs. The City expects the Police Aid funding level to remain consistent through the next several years.

Fund: General Fund 1000

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 elementary schools located within the City.

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.

Revenues - Charges for Service

This category reflects payments received from other communities for services provided by the Fire, Police, and Building Departments. The fire service contracts with four communities renew in 2023 for a five-year period effective January 2023. The police service contract with the City of Gem Lake 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
Fire Inspection	White Bear Township
Fire Inspection	Gem Lake
Police	Gem Lake
Building Inspection	Mahtomedi

The City continues to experience stable revenue through these contract service charges. The calculation of each contract cost includes department operating and capital expenditures; however, the formula used for the services varies by department. The Fire contract allocates the costs based on a combination of 35% property valuation and 65 population of the coverage area, the Police contract pricing structure allocates costs based on population and the Building inspection contract relies on the percentage of building activity within the two cities.

Revenues - 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.

The City’s interest revenue depends on available rates when making the investments and on available cash balances. After experiencing increased interest earnings in recent years, the tide changed with the arrival of the COVID-19 pandemic in 2020. Given the lack of yield in the market across all investment types, coupled with the thin supply of Certificate of Deposits, the City

Fund: General Fund 1000

conservatively estimated total interest earnings for 2021 that ended up being higher than the actual earnings. To prevent recognizing a loss in interest in future years, the 2023 Budget does not include an estimate for interest earnings because earnings are not definite.

The Water, Sewer, Refuse, Ambulance, Pioneer Manor and License Bureau Funds contribute to the General Fund through internal transfers to cover administrative costs associated with each of the funds. The Ambulance Fund transfer also includes a reimbursement to the General Fund for a portion of the dispatch costs.

The Marina Fund transfer reimburses for administrative costs associated with the fund's operations, while the Construction Fund transfers funds to the General Fund for reimbursement of engineering services provided to the annual street rehabilitation and other infrastructure projects.

The General Fund receives one-time transfers from the Economic Development and American Rescue Plan Aid (ARPA) Funds in the Revised 2021 and 2022 Budget to utilize federal funding received to support operations and additional expenditures related to the pandemic.

Expenditures

Each General Fund departmental expenditure budget includes a narrative section describing 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. In the 2019 Budget, 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 2020 and 2021 and estimated results for 2022 and 2023.

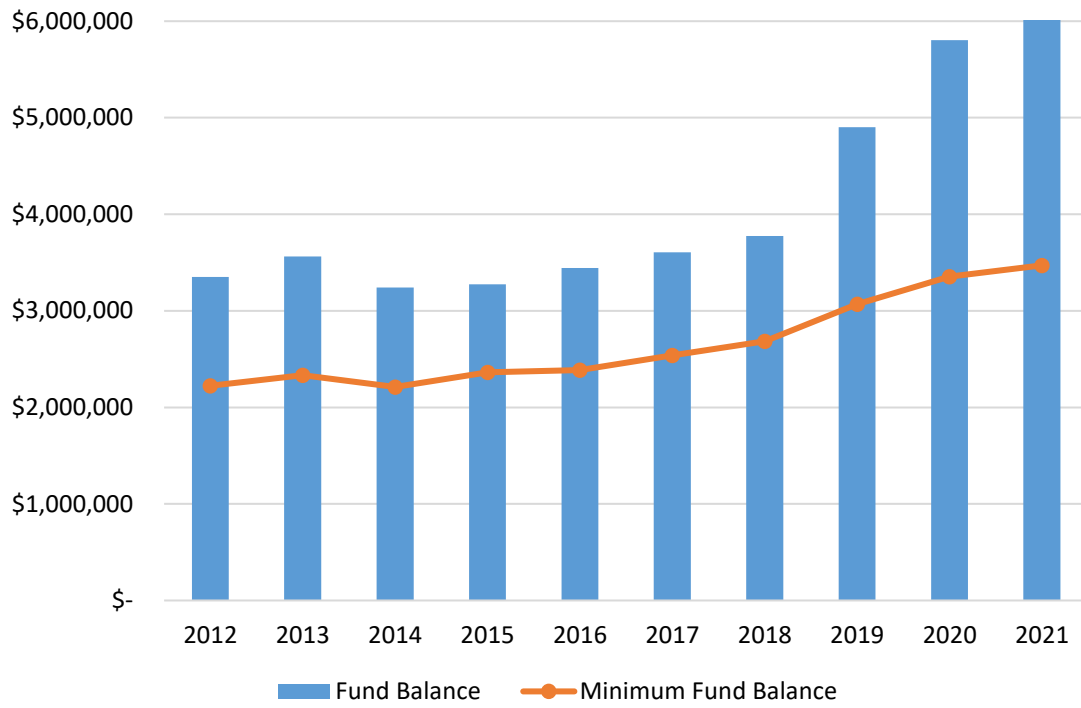
Reserve:

The City maintains a cash flow reserve to bridge the gap between receipt of the General Fund's major revenues, property taxes and local government aid in July/December and the Police State Aid in October, to pay the City's operating expenses. The reserve fund is \$4,010,000 as of December 31, 2023.

The graph below illustrates the General Fund's total fund balance as compared to the minimum required fund balance for 2012-2021. As described previously, the minimum fund balance used by the City is calculated as one-half of the General Fund major revenue sources, which are property taxes, local government aid, and police state aid.

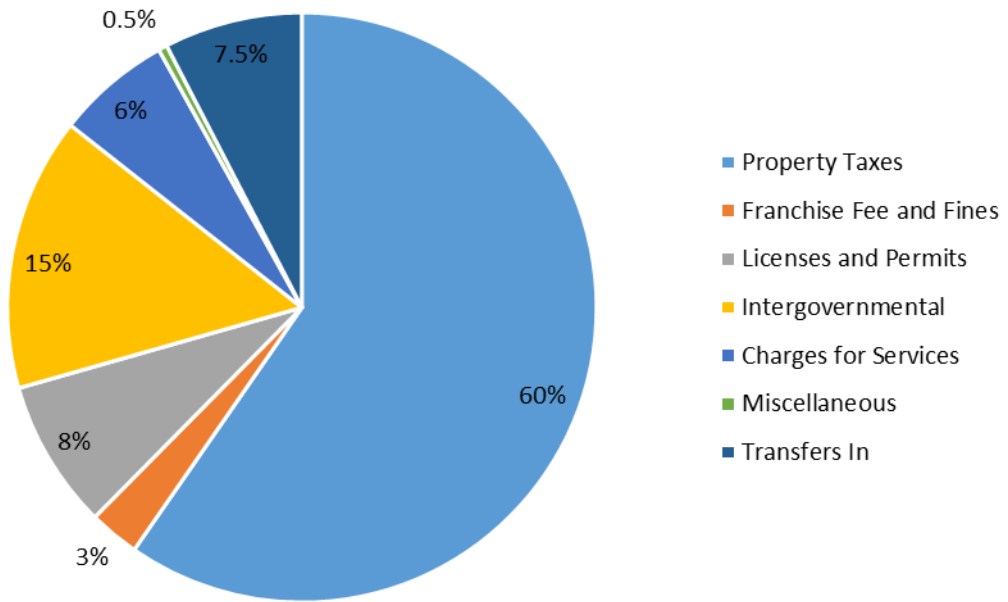
Fund: General Fund 1000

Total Fund Balance History

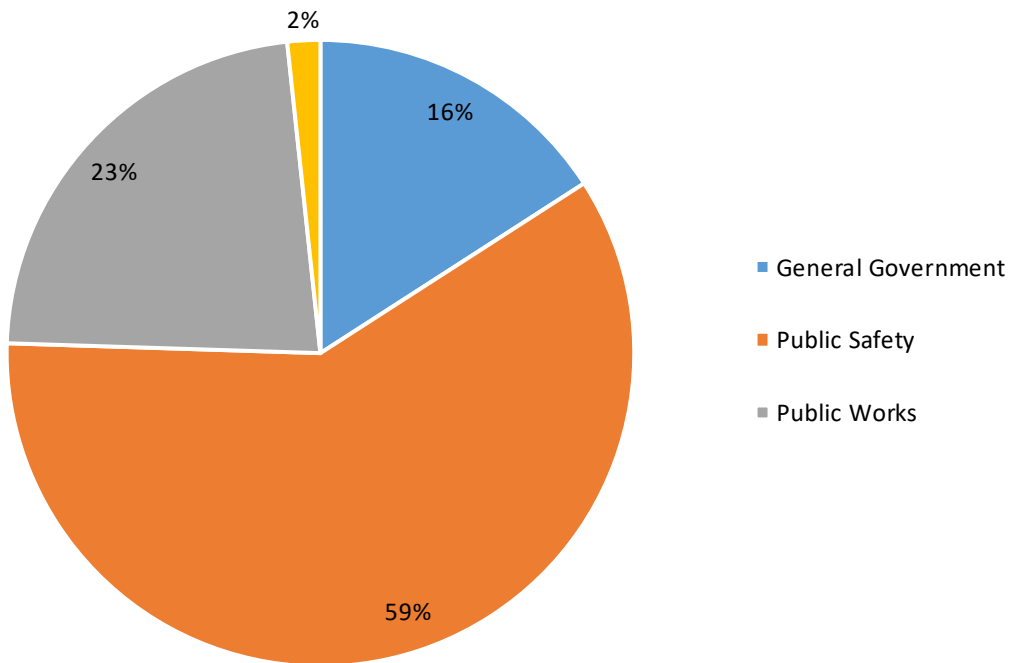


2023 General Fund Budget

Total Revenues \$13,802,873



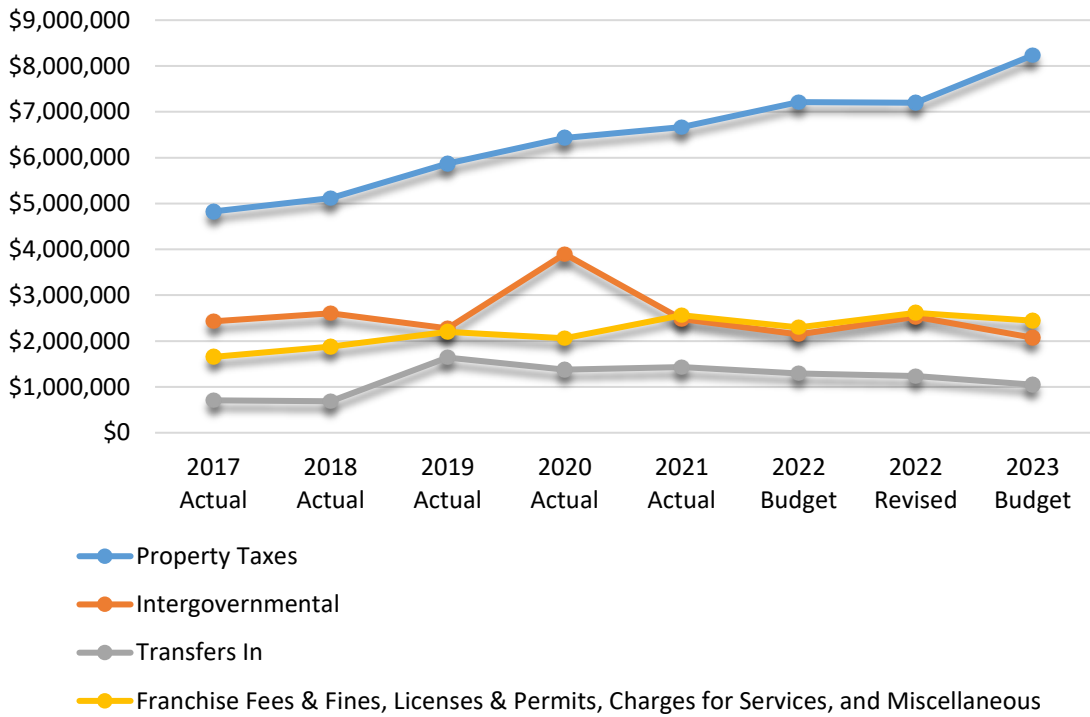
Total Expenditures \$14,472,894



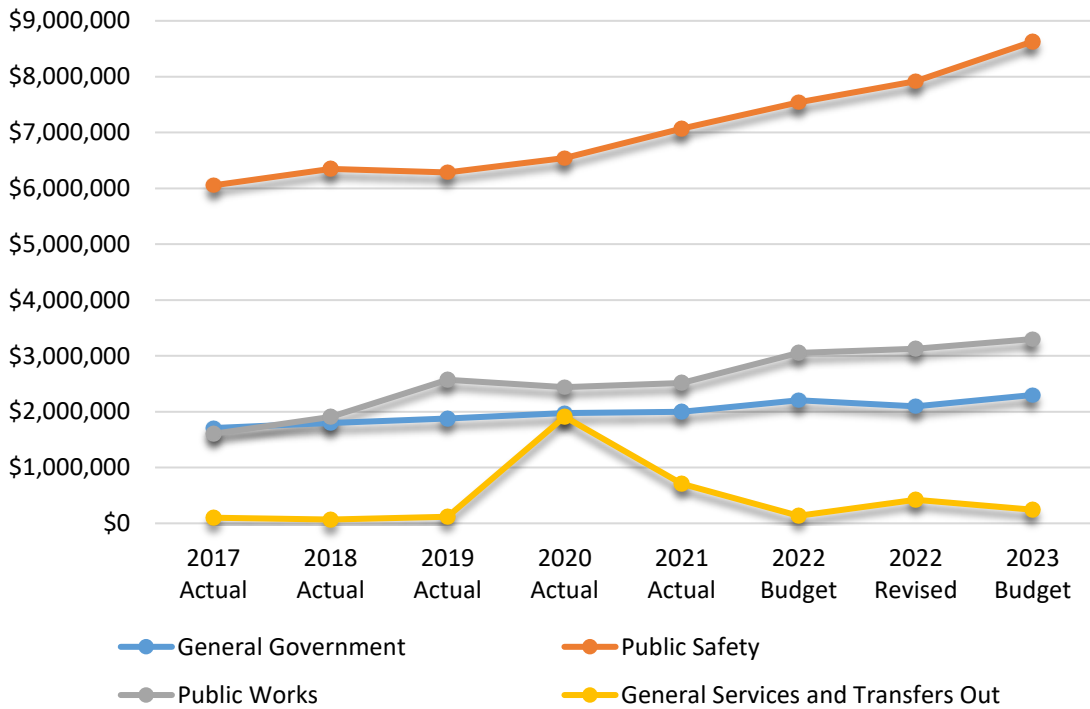
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General Fund Trend Analysis

General Fund Revenue



General Fund Expenditures



**City of White Bear Lake
General Fund Summary**

Annual Budget

Item	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenue					
Property taxes	\$ 6,428,062	\$ 6,667,935	\$ 7,216,000	\$ 7,200,828	\$ 8,233,000
Franchise fees and fines	354,568	385,578	381,000	392,664	382,000
Licenses and permits	827,378	1,393,967	1,006,690	1,303,053	1,128,807
Intergovernmental	3,900,062	2,481,616	2,143,315	2,529,034	2,073,590
Charges for services	748,825	730,177	782,251	784,696	871,126
Miscellaneous	126,827	54,075	125,650	134,158	65,750
Total Operating Revenue	<u>12,385,722</u>	<u>11,713,348</u>	<u>11,654,906</u>	<u>12,344,433</u>	<u>12,754,273</u>
Transfers In	<u>1,378,150</u>	<u>1,433,072</u>	<u>1,293,000</u>	<u>1,236,210</u>	<u>1,048,600</u>
Total Revenue	<u>13,763,872</u>	<u>13,146,420</u>	<u>12,947,906</u>	<u>13,580,643</u>	<u>13,802,873</u>
Expenditures					
General government	1,972,283	1,999,555	2,206,438	2,093,403	2,298,629
Public safety	6,539,782	7,070,825	7,538,582	7,916,682	8,628,996
Public works	2,440,745	2,515,784	3,052,001	3,124,103	3,300,227
General service and contingency	94,146	107,332	132,485	99,385	245,042
Total operating expenditures	<u>11,046,956</u>	<u>11,693,497</u>	<u>12,929,506</u>	<u>13,233,572</u>	<u>14,472,894</u>
Transfers Out	<u>1,814,375</u>	<u>600,000</u>	<u>-</u>	<u>323,485</u>	<u>-</u>
Total expenditures	<u>12,861,331</u>	<u>12,293,497</u>	<u>12,929,506</u>	<u>13,557,057</u>	<u>14,472,894</u>
Revenues over (under) expenditures	<u>902,541</u>	<u>852,923</u>	<u>18,400</u>	<u>23,586</u>	<u>(670,021)</u>
Reserve adjustment (to) from	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance January 1	<u>1,042,116</u>	<u>1,794,657</u>	<u>1,806,055</u>	<u>2,647,580</u>	<u>2,671,166</u>
Fund balance December 31	<u>\$ 1,794,657</u>	<u>\$ 2,647,580</u>	<u>\$ 1,824,455</u>	<u>\$ 2,671,166</u>	<u>\$ 2,001,145</u>
Reserve for operations	<u>4,010,000</u>	<u>4,010,000</u>	<u>4,010,000</u>	<u>4,010,000</u>	<u>4,010,000</u>
Total fund balance and reserve for operations	<u>\$ 5,804,657</u>	<u>\$ 6,657,580</u>	<u>\$ 5,834,455</u>	<u>\$ 6,681,166</u>	<u>\$ 6,011,145</u>

City of White Bear Lake
General Fund Revenues

Annual Budget
Business Unit: 1001

Code	Item	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
General Property Taxes						
4015	Current	\$ 5,622,459	\$ 5,867,886	\$ 6,237,610	\$ 6,237,610	\$ 7,259,650
4040	Fiscal disparities	777,523	795,213	962,390	962,390	973,350
	Total current ad valorem taxes	<u>6,399,982</u>	<u>6,663,099</u>	<u>7,200,000</u>	<u>7,200,000</u>	<u>8,233,000</u>
4025	Delinquent	27,002	3,764	15,000	-	-
4030	Penalties and interest	1,078	1,072	1,000	828	-
	Total general property tax	<u>6,428,062</u>	<u>6,667,935</u>	<u>7,216,000</u>	<u>7,200,828</u>	<u>8,233,000</u>
Franchise Fee						
5095	Franchise fee - utilities	<u>294,079</u>	<u>307,570</u>	<u>315,000</u>	<u>336,014</u>	<u>325,000</u>
Licenses and Permits - Business						
4305	Liquor, intoxicating	72,197	5,188	86,255	91,225	88,300
4307	Liquor, nonintoxicating	4,312	800	4,200	4,375	4,200
4309	Cigarette	3,600	3,750	3,600	4,375	3,600
4311	Entertainment	810	-	-	-	-
4315	Rental housing fee	21,202	47,344	40,000	26,000	44,000
4317	General contractor	9,977	11,020	10,000	8,500	10,000
4319	Solicitor	2,050	3,500	2,000	2,000	2,000
4321	Service station	5,325	-	-	-	-
4323	Other	5,253	5,878	5,000	5,000	5,000
4325	Gambling permits	2,625	2,700	2,400	2,700	2,400
	Total business licenses and permits	<u>127,351</u>	<u>80,180</u>	<u>153,455</u>	<u>144,175</u>	<u>159,500</u>
Non-Business						
4345	Animal	2,425	6,592	2,400	510	3,000
4350	Launch	10,000	16,000	16,000	16,000	16,000
4405	Building	391,743	727,081	560,400	560,400	560,792
4406	Building plan reviews	131,380	347,017	117,935	233,778	217,515
4415	Electrical	52,471	73,589	50,000	58,000	62,000
4420	Heating and air conditioning	47,526	79,529	55,000	240,000	55,000
4425	Plumbing	33,913	36,406	35,000	30,000	35,000
4430	Water and sewer	5,353	6,200	3,000	4,425	5,000
4435	Sign	5,761	6,418	3,500	5,765	5,000
4437	Driveway	8,555	10,355	6,000	5,000	5,000
4439	Right of way	10,900	4,600	4,000	5,000	5,000
	Total non-business licenses and permits	<u>700,027</u>	<u>1,313,787</u>	<u>853,235</u>	<u>1,158,878</u>	<u>969,307</u>
	Total licenses and permits	<u>827,378</u>	<u>1,393,967</u>	<u>1,006,690</u>	<u>1,303,053</u>	<u>1,128,807</u>
Fines						
4510	County	54,644	56,988	55,000	50,000	50,000
4520	Administrative - City fines	1,785	2,100	1,000	150	500
4522	Administrative - City share of State fines	4,060	18,920	10,000	6,500	6,500
	Total Fines	<u>60,489</u>	<u>78,008</u>	<u>66,000</u>	<u>56,650</u>	<u>57,000</u>

City of White Bear Lake
General Fund Revenues

Annual Budget
Business Unit: 1001

Code	Item	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Intergovernmental						
4604	Federal grants	1,819,365	119,824	40,000	115,940	84,000
4624	State local government aid	1,203,195	1,202,297	1,233,615	1,233,615	827,265
4626	State aid street maintenance	382,183	375,000	375,000	375,000	375,000
4630	State police relief aid	278,806	274,245	275,000	297,154	275,000
4632	State fire relief aid	-	276,820	-	289,125	289,125
4644	State police POST board	27,286	31,941	27,000	27,000	27,000
4646	State aid - other	13,012	25,271	11,500	10,000	10,000
4662	County aid - other	21,215	21,218	21,200	21,200	21,200
4666	Local aid - school district resource officers	155,000	155,000	160,000	160,000	165,000
	Total intergovernmental	<u>3,900,062</u>	<u>2,481,616</u>	<u>2,143,315</u>	<u>2,529,034</u>	<u>2,073,590</u>
Charges for Services						
4807	Customer service taxable	45	87	-	-	-
4809	Customer service non-taxable	20,272	30,789	18,000	18,025	18,000
4832	Fire contract services	465,677	465,011	528,065	528,065	585,442
4834	Police contract services	80,531	85,776	91,186	91,186	113,184
4835	False alarm services	700	5,800	500	1,000	500
4836	Public safety services	1,032	8,525	4,000	5,000	3,000
4842	Public works services	-	599	-	395	-
4845	Building inspection services	179,968	132,965	140,000	140,000	150,000
4846	Fire inspection services	600	625	500	1,025	1,000
	Total charges for services	<u>748,825</u>	<u>730,177</u>	<u>782,251</u>	<u>784,696</u>	<u>871,126</u>
Miscellaneous Revenues						
4955	Interest	73,380	(25,701)	80,000	50,000	-
4975	Rental income	29,386	50,392	37,650	55,015	53,450
4990	Donations	800	1,175	-	150	-
5010	Sale of property	443	3,123	-	234	-
5318	Gambling regulatory tax	6,089	8,301	5,000	6,000	6,000
5350	Miscellaneous revenues	14,428	12,757	-	12,210	-
5360	Refunds and reimbursements	2,301	4,028	3,000	10,549	6,300
	Total miscellaneous revenues	<u>126,827</u>	<u>54,075</u>	<u>125,650</u>	<u>134,158</u>	<u>65,750</u>
Transfers for Administrative Charges						
5205	ARPA Fund	-	-	74,000	-	-
5205	Economic development	53,150	87,100	-	-	-
5205	Water distribution	101,000	108,000	112,000	112,000	116,000
5205	Water treatment	19,000	20,000	21,000	21,000	22,000
5205	Sewer	110,000	120,000	124,000	124,000	130,000
5205	Refuse	110,000	110,000	114,000	114,000	119,000
5205	Ambulance	140,000	140,000	145,000	145,000	166,000
5205	Pioneer Manor	-	17,000	18,000	18,000	18,500
5205	License Bureau	-	-	50,000	50,000	57,000
5205	HRA Redevelopment - District 25	25,000	-	25,000	-	-
5205	Marina	70,000	80,000	85,000	85,000	120,100
5205	Construction	750,000	750,000	525,000	567,210	300,000
5210	Escrow	-	972	-	-	-
	Total transfers	<u>1,378,150</u>	<u>1,433,072</u>	<u>1,293,000</u>	<u>1,236,210</u>	<u>1,048,600</u>
Total		<u>\$ 13,763,872</u>	<u>\$ 13,146,420</u>	<u>12,947,906</u>	<u>13,580,643</u>	<u>13,802,873</u>

City of White Bear Lake
General Fund Summary of Expenditures by Department and Division

Annual Budget

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Department of Administration						
1010	Mayor and council	\$ 138,585	\$ 138,994	\$ 156,713	\$ 148,800	\$ 164,768
1020	City manager	390,777	391,934	441,538	409,185	451,873
1030	Finance	633,460	629,949	724,024	694,333	746,042
1040	Legal counselor	69,612	75,005	68,583	70,236	72,836
1050	City hall	335,612	309,442	355,682	360,258	258,507
1051	Technology	-	-	-	-	142,958
1060	Elections	59,412	79,609	84,505	81,905	80,405
1070	Planning	344,825	374,622	375,393	328,686	381,240
	Total general government	<u>1,972,283</u>	<u>1,999,555</u>	<u>2,206,438</u>	<u>2,093,403</u>	<u>2,298,629</u>
Department of Public Safety						
1100	Public safety facility	-	-	86,547	132,360	148,755
1110	Police	4,679,631	4,865,854	5,174,627	5,173,269	5,651,606
1210	Fire	872,576	1,174,663	1,105,721	1,435,674	1,521,176
1114	Dispatch	214,530	213,953	223,300	223,300	251,800
1041	Prosecution	153,174	153,196	158,233	153,907	160,063
1118	Animal control	14,114	13,533	24,433	23,080	27,116
1220	Emergency preparedness	6,927	9,389	16,569	18,223	18,579
1080	Building and code enforcement	598,830	640,237	749,151	756,868	849,900
	Total public safety	<u>6,539,782</u>	<u>7,070,825</u>	<u>7,538,582</u>	<u>7,916,682</u>	<u>8,628,996</u>
Department of Public Works						
1300	Public works facility	199,280	213,381	214,223	252,651	262,181
1310	Engineering	642,567	599,336	752,243	745,269	790,413
1320	Garage	120,279	162,124	255,860	261,779	277,911
1410	Streets	503,534	544,020	613,432	613,614	621,634
1420	Snow and ice removal	203,752	184,819	282,067	287,316	287,458
1430	Street lighting and signals	176,309	202,681	218,084	238,714	244,823
1510	Parks	595,024	609,424	716,092	724,758	815,806
	Total public works	<u>2,440,745</u>	<u>2,515,784</u>	<u>3,052,001</u>	<u>3,124,103</u>	<u>3,300,227</u>
Non-Departmental						
1610	General services	-	-	26,000	-	147,792
	Lake Conservation District	33,954	42,660	36,025	36,025	22,450
	Northeast Youth and Family Services	43,451	50,916	52,960	52,960	57,000
	Senior bus	5,000	2,345	7,500	7,500	7,800
	Contingency	11,741	11,411	10,000	2,900	10,000
	Total non-departmental	<u>94,146</u>	<u>107,332</u>	<u>132,485</u>	<u>99,385</u>	<u>245,042</u>
	Total operational expenditures	<u>11,046,956</u>	<u>11,693,497</u>	<u>12,929,506</u>	<u>13,233,572</u>	<u>14,472,894</u>
Transfers Out						
	Armory	25,000	-	-	-	-
	Economic Development	1,789,375	-	-	-	-
	Equipment Acquisition	-	400,000	-	-	-
	Municipal Building	-	200,000	-	323,485	-
	Total transfers out	<u>1,814,375</u>	<u>600,000</u>	<u>-</u>	<u>323,485</u>	<u>-</u>
Total		<u>\$ 12,861,331</u>	<u>\$ 12,293,497</u>	<u>\$ 12,929,506</u>	<u>\$ 13,557,057</u>	<u>\$ 14,472,894</u>

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Department: Legislative 1010

Fund: General Fund 1000

Department Activities and Responsibilities:

The City Charter grants all City legislative powers 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 tax levies, 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:

Fifty percent of the City Clerk position is allocated to the Legislative Department. Personnel services expenditures decrease slightly in the 2022 Revised Budget due to a vacancy in the City Clerk position from June through August.

The City is fortunate to have active and engaged community members promoting the vibrant life available in the area through City amenities, active civic groups, a strong school district and thriving businesses. The budget for the Other Supplies account includes 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 an evening event, while long-term employees receive service awards for their five-year employment milestones at an employee recognition luncheon. In 2023, the City moved funds previously budgeted in the Fire Department for their annual banquet to this department to create one event to recognize all employees.

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

Training opportunities were greatly reduced during 2020 and 2021 due to the pandemic; however, the 2022 budget resumes support of training through both internal Council work

Department: Legislative 1010

Fund: General Fund 1000

sessions and external conferences sponsored by government agencies and the League of Minnesota Cities to pre-pandemic levels.

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:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of City Newsletters	2	2	2	2

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 80,371	\$ 82,615	\$ 83,663	\$ 78,276	\$ 85,397
6117	Overtime - regular employees	-	-	500	500	500
6122	PERA	2,618	2,665	2,780	2,376	2,910
6124	FICA/Medicare	5,988	6,178	6,438	6,026	6,571
6128	Insurance contribution	5,266	5,529	3,920	3,920	4,725
6138	Worker's compensation	715	650	780	780	1,158
6148	Other benefits	700	700	950	950	900
	Total personnel services	<u>95,658</u>	<u>98,337</u>	<u>99,031</u>	<u>92,828</u>	<u>102,161</u>
Supplies						
6210	Office supplies	-	-	-	75	-
6250	Other supplies	2,707	1,829	7,500	7,700	14,450
6290	Uniforms	-	82	200	200	-
	Total supplies	<u>2,707</u>	<u>1,911</u>	<u>7,700</u>	<u>7,975</u>	<u>14,450</u>
Other Services and Charges						
6412	Cellular	285	360	-	165	-
6434	General liability insurance	2,092	2,092	3,347	3,347	3,347
6445	Postage	-	-	-	25	25
6450	Outside printing	3,218	3,407	3,700	3,900	4,100
6455	Legal notice publishing	868	1,966	2,000	2,000	2,000
6460	Subscription/memberships	31,898	29,543	33,450	31,925	32,800
6470	Training	359	729	5,425	5,175	4,425
6486	Travel	-	-	50	50	50
6492	Advertising	1,500	199	1,410	1,410	1,410
6560	Other contractual services	-	450	600	-	-
	Total other services and charges	<u>40,220</u>	<u>38,746</u>	<u>49,982</u>	<u>47,997</u>	<u>48,157</u>
Total		<u>\$ 138,585</u>	<u>\$ 138,994</u>	<u>\$ 156,713</u>	<u>\$ 148,800</u>	<u>\$ 164,768</u>

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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 Codes, the City Manager oversees enforcement of the City Council's ordinances, 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 and 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 coordinated effort.

Budget Summary:

This department budget includes the full-time salary and benefits for the City Manager and Assistant City Manager positions and 50% of the City Clerk position that is split with the Legislative department budget.

In December 2021, the previous City Manager retired after six years of service in the position. Through funding in the Employee Expense Fund budget, the City Council contracted with David Drown Associates to coordinate a hiring process in 2021. The new City Manager assumed duties on December 20, 2021.

The budget continues to fund training opportunities for employees; however, 2020 and 2021 allocations for participation in national or local conferences and leadership development groups decreased due to the challenges of attending during the pandemic and the retirement of the current City Manager. Funding for these opportunities returned in the 2022 Budget.

Goals:

1. Provide strong leadership to the City's administrative operations and encourage cooperative decision making among department head 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.

Department: Administration 1020

Fund: General Fund 1000

Measureable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of resolutions prepared	190	219	200	200

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 310,487	\$ 312,364	\$ 342,243	\$ 315,119	\$ 343,710
6122	PERA	23,286	23,427	25,668	23,634	25,778
6124	FICA/Medicare	23,476	23,242	26,182	24,107	26,294
6128	Insurance contribution	15,393	16,163	19,600	19,600	23,625
6138	Worker's compensation	2,100	2,150	2,580	2,580	5,791
6148	Other benefits	2,510	2,510	4,750	4,750	4,500
	Total personnel services	<u>377,252</u>	<u>379,856</u>	<u>421,023</u>	<u>389,790</u>	<u>429,698</u>
Supplies						
6210	Office supplies	-	131	140	140	160
6220	Equipment supplies	-	-	100	100	100
6248	Community engagement supplies	356	-	-	-	-
6250	Other supplies	-	-	150	150	150
6290	Uniforms	-	32	-	100	-
	Total supplies	<u>356</u>	<u>163</u>	<u>390</u>	<u>490</u>	<u>410</u>
Other Services and Charges						
6401	Professional services	440	39	710	110	110
6402	Data processing	-	-	200	250	600
6411	Telephone	673	883	1,000	1,200	1,250
6412	Cellular	185	-	400	600	600
6434	General liability insurance	1,941	1,941	2,135	2,135	2,135
6445	Postage	205	271	500	500	400
6449	In-house printing	-	-	300	-	-
6450	Outside printing	-	73	-	40	-
6460	Subscription/memberships	1,858	408	2,520	2,020	2,520
6470	Training	566	1,595	5,600	5,650	7,750
6485	Travel	6,314	6,314	6,360	6,000	6,000
6492	Advertising	699	-	-	-	-
6505	Equipment maintenance service	288	391	400	400	400
	Total other services and charges	<u>13,169</u>	<u>11,915</u>	<u>20,125</u>	<u>18,905</u>	<u>21,765</u>
Total		<u>\$ 390,777</u>	<u>\$ 391,934</u>	<u>\$ 441,538</u>	<u>\$ 409,185</u>	<u>\$ 451,873</u>

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, long-term capital planning, and insurance administration. 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), a consortium of cities formed to provide cost-effective computer systems to local governments. LOGIS supplies the City with software for the financial reporting, payroll, human resources, and utility billing systems.

As with many other local governments and businesses, the COVID-19 pandemic forced the City to rethink day-to-day operations and move toward a more paperless environment. The department implemented a comprehensive Human Resources records management solution through Laserfische in 2021 and is adding an electronic employee benefits open enrollment process in 2022.

Budget Summary:

The original 2022 Personnel Services budget funded the addition of a full-time Accounting Technician position beginning late 2021 to consolidate the cash receipts and accounts receivable responsibilities to one staff member while also providing added accounting capabilities for other department functions. However, after reassessing duties during 2022 and reallocating responsibilities to the City's receptionist position, the Department eliminated the position from the budget.

The increase in the Workers' Compensation budget in 2023 reflects a change in philosophy to more accurately account for how workers' compensation benefits are allocated to each department.

The 2023 budget includes an allocation for severance costs incurred as a full-time employee completes their 10 years of service minimum with the City during the year. The department recognizes the expenditure in the employee's anniversary year and transfers the amount to the Employment Expense Fund for recordkeeping until the employee leaves their position with the City.

The 2022 Professional Services account includes an allocation for an actuarial valuation required by the Governmental Accounting Standards Board's Statement No. 75 for Other Post-Employment Benefits (OPEB). The Statement No. 75 requires a biennial OPEB actuarial valuation.

Department: Finance 1030

Fund: General Fund 1000

The Cellular expenditures in the Revised 2022 budget reimburse employees for use of their personal cell phone while working remotely. The reimbursement concluded in the third quarter of 2022 as remote work is no longer necessary.

Prior to 2021, the Contracted Services budget contained the charges to accept credit card and electronic payments for City services. In 2021, these charges were moved to the Credit Card Fees Budget for clarity purposes. Although a portion of these service fees relate to the operational duties of other City departments, the Finance Department manages the costs to simplify the monitoring and analysis process. These customer convenience features do increase the expenditures; therefore, consideration of a future fee structure adjustment would help cover the costs since using the systems improve our customer service and allows for greater employee efficiency.

Goals:

1. Continue transitioning recordkeeping to an electronic format to move towards a more paperless operation.
2. Consider paying recurring invoices via ACH payments rather than paper checks.
3. Encourage utility billing customers to opt for paperless billing options through Invoice Cloud.
4. Educate City staff on budget process and proper invoice coding to correlate to their budget.

Department: Finance 1030

Fund: General Fund 1000

Measureable Workload Data:

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Standard & Poor's Debt Credit Rating	AA+	AA+	AA+	TBD
Receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the US and Canada (GFOA)	Yes	TBD	TBD	TBD
Receive the Distinguished Budget Presentation Award from the Government Finance Officers Association of the US & Canada (GFOA)	Yes	Yes	Yes	TBD
Percent of invoices paid by paper checks	100%	100%	100%	75%
Percent of paperless utility billing customers	0%	8%	11%	15%

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 398,009	\$ 404,484	\$ 470,315	\$ 432,728	\$ 455,538
6117	Overtime - regular employees	6,959	11,007	5,000	12,000	5,000
6122	PERA	30,373	31,162	35,649	33,355	34,540
6124	FICA/Medicare	31,418	32,151	36,362	34,022	35,231
6128	Insurance contribution	39,690	41,675	47,040	47,040	47,250
6138	Worker's compensation	8,415	3,075	3,690	3,690	11,581
6146	Severance	-	-	-	-	16,409
6148	Other benefits	4,650	4,650	11,400	11,400	9,000
	Total personnel services	<u>519,514</u>	<u>528,204</u>	<u>609,456</u>	<u>574,235</u>	<u>614,549</u>
Supplies						
6210	Office supplies	277	1,256	1,500	1,470	1,595
6250	Other supplies	-	-	50	290	50
6290	Uniforms	-	4	50	50	50
6295	Small tools	-	-	350	350	350
	Total supplies	<u>277</u>	<u>1,260</u>	<u>1,950</u>	<u>2,160</u>	<u>2,045</u>
Other Services and Charges						
6401	Professional services	23,423	11,058	14,350	17,875	14,350
6402	Data processing	53,193	58,415	66,000	67,050	80,300
6411	Telephone	980	1,283	1,455	1,730	1,775
6412	Cellular	300	360	-	300	-
6434	General liability insurance	5,230	5,230	5,753	5,753	5,753
6445	Postage	3,681	3,312	3,200	3,200	3,200
6450	Outside printing	-	-	1,250	825	1,050
6455	Legal notices publications	4,407	2,774	3,300	5,040	5,425
6460	Subscription/memberships	952	717	960	1,040	1,135
6470	Training	1,970	2,511	3,210	3,000	3,360
6485	Travel	-	-	500	530	530
6505	Equipment maintenance service	2,036	2,076	2,500	2,300	2,500
6545	Credit card fees	-	11,801	9,160	7,500	7,500
6560	Other contractual services	17,497	948	980	1,795	2,570
	Total other services and charges	<u>113,669</u>	<u>100,485</u>	<u>112,618</u>	<u>117,938</u>	<u>129,448</u>
Total		<u>\$ 633,460</u>	<u>\$ 629,949</u>	<u>\$ 724,024</u>	<u>\$ 694,333</u>	<u>\$ 746,042</u>

Department: Legal Counselor 1040

Fund: General Fund 1000

Department Activities and Responsibilities:

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

Budget Summary:

The City Council selected the law firm of Kennedy & Graven Chartered to be the City's new legal counselor in January 2019. Mr. Troy Gilchrist is the firm's legal representative working closely with City 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 paid to the firm 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, redevelopment projects, or employment issues, which the City expenses the costs directly to the specific activities.

Measurable Workload Data:

	2020	2021	2022	2023
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Hours of legal services	293	477	605	500

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
	Other Services and Charges					
6401	Professional services	\$ 65,531	\$ 66,549	\$ 66,747	\$ 68,400	\$ 71,000
6434	General liability insurance	1,669	1,669	1,836	1,836	1,836
6560	Contractual services	2,412	6,787	-	-	-
	Total other services and charges	<u>69,612</u>	<u>75,005</u>	<u>68,583</u>	<u>70,236</u>	<u>72,836</u>
	Total	<u>\$ 69,612</u>	<u>\$ 75,005</u>	<u>\$ 68,583</u>	<u>\$ 70,236</u>	<u>\$ 72,836</u>

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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 appears in this budget as all departments in City Hall benefit from the expertise and responsibilities.

Budget Summary:

In previous years, this budget funded the personnel costs for the IT coordinator position; however, in the 2023 budget year, a separate Technology department has been created. This new budget will now fund the Information Technology coordinator position and the related technology expenditures.

In the Personnel Services account section, the 2022 Insurance Contribution Budget increased as a result of a change in philosophy to more accurately account for how the insurance contributions are allocated to each department. The Building Maintenance Service account increases in 2023 to account for non-capital maintenance services that were previously funded by the Municipal Building Fund.

Capital Outlay:

The Equipment Acquisition Fund in the Capital Project Funds section of the budget provides funding for website hosting support, software and recodification of the municipal code.

The Municipal Building Fund in the Capital Project Funds section of the document maintains the budget for building improvement projects planned for the City Hall complex. As the facility continues to age, the demand for maintenance and system replacements remain a high priority to preserve the building and campus area. Each year the budget reflects projects included in the Capital Improvement 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 number of community organization meetings held in the City Hall facility dropped dramatically in 2020 due to pandemic limitations, facility closures to non-employees, and departments using the meetings rooms as work space to social distance employees working in the building. While more community groups are meeting in the facility again in 2022, the number of events are still lower as one conference room remains as a work space for departments.

Department: City Hall 1050

Fund: General Fund 1000

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 preserve the building and the equipment within it.
4. Make needed safety enhancements to continue to provide a safe and comfortable environment for employees and the public.

Measurable Workload Data:

	2020	2021	2022	2023
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Number of community organization meetings held in facility	53	98	130	145

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 143,571	\$ 149,285	\$ 154,144	\$ 155,565	\$ 59,936
6117	Overtime - regular employees	423	-	-	-	-
6122	PERA	10,800	11,196	11,561	11,667	4,495
6124	FICA/Medicare	11,245	11,151	11,792	11,901	4,585
6128	Insurance contribution	8,111	8,517	15,680	15,680	9,450
6138	Worker's compensation	1,105	1,150	1,380	1,380	2,316
6148	Other benefits	650	650	3,800	3,800	1,800
	Total personnel services	<u>175,905</u>	<u>181,949</u>	<u>198,357</u>	<u>199,993</u>	<u>82,582</u>
Supplies						
6210	Office supplies	5,453	4,545	8,450	7,150	8,450
6220	Equipment supplies	948	854	1,000	1,000	1,000
6240	Building supplies	9,347	2,195	6,800	6,800	6,350
6250	Other supplies	11,664	1,988	2,500	2,500	3,000
6255	Landscaping supplies	1,063	507	500	500	500
6295	Small tools	175	64	300	300	300
	Total supplies	<u>28,650</u>	<u>10,153</u>	<u>19,550</u>	<u>18,250</u>	<u>19,600</u>
Other Services and Charges						
6401	Professional services	40	26	100	100	100
6402	Data processing	23,777	25,517	28,600	30,275	34,625
6411	Telephone	8,213	10,127	11,300	12,800	13,100
6412	Cellular	218	414	450	365	-
6422	Electric	12,423	13,553	15,000	15,000	15,000
6423	Natural gas	3,099	4,712	4,400	9,000	9,000
6434	General liability insurance	10,009	10,009	11,010	11,010	11,010
6436	Equipment liability insurance	304	-	-	-	-
6445	Postage	(4,568)	(407)	3,500	3,500	3,500
6450	Outside printing	-	-	150	50	-
6460	Subscription/memberships	-	-	-	-	3,000
6485	Travel/mileage reimbursement	1,200	1,200	1,300	1,200	-
6505	Equipment maintenance service	6,162	4,713	6,330	6,330	6,330
6515	Building maintenance service	10,111	6,848	11,835	11,835	16,685
6525	Electrical Repair Services	-	360	-	-	-
6555	Equipment rental	4,915	6,599	5,550	6,300	6,625
6560	Other contractual services	55,154	33,669	38,250	34,250	37,350
	Total other services and charges	<u>131,057</u>	<u>117,340</u>	<u>137,775</u>	<u>142,015</u>	<u>156,325</u>
Total		<u>\$ 335,612</u>	<u>\$ 309,442</u>	<u>\$ 355,682</u>	<u>\$ 360,258</u>	<u>\$ 258,507</u>

Department: Technology 1051

Fund: General Fund 1000

Department Activities and Responsibilities:

The Technology department manages the costs of the Information Technology (IT) coordinator position and various technology services used by the City.

Budget Summary:

The Professional Services Budget includes an allocation for assistance with software use expansion or reconfiguration of Laserfiche, a business process automation and document imaging software.

In the Other Contractual Service Budget, the most significant allocations include the quarterly KnowBe4 security awareness training for City employees and Adobe Acrobat Pro licenses.

Capital Outlay:

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.

Goals:

1. Evaluate equipment maintenance practices for City Departments and take necessary action to preserve or replace the equipment.
2. Provide assistance to computer users so employees can provide efficient, accurate, and meaningful data for program monitoring and decision-making.
3. Enable staff to make smart IT security decisions.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of laptops/desktop computers purchased	11	9	10	10
Number of required KnowBe4 trainings for staff	0	0	3	4

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ -	\$ -	\$ -	\$ -	\$ 103,607
6122	PERA	-	-	-	-	7,770
6124	FICA/Medicare	-	-	-	-	7,926
6128	Insurance contribution	-	-	-	-	9,450
6138	Worker's compensation	-	-	-	-	2,316
6148	Other benefits	-	-	-	-	1,800
	Total personnel services	-	-	-	-	132,869
Supplies						
6210	Office supplies	-	-	-	-	100
6220	Equipment supplies	-	-	-	-	500
6250	Other supplies	-	-	-	-	200
6295	Small tools	-	-	-	-	200
	Total supplies	-	-	-	-	1,000
Other Services and Charges						
6401	Professional services	-	-	-	-	1,850
6402	Data processing	-	-	-	-	-
6412	Cellular	-	-	-	-	815
6434	General liability insurance	-	-	-	-	480
6470	Training	-	-	-	-	500
6485	Travel/mileage reimbursement	-	-	-	-	1,200
6560	Other contractual services	-	-	-	-	4,245
	Total other services and charges	-	-	-	-	9,090
Total		\$ -	\$ -	\$ -	\$ -	\$ 142,958

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Department: Elections & Voter Registration 1060

Fund: General Fund 1000

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. National, state and county 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 the mayoral election at-large, while a representative from each of the five wards is elected to serve on the Council. Candidates file for Mayor or City Council positions with the City Clerk during the filing period in the election year.

Budget Summary:

The City began contracting election administration services through Ramsey County in 2017. The initial contract was for two 2-year election cycles that expired on December 31, 2020. This decision eased the hardship created for City staff coordinating the early voting services and the influx of people arriving to place their vote during the 46 days before the election and relieved City staff of the increasing challenges with election oversight. During this time, Ramsey County improved their services by establishing centralized early voting centers for county residents to create an efficient and streamlined voting process.

Ramsey County's new contract extends from January 1, 2021 through December 31, 2026, which spans three 2-year election cycles. The 2022 and 2023 contract costs of \$74,000 are reasonable and comparable to the staffing costs the City incurred when handling the election services in house. All jurisdictions contracting with Ramsey County will operate under the same contract, with terms and conditions of the contract being non-negotiable by individual municipalities.

Ramsey County and all municipalities and school districts within the County purchased new voting equipment through a joint powers agreement in 2016. Collectively, all parties pay to maintain that equipment on an annual basis. The 2023 Budget includes allocation for this in the Equipment Maintenance Service line item. Costs were higher in the 2022 Budget due to a one-time cost increase to upgrade the system to the federally required Windows 10 version.

Goals:

1. Maintain high election standards through the use of Ramsey County's expertise and ability to leverage centralized early voting initiatives for all residents.

Department: Elections & Voter Registration 1060

Fund: General Fund 1000

Measurable Workload Data:

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Persons Registered as of 7:00 A.M.				
Primary	15,978	n/a	17,000	n/a
General Election	16,335	16,460	17,500	17,600
Persons Registered on Election Day				
Primary	81	n/a	250	n/a
General Election	848	135	900	150
Total Number of Persons Voting				
Primary	3,990	n/a	4,500	n/a
General Election	14,959	5,137	12,500	5,500
Percent of Voter Turnout to Registered Voters				
Primary	25%	n/a	26%	n/a
General Election	87%	31%	68%	31%

City of White Bear Lake
 General Government - Elections

Annual Budget
 Business Unit: 1060

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
	Other Services and Charges					
6434	General liability insurance	436	436	480	480	480
6445	Postage	3	-	25	25	25
6455	Legal notices publications	-	-	500	-	500
6505	Equipment maintenance service	8,473	8,473	9,500	10,700	8,700
6560	Other contractual services	50,500	70,700	74,000	70,700	70,700
	Total other services and charges	<u>59,412</u>	<u>79,609</u>	<u>84,505</u>	<u>81,905</u>	<u>80,405</u>
	Total	<u>\$ 59,412</u>	<u>\$ 79,609</u>	<u>\$ 84,505</u>	<u>\$ 81,905</u>	<u>\$ 80,405</u>

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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, is consistent with adopted policy plans, and is compatible with the plans of affected and adjacent jurisdictions in the area.

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. Given this challenge, the current focus is on redevelopment of underutilized areas to attract new residents and businesses. Redevelopment efforts are vital because enhanced amenities 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. Activities to support redevelopment concentrate 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, promoting growth and property improvements in the County Road E Corridor, 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:

The reduction in Personnel Services in the 2022 Revised Budget is due to two position vacancies in the department during the year. A new Community Development Director assumed duties in May after the previous Director left the City in February after ten years of service in the position. An opening in the Zoning Coordinator position during the year provided a promotion opportunity for the current Planning Technician, leaving a vacancy in the technician position. The department is working to fill this position to return to a full-staffing level.

The 2022 and 2023 Budgets resume funding for staff to attend the American Planning Association national conference.

Goals:

1. Identify opportunities to implement the 2040 Comprehensive Plan with priority for future housing needs and opportunities for redevelopment within the community.
2. Conduct a comprehensive review and update of the city's zoning, subdivision and sign regulations.

Department: Planning and Zoning Department 1070

Fund: General Fund 1000

3. Study the development and implementation of an electronic plan and permit review process.
4. Initiate a Small Area Plan for the Arts, Culture and Education (ACE) District to identify preferred land use and long range infrastructure improvements.
5. Study alternate strategies to implement the policy and program recommendations of the 2020 Housing Task Force, as adopted and prioritized by the City Council.
6. Initiate a business retention and expansion visitation program in conjunction with the White Bear Area Chamber of Commerce.

Measurable Workload Data:

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

Year	Conditional Use Permits	Minor Sub-Divisions	Planned Unit Develop	Plats	Zoning/Text Amend.	Variances	Vacations	Totals
2016	15	1	*	1	7	21	0	45
2017	9	1	*	2	4	23	0	39
2018	9	3	0	0	0	18	0	30
2019	10	2	2	3	8	10	0	33
2020	14	0	1	1	1	19	0	36
2021	16	3	1	2	4	21	1	48
2022 (to 8/15)	8	3	3	2	1	15	0	32

* Not previously recorded.

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 257,249	\$ 263,590	\$ 272,156	\$ 230,131	\$ 267,005
6117	Overtime - regular employees	19	-	-	-	-
6122	PERA	19,295	19,769	20,412	17,260	20,025
6124	FICA/Medicare	19,577	19,843	20,820	17,605	20,426
6128	Insurance contribution	22,050	23,153	23,520	23,520	28,350
6138	Worker's compensation	3,300	2,000	2,400	2,400	6,949
6146	Severance	-	21,798	-	-	-
6148	Other benefits	3,000	3,000	5,700	5,700	5,400
	Total personnel services	<u>324,490</u>	<u>353,153</u>	<u>345,008</u>	<u>296,616</u>	<u>348,155</u>
Supplies						
6210	Office supplies	124	99	850	850	850
6220	Equipment supplies	30	-	100	100	100
6250	Other supplies	203	25	450	450	450
6280	Books/manuals	-	-	100	100	100
6290	Uniforms	-	-	50	200	50
6295	Small tools	-	-	175	100	100
	Total supplies	<u>357</u>	<u>124</u>	<u>1,725</u>	<u>1,800</u>	<u>1,650</u>
Other Services and Charges						
6401	Professional services	40	39	510	1,710	410
6402	Data processing	5,152	5,673	6,600	7,550	8,450
6411	Telephone	571	746	845	1,020	1,075
6412	Cellular	900	1,080	1,170	990	390
6434	General liability insurance	3,168	3,168	3,485	3,485	3,485
6445	Postage	1,701	1,787	2,400	2,400	2,400
6449	In-house printing	-	-	100	-	-
6450	Outside printing	148	278	500	500	300
6455	Legal notices publications	1,979	2,058	2,500	2,500	2,500
6460	Subscription/memberships	416	792	1,525	1,625	1,625
6470	Training	520	270	3,375	3,240	5,200
6485	Travel allowance	2,400	2,400	2,600	2,200	2,600
6486	Mileage reimbursement	-	-	350	350	350
6492	Advertising	-	-	100	100	50
6505	Equipment maintenance service	2,983	3,054	2,500	2,500	2,500
6560	Other contractual services	-	-	100	100	100
	Total other services and charges	<u>19,978</u>	<u>21,345</u>	<u>28,660</u>	<u>30,270</u>	<u>31,435</u>
Total		<u>\$ 344,825</u>	<u>\$ 374,622</u>	<u>\$ 375,393</u>	<u>\$ 328,686</u>	<u>\$ 381,240</u>

Department: Public Safety Facility 1100

Fund: General Fund 1000

Departmental Activities and Responsibilities:

The Public Safety Facility department manages the costs of central supplies, utilities, and maintenance services for the Public Safety building, which houses the Police Department and the north Fire Station.

Budget Summary:

The City added a budget for the Public Safety Facility in 2022 to provide an efficient method for tracking costs related to maintaining the campus. The initial budget was created by transferring line item costs of central supplies, utilities, and maintenance services for the facility out of the Police and Fire Department budgets.

In reviewing the first year of operations in this budget, it is clear that the line item amounts previously included in the Police and Fire Department budgets did not cover actual costs and these expenditures were subsidized by savings in other areas of both of those budgets.

The 2022 Revised and 2023 Budgets adjust funding levels to the appropriate levels for expenditures. The Building Maintenance Service and Other Contractual Services budget lines increases in both budgets to account for non-capital maintenance services that were previously funded by the Municipal Building Fund

A \$3,000 annual fee begins in the 2023 Subscription/Memberships Budget. The fee is for an annual fence consortium between multiple local governments in the metro area of Minneapolis/St. Paul. The consortium provides the City with access to anti-scale fencing to surround City Hall and the Public Safety Facility in the event of civil unrest. The total cost to the City is \$6,000 per year, which is split evenly between the Public Safety Facility and City Hall budgets.

The Other Contractual Services Budget includes an allocation for cleaning services. The 2022 Adopted Budget included \$16,000 for these services, but the 2022 Revised Budget adjusts the allocation up to \$35,500 to match the contract.

Capital Outlay:

The City's Capital Improvement Plan includes a detailed discussion of projects and purchases funded for this department through the Municipal Building Fund in the Summary Data section of the document.

Goals:

1. Maintain a facility that supports the Police Department and Fire Station 1 in their daily operations.

City of White Bear Lake
Public Safety - Public Safety Facility

Annual Budget
Business Unit: 1100

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
	Supplies					
6240	Building supplies	-	-	1,487	3,225	3,225
6255	Landscaping supplies	-	-	100	100	100
	Total supplies	-	-	1,587	3,325	3,325
	Other Services and Charges					
6422	Electric	-	-	38,000	48,000	48,635
6423	Natural gas	-	-	10,900	20,000	20,750
6460	Subscription/memberships	-	-	-	-	3,000
6515	Building maintenance service	-	-	13,460	12,165	15,800
6555	Equipment rental	-	-	1,300	3,120	3,120
6560	Other contractual services	-	-	21,300	45,750	54,125
	Total other services and charges	-	-	84,960	129,035	145,430
	Total	\$ -	\$ -	\$ 86,547	\$ 132,360	\$ 148,755

Department: Police 1110

Fund: General Fund 1000

Department Activities and Responsibilities:

Primary department activities include enforcement of state and city laws, investigation of crimes, apprehension of violators, enforcement of traffic laws, crime prevention and supervision of safe pedestrian movement. In addition to patrolling the City of White Bear Lake, the department began providing contract police services to the City of Gem Lake in 2018.

Policing has experienced significant changes over the past decade, especially in the areas of officer recruitment, training, crisis calls response relative to use of force, de-escalation tactics, and police transparency. Accordingly, the department continues to emphasize its training in de-escalation tactics, mental health awareness, and topics related to implicit bias and racial equity to ensure compliance with the Minnesota Board of Peace Officer Standards and Training (POST) requirements.

The department's calls for service, which range from emergency 911 calls to officer-initiated activity such as a traffic stop or extra patrol, reflect the primary measure of productivity. The department anticipates responding to approximately 22,000 calls annually for service in 2022 and 2023. Currently, the department staffs 31 sworn officers, 3.5 full-time equivalent support staff and 4 Community Service Officers. Within the 31 sworn officer count, four sergeants and sixteen officers cover the patrol shifts and respond to the calls for service. When full strength, each shift consists of one Sergeant and four Officers. The shift minimums allow for one officer off per shift. However, if the shift strength is at or below four officers, an officer on overtime, Administrator or Investigator fills the open shift time. The department will continue to monitor their staff resources and duties to ensure an appropriate balance remains between the two.

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 2022, the City has received approximately \$47,700 in overtime reimbursements.

The White Bear Lake Police Department and staff value their relationships with other public safety agencies and the community and is committed to building strong connections with both. The following paragraphs describe a few of the programs in place that coordinate services offered by the department.

Since 2002, the department has assigned two sworn officers to work as School Resource Officers (SROs) in the local school district. This long-standing initiative continues as a priority in the current budgets as it benefits the department, the district and the community as a whole. 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.

Department: Police 1110

Fund: General Fund 1000

In addition to the SRO positions, four other officers interact with students through the DARE program, which is taught at seven local elementary schools.

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.

- 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 in this project. The VCET officer and team provides support to the national High Intensity Drug Trafficking Areas program. The City receives Federal grant funding for any time spent on this project.
- Two 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 believes the department benefits through the participation 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 work with the Ramsey County SWAT Tactical Team and one officer serves as a SWAT negotiator. 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.
- One officer participates 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 officer not only assist with mutual aid callouts, but they also provide in service training to department members.

Budget Summary:

Multiple factors contribute to the increase in Personnel Services costs the for 2023 budget. In addition to annual employee step increases and the cost of living adjustment, a Community Service Officer (CSO) previously budgeted for in the Marina Fund moved to this budget to remain transparent by budgeting like positions in the same department. Though additional costs are shown here, there is zero impact on the fund balance as the annual transfer from the Marina Fund to the General Fund increases to cover the expenditures for this position. The Health Insurance and Workers' Compensation allocations both increase in 2023. The increases result from a change in philosophy to more accurately account for actual costs and how benefits are

Department: **Police 1110**

Fund: **General Fund 1000**

allocated to each department. The increase for Workers' Compensation recognized here are offset by decreases in other departments.

The Motor Fuels allocation increases in the 2022 Revised Budget and 2023 Budget due to an unavoidable increase in the cost of fuel.

Addressing mental health issues in the community continues to be a high priority within the Police Department. In 2019, the Department collaborated with other Ramsey County suburban police departments to develop a proactive solution that encourages and supports mental health and wellness within their communities. The plan requires participating communities to contribute funding for 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 City of White Bear Lake's portion was originally included in the Professional Services account of the Forfeiture Fund Budget for 2019 and 2020 since it was a pilot project; however, in 2021 the funding moved to the Police Budget as an on-going operating expenditure.

In addition to funding mental health support to response in calls for service, the City recognizes the need to provide similar support for its employees whose job responsibilities include traumatic high stress situations. The 2023 budget expands the support provided in the Professional Services account with a change to a new service provider.

The Police Department and Fire Station 1 are located within the same facility. To improve methods of tracking costs related to the facility operations, the 2022 Budget created a Public Safety Facility budget to manage the costs of central supplies, utilities, and maintenance services for the campus. The budgets for the Electric, Natural Gas, Building Maintenance, Equipment Rental and Contracted Services accounts decrease in the Police Department budget because funding for the expenditures were transferred to the Public Safety Facility budget.

Capital Outlay:

A detailed discussion of the City's five-year Capital Improvement Plan and purchases funded for this department through the Equipment Acquisition Fund and Municipal Building Fund are in the Summary Data section of the document.

Department: **Police 1110**

Fund: **General Fund 1000**

Goals:

1. The White Bear Lake Police Department will plan and implement strategies that have demonstrated positive effects to build trust and legitimacy between the police and the community. The Department will continue to evaluate and implement training that is relevant to current events and creates a platform that encourages its members to be responsive to the needs of our community.

2. 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.

3. Continue to engage the business community by meeting with the owners and employees throughout the year. The Department will also remain active with the White Bear Lake Downtown Mainstreet members.

4. 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.

5. Host one community event each month to continue to build relationships in the community. These events include Donuts with the Cops, Floats with the Fuzz, Marketfest Public Safety Night, Coffee with a Cop at various assisted living facilities, Safety Camp, and Senior Citizen Scam and Fraud Awareness.

6. Continue partnership with Ramsey County Traffic Safety Initiative to implement safety enforcement and education programs that focus on distracted driving, speed, cross walk, stop sign violations and DWI. In addition, host two crosswalk safety events during the summer to raise awareness of cross walk safety.

7. Host one Community Emergency Response Team (CERT) Academy to train new members. The Department will also host two CERT training events for current team members; one event in the spring and one event in the fall. The Department will continue to maintain a roster of 60 active CERT members.

Department: Police 1110

Fund: General Fund 1000

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of police service calls	22,497	22,309	22,600	22,600
Number of Citizen Police Academy trainings held	0	0	0	5
Number of neighborhood watch groups maintained	55	55	53	53
Number of National Night Out gatherings	0	28	36	40
Number of community events held	0	21	25	25
Number of trainings presented in collaboration with the White Bear Lake School District	0	0	0	2
Number of enforcement events held in partnership with Ramsey County Traffic Safety Initiative	14	16	16	16

City of White Bear Lake
Public Safety - Police

Annual Budget
Business Unit: 1110

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 2,960,237	\$ 3,030,214	\$ 3,206,115	\$ 3,203,606	\$ 3,365,205
6117	Overtime - regular employees	140,765	163,171	170,000	170,000	170,000
6119	Salaries - temporary employees	65,840	68,864	64,503	70,886	111,989
6122	PERA	528,116	545,709	578,181	575,684	609,046
6124	FICA/Medicare	62,762	65,181	68,615	69,147	73,557
6128	Insurance contribution	313,241	328,903	365,612	365,612	433,822
6138	Worker's compensation	143,105	159,100	190,920	190,920	326,621
6146	Severance pay	10,205	14,723	6,288	6,288	23,799
6148	Other benefits	48,150	48,150	67,355	67,355	55,800
	Total personnel services	4,272,421	4,424,015	4,717,589	4,719,498	5,169,839
Supplies						
6210	Office supplies	3,019	1,353	3,000	2,550	3,000
6220	Equipment supplies	24,065	8,204	15,850	13,400	13,600
6221	Range supplies	10,731	20,693	13,175	13,410	13,800
6230	Vehicle supplies	12,790	16,980	18,700	19,700	19,900
6240	Building supplies	6,935	2,647	7,150	4,100	4,100
6248	Community engagement supplies	1,307	3,798	5,850	6,025	5,775
6250	Other supplies	2,408	9,126	9,265	7,250	9,215
6272	Motor fuels	58,792	80,526	83,300	108,495	108,500
6280	Books & periodicals	-	-	250	-	100
6290	Uniforms	41,174	44,498	38,500	35,842	39,150
6295	Small tools	2,381	177	1,400	1,100	1,200
	Total supplies	163,602	188,002	196,440	211,872	218,340
Other Services and Charges						
6401	Professional services	13,211	43,802	52,225	58,525	72,775
6402	Data processing	8,899	9,779	11,000	11,750	14,100
6411	Telephone	6,900	8,984	15,045	10,465	10,680
6412	Cellular	9,869	9,643	11,290	12,921	12,375
6422	Electric	22,400	28,162	-	-	-
6423	Natural gas	3,637	5,602	-	-	-
6434	General liability insurance	31,475	31,475	34,623	34,623	34,623
6436	Vehicle liability insurance	7,826	10,500	10,815	10,815	10,815
6445	Postage	1,496	1,755	1,700	1,700	1,700
6450	Outside printing	1,836	1,446	2,800	2,525	2,890
6460	Subscription/memberships	2,602	2,783	3,575	3,590	3,745
6470	Training	17,571	25,638	27,740	27,350	27,890
6492	Advertising	-	-	500	-	200
6505	Equipment maintenance service	6,080	7,272	6,460	6,460	11,960
6510	Vehicle maintenance service	21,269	5,480	22,025	13,325	13,325
6515	Building maintenance service	10,364	5,450	3,900	900	900
6555	Equipment rental	2,505	2,751	1,200	500	1,200
6560	Other contractual service	75,668	53,315	55,700	46,450	44,250
	Total other services and charges	243,608	253,837	260,598	241,899	263,428
Total		\$ 4,679,631	\$ 4,865,854	\$ 5,174,627	\$ 5,173,269	\$ 5,651,606

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Department: Fire 1210

Fund: General Fund 1000

Department Activities and Responsibilities:

The Fire Department provides fire suppression, 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 celebrated its 130th year of fire service to White Bear Lake area. After a long history of providing service through the paid on call volunteer staffing model, ever-increasing customer needs prompted a comprehensive strategic planning process to assess operations and identify improvements that address the changing landscape of fire service and emergency medical response.

The City originally began shifting from the volunteer staffing structure in 2014 by adding four full-time medical responders to begin developing a "combination staffing model" of full-time and on-call employees. Results from the strategic planning process indicated need for additional full-time staff to meet the high call volume.

New full-time positions created during 2018 and 2019 brought the staff complement to 12 full-time positions. Under this model, all full-time and part-time staff were supervised by the Chief and Assistant Chief, leaving a gap in the onsite supervision of staff. In 2021, the City incorporated a Captain position into the Fire Department staffing structure to operate as a shift lead for each crew. These assignments did not add to the existing crew, but rather promoted three current full-time staff to the Captain positions. At the end of 2021, two new full-time positions were hired with two more positions requested in 2023 as part of a three-year plan that ends in 2024 to build a third 24/7 full-time crew. The department continues to employ paid-on-call members to help with duties.

Full-time Firefighter/Paramedics work 24-hour shifts with a base schedule of 2,912 hours per year. This is more than the 2,080 hours most typical full-time employees work in their five 8-hour days each week. While some overtime is necessary with the 24/7 scheduling, Fair Labor Standards overtime rules are more liberal for Firefighter/Paramedic positions.

Prior to 2022, the Budget for Fire Department Personnel Services was built with 20% of the associated staffing costs for Firefighter/Paramedic (F/PP) positions, with the remaining 80% assigned to the Ambulance Fund budget since a significant portion of the calls are for emergency medical issues. However, the Ambulance Fund could not financially survive on this allocation

Department: Fire 1210

Fund: General Fund 1000

because Medicare's limited reimbursement amount, a high delinquency in self-pay accounts and the creation of high deductible insurance plans prevent the Fund from experiencing the full benefit of any rate increases. In light of these issues, the City compared its service model and funding strategy with those of cities with similar staffing models and calls for service.

Comparison results indicated the City was conservative in the 20/80 allocation of FF/P salaries between the two funds as other cities either assign a higher percentage to the General Fund or combine the Fire and Ambulance Department budgets into one Special Revenue Fund and utilize a separate emergency response tax levy to help support the combined operations. Ambulance revenues can offset operating costs of the combined operations as a whole, however, they cannot support the ambulance service on its own. Given this information, the 2022 Budget moved from the 20/80 split for FF/P positions to a 25/75 split. Analysis as of late 2022 indicates the percentage will need to be increased again in the 2024 Budget. The ultimate goal is to balance both budgets while continuing to provide timely high quality service to patients.

Budget Summary:

The current union contract ends as of December 31, 2022, and negotiations are underway for the 2023 budget year. As mentioned above, the Department intends to add two new full-time firefighter positions in 2023. The decrease in Workers' Compensation costs for 2023 is a result of a change in philosophy to more accurately account for how workers' compensation benefits are allocated to each department. The reduction here offsets increases in other departments.

The paid-on-call 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 Association membership and the City Council both approved transitioning the investment funds to the Minnesota Public Employee Retirement Association (PERA) as of January 2019. The Association 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. As a result of this switch, the 2% fee the State of Minnesota applies to all property insurance policies to fund the retirement plans is now sent directly to PERA for investment instead of the City. However, the City was advised in 2021 that despite the fee being sent directly to PERA, it should still be recorded as a revenue and offsetting expenditure on the City's end. Given this information, the City began budgeting for the Fire Relief Contribution in the 2022 Revised Budget.

The 2023 Budget for Uniforms anticipates replacement of the Wildland/Technical Rescue Gear for full-time staff. The Small Tools Budget increases in 2023 anticipating hose and nozzle purchases for the new fire truck that is budgeted for 2023/2024.

Department: Fire 1210

Fund: General Fund 1000

The City recognizes the need to provide mental health support for its employees whose job responsibilities include traumatic high stress situations. The 2023 budget in the Professional Services account expands with a change to a new service provider.

The decrease in the Contracted Services account reflects the shift of funding for the Department's annual banquet to the Legislative Department to combine the event with the annual employee recognition program.

The Police Department and Fire Station 1 are located within the same facility. To improve methods of tracking costs related to the facility operations, the 2022 Budget creates a Public Safety Facility budget to manage the costs of central supplies, utilities, and maintenance services for the campus. The budgets for the Electric, Natural Gas, Building Maintenance, Equipment Rental and Contracted Services accounts decrease in this budget because funding for the expenditures were transferred to the Public Safety Facility budget.

Capital Outlay:

The Equipment Acquisition Fund, found in the Capital Projects section of the budget, details the capital equipment requests for the department. The 2022 Revised Budget allocates funding for ten radios for fire trucks and an alarm and secure key system for Fire Station 2. The 2023 Budget funds the purchase of 800MHZ portable radios and the earmarking for the replacement of a fire truck.

The Municipal Building Fund, found in the Capital Projects section of the budget, reports the capital building expenditures for the department. The 2022 Revised Budget for Fire Station 2 plans for a roof replacement and other minor maintenance. The 2023 Budget allocates funding for the removal of a diesel fuel tank.

Goals:

1. Continue to expand fire safety awareness to children and senior residents.
2. Develop leadership and professionalism in department officers through training opportunities.
3. Work cooperatively with businesses to improve fire safety via inspections and code compliance.
4. Improve resident life safety by continuing to provide smoke detectors, carbon monoxide detectors, and stovetop fire extinguishers free of charge to the public.

Department: Fire 1210

Fund: General Fund 1000

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of Fire and Rescue Calls	939	927	960	960
Public Education Events Held	37	54	55	55
Smoke Detectors, Carbon Monoxide Detectors, and Fire Extinguishers Given Out Free of Charge	16	170	10	10
Average Response Times	5:54	6:05	6:10	6:00

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 345,171	\$ 345,373	\$ 442,878	\$ 456,415	\$ 538,991
6117	Overtime - regular employees	38,957	35,484	47,744	50,530	57,191
6119	Salaries - temporary employees	43,615	55,517	74,527	74,396	73,502
6122	PERA	66,881	66,296	85,400	88,278	102,467
6124	FICA/Medicare	9,201	10,514	13,691	13,924	16,126
6126	Fire relief	-	276,820	-	289,125	289,125
6128	Insurance contribution	22,260	23,373	47,040	47,040	56,700
6132	Volunteer life insurance	2,880	2,880	2,880	2,880	2,880
6138	Worker's compensation	103,650	101,750	122,100	122,100	69,703
6148	Other benefits	9,250	9,250	11,400	11,400	9,900
	Total personnel services	<u>641,865</u>	<u>927,257</u>	<u>847,660</u>	<u>1,156,088</u>	<u>1,216,584</u>
Supplies						
6210	Office supplies	383	426	1,700	1,700	1,700
6220	Equipment supplies	4,539	11,946	8,100	9,100	6,900
6230	Vehicle supplies	5,095	16,654	5,500	6,250	8,500
6240	Building supplies	8,166	5,513	5,813	5,813	5,813
6248	Community engagement supplies	-	431	600	5,340	5,450
6250	Other supplies	2,943	4,954	4,350	2,675	2,675
6255	Landscape supplies	59	72	100	100	100
6272	Motor fuels	4,750	13,661	14,000	18,000	18,000
6274	Lubricants & additives	13	76	-	200	200
6280	Books & periodicals	5,020	2,521	6,095	800	800
6290	Uniforms	36,028	31,080	38,800	38,800	44,800
6295	Small tools	534	5,305	4,000	3,500	11,000
	Total supplies	<u>67,530</u>	<u>92,639</u>	<u>89,058</u>	<u>92,278</u>	<u>105,938</u>
Other Services and Charges						
6401	Professional services	23,852	20,072	37,550	48,200	61,450
6402	Data processing	6,187	9,533	7,700	9,100	9,850
6411	Telephone	2,572	3,191	3,550	4,050	4,150
6412	Cellular	5,528	5,319	7,780	6,690	6,690
6422	Electric	18,550	22,436	6,500	7,100	7,500
6423	Natural gas	5,014	6,373	2,500	8,050	8,400
6434	General liability insurance	9,561	9,561	10,517	10,517	10,517
6436	Vehicle liability insurance	13,039	2,200	2,266	2,266	2,266
6445	Postage	251	44	600	300	300
6449	In-house printing	-	-	250	-	-
6450	Outside printing	-	-	900	900	900
6460	Subscription/memberships	4,142	3,839	6,040	7,535	7,535
6470	Training	11,569	26,297	23,800	23,800	24,650
6492	Advertising	-	713	2,000	2,000	-
6505	Equipment maintenance service	15,094	8,273	17,550	17,550	17,550
6510	Vehicle maintenance service	18,659	10,668	14,950	14,950	14,950
6515	Building maintenance service	19,764	7,972	9,600	9,600	10,123
6525	Electrical maintenance service	-	3,519	-	3,250	3,000
6555	Equipment rental	169	20	100	100	100
6560	Other contractual service	9,231	14,737	14,850	11,350	8,723
	Total other services and charges	<u>163,182</u>	<u>154,767</u>	<u>169,003</u>	<u>187,308</u>	<u>198,654</u>
Total		<u>\$ 872,577</u>	<u>\$ 1,174,663</u>	<u>\$ 1,105,721</u>	<u>\$ 1,435,674</u>	<u>\$ 1,521,176</u>

Department: Dispatch 1114

Fund: General Fund 1000

Department Activities and Responsibilities:

The City contracts with Ramsey County Emergency Communication Center for dispatching services. Prior to 2018, 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 transitioning to Ramsey County for dispatch 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.

Budget Summary:

The Joint Powers Agreements for dispatching services between Ramsey County and the member cities establish a formula that allocates 60% of the of the 9-1-1 costs to the county to be paid through the property tax levy and 40% of the costs be allocated to the cities. In general, the change in city costs each year is due to the fluctuation in the number of calls for service between years. The rate increases in the 2023 Budget are based on an increase in the three-year rolling average of the City’s share of calls for service from 2019-2021.

Goals:

1. Continue to build a partnership with the Ramsey County Emergency Communications Center by having a representative on the CAD user group committee.
2. Provide resources to community members to access 911 emergency and non-emergency calls, internal calls and incidents generated by police, fire, and ambulance services, and calls from other public safety agencies served by the Ramsey County Emergency Services.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Total service calls	22,497	22,309	22,600	22,600
Gas Drive Off Investigations	9	19	60	50
CAD Quarterly User Group Committee Meetings Attended	4	4	4	4

City of White Bear Lake
Public Safety - Dispatch

Annual Budget
Business Unit: 1114

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
	Other Services and Charges					
6413	Radio communications	2,881	2,881	3,000	3,000	3,000
6560	Other contractual service	211,649	211,072	220,300	220,300	248,800
	Total other services and charges	<u>214,530</u>	<u>213,953</u>	<u>223,300</u>	<u>223,300</u>	<u>251,800</u>
	Total	<u>\$ 214,530</u>	<u>\$ 213,953</u>	<u>\$ 223,300</u>	<u>\$ 223,300</u>	<u>\$ 251,800</u>

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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 GDO Law as the City's prosecutor, and Heather Monnens is the lead prosecutor for City. Pursuant to the City Charter, the appointment extends for a period of one year and expires each January. The office handles all petty misdemeanor, misdemeanor, and gross misdemeanor cases which includes DWIs, domestic assault related offenses, thefts, 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 six Arraignment calendars per month, ten Pretrial calendars, two Court Trial calendars for contested traffic tickets, one Trial Management Conference, and various other appearances for contested evidentiary hearing, sentencing, competency hearings, and probation violations as needed. The City Prosecutor also handles two to three in-custody bail hearing calendars each month at the Ramsey County Law Enforcement Center (LEC) for suburban defendants that are arrested and in custody for domestic assault or gross misdemeanor DWI offenses. In addition, the City Prosecutor is required to be on-call for one week each month for trials.

The vast majority of the criminal cases settle for various reasons, with about 2-3 cases per year actually going to a full jury trial. Of the cases that settle, many resolve after contested evidentiary hearings to 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 and jury trials.

Currently, our arraignment and traffic court calendars are held via Zoom, and the remainder of our court hearings have transitioned back to in-person court at the Maplewood Courthouse. The court schedule requires the City Prosecutor to make approximately 20-25 court appearances per month. This court calendar scheduling system was adopted in 2020 during the beginning of the Covid-19 pandemic, and there has been little discussion to reverse back to the previous court schedule which had fewer monthly arraignment and pretrial court appearances. In addition, the City Prosecutor is continuing to process and resolve the backlog of Covid-19 criminal cases.

Budget Summary:

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

Department: Legal Prosecution 1041

Fund: General Fund 1000

Measurable Workload Data:

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022*</u>
Prosecutor	\$154,584	\$149,692	\$151,832	\$139,377	\$88,843

*Partial year (January - July)

City of White Bear Lake
Public Safety - Legal Prosecution

Annual Budget
Business Unit: 1041

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6119	Salaries - temporary employees	\$ 1,400	\$ 1,111	\$ 1,331	\$ 1,307	\$ 1,359
6124	FICA/Medicare	107	85	102	100	104
	Total personnel services	<u>1,507</u>	<u>1,196</u>	<u>1,433</u>	<u>1,407</u>	<u>1,463</u>
Other Services and Charges						
6401	Professional services	<u>151,667</u>	<u>152,000</u>	<u>156,800</u>	<u>152,500</u>	<u>158,600</u>
	Total other services and charges	<u>151,667</u>	<u>152,000</u>	<u>156,800</u>	<u>152,500</u>	<u>158,600</u>
	Total	<u>\$ 153,174</u>	<u>\$ 153,196</u>	<u>\$ 158,233</u>	<u>\$ 153,907</u>	<u>\$ 160,063</u>

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Department: Animal Control 1118

Fund: General Fund 1000

Department Activities and Responsibilities:

The Animal Control Department manages costs associated with responding to animal related service calls, animal patrol, boarding, and any other special services related to animal control.

The City currently has a two part approach to animal control services. When lost animals are found, the department houses the animals at the station for the first 24 hours while attempting to locate the owner through social media posts. If the pet remains in custody after that time, the Department moves the animal to a program under a boarding service contract. The contract services changed from the Saint Paul Animal Control and Impound office to the Animal Humane Society mid-year 2022.

This system reunites approximately 95% of the pets received with their families sooner than past practices and has reduced boarding costs for both the owner and the City. In addition to seeing a significant decrease in the number of impounded animals, the program has become a positive community engagement activity.

The Animal Humane Society closely follows the Department's Facebook page and many lost/found pet sites to assist the Department in returning animals prior to their transportation to Impound. The organization also evaluates the animal's health upon arrival to their facility to ensure animals receive needed medical attention as quickly as possible.

The Police Department regularly reviews 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 Woodbury Animal Humane Society 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.

Department: Animal Control 1118

Fund: General Fund 1000

4. Post found animals on the White Bear Lake Police Facebook page to locate the pet owner within the immediate hours of the pet being taken in at the Police Department.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Total number of animal control calls	364	391	360	360
Number of animals taken in at Saint Paul Animal Control	3	13	9	9
Number of lost pets posted to White Bear Lake Police Facebook page	22	13	10	10

City of White Bear Lake
Public Safety - Animal Control

Annual Budget
Business Unit: 1118

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6119	Salaries - temporary employees	\$ 9,764	\$ 10,199	\$ 15,590	\$ 15,701	\$ 16,297
6122	PERA				1,178	1,222
6124	FICA/Medicare	747	780	1,193	1,201	1,247
	Total personnel services	<u>10,511</u>	<u>10,979</u>	<u>16,783</u>	<u>18,080</u>	<u>18,766</u>
Supplies						
6250	Other supplies	302	-	1,050	550	1,050
	Total supplies	<u>302</u>	<u>-</u>	<u>1,050</u>	<u>550</u>	<u>1,050</u>
Other Services and Charges						
6402	Data processing	1,651	1,819	1,900	2,250	2,800
6470	Training	-	-	400	100	400
6565	Disposal fees	300	180	2,700	1,000	2,500
6570	Impound fees	1,350	555	1,600	1,100	1,600
	Total other services and charges	<u>3,301</u>	<u>2,554</u>	<u>6,600</u>	<u>4,450</u>	<u>7,300</u>
Total		<u>\$ 14,114</u>	<u>\$ 13,533</u>	<u>\$ 24,433</u>	<u>\$ 23,080</u>	<u>\$ 27,116</u>

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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 Community Engagement Supplies had no activity in 2020 given COVID-19 social distancing guidelines. With the loosening of guidelines in 2021, Community Engagement Supplies activities returned to normal levels.

The Natural Gas allocation increases in the 2022 Revised Budget and 2023 Budget due to an unavoidable increase in the cost of gas.

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. The City began a process to replace all five sirens in 2018. Four of the five units will be complete by the end of 2022. The fifth siren, located at the Public Safety Facility, will be replaced at the conclusion of the facility's renovation project in 2024.

Goals:

1. Test and monitor the emergency generator for efficiency on a monthly basis.

Department: Emergency Preparedness 1220

Fund: General Fund 1000

2. Annually review emergency response plans used by the department, update the plans with new staff and potential areas of concern.
3. Host a Community Emergency Response Team (CERT) event to train another group of volunteers to assist in a disaster situation.
4. Continue to build the partnership between the White Bear Lake Police and Fire Department and Ramsey County Emergency Management and Homeland Security (HSEM). The Departments have police and fire representation at the quarterly HSEM meetings.
5. Participate in planning with the White Bear Lake School District and Century College to prepare for school emergencies. Participate in lockdown drills at the schools throughout the year.
6. Review and update the City's COOP (Continuity of Operations Plan) to prepare for emergency events.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of CERT Volunteer Hours	3	1,900	3,000	3,000
CERT Team Activations	1	2	2	2
Number of emergency generator tests during year	12	12	12	12
Number of quarterly HSEM meetings attended	4	4	4	4

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Supplies						
6220	Equipment supplies	339	5	400	400	400
6248	Community engagement supplies	-	969	2,940	2,820	2,750
6250	Other supplies	-	-	800	250	250
6290	Uniforms	859	2,225	2,300	2,300	2,300
6295	Small tools	-	-	950	500	500
	Total supplies	<u>1,198</u>	<u>3,199</u>	<u>7,390</u>	<u>6,270</u>	<u>6,200</u>
Other Services and Charges						
6422	Electric	4,083	4,084	3,800	4,300	4,400
6423	Natural gas	1,347	1,807	2,000	4,325	4,600
6434	General liability insurance	299	299	329	329	329
6450	Outside printing	-	-	50	-	50
6505	Equipment maintenance service	-	-	3,000	3,000	3,000
	Total other services and charges	<u>5,729</u>	<u>6,190</u>	<u>9,179</u>	<u>11,953</u>	<u>12,379</u>
Total		<u>\$ 6,927</u>	<u>\$ 9,389</u>	<u>\$ 16,569</u>	<u>\$ 18,223</u>	<u>\$ 18,579</u>

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 applications with the initial project plan to verify compliance with the required codes and grants the appropriate permits for the project. Once the project begins, the inspectors examine the work at specific stages of development to insure code compliance.

Two employees in the department ensure property related issues remain in compliance with the Municipal Code:

- A Rental Housing Specialist oversees the licensing and maintenance concerns related to rental properties to confirm 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.
- A Code Enforcement Officer concentrates efforts on property-by-property inspections and response to citizen complaints. Inspections aim to ensure all neighborhoods 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 provides contract coverage for these services to the City of Mahtomedi and their residents.

Budget Summary:

In the Personnel Services expenditure category, the Health Insurance and Workers' Compensation allocations both increase in 2023. The increases result from a change in philosophy to more accurately account for actual costs and how benefits are allocated to each department. The increase for Workers' Compensation recognized here are offset by decreases in other departments.

The Motor Fuels allocation increases in the 2022 Revised Budget and 2023 Budget due to an unavoidable increase in the cost of fuel.

The Professional Services budget provides resources for contracted electrical inspection work. Electrical permit fees paid by property owners offset the expenditures for this service. In 2019, White Bear Lake ISD #624 passed a \$326 million building bond referendum to provide the funding to undertake a comprehensive capital improvement plan throughout the District. In order to accommodate the surge in plan review and building inspection activity, the Revised 2022 Budget includes a \$10,000 allocation for temporary plan review and building inspection services. The 2023 Budget has a \$50,000 allocation to move to electronic plan reviews.

Department: Building and Code Enforcement 1080

Fund: General Fund 1000

Staff utilize computer tablets in the field to access their permit system database during inspections. In addition to the inspectors' ability to review current inspection site data, they are able to update inspection results immediately after completing the inspection, reduce the open permit backlog list by ensuring no outstanding permits exist for the current inspection site, and check permit issuance for construction site addresses to prevent illegal construction activity. The Cellular expenditure budget includes the hot spot capabilities for the tablet devices.

The City offers property owners and contractors the ability to apply and receive certain permits through an online system within the Building Department's permitting software system. In general, the City passes credit card fees on to the purchaser when the payment is made; however, the permitting software does not have that capability. Therefore, the city records the credit card fees directly related to these activities to the Building Department to ensure the permit fees are set at a level to cover the costs.

Capital Outlay:

The Equipment Acquisition Fund, found in the Capital Projects Fund section of the documents, replaced a department vehicle in 2022 and anticipates replacing another vehicle in 2023.

Goals:

1. Consider the potential for the implementation of a software-based plan review system to allow separate departments to add plan review comments to submittal documents and easily see the plan review status.
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:

	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Total Inspections for All Permits	4,223	4,684	4,500	4,000
Total Number of Permits Issued	2,685	2,861	2,500	2,500
Total Number of Permits Completed	1,875	1,950	1,900	1,700
Number of Certificates of Occupancy Issued	19	20	20	20
Number of Rental Inspections Performed	217	368	300	250
Total Value of Construction (in millions)	\$54,730	\$137,576,203	\$116,341,260	\$39,000
Number of New Single Family Dwelling Permits	4	8	5	10
Number of Town Homes Permits	0	1	0	0
Number of Apartment Permits	0	0	0	0

City of White Bear Lake
General Government - Building and Code Enforcement

Annual Budget
Business Unit: 1080

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 393,802	\$ 402,932	\$ 461,359	\$ 465,095	\$ 488,330
6122	PERA	29,535	30,220	34,602	34,882	36,625
6124	FICA/Medicare	29,418	30,303	35,294	35,580	37,357
6128	Insurance contribution	40,530	42,557	47,040	47,040	56,700
6138	Worker's compensation	5,500	2,775	3,330	3,330	13,898
6146	Severance pay	-	-	6,806	6,806	-
6148	Other benefits	4,300	4,300	11,400	11,400	10,800
	Total personnel services	<u>503,085</u>	<u>513,087</u>	<u>599,831</u>	<u>604,133</u>	<u>643,710</u>
Supplies						
6210	Office supplies	313	544	1,000	1,000	1,000
6220	Equipment supplies	292	349	200	300	300
6230	Vehicle supplies	1,065	1,412	1,500	1,645	1,550
6250	Other supplies	30	-	100	100	100
6272	Motor fuels	2,681	4,311	5,200	6,200	7,000
6280	Books & periodicals	977	405	1,300	1,300	1,300
6290	Uniforms	161	63	200	200	200
6295	Small tools	1,050	123	2,000	2,000	2,000
	Total supplies	<u>6,569</u>	<u>7,207</u>	<u>11,500</u>	<u>12,745</u>	<u>13,450</u>
Other Services and Charges						
6401	Professional services	39,581	62,640	70,200	68,200	112,200
6402	Data processing	35,547	39,130	44,000	46,750	55,300
6411	Telephone	1,214	1,486	1,675	1,925	2,025
6412	Cellular	3,420	2,723	4,490	4,010	3,710
6434	General liability insurance	3,165	3,165	3,482	3,482	3,482
6436	Vehicle liability insurance	1,663	1,100	1,133	1,133	1,133
6445	Postage	502	357	1,000	600	1,000
6450	Outside printing	140	296	400	700	500
6460	Subscription/memberships	135	121	410	420	470
6470	Training	3,171	2,215	5,190	5,370	5,370
6505	Equipment maintenance service	309	401	500	1,000	1,150
6510	Vehicle maintenance service	44	189	600	600	600
6545	Credit card fees	11	5,884	4,500	5,500	5,500
6560	Other contractual service	274	236	240	300	300
	Total other services and charges	<u>89,176</u>	<u>119,943</u>	<u>137,820</u>	<u>139,990</u>	<u>192,740</u>
Total		<u>\$ 598,830</u>	<u>\$ 640,237</u>	<u>\$ 749,151</u>	<u>\$ 756,868</u>	<u>\$ 849,900</u>

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.

Budget Summary:

In addition to general building operating expenditures, the budget funds 40% of the Public Works Superintendent's salary and benefits and 50% of the Public Works Clerk's salary and benefits. The Water Distribution, Water Treatment and Sewer Fund budgets receive an allocation of the remaining percentage of the salary and benefits costs for the two positions to account for the job duties attributable to their operations.

The Motor Fuels allocation increases in the 2022 Revised Budget and 2023 Budget due to an unavoidable increase in the cost of fuel. In regards to the 2020 actual fuel expenditures, the year to date amount includes expenditures that should have been allocated to other General Fund departments prior to the end of the year. There was no effect on the General Fund balance at year end since all departments are within the same fund. A new procedure implemented in 2021 will prevent this issue from occurring again.

The Electric and Natural Gas allocations also increase in the 2022 Revised and 2023 Budgets due to an unavoidable costs in the market.

The Other Contractual Services budget includes an allocation for janitorial services. The cost of these services is set to increase from \$11,900 per year in 2022 to \$15,400 per year in 2023 according to the contract.

Capital Outlay:

The Municipal Building Fund in the Capital Projects Funds contains allocations in 2023 for a fence for the expansion site and a new drinking fountain.

Goals:

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

City of White Bear Lake
Public Works - Public Works Facility

Annual Budget
Business Unit: 1300

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 60,945	\$ 65,974	\$ 69,238	\$ 69,791	\$ 73,223
6117	Overtime - regular employees	290	1,337	750	1,000	750
6122	PERA	4,593	5,052	5,249	5,309	5,548
6124	FICA/Medicare	4,731	5,220	5,354	5,415	5,659
6128	Insurance contribution	6,458	6,781	7,056	7,056	8,505
6138	Worker's compensation	2,120	2,325	2,790	2,790	2,085
6148	Other benefits	780	780	1,710	1,710	1,620
	Total personnel services	<u>79,917</u>	<u>87,469</u>	<u>92,147</u>	<u>93,071</u>	<u>97,390</u>
Supplies						
6210	Office supplies	1,107	1,428	1,900	1,600	1,600
6220	Equipment supplies	2,695	5,628	3,550	5,440	5,700
6230	Vehicle supplies	331	1,123	500	1,900	1,900
6240	Building supplies	7,978	8,076	6,200	6,100	6,350
6250	Other supplies	2,094	2,954	2,840	3,500	3,500
6255	Landscaping supplies	92	-	100	100	100
6272	Motor fuels	16,488	2,344	1,925	6,025	6,025
6274	Lubricants & additives	-	976	1,000	1,000	1,000
6290	Uniforms	2,031	2,525	2,500	2,750	2,750
6295	Small tools	139	3,827	1,050	1,300	1,250
	Total supplies	<u>32,955</u>	<u>28,881</u>	<u>21,565</u>	<u>29,715</u>	<u>30,175</u>
Other Services and Charges						
6401	Professional services	86	85	800	275	275
6402	Data processing	3,091	3,405	4,400	4,650	5,200
6411	Telephone	2,862	3,334	3,600	3,950	4,050
6412	Cellular	459	632	780	1,140	840
6422	Electric	24,833	26,627	25,000	29,050	29,300
6423	Natural gas	10,547	13,658	12,600	34,830	34,830
6434	General liability insurance	4,000	4,000	4,400	4,400	4,400
6436	Vehicle liability insurance	1,000	200	206	206	206
6445	Postage	1,460	220	400	300	300
6450	Outside printing	85	90	600	500	600
6460	Subscription/memberships	91	253	500	1,200	1,200
6470	Training	-	130	800	800	800
6492	Advertising	-	-	400	400	400
6505	Equipment maintenance service	1,933	1,413	1,285	2,900	2,900
6515	Building maintenance service	13,510	19,578	25,630	23,080	23,540
6525	Electrical repair service	(2,958)	4,858	2,500	2,500	2,500
6555	Equipment rental	1,926	1,672	2,000	2,750	3,150
6560	Other contractual services	14,943	16,876	14,610	16,935	20,125
6565	Disposal Fees	8,540	-	-	-	-
	Total other services and charges	<u>86,408</u>	<u>97,031</u>	<u>100,511</u>	<u>129,866</u>	<u>134,616</u>
Total		<u>\$ 199,280</u>	<u>\$ 213,381</u>	<u>\$ 214,223</u>	<u>\$ 252,651</u>	<u>\$ 262,181</u>

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Department: Engineering 1310

Fund: General Fund 1000

Department Activities and Responsibilities:

The Engineering Department provides design and construction administrative services for the City's infrastructure improvements to ensure continued, reliable service from the street, water, sanitary sewer, park systems, and public buildings. Many of these infrastructure projects require long-term planning, whether they be internal or those undertaken by various partners including Ramsey and Washington Counties, neighboring local government entities, the Metropolitan Council, or multiple State agencies. The Engineering Department focuses on maximizing the positive local impact of these long-term designs by active participation during planning phases.

In addition to the City's projects and working closely with other governmental agencies, the staff provides engineering review and assistance for plans 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.

The City Engineer leads this department and the City's Public Works Division as the Director of Public Works.

Budget Summary:

The City reclassified the Engineering Department from an Internal Service Fund to a component of the General Fund in the 2019 Budget. This philosophical change recognizes that though it would be beneficial to compare the department operations to an outside consulting firm to assess effective performance, the two environments have variations in responsibilities that make the evaluation difficult. The Construction Fund continues to support a portion of the engineering costs through an internal transfer to the General Fund.

The City welcomed a new City Engineer/Director of Public Works in the end of 2018 when the previous employee retired after 30 years with the City. A concurrent opening in the Assistant City Engineer position allowed the City Engineer an opportunity to review employee responsibilities and projects to determine the most efficient operating structure for the department upon his arrival. Updated staffing plans added a Geographic Information Systems (GIS) specialist to the team at the end of 2021 and promoted the current Civil Engineer employee to the Assistant City Engineer in 2022, leaving the Civil Engineer position vacant.

The Workers' Compensation allocation increase in 2023 is a result of a change in philosophy to more accurately account for how workers' compensation benefits are allocated to each department.

The Revised 2022 Budget and 2023 Budget for Data Processing includes additional funding for expanded system specific training through LOGIS for the GIS Specialist.

Department: Engineering 1310

Fund: General Fund 1000

The Interim Construction Fund in the Capital Project Funds accounts for the costs related to street and trail projects supervised by the Engineering Department.

Capital Outlay:

The Equipment Acquisition Fund in the Capital Project Funds includes appropriations to replace data collector equipment in 2022.

Goals:

1. Update the City's Capital Improvement Plan which provides the framework for future infrastructure needs.
2. Review the pavement management system and complete annual pavement condition assessments.
3. Design and administer the City's annual street reconstruction and maintenance projects.
4. Prepare and scan paper project files and record plans for archival into the Laserfiche software.
5. Review building and development proposals to ensure the City's objectives, standards, and policies are met.
6. Update and expand the City's GIS with water, sewer, and roadway and other infrastructure data.
7. Successfully deliver the Public Safety Facility renovation project.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Miles of street and alley reconstruction completed	1.12	1.18	0.06	2.00
Miles of mill and overlay completed	3.03	1.41	2.92	2.00

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 429,005	\$ 397,490	\$ 461,850	\$ 462,271	\$ 496,558
6117	Overtime - regular employees	6,806	3,969	15,000	5,000	11,000
6119	Salaries - temporary employees	17,860	13,648	23,433	23,625	24,334
6120	Overtime - temporary employees	-	351	-	-	-
6122	PERA	32,686	30,106	35,764	35,045	38,067
6124	FICA/Medicare	33,336	30,519	38,272	37,554	40,690
6128	Insurance contribution	48,615	51,046	55,860	55,860	47,250
6138	Worker's compensation	7,000	3,100	3,720	3,720	11,581
6146	Severance pay	-	-	4,366	4,366	-
6148	Other benefits	6,500	6,500	11,400	11,400	9,000
	Total personnel services	<u>581,808</u>	<u>536,729</u>	<u>649,665</u>	<u>638,841</u>	<u>678,480</u>
Supplies						
6210	Office supplies	424	208	2,200	2,000	2,000
6220	Equipment supplies	15	880	2,500	1,500	1,500
6230	Vehicle supplies	2,895	2,988	1,560	1,560	1,560
6250	Other supplies	-	-	200	200	200
6272	Motor fuels	1,681	1,721	2,000	2,000	2,100
6280	Books & periodicals	-	130	150	-	150
6290	Uniforms	32	31	500	500	500
6295	Small tools	230	85	1,500	1,000	1,000
	Total supplies	<u>5,277</u>	<u>6,043</u>	<u>10,610</u>	<u>8,760</u>	<u>9,010</u>
Other Services and Charges						
6401	Professional services	66	128	300	150	150
6402	Data processing	38,233	41,440	63,735	74,500	78,550
6411	Telephone	750	984	1,115	1,340	1,425
6412	Cellular	1,681	1,679	2,700	1,860	1,630
6434	General liability insurance	5,274	5,274	5,801	5,801	5,801
6436	Vehicle liability insurance	1,073	400	412	412	412
6445	Postage	1,460	1,452	2,400	1,900	2,400
6449	In-house printing	-	-	500	500	500
6450	Outside printing	-	39	400	400	400
6460	Subscription/memberships	765	538	955	955	705
6470	Training	1,398	1,800	6,700	3,900	5,000
6485	Travel allowance	2,549	2,400	2,850	2,850	2,850
6505	Equipment maintenance service	1,011	430	2,000	2,000	1,500
6510	Vehicle maintenance service	1,222	-	2,000	1,000	1,500
6560	Other contractual services	-	-	100	100	100
	Total other services and charges	<u>55,482</u>	<u>56,564</u>	<u>91,968</u>	<u>97,668</u>	<u>102,923</u>
Total		<u>\$ 642,567</u>	<u>\$ 599,336</u>	<u>\$ 752,243</u>	<u>\$ 745,269</u>	<u>\$ 790,413</u>

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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:

The City filled the vacant mechanic position at the beginning of 2021. After completing a comprehensive review of garage operations and out-sourced repair projects in recent years, the Public Works Departments chose to reorganize staff and utilize budget savings from the Parks Department to hire a second mechanic mid-year 2021. This opportunity reduced expenditures as the Garage Department can now complete more preventative maintenance work and repairs in-house rather than sending the projects to an outside vendor. Final staff changes occurred in 2022 with the promotion one mechanic position to that of Working Foreman. This restructuring gives the Working Foreman clear supervision responsibilities over the Central Garage Department.

The budget allocates resources to purchase general parts or services not associated with specific vehicles or equipment units. All City departments include budget appropriations for parts or service related to units in their control, as those expenditures charge directly to the 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. A portion of the Enterprise Fund transfer to the General Fund is reimbursement for labor charges relating to their fleet since they are in separate funds.

The Lubricants and Additives Budget allocations for the Revised 2022 and 2023 budgets increases due to an unavoidable increase in material costs from suppliers.

Goals:

1. Begin assessing fleet lifecycle cost data to help keep a green fleet and reduce spending on poor fuel economy and inefficient equipment.
2. Promptly complete all vehicle maintenance requests to reduce down time for other departments.
3. Complete the majority of repair requests to reduce outsourcing costs and control quality of work.
4. Update stock inventory for more accurate and efficient spending.

Department: Central Garage 1320

Fund: General Fund 1000

5. Expand training on the diverse fleet of equipment needed to maintain the City's expectations.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Vehicle and equipment repair projects	223	238	275	300
Oil changes and preventive maintenance projects	163	216	175	200
Department of Transportation safety inspections	16	21	10	10

City of White Bear Lake
Public Works - Garage

Annual Budget
Business Unit: 1320

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 60,301	\$ 93,550	\$ 141,101	\$ 145,302	\$ 155,657
6117	Overtime - regular employees	-	2,735	513	2,750	2,750
6122	PERA	4,523	7,221	10,621	11,104	11,881
6124	FICA/Medicare	4,168	7,255	10,833	11,326	12,118
6128	Insurance contribution	7,996	8,396	15,680	15,680	18,900
6138	Worker's compensation	3,880	3,225	3,870	3,870	4,633
6148	Other benefits	845	845	3,800	3,800	3,600
	Total Personnel Services	<u>81,713</u>	<u>123,227</u>	<u>186,418</u>	<u>193,832</u>	<u>209,539</u>
Supplies						
6210	Office supplies	-	94	100	300	300
6220	Equipment supplies	9,743	9,098	16,500	10,500	10,000
6230	Vehicle supplies	3,583	3,164	7,500	5,600	5,600
6240	Building supplies	371	1,790	2,600	2,600	2,600
6250	Other supplies	174	1,140	1,650	1,650	1,650
6274	Lubricants & additives	4,426	6,164	4,000	10,000	10,000
6290	Uniforms	400	962	1,230	1,330	1,330
6295	Small tools	3,054	5,156	4,800	5,800	5,800
	Total Supplies	<u>21,751</u>	<u>27,568</u>	<u>38,380</u>	<u>37,780</u>	<u>37,280</u>
Other Services and Charges						
6401	Professional services	376	291	200	180	330
6434	General liability insurance	2,920	2,920	3,212	3,212	3,212
6445	Postage	-	-	50	50	50
6450	Outside printing	66	45	200	200	200
6460	Subscription/memberships	-	-	100	-	-
6470	Training	-	80	3,000	2,225	3,000
6505	Equipment maintenance service	4,574	1,404	5,500	5,500	5,500
6555	Equipment rental	2,939	2,773	3,000	3,000	3,000
6560	Other contractual services	5,940	3,816	15,800	15,800	15,800
	Total Other Services and Charges	<u>16,815</u>	<u>11,329</u>	<u>31,062</u>	<u>30,167</u>	<u>31,092</u>
Total		<u>\$ 120,279</u>	<u>\$ 162,124</u>	<u>\$ 255,860</u>	<u>\$ 261,779</u>	<u>\$ 277,911</u>

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. 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. Annual adherence to the program simplifies long range financial planning through consistent expenditure levels and provides a longer lifespan for the road system. Regular inspections and minor routine maintenance minimizes problems when damage occurs because timely repairs prevent damage from deteriorating into more severe problems that become more expensive to replace. The City's Pavement Management Program is a multi-stage approach that spans many years.

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 the more extensive overlay 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 escalate the road repairs to reconstruction status and costs.

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.

Department: Streets 1410

Fund: General Fund 1000

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.

Budget Activity:

The Workers' Compensation allocation decrease in 2023 is a result of a change in philosophy to more accurately account for how workers' compensation benefits are allocated to each department. The savings here is offset by increases in other departments.

In 2014, the City collaborated with the Minnesota Department of Transportation to resurface Highway 61 and upgrade the median, as it is the main thoroughfare through much of the City and a focal point for residents and visitors. The Contracted Services budget allocates funding for contractors to provide mowing, plant maintenance, weeding, and irrigation system services. Staff continues to evaluate the annual maintenance activities and costs for the Highway 61 median to improve work efficiency for the department and prevent cost fluctuations from year to year.

Capital Outlay:

Capital equipment purchases for this department are included in the Equipment Acquisition Fund, which is part of the Capital Projects Funds section of this document. The 2022 Budget appropriation replaces a ¾ ton pickup truck and a tandem dump truck.

Goals:

1. Provide high level of maintenance to ensure safe, clean, and well-maintained streets for citizens at all times.
2. Utilize street sweeping activities to 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.
4. Maintain sidewalks and bikeways through patching, paving, and snow/ice removal.

Department: Streets 1410

Fund: General Fund 1000

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Cubic Yards of Debris Swept	1,952	1,355	1,300	1,900
Miles of Streets Swept	652	620	400	650
Tons of Asphalt used for street patching	322	511	480	450
Man Hours Spent Tree Trimming	957	492	600	600

City of White Bear Lake
Public Works - Streets

Annual Budget
Business Unit: 1410, 1411

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 220,836	\$ 236,613	\$ 239,153	\$ 240,009	\$ 250,452
6117	Overtime - regular employees	1,337	2,181	3,290	3,290	3,390
6119	Salaries - temporary employees	11,129	14,932	15,532	13,680	15,265
6120	Overtime - temporary employees	-	-	600	600	600
6122	PERA	16,663	17,909	18,183	18,247	19,038
6124	FICA/Medicare	17,003	18,922	19,781	19,705	20,633
6128	Insurance contribution	33,647	35,329	37,240	37,240	42,000
6138	Worker's compensation	19,890	21,955	26,346	26,346	9,265
6148	Other benefits	2,820	2,820	7,600	7,600	7,200
	Total personnel services	<u>323,325</u>	<u>350,661</u>	<u>367,725</u>	<u>366,717</u>	<u>367,842</u>
Supplies						
6210	Office supplies	-	-	250	100	100
6220	Equipment supplies	17,045	26,942	22,250	24,750	24,750
6230	Vehicle supplies	3,696	7,908	10,000	10,000	10,000
6250	Other supplies	378	21	3,250	750	750
6253	Street materials	15,061	26,489	27,000	27,000	27,000
6254	Signs & stripping materials	9,394	17,737	15,000	15,000	15,000
6272	Motor fuels	13,232	17,775	24,000	27,800	27,800
6274	Lubricants & additives	1,193	1,118	1,500	1,500	1,500
6290	Uniforms	1,699	2,852	3,550	3,550	3,750
6295	Small tools	364	996	1,500	1,000	1,000
	Total supplies	<u>62,086</u>	<u>101,838</u>	<u>108,300</u>	<u>111,450</u>	<u>111,650</u>
Other Services and Charges						
6401	Professional services	478	242	500	500	500
6402	Data processing	6,741	7,420	8,800	9,250	10,500
6411	Telephone	443	578	655	805	850
6412	Cellular	435	720	800	690	390
6434	General liability insurance	17,340	17,340	19,074	19,074	19,074
6436	Vehicle liability insurance	3,532	2,600	2,678	2,678	2,678
6445	Postage	-	-	100	-	-
6450	Outside printing	-	-	150	150	150
6460	Subscription/memberships	150	-	150	150	150
6470	Training	-	755	2,000	1,850	1,850
6505	Equipment maintenance service	11,720	8,294	6,000	6,000	7,000
6510	Vehicle maintenance service	1,115	1,112	2,000	2,000	2,500
6540	Vandalism	-	436	-	-	500
6555	Equipment rental	-	72	1,500	1,500	2,000
6560	Other contractual services	76,169	51,952	93,000	90,800	94,000
	Total other services and charges	<u>118,123</u>	<u>91,521</u>	<u>137,407</u>	<u>135,447</u>	<u>142,142</u>
Total		<u>\$ 503,534</u>	<u>\$ 544,020</u>	<u>\$ 613,432</u>	<u>\$ 613,614</u>	<u>\$ 621,634</u>

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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 three or more inches of snow or supervisors deem the operations necessary due to drifting snow or icy street conditions. 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, the City does not clear snow during Spring months if the forecast predicts sunshine and warmer temperatures after the snowfall which helps reduce unnecessary employee overtime hours and equipment usage.

Budget Summary:

Total snowfall for 2020, 2021, and 2022 according to the Minnesota Department of Natural Resources is shown in the table below:

Year	Snowfall January- April	Snowfall January- December
2020	25.9"	56.4"
2021	18.2"	40.9"
2022	27.5"	TBD

The debate of how to treat roads and 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. 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 include "belly plows", which are located on the bottom of the truck. The plows are very effective in certain conditions because they can scrape the road surface down to bare pavement easier and reduce the salt application needed 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, funds the capital purchases for this department. The 2022 Budget allocated amounts to rebuild a Wildcat snow blower.

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 plowable areas efficiently and effectively after snow events.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Seasonal Snowfall in Inches	56.40	40.90	30.00	90.00
Snow plow events outside regular working hours	7	5	9	8
Road salt de-icing/anti-caking usage per ton	325	218	500	300
Snow plow sessions needing Cul-De-Sac plowing	11	3	6	5

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 38,620	\$ 34,221	\$ 57,339	\$ 57,338	\$ 59,058
6117	Overtime - regular employees	19,994	23,395	25,000	25,000	25,000
6122	PERA	4,396	4,321	6,175	6,175	6,304
6124	FICA/Medicare	4,364	4,304	6,299	6,299	6,430
6128	Insurance contribution	8,033	8,435	9,310	9,310	10,500
6138	Worker's compensation	5,620	5,620	6,744	6,744	2,316
6148	Other benefits	1,000	1,000	1,900	1,900	1,800
	Total personnel services	<u>82,027</u>	<u>81,296</u>	<u>112,767</u>	<u>112,766</u>	<u>111,408</u>
Supplies						
6220	Equipment supplies	8,859	10,520	15,000	20,000	19,000
6230	Vehicle supplies	1,702	256	1,700	1,700	1,700
6250	Other supplies	73,568	52,290	76,500	76,500	76,500
6272	Motor fuels	402	16,679	20,000	27,000	27,000
6274	Lubricants & additives	509	-	1,000	1,000	1,000
6295	Small tools	180	184	300	300	300
	Total supplies	<u>85,220</u>	<u>79,929</u>	<u>114,500</u>	<u>126,500</u>	<u>125,500</u>
Other Services and Charges						
6434	General liability insurance	4,125	4,125	4,538	4,538	4,538
6436	Vehicle liability insurance	843	400	412	412	412
6450	Outside printing	-	-	250	-	-
6470	Training	-	-	600	600	600
6505	Equipment maintenance service	4,750	271	10,000	5,000	6,000
6510	Vehicle maintenance service	687	198	3,000	1,500	3,000
6560	Other contractual services	26,100	18,600	36,000	36,000	36,000
	Total other services and charges	<u>36,505</u>	<u>23,594</u>	<u>54,800</u>	<u>48,050</u>	<u>50,550</u>
Total		<u>\$ 203,752</u>	<u>\$ 184,819</u>	<u>\$ 282,067</u>	<u>\$ 287,316</u>	<u>\$ 287,458</u>

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Department: Street Lighting and Signal Operation 1430

Fund: General Fund 1000

Department Activities and Responsibilities:

This department accounts for the electric usage and maintenance costs related to 529 city-owned decorative streetlights, electric usage charges for 952 Xcel Energy maintained cobra light poles, and shared costs for 24 signalized intersections in the City.

The City operates and maintains decorative streetlights for the downtown area, the Lake Avenue trail, 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. Replacement of the carriage style lights will occur with the reconstruction of downtown streets and redevelopment.

The department is considering future projects to retrofit the current lighting with smart modules or light emitting diodes (LED) lights to reduce electric usage and maintenance costs for the city-owned systems. Changes to this technology would begin in small areas to allow staff to monitor the effectiveness and savings. This department also contains the costs to support the seasonal holiday lighting in the downtown area. LED lighting replaces any worn out strands for greater efficiency.

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 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.

Budget Summary:

The Other Supplies expenditure budget allocates funds for the replacement of broken decorative streetlight ballasts and globes, as well as the replacement of aging poles. As the infrastructure continues to age, additional electrical repairs and pole replacements are budgeted for 2023. This work and painting of the poles will keep the structures in good condition and prevent issues that are more extensive. The Other Supplies budget also includes an allocation for new street lights at intersection/cul-de-sac locations.

As mentioned above in the Department Activities and Responsibilities section, 952 of the street lights within the City are owned by Xcel Energy. The City has a contract with Xcel Energy to pay a monthly rate for electricity and maintenance on these lights. The 2022 Revised and 2023 Budget allocations rise in the Other Contractual Services line item to account for increases in these contracts with Xcel.

Department: Street Lighting and Signal Operation 1430

Fund: General Fund 1000

Goals:

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

Measurable Workload Data:

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Number of repair calls for downtown streetlights	11	13	4	4
Number of decorative street light poles painted	0	9	0	0
Number of light poles or fixtures replaced	3	0	1	1

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 7,828	\$ 8,023	\$ 8,285	\$ 8,285	\$ 8,534
6117	Overtime - regular employees	-	273	260	260	270
6122	PERA	587	623	641	641	660
6124	FICA/Medicare	599	634	654	654	673
6128	Insurance contribution	814	855	784	784	945
6138	Worker's compensation	475	475	570	570	232
6148	Other Benefits	-	-	190	190	180
	Total personnel services	<u>10,303</u>	<u>10,883</u>	<u>11,384</u>	<u>11,384</u>	<u>11,493</u>
Supplies						
6220	Equipment supplies	1,126	965	2,700	2,700	2,700
6250	Other supplies	7,038	10,576	29,500	28,000	28,000
	Total supplies	<u>8,164</u>	<u>11,541</u>	<u>32,200</u>	<u>30,700</u>	<u>30,700</u>
Other Services and Charges						
6422	Electric	12,954	14,161	13,000	15,400	15,400
6505	Equipment maintenance service	273	4,579	7,000	6,730	6,730
6525	Electric maintenance service	14,059	21,978	16,500	16,500	22,500
6560	Other contractual services	130,556	139,539	138,000	158,000	158,000
	Total other services and charges	<u>157,842</u>	<u>180,257</u>	<u>174,500</u>	<u>196,630</u>	<u>202,630</u>
Total		<u>\$ 176,309</u>	<u>\$ 202,681</u>	<u>\$ 218,084</u>	<u>\$ 238,714</u>	<u>\$ 244,823</u>

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 duties of mowing grass, trimming vegetation, removing trash, general cleaning, and maintaining restroom facilities balance around seasonal tasks to maintain playground equipment, rental boat buoys, rental boat skids, and outdoor skating rinks. The department also lends its expertise by maintaining the grounds of City facilities.

The Park Improvement Fund supports the facility and equipment capital improvements in the City's parks. While past and current improvements offer great amenities for the City's residents to enjoy, they require regular maintenance to ensure their long-term presence.

Park vandalism remains 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 mentioned above, responsibilities of department employees continue to expand each year with the addition of amenities through the park improvement projects. The department utilizes a combination of full-time and temporary employees to complete the work.

Regular salaries rise in the 2023 Budget due to union contract step increases for the department's two newest employees, and an annual cost of living adjustment given to all department employees. Temporary salaries increase in the 2023 Budget with the addition of a sixth seasonal position, as well as a schedule change moving all seasonal positions from 12 weeks to 13 weeks.

The 2022 and 2023 budgets include an allocation for severance costs incurred as full-time employees complete their 10 years of service minimum with the City during the year. The department recognizes the expenditure in the employee's anniversary year and transfers the amount to the Employment Expense Fund for recordkeeping until the employee leaves their position with the City.

The decrease in Workers' Compensation allocated costs in 2023 is a result of a change in philosophy to more accurately account for how workers' compensation benefits are allocated to each department. This change is offset by an increase in other departments.

In the 2023 Budget, the City began moving items considered operating expenditures previously budgeted for in the Park Improvement Fund to the Parks Department within the General Fund.

Department: Parks 1510

Fund: General Fund 1000

The intent is to only have items that qualify as capital expenditures remaining in the Park Improvement Fund. As a result, \$17,900 to replace playground sand at Podvin Park, Ramaley Park, and Spruce Park was added to the 2023 Other Supplies Budget. A budget allocation of \$4,500 for boat launch vegetation removal at Matoska Park moved from the Park Improvement Fund to the 2023 Other Contractual Service Budget.

Prior to 2023, \$25,000 in expenditures were budgeted annually within the Construction Fund to manage the impacts of the Emerald Ash Borer tree disease. A corresponding \$25,000 property tax was levied in the Construction Fund for these management activities. In 2023, the Emerald Ash Borer management expenditures were moved to the Other Contractual Services line item in the Parks department, and the \$25,000 tax levy will be recorded as revenue in the General Fund.

Capital Outlay:

The Park Improvement Fund in the Capital Project Fund section of this budget allocates resources 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 2022 Revised Budget provides funding for a garbage/multi-use truck and a sidewalk sweeper. The 2023 Budget provides funding to replace a 2006 Chevrolet 2500 truck and replace a 2014 mower.

Goals:

1. Continue the park patrol program for public safety and to reduce vandalism in our parks.
2. Promote public awareness of park facility availability.
3. Improve methods of turf management on all public property by utilizing plants and materials that require less maintenance.
4. Focus on a maintenance program for pruning, trimming, and replacement of trees on City property.

Department: Parks 1510

Fund: General Fund 1000

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Hours Spent Mowing for the Season	756	641	975	975
Number of Park Reservations/Special Events	175	409	425	425
Number of Tree Inspections Performed	66	82	66	66
Man Hours Spent Tree Trimming	158	302	212	200
Number of Special Events Supported	66	171	210	210
Instances of Vandalism	9	9	5	5

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 296,151	\$ 292,676	\$ 303,220	\$ 308,925	\$ 334,152
6117	Overtime - regular employees	7,721	8,973	11,960	11,961	12,336
6119	Salaries - temporary employees	36,386	40,787	44,605	42,370	54,847
6120	Overtime - temporary employees	72	-	-	-	-
6122	PERA	22,719	22,622	23,639	24,066	25,987
6124	FICA/Medicare	25,135	25,115	27,524	27,789	30,702
6128	Insurance contribution	40,866	42,909	46,550	46,550	52,500
6138	Worker's compensation	19,655	22,525	27,030	27,030	11,581
6146	Severance pay	-	-	12,974	12,974	15,509
6148	Other benefits	3,865	3,865	9,500	9,500	9,000
	Total personnel services	<u>452,570</u>	<u>459,472</u>	<u>507,002</u>	<u>511,165</u>	<u>546,614</u>
Supplies						
6210	Office supplies	52	25	375	100	100
6220	Equipment supplies	14,302	13,802	12,550	14,650	15,150
6230	Vehicle supplies	5,570	4,969	12,700	9,200	7,900
6240	Building supplies	10,504	8,506	13,500	13,500	13,500
6250	Other supplies	4,041	5,443	7,961	8,375	28,750
6253	Street materials	78	613	600	1,300	600
6255	Landscaping supplies	13,624	15,460	19,700	23,700	23,700
6272	Motor fuels	11,676	15,872	17,200	20,700	21,000
6274	Lubricants & additives	497	219	660	660	660
6280	Books & periodicals	-	-	100	100	100
6290	Uniforms	3,274	4,667	5,162	5,160	5,165
6295	Small tools	3,396	3,370	5,000	4,750	4,750
	Total supplies	<u>67,014</u>	<u>72,946</u>	<u>95,508</u>	<u>102,195</u>	<u>121,375</u>
Other Services and Charges						
6401	Professional services	921	647	950	950	950
6402	Data processing	-	-	-	-	1,500
6411	Telephone	597	781	885	1,060	1,125
6412	Cellular	970	597	675	660	720
6422	Electric	18,128	19,373	29,000	20,000	25,000
6423	Natural gas	1,610	2,053	4,000	4,000	4,000
6434	General liability insurance	12,148	12,148	13,363	13,363	13,363
6436	Vehicle liability insurance	2,690	1,800	1,854	1,854	1,854
6450	Outside printing	269	-	400	400	400
6460	Subscription/memberships	240	2,908	3,535	3,391	3,685
6470	Training	2,363	1,975	5,350	5,350	5,350
6505	Equipment maintenance service	1,911	1,759	6,500	6,500	6,500
6510	Vehicle maintenance service	4,574	5,839	3,000	6,000	6,000
6515	Building maintenance service	790	1,357	4,050	4,050	4,050
6525	Electrical maintenance service	2,616	236	2,900	6,200	6,200
6540	Vandalism	3,387	5,186	5,000	5,000	5,000
6555	Equipment rental	3,443	1,788	4,000	4,000	4,000
6560	Other contractual services	18,783	18,559	28,120	28,620	58,120
	Total other services and charges	<u>75,440</u>	<u>77,006</u>	<u>113,582</u>	<u>111,398</u>	<u>147,817</u>
Total		<u>\$ 595,024</u>	<u>\$ 609,424</u>	<u>\$ 716,092</u>	<u>\$ 724,758</u>	<u>\$ 815,806</u>

Department: General Services and Contingency 1610

Fund: General Fund 1000

Department Activities and Responsibilities:

The General Services budget includes expenditures not allocated to an individual General Fund department 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 State of Minnesota created the White Bear Lake Conservation District (WBLCD) in 1971 to care for the body of water known as White Bear Lake. As a bordering municipality to the lake, the City works closely with the WBLCD. The City budgets the required annual fees for the White Bear Lake Conservation District in this category. The District currently emphasizes management of problems caused by the spread of Eurasian Water Milfoil and the invasive species zebra mussel within White Bear Lake. It is unknown if any additional funding to address these 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 participating cities to uphold its mission and provide a cost savings strategy for these services to residents within each community.

In 2018, the City collaborated with other local organizations to provide a senior transportation option for area residents. The City anticipates this agreement to continue at the current funding level.

Transfers:

An annual transfer to the Armory Fund provides support to maintain a positive fund balance and prevent a possible revenue shortfall. The City utilized monies received from the American Rescue Plan Aid (ARPA) to fund the 2021 and 2022 annual transfers as part of the replacement of lost public sector revenues. The support ended as the City sold the facility to the White Bear Lake Area Historical Society in November 2022.

The General Fund received an allocation of the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES) funding in 2020 to support Public Safety payroll due to their substantial time in dedicated to mitigating the emergency. Therefore, the Fund transferred an amount equal to the allocation from the General Fund to the Economic Development Fund in 2020 to support City funds with associated expenditures and community grant programs for those directly affected by the pandemic.

Department: General Services and Contingency 1610

Fund: General Fund 1000

The General Fund saw a considerable increase in fund balance in 2020, therefore, a one-time transfer was made to the Equipment Acquisition Fund and Municipal Building Fund in 2021 to support future capital purchases. A similar increase in 2021 supported a transfer to the Municipal Building Fund in 2022 to fund replacement of the City Hall Air Handler and elevator.

The City entered into an Energy Performance Contract with Trane Technologies in 2021 to implement energy efficiencies within the City facilities and operations. The Municipal Building Fund maintains the financial records to coordinate the funding and expenditures related to the contract.

The City Council approved Resolution 12888 at their November 23, 2021 meeting creating a loan with a 1.5% interest rate from the Non-Bonded Fund and the Economic Development Fund to assist the Municipal Building Fund in financing the cost of the contract. A portion of any energy savings in the General Fund will be transferred to the Municipal Building Fund to support repayment of the loans. No transfers are scheduled in the 2023 Budget because savings have not been recognized yet.

The City Council did adopt Resolution 12889 which declares an official intent of the City to be reimbursed for certain expenditures from the proceeds of bonds issued by the City for these costs in the event the City Council determines liquidity of these funds a more immediate priority than waiting for repayment of the internal loan. The City must issue any bonds to receive reimbursement for these expenditures within 3 years of the resolution approval, November 23, 2024.

City of White Bear Lake
General Services and Contingency

Annual Budget
Business Unit: 1610

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
General Services						
6148	General	\$ -	\$ -	\$ 26,000	\$ -	\$ 147,792
6560	WBL Conservation District	33,954	42,660	36,025	36,025	22,450
6560	Northeast Youth & Family Services	43,451	50,916	52,960	52,960	57,000
6560	Senior Bus	5,000	2,345	7,500	7,500	7,800
6560	Emergency appropriations	11,741	11,411	10,000	2,900	10,000
	Total contingency	<u>94,146</u>	<u>107,332</u>	<u>132,485</u>	<u>99,385</u>	<u>245,042</u>
Transfers to Other Funds						
7605	Armory operations	25,000	-	-	-	-
7605	Economic Development	1,789,375	-	-	-	-
7605	Equipment Acquisition	-	400,000	-	-	-
7605	Municipal Building	-	200,000	-	323,485	-
	Total transfers	<u>1,814,375</u>	<u>600,000</u>	<u>-</u>	<u>323,485</u>	<u>-</u>
Total		<u>\$ 1,908,521</u>	<u>\$ 707,332</u>	<u>\$ 132,485</u>	<u>\$ 422,870</u>	<u>\$ 245,042</u>

City of White Bear Lake

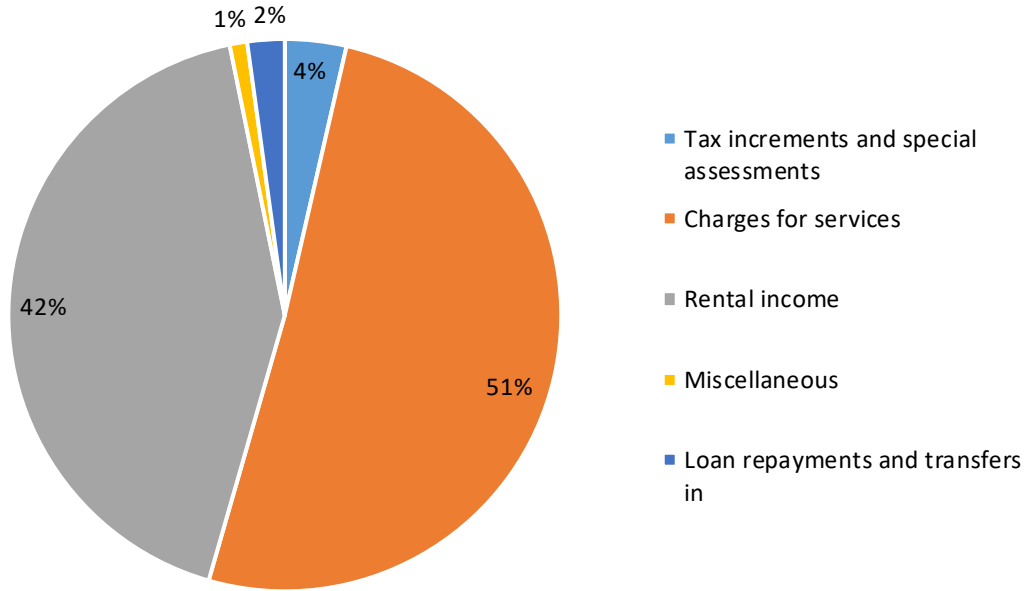
Annual Budget

Special Revenue Funds

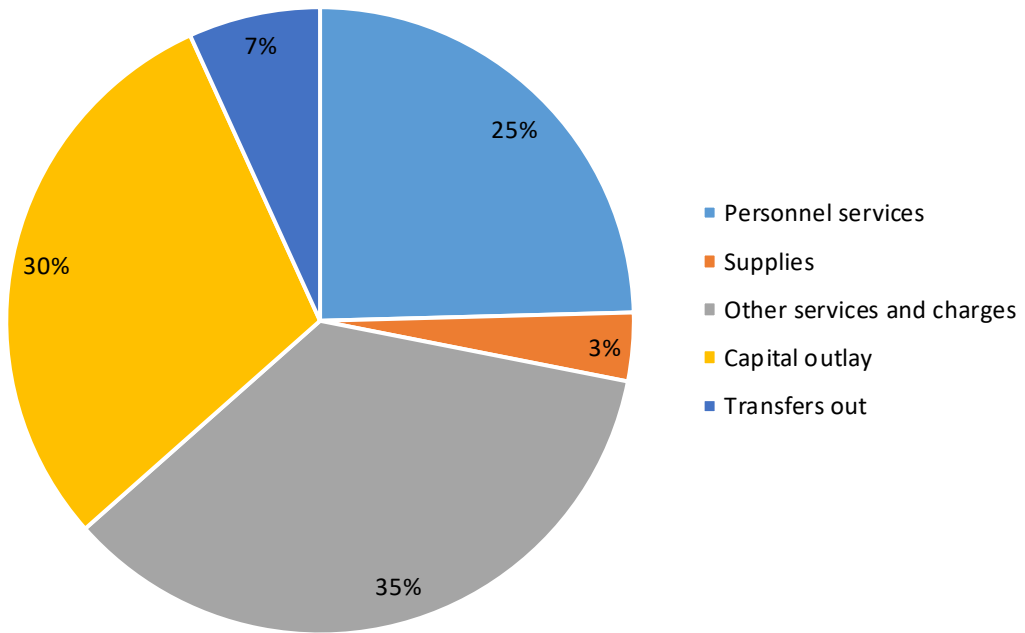
Item	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenues					
Tax increment	\$ 3,019	\$ 3,527	\$ -	\$ 2,773	\$ -
Special assessments	65,773	61,604	58,000	64,880	64,665
Intergovernmental	146,089	136,849	1,369,007	1,566,928	20,000
Charges for services	360,068	841,195	800,160	863,882	915,445
Rental income	854,987	875,544	730,300	749,754	762,366
Miscellaneous	515,821	56,101	50,475	47,621	18,400
Interest	64,128	(20,081)	46,000	5,000	-
Loan repayments	62,232	187,438	50,000	105,120	16,800
Transfers in	1,541,342	22,500	117,500	22,500	22,500
Total revenues	<u>3,613,459</u>	<u>2,164,677</u>	<u>3,221,442</u>	<u>3,428,458</u>	<u>1,820,176</u>
Expenditures					
Personnel services	609,238	668,555	747,368	760,449	788,606
Supplies	658,359	87,548	116,410	120,836	113,115
Other services and charges	748,256	854,790	970,917	955,193	1,134,833
Capital outlay	257,358	128,031	1,745,900	1,176,872	954,328
Transfers out	585,529	342,600	625,000	881,536	218,100
Total expenditures	<u>2,858,740</u>	<u>2,081,524</u>	<u>4,205,594</u>	<u>3,894,885</u>	<u>3,208,981</u>
Revenues over (under) expenditures	<u>754,719</u>	<u>83,153</u>	<u>(984,152)</u>	<u>(466,427)</u>	<u>(1,388,805)</u>
Reserve adjustment (to) from	<u>(37,500)</u>	<u>(15,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Fund balance, January 1	<u>3,283,680</u>	<u>4,000,899</u>	<u>3,155,666</u>	<u>4,121,552</u>	<u>3,655,125</u>
Fund balance, December 31	<u>\$ 4,000,899</u>	<u>\$ 4,069,052</u>	<u>\$ 2,141,514</u>	<u>\$ 3,655,125</u>	<u>\$ 2,266,320</u>
Reserves	<u>292,750</u>	<u>307,750</u>	<u>337,750</u>	<u>255,250</u>	<u>255,250</u>
Total fund balance and reserves, December 31	<u>\$ 4,293,649</u>	<u>\$ 4,376,802</u>	<u>\$ 2,479,264</u>	<u>\$ 3,910,375</u>	<u>\$ 2,521,570</u>

2023 Special Revenue Funds

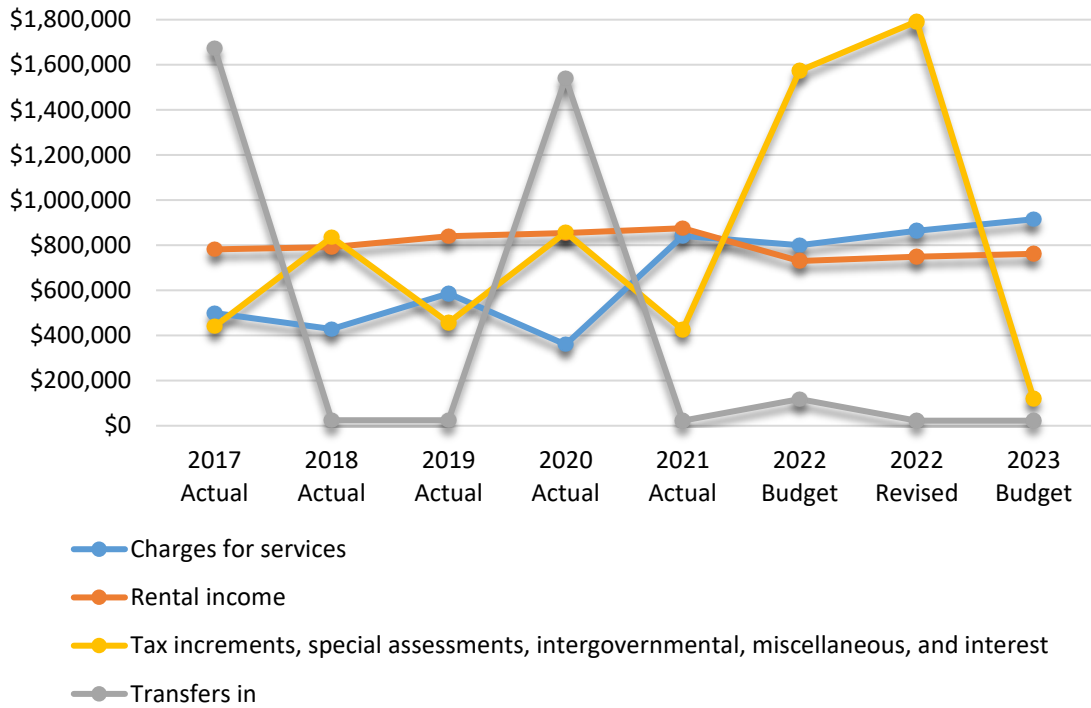
Total Revenues \$1,820,176



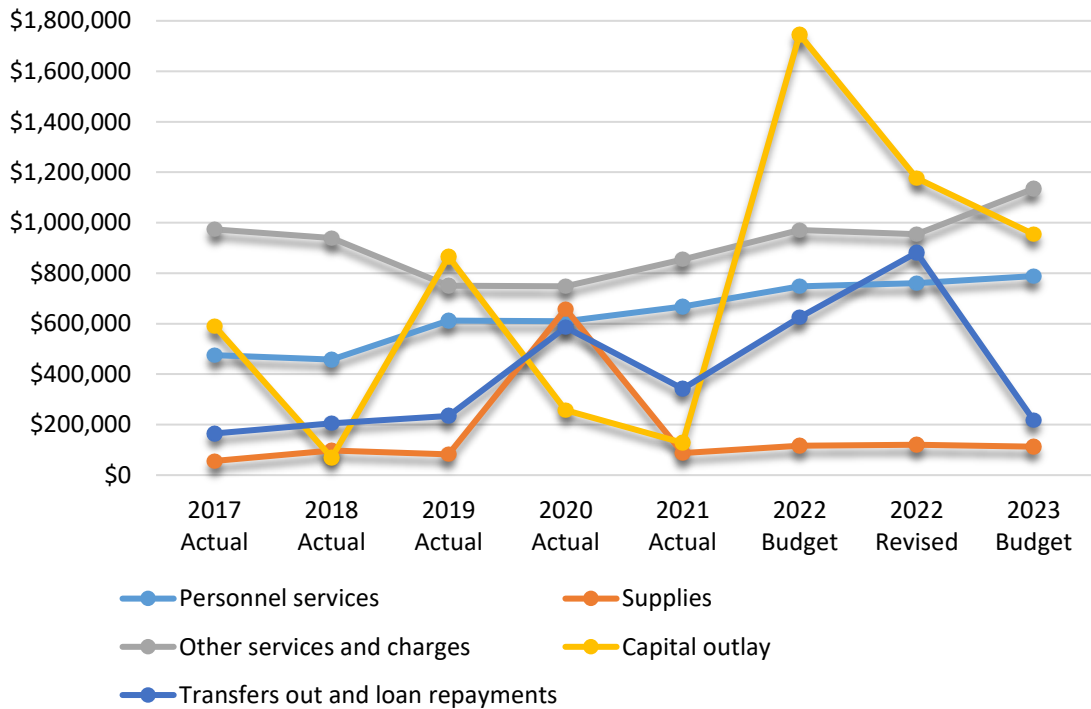
Total Expenditures \$3,208,981



Special Revenue Funds Revenue Trend Analysis



Special Revenue Fund Expenditure Trend Analysis



Fund: American Rescue Plan Aid Fund 2020

Department Activities and Responsibilities:

On March, 11, 2021, the American Rescue Plan Act (ARPA) of 2021 was signed into law. The economic relief package included \$130 billion for local governments. Cities with populations under 50,000 were allocated monies according to population share, with the allocation not exceeding 75% of their most recent budget as of January 27, 2021. The State of Minnesota calculated the City's share of these funds to be \$2,827,678. The State of Minnesota distributed 50% of the total amount to the City in July 2021, with the remaining 50% distributed in June 2022. After the deadline passed for local governments to request ARPA funds from the State, a portion of the State's allocation of these funds remained un-requested. As allowed by the U.S. Treasury, the State redistributed these remaining funds amongst eligible local governments who requested the ARPA funds. As a result, the City received an additional \$89,662, 50% of which was distributed in November 2021 and 50% which was distributed in June 2022. All of these funds can be used through December 31, 2024.

Eligible expenditures of the ARPA funds must fall within the following categories:

- Support public health expenditures
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay for essential works
- Invest in water, sewer, and broadband infrastructure

Though all five categories are important in consideration of assistance to the community as the City continues to navigate challenges related to the pandemic, replacement of lost public sector revenue offers the most flexibility toward using the funds to support government services. Originally, the U.S. Treasury created methodology to calculate lost revenue to ensure consistency of application between organizations; however, the Treasury Department's Final Rule released January 6, 2022 with an effective date of April 1, 2022, simplified requirements for spending funds under the replacement of lost public sector revenue category by establishing a \$10 million revenue loss standard allowance. This guidance allows any recipient the ability to spend up to \$10 million on items qualifying in that category.

The City created the American Rescue Plan Aid Fund to receive the funds and to help track expenditures and transfers out to other funds. In the 2022 Revised and 2023 Proposed Budgets, the funds support some operations; however, application of ARPA funds primarily focuses on one-time expenditures or capital projects. This was done in the pursuit of the following goals:

1. Reduce need for future bond issuance for capital purchases;
2. Avoid application of one-time funding for operational costs that ultimately lead to greater burden on future levies;
3. Utilize ARPA funds to purchase capital equipment and support building projects originally planned as expenditures in the Equipment Acquisition and Municipal Building Funds to allow redirection of the Local Government Aid (LGA) revenues to the General Fund.

Fund: American Rescue Plan Aid Fund 2020

Budget Summary:

The City placed an order for three patrol squads in 2022; however, due to manufacturer challenges the order was cancelled. The funding was moved to 2023 to allow the department to re-order the vehicles. The \$15,000 for squad cameras in 2022 was also moved to 2023 to align with the receipt of the new vehicles to ensure the camera warranty life is equal to the installation and use of the equipment.

Funding for the License Bureau relocation and the City Hall Office expansion projects also moved from 2022 to 2023 to allow additional time to review options.

In 2023, \$95,000 of previously unallocated funds are assigned to the Ambulance Fund to support operations.

The City intends to spend the ARPA funds as illustrated in the chart on the following page.

Fund: American Rescue Plan Aid Fund 2020

Planned ARPA Expenditures - 2023 Budget

	2021	2022	2023	2024	Total
Support Public Health Expenditures					
Assistance to Northeast Youth and Family Services	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
	-	-	10,000	-	10,000
Negative Impacts Caused by the Public Health Emergency					
City Hall Boilers	-	260,000	-	-	260,000
License Bureau Relocation	-	-	200,000	-	200,000
	-	260,000	200,000	-	460,000
Revenue Loss Recapture					
Fire Department 800MHz Radios	-	20,000	-	-	20,000
Public Works Back-up Generator	-	125,000	-	-	125,000
Streets Single Axle Dump Truck	-	230,000	-	-	230,000
City Hall Office Expansion	-	-	140,000	-	140,000
Police Squad Car Replacements	-	43,172	121,828	-	165,000
Police 800MHz Portable Radios	-	20,000	-	-	20,000
Police Squad Laptop Computers	-	20,000	-	-	20,000
Police Squad Cameras	-	-	15,000	-	15,000
City Manager Department - ARPA Funds Administration	25,000	25,000	-	-	50,000
Finance - ARPA Funds Administration	25,000	25,000	-	-	50,000
Fire Department - New Medic	-	24,000	24,000	24,000	72,000
Armory - Operating Expenditures	50,000	45,000	-	-	95,000
Sports Center - Operating Expenditures	75,000	50,000	-	-	125,000
Municipal Building - Energy Performance Contract	360,000	-	-	-	360,000
Ambulance - Operating Expenses	-	68,400	95,000	-	163,400
Ambulance - New Medics	-	157,600	144,000	80,000	381,600
License Bureau - Operating Expenses	50,000	25,000	-	-	75,000
	585,000	878,172	539,828	104,000	2,107,000
Investment in Water, Sewer, and Broadband					
Water Treatment Plant Security Fencing, Gates, Card Rea	-	169,900	-	-	169,900
Water Treatment Plant Upgrade Security Camera System	-	21,500	-	-	21,500
Water Treatment Plant Intrusion Alarm	-	9,400	-	-	9,400
Water Treatment Plant CO2 Monitoring Sensor	-	10,100	-	-	10,100
Water Well Rehab	-	27,500	-	-	27,500
Water Well #3 Door	-	9,300	-	-	9,300
	-	247,700	-	-	247,700
Unallocated	-	-	-	299	299
Total	585,000	1,385,872	749,828	104,299	2,824,999
Total funds allocated to the City of White Bear Lake					2,827,678
Interest income loss in 2021					(2,679)
Total remaining funds allocated to projects					<u>2,824,999</u>

City of White Bear Lake
American Rescue Plan Aid

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604.1	Federal grants	\$ -	\$ -	\$ 1,369,007	\$ 1,455,678	\$ -
4955	Interest	-	(2,679)	-	-	-
	Total revenues	-	(2,679)	1,369,007	1,455,678	-
Expenditures						
Other Services and Charges						
6401	Professional Services	-	-	10,000	-	10,000
	Total other services and charges	-	-	10,000	-	10,000
7160	Capital Outlay	-	-	1,445,900	965,872	476,828
Transfers Out						
7605	General Fund	-	-	74,000	-	-
7605	Armory Fund	-	-	45,000	-	-
7605	Sports Center Fund	-	-	50,000	-	-
7605	Ambulance Fund	-	-	226,000	-	-
7605	License Bureau Fund	-	-	25,000	-	-
	Total transfers out	-	-	420,000	-	-
	Total expenditures	-	-	1,875,900	965,872	486,828
	Revenues over (under) expenditures	-	(2,679)	(506,893)	489,806	(486,828)
	Fund balance January 1	-	-	828,839	(2,679)	487,127
	Fund balance December 31	\$ -	\$ (2,679)	\$ 321,946	\$ 487,127	\$ 299

Fund: Armory Fund 2030

Department Activities and Responsibilities:

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

When the Armory was decommissioned by the National Guard, the City purchased the property for \$1. As a condition of the sale to the City, a Preservation Easement was granted to the State of Minnesota ensuring that any future changes be reviewed and approved by the State Historic Preservation Office. In addition, the National Register of Historic Places added the City’s Armory building to their list as of March 25, 2019. The organization considers properties on the list to be worthy of preservation. This addition recognizes the significance of the property and supports the national movement aimed at preserving culture and heritage for future generations.

The Armory’s main gymnasium 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 part of the building’s purpose is to provide a low cost venue for local groups to host events. Often times, many of the non-profit groups contribute money earned through their rental activities back to the community. To support this philosophy, the City allows White Bear Lake non-profit organizations to utilize the space at no charge if the activity is for one day and does not conflict with private party reservations. Consequently, the user fees supporting operations stem primarily from private party and recreational activity rentals.

The Armory 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 in the building. Therefore, the revenue producing events scheduled are for general 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 effect since January 2016, except for Private Party hourly rates which were effect as of January 2019. The rates are as follows:

	Resident	Non-Resident
Private Party Daily Rates		
Full Day Rental	\$ 650	\$ 900
Kitchen Rental	100	150
Private Party Hourly Rates		
Monday-Thursday	80	90
Friday-Sunday	100	120
Hourly Activities		
Athletics or meetings	25	25

Fund: Armory Fund 2030

Though the City does not intend for the facility to be self-supporting, the current business model for the Armory is not financially viable as the fund balance continues to decline because expenditures exceed revenues each year. Since 2013, the Armory has served as the home to the White Bear Lake Area Historical Society. The Historical Society was approached by a generous community donor who proposed to make a significant donation and aid in a capital campaign to raise funds that would be used to obtain the Armory, create a museum, and operate the facility. The Historical Society offers a unique opportunity to maintain the Armory’s primary function as a community facility and ensure its historic character is preserved.

In September 2022, the City Council approved a purchase agreement to sell the Armory building to the Historical Society. The sale is expected to take place in November 2022. The approved purchase agreement sets a purchase price of \$1 for the Armory building “as-is”. The purchase agreement also includes a “first right of refusal” clause. This would give the City the option to purchase the building back for the selling price should the Historical Society ever want to sell the building.

Budget Summary:

The 2022 Revised Budget includes \$45,000 in American Rescue Plan funding for operational costs as part of the recapture of lost revenues qualifications of the aid. This assistance helps to subsidize operations.

The 2022 revenues and expenditures are budgeted through November 1, 2022 to align with the sale of the Armory building. The transfer out of \$40,286 moves the remaining fund balance to the Municipal Building Fund.

Goals:

1. Support the continued use of the Armory building for community-focused education and historical displays by allowing the White Bear Lake Area Historical Society to purchase the Armory.

Fund: Armory Fund 2030

Measurable Workload Data:

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>2023</u> <u>Budget</u>
Private Parties Rentals				
Resident	9	9	12	0
Non-Resident	3	4	9	0
Non-Profit Group Rentals				
Resident	22	8	47	0
Non-Resident	0	17	8	0
Community Group Rentals				
Resident	22	0	1	0
Non-Resident	4	0	0	0
WBL School District	95	134	97	0
Sporting Group Rentals				
Resident	56	115	114	0
Non-Resident	<u>65</u>	<u>76</u>	<u>59</u>	<u>0</u>
Total	<u>276</u>	<u>363</u>	<u>347</u>	<u>0</u>
Overall Use Analysis				
Resident	109	132	174	0
Non-Resident	72	76	59	0
WBL School District	<u>95</u>	<u>134</u>	<u>97</u>	<u>0</u>
Total	<u>276</u>	<u>363</u>	<u>347</u>	<u>0</u>

City of White Bear Lake
Armory

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604	Federal operating grants	\$ -	\$ 50,000	\$ -	\$ 45,000	\$ -
4955	Investment income	1,094	(174)	-	-	-
4975	Rental income	16,078	22,232	17,000	24,260	-
4975	Lease - armory bus garage	4,250	-	-	-	-
4975	Lease - Lions	3,300	3,300	3,300	3,300	-
5010	Sale of property	-	-	-	1	-
5360	Refunds and reimbursements	2,041	900	2,000	4,900	-
	Total operating revenues	<u>26,763</u>	<u>76,258</u>	<u>22,300</u>	<u>77,461</u>	<u>-</u>
Transfers In						
5205	General Fund	25,231	-	-	-	-
5205	American Rescue Plan Aid	-	-	45,000	-	-
	Total transfers	<u>25,231</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>51,994</u>	<u>76,258</u>	<u>67,300</u>	<u>77,461</u>	<u>-</u>
Expenditures						
Personnel Services						
6105	Salaries - regular employees	23,503	24,944	25,003	18,772	-
6117	Overtime - regular employees	469	103	1,000	1,000	-
6119	Salaries - temporary employees	619	250	1,335	563	-
6122	PERA	1,812	1,884	2,050	1,525	-
6124	FICA/Medicare	1,776	1,783	2,091	1,556	-
6128	Insurance contribution	2,468	3,325	3,430	2,573	-
6138	Worker's compensation	300	910	1,092	819	-
6148	Other benefits	-	560	665	499	-
	Total personnel services	<u>30,947</u>	<u>33,759</u>	<u>36,666</u>	<u>27,306</u>	<u>-</u>
Supplies						
6240	Building supplies	1,310	1,191	850	1,000	-
6250	Other supplies	-	-	150	150	-
6295	Small tools	-	-	625	-	-
	Total supplies	<u>1,310</u>	<u>1,191</u>	<u>1,625</u>	<u>1,150</u>	<u>-</u>
Other Services and Charges						
6401	Professional services	747	609	800	685	-
6411	Telephone	690	701	800	595	-
6422	Electric	6,409	8,185	8,000	8,765	-
6423	Natural gas	4,441	5,674	5,000	7,680	-
6505	Repair/maintenance equipment	831	629	1,439	335	-
6515	Repair/maintenance building	14,599	16,515	9,775	7,350	-
6535	Repair/maintenance other	-	-	200	-	-
6555	Equipment rental	-	-	250	-	-
6560	Contractual services	2,371	2,613	3,800	7,500	-
	Total other services and charges	<u>30,088</u>	<u>34,926</u>	<u>30,064</u>	<u>32,910</u>	<u>-</u>
7605	Transfers Out					
	Municipal Building Fund	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>40,286</u>	<u>-</u>
	Total expenditures	<u>72,345</u>	<u>79,876</u>	<u>78,355</u>	<u>101,652</u>	<u>-</u>
	Revenues over (under) expenditures	<u>(20,351)</u>	<u>(3,618)</u>	<u>(11,055)</u>	<u>(24,191)</u>	<u>-</u>
	Fund balance January 1	<u>48,160</u>	<u>27,809</u>	<u>25,897</u>	<u>24,191</u>	<u>-</u>
	Fund balance December 31	<u>\$ 27,809</u>	<u>\$ 24,191</u>	<u>\$ 14,843</u>	<u>\$ -</u>	<u>\$ -</u>

Fund: Surface Water Pollution Prevention 2040

Department Activities and Responsibilities:

The Surface Water Pollution Prevention Fund accounts for revenue and expenditures related to the City's Municipal Separate Storm Sewer System (MS4) General Permit requirements. The MS4 General Permit is designed to reduce the amount of sediment and pollution that enters surface and ground water from storm sewer systems to the maximum extent practicable. Stormwater discharges associated with MS4s are subject to regulation under the Federal National Pollutant Discharge Elimination System (NPDES) program. The Minnesota Pollution Control Agency (MPCA) is authorized to administer the Federal NPDES MS4 program in Minnesota. Through its MS4 General Permit, the City developed a stormwater pollution prevention program (SWPPP) that incorporates the following seven best management practices (BMPs):

- 1) Public Education and Outreach
- 2) Public Participation and Involvement
- 3) Illicit Discharge, Detection, and Elimination
- 4) Construction Site Stormwater Runoff
- 5) Post Construction Stormwater Runoff Control
- 6) Pollution Prevention/Good Housekeeping
- 7) Impaired Waters and Total Maximum Daily Loads (TMDLs)

The Surface Water Pollution Prevention Fund fully or partially supports the activities of the following four BMP's in the MS4 program:

BMP 1: Printing and mailing costs related to stormwater educational materials; contributions to Vadnais Lake Area Water Management (VLAWMO) education initiatives (as per the VLAWMO Joint Powers Agreement and Water Management Plan); memberships and event sponsorships; Environmental Advisory Commission (EAC) budget, including the cost of a rain barrel that is given away at the annual EAC Environmental Resource Expo. The EAC opted to purchase native seed packets instead of a rain barrel to be given away at the 2022 Environmental Resources Expo.

BMP 2: SWPPP annual public meeting notice in the local press.

BMP 6: Ongoing maintenance costs and electricity for the Orchard Lane stormwater reuse system; contracts for maintenance of City owned raingardens, shoreline restorations, and upland restorations (including invasive species removal); miscellaneous storm sewer repairs; outfall maintenance; staff training; stormwater operations & maintenance agreements.

BMP 7: City contribution for stormwater treatment capital improvement projects) and pass through funding for the street reconstruction curb cut raingarden program. As part of the 2021 street reconstruction project, the City provided a curb cut for one residential property and paid Sandstrom Land Management for the cost to install the raingarden. The City received a reimbursement from the Vadnais Lake Area Water Management Organization (VLAWMO) as a cost share partnership for expenditures related to the contract with Sandstrom Land Management. The property owner paid the City for the share of expenditures not covered by the VLAWMO reimbursement. Also included in the contract with Sandstrom Land Management was the cost to repair an existing raingarden that was originally installed in 2019. The City received

Fund: Surface Water Pollution Prevention 2040

reimbursement from Rice Creek Watershed District for half the cost of the repair. There were no curb cut raingardens installed as part of street reconstruction in 2022. In 2023, the City plans to hire a contractor to construct a raingarden at Lakewood Hills Park. Ramsey-Washington Metro Watershed District will reimburse the City 100% of the cost to construct this raingarden. Also included in the raingarden contract will be two raingarden repairs. The City will pay for the entire cost of the repair for one raingarden that was damaged due to water repair work, and split the cost 50/50 with RWMWD for the repair of the second raingarden.

The City plans to update the Surface Water Management Plan (SWMP) on a 10-year cycle. The SWMP provides a framework for a comprehensive program to protect and improve the quality of water resources within the City, and is prepared in accordance with Minnesota Statutes and Rules.

Budget Summary:

Historically, the Surface Water Pollution Prevention Fund received an allocation of the City's Local Government Aid (LGA) to help support the fund's operations. This funding stream ended in 2021 due to a reduction in the City's total LGA allocation. Therefore, the City implemented a Surface Water Management fee on quarterly utility bills to finance maintenance of the storm water system maintenance and activities required to be compliant with the MS4 permit requirements.

Residential and commercial customers began paying a flat quarterly fee of \$5.00 in 2021. The fee increased to \$7.00 for both residential and commercial customers in 2022. The rate structure created in 2021 treated residential and commercial properties equally and did not acknowledge the impact a commercial property's impervious surface has on the storm water system.

To fairly share the surface water fees between different types of properties, the City's GIS Technician analyzed all non-residential properties and assigned them a Residential Equivalent Unit (REU) based on the property's square footage of impervious surface to use as a multiplier for the quarterly rate.

In 2023, residents will continue to pay a flat fee of \$7.00, while the City begins a phased in transition to the new REU based rate for commercial properties. Commercial entities with an actual REU of 1-3 will pay the \$7.00 rate multiplied by their actual REU each quarter. Commercial entities with an actual REU of greater than 3 will be limited to the \$7.00 rate multiplied by 3. The City intends to increase the REU limit number each year to allow entities with higher REU values to gradually get to their actual quarterly charge over an extended time frame.

In previous years, the fund supported a .50 FTE staff position responsible for developing, managing, and ensuring long-term viability of the City's MS4 program. In 2021, the fund began to support 100% of the position's salary to align with actual time spent on duties. During 2022, the City conducted a classification and compensation study. As a result of the study's findings, the position supported by this fund was reclassified to a higher grade effective September 1, 2022.

Fund: Surface Water Pollution Prevention 2040

The Other Contractual Services Budget allocates funding for routine maintenance and license fees. A detailed discussion of the capital improvement projects in the 2022 Revised and 2023 budgets can be found in the Capital Improvement Plan in the Summary Data section of the document.

Goals:

- 1) Increase public awareness of water quality issues.
- 2) Reduce pollutants to waterbodies.
- 3) Improve wildlife habitat.

Measurable Workload Data:

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2023 Budget</u>
Number of educational materials/articles distributed	24	24	45	45
Number of water quality BMPs installed ⁽¹⁾	3	4	4	5
Number of BMP's inspected ⁽²⁾	29	29	29	31
Number of BMP's maintained ⁽³⁾	20	13	15	20
Phosphorus load reductions to Bald Eagle Lake (lbs/yr) ⁽⁴⁾	11.1	11.1	11.1	13
Phosphorus load reductions to Kohlman Lake (lbs/yr) ⁽⁴⁾	33.7	36.2	37	38
Number of areas restored with native vegetation	0	1	1	2

⁽¹⁾ Includes BMP's installed as part of street reconstruction (Fund 4400)

⁽²⁾ Includes BMP's inspections by sewer department staff (Fund 5050)

⁽³⁾ Includes BMP's maintained by sewer department staff (Fund 5050)

⁽⁴⁾ Cumulative reductions calculated for Bald Eagle Lake subwatershed, as reported in the MS4 permit. Starting with the 2022 reporting, MS4 permits will require phosphorus load reduction reporting for all impaired waterbodies.

City of White Bear Lake
Surface Water Pollution Prevention

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
Intergovernmental						
4624	Local government aid	\$ 90,000	\$ -	\$ -	\$ -	\$ -
4682.1	Intergovernmental operating grants	1,525	29,956	-	1,250	20,000
4882	Infrastructure fee	-	177,874	231,170	231,167	254,031
4955	Interest	15,184	(4,235)	5,000	5,000	-
	Total revenues	<u>106,709</u>	<u>203,595</u>	<u>236,170</u>	<u>237,417</u>	<u>274,031</u>
Expenditures						
Personnel Services						
6105	Salaries - regular employees	36,391	77,465	80,284	90,602	103,920
6122	PERA	2,729	5,810	6,021	6,795	7,794
6124	FICA/Medicare	2,674	5,694	6,142	6,931	7,950
6128	Insurance contribution	4,778	9,500	9,800	9,800	10,500
6138	Worker's compensation	750	575	690	690	2,316
6148	Other benefits	400	1,600	1,900	1,900	1,800
	Total personnel services	<u>47,722</u>	<u>100,644</u>	<u>104,837</u>	<u>116,718</u>	<u>134,280</u>
Supplies						
6220	Equipment supplies	3,181	72	1,000	850	650
6250	Other supplies	797	593	1,500	1,000	1,100
6255	Landscaping supplies	-	-	1,000	1,000	1,000
6290	Uniforms	-	2	100	-	-
6295	Small tools	-	198	1,000	1,000	1,000
	Total supplies	<u>3,978</u>	<u>865</u>	<u>4,600</u>	<u>3,850</u>	<u>3,750</u>
Other Services and Charges						
6401	Professional services	2,508	2,508	4,515	2,515	2,515
6402	Data processing	1,500	1,500	1,500	1,500	1,500
6412	Cellular	420	420	450	450	450
6422	Electric	270	545	450	700	700
6445	Postage	-	-	200	100	100
6450	Outside printing	-	-	2,000	1,750	1,750
6455	Legal notices publications	-	89	100	125	110
6460	Subscription/memberships	3,361	2,800	7,300	3,425	3,300
6470	Training	85	315	2,375	2,185	2,225
6486	Travel	13	-	400	400	400
6505	Equipment repair service	2,491	1,530	-	1,600	1,600
6560	Other contractual services	13,130	23,201	58,200	58,200	64,700
	Total other services and charges	<u>23,778</u>	<u>32,908</u>	<u>77,490</u>	<u>72,950</u>	<u>79,350</u>
Capital Outlay						
7160	Other improvements	20,000	74,976	175,000	55,000	152,500
	Total expenditures	<u>95,478</u>	<u>209,393</u>	<u>361,927</u>	<u>248,518</u>	<u>369,880</u>
	Revenues over (under) expenditures	<u>11,231</u>	<u>(5,798)</u>	<u>(125,757)</u>	<u>(11,101)</u>	<u>(95,849)</u>
	Fund balance January 1	<u>835,054</u>	<u>846,285</u>	<u>761,313</u>	<u>840,487</u>	<u>829,386</u>
	Fund balance December 31	<u>\$ 846,285</u>	<u>\$ 840,487</u>	<u>\$ 635,556</u>	<u>\$ 829,386</u>	<u>\$ 733,537</u>

Fund: Marina Fund 2050

Department Activities and Responsibilities:

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

The City began contracting management services with White Bear Boat Works to operate the marina in 2008 and renewed the contract in 2015. With the latest contract ending on December 31, 2020, the City extended the contract for the 2021-2023 boating seasons with extension options for 2024 and 2025.

Budget Summary:

The Marina Fund Budget remains stable as the lake maintains the desired level set by the Minnesota Department of Natural Resources. The high water levels from recent years supported the lake during the extremely dry hot weather during the summer of 2022. Customers rented all available marina slips during the 2021 and 2022 seasons and it appears this activity will continue in future years.

The 2023 Budget creates a resident and non-resident fee structure to benefit local customers and align the City’s annual slip rental rates with those of the private slip providers in the area for non-resident customers. The resident rate remains at the 2022 rate of \$2,500 while the non-residential rate will increase to \$2,800.

Temporary staff time allocated to the budget provides for Police Community Service Officers (CSOs) to patrol the area during high usage times. In the 2023 Budget, the CSO temporary staff time was moved to the Police Department to allow tracking of all Police salaries and benefits in one place. Moving forward, the Marina Fund will make a transfer to the General Fund to cover the CSO temporary staff time. The transfer is \$35,100 in 2023.

The City installed a new dock system at the marina in 2017.

Capital Outlay:

A detailed discussion of the City’s Capital Improvement Plan purchases for the Marina operations is included in the Summary Data section of this document.

Measurable Workload Data:

	2020	2021	2022	2023
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Boat slips rented	160	160	160	160

City of White Bear Lake
Marina

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4975	Rental					
	Slips	\$ 384,000	\$ 384,000	\$ 400,000	\$ 400,000	\$ 432,000
	Storage	12,800	-	-	-	-
	Property	5,388	-	-	-	-
4955	Interest	4,919	(2,022)	-	-	-
	Total revenues	<u>407,107</u>	<u>381,978</u>	<u>400,000</u>	<u>400,000</u>	<u>432,000</u>
Expenditures						
Personnel Services						
6105	Salaries - regular employees	256	10,113	-	-	-
6119	Salaries - temporary employees	22,466	10,167	30,165	30,498	-
6122	PERA	71	1,845	2,262	2,287	-
6124	FICA/Medicare	1,738	1,622	2,308	2,333	-
6128	Health Insurance	-	-	6,067	6,067	-
6138	Worker's compensation	-	-	190	190	-
	Total personnel services	<u>24,531</u>	<u>23,747</u>	<u>40,992</u>	<u>41,375</u>	<u>-</u>
Supplies						
6220	Equipment supplies	413	121	5,500	3,400	4,800
6240	Building supplies and parts	22	88	1,000	1,000	1,000
6250	Other supplies	315	245	500	500	550
6295	Small tools	300	-	500	500	500
	Total supplies	<u>1,050</u>	<u>454</u>	<u>7,500</u>	<u>5,400</u>	<u>6,850</u>
Other Services and Charges						
6401	Professional Services	68,950	84,950	88,910	72,950	75,850
6455	Legal notices publications	113	-	130	130	150
6460	Subscriptions and dues	1,310	250	250	13,370	13,510
6505	Equipment repair service	2,290	-	5,000	2,500	5,000
6555	Equipment rental	-	-	500	-	500
6560	Contractual services	1,670	1,671	3,000	1,740	3,000
	Total other services and charges	<u>74,333</u>	<u>86,871</u>	<u>97,790</u>	<u>90,690</u>	<u>98,010</u>
Capital Outlay						
7140	Equipment	-	-	-	6,000	-
7160	Other Improvements	24,651	-	-	30,000	180,000
	Total capital outlay	<u>24,651</u>	<u>-</u>	<u>-</u>	<u>36,000</u>	<u>180,000</u>
Transfers Out						
7605	General Fund	70,000	80,000	85,000	85,000	120,100
7605	2018B Tax Abatement Debt Service	111,000	165,500	110,000	115,000	98,000
7605	Insurance Fund	44,000	-	-	-	-
	Total transfers out	<u>225,000</u>	<u>245,500</u>	<u>195,000</u>	<u>200,000</u>	<u>218,100</u>
	Total expenditures	<u>349,565</u>	<u>356,572</u>	<u>341,282</u>	<u>373,465</u>	<u>502,960</u>
	Revenues over (under) expenditures	<u>57,542</u>	<u>25,406</u>	<u>58,718</u>	<u>26,535</u>	<u>(70,960)</u>
	Capital reserve adjustment (to) from	<u>(37,500)</u>	<u>(15,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
	Fund balance January 1	<u>222,160</u>	<u>242,202</u>	<u>233,703</u>	<u>305,108</u>	<u>331,643</u>
	Fund balance December 31	<u>\$ 242,202</u>	<u>\$ 252,608</u>	<u>\$ 262,421</u>	<u>\$ 331,643</u>	<u>\$ 260,683</u>
Reserves:						
	Capital infrastructure reserves - docks	<u>\$ 37,500</u>	<u>\$ 52,500</u>	<u>\$ 82,500</u>	<u>\$ -</u>	<u>\$ -</u>

Fund: Sports Center Fund 5200

Department Activities and Responsibilities:

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

After years of operation, the original Sports Center facility developed significant issues related to the refrigerant system and building insulation. City staff and City Council contemplated the future of the facility in many discussions, while trying to determine the best means to finance the large-scale renovation project.

During this process, the White Bear Lake Hockey Association acknowledged the importance of the facility to their organization and the community as a whole and pledged \$2,500,000 to the project to ensure financial support for the renovation. Through this financing agreement with the Hockey Association, reallocation of a current debt levy obligation for the City and annual support from the Marina Fund, the City Council approved construction work that began in May 2018.

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

The new refrigeration system and building improvements support the ability to add a second sheet of ice to the facility. While the City does not plan to finance another sheet of ice, it is open to forming another partnership or operating agreement 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 through economies of scale with two rinks.

Three primary users provide the majority of revenues to the Sports Center through ice rental. 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. The White Bear Lake Girls High School hockey program utilizes the facility for their practices and games during the season.

The contract between the City and the White Bear Lake Area School District for the Girls Hockey team provides a \$13,200 payment in 2023 to the Sports Center operations to support future capital costs for the facility.

Fund: Sports Center Fund 5200

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.

Effective August 11, 2021, the White Bear Hockey Association entered into a 10-year lease agreement with the City to remodel the space that had previously been used for racquetball courts. The Hockey Association will use the space for dryland training. This agreement expands the partnership with White Bear Area Hockey Association and generates higher revenues than previously earned from the racquetball court rentals.

Budget Summary:

The 2022 Revised Budget includes \$65,000 in American Rescue Plan Aid funds to provide funding for operational costs as part of the recapture of lost revenues qualifications of the aid. This assistance subsidizes the operations until the facility can return to pre-pandemic activity levels. \$50,000 was originally budgeted as a transfer in from the American Rescue Plan Fund for this purpose in the 2022 Adopted Budget, however, for accounting purposes the funding was re-categorized to federal revenue in the 2022 Revised Budget.

The increase in Rental revenues relates to the lease agreement with the White Bear Hockey Association for the dryland training space.

The City began providing LiveBarn services in 2021. LiveBarn is a website that allows anyone to watch live and on demand amateur sports for a monthly fee. They installed cameras and other required equipment in the Sports Center at no cost. Anyone is able to create a LiveBarn membership to watch hockey games and ice shows. The City receives a percentage of the revenues generated from these memberships. The 2022 Revised Budget for Miscellaneous Revenue includes approximately \$26,000 for these commissions. Since the revenue stream is fairly new, only \$9,000 was budgeted in 2023 to be conservative.

The 2023 Budget for Salaries and Benefits increased by almost \$69,000 from the 2022 Revised Budget. In the past, the Sports Center Manager, Receptionist, and Maintenance Technician positions have been split between the Sports Center Fund (80-85%), the Armory Fund (10-15%), and the Boatworks Commons business unit within the Economic Development Fund (5%). With the sale of the Armory in November 2022, the salaries and benefits previously coded to the Armory are now being coded to the Sports Center. In addition, the City conducted a classification and compensation study in 2022. To begin implementation of the new salary schedule created as a result of the study, all non-bargaining employees were placed at the step they are currently closest to (without a reduction in pay) in their new pay grade as of September 1, 2022. The plan includes an annual cost of living adjustment as of January 1, 2023, and on July 1, 2023 all qualifying non-bargaining employees will receive an increase for longevity.

Fund: Sports Center Fund 5200

The Sports Center’s energy use has been greater than anticipated following the 2018 renovation project. Since the facility was never formally commissioned at the completion of the project, the City contracted with Trane Technologies to conduct an energy and operational audit to identify performance issues and evaluate energy efficiency in 2021. Trane identified significant opportunities for operational savings that require an upfront investment but demonstrate a clear return related to lighting, insulation, the building envelope, control upgrades, mechanical upgrades, the courts area roof and heating, ventilation and air conditioning.

The City Council approved a resolution to enter into an Energy Performance Contract with Trane to guarantee the pricing and subsequent operational savings at their October 12, 2021 meeting. The Energy Performance Contract includes improvement projects in more departments than the just the Sports Center; therefore, the City chose to have the Municipal Building Fund maintain the financial records to coordinate the funding and expenditures related to the contract.

The City Council approved Resolution 12888 at their November 23, 2021 meeting creating a loan with a 1.5% interest rate from the Non-Bonded Fund and the Economic Development Fund to assist the Municipal Building Fund in financing the cost of the contract. A portion of any energy savings in the Sports Center Fund will be transferred to the Municipal Building Fund to support repayment of the loans. No transfers are scheduled in the 2023 Budget because savings have not been recognized yet.

The City Council did adopt Resolution 12889 which declares an official intent of the City to be reimbursed for certain expenditures from the proceeds of bonds issued by the City for these costs in the event the City Council determines liquidity of these funds a more immediate priority than waiting for repayment of the internal loan. The City must issue any bonds to receive reimbursement for these expenditures within 3 years of the resolution approval, November 23, 2024.

Capital Outlay:

A detailed discussion of the City’s five year Capital Improvement Plan and purchases funded for this department through the Equipment Acquisition Fund and Municipal Building Fund is in the Summary Data section of the document.

Goals:

1. Pursue a partnership with a company for naming rights for the Sports Center ice rink.
2. Continue to sell advertising in the arena.
3. Maximize ice rentals.

Fund: Sports Center Fund 5200

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Ice time hours rented based on a 17-hour day (6 a.m. to 11 p.m.)	1,718	1,729	1,750	1,800
Registrations for skating lessons and programs (does not include competition skaters)	597	1,366	1,500	1,500
Number of high school games	6	12	12	12
Number of rink ads sold	5	29	20	30
Energy consumption (in kWh)	862,051*	975,023	985,000	950,000
Average monthly energy charge	\$7,085*	\$8,491	\$10,000	\$10,300

*Energy consumption and average monthly energy charge is down in the 2020 Budget due to the 11-week closure for COVID-19.

City of White Bear Lake
Special Revenue - Sports Center Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604	Federal grants	\$ 787	\$ 60,000	\$ -	\$ 65,000	\$ -
Charges for Services						
4888	Ice rental	203,444	297,785	260,000	289,499	300,229
4890	Skating school	114,641	196,784	175,000	182,406	206,962
4891	Skate camps	7,271	75,947	50,000	56,148	57,023
4892	Open skate	11,418	21,675	22,000	21,283	27,086
4894	Hockey games	7,357	14,724	9,600	10,340	11,700
4896	Court fees	5,436	1,944	24,240	-	-
4955	Interest	2,843	(563)	2,000	-	-
4975	Rent	3,486	40,104	13,500	37,320	40,164
5310	Vending sales	252	391	2,000	300	300
5312	Sale of goods	983	3,536	4,250	2,369	2,250
5350	Miscellaneous	2,937	10,994	6,400	32,670	15,700
5360	Refunds and reimbursements	-	-	-	380	-
	Total charges for services	<u>360,068</u>	<u>663,321</u>	<u>568,990</u>	<u>632,715</u>	<u>661,414</u>
Other Revenue						
4990	Donations	<u>200</u>	<u>1,975</u>	<u>175</u>	<u>400</u>	<u>400</u>
Transfers In						
5205	American Rescue Plan Aid Fund	-	-	50,000	-	-
5205	Economic Development Fund	<u>4,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total transfers in	<u>4,236</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>365,291</u>	<u>725,296</u>	<u>619,165</u>	<u>698,115</u>	<u>661,814</u>
Expenditures						
	Operations	<u>543,205</u>	<u>620,098</u>	<u>675,929</u>	<u>719,586</u>	<u>801,072</u>
	Total Expenditures	<u>543,205</u>	<u>620,098</u>	<u>675,929</u>	<u>719,586</u>	<u>801,072</u>
	Revenues over (under) expenditures	<u>(177,914)</u>	<u>105,198</u>	<u>(56,764)</u>	<u>(21,471)</u>	<u>(139,258)</u>
	Fund balance January 1	<u>264,837</u>	<u>86,923</u>	<u>85,514</u>	<u>192,121</u>	<u>170,650</u>
	Fund balance December 31	<u>\$ 86,923</u>	<u>\$ 192,121</u>	<u>\$ 28,750</u>	<u>\$ 170,650</u>	<u>\$ 31,391</u>

City of White Bear Lake
Special Revenue - Sports Center Fund

Annual Budget
Business Unit: 5200 - 5205

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 210,152	\$ 217,482	\$ 225,417	\$ 235,532	\$ 282,618
6117	Overtime - regular employees	1,459	4,978	8,000	8,000	8,000
6119	Salaries - temporary employees	48,677	66,599	79,367	71,877	82,172
6120	Overtime - temporary employees	-	122	-	-	-
6122	PERA	18,282	20,281	22,296	22,663	26,765
6124	FICA/Medicare	19,319	21,445	23,928	24,129	28,518
6128	Insurance contribution	30,555	32,083	41,356	42,214	47,985
6138	Worker's compensation	7,731	11,050	13,260	13,533	10,586
6148	Other benefits	4,000	4,000	8,018	8,184	8,226
	Total personnel services	<u>340,175</u>	<u>378,040</u>	<u>421,642</u>	<u>426,131</u>	<u>494,869</u>
Supplies						
6210	Office supplies	364	559	955	955	955
6220	Equipment supplies	784	981	2,525	2,590	1,850
6230	Vehicle supplies	215	620	1,180	700	975
6240	Building supplies	6,602	2,669	3,600	3,825	5,175
6250	Other supplies	8,651	16,806	18,925	14,830	15,860
6255	Landscaping supplies	-	-	200	200	200
6272	Motor fuels	1,822	3,847	3,900	4,100	4,500
6274	Lubricants and additives	-	29	-	-	50
6290	Uniforms	1,237	610	1,650	1,085	1,150
6295	Small tools	1,626	987	2,775	1,750	1,525
	Total supplies	<u>21,301</u>	<u>27,108</u>	<u>35,710</u>	<u>30,035</u>	<u>32,240</u>
Other Services and Charges						
6401	Professional services	1,269	2,610	6,000	4,688	5,300
6402	Data processing	9,788	10,772	12,100	13,100	14,850
6411	Telephone	2,146	2,651	2,480	2,980	3,075
6412	Cellular	600	720	800	700	400
6422	Electric	84,944	104,619	99,675	120,500	123,100
6423	Natural gas	16,523	20,426	18,000	39,425	42,000
6434	General liability insurance	15,529	15,529	17,082	17,082	17,082
6436	Vehicle liability insurance	929	200	206	206	206
6445	Postage	220	113	200	200	200
6450	Outside printing	-	1,166	1,150	1,350	1,350
6460	Subscription/memberships	4,647	5,612	7,060	6,260	6,260
6470	Training	-	243	1,525	1,400	1,400
6486	Mileage Reimbursement	19	-	50	50	50
6492	Advertising	-	-	1,425	100	1,325
6505	Equipment maintenance service	17,723	18,494	20,990	22,370	23,820
6510	Vehicle maintenance service	8,509	1,188	450	-	450
6515	Building maintenance service	15,064	20,195	15,110	20,679	20,285
6525	Electrical maintenance service	697	2,449	2,000	1,175	2,175
6545	Credit card fees	1,114	2,077	1,600	1,600	1,600
6555	Equipment rental	1,618	5,039	7,800	7,685	8,165
6560	Other contractual service	390	63	1,675	1,620	620
7570	Cost of goods sold	-	784	1,200	250	250
	Total other services and charges	<u>181,729</u>	<u>214,950</u>	<u>218,578</u>	<u>263,420</u>	<u>273,963</u>
Total		<u>\$ 543,205</u>	<u>\$ 620,098</u>	<u>\$ 675,929</u>	<u>\$ 719,586</u>	<u>\$ 801,072</u>

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Fund: Forfeiture Fund 2060

Department Activities and Responsibilities:

The Police Department has the authority to seize property associated with certain crimes and assume ownership of the property under proceedings known as “civil forfeiture”. Vehicles typically 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 for expenditures allowed by Federal and State guidelines to reduce the reserves.

Budget Summary

The revenues and expenditures in this fund fluctuate based on the seizure activity. As reflected in the budgeted revenue and contractual service expenditures, 2022 experienced lower than normal seizure activity. As mentioned above, the City utilizes additional revenues or excess fund balance to purchase allowable expenditures.

The 2022 Revised and 2023 Budgets for Equipment Supplies allocates funding for officer equipment replacements in the two year period and \$17,850 for a digital technology investigation platform in 2022.

The 2022 Revised Budget expands the exterior security monitoring capabilities at the Sports Center with plans to purchase three additional cameras for crime prevention activities.

Law enforcement agencies that use body-worn cameras are required to conduct biennial independent audits of the data. The 2022 Revised Professional Services Budget allocates \$7,800 to enter into a three-year body camera redaction software service agreement, as required by the independent audit.

Goals

1. To punish and deter criminal activity by depriving criminals of property used in or acquired during illegal activities.
2. Ensure the Program is administered professionally, lawfully, and in a manner consistent with sound public policy.
3. To recover assets that will be used to support investigations and operations that further the law enforcement goals or missions.
4. Utilize recovered assets to provide training and education necessary to perform official law enforcement duties, such as Crisis Intervention Training, De-escalation, and Implicit Bias Training.

Fund: Forfeiture Fund 2060

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of forfeiture incidents*	37	41	15	20
Net forfeiture proceeds*	\$28,698	\$25,746	\$2,000	\$10,000

*Actual data per Office of the State Auditor Asset Forfeiture reports, Budget column data are estimates.

City of White Bear Lake
Forfeiture Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4955	Interest	\$ 1,427	\$ (428)	\$ 1,000	\$ -	\$ -
5350	Criminal case proceeds	9,488	6,682	10,000	205	3,000
5360	DUI case proceeds	28,170	27,855	30,000	3,495	10,000
	Total revenues	<u>39,085</u>	<u>34,109</u>	<u>41,000</u>	<u>3,700</u>	<u>13,000</u>
Expenditures						
Supplies						
6220	Equipment supplies	-	-	200	33,700	7,000
6230	Vehicle supplies and parts	62	104	500	500	500
6250	Other supplies	-	-	300	-	-
6295	Small tools	-	24,454	5,800	5,800	3,000
	Total supplies	<u>62</u>	<u>24,558</u>	<u>6,800</u>	<u>40,000</u>	<u>10,500</u>
Other Services and Charges						
6401	Professional services	165	44	5,000	8,000	200
6560	Contractual services	10,564	16,959	22,300	8,800	22,400
	Total other services and charges	<u>10,729</u>	<u>17,003</u>	<u>27,300</u>	<u>16,800</u>	<u>22,600</u>
	Total expenditures	<u>10,791</u>	<u>41,561</u>	<u>34,100</u>	<u>56,800</u>	<u>33,100</u>
	Revenues over (under) expenditures	<u>28,294</u>	<u>(7,452)</u>	<u>6,900</u>	<u>(53,100)</u>	<u>(20,100)</u>
	Fund balance January 1	<u>54,045</u>	<u>82,339</u>	<u>77,135</u>	<u>74,887</u>	<u>21,787</u>
	Fund balance December 31	<u>\$ 82,339</u>	<u>\$ 74,887</u>	<u>\$ 84,035</u>	<u>\$ 21,787</u>	<u>\$ 1,687</u>

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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 leaves very limited availability of vacant land within the City boundaries. The community relies on redevelopment to expand housing options and business opportunities to draw people to the area.

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

City Owned Rental Properties

The City rents out the Bellaire Center at County Road F and Bellaire Avenue, the Boatworks Commons community room, a building on Fourth Street that is home to the Burger Bar and the White Bear Bar, and two residential homes (one on Bald Eagle Avenue and the other on 8th Street). The net revenues received from these five locations assist in providing additional resources for the City to use in other economic development initiatives. The City contracts with a company for property management services at the Bald Eagle Avenue and 8th Street residential rental locations. At this time, the City plans to manage all other facilities in their current state; however, future conversations should include a cost benefit analysis of owning and contracting management duties versus 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 biennial Special Service District assessment provides approximately \$44,000 each year.

The Birch Lake Improvement District levy provides funding to develop and implement activities that improve and protect the quality of Birch Lake. The annual assessment charges lakeshore property owners approximately \$21,000 each year.

Revolving Business Loans:

In 1989, the White Bear Lake Economic Development Corporation (WBLEDC) began a downtown revitalization program through a Downtown Revolving Loan and Grant Program (RLGP). The White Bear Lake Housing and Redevelopment Authority administers the program under the guidance of policies set by the WBLEDC. The program encourages private investment in improvements to the utility and exterior appearance of downtown businesses which might not otherwise occur. Business owners apply for front-end project financing at a 2% interest rate for

Fund: Economic Development Fund 4240

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.

Based on 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 in the County Road E corridor who have limited capital for improvements to their buildings.

For both loan programs, businesses may receive a maximum loan of \$40,000 at a 2% interest rate with a required 100% match from a local bank at a negotiated rate. A Building Façade Grant up to \$3,000 is available for the first loan event, with a total of \$5,000 available for all loan events on the property. The success of the program is evident through the amount of investment it has supported in the community. Additionally, as a revolving fund, the interest paid generates additional funds for future use.

Internal Loan Obligations

The Boatworks Commons project required 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%. The loan’s future principal and interest obligation is as follows:

Year	Principal	Interest	Total	Rate
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	346,950	1,096,950	

Fund: Economic Development Fund 4240

The City entered into an Energy Performance Contract with Trane Technologies in 2021 to implement energy efficiencies within the City facilities and operations. The Municipal Building Fund maintains the financial records to coordinate the funding and expenditures related to the contract.

The City Council approved Resolution 12888 at their November 23, 2021 meeting creating a 15-year internal loan with a 1.5% interest rate to assist in financing the cost of the contract. The \$855,000 internal loan to the Municipal Building Fund consists of \$213,750 contributed from the Non-Bonded Fund and \$641,250 contributed from the Economic Development Fund. A portion of any energy savings in the General Fund and the Sports Center Fund will be transferred to the Municipal Building Fund to support repayment of the loans. No transfers are scheduled in the 2023 Budget because savings have not been recognized yet.

The City Council did adopt Resolution 12889 which declares an official intent of the City to be reimbursed for certain expenditures from the proceeds of bonds issued by the City for these costs in the event the City Council determines liquidity of these funds a more immediate priority than waiting for repayment of the internal loan. The City must issue any bonds to receive reimbursement for these expenditures within 3 years of the resolution approval, November 23, 2024. The repayment schedule is as follows:

Farmer's Market

The City sponsors a weekly Farmer's Market from late June through October each year in its Central Business District. 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:

As a recap of significant 2020 activities, the fund received an allocation of the City's Coronavirus Aid, Relief, and Economic Security Act (CARES) funding to help cover unexpected costs incurred due to the COVID-19 pandemic. Expenditures covered by the funding included personnel costs for the department's staff person to become a temporary Community COVID Coordinator position, social distancing signs, and miscellaneous small business assistance expenditures through August 31, 2020. After that time, the City Council authorized assignment of the remaining funding reimbursements to public safety payroll expenditures through September 30, 2020. This allowed the General Fund to transfer a portion of the current year operating revenues in an amount equal to the public safety payroll expenditures to the Economic Development Fund to further support any city funds experiencing hardship due to the pandemic and create grant programs for local residents, businesses and non-profit organizations with demonstrated economic impact from COVID-19.

Fund: Economic Development Fund 4240

The majority of the rental revenues received in this fund relate to the Bellaire Center facility leases. During 2021, turnover in two rental spaces and an operational re-organization for a third tenant changed space needs within the facility. The City is currently evaluating options and potential renters for the available office space. Through this tenant turnover process, the leases for all spaces at the facility were standardized for consistent application among all properties.

Revenues increase in the Revised 2022 Budget as revolving business loans were paid in full during the year.

In the past, the City has allocated a half time position dedicated to promoting environmental business initiatives and long-term resiliency planning and activity to the Economic Development Fund. Beginning in the 2021 Budget, funding for the position changed to the Surface Water Pollution Fund to acknowledge a change in the staff person's responsibilities. The current personnel services expenditures fund a full-time Housing and Economic Development Coordinator position and 5% of the staff time for Sports Center employees who manage the Boatworks Commons community room operations.

The City is partnering with other local organizations in a 12-month self-driving shuttle research and demonstration pilot project lead by the Minnesota Department of Transportation's (MnDOT) Connected and Automated Vehicle (CAV) Office. The project named "Bear Tracks" officially launched on August 5, 2022. The shuttle involves a low speed (10-12 mph), self-driving, electric, multi-passenger vehicle operating on a 1.5 mile long route on a White Bear Lake residential street connecting a day program for adults with intellectual and developmental disabilities, affordable housing, and the community YMCA. The vehicle is equipped with an ADA compliant ramp and can carry up to ten seat-belted passengers at a time and up to one wheel chair passenger at a time. As a participating organization, the City is required to pay \$15,000 in project expenditures equally between 2022 and 2023.

The County Road E Corridor through the south part of White Bear Lake has potential for revitalization and serves as a catalyst for future development in the area. The City is partnering with Ramsey County and the cities of Vadnais Heights and Gem Lake in 2022 to provide a series of workshops to create an action plan to include goals and action steps to attract private investment through development and infrastructure improvements. The Professional Services Budget contains resources for program. These expenditures are offset by matching funds received from the three participating entities.

The 2023 projects funded through the Professional Services Budget include a Downtown Mobility Study as part of a planning process for the future infrastructure reconstruction project. The account also supports work to update the zoning ordinances.

As in previous years, the Economic Development Fund budget continues to include support for Marketfest, the White Bear Lake Area Historical Society, Farmer's Market, and the City flower program.

Fund: Economic Development Fund 4240

Capital Outlay:

The 2022 Budget includes funding for two entrance monuments, one at the Highway 694/White Bear Avenue intersection and the other at the Century Avenue/County Road E intersection, on the south side of the City. The 2023 Budget also includes funding for two additional entrance monuments as well as technology improvements at the Boatworks Commons facility. The Capital Improvement Plan section in the Summary Data section of the document discusses these projects in greater detail.

City of White Bear Lake
Economic Development Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4045	Excess TIF	\$ 3,019	\$ 3,527	\$ -	\$ 2,773	\$ -
4210	Special assessments - service district	60,943	59,802	58,000	64,665	64,665
4215	Special assessments prepaid to County	135	-	-	135	-
4225	Special assessments - delinquent	-	-	-	80	-
4230	Special assessments - penalty/interest	411	710	-	-	-
4220	Special assessments prepaid to City	4,284	1,092	-	-	-
4604	Federal grants	52,350	-	-	-	-
4818	Farmers Market	5,400	5,045	5,000	5,040	5,000
4955	Interest	42,931	(13,650)	40,000	-	-
4975	Rental income	436,721	469,312	313,300	325,494	330,366
5010	Sale of goods and property	415,020	526	-	140	-
5322	Revolving Loan repayment	62,232	187,438	50,000	105,120	16,800
5360	Reimbursement	32,281	9,539	-	30,000	-
5350	Miscellaneous	15,671	279	-	140	-
	Total operating revenues	<u>1,131,398</u>	<u>723,620</u>	<u>466,300</u>	<u>533,587</u>	<u>416,831</u>
Transfers In						
5205	General Fund	1,489,375	-	-	-	-
5205	HRA - Boatworks Fund	22,500	22,500	22,500	22,500	22,500
	Total transfers in	<u>1,511,875</u>	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>
	Total revenues	<u>2,643,273</u>	<u>746,120</u>	<u>488,800</u>	<u>556,087</u>	<u>439,331</u>
Expenditures						
Personnel Services						
6105	Salaries - regular employees	114,357	88,029	89,508	94,671	99,847
6117	Overtime - regular employees	466	598	1,500	1,500	1,500
6119	Salaries - temporary employees	18,077	15,618	21,840	21,600	24,102
6122	PERA	8,612	6,648	6,826	7,213	7,601
6124	FICA/Medicare	9,661	7,482	8,633	9,009	9,597
6128	Insurance contribution	13,650	10,925	11,270	11,270	12,075
6138	Worker's compensation	740	1,225	1,470	1,470	2,664
6148	Other benefits	300	1,840	2,185	2,185	2,070
	Total personnel services	<u>165,863</u>	<u>132,365</u>	<u>143,232</u>	<u>148,918</u>	<u>159,456</u>
Supplies						
6220	Equipment supplies	1,264	770	2,000	1,800	2,000
6240	Building supplies	4,342	2,135	7,150	8,200	8,700
6248	Community engagement	275	3,615	6,000	3,500	3,750
6250	Other supplies	613,594	17,360	31,850	13,476	31,600
6254	Signs and striping	9	-	-	-	-
6255	Landscaping materials	11,064	9,433	12,800	13,425	13,625
6295	Small tools	110	59	375	-	100
	Total supplies	<u>630,658</u>	<u>33,372</u>	<u>60,175</u>	<u>40,401</u>	<u>59,775</u>
Other Services and Charges						
6401	Professional services	110,471	142,467	126,600	144,015	246,815
6411	Telephone	-	-	-	1,350	1,350
6412	Cell phone	272	360	450	390	390
6421	Water and sewer	2,181	874	2,350	3,022	2,825
6422	Electric	16,916	20,413	25,275	26,775	29,000
6423	Natural gas	6,424	8,450	9,195	12,790	14,600
6434	Insurance	-	1,093	5,300	5,300	5,300
6445	Postage	2,210	324	100	100	100
6450	Outside printing	-	49	125	50	50
6455	Legal notices publications	2,246	396	600	-	600
6460	Subscription/memberships	1,076	735	1,150	1,630	1,725
6470	Training	329	8,155	8,300	3,755	11,400
6486	Mileage reimbursement	12	-	350	50	200

City of White Bear Lake
Economic Development Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
6492	Advertising	26,735	3,775	3,250	1,000	3,500
6505	Equipment repair service	333	1,177	1,550	550	1,050
6515	Building repair service	70,322	39,271	32,300	34,970	30,760
6525	Electrical repair service	-	-	5,500	5,500	5,500
6535	Other repair service	-	168	-	-	2,550
6545	Credit card fees	-	11	-	10	-
6540	Vandalism	219	-	-	-	-
6555	Rental of equipment	4,421	3,135	3,200	2,735	2,750
6560	Contractual services	183,432	237,279	284,100	234,431	290,445
	Total other services and charges	<u>427,599</u>	<u>468,132</u>	<u>509,695</u>	<u>478,423</u>	<u>650,910</u>
	Capital Outlay					
7120	Building	212,707	-	-	-	-
7140	Machinery and equipment	-	-	15,000	-	-
7160	Other improvements	-	53,055	110,000	120,000	145,000
	Total capital outlay	<u>212,707</u>	<u>53,055</u>	<u>125,000</u>	<u>120,000</u>	<u>145,000</u>
	Total operating expenditures	<u>1,436,827</u>	<u>686,924</u>	<u>838,102</u>	<u>787,741</u>	<u>1,015,141</u>
	Transfers Out					
7605	General Fund	53,150	87,100	-	-	-
7605	Armory	231	-	-	-	-
7605	Equipment Acquisition	59,583	-	-	-	-
7605	Municipal Building	62,460	-	-	641,250	-
7605	Water	1,434	-	-	-	-
7605	Sewer	44	-	-	-	-
7605	Sports Center	4,236	-	-	-	-
7605	Ambulance	149,847	-	-	-	-
7605	Pioneer Manor	829	-	-	-	-
7605	License Bureau	12,940	-	-	-	-
7605	Employee Expense	5,775	-	-	-	-
	Total transfers out	<u>350,529</u>	<u>87,100</u>	<u>-</u>	<u>641,250</u>	<u>-</u>
	Total expenditures	<u>1,787,356</u>	<u>774,024</u>	<u>838,102</u>	<u>1,428,991</u>	<u>1,015,141</u>
	Revenues over (under) expenditures	<u>855,917</u>	<u>(27,904)</u>	<u>(349,302)</u>	<u>(872,904)</u>	<u>(575,810)</u>
	Fund balance January 1	<u>1,859,424</u>	<u>2,715,341</u>	<u>1,972,104</u>	<u>2,687,437</u>	<u>1,814,533</u>
	Fund balance December 31	<u>\$ 2,715,341</u>	<u>\$ 2,687,437</u>	<u>\$ 1,622,802</u>	<u>\$ 1,814,533</u>	<u>\$ 1,238,723</u>
	Reserves:					
	Revolving loans	\$ 232,960	\$ 232,960	\$ 232,960	\$ 232,960	\$ 232,960
	Special Service District - Downtown	22,284	22,284	22,284	22,284	22,284
	Special Service District - Birch Lake	6	6	6	6	6
	Balance, December 31	<u>\$ 255,250</u>	<u>\$ 255,250</u>	<u>\$ 255,250</u>	<u>\$ 255,250</u>	<u>\$ 255,250</u>
	Fund Balance Reconciliation to Financial Statements:					
	Budget fund balance December 31	\$ 2,970,591	\$ 2,942,687			
	Advances to other funds	750,000	750,000			
	Loans receivable	337,982	208,473			
	Financial statement fund balance December 31	<u>\$ 4,058,573</u>	<u>\$ 3,901,160</u>			

City of White Bear Lake
Economic Development Fund

Annual Budget
Fund Detail

Code	Item	2019 Actual	2020 Actual	2021 Adopted	2021 Revised	2022 Budget
4241-4242	General Economic Development					
	Revenue	\$ 2,146,376	\$ 93,135	\$ 125,500	\$ 129,085	\$ 95,765
	Expenditures	1,328,535	433,173	475,727	1,118,145	639,486
	Revenues over (under) expenditures	<u>\$ 817,841</u>	<u>\$ (340,038)</u>	<u>\$ (350,227)</u>	<u>\$ (989,060)</u>	<u>\$ (543,721)</u>
4244	Economic Development Loans					
	Revenue	\$ 62,232	\$ 187,438	\$ 50,000	\$ 105,120	\$ 16,800
	Expenditures	-	52,500	70,000	20,000	60,000
	Revenues over (under) expenditures	<u>\$ 62,232</u>	<u>\$ 134,938</u>	<u>\$ (20,000)</u>	<u>\$ 85,120</u>	<u>\$ (43,200)</u>
4245	Flower Program					
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expenditures	13,321	14,553	22,625	23,925	23,925
	Revenues over (under) expenditures	<u>\$ (13,321)</u>	<u>\$ (14,553)</u>	<u>\$ (22,625)</u>	<u>\$ (23,925)</u>	<u>\$ (23,925)</u>
4247	Bellaire Center					
	Revenue	\$ 294,847	\$ 288,034	\$ 144,500	\$ 146,082	\$ 148,116
	Expenditures	81,815	162,303	123,300	122,157	114,810
	Revenues over (under) expenditures	<u>\$ 213,032</u>	<u>\$ 125,731</u>	<u>\$ 21,200</u>	<u>\$ 23,925</u>	<u>\$ 33,306</u>
4248	Marina Triangle					
	Revenue	\$ 10,020	\$ 3,700	\$ 3,000	\$ 3,000	\$ 3,000
	Expenditures	92,421	47,667	77,375	61,200	91,035
	Revenues over (under) expenditures	<u>\$ (82,401)</u>	<u>\$ (43,967)</u>	<u>\$ (74,375)</u>	<u>\$ (58,200)</u>	<u>\$ (88,035)</u>
4249	4th Street Development					
	Revenue	\$ 103,124	\$ 116,247	\$ 117,500	\$ 117,500	\$ 117,800
	Expenditures	36,535	40,539	44,600	42,325	44,625
	Revenues over (under) expenditures	<u>\$ 66,589</u>	<u>\$ 75,708</u>	<u>\$ 72,900</u>	<u>\$ 75,175</u>	<u>\$ 73,175</u>
4250	WBL Rental Houses					
	Revenue	\$ 26,674	\$ 33,878	\$ 27,000	\$ 34,000	\$ 34,000
	Expenditures	216,846	5,962	6,475	8,275	12,110
	Revenues over (under) expenditures	<u>\$ (190,172)</u>	<u>\$ 27,916</u>	<u>\$ 20,525</u>	<u>\$ 25,726</u>	<u>\$ 21,890</u>
4251	4200 Hoffman Road					
	Revenue	\$ -	\$ 23,688	\$ 21,300	\$ 21,300	\$ 21,300
	Expenditures	17,883	17,323	18,000	24,845	25,300
	Revenues over (under) expenditures	<u>\$ (17,883)</u>	<u>\$ 6,365</u>	<u>\$ 3,300</u>	<u>\$ (3,545)</u>	<u>\$ (4,000)</u>
4252	Depot and Caboose					
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	Expenditures	-	-	-	8,120	1,300
	Net revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,120)</u>	<u>(1,300)</u>
4253	Counseling Center					
	Revenue	\$ -	\$ -	\$ -	\$ -	\$ 2,550
	Expenditures	-	-	-	-	2,550
	Net revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

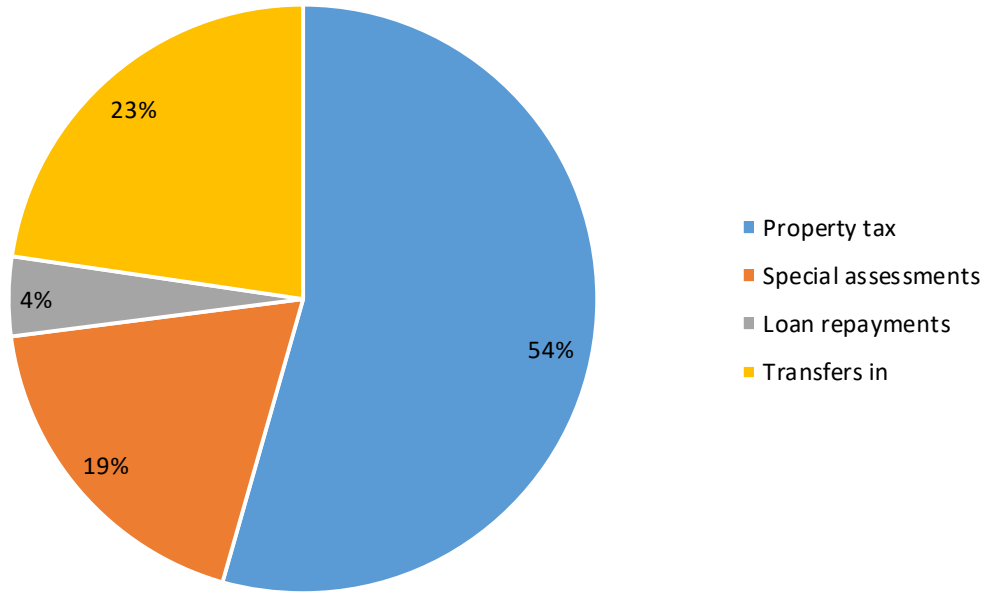
City of White Bear Lake
Debt Service Funds

Annual Budget

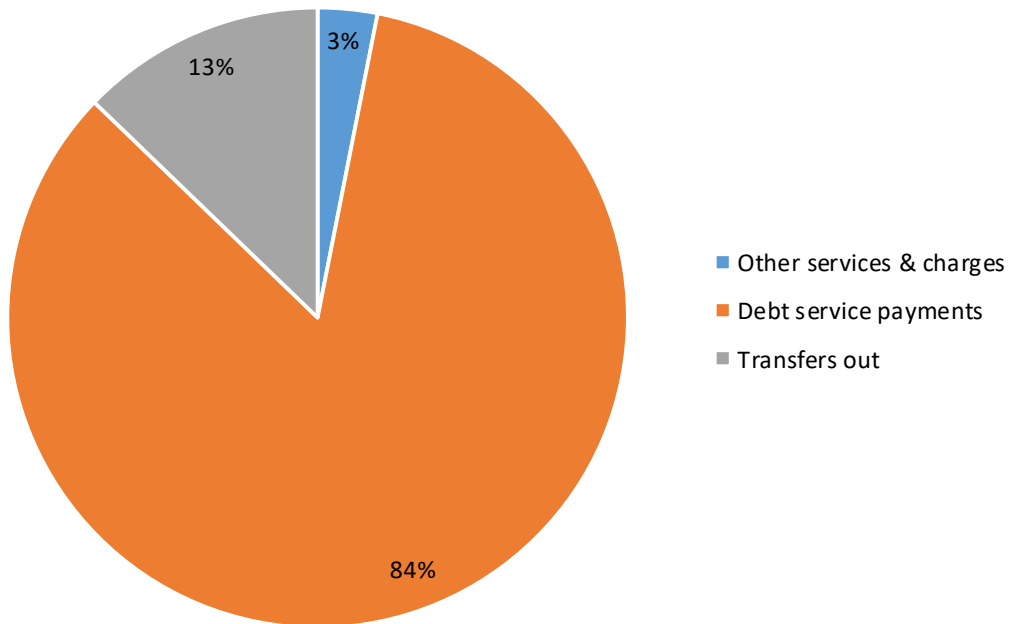
Item	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenues					
Property tax	\$ 554,939	\$ 679,120	\$ 855,000	\$ 855,000	\$ 1,722,000
Special assessments	862,046	1,072,755	756,365	693,993	587,617
Loan repayments	76,913	137,810	137,810	137,810	137,810
Bond sale	51,973	22,961	-	61,557	-
Interest	25,300	(7,575)	27,500	-	-
Transfers in	771,000	1,152,392	742,000	747,000	718,000
Total revenues	<u>2,342,171</u>	<u>3,057,463</u>	<u>2,518,675</u>	<u>2,495,360</u>	<u>3,165,427</u>
Expenditures					
Other services & charges	39,526	28,682	68,780	71,490	78,436
Debt service payments	1,506,055	1,417,999	1,682,239	1,682,239	2,122,669
Transfers out	851,341	504,000	332,000	545,750	323,000
Total expenditures	<u>2,396,922</u>	<u>1,950,681</u>	<u>2,083,019</u>	<u>2,299,479</u>	<u>2,524,105</u>
Revenues over (under) expenditures	<u>(54,751)</u>	<u>1,106,782</u>	<u>435,656</u>	<u>195,881</u>	<u>641,322</u>
Fund Balance, January 1	<u>1,753,206</u>	<u>1,698,455</u>	<u>2,368,364</u>	<u>2,805,237</u>	<u>3,001,118</u>
Fund Balance, December 31	<u>\$ 1,698,455</u>	<u>\$ 2,805,237</u>	<u>\$ 2,804,020</u>	<u>\$ 3,001,118</u>	<u>\$ 3,642,440</u>

2023 Debt Service Funds

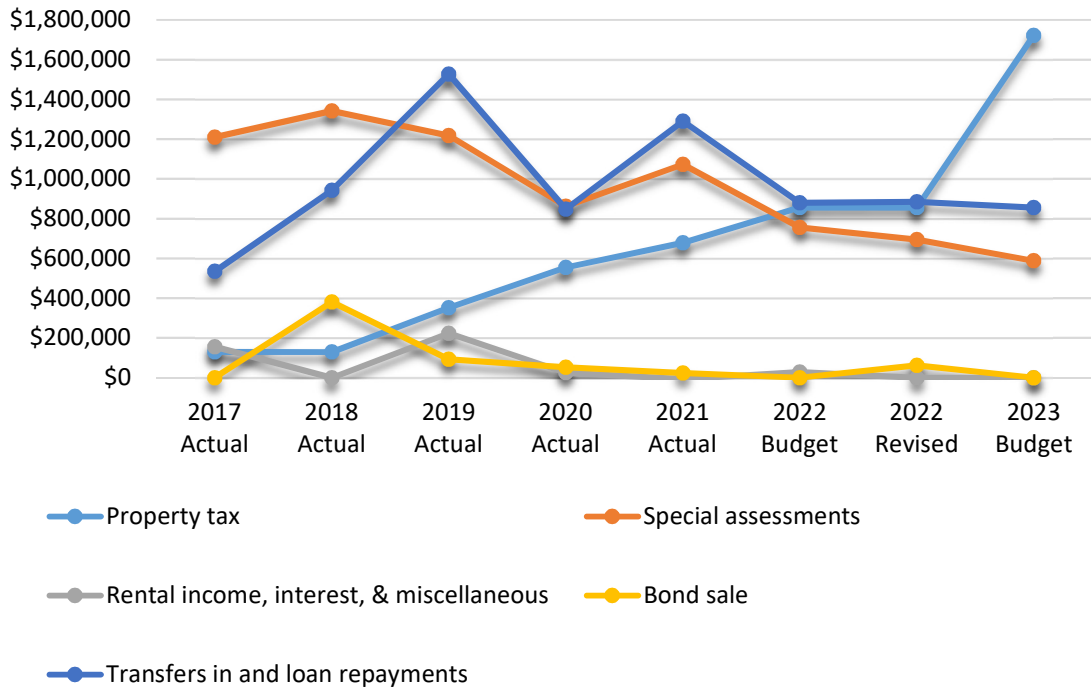
Total Revenues \$3,165,427



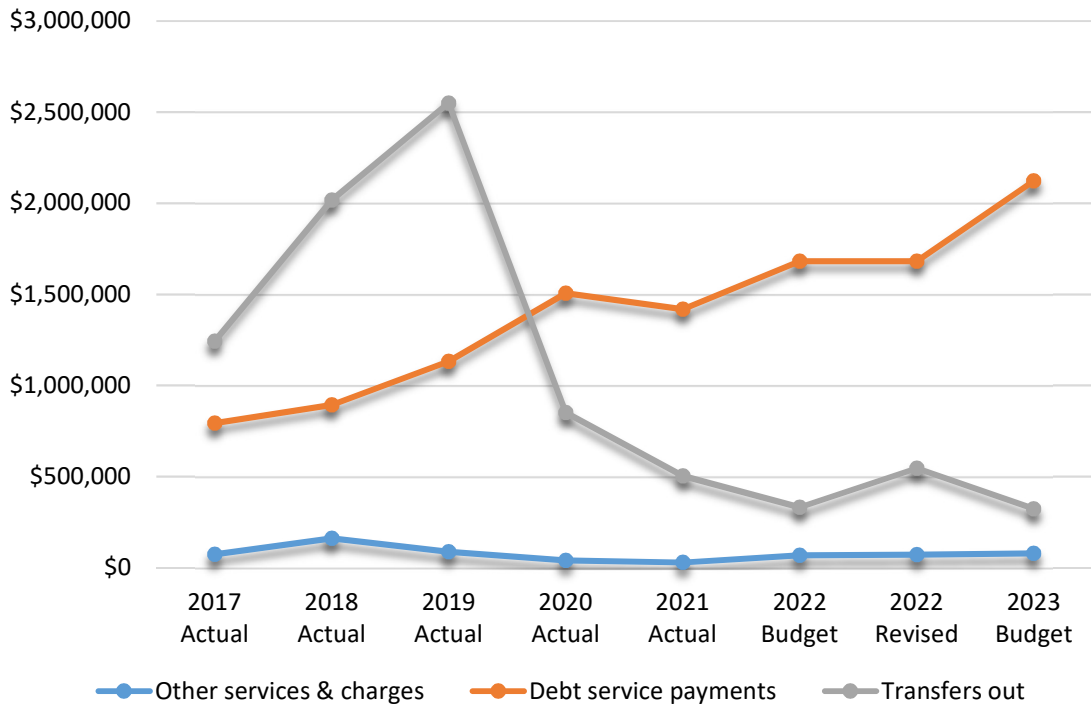
Total Expenditures \$2,524,105



Debt Service Funds Revenue Trend Analysis



Debt Service Funds Expenditure Trend Analysis



**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 obligation, which is similar to a mortgage, 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 this bond obligation. At the end of 2022, the City's principal obligation on the bond issue will be \$170,000. Bonds maturing on or after February 1, 2020 are subject to early redemption at par at the option of the City. The bonds will be fully paid off on February 1, 2023.

City of White Bear Lake
2012 Refunding Tax Increment Bond Fund Pioneer Manor Debt Service (3040)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4955	Interest	\$ 164	\$ -	\$ -	\$ -	\$ -
5205	Transfers In Pioneer Manor Fund	160,000	160,000	160,000	160,000	160,000
	Total revenues and transfers in	160,164	160,000	160,000	160,000	160,000
Expenditures						
Debt Service						
7410	Principal	160,000	170,000	170,000	170,000	170,000
7420	Interest	11,800	8,500	5,100	5,100	1,700
	Total debt service	171,800	178,500	175,100	175,100	171,700
Other Services and Charges						
6401	Professional services	633	543	660	660	660
7430	Fiscal agent fees	500	500	500	550	550
	Total other services and charges	1,133	1,043	1,160	1,210	1,210
	Total expenditures	172,933	179,543	176,260	176,310	172,910
	Revenues over (under) expenditures	(12,769)	(19,543)	(16,260)	(16,310)	(12,910)
	Fund Balance January 1	85,563	72,794	53,134	53,251	36,941
	Fund Balance December 31	\$ 72,794	\$ 53,251	\$ 36,874	\$ 36,941	\$ 24,031

Fund: Non-Bonded Special Assessment Debt Service Fund 3070

Department Activities and Responsibilities:

This fund accounts for the special assessment payments received from property owners who were part of a street improvement project that the City did not issue bonds to pay for the construction costs.

In 2010, the White Bear Area YMCA renovated and expanded their facility through 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. A tax levy and a transfer from the Marina Fund supported the repayment of the internal loan.

In 2018, the City Council entered into a partnership with the White Bear Lake Area Hockey Association to renovate the ice arena at the City-owned Sports Center. The City Council redirected the tax levy and marina revenues originally assigned to repay the internal loan for the YMCA to the debt service issued for the renovation. In December 2019, the City Council formalized their 2018 decision to redirect the monies used to repay the internal loan from November 2009 and rescind the internal loan repayment schedule to the Non-Bonded Fund set forth in Resolution No. 10604 by passing Resolution No. 12504. In 2020 and 2021, this fund assisted the Marina Fund in repaying the final amounts due to the Insurance Fund for its portion of the internal loan.

As mentioned above, 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 of \$500,000 at the completion of the renovation and annual payments up to \$2 million dollars for 20 years to assist in paying debt service costs. Annual contributions for the loan began in 2019.

This fund holds the annual payments from the Hockey Association and transfers amounts to the debt service fund as needed to ensure compliance with arbitrage rules. The Association's annual principal and interest payments as of December 31, 2023 are as follows:

Fund: Non-Bonded Special Assessment Debt Service Fund 3070

Year	Principal	Interest	Total	Rate
2024	\$ 87,551	\$ 50,259	\$ 137,810	3.27%
2025	90,414	47,396	137,810	3.27%
2026	93,370	44,439	137,810	3.27%
2027	96,423	41,386	137,810	3.27%
2028	99,576	38,233	137,810	3.27%
2029	102,833	34,977	137,810	3.27%
2030	106,195	31,614	137,810	3.27%
2031	109,668	28,142	137,810	3.27%
2032	113,254	24,556	137,810	3.27%
2033	116,957	20,852	137,810	3.27%
2034	120,782	17,028	137,810	3.27%
2035	124,731	13,078	137,810	3.27%
2036	128,810	8,999	137,810	3.27%
2037	133,022	4,787	137,810	3.27%
2038	13,378	437	13,815	3.27%
Total	1,536,965	406,184	1,943,155	

Two bond issues covered the total expenditures for the Sports Center renovation project. The Association’s annual payments will cover the bond issue payments for the refrigeration equipment accounted for in the 2018A General Obligation Bond Debt Service Fund. The Association does have the option to prepay the loan without penalties. The tax levy previously assigned to repay the YMCA/Sports Center debt supports the annual debt service payments for the second bond issue accounted for in the 2018B General Obligation Tax Abatement Bonds Debt Service Fund.

Historically low interest rates in 2012 prompted the City to issue \$2,555,000 of general obligation improvement bonds. The special assessment payments collected in the fund pay the annual debt service obligations. Future transfers from this fund to the 2012 Special Assessment Debt Service Fund to meet debt service obligations are as follows:

Year	Amount
2024	\$ 170,000
2025	163,000
2026	155,000
2027	102,000
2028	70,000
Total	660,000

The City entered into an Energy Performance Contract with Trane Technologies in 2021 to implement energy efficiencies within the City facilities and operations. The Municipal Building Fund maintains the financial records to coordinate the funding and expenditures related to the contract.

Fund: Non-Bonded Special Assessment Debt Service Fund 3070

The City Council approved Resolution 12888 at their November 23, 2021 meeting creating a 15-year internal loan with a 1.5% interest rate to assist in financing the cost of the contract. The \$855,000 internal loan to the Municipal Building Fund consists of \$213,750 contributed from the Non-Bonded Fund and \$641,250 contributed from the Economic Development Fund. A portion of any energy savings in the General and Sports Center Funds will be transferred to the Municipal Building Fund to support repayment of the loans. No transfers are scheduled in the 2023 Budget because savings have not been recognized yet.

The City Council did adopt Resolution 12889 which declares an official intent of the City to be reimbursed for certain expenditures from the proceeds of bonds issued by the City for these costs in the event the City Council determines liquidity of these funds a more immediate priority than waiting for repayment of the internal loan. The City must issue any bonds to receive reimbursement for these expenditures within 3 years of the resolution approval, November 23, 2024. The repayment schedule is as follows:

Budget Summary:

In 2019, the White Bear Lake Hockey Association paid additional principal on the loan for the Sports Center renovation. In 2020, the Association's fundraising efforts were negatively impacted by the COVID-19 pandemic. The City and the Association reached an agreement that allowed the Association to reduce their 2020 principal payment by the amount of additional principal paid in 2020. In the 2021, the Association contribution returned to the annual principal and interest amount of \$137,810. The 2022 and 2023 Budgets transfer some of the Association's money to the 2018A General Obligation Debt Service Fund for the Sports Center debt service payment. The transfer varies each year based on the amount needed in the debt service to pay the annual debt service costs while complying with arbitrage rules.

The transfer to the 2012 Special Assessment Debt Service Fund covers the annual debt service costs for the budget year.

City of White Bear Lake
Non-Bonded Debt Service Fund (3070)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4210	Special assessments current	\$ 561,093	\$ 521,380	\$ 525,000	\$ 475,000	\$ 308,500
4215	Special assess. prepaid to county	100,341	90,311	48,000	30,000	48,000
4220	Special assessments prepaid to city	4,973	18,050	-	-	-
4225	Special assessments delinquent	9,846	6,825	10,000	6,800	10,000
4230	Special assess. penalties and interest	4,524	2,826	2,500	2,500	2,500
4955	Interest	11,271	(3,222)	11,800	-	-
5360	WBLHA debt service contribution	76,913	137,810	137,810	137,810	137,810
	Total revenues	<u>768,961</u>	<u>773,980</u>	<u>735,110</u>	<u>652,110</u>	<u>506,810</u>
Expenditures						
Other Services and Charges						
6401	Professional services	6,148	6,260	7,000	7,000	7,175
6560	Other contracted services	17,598	12,746	50,000	50,000	51,301
	Total other services and charges	<u>23,746</u>	<u>19,006</u>	<u>57,000</u>	<u>57,000</u>	<u>58,476</u>
Transfers Out						
7605	2012 Special Assessment Debt Service Fund	205,000	200,000	192,000	192,000	178,000
7605	2018A G.O. Debt Service Fund	-	170,000	140,000	140,000	145,000
7605	Municipal Building Fund	-	-	-	213,750	-
7605	Sewer Fund	-	-	-	-	-
7605	Ambulance Fund	200,000	-	-	-	-
7605	Insurance Fund	242,000	134,000	-	-	-
	Total transfers out	<u>647,000</u>	<u>504,000</u>	<u>332,000</u>	<u>545,750</u>	<u>323,000</u>
	Total expenditures	<u>670,746</u>	<u>523,006</u>	<u>389,000</u>	<u>602,750</u>	<u>381,476</u>
	Revenues over (under) expenditures	<u>98,215</u>	<u>250,974</u>	<u>346,110</u>	<u>49,360</u>	<u>125,334</u>
	Fund balance January 1	<u>404,761</u>	<u>502,976</u>	<u>493,236</u>	<u>753,950</u>	<u>803,310</u>
	Fund balance December 31	<u>\$ 502,976</u>	<u>\$ 753,950</u>	<u>\$ 839,346</u>	<u>\$ 803,310</u>	<u>\$ 928,644</u>

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. Property owner special assessment payments for the improvement benefiting their properties provide revenues to retire these bonds.

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, 2023, for the Special Assessment Bonds are as follows:

Year	Principal	Interest	Total	Rate
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	635,000	25,626	660,626	

City of White Bear Lake
Special Assessment 2012 Debt Service (3071)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
	Transfers In					
5205	Non-Bonded Fund	205,000	200,000	192,000	192,000	178,000
	Total revenues	205,000	200,000	192,000	192,000	178,000
Expenditures						
Debt Service						
7410	Principal	185,000	180,000	175,000	175,000	165,000
7420	Interest	19,802	17,660	15,310	15,310	12,806
	Total debt service	204,802	197,660	190,310	190,310	177,806
Other Services and Charges						
6401	Professional services	634	543	660	660	660
7430	Fiscal agent fees	500	500	500	500	500
	Total other services and charges	1,134	1,043	1,160	1,160	1,160
	Total expenditures	205,936	198,703	191,470	191,470	178,966
	Revenues over (under) expenditures	(936)	1,297	530	530	(966)
	Fund balance January 1	30,156	29,220	30,400	30,517	31,047
	Fund balance December 31	<u>\$ 29,220</u>	<u>\$ 30,517</u>	<u>\$ 30,930</u>	<u>\$ 31,047</u>	<u>\$ 30,081</u>

**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.

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

Budget Summary:

The 2020 actual expenditures include an allocation for interim arbitrage work required for compliance with IRS regulations. Arbitrage analysis will occur on the five-year anniversary of the issuance until the bond is paid.

The City’s principal obligation on the bond issue will total \$1,785,000 as of December 31, 2023. 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
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	1,785,000	347,754	2,132,754	

City of White Bear Lake
Tax Increment Bond Debt Service Boatworks Commons (3081)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
Transfers In						
5205	HRA Fund Boatworks Commons TIF	140,000	140,000	140,000	140,000	137,000
	Total revenues	140,000	140,000	140,000	140,000	137,000
Debt Service						
7410	Principal	80,000	85,000	90,000	90,000	90,000
7420	Interest	53,413	50,937	48,313	48,313	45,612
	Total debt service	133,413	135,937	138,313	138,313	135,612
Other Services and Charges						
6401	Professional services	4,383	2,543	660	660	660
7430	Fiscal agent fees	450	450	500	450	500
	Total other services and charges	4,833	2,993	1,160	1,110	1,160
	Total expenditures	138,246	138,930	139,473	139,423	136,772
	Revenues over (under) expenditures	1,754	1,070	527	577	228
	Fund balance January 1	29,427	31,181	32,133	32,251	32,828
	Fund balance December 31	\$ 31,181	\$ 32,251	\$ 32,660	\$ 32,828	\$ 33,056

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

Department Activities and Responsibilities:

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

A tax levy supports the annual debt service payments related to the street reconstruction project.

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.

Two bond issues covered the total expenditures for the project. The Hockey Association's annual payments cover the bond issue payments related to the refrigeration equipment accounted for in this fund. The tax levy previously assigned to repay the YMCA/Sports Center debt supports the annual debt service payments for the second bond issue accounted for in the 2018B General Obligation Bond Debt Service Fund.

Bonds maturing on or after February 1, 2027, are subject for early redemption call at par at the option of the City.

Budget Summary:

The White Bear Lake Hockey Association signed a financial agreement with the City on December 11, 2017, stating it agrees to make a contribution to the City to support the renovation work at the Sports Center. The Association paid \$500,000 in 2018 for initial project costs. In 2019, the Association began making their annual payments; total installments paid will equal an additional \$2,000,000 principal and associated interest at the bond issue rate. The 2019 and 2020 payments were initially recorded in this fund; however, the City moved those two payments to the Non-Bonded Special Assessment Fund to be compliant with arbitrage requirements. The Non-Bonded Special Assessment Fund will receive the future payments from the Hockey Association and make an annual transfer to this fund to provide revenues to support the debt service payment.

The 2020 actual expenditures include an allocation in the Professional Services account for interim arbitrage work required for compliance with IRS regulations. Arbitrage analysis will occur on every five-year anniversary of the issuance until the bond is paid.

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

As of December 31, 2023, the City's principal obligation on the debt is \$4,910,000. 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
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	3,335,000	924,264	1,575,000	447,634	6,281,898	

City of White Bear Lake

2018A GO Bonds for Street Reconstruction and Sports Center Refrigeration Equipment (3082)

Annual Budget

Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4015	Regular Levy street reconstruction	\$ 187,341	\$ 187,932	\$ 220,000	\$ 220,000	\$ 220,000
4025	Delinquent Property Taxes	743	79	-	-	-
4040	Fiscal Disparities	25,874	25,460	-	-	-
	Total property taxes	<u>213,958</u>	<u>213,471</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>
4210	Special Assessments Current	51,635	45,710	42,900	40,520	39,000
4215	Special Assess. Prepaid to County	28,590	41,502	-	5,725	-
4220	Special Assess. Prepaid to City	463	5,407	-	-	-
4225	Special Assessments Delinquent	828	443	-	230	-
4230	Special Assess. Penalties and Interest	170	73	-	-	-
4955	Interest	4,075	(817)	6,300	-	-
	Total operating and other revenues	<u>299,719</u>	<u>305,789</u>	<u>269,200</u>	<u>266,475</u>	<u>259,000</u>
Transfers In						
5205	Non-Bonded Debt Service Fund	-	170,000	140,000	140,000	145,000
	Total revenues	<u>299,719</u>	<u>475,789</u>	<u>409,200</u>	<u>406,475</u>	<u>404,000</u>
Expenditures						
Other Services and Charges						
6401	Professional services	3,135	543	660	660	660
6560	Contracted services	302	-	-	-	-
7430	Fiscal agent fees	500	500	500	550	550
	Total other services and charges	<u>3,937</u>	<u>1,043</u>	<u>1,160</u>	<u>1,210</u>	<u>1,210</u>
Debt Service						
7410	Principal	225,000	235,000	235,000	235,000	245,000
7420	Interest	188,081	181,182	172,956	172,956	163,356
	Total debt service	<u>413,081</u>	<u>416,182</u>	<u>407,956</u>	<u>407,956</u>	<u>408,356</u>
	Total expenditures	<u>417,018</u>	<u>417,225</u>	<u>409,116</u>	<u>409,166</u>	<u>409,566</u>
	Revenues over (under) expenditures	<u>(117,299)</u>	<u>58,564</u>	<u>84</u>	<u>(2,691)</u>	<u>(5,566)</u>
	Fund Balance January 1	<u>510,516</u>	<u>393,217</u>	<u>431,380</u>	<u>451,781</u>	<u>449,090</u>
	Fund Balance December 31	<u>\$ 393,217</u>	<u>\$ 451,781</u>	<u>\$ 431,464</u>	<u>\$ 449,090</u>	<u>\$ 443,524</u>

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

Department Activities and Responsibilities:

The City issued \$3,330,000 General Obligation Tax Abatement Bonds, Series 2018B on June 14, 2018, pursuant to Minnesota Statutes, Chapters 429 and 475 to finance the costs associated with renovation of the City's Sport Center facility. 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 and annual payments for 20 years to assist in paying debt service principal costs up to \$2 million dollars and the associated interest at the City's bond interest rate for the issue. Two bond issues cover the total expenditures for the project.

The tax levy previously assigned to repay the YMCA/Sports Center debt and a transfer in from the Marina Fund provide revenues to pay the annual debt service payments for the bond issue.

The Hockey Association's annual contributions cover the bond issue payments for the refrigeration equipment accounted for in the 2018A General Obligation Bond Debt Service Fund for Street Reconstruction and Sports Center Refrigeration Equipment.

Bonds maturing on or after February 1, 2027, are subject for early redemption call at par at the option of the City.

Budget Summary:

As of December 31, 2023, the City's principal obligation on the debt is \$2,815,000. Future principal and interest obligations on this debt by expense category are as follows:

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

Year	Principal	Interest	Total	Rate
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	2,815,000	797,257	3,612,257	

City of White Bear Lake
2018B GO Tax Abatement Bonds for Sports Center Renovations (3083)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4015	Regular Levy YMCA/Sports Center	\$ 112,404	\$ 112,759	\$ 132,000	\$ 132,000	\$ 132,000
4025	Delinquent Property Tax	446	47	-	-	-
4040	Fiscal Disparities	15,524	15,276	-	-	-
4955	Interest	724	(187)	3,200	-	-
	Total operating revenues	<u>129,098</u>	<u>127,895</u>	<u>135,200</u>	<u>132,000</u>	<u>132,000</u>
Transfers In						
5205	Marina Fund	<u>111,000</u>	<u>165,500</u>	<u>110,000</u>	<u>115,000</u>	<u>98,000</u>
	Total transfers in	<u>111,000</u>	<u>165,500</u>	<u>110,000</u>	<u>115,000</u>	<u>98,000</u>
	Total revenues	<u>240,098</u>	<u>293,395</u>	<u>245,200</u>	<u>247,000</u>	<u>230,000</u>
Expenditures						
Other Services and Charges						
6401	Professional services	3,134	543	660	660	3,660
7430	Fiscal agent fees	500	500	500	550	550
	Total other services and charges	<u>3,634</u>	<u>1,043</u>	<u>1,160</u>	<u>1,210</u>	<u>4,210</u>
Debt Service						
7410	Principal	125,000	125,000	130,000	130,000	135,000
7420	Interest	<u>103,125</u>	<u>99,374</u>	<u>95,550</u>	<u>95,550</u>	<u>91,575</u>
	Total debt service	<u>228,125</u>	<u>224,374</u>	<u>225,550</u>	<u>225,550</u>	<u>226,575</u>
	Total expenditures	<u>231,759</u>	<u>225,417</u>	<u>226,710</u>	<u>226,760</u>	<u>230,785</u>
	Revenues over (under) expenditures	<u>8,339</u>	<u>67,978</u>	<u>18,490</u>	<u>20,240</u>	<u>(785)</u>
	Fund balance January 1	<u>145,028</u>	<u>153,367</u>	<u>228,037</u>	<u>221,345</u>	<u>241,585</u>
	Fund balance December 31	<u>\$ 153,367</u>	<u>\$ 221,345</u>	<u>\$ 246,527</u>	<u>\$ 241,585</u>	<u>\$ 240,800</u>

Fund: 2019A General Obligation Improvement Bonds Debt Service Fund 3084

Department Activities and Responsibilities:

The \$1,925,000 General Obligation Improvement Bonds, Series 2019A issued on June 25, 2019, pursuant to Minnesota Statutes, Chapters 429 and 475 financed the costs associated with the City's annual street improvement project. 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, 2030, are callable February 1, 2029 or any date thereafter.

Budget Summary:

The 2022 Budget includes funding for interim arbitrage work required for compliance with IRS regulations in the Professional Services account. Arbitrage analysis reports will occur on every five-year anniversary of the issuance until the bond is paid.

As of December 31, 2023, the City's principal obligation on the debt is \$1,620,000. Future principal and interest obligations on this debt by expense category are as follows:

Year	Principal	Interest	Total	Rate
2024	\$ 105,000	\$ 53,100	\$ 158,100	4.000%
2025	110,000	48,800	158,800	4.000%
2026	110,000	44,400	154,400	4.000%
2027	110,000	40,000	150,000	4.000%
2028	110,000	35,600	145,600	4.000%
2029	115,000	31,100	146,100	4.000%
2030	115,000	27,075	142,075	3.000%
2031	95,000	23,925	118,925	3.000%
2032	100,000	21,000	121,000	3.000%
2033	100,000	18,000	118,000	3.000%
2034	100,000	15,000	115,000	3.000%
2035	100,000	12,000	112,000	3.000%
2036	65,000	9,525	74,525	3.000%
2037	65,000	7,575	72,575	3.000%
2038	70,000	5,550	75,550	3.000%
2039	75,000	3,375	78,375	3.000%
2040	75,000	1,125	76,125	3.000%
Total	<u>1,620,000</u>	<u>397,150</u>	<u>2,017,150</u>	

City of White Bear Lake
2019A GO Street Reconstruction Bonds Debt Service Fund (3084)

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4015	General property tax levy	\$ 70,579	\$ 70,802	\$ 81,000	\$ 81,000	\$ 80,000
4025	Delinquent property tax	280	30	-	-	-
4040	Fiscal disparities	9,748	9,617	-	-	-
4210	Special assessments current	59,385	49,456	46,110	44,100	42,800
4215	Special assess. prepaid to county	39,121	17,507	-	-	-
4220	Special assess. prepaid to city	1,025	1,102	-	-	-
4225	Special Assessments Delinquent	-	416	-	-	-
4230	Special assess.penalties and interest	52	124	-	-	-
4955	Interest	6,288	(1,780)	6,200	-	-
	Total revenues	<u>186,478</u>	<u>147,274</u>	<u>133,310</u>	<u>125,100</u>	<u>122,800</u>
Expenditures						
Other Services and Charges						
6401	Professional services	634	543	3,160	4,410	660
7430	Fiscal agent fees	475	950	500	550	550
	Total other services and charges	<u>1,109</u>	<u>1,493</u>	<u>3,660</u>	<u>4,960</u>	<u>1,210</u>
Debt Service						
7410	Principal	-	100,000	100,000	100,000	105,000
7420	Interest	69,834	65,399	61,400	61,400	57,300
	Total expenditures	<u>70,943</u>	<u>166,892</u>	<u>165,060</u>	<u>166,360</u>	<u>163,510</u>
	Revenues over (under) expenditures	<u>115,535</u>	<u>(19,618)</u>	<u>(31,750)</u>	<u>(41,260)</u>	<u>(40,710)</u>
	Fund balance January 1	<u>347,721</u>	<u>463,256</u>	<u>437,316</u>	<u>443,638</u>	<u>402,378</u>
	Fund balance December 31	<u>\$ 463,256</u>	<u>\$ 443,638</u>	<u>\$ 405,566</u>	<u>\$ 402,378</u>	<u>\$ 361,668</u>

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Fund: 2020A General Obligation Bonds Debt Service Fund 3085

Department Activities and Responsibilities:

On July 16, 2020, the City issued General Obligation Bonds, Series 2020A in an aggregate principal amount of \$4,440,000. The bond issuance consists of:

\$2,450,000 for General Obligation Improvement Bonds issued pursuant to Minnesota Statutes, Chapters 429 and 475 to finance the costs associated with the City's annual street improvement project.

\$1,130,000 for General Obligation Equipment Certificates issued pursuant to Minnesota Statutes chapter 475 and Minnesota Statutes, Sections 410.32 and 412.301 to finance the purchase of capital equipment.

\$860,000 for General Obligation Utility Revenue Bonds issued pursuant to Minnesota Statutes, Chapters 444 and 475 to provide financing for utility improvements.

This fund accounts for payments related to the General Obligation Improvement Bonds and the General Obligation Equipment Certificates. The Water Fund in the Enterprise Fund section accounts for the payments related to the General Obligation Utility Revenue Bonds.

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, 2031, are callable February 1, 2030 or any date thereafter.

Budget Summary:

The 2023 Budget includes funding for interim arbitrage work required for compliance with IRS regulations in the Professional Services account. Arbitrage analysis reports will occur on every five-year anniversary of the issuance until the bond is paid.

As of December 31, 2023, the City's principal obligation on the debt is \$3,075,000. Future principal and interest obligations on this debt by expense category are as follows:

Fund: 2020A General Obligation Bonds Debt Service Fund 3085

Year	GO Improve. Principal	GO Improve. Interest	GO Equipment Principal	GO Equipment Interest	Total	Rate
2024	\$ 140,000	\$ 51,550	\$ 120,000	\$ 25,350	\$ 336,900	3.000%
2025	145,000	47,275	120,000	21,750	334,025	3.000%
2026	145,000	42,925	125,000	18,075	331,000	3.000%
2027	145,000	38,575	130,000	14,250	327,825	3.000%
2028	150,000	34,150	135,000	10,275	329,425	3.000%
2029	150,000	29,650	135,000	6,225	320,875	3.000%
2030	150,000	25,150	140,000	2,100	317,250	3.000%
2031	155,000	21,350	-	-	176,350	2.000%
2032	100,000	18,800	-	-	118,800	2.000%
2033	105,000	16,750	-	-	121,750	2.000%
2034	105,000	14,650	-	-	119,650	2.000%
2035	105,000	12,550	-	-	117,550	2.000%
2036	110,000	10,400	-	-	120,400	2.000%
2037	90,000	8,400	-	-	98,400	2.000%
2038	90,000	6,600	-	-	96,600	2.000%
2039	95,000	4,750	-	-	99,750	2.000%
2040	95,000	2,850	-	-	97,850	2.000%
2041	95,000	950	-	-	95,950	2.000%
Total	2,170,000	387,325	905,000	98,025	3,560,350	

City of White Bear Lake

2020A GO Street Reconstruction and Equipment Certificates Bonds Debt Service Fund (3085)

Annual Budget

Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4015	General property tax levy	\$ -	\$ 226,393	\$ 259,000	\$ 259,000	\$ 258,000
4040	Fiscal disparities	-	30,725	-	-	-
4210	Special assessments current	-	60,976	51,855	25,800	35,400
4215	Special assess. prepaid to county	-	-	-	33,495	-
4220	Special assessments prepaid to city	-	40,724	-	750	-
4230	Special Assessments Penalties and Interest	-	104	-	-	-
4955	Interest	471	(1,503)	-	-	-
5324	Bond issuance fees	51,973	-	-	-	-
	Total operating and other revenues	52,444	357,419	310,855	319,045	293,400
Transfers In						
5205	Construction Fund	-	316,892	-	-	-
	Total revenues	52,444	674,311	310,855	319,045	293,400
Expenditures						
Other Services and Charges						
6401	Professional services	-	543	660	660	4,410
7430	Fiscal agent fees	-	475	500	550	550
	Total other services and charges	-	1,018	1,160	1,210	4,960
Debt Service						
7410	Principal	-	-	250,000	250,000	255,000
7420	Interest	-	99,947	92,200	92,200	84,625
	Total expenditures	-	100,965	343,360	343,410	344,585
	Revenues over (under) expenditures	52,444	573,346	(32,505)	(24,365)	(51,185)
	Fund balance January 1	-	52,444	604,768	625,790	601,425
	Fund balance December 31	\$ 52,444	\$ 625,790	\$ 572,263	\$ 601,425	\$ 550,240

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Fund: 2021A General Obligation Bonds Debt Service Fund 3086

Department Activities and Responsibilities:

On June 17, 2021, the City issued General Obligation Bonds, Series 2021A in an aggregate principal amount of \$4,280,000. The bond issuance consists of:

\$1,335,000 for General Obligation Improvement Bonds issued pursuant to Minnesota Statutes, Chapters 429 and 475 to finance the costs associated with the City's annual street improvement project.

\$480,000 for General Obligation Equipment Certificates issued pursuant to Minnesota Statutes chapter 475 and Minnesota Statutes, Sections 410.32 and 412.301 to finance the purchase of capital equipment.

\$2,465,000 for General Obligation Utility Revenue Bonds issued pursuant to Minnesota Statutes, Chapters 444 and 475 to provide financing for utility improvements.

This fund accounts for payments related to the General Obligation Improvement Bonds and the General Obligation Equipment Certificates. The Water Fund in the Enterprise Fund section accounts for the payments related to the General Obligation Utility Revenue Bonds.

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, 2031, are callable February 1, 2030 or any date thereafter.

Budget Summary:

As of December 31, 2023, the City's principal obligation on the debt is \$1,645,000. Future principal and interest obligations on this debt by expense category are as follows:

Fund: 2021A General Obligation Bonds Debt Service Fund 3086

Year	GO Improve. Principal	GO Improve. Interest	GO Equipment Principal	GO Equipment Interest	Total	Rate
2024	\$ 120,000	\$ 22,300	\$ 50,000	\$ 8,225	\$ 200,525	2.500%
2025	120,000	19,600	50,000	7,100	196,700	2.000%
2026	120,000	17,200	50,000	6,100	193,300	2.000%
2027	125,000	14,750	55,000	5,050	199,800	2.000%
2028	125,000	12,250	55,000	3,950	196,200	2.000%
2029	125,000	9,750	55,000	2,850	192,600	2.000%
2030	130,000	7,200	55,000	1,750	193,950	2.000%
2031	130,000	4,600	60,000	600	195,200	2.000%
2032	130,000	2,325	-	-	132,325	1.500%
2033	90,000	675	-	-	90,675	1.500%
Total	1,215,000	110,650	430,000	35,625	1,791,275	

City of White Bear Lake
2021A GO Street Reconstruction and Equipment Certificates Bonds Debt Service Fund (3086)

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4015	General property tax levy	\$ -	\$ -	\$ 163,000	\$ 163,000	\$ 161,000
4210	Special assessments current	-	-	30,000	22,600	22,100
4215	Special assess. prepaid to county	-	-	-	6,473	-
4220	Special assessments prepaid to city	-	169,819	-	-	-
4955	Interest	-	(66)	-	-	-
5324	Bond issuance fees	-	22,961	-	-	-
	Total operating and other revenues	-	192,714	193,000	192,073	183,100
Expenditures						
Other Services and Charges						
6401	Professional services	-	-	660	660	660
7430	Fiscal agent fees	-	-	500	550	550
	Total other services and charges	-	-	1,160	1,210	1,210
Debt Service						
7410	Principal	-	-	-	-	170,000
7420	Interest	-	-	41,410	41,410	34,775
	Total debt service	-	-	41,410	41,410	204,775
	Total expenditures	-	-	42,570	42,620	205,985
	Revenues over (under) expenditures	-	192,714	150,430	149,453	(22,885)
	Fund balance January 1	-	-	57,960	192,714	342,167
	Fund balance December 31	\$ -	\$ 192,714	\$ 208,390	\$ 342,167	\$ 319,282

Fund: 2022A General Obligation Bonds Debt Service Fund 3087

Department Activities and Responsibilities:

On June 2, 2022, the City issued General Obligation Bonds, Series 2022A in an aggregate principal amount of \$3,010,000. The bond issuance consists of:

\$3,010,000 for General Obligation Improvement Bonds issued pursuant to Minnesota Statutes, Chapters 429 and 475 to finance the costs associated with the City's annual street improvement project.

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, 2032, are callable February 1, 2031 or any date thereafter.

Budget Summary:

As of December 31, 2023, the City's principal obligation on the debt is \$3,010,000. Future principal and interest obligations on this debt by expense category are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2024	\$ 175,000	\$ 90,097	\$ 265,097	3.000%
2025	180,000	84,772	264,772	3.000%
2026	180,000	79,372	259,372	3.000%
2027	185,000	73,897	258,897	3.000%
2028	190,000	68,272	258,272	3.000%
2029	195,000	62,497	257,497	3.000%
2030	195,000	56,647	251,647	3.000%
2031	200,000	50,722	250,722	3.000%
2032	205,000	44,648	249,648	3.000%
2033	205,000	38,396	243,396	3.100%
2034	210,000	31,963	241,963	3.100%
2035	215,000	25,268	240,268	3.200%
2036	220,000	18,308	238,308	3.200%
2037	225,000	11,132	236,132	3.250%
2038	230,000	3,738	233,738	3.250%
Total	<u>3,010,000</u>	<u>739,729</u>	<u>3,749,729</u>	

City of White Bear Lake

2022A GO Street Reconstruction and Equipment Certificates Bonds Debt Service Fund (3087)

Annual Budget

Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4015	General property tax levy	\$ -	\$ -	\$ -	\$ -	\$ 202,000
4210	Special assessments current	-	-	-	-	79,317
5324	Bond issuance fees	-	-	-	61,557	-
	Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,557</u>	<u>281,317</u>
Expenditures						
Other Services and Charges						
6401	Professional services	-	-	-	660	660
7430	Fiscal agent fees	-	-	-	550	550
	Total other services and charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,210</u>	<u>1,210</u>
Debt Service						
7420	Interest	-	-	-	-	107,920
	Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,210</u>	<u>109,130</u>
	Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,347</u>	<u>172,187</u>
	Fund balance January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,347</u>
	Fund balance December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,347</u>	<u>\$ 232,534</u>

Fund: 2022B General Obligation Bonds Debt Service Fund 3088

Department Activities and Responsibilities:

The City will be issuing General Obligation Bonds, Series 2022B in an aggregate principal amount of \$6,990,000 in December 2022. The bond issuance consists of:

\$6,990,000 for General Obligation Capital Improvement Bonds issued pursuant to Minnesota Statutes, Chapter 475 is the first of two issues to finance the costs associated with the Public Safety Facility renovation project.

The bonds are a general obligation of the City for which the City pledges its full faith, credit, and taxing powers for the repayment.

Budget Summary:

The City levied an amount to pay the debt service in 2023. The debt service principal and interest schedule will be added to this narrative once the debt is issued.

City of White Bear Lake
2022B General Obligation Bonds Debt Service Fund (3088)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
	Revenues					
4015	General property tax levy	\$ -	\$ -	\$ -	\$ -	\$ 365,000
	Total revenues	-	-	-	-	365,000
	Expenditures					
	Other Services and Charges					
6401	Professional services	-	-	-	-	660
7430	Fiscal agent fees	-	-	-	-	550
	Total other services and charges	-	-	-	-	1,210
	Debt Service					
7420	Interest	-	-	-	-	188,000
	Total debt service	-	-	-	-	188,000
	Total expenditures	-	-	-	-	189,210
	Revenues over (under) expenditures	-	-	-	-	175,790
	Fund balance January 1	-	-	-	-	-
	Fund balance December 31	\$ -	\$ -	\$ -	\$ -	\$ 175,790

Fund: 2023A General Obligation Bonds Debt Service Fund 3089

Department Activities and Responsibilities:

The City will be issuing General Obligation Bonds, Series 2022B in an aggregate principal amount of \$10,000,000 in 2023. The bond issuance consists of:

\$10,000,000 for General Obligation Capital Improvement Bonds issued pursuant to Minnesota Statutes, Chapter 475 are the second of two issues to finance the costs associated with the Public Safety Facility renovation project.

The bonds are a general obligation of the City for which the City pledges its full faith, credit, and taxing powers for the repayment.

Budget Summary:

The City levied an amount to pay the debt service in 2023. The debt service principal and interest schedule will be added to this narrative once the debt is issued.

City of White Bear Lake
2023A GO CIP Bonds Debt Service Fund (3089)

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
	Revenues					
4015	General property tax levy	\$ -	\$ -	\$ -	\$ -	\$ 304,000
	Total revenues	-	-	-	-	304,000
	Expenditures					
	Other Services and Charges					
6401	Professional services	-	-	-	-	660
7430	Fiscal agent fees	-	-	-	-	550
	Total other services and charges	-	-	-	-	1,210
	Revenues over (under) expenditures	-	-	-	-	302,790
	Fund balance January 1	-	-	-	-	-
	Fund balance December 31	\$ -	\$ -	\$ -	\$ -	\$ 302,790

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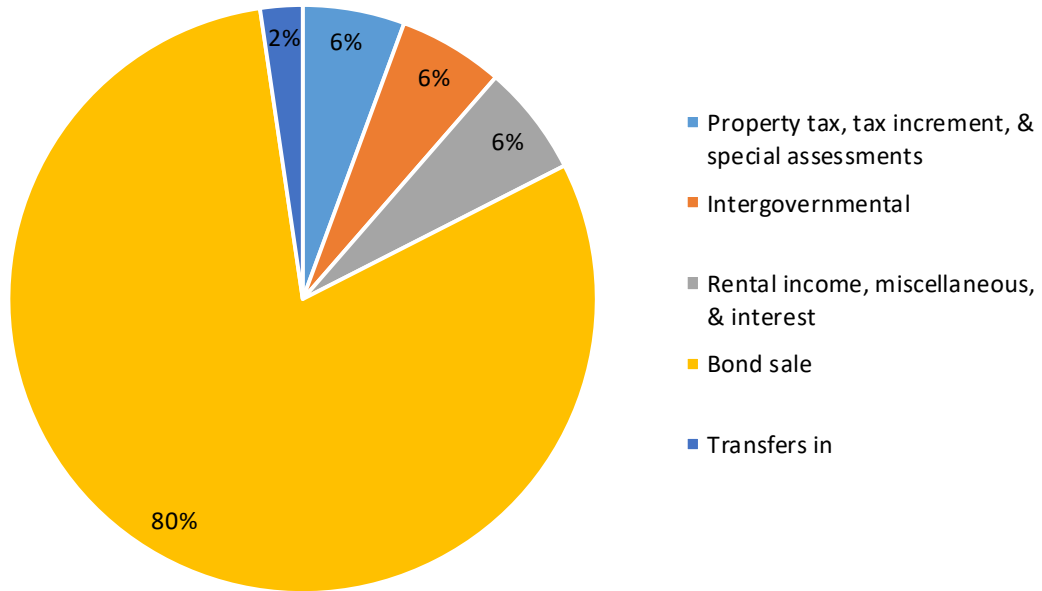
City of White Bear Lake
Capital Project Funds

Annual Budget

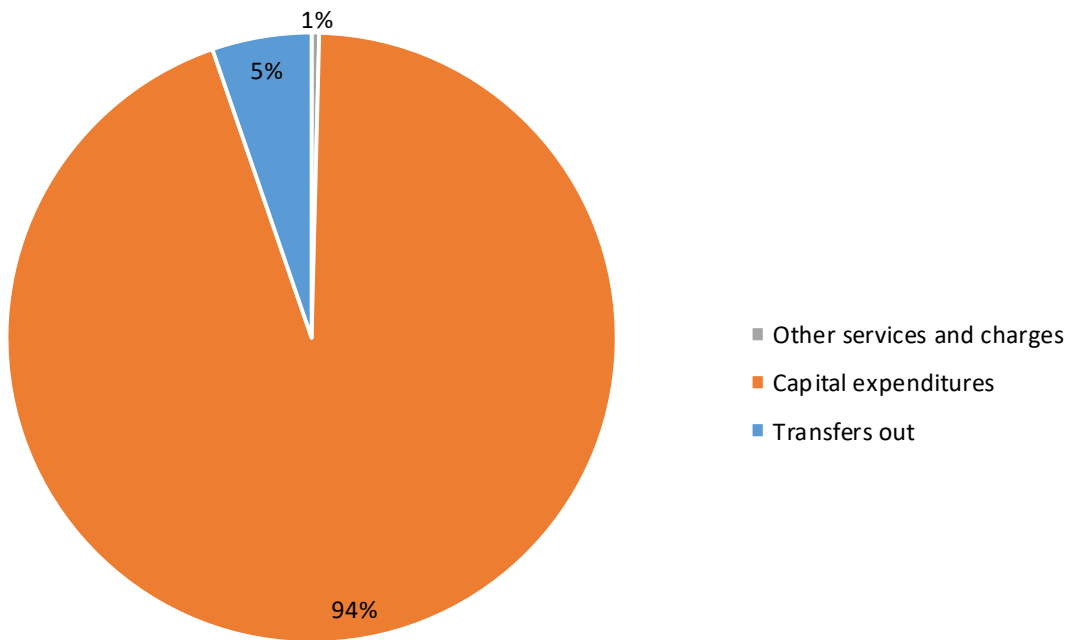
Item	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenues					
Property tax	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Tax increment	593,063	661,056	593,000	623,000	626,000
Special Assessment	496,306	101,050	50,000	142,954	75,000
Intergovernmental	1,263,300	1,168,531	796,200	1,001,969	721,200
Interest	307,293	(90,907)	223,568	112,793	109,244
Rental income	466,819	533,388	473,000	409,239	504,950
Miscellaneous	383,653	818,982	101,000	434,289	146,000
Bond sale	3,869,998	1,893,759	16,669,000	9,958,289	10,000,000
Transfers in	745,943	1,093,144	248,900	2,949,224	290,000
Total revenues	<u>8,151,375</u>	<u>6,204,003</u>	<u>19,179,668</u>	<u>15,656,757</u>	<u>12,472,394</u>
Expenditures					
Other services and charges	108,943	98,526	143,875	79,742	74,325
Capital expenditures	5,412,339	4,496,109	20,569,757	7,388,348	17,570,126
Transfers out	2,043,687	1,699,292	1,200,400	2,477,163	982,500
Total expenditures	<u>7,564,969</u>	<u>6,293,927</u>	<u>21,914,032</u>	<u>9,945,253</u>	<u>18,626,951</u>
Revenues over (under) expenditures	<u>586,406</u>	<u>(89,924)</u>	<u>(2,734,364)</u>	<u>5,711,504</u>	<u>(6,154,557)</u>
Reserve adjustment (to) from	(3,823)	5,488	-	42,210	-
Fund balance, January 1	<u>17,349,358</u>	<u>17,931,941</u>	<u>18,038,605</u>	<u>17,847,505</u>	<u>23,601,219</u>
Fund balance, December 31	<u>\$ 17,931,941</u>	<u>\$ 17,847,505</u>	<u>\$ 15,304,241</u>	<u>\$ 23,601,219</u>	<u>\$ 17,446,662</u>
Reserves	<u>47,698</u>	<u>42,210</u>	<u>42,210</u>	<u>-</u>	<u>-</u>
Total fund balance and reserves, December 31	<u>\$ 17,979,639</u>	<u>\$ 17,889,715</u>	<u>\$ 15,346,451</u>	<u>\$ 23,601,219</u>	<u>\$ 17,446,662</u>

2023 Capital Project Funds

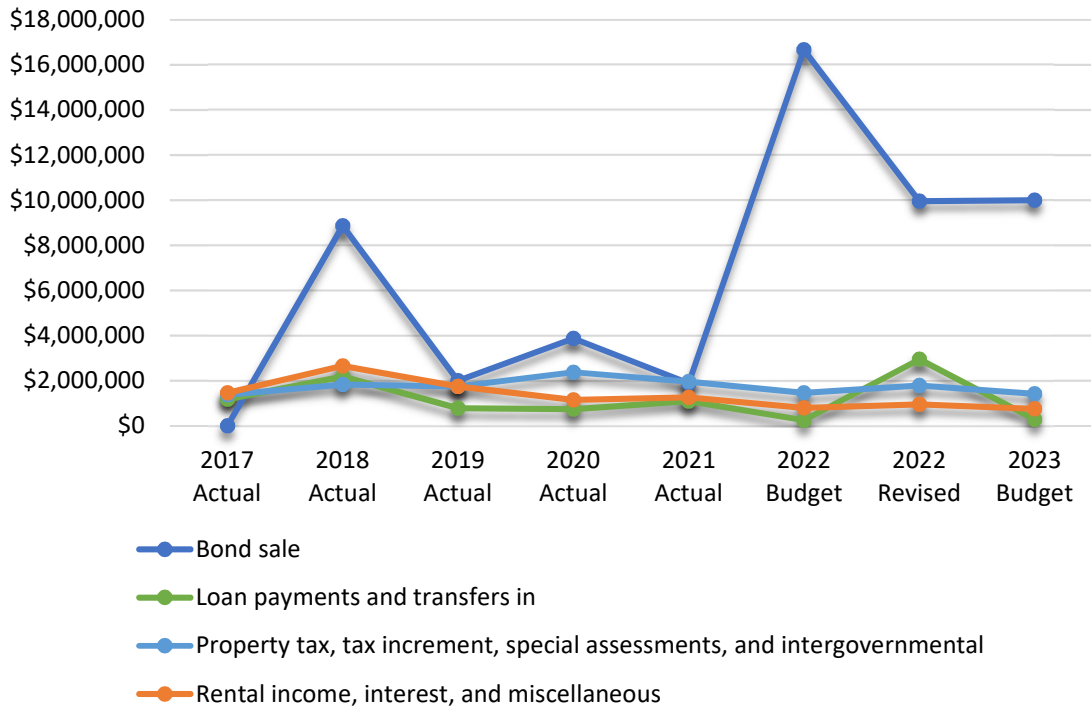
Total Revenues \$12,472,394



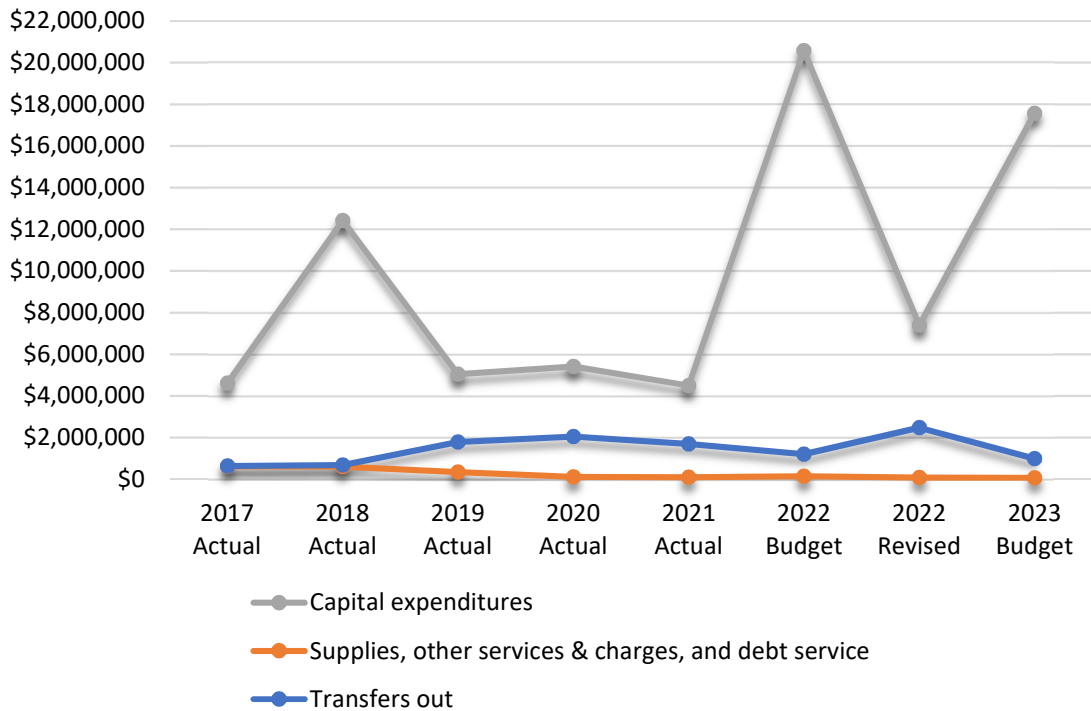
Total Expenditures \$18,626,951



Capital Project Funds Revenue Trend Analysis



Capital Project Funds Expenditure Trend Analysis



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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.

Budget Summary:

Prior to 2019, this Fund received a portion of the annual tax levy to support capital projects. During that time Local Government Aid (LGA) from the State of Minnesota provided revenue support to the General Fund. Given the uncertainty surrounding the annual State aid payments, the 2019 budget moved the tax levy allocation to the General Fund to support operations and replaced the revenue stream with a portion of the annual LGA payment. The intent to modify capital expenditures if the aid were reduced or eliminated during the year. The 2019 and 2020 Budgets followed this philosophy.

However, the financial philosophy changed in 2021 when the LGA distribution formula reduced the City's annual aid allocation, prompting the removal of the funding source during the budget preparation process. Investigation into the aid reduction indicated continued loss of funding in future years based on the City's high tax base growth when compared to other communities and a growing tax base per capita. Each year the City's LGA allocations will continue to decrease until the balance reaches zero. Loss of this revenue stream requires the City to consider other funding mechanisms and rely on the long range financial management plan to strategize options for capital purchases and projects.

The key revenue sources in the fund are lease payments for cell tower sites on City properties and the franchise fee from the Ramsey Washington Cable Commission. A restructuring of the franchise fee distribution calculation and a reduction of the distributable amount lessens the amount Ramsey-Washington Cable will pay the City in 2022 and 2023 as customers choose options other than cable for television and internet service.

In lieu of issuing debt to purchase capital equipment in 2022, the City applied a portion of the calculated revenue loss amount covered by the American Rescue Plan Aid (ARPA) of 2021 to acquire scheduled equipment purchases. Strong financial planning activities and the savings realized in this fund by utilizing the ARPA resources in 2022 eliminates the bonding needs for 2023 and reduces needs in 2024.

The following page summarizes the total proposed expenditures by department. Even though the budget allocates resources for these expenditures, each item included in the total will undergo a detailed analysis and review before final approval authorizes the purchase. Funding for capital replacements could move to future years' budgets based on unanticipated maintenance issues or budget reductions during the year.

A detailed discussion of the City's five year Capital Improvement Plan and purchases or projects funded by this budget is in the Summary Data section of the document.

City of White Bear Lake
Equipment Acquisition Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604	Federal grants	\$ 13,403	\$ -	\$ -	\$ -	\$ -
4624	Local government aid	195,000	-	-	-	-
4682.2	Intergovernmental capital contribution	1,130	1,986	1,200	2,116	1,200
4955	Interest	32,979	(10,742)	18,275	-	-
4975	Rental income - cell towers	440,555	513,794	455,000	385,429	490,000
5010	Sale of equipment	44,704	113,217	-	87,437	20,000
5350	Miscellaneous	-	-	-	1,324	-
5360	Ramsey Washington Cable	234,579	163,096	100,000	145,190	125,000
5360	Refunds and reimbursements	-	2,529	-	512	-
5105	Bond proceeds	1,249,183	503,601	-	-	-
	Total operating revenues	<u>2,211,533</u>	<u>1,287,481</u>	<u>574,475</u>	<u>622,008</u>	<u>636,200</u>
Transfers In						
5205	General Fund	300,000	400,000	-	-	-
5205	Economic Development Fund	59,583	-	-	-	-
5205	Insurance Fund	-	-	-	-	-
	Total transfers in	<u>359,583</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>2,571,116</u>	<u>1,687,481</u>	<u>574,475</u>	<u>622,008</u>	<u>636,200</u>
Expenditures						
	Capital	<u>1,323,094</u>	<u>1,529,458</u>	<u>1,141,320</u>	<u>954,780</u>	<u>1,389,950</u>
Transfers out						
	Sewer Fund	8,215	-	-	-	-
	Ambulance Fund	-	-	250,000	17,000	233,000
	Total transfers out	<u>8,215</u>	<u>-</u>	<u>250,000</u>	<u>17,000</u>	<u>233,000</u>
	Total expenditures	<u>1,331,309</u>	<u>1,529,458</u>	<u>1,391,320</u>	<u>971,780</u>	<u>1,622,950</u>
	Revenues over (under) expenditures	<u>1,239,807</u>	<u>158,023</u>	<u>(816,845)</u>	<u>(349,772)</u>	<u>(986,750)</u>
	Fund balance January 1	<u>1,047,732</u>	<u>2,287,539</u>	<u>2,360,889</u>	<u>2,445,562</u>	<u>2,095,790</u>
	Fund balance December 31	<u>\$ 2,287,539</u>	<u>\$ 2,445,562</u>	<u>\$ 1,544,044</u>	<u>\$ 2,095,790</u>	<u>\$ 1,109,040</u>

**City of White Bear Lake
Equipment Acquisition Fund**

Annual Budget

Business Unit	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
4102	City Hall	\$ 67,136	\$ 19,007	\$ 17,400	\$ 22,650	\$ 101,700
4102	Technology	39,470	93,803	207,600	139,600	164,500
4104	Building	32,294	33,464	38,500	35,000	38,500
4106	Streets and Snow Removal	169,111	450,275	295,795	132,630	-
4105	Engineering	-	36,597	9,000	9,000	-
4107	Parks	580	102,740	193,000	191,000	75,000
4108	Police	256,341	248,055	97,000	113,755	321,250
4109	Fire	687,657	448,142	37,425	76,725	612,000
4116	City Wide Improvements	-	24,653	60,000	60,950	20,000
4117	Communication Towers	49,847	40,668	25,000	25,000	25,000
4118	Public Works Facility	18,666	9,941	39,000	53,370	25,000
4119	Sports Center	1,992	22,113	121,600	95,100	7,000
	Transfers out	8,215	-	250,000	17,000	233,000
	Total	\$ 1,331,309	\$ 1,529,458	\$ 1,391,320	\$ 971,780	\$ 1,622,950

Fund: Municipal Building Fund 4300

Department Activities and Responsibilities:

The Municipal Building Fund accounts for the sources and uses associated with development or renovation of City facilities.

The City's Community Counseling Center merged with Northeast Youth and Family Services (NYFS) in 2012. The merger allows NYFS to rent the counseling center facility if the center's purpose assists community mental health needs of the greater White Bear area. A portion of the rent paid by NYFS is used to offset future facility improvement projects in this Fund.

Budget Summary:

Prior to 2019, this Fund received a portion of the annual tax levy to support capital projects. During that time Local Government Aid (LGA) from the State of Minnesota provided revenue support to the General Fund. Given the uncertainty surrounding the annual State aid payments, the 2019 budget moved the tax levy allocation to the General Fund to support operations and replaced the revenue stream with a portion of the annual LGA payment. The intent to modify capital expenditures if the aid were reduced or eliminated during the year. The 2019 and 2020 Budgets followed this philosophy.

However, the financial philosophy changed in 2021 when the LGA distribution formula reduced the City's annual aid amount. Revenue allocations continued in this budget for 2021 and 2022 years as the loss of aid for each year was handled through elimination of the distribution to the Equipment Acquisition Fund. Investigation into the aid reduction indicated continued loss of funding in future years based on the City's high tax base growth when compared to other communities and a growing tax base per capita. The aid reduction for 2023 prompted removal of the funding source during the budget preparation process. Each year the City's LGA allocations will continue to decrease until the balance reaches zero. Loss of this revenue stream requires the City to consider other funding mechanisms and rely on the long range financial management plan to strategize options for capital purchases and projects.

The 2022 and 2023 Budgets anticipates issuing bonds in each year to fund a building expansion project at the Public Safety Facility.

In recent years the General Fund experienced a considerable increase in fund balance due to building permit revenues from the White Bear Lake Area School District's multi-year improvement plan to district facilities and other redevelopment projects. In 2021, the General Fund made a one-time transfer to support future building projects. In 2022, the General Fund transfer provided a funding source for the City Hall Air Handler and Elevator replacement projects.

In September 2022, the City Council approved a purchase agreement to sell the Armory building to the Historical Society. The 2022 Revised Budget includes revenue from the transfer of the remaining fund balance from the Armory Fund.

Fund: Municipal Building Fund 4300

The City entered into an Energy Performance Contract with Trane Technologies in 2021 to implement energy efficiencies within the City facilities and operations. The Municipal Building Fund will maintain the financial records to coordinate the funding and expenditures related to the contract.

The City Council approved Resolution 12888 at their November 23, 2021 meeting creating a 15-year internal loan with a 1.5% interest rate to assist in financing the cost of the contract. The \$855,000 internal loan to the Municipal Building Fund consists of \$213,750 contributed from the Non-Bonded Fund and \$641,250 contributed from the Economic Development Fund. A portion of any energy savings in the General Fund and the Sports Center Fund will be transferred to the Municipal Building Fund to support repayment of the loans. No transfers are scheduled in the 2023 Budget because savings have not been recognized yet.

In addition to the internal loan, the fund received transfers from the American Rescue Plan Aid Fund, the Park Improvement Fund and the Water Fund to pay for the improvement projects.

The City Council did adopt Resolution 12889 which declares an official intent of the City to be reimbursed for certain expenditures from the proceeds of bonds issued by the City for these costs in the event the City Council determines liquidity of these funds a more immediate priority than waiting for repayment of the internal loan. The City must issue any bonds to receive reimbursement for these expenditures within 3 years of the resolution approval, November 23, 2024.

The following page summarizes the total proposed expenditures by department. Even though the budget allocates resources for these expenditures, each item included in the total will undergo a detailed analysis and review before final approval authorizes the purchase. Funding for capital replacements could move to future years' budgets based on unanticipated maintenance issues or budget reductions during the year.

A detailed discussion of the City's five year Capital Improvement Plan and purchases or projects funded by this budget is in the Summary Data section of the document.

City of White Bear Lake
Municipal Building Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604	Federal grants	\$ 22,398	\$ 338,171	\$ -	\$ -	\$ -
4624	Local government aid	100,000	131,318	100,000	100,000	-
4955	Interest	16,598	(5,917)	10,000	-	-
4975	Rental income - Counseling Center	6,000	6,000	6,000	6,000	3,450
4990	Donations	-	20,000	-	-	-
5105	Bond sale proceeds	-	-	13,369,000	6,990,000	10,000,000
	Total operating revenues	<u>144,996</u>	<u>489,572</u>	<u>13,485,000</u>	<u>7,096,000</u>	<u>10,003,450</u>
Transfers In						
5205	Armory Fund	10,000	10,000	10,000	40,286	-
5205	Economic Development Fund	62,460	-	-	641,250	-
5205	Non Bonded Fund	-	-	-	213,750	-
5205	Park Improvement Fund	-	231,000	-	-	-
5205	Community Reinvestment Fund	50,000	50,000	50,000	50,000	75,000
5205	Water Fund	-	13,244	-	-	-
5205	General Fund	-	200,000	-	323,485	-
	Total transfers in	<u>122,460</u>	<u>504,244</u>	<u>60,000</u>	<u>1,268,771</u>	<u>75,000</u>
	Total revenues	<u>267,456</u>	<u>993,816</u>	<u>13,545,000</u>	<u>8,364,771</u>	<u>10,078,450</u>
Expenditures						
	Capital	<u>275,048</u>	<u>1,056,236</u>	<u>14,663,101</u>	<u>2,320,042</u>	<u>14,597,500</u>
	Revenues over (under) expenditures	<u>(7,592)</u>	<u>(62,420)</u>	<u>(1,118,101)</u>	<u>6,044,729</u>	<u>(4,519,050)</u>
	Fund Balance January 1	<u>924,875</u>	<u>917,283</u>	<u>1,373,518</u>	<u>854,863</u>	<u>6,899,592</u>
	Fund Balance December 31	<u>\$ 917,283</u>	<u>\$ 854,863</u>	<u>\$ 255,417</u>	<u>\$ 6,899,592</u>	<u>\$ 2,380,542</u>

City of White Bear Lake
Municipal Building Fund

Annual Budget

Business Unit	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
4304	City Hall	\$ 100,411	\$ 70,619	\$ 160,900	\$ 163,200	\$ 290,500
4306	Community Counseling Center	-	-	-	9,500	-
4308	Armory	8,899	2,650	125,000	-	-
4310	Public Safety Facility	47,919	430,026	13,117,500	713,100	14,112,500
4312	Fire Station 1	8,600	-	2,500	-	-
4314	Fire Station 2	67,689	41,815	186,473	163,433	27,500
4316	Public Works Facility	41,129	39,277	336	336	11,500
4320	Sports Center	-	120,777	20,500	17,000	45,500
4321	General City Wide Improvements	401	-	25,000	-	25,000
4322	Boatworks Commons	-	2,071	-	-	-
4323	Depot	-	10,830	9,500	30,550	85,000
4324	Energy Performance Contract	-	338,171	1,015,392	1,222,923	-
	Total	\$ 275,048	\$ 1,056,236	\$ 14,663,101	\$ 2,320,042	\$ 14,597,500

Fund: Park Improvement Fund 4010

Department Activities and Responsibilities

This fund accounts for the acquisition, development, and improvements to City owned parkland and facilities. Primary revenue sources are park dedication fees levied against all new buildings constructed within the City, boat launch tag sales at Matoska Park, and an annual transfer from the Park Improvement Trust within the Community Reinvestment Fund. The fund also receives donations from local non-profit organizations to support projects that benefit their groups' activities.

The City Council delegates the prioritization of park improvement designs to the Parks Advisory Commission. The improvement project process begins at the commission meetings with the development of 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 one to two parks per year in order to make a more meaningful impact with available funds.

Budget Summary

During the years 2019-2022, the White Bear Lake Lions Club contributed \$483,373 to the City for the construction of an all abilities park at Lakewood Hills Park. The Lion's Club contributions, of which \$2,700 remains to be collected, cover a significant portion of the approximately \$538,000 total price tag for the project. Of the remaining costs, a vendor is donating site excavation services and the City will pay approximately \$25,000 for the curb, sidewalk and playground footings in 2023.

Two historical items regarding the transactions for this project:

- The contributions made during 2019-2020 were held in an unearned revenue account until the amounts were recognized as revenue in the 2021 Revised Budget.
- To help reduce the fundraising needs for the project, the White Bear Lake Lions Club asked the City to apply for a grant through the playground equipment manufacturer in 2021. The City received a grant in the amount of \$117,448 by purchasing the equipment was purchased during 2021. The payment was held in a prepaid expenditure account until the equipment was received in 2022, at that time the amount became an expenditure for the fund.

A generous local donor contributed \$150,000 during 2021 to support the rehabilitation of the Geist Gazebo in Matoska Park. The work on this popular landmark by the lake was done in such a way to respect the look and feel of the original structure. The project retained as much of the original structure while utilizing modern materials that are durable and require minimal maintenance.

Fund: Park Improvement Fund 4010

The 2021 Revised Budget transfers \$231,000 to the Energy Performance Contract business unit within the Municipal Building Fund to pay for costs associated with upgrading park lighting to LED technology as part of the contract with Trane Technologies approved by the City Council in 2021.

The following page summarizes the total proposed expenditures by park location. Even though the budget allocates resources for these expenditures, each item included in the total will undergo a detailed analysis and review before final approval authorizes the purchase. Funding for capital replacements could move to future years' budgets based on unanticipated maintenance or budget reductions during the year.

A detailed discussion of the City's five year Capital Improvement Plan and purchases or projects funded by this budget is in the Summary Data section of the document.

City of White Bear Lake
Park Improvement Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4350	Launch tag revenues	\$ 18,255	\$ 11,898	\$ 10,000	\$ 16,310	\$ 10,000
4955	Interest	31,877	(8,566)	22,500	-	-
4975	Rental income	2,009	1,696	2,000	1,500	1,500
4990	Donations	1,800	453,206	-	180,001	-
5045	Park dedication fees	1,279	2,356	1,000	2,400	1,000
5046	Tree dedication fees	24,285	42,330	-	6,800	-
5350	Miscellaneous revenue	-	29	-	-	-
	Total operating revenues	<u>79,505</u>	<u>502,949</u>	<u>35,500</u>	<u>207,011</u>	<u>12,500</u>
Transfers In						
5205	Community Reinvestment Fund	<u>75,900</u>	<u>75,900</u>	<u>75,900</u>	<u>75,900</u>	<u>100,000</u>
	Total revenues	<u>155,405</u>	<u>578,849</u>	<u>111,400</u>	<u>282,911</u>	<u>112,500</u>
Expenditures						
	Other services and charges	54,089	41,411	73,400	-	-
	Capital	<u>153,781</u>	<u>309,677</u>	<u>556,436</u>	<u>762,826</u>	<u>440,476</u>
		<u>207,870</u>	<u>351,088</u>	<u>629,836</u>	<u>762,826</u>	<u>440,476</u>
Transfers out						
7605	Municipal Building Fund	<u>-</u>	<u>231,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total expenditures	<u>207,870</u>	<u>582,088</u>	<u>629,836</u>	<u>762,826</u>	<u>440,476</u>
	Revenues over (under) expenditures	<u>(52,465)</u>	<u>(3,239)</u>	<u>(518,436)</u>	<u>(479,915)</u>	<u>(327,976)</u>
	Fund balance January 1	<u>1,664,740</u>	<u>1,612,275</u>	<u>1,529,530</u>	<u>1,609,036</u>	<u>1,129,121</u>
	Fund balance December 31	<u>\$ 1,612,275</u>	<u>\$ 1,609,036</u>	<u>\$ 1,011,094</u>	<u>\$ 1,129,121</u>	<u>\$ 801,145</u>

City of White Bear Lake
Park Improvement Fund

Annual Budget

Business Unit	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
4012	General park improvements	\$ 5,443	\$ 30,135	\$ 54,000	\$ 7,208	\$ 68,000
4015	Bossard Park	-	-	-	-	-
4021	Ebba Park	-	3,495	4,300	4,570	-
4024	Hidden Hollow Park	-	-	32,000	32,195	30,000
4027	Marina	-	-	-	-	-
4030	Lakeview Park	-	-	-	-	-
4033	Lakewood Hills Park	47,832	-	255,936	485,998	142,176
4036	Lions Park	-	1,200	261,200	225,500	81,900
4039	Matoska Park	-	78	-	-	-
4045	Memorial Beach	1,478	122,948	10,000	5,650	-
4042	McCarty Park	-	-	-	-	-
4048	Podvin Park	7,950	-	8,700	-	20,000
4051	Railroad Park	7,654	1,144	-	-	19,000
4054	Ramaley Park	-	-	-	-	15,500
4057	Rotary Nature Preserve	-	-	-	-	10,000
4060	Spruce Park	-	-	-	-	3,200
4063	Stellmacher Park	-	-	-	-	7,000
4065	Varney Lake Trail	-	-	-	-	-
4066	Veteran's Memorial Park	8,681	-	-	-	12,000
4069	West Park and Memorial Beach	128,832	6,185	-	-	30,000
4072	Weyerhauser Park	-	11,764	-	-	-
4078	Yost Park	-	-	-	-	-
4079	Boatworks Park / Boardwalk	-	-	3,700	1,705	1,700
4081	Geist gazebo	-	174,139	-	-	-
	Total	\$ 207,870	\$ 351,088	\$ 629,836	\$ 762,826	\$ 440,476

Fund: Community Reinvestment Fund 4770

Department Activities and Responsibilities:

During the 1996 Budget process, City staff expressed concern regarding the high cost of street improvement projects 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 through Ordinance No. 96-3-931 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 from settlements, interest earned on special assessments and debt service savings gained through special assessment debt restructuring.

In 2019, the City Council modified the provisions of the original ordinance in Ordinance No. 19-12-2041 to allow the fund to spend down the balance to a minimum of \$6,000,000 for capital expenditures to include support of the Interim Construction Fund, Park Improvement Fund and the Municipal Building Fund.

Budget Summary:

Through analysis of the current economic environment for investment interest rates, bond interest rates, and the City's Financial Management Plan, the 2022 and 2023 Budgets incorporate a planned drawdown of the reserve balance per direction of the City Council. To accomplish this strategy, the 2022 and 2023 Budgets record a reduced amount of interest revenue to the fund while increasing the transfers to offset street improvement costs budgeted in the Interim Construction Fund, park improvement costs budgeted in the Park Improvement Fund, and public facility capital needs budgeted in the Municipal Building Fund.

The analysis will continue each year to monitor the Fund Balance and determine the appropriate interest revenues and transfers out to support the street, park, and municipal building improvements.

City of White Bear Lake
Community Reinvestment Fund

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
	Revenues					
4955	Interest	\$ 137,080	\$ (37,256)	\$ 112,793	\$ 112,793	\$ 109,244
	Total revenues	<u>137,080</u>	<u>(37,256)</u>	<u>112,793</u>	<u>112,793</u>	<u>109,244</u>
	Transfers Out					
7605	Interim Construction Fund - Streets	113,000	113,000	113,000	113,000	115,000
7605	Park Improvement Fund - Parks	75,900	75,900	75,900	75,900	100,000
7605	Municipal Building Fund - Buildings	50,000	50,000	50,000	50,000	75,000
	Total transfers out	<u>238,900</u>	<u>238,900</u>	<u>238,900</u>	<u>238,900</u>	<u>290,000</u>
	Revenues over (under) expenditures	(101,820)	(276,156)	(126,107)	(126,107)	(180,756)
	Fund balance January 1	<u>7,804,084</u>	<u>7,702,264</u>	<u>7,577,030</u>	<u>7,426,108</u>	<u>7,300,001</u>
	Fund balance December 31	<u>\$ 7,702,264</u>	<u>\$ 7,426,108</u>	<u>\$ 7,450,923</u>	<u>\$ 7,300,001</u>	<u>\$ 7,119,245</u>
	Reserve					
	Street Improvements	\$ 6,016,922	\$ 6,016,922	\$ 5,820,578	\$ 5,694,001	\$ 5,553,011
	Park Improvements	1,685,342	1,685,342	1,630,345	1,606,000	1,566,234
	Balance, December 31	<u>\$ 7,702,264</u>	<u>\$ 7,702,264</u>	<u>\$ 7,450,923</u>	<u>\$ 7,300,001</u>	<u>\$ 7,119,245</u>

Fund: HRA Tax Increment Financing Pool Fund 4600

Department Activities and Responsibilities:

Historically, this fund accounted 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 qualifying improvements through 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 HRA Fund 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.

Budget Summary:

As a result of the TIF Management Plan creation process, Ehler's recommended the City close this fund and create a new fund for each individual TIF district. The fund balance accumulated through December 31, 2021 was allocated to each fund based on actual transactions and transferred during 2022. Each fund recorded its actual 2022 revenue and expenditure activities.

City of White Bear Lake
HRA Tax Increment Pool

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4020	Tax increment	\$ 593,063	\$ 661,056	\$ 593,000	\$ -	\$ -
4955	Interest	13,021	(5,810)	5,000	-	-
	Total revenues	<u>606,084</u>	<u>655,246</u>	<u>598,000</u>	<u>-</u>	<u>-</u>
Expenditures						
Other Services and Charges						
6401	Professional services	8,428	5,963	8,750	-	-
6434	General liability insurance	1,090	-	1,375	-	-
6455	Legal notice publication	295	223	350	-	-
6550	Developer payments	42,554	48,714	54,000	-	-
6560	Contractual services	2,222	2,215	6,000	-	-
6590	Administration charges	265	-	-	-	-
	Total other services and charges	<u>54,854</u>	<u>57,115</u>	<u>70,475</u>	<u>-</u>	<u>-</u>
Transfers Out						
7605	Transfer out - General Fund	25,000	-	25,000	-	-
7605	Transfer out - Economic Development	-	-	22,500	-	-
7605	Transfer out - 2016 G.O. TIF Bonds	162,500	162,500	139,000	-	-
7605	Transfer out - HRA Downtown Expansion	-	-	-	1,150,856	-
7605	Transfer out - HRA Hoffman Place	-	-	-	60,703	-
7605	Transfer out - HRA Boatworks	-	-	-	279,994	-
	Total transfers out	<u>187,500</u>	<u>162,500</u>	<u>186,500</u>	<u>1,491,553</u>	<u>-</u>
	Total expenditures	<u>242,354</u>	<u>219,615</u>	<u>256,975</u>	<u>1,491,553</u>	<u>-</u>
	Revenues over (under) expenditures	<u>363,730</u>	<u>435,631</u>	<u>341,025</u>	<u>(1,491,553)</u>	<u>-</u>
	Fund balance January 1	<u>692,192</u>	<u>1,055,922</u>	<u>1,390,832</u>	<u>1,491,553</u>	<u>-</u>
	Fund balance December 31	<u>\$ 1,055,922</u>	<u>\$ 1,491,553</u>	<u>\$ 1,731,857</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	\$ 1,055,922	\$ 1,491,553			
	Advances to other funds	(750,000)	(750,000)			
	Financial statement fund balance December 31	<u>\$ 305,922</u>	<u>\$ 741,553</u>			

Fund: HRA TIF Downtown Expansion Fund 4650

Department Activities and Responsibilities:

This fund accounts for the revenues and expenditures related to the City's tax increment district for the Downtown Expansion project.

Tax Increment Financing (TIF) is a statutory tool used by local governments to assist in paying for qualifying improvements through 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.

After approving a TIF plan, the City must request certification of the district by the county auditor, who then certifies the district's original values. Requests for certification made on or before June 30 each year will have their original values based on the previous assessment year, and requests after June 30 will have their values based on the current assessment year information.

This district is a redevelopment district located in Ramsey County. 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.

The district is a restricted district, which requires tax increment expenditures to stay within the district and are not available to contribute to the area-wide pool.

Important Dates for the district:

- TIF Plan Approval 4/13/1999
- Certification Request Date 6/11/1999
- Certification Date 10/15/1999
- First Receipt of Tax Increment 7/2000
- Required Decertification Date 12/31/2025

City of White Bear Lake
HRA Downtown Expansion Parcel C - District 25

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4020	Tax increment	\$ -	\$ -	\$ -	\$ 303,000	\$ 303,000
	Total operating revenues	-	-	-	303,000	303,000
Transfers In						
5205	Transfer in - HRA Tax Increment	-	-	-	1,150,856	-
	Total revenues	-	-	-	1,453,856	303,000
Expenditures						
Other Services and Charges						
6401	Professional services	-	-	-	250	250
6434	General liability insurance	-	-	-	-	-
6560	Contractual services	-	-	-	6,000	6,000
	Total other services and charges	-	-	-	6,250	6,250
	Revenues over (under) expenditures	-	-	-	1,447,606	296,750
	Fund balance January 1	-	-	-	-	1,447,606
	Fund balance December 31	\$ -	\$ -	\$ -	\$ 1,447,606	\$ 1,744,356

Fund: HRA TIF Hoffman Place Fund 4651

Department Activities and Responsibilities:

This fund accounts for the revenues and expenditures related to the City's tax increment district for the Hoffman Place project.

Tax Increment Financing (TIF) is a statutory tool used by local governments to assist in paying for qualifying improvements through 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.

After approving a TIF plan, the City must request certification of the district by the county auditor, who then certifies the district's original values. Requests for certification made on or before June 30 each year will have their original values based on the previous assessment year, and requests after June 30 will have their values based on the current assessment year information.

This district is a housing district located in Ramsey County. Housing districts provide affordable, safe, and sanitary housing options for low and moderate-income occupants. Housing may be either rental or occupant owned and based on income limits defined by the Internal Revenue Code.

The district is a restricted district, which requires tax increment expenditures to stay within the district and are not available to contribute to the area-wide pool.

Important Dates for the district:

- TIF Plan Approval 4/14/2009
- Certification Request Date 5/21/2009
- Certification Date 7/7/2009
- First Receipt of Tax Increment 6/2012
- Required Decertification Date 12/31/2037

Budget Summary:

The district contains a contract for private development between the Housing and Redevelopment Authority in and for the City and WBL Hoffman Place, LLC dated June 1, 2009. The contract includes a Pay-As-You-Go Note to finance reimbursement of a portion of the land acquisition costs incurred by the Developer in the amount of \$350,000. The payment of principal and interest due on this note are payable on February 1 and August 1 each year with 90% of the Tax Increment received by the City from Ramsey County for the property in the six months preceding the note payment date.

City of White Bear Lake
HRA Hoffman Place - District 26

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4020	Tax increment	\$ -	\$ -	\$ -	\$ 60,000	\$ 63,000
	Total operating revenues	-	-	-	60,000	63,000
Transfers In						
5205	Transfer in - HRA Tax Increment	-	-	-	60,703	-
	Total revenues	-	-	-	120,703	63,000
Expenditures						
Other Services and Charges						
6401	Professional services	-	-	-	300	300
6550	Developer payments	-	-	-	55,542	56,000
	Total other services and charges	-	-	-	55,842	56,300
	Total expenditures	-	-	-	55,842	56,300
	Revenues over (under) expenditures	-	-	-	64,861	6,700
	Fund balance January 1	-	-	-	-	64,861
	Fund balance December 31	\$ -	\$ -	\$ -	\$ 64,861	\$ 71,561

Fund: HRA TIF Boatworks Fund 4652

Department Activities and Responsibilities:

This fund accounts for the revenues and expenditures related to the City's tax increment district for the Boatworks Commons project.

Tax Increment Financing (TIF) is a statutory tool used by local governments to assist in paying for qualifying improvements through 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.

After approving a TIF plan, the City must request certification of the district by the county auditor, who then certifies the district's original values. Requests for certification made on or before June 30 each year will have their original values based on the previous assessment year, and requests after June 30 will have their values based on the current assessment year information.

This district is a redevelopment district located in Ramsey County. 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.

The district is a restricted district, which requires tax increment expenditures to stay within the district and are not available to contribute to the area-wide pool.

Important Dates for the district:

- TIF Plan Approval 11/13/2012
- Certification Request Date 3/1/2013
- Certification Date 3/5/2013
- First Receipt of Tax Increment 7/2016
- Required Decertification Date 12/31/2041

Debt Service

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.

The Boatworks Commons Tax Increment District 27 annually transfers an amount to the debt service fund to support payment of the bond obligation.

Fund: HRA TIF Boatworks Fund 4652

Year	Principal	Interest	Total	Rate
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	<u>1,785,000</u>	<u>347,754</u>	<u>2,132,754</u>	

District Operating Loan

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 as part of the financing plan to complete financing approved on November 24, 2015, for the Boatworks Commons project.

Fund: HRA TIF Boatworks Fund 4652

Year	Principal	Interest	Total	Rate
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	346,950	1,096,950	

Budget Summary:

The Professional Services account budget includes funding for Ehler’s to create a Tax Increment Management Report that will summarize all aspects of the City’s Tax Increment Financing districts, review tax increments received, potential refinancing options for bond issue and internal loan, and development of a financial plan and completion of the Office of the State Auditor’s annual TIF reports.

City of White Bear Lake
HRA Boatworks - District 27

Annual Budget
Fund Summary

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues						
4020	Tax increment	\$ -	\$ -	\$ -	\$ 260,000	\$ 260,000
	Total revenues	-	-	-	260,000	260,000
Transfers In						
5205	Transfer in - HRA Tax Increment	-	-	-	279,994	-
	Total revenues	-	-	-	539,994	260,000
Expenditures						
Other Services and Charges						
6401	Professional services	-	-	-	16,000	10,000
6434	General liability insurance	-	-	-	1,300	1,375
6455	Legal notice publication	-	-	-	350	400
	Total other services and charges	-	-	-	17,650	11,775
Transfers Out						
7605	Transfer out - Economic Development	-	-	-	22,500	22,500
7605	Transfer out - 2016 G.O. TIF Bonds	-	-	-	140,000	137,000
	Total transfers out	-	-	-	162,500	159,500
	Total expenditures	-	-	-	180,150	171,275
	Revenues over (under) expenditures	-	-	-	359,844	88,725
	Fund balance January 1	-	-	-	-	359,844
	Fund balance December 31	\$ -	\$ -	\$ -	\$ 359,844	\$ 448,569

Fund: Construction Fund 4400

Department Activities and Responsibilities:

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

Budget Summary:

Multiple revenue sources come together in this fund to provide support for the project expenditures. A major revenue is the State of Minnesota's financial assistance to cities with high volume or key streets covered by the municipal state-aid street system. Funding for the assistance comes from transportation-related taxes, which the state distributes based on a statutory formula.

The City received a portion of the Federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in 2022. The assistance is due to revenue loss from the Municipal State Aid Streets funds and can be used on maintenance and operations on any route under the City's jurisdiction. The City chose to apply the assistance to our 2022 local road rehabilitation project.

The 2023 Budget moves the property tax levy funding management of the Emerald Ash Borer tree disease to the General Fund. The related expenditures move to the Parks Department within General Fund accounting structure.

In years when the interest earnings were very high, the City paid a large portion of the street reconstruction expenditures with the interest revenues and did not need additional financing. However, reduced interest revenues from low interest rates, declining fund balances, and decreasing support from the License Bureau Fund, the City began issuing bonds in 2018 to cover expenditures for the annual street improvement projects. This funding arrangement continued in 2019 with a smaller scale construction project and lower costs. The City's Financial Management Plan continues the policy to utilize annual bond issuance as financial support for smaller scale projects in the coming years.

Within each street reconstruction project, an agreement between the City and the contractors allows residential property owners to re-surface their driveway or televise their sewer line at a reduced rate using the contractors' services while onsite for the project. Property owners reimburse the City for the services, which the City includes in the contract payment. The 2023 Budget does not include an allocation for refunds and reimbursements since these items are unknown until the project work begins the next year.

As the City continues to implement its pavement management plan, it will be important to review of alternative funding sources and the special assessment process.

The Construction Fund relies on a transfer from the Community Reinvestment Fund to reduce street improvement costs for residents. In the past, the Non-Bonded and License Bureau Funds

Fund: Construction Fund 4400

also transferred resources in to the Construction Fund to further lower project costs assessed to property owners; however, these revenue streams ended as each fund does not have the means to continue the provisions.

This Fund supports the Engineering Department operations through a transfer to the fund maintaining the activity. During years 2004-2018, the Engineering Fund, classified as an Internal Service Fund, received the assistance. Beginning in 2019, the General Fund began receiving the transfer as the Engineering activities transitioned to one of the Public Works functions within that fund. In 2022, the annual budget began the process of reducing the annual transfer to support operations. This reduction continues in the 2023 budget.

In the Revised 2021 Budget, the Fund transfers out \$316,892 to the 2020 Debt Service Fund for special assessments that were collected in 2020 above the pre-assessment amount. These amounts should have gone to the 2020 Debt Service Fund when received, so this transfer corrects the issue.

The following page summarizes the total proposed expenditures by project. A detailed discussion of the City's five year Capital Improvement Plan and purchases or projects funded by this budget is in the Summary Data section of this document.

City of White Bear Lake
Construction Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4015	General property tax levy	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
4210	Special assessments	496,306	101,050	50,000	142,954	75,000
4604	Federal grants	-	-	-	79,723	-
4626	MSA maintenance	790,369	697,056	695,000	820,130	720,000
4670	Met Council grant	141,000	-	-	-	-
4955	Interest on investment	75,738	(22,616)	55,000	-	-
5010	Sale of goods and property	404	1,193	-	775	-
5105	Bond sale proceeds	2,620,815	1,390,158	3,300,000	2,968,289	-
5350	Miscellaneous revenue	3,987	2,014	-	-	-
5360	Refunds and reimbursements	72,615	19,012	-	9,850	-
	Total operating and other revenues	<u>4,226,234</u>	<u>2,212,867</u>	<u>4,125,000</u>	<u>4,046,721</u>	<u>795,000</u>
Transfers In						
5205	Community Reinvestment Fund	113,000	113,000	113,000	113,000	115,000
5205	License Bureau Fund	75,000	-	-	-	-
	Total transfers in	<u>188,000</u>	<u>113,000</u>	<u>113,000</u>	<u>113,000</u>	<u>115,000</u>
	Total revenues	<u>4,414,234</u>	<u>2,325,867</u>	<u>4,238,000</u>	<u>4,159,721</u>	<u>910,000</u>
Expenditures						
Other Services and Charges						
4402	Professional services	-	-	-	-	100,000
4402	Contracted services	26,088	82,427	54,900	26,200	26,200
	Total other services and charges	<u>26,088</u>	<u>82,427</u>	<u>54,900</u>	<u>26,200</u>	<u>126,200</u>
Capital Outlay						
4404	Seal coating and crack sealing	206,201	114,561	375,000	360,500	375,000
4405	Sidewalks and trails	8,993	25,544	250,000	-	300,000
4491	Ash Borer	21,177	30,488	25,000	25,000	-
	Street reconstruction projects	1,678,683	-	-	-	-
	Mill and overlay projects	1,719,274	1,336,893	-	-	-
	Pavement rehabilitation projects	-	-	3,000,000	2,436,000	130,000
4409	Miscellaneous concrete projects	-	10,825	65,000	65,000	65,000
4410	Miscellaneous street related projects	-	-	21,000	-	96,000
4411	Miscellaneous trail projects	-	-	418,000	438,000	50,000
	Total capital outlay	<u>3,634,328</u>	<u>1,518,311</u>	<u>4,154,000</u>	<u>3,324,500</u>	<u>1,016,000</u>
Transfers out						
	General Fund	750,000	750,000	525,000	567,210	300,000
	2020 Debt Service Fund	-	316,892	-	-	-
	Total transfers out	<u>750,000</u>	<u>1,066,892</u>	<u>525,000</u>	<u>567,210</u>	<u>300,000</u>
	Total expenditures	<u>4,410,416</u>	<u>2,667,630</u>	<u>4,733,900</u>	<u>3,917,910</u>	<u>1,442,200</u>
	Revenues over (under) expenditures	<u>3,818</u>	<u>(341,763)</u>	<u>(495,900)</u>	<u>241,811</u>	<u>(532,200)</u>
	Reserve adjustment (to) from	<u>(3,823)</u>	<u>5,488</u>	<u>-</u>	<u>42,210</u>	<u>-</u>
	Fund balance January 1	<u>4,356,663</u>	<u>4,356,658</u>	<u>3,806,806</u>	<u>4,020,383</u>	<u>4,304,404</u>
	Fund balance December 31	<u>\$ 4,356,658</u>	<u>\$ 4,020,383</u>	<u>\$ 3,310,906</u>	<u>\$ 4,304,404</u>	<u>\$ 3,772,204</u>
Reserve for Emerald Ash Borer						
	Balance, January 1	\$ 43,875	\$ 47,698	\$ 42,210	\$ 42,210	\$ -
	Additions	3,823	-	-	-	-
	Usages	-	(5,488)	-	(42,210)	-
	Balance, December 31	<u>\$ 47,698</u>	<u>\$ 42,210</u>	<u>\$ 42,210</u>	<u>\$ -</u>	<u>\$ -</u>

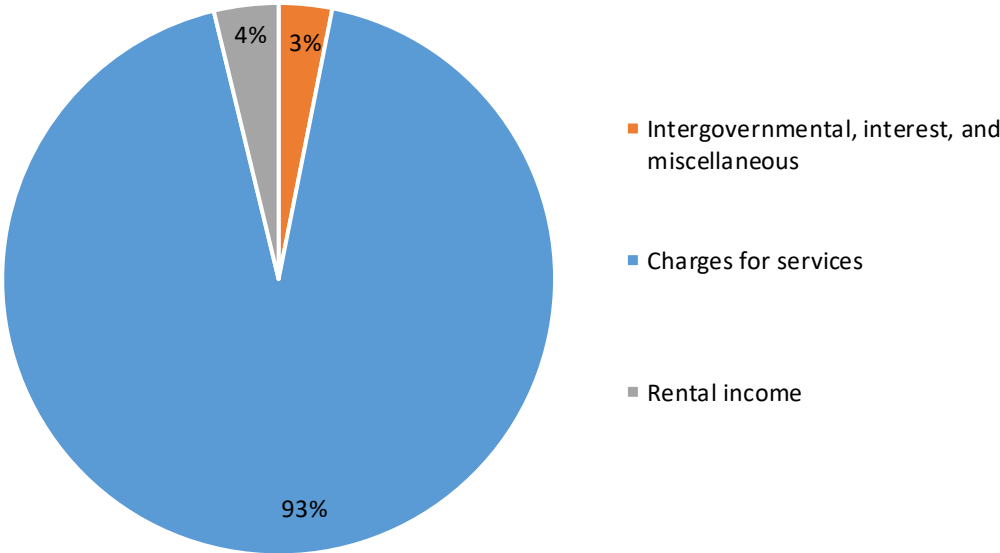
City of White Bear Lake
Enterprise Funds

Annual Budget

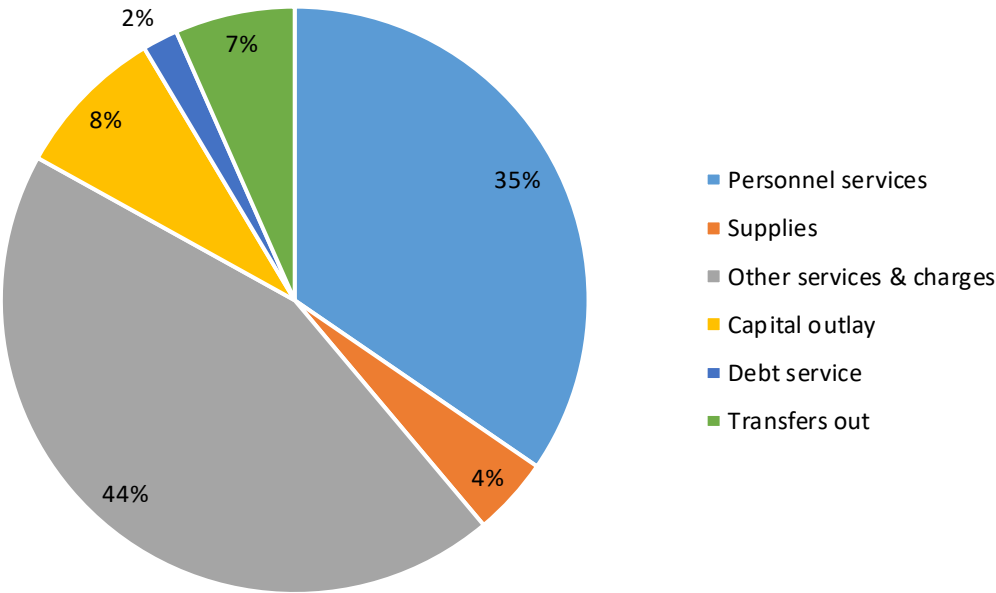
	2020 Actual	2021 Actual	2022 Budget	2022 Revised	2023 Budget
Revenues					
Intergovernmental	\$ 589,427	\$ 261,657	\$ 65,642	\$ 322,165	\$ 325,185
Charges for services	9,029,246	10,196,039	9,869,321	10,143,917	10,999,210
Rental income	401,600	409,554	426,000	426,000	446,000
Interest	47,455	(19,460)	15,000	-	-
Bond sale proceeds	920,744	2,554,276	-	-	-
Miscellaneous	76,791	132,549	84,000	97,004	43,500
Transfer in	1,232,381	-	501,000	17,000	233,000
Total revenues	<u>12,297,644</u>	<u>13,534,615</u>	<u>10,960,963</u>	<u>11,006,086</u>	<u>12,046,895</u>
Expenditures					
Personnel services	3,157,438	3,225,902	3,697,688	3,697,618	4,215,270
Supplies	445,160	420,971	434,355	464,319	525,475
Other services & charges	6,080,562	5,190,081	5,059,252	5,113,639	5,386,904
Capital outlay	905,339	2,429,997	1,511,437	1,717,271	1,022,500
Debt service	16,394	75,682	106,589	106,589	238,173
Transfers out	715,000	688,244	744,000	744,000	805,500
Total expenditures	<u>11,319,893</u>	<u>12,030,877</u>	<u>11,553,320</u>	<u>11,843,435</u>	<u>12,193,822</u>
Revenues over (under) expenditures	<u>977,751</u>	<u>1,503,738</u>	<u>(592,357)</u>	<u>(837,349)</u>	<u>(146,927)</u>
Reserve adjustment (to) from	<u>(686,852)</u>	<u>(204,130)</u>	<u>232,764</u>	<u>24,240</u>	<u>(549,463)</u>
Fund balance, January 1	<u>1,567,507</u>	<u>1,858,406</u>	<u>1,568,754</u>	<u>3,158,014</u>	<u>2,344,905</u>
Fund balance, December 31	<u>\$ 1,858,406</u>	<u>\$ 3,158,014</u>	<u>\$ 1,209,161</u>	<u>\$ 2,344,905</u>	<u>\$ 1,648,515</u>
Reserves	<u>756,852</u>	<u>960,982</u>	<u>978,218</u>	<u>936,742</u>	<u>1,486,205</u>
Total fund balance and reserves, December 31	<u>\$ 2,615,258</u>	<u>\$ 4,118,996</u>	<u>\$ 2,187,379</u>	<u>\$ 3,281,647</u>	<u>\$ 3,134,720</u>

2023 Enterprise Funds

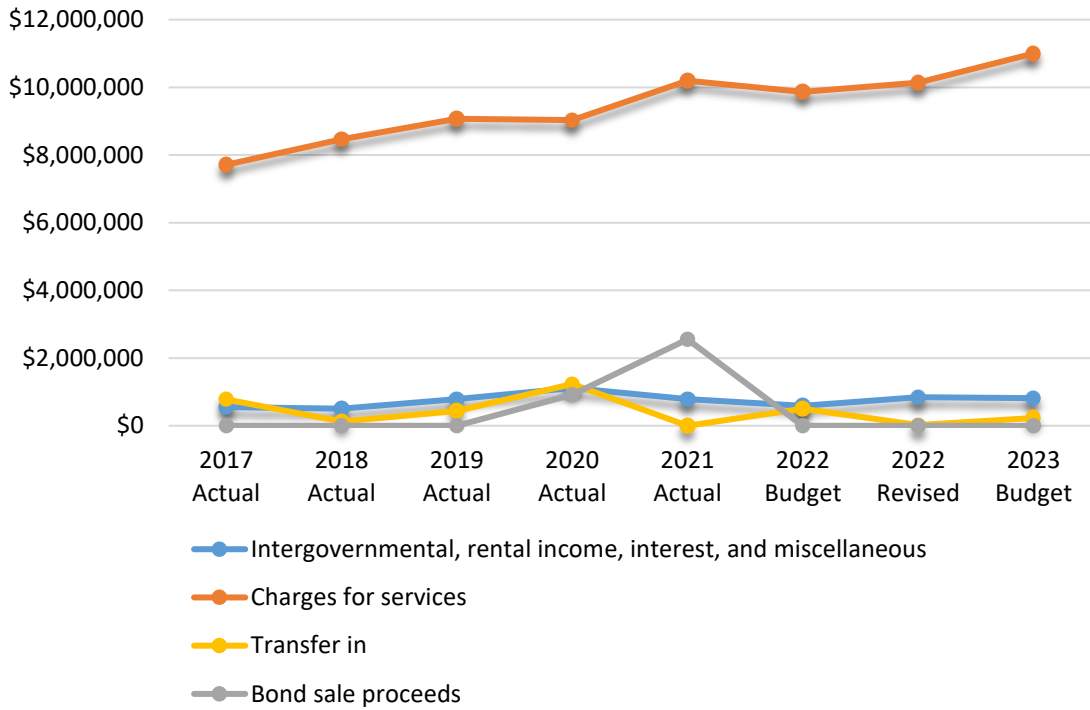
Total Revenues \$12,046,895



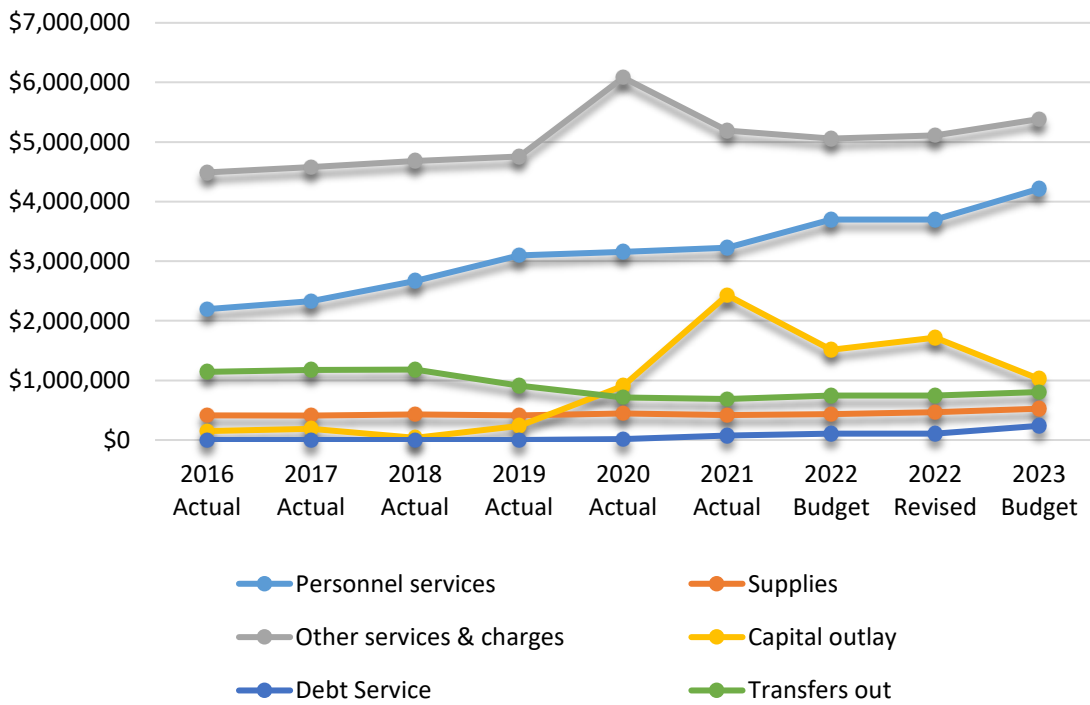
Total Expenditures \$12,193,822



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 Public Works Division, accounts for the operation and maintenance of all facilities necessary to produce, treat, store, and distribute water to residential and commercial properties in White Bear Lake. As part of the daily operations, this department also oversees the installation of all new water connections, final service reads, fire hydrant maintenance, and biannual fire hydrant flushing activities.

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

The water level in White Bear Lake dropped significantly in 2008 and remained low for the following years. Some lakeshore property owners 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 and submitted 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 legal expenses depleted 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.

In the initial lawsuit, the Ramsey County District Judge ruled in favor of the White Bear Lake Restoration Association and declared certain remedies that adversely affected the City and its residents. The DNR and City successfully appealed a case to the Court of Appeals in 2019. In 2020, the Minnesota State Supreme Court reversed the decision of the Court of Appeals and the City began a Contested Case hearing to revise the proposed water permit amendments. The City terminated the lake level litigation fee at the end of 2020 after collecting revenues to cover legal expenditures paid to date. Since the City anticipates minimal litigation costs remaining at this point of the lawsuit, the any future litigation expenditures were redirected to the Water Fund.

Budget Summary:

The City strives to create a balanced budget for the Water Fund operations. This complicated goal requires a thoughtful process that promotes water conservation to customers to encourage reduced pumping and production activities, while trying to receive sufficient revenues to support expenses. The City must consider two key components in stabilizing the department's fund balance and the customer rate structure.

Fund: Water Fund 5010

First, it is essential to account for all water-related expenditures in one fund. Previously, the Water Fund budget supported operating expenditures and the Water Improvement Fund budget financed the capital expenditures. In 2020, the City simplified the budget and long-range planning process by transferring the December 31, 2019, fund balance, current revenues and current expenditures of the Water Improvement Fund into the Water Fund to create a comprehensive plan for the activities. The annual water connection fees and the Water Improvement Fund balance established a new Capital Infrastructure Reserve to fund major improvement costs in future years.

Second, rates must be set at an appropriate level to support both operations and infrastructure replacement costs. To build on the new financial management process started in 2020, the City implemented an in-house analytics software designed for government entities that provide water services. The software enables users to integrate revenue, operating and capital costs, and reserve information on one platform and visually display impacts of rate increases and potential expenditures over time. The software also provides opportunity to create scenario comparisons. Through analysis, the City determined a need to incorporate an infrastructure fee into the quarterly water billings to begin saving for future projects related to the aging infrastructure. The City chose to begin the fee at the same dollar value as the terminated lake level litigation fee to avoid an increase to the property owners’ bills.

The 2023 Budget includes a modest rate adjustment to maintain the financial stability of the Fund. In 2022, the City changed the name of the billing unit of measure. The name change does not have any effect on the charge; it only simplifies the reading unit for customers. Previously, customers received bills calculated based on a “unit” measure, where 1 unit is equal to 750 gallons. Current bills now show bills calculated based on gallons used. The following charts presents past rates, current rates, proposed rates and a conversion between billing unit descriptions:

Residential Units Consumed	(in Units) 2021 Rates	(in Gallons) 2022 Rates	(in Gallons) 2023 Rates
0-6,000 gallons (0-8 units)	\$13.76 flat fee	\$14.16 flat fee	\$14.56 flat fee
Winter qtr >6,000 gallons (> 8 units)	1.72 per unit	1.77 per 750 gal	1.82 per 750 gal
Non-winter qtr >6,000 gallons (>8 units)	2.08 per unit	2.14 per 750 gal	2.20 per 750 gal

Commercial Units Consumed	(in Units) 2021 Rates	(in Gallons) 2022 Rates	(in Gallons) 2023 Rates
0-6,000 gallons (0-8 units)	\$13.28 flat fee	\$13.67 flat fee	\$14.08 flat fee
6,001-20,250 gallons (8-27 units)	1.66 per unit	1.71 per 750 gal	1.76 per 750 gal
20251-56,250 gallons (27-75 units)	1.72 per unit	1.77 per 750 gal	1.82 per 750 gal
>56,250 gallons (>75 units)	1.92 per unit	1.98 per 750 gal	2.04 per 750 gal
Non-winter quarter over base	2.08 per unit	2.14 per 750 gal	2.20 per 750 gal

Following the declaration of a state of emergency due to the COVID-19 pandemic in early 2020 and in anticipation of a possible financial hardship for many residents, the City Council approved a resolution suspending all late fees related to utility payments effective for services rendered

Fund: Water Fund 5010

after January 1, 2020. However, as the economy rebounded from pandemic shut downs, the City Council re-instated the 10% late fee to the original terms effective immediately for all utility services mailed after October 1, 2021.

As mentioned above, the City chose to repurpose the discontinued lake level litigation fees to create a new infrastructure fee to support capital expenditures in the Water Fund in 2021. These additional resources provide the operations with much needed funds with minimal effects on customers. The following charts presents past rates, current rates, and proposed rates:

Infrastructure Fee	2021 Rates	2022 Rates	2023 Rates
Residential	\$5.00 per qtr	\$6.00 per qtr	\$11.00 per qtr
Commercial	17.50 per qtr	21.00 per qtr	30.00 per qtr

In 2014, the City began replacing non-working water meters with radio read meters; this change significantly reduces the time spent on obtaining accurate meter readings. In 2021, the City utilized \$2,465,000 in bond proceeds to fund replacement of residential and commercial water meters to convert the remaining meters to the radio read style.

Historically, the City paid for replacement of residential water meters but billed commercial accounts for the water meters at the time of replacement. As part of the radio read meter project, the City instituted a quarterly meter replacement fee based on meter size for commercial customers in the 2022 Budget. The change spreads the meter purchase and installation costs over the 15-year life of the meter to reduce the financial impact on commercial customers at the time of replacement. Commercial customers who installed the new radio read meters prior to the bond issuance were refunded via an account credit in 2021. The calculation refunds the property owner the difference between the cost they paid for the meter and installation and the total of the quarterly meter charges incurred from the time of purchase according to the new fee schedule. This ensures equal treatment of accounts receiving meters prior to this program and those receiving meters in 2022 and forward under the new infrastructure rate structure.

The quarterly meter charge for commercial customers is detailed on the following page. There was no increase to these charges in 2023.

Commercial Meter Replacement Fee	2023
1" Meter	\$8.00 per qtr
1.5" Meter	18.00 per qtr
2" Meter	21.00 per qtr
3" Meter	55.00 per qtr
4" Meter	67.00 per qtr
6" Meter	110.00 per qtr

Fund: Water Fund 5010

The City provides water to the neighboring communities of Birchwood Village and Gem Lake through a cooperative contract agreement. Each community receives a total quarterly charge, which they charge to their residents.

The City received a third water efficiency grant from the Metropolitan Council in May 2022 to support resident installation of EPA Water Sense-certified low-flow toilets during the calendar year 2022-2024. The grant covers 75% of program costs with the municipality providing the remaining 25% as a match.

The 2023 Budget for system connection revenues increases significantly with the construction of a new apartment building.

On July 16, 2020, the City issued General Obligation Bonds, Series 2020A in an aggregate principal amount of \$4,440,000. Of that total, this fund accounts for payments related to the \$860,000 of General Obligation Utility Revenue Bonds issued pursuant to Minnesota Statutes, Chapters 444 and 475 to provide financing for utility improvements at the City's 1 million gallon north water tower. The 2020A General Obligation Bonds Debt Service Fund in the Debt Service section of this budget accounts for the remainder of the bond issuance payments. As of December 31, 2023, the City's principal obligation on the debt is \$790,000. Future principal and interest obligations on this debt by expense category are as follows:

Year	Principal	Interest	Total	Rate
2024	\$ 35,000	\$ 17,925	\$ 52,925	3.000%
2025	35,000	16,875	51,875	3.000%
2026	35,000	15,825	50,825	3.000%
2027	40,000	14,700	54,700	3.000%
2028	40,000	13,500	53,500	3.000%
2029	40,000	12,300	52,300	3.000%
2030	40,000	11,100	51,100	3.000%
2031	45,000	10,050	55,050	2.000%
2032	45,000	9,150	54,150	2.000%
2033	45,000	8,250	53,250	2.000%
2034	45,000	7,350	52,350	2.000%
2035	45,000	6,450	51,450	2.000%
2036	50,000	5,500	55,500	2.000%
2037	50,000	4,500	54,500	2.000%
2038	50,000	3,500	53,500	2.000%
2039	50,000	2,500	52,500	2.000%
2040	50,000	1,500	51,500	2.000%
2041	50,000	500	50,500	2.000%
Total	790,000	161,475	951,475	

Fund: Water Fund 5010

On June 17, 2021, the City issued General Obligation Bonds, Series 2021A in an aggregate principal amount of \$4,280,000. Of that total, this fund accounts for payments related to the \$2,465,000 of General Obligation Utility Revenue Bonds issued pursuant to Minnesota Statutes, Chapters 444 and 475 to provide financing for the replacement of residential and commercial water meters and other water system improvements. The 2021A General Obligation Bonds Debt Service Fund in the Debt Service section of this budget accounts for the remainder of the bond issuance payments.

Though a project of this magnitude is expensive, upgrading all meters to a radio read system provides a savings in contracted meter reading services and ensures users pay for their actual water consumption each quarter. As of June 2021, 1,478 of the City’s meters utilized radio read technology. The bond issuance provided funding to replace the approximately 6,200 remaining meters with radio read units.

As of December 31, 2023, the City’s principal obligation on the debt is \$2,325,000. Future principal and interest obligations on this debt by expense category are as follows:

Year	Principal	Interest	Total	Rate
2024	\$ 145,000	\$ 40,635	\$ 185,635	2.500%
2025	150,000	37,323	187,323	2.000%
2026	155,000	34,273	189,273	2.000%
2027	155,000	31,173	186,173	2.000%
2028	160,000	28,023	188,023	2.000%
2029	160,000	24,823	184,823	2.000%
2030	165,000	21,573	186,573	2.000%
2031	170,000	18,223	188,223	2.000%
2032	170,000	15,248	185,248	1.500%
2033	175,000	12,660	187,660	1.500%
2034	175,000	10,035	185,035	1.500%
2035	180,000	7,373	187,373	1.500%
2036	180,000	4,538	184,538	1.650%
2037	185,000	1,526	186,526	1.650%
Total	<u>2,325,000</u>	<u>287,421</u>	<u>2,612,421</u>	

Water Distribution:

The 2023 budget includes an allocation for severance costs incurred as a full-time employee completes their 10 years of service minimum with the City during the year. The department recognizes the expenditure in the employee’s anniversary year and transfers the amount to the Employment Expense Fund for recordkeeping until the employee leaves their position with the City.

Fund: Water Fund 5010

The 2023 Other Supplies Budget plans for the replacement of three gate valves for \$25,000.

The Small Tools Budget allocates \$8,000 for the purchase of additional hydrant meters to serve contractors.

The Professional Services expenditure budget includes an appropriation in both the 2022 Revised and 2023 Budgets to cover any legal expenses related to the Lake Level Litigation.

The Water Conservation line item accounts for water efficiency grants to support resident installation of EPA Water Sense-certified low-flow toilets. The Metropolitan Council grant covers 75% of program costs and the municipality provides the remaining 25% as a match.

The Other Maintenance Service 2023 Budget provides funding for main breaks and hydrant replacement and modification kits. The 2023 Budget begins adding in \$25,000 of routine hydrant sandblasting and painting maintenance for existing hydrants. It is estimated that it will be a 10-12 year cycle to complete all hydrants in the City.

Water Treatment:

The Building Maintenance Service account adds \$9,300 of funding in the Revised 2022 Budget for roof and plumbing repair at the Water Treatment Plant.

White Bear Lake contracts with the City of St. Paul to dispose of lime sludge at their lime sludge treatment facility. As of September 1, 2022, the cost to dispose of the lime sludge increased from \$430/truckload to \$677/truckload. This rate increase is reflected in the 2023 Budget for Disposal Fees.

Capital Outlay:

The 2022 Revised Budget replaces two ¾ ton pickup trucks, a snow plow, the lime slaker, water treatment plant radiator heat registers, doors, and well doors, purchases an RTK-PRO Utility Locator, and replaces flow meters at water wells 1-4. It also completes the residential and commercial meter replacement project that began in 2021. The 2023 Budget plans for the purchase of a 300kw generator for Water Well #3, rehab of Water Well #2, and earmarks \$135,000 for the lagoon cold storage construction set to take place in 2025.

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. Continue to install radio read metering equipment and to administer the large meter replacement and calibration program.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of Gallons (in Millions) Pumped and Treated	727	760	754	750
Meters converted to T10 Sensus radio read units	113	5,790	170	140
Flush water mains and exercise gate valves and hydrants annually to ensure reliable operations.	100%	100%	100%	100%

City of White Bear Lake
Enterprise - Water Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4670	Met Council grant	\$ 13,428	\$ 15,747	\$ 3,254	\$ 4,616	\$ 23,000
4646	State grant	-	-	-	3,350	-
4882	Charges for services	1,775,281	1,862,792	1,595,300	1,621,778	1,702,100
4842	Miscellaneous public works charges	10,350	8,400	5,000	18,285	7,500
4886	Penalties	26,469	6,175	78,000	82,000	72,000
4889	Capital meter and infrastructure fees	-	194,443	288,236	279,000	468,126
4955	Interest	10,457	(8,626)	5,000	-	-
5010	Sale of goods and property	34,106	15,069	-	-	-
5025	System connection charges	28,811	198,990	20,000	18,760	154,100
5105	Bond sale proceeds	920,744	2,554,276	-	-	-
5350	Miscellaneous	7,877	13,340	5,000	10,013	7,500
	Total operating and other revenues	<u>2,827,523</u>	<u>4,860,606</u>	<u>1,999,790</u>	<u>2,037,802</u>	<u>2,434,326</u>
Transfers In						
5205	Economic Development Fund	1,434	-	-	-	-
5205	Water Improvement Fund	370,689	-	-	-	-
	Total transfers in	<u>372,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>3,199,646</u>	<u>4,860,606</u>	<u>1,999,790</u>	<u>2,037,802</u>	<u>2,434,326</u>
Expenditures						
	Operating - Distribution	1,689,027	972,163	826,309	891,926	956,285
	Operating - Treatment	593,676	656,425	601,899	608,831	673,100
	Capital equipment - Distribution	-	-	165,000	165,000	-
	Capital equipment - Treatment	9,499	295,186	25,437	37,122	165,000
	Capital infrastructure - Distribution	-	1,926,721	-	592,149	-
	Capital infrastructure - Treatment	-	-	422,000	422,000	175,000
	Total expenditures	<u>2,292,202</u>	<u>3,850,495</u>	<u>2,040,645</u>	<u>2,717,028</u>	<u>1,969,385</u>
Debt Service						
7410	Principal	-	-	35,000	35,000	175,000
7420	Interest	-	21,406	71,589	71,589	63,173
7450	Bond issuance fees	16,394	54,276	-	-	-
	Total debt service	<u>16,394</u>	<u>75,682</u>	<u>106,589</u>	<u>106,589</u>	<u>238,173</u>
Transfers Out						
7605	General Fund - Distribution	101,000	108,000	112,000	112,000	116,000
7605	General Fund - Treatment	19,000	20,000	21,000	21,000	22,000
7605	Municipal Building Fund	-	13,244	-	-	-
	Total transfers out	<u>120,000</u>	<u>141,244</u>	<u>133,000</u>	<u>133,000</u>	<u>138,000</u>
	Total expenditures	<u>2,428,596</u>	<u>4,067,421</u>	<u>2,280,234</u>	<u>2,956,617</u>	<u>2,345,558</u>
	Revenues over (under) expenditures	<u>771,050</u>	<u>793,185</u>	<u>(280,444)</u>	<u>(918,815)</u>	<u>88,768</u>
	Capital reserves adjustment (to) from	<u>(382,079)</u>	<u>(224,130)</u>	<u>302,764</u>	<u>124,240</u>	<u>(154,100)</u>
	Fund balance January 1	<u>148,217</u>	<u>537,188</u>	<u>99,214</u>	<u>1,106,243</u>	<u>311,668</u>
	Fund balance December 31	<u>\$ 537,188</u>	<u>\$ 1,106,243</u>	<u>\$ 121,533</u>	<u>\$ 311,668</u>	<u>\$ 246,337</u>
	Capital infrastructure reserves	<u>\$ 382,079</u>	<u>\$ 606,209</u>	<u>\$ 523,445</u>	<u>\$ 481,969</u>	<u>\$ 636,069</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	\$ 919,267	\$ 1,712,452			
	Deferred outflows of pension resources	19,032	148,683			
	Net pension liability	(291,407)	(217,588)			
	Deferred inflows of pension resources	(35,240)	(213,085)			
	Net capital assets	1,552,767	3,562,374			
	Accounts receivable	1,335,929	1,148,415			
	Special assessments receivable	338,072	328,267			
	Bonds payable	(919,389)	(3,467,612)			
	Accrued interest	(9,350)	(33,083)			
	Financial statement fund balance December 31	<u>\$ 2,909,681</u>	<u>\$ 2,968,823</u>			

City of White Bear Lake
Enterprise - Water Distribution

Annual Budget
Business Unit: 5012

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 158,910	\$ 170,132	\$ 186,620	\$ 187,265	\$196,783
6117	Overtime - regular employees	4,458	15,306	14,500	14,500	14,500
6122	PERA	12,252	13,907	15,084	15,132	15,846
6124	FICA/Medicare	12,266	13,711	15,386	15,435	16,163
6128	Insurance contribution	12,915	24,225	24,990	24,990	26,775
6138	Worker's compensation	6,150	7,800	9,360	9,360	5,906
6146	Severance	-	-	-	-	12,033
6148	Other benefits	1,500	4,080	4,845	4,845	4,590
	Total personnel services	<u>208,451</u>	<u>249,161</u>	<u>270,785</u>	<u>271,527</u>	<u>292,596</u>
Supplies						
6210	Office supplies	-	-	100	100	100
6220	Equipment supplies	378	268	4,000	1,950	1,950
6230	Vehicle supplies	2,443	2,052	3,500	4,000	4,000
6240	Building supplies	207	-	750	750	750
6250	Other supplies	11,053	17,615	31,400	25,400	42,400
6255	Landscaping supplies	32	-	1,500	1,500	5,500
6272	Motor fuels	5,651	8,773	9,000	12,450	13,000
6274	Lubricants & additives	99	131	400	400	400
6280	Books & periodicals	-	-	100	-	-
6290	Uniforms	867	1,634	1,850	1,850	1,850
6295	Small tools	85,679	18,239	20,900	20,900	33,900
	Total supplies	<u>106,409</u>	<u>48,712</u>	<u>73,500</u>	<u>69,300</u>	<u>103,850</u>
Other Services and Charges						
6401	Professional services	80,443	127,691	62,550	93,450	74,100
6402	Data processing	29,572	32,555	37,300	46,475	43,825
6411	Telephone	707	928	1,055	1,255	1,300
6412	Cellular	815	751	925	800	800
6422	Electric	149,720	175,365	170,000	174,000	179,000
6423	Natural gas	8,629	9,098	13,000	17,000	19,500
6434	General liability insurance	21,217	21,217	23,339	23,339	23,339
6436	Vehicle liability insurance	6,634	1,500	1,545	1,545	1,545
6445	Postage	5,549	5,933	6,000	6,840	6,200
6450	Outside printing	346	200	2,900	2,900	2,900
6455	Legal notices and publications	-	346	1,200	500	500
6460	Subscription/memberships	521	661	900	750	750
6470	Training	46	2,155	2,200	2,200	2,200
6487	Water conservation	17,230	20,522	4,400	18,885	16,220
6492	Advertising	344	-	300	400	400
6505	Equipment maintenance service	3,231	5,616	5,575	5,575	5,575
6510	Vehicle maintenance service	3,295	-	2,000	2,000	2,000
6515	Building maintenance service	-	13,000	4,000	4,000	4,000
6525	Electrical repair service	-	4,649	5,500	5,500	5,500
6535	Other maintenance service	30,369	74,733	110,000	110,000	135,000
6545	Credit card fees	35	-	35	35	35
6555	Equipment rental	711	508	1,000	1,000	1,000
6560	Other contractual services	1,014,753	176,862	26,300	32,650	34,150
	Total other services and charges	<u>1,374,167</u>	<u>674,290</u>	<u>482,024</u>	<u>551,099</u>	<u>559,839</u>
	Total operating expenditures	<u>1,689,027</u>	<u>972,163</u>	<u>826,309</u>	<u>891,926</u>	<u>956,285</u>
Capital Outlay						
7140	Equipment	-	-	165,000	165,000	-
7220	Infrastructure	-	1,926,721	-	592,149	-
	Total capital outlay	<u>-</u>	<u>1,926,721</u>	<u>165,000</u>	<u>757,149</u>	<u>-</u>
Debt Service						
7410	Principal	-	-	35,000	35,000	175,000
7420	Interest	-	21,406	71,589	71,589	63,173
7450	Bond issuance fees	16,394	54,276	-	-	-
	Total debt service	<u>16,394</u>	<u>75,682</u>	<u>106,589</u>	<u>106,589</u>	<u>238,173</u>
Transfers						
7605	General Fund - administration charge	101,000	108,000	112,000	112,000	116,000
	Total transfers	<u>101,000</u>	<u>108,000</u>	<u>112,000</u>	<u>112,000</u>	<u>116,000</u>
Total		<u>\$ 1,806,421</u>	<u>\$ 3,082,566</u>	<u>\$ 1,209,898</u>	<u>\$ 1,867,664</u>	<u>\$ 1,310,458</u>

City of White Bear Lake
Enterprise - Water Treatment

Annual Budget
Business Unit: 5013

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 181,165	\$ 190,576	\$ 174,516	\$ 174,322	\$ 181,764
6117	Overtime - regular employees	8,377	8,303	10,000	10,000	10,000
6122	PERA	14,216	14,913	13,839	13,824	14,382
6124	FICA/Medicare	14,588	15,111	14,115	14,101	14,670
6128	Insurance contribution	25,095	20,425	21,070	21,070	22,575
6138	Worker's compensation	13,660	7,800	9,360	9,360	4,980
6148	Other benefits	3,000	3,440	4,085	4,085	3,870
	Total personnel services	<u>260,101</u>	<u>260,568</u>	<u>246,985</u>	<u>246,762</u>	<u>252,241</u>
Supplies						
6210	Office supplies	227	-	350	150	250
6220	Equipment supplies	10,298	9,217	10,500	10,500	10,500
6230	Vehicle supplies	3,948	339	2,000	2,000	2,000
6240	Building supplies	2,556	27,049	10,600	10,600	10,600
6250	Other supplies	136	364	1,750	1,750	1,750
6255	Landscaping supplies	349	-	500	500	500
6260	Chemicals	134,316	147,725	137,400	137,400	149,400
6272	Motor fuels	385	2,029	500	2,250	2,250
6274	Lubricants & additives	-	35	250	250	250
6280	Books & periodicals	-	-	100	-	-
6290	Uniforms	1,378	1,570	2,150	2,150	2,150
6295	Small tools	6,255	2,358	6,000	4,500	5,000
	Total supplies	<u>159,848</u>	<u>190,686</u>	<u>172,100</u>	<u>172,050</u>	<u>184,650</u>
Other Services and Charges						
6401	Professional services	95	94	525	275	275
6411	Telephone	1,755	2,096	2,305	2,605	2,720
6412	Cellular	1,295	1,231	1,420	1,300	1,300
6434	General liability insurance	23,866	23,866	26,252	26,252	26,252
6436	Vehicle liability insurance	3,983	3,983	4,102	4,102	4,102
6460	Subscription/memberships	110	110	885	335	335
6470	Training	300	46	1,800	1,800	1,800
6487	Water conservation	-	-	100	-	-
6505	Equipment maintenance service	20,046	6,279	11,750	14,325	11,900
6510	Vehicle maintenance service	-	-	1,000	1,000	1,000
6515	Building maintenance service	5,755	5,206	5,800	15,100	4,100
6525	Electrical repair service	3,055	13,135	6,000	6,000	6,000
6535	Other maintenance service	263	-	275	-	-
6555	Equipment rental	760	820	900	1,025	1,025
6560	Other contractual services	8,734	44,105	15,100	15,100	15,100
6565	Disposal fees	103,710	104,200	104,600	100,800	160,300
	Total other services and charges	<u>173,727</u>	<u>205,171</u>	<u>182,814</u>	<u>190,019</u>	<u>236,209</u>
	Total operating expenditures	<u>593,676</u>	<u>656,425</u>	<u>601,899</u>	<u>608,831</u>	<u>673,100</u>
Capital Outlay						
7120	Building	-	39,000	12,000	22,185	-
7140	Equipment	9,499	256,186	13,437	14,937	165,000
7220	Improvements	-	-	422,000	422,000	175,000
	Total capital outlay	<u>9,499</u>	<u>295,186</u>	<u>447,437</u>	<u>459,122</u>	<u>340,000</u>
Transfers						
7605	General Fund - admin. Charge	19,000	20,000	21,000	21,000	22,000
7605	Municipal Building	-	13,244	-	-	-
	Total transfers	<u>19,000</u>	<u>33,244</u>	<u>21,000</u>	<u>21,000</u>	<u>22,000</u>
	Total	<u>\$ 622,175</u>	<u>\$ 984,855</u>	<u>\$ 1,070,336</u>	<u>\$ 1,088,953</u>	<u>\$ 1,035,100</u>

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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) 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 needs to consider two key components in relation to revenues and sustainable rate structures.

First, all expenditures for the activity are now accounted for in one fund. Prior to 2020, the Sewer Fund budgeted for operating expenditures and the Sewer Improvement Fund maintained the infrastructure expenditure budgets. To improve the long-range planning process, the City transferred the December 31, 2019, fund balance, revenues and expenditures of the Sewer Improvement Fund into the Sewer Fund to create a comprehensive plan for the activities. The annual sewer connection fees and the fund balance provide a beginning balance for a new Capital Infrastructure Reserve to fund major improvement costs in future years.

Second, rates must be set at an appropriate level to support both operations and infrastructure replacement costs. After multiple years without a sewer rate increase, the City began adjusting rates in 2016 to avoid a fund deficit. Annual rate adjustments since that time have created a rate structure that provides revenues to cover current operating and capital expenditures.

The most significant expenditure in the Sewer Fund budget is Met Council's wastewater service fee, which is roughly 62% of the total expenditures. To calculate the annual wastewater fee for 2023, the Met Council multiplies the City's portion of the wastewater flow discharged into the regional system for the prior year (2021) by the regional wastewater charge for the coming year (2023). Even though the Met Council's Municipal Waste Charge increases each year, White Bear Lake has seen a reduction in annual costs since 2021 as the City's percentage of the flow

Fund: Sewer Fund 5050

into the regional system has decreased each year in that same time frame in comparison to the other communities. This annual expenditure reduction in addition to recent annual rate increases and long-term capital planning established a fund balance that supports operations, equipment and infrastructure expenditures. Given this information, there is no rate increase in 2023.

The chart below compares recent rates with the proposed rates for 2023.

Units Consumed	(Billed in Units)	(Billed in Gallons)	(Billed in Gallons)
	2021 Rate	2022 Rate	Proposed 2023 Rate
0-6,000 gallons (0-8 units)	\$35.50 flat fee	\$36.80 flat fee	\$36.80 flat fee
>6,000 gallons (>8 units)	4.45 per unit	4.60 per 750 gal	4.60 per 750 gal

The 2023 Budget for system connection charges increases significantly with the construction of a new apartment building.

The Building Maintenance Services account increases in the 2023 Budget to fund repairs at a lift station in the southeastern part of the City. This project is a collaboration with the City of Mahtomedi and Washington County.

The annual Municipal Waste Charge for disposal fees fluctuates each year based on the City’s percentage of the total regional flow through the system. For the 2023 cost calculation, both the City’s portion of the regional flow and the City’s total flow through the system decreased. These two factors reduce the City’s Municipal Waste Charge by approximately \$61,000 for 2023. The Metropolitan Environmental Services division continues to prioritize planning for capital infrastructure purchases and begin building financial stability into their fund balance through the annual rate structure.

Capital Outlay:

The 2022 Revised Budget allocates funding for the purchase of a work light for the generator and the Whitaker lift station generator connection. It also includes funding for the following capital infrastructure improvements: Whitaker lift station gate valve repair and bypass pumping, upgrades to lift station #2 and #16, and the annual sewer and manhole lining projects. The 2023 Budget earmarks \$60,000 for the replacement of the Sewer Vacon Truck in 2027 and purchases a new ¾ ton pickup truck and push camera. It also funds the annual sewer relining, manhole lining, and lift station coating replacement projects.

Fund: Sewer Fund 5050

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. Restructure sanitary sewer maintenance inspections to take full advantage of the new remote telemetry alarm systems.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Miles of Sewer Lines Rodded and Jetted	19	24	13	20
Number of Public Line Sewer Backups	3	3	1	1
Number of Private Line Sewer Backups	30	38	35	35
Percent of Sewer Lift Station Monthly Alarm Checks	100%	100%	100%	100%

City of White Bear Lake
Enterprise - Sewer Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604	Federal grants	\$ 2,147	\$ -	\$ -	\$ -	\$ -
4210	Special assessments	2,032	1,803	-	868	-
4882	Charges for services	3,232,667	3,429,962	3,496,000	3,512,600	3,512,600
4955	Interest	20,145	(5,613)	5,000	-	-
5025	System connection charges	28,810	197,650	20,000	20,000	154,100
5316	Sewer availability charge retainer	1,069	7,430	-	695	-
5360	Refunds and reimbursements	4,508	4,663	-	155	-
	Total operating and other revenues	<u>3,291,378</u>	<u>3,635,895</u>	<u>3,521,000</u>	<u>3,534,318</u>	<u>3,666,700</u>
Transfers In						
5205	Economic Development Fund	44	-	-	-	-
5205	Equipment Acquisition Fund	8,215	-	-	-	-
5205	Sewer Improvement Fund	488,383	-	-	-	-
	Total transfers in	<u>496,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>3,788,020</u>	<u>3,635,895</u>	<u>3,521,000</u>	<u>3,534,318</u>	<u>3,666,700</u>
Expenditures						
	Operating	625,184	584,419	690,423	688,583	790,117
	Disposal	2,286,487	2,177,792	2,059,680	2,059,680	1,998,720
	Capital Equipment	519,318	75,961	22,000	22,000	155,000
	Capital Infrastructure	-	120,274	548,500	383,500	197,500
	Total expenditures	<u>3,430,989</u>	<u>2,958,446</u>	<u>3,320,603</u>	<u>3,153,763</u>	<u>3,141,337</u>
Transfers Out						
7605	General Fund	110,000	120,000	124,000	124,000	130,000
	Total transfers out	<u>110,000</u>	<u>120,000</u>	<u>124,000</u>	<u>124,000</u>	<u>130,000</u>
	Total expenditures	<u>3,540,989</u>	<u>3,078,446</u>	<u>3,444,603</u>	<u>3,277,763</u>	<u>3,271,337</u>
	Revenues over (under) expenditures	<u>247,031</u>	<u>557,449</u>	<u>76,397</u>	<u>256,555</u>	<u>395,363</u>
	Capital reserves adjustment (to) from	<u>(374,773)</u>	<u>20,000</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(395,363)</u>
	Fund balance January 1	<u>613,351</u>	<u>485,609</u>	<u>860,916</u>	<u>1,063,058</u>	<u>1,219,613</u>
	Fund balance December 31	<u>\$ 485,609</u>	<u>\$ 1,063,058</u>	<u>\$ 837,313</u>	<u>\$ 1,219,613</u>	<u>\$ 1,219,612</u>
	Capital Infrastructure Reserves	<u>\$ 374,773</u>	<u>\$ 354,773</u>	<u>\$ 454,773</u>	<u>\$ 454,773</u>	<u>\$ 850,136</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	\$ 860,382	\$ 1,417,831			
	Deferred outflows of pension resources	14,780	114,500			
	Net pension liability	(226,306)	(167,561)			
	Deferred inflows of pension resources	(27,367)	(164,095)			
	Net capital assets	1,565,231	1,475,526			
	Accounts receivable	317,880	340,980			
	Unearned revenue	(13,280)	(13,280)			
	Financial statement fund balance December 31	<u>\$ 2,491,320</u>	<u>\$ 3,003,901</u>			

City of White Bear Lake
Enterprise - Sewer

Annual Budget
Business Unit: 5052

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 270,010	\$ 291,294	\$ 316,355	\$ 318,899	\$ 332,493
6117	Overtime - regular employees	4,055	4,631	8,200	8,200	8,200
6119	Salaries - temporary employees	3,114	4,316	6,963	-	7,634
6122	PERA	20,555	22,194	24,342	24,532	25,552
6124	FICA/Medicare	21,564	23,122	25,361	25,023	26,647
6128	Insurance contributions	35,595	41,800	41,160	41,160	46,200
6138	Worker's compensation	19,785	26,160	31,392	31,392	10,192
6148	Other benefits	3,600	7,040	7,980	7,980	7,920
	Total personnel services	<u>378,278</u>	<u>420,557</u>	<u>461,753</u>	<u>457,186</u>	<u>464,837</u>
Supplies						
6210	Office supplies	-	-	400	100	100
6220	Equipment supplies	10,170	9,286	16,200	16,200	16,200
6230	Vehicle supplies	1,894	2,959	4,000	3,000	4,000
6240	Building supplies	293	215	2,200	2,200	2,200
6250	Other supplies	8,067	3,307	1,300	2,250	3,400
6260	Chemicals	-	1,395	1,700	2,500	2,500
6272	Motor fuels	5,967	8,525	9,000	12,700	12,900
6274	Lubricants & additives	199	272	600	300	600
6290	Uniforms	3,578	2,824	3,400	2,900	3,400
6295	Small tools	3,469	6,727	9,600	9,337	4,000
	Total supplies	<u>33,637</u>	<u>35,510</u>	<u>48,400</u>	<u>51,487</u>	<u>49,300</u>
Other Services and Charges						
6401	Professional services	8,790	15,963	13,600	13,600	13,900
6402	Data processing	29,572	32,555	37,300	42,575	43,825
6411	Telephone	588	771	875	1,050	1,125
6412	Cellular	1,306	1,232	1,250	1,690	2,035
6422	Electric	9,906	10,058	14,000	14,000	14,000
6423	Natural gas	343	622	1,700	1,700	1,700
6434	General liability insurance	30,500	30,500	33,550	33,550	33,550
6436	Vehicle liability insurance	5,310	1,500	1,545	1,545	1,545
6445	Postage	5,085	5,862	5,300	5,300	5,300
6450	Outside printing	346	200	700	350	350
6460	Subscription/memberships	450	425	1,000	500	500
6470	Training	690	931	2,300	2,300	2,300
6505	Equipment maintenance service	1,356	15,430	15,150	15,150	15,150
6510	Vehicle maintenance service	10	275	4,000	3,800	4,000
6515	Building maintenance service	-	8,040	12,500	12,500	101,400
6525	Electrical repair service	-	933	2,000	2,000	2,000
6535	Other maintenance service	17,979	783	17,000	12,000	17,000
6555	Equipment rental	151	-	1,000	800	800
6560	Other contractual service	100,887	2,272	15,500	15,500	15,500
6565	Disposal charges	2,286,487	2,177,792	2,059,680	2,059,680	1,998,720
	Total other services and charges	<u>2,499,756</u>	<u>2,306,144</u>	<u>2,239,950</u>	<u>2,239,590</u>	<u>2,274,700</u>
Capital Outlay						
7140	Equipment	519,318	75,961	22,000	22,000	155,000
7220	Infrastructure	-	120,274	548,500	383,500	197,500
	Total capital outlay	<u>519,318</u>	<u>196,235</u>	<u>570,500</u>	<u>405,500</u>	<u>352,500</u>
Transfers						
7605	General Fund - administration charge	110,000	120,000	124,000	124,000	130,000
	Total transfers	<u>110,000</u>	<u>120,000</u>	<u>124,000</u>	<u>124,000</u>	<u>130,000</u>
Total		<u>\$ 3,540,989</u>	<u>\$ 3,078,446</u>	<u>\$ 3,444,603</u>	<u>\$ 3,277,763</u>	<u>\$ 3,271,337</u>

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Fund: Environmental Recycling and Waste Disposal Fund 5100

Department Activities and Responsibilities:

This department accounts for costs related to refuse collection and recycling services to residents. The City works with three main organizations to accomplish these activities: a contracted collection and hauling company, a waste to energy processing center, and a recycling processing facility.

Contract Collection and Hauling Services

Republic Services provides 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 structure 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 residential recycling participation through coordinated pick up. The City charges residents for this service on their quarterly utility bills and remits one payment to Republic.

The City's contract with Republic Services began in October 2016, when they purchased the remaining time of the previous hauler's contract with the City at the original rate and terms. While advantageous to the City, the previous hauler's rates were lower than the industry standards and resulted in losses for Republic. Since assuming the contract in 2016, Republic's rates had only increased 2% by the beginning of 2019. Republic absorbed the losses for the short term, but needed a more significant adjustment in the new contract to continue providing service.

The City and Republic Services negotiated a new seven-year contract extension for services to begin in September 2019 to include a 2% increase in 2019, an overall 10% increase in 2020 with the change to a flat hauler rate, a 4% increase in 2021, and a 2% increase each year thereafter for the duration of the contract. Staff compared the impacts of these rate increases to rates from competing haulers proposed in the 2014 Request for Proposal results. Had the proposed rates from each of the competing haulers been increased by 2% each year since 2014, all competing hauler rates would have been greater than the rates negotiated in the current contract.

The new contract with Republic also changed the cost allocation to refuse and recycling services. Previously, the recycling base collection fee was 20-25% of the total collection fee, depending on the service level. The new contract split the fees 50/50, which lowered the county and state refuse taxes calculated for residential bills. The hauling contract does not include recycling processing, which is handled under a separate contract with Eureka Recycling, and the refuse disposal/tipping costs are paid directly by the City. As such, the hauler costs for the pick-up of recycling and refuse are equal, as each require a separate truck. Ramsey County taxes all residential refuse at a rate of 28%, so the ability to shift more of the cost toward recycling reduces the tax burden to homeowners.

Fund: Environmental Recycling and Waste Disposal Fund 5100

Ramsey Washington Recycling and Energy Center

Per Minnesota law, the refuse hauler must deliver the collected waste to the Ramsey – Washington County Recycling & Energy Center facility in Newport, MN. Ramsey and Washington counties jointly own and operate the R&E Center, which processes trash to recover resources instead of disposing in landfills. By processing waste, thousands of tons of metal are recycled each year, and waste is turned into a fuel Xcel Energy uses to generate renewable energy for thousands of homes per year. Processing waste at the R&E Center not only reduces greenhouse gas emissions by avoiding landfills, but the R&E Center also adds jobs and value to the East Metro economy.

The center receives revenue through a tipping fee on all deliveries of waste to its location. The tipping fee is a per ton charge which pays the cost of operating the recycling and energy center. Prior to 2016, when a private company owned the center, Ramsey County issued a rebate to waste haulers to subsidize their overall tipping costs and encourage them to bring the waste to the center instead of landfills. Now under the joint ownership of Ramsey and Washington Counties, the law requires trash delivery to the center and eliminates the need for the subsidy. The rebate program ended in the beginning of 2020. This change requires haulers, residents, and businesses to pay the full cost of responsibly managing trash disposal.

The funds previously used for hauler rebates will support activities to help the counties meet the state’s goal of a 75% recycling rate and focus on their targeted waste plan initiatives.

The following chart illustrates the historical impact of the disposal fee and rebate changes for the facility over the last twelve-year period, while showing the significant increase in the City’s costs to tip trash at the required center.

<u>Year</u>	<u>Cost per ton</u>	<u>County Rebate</u>	<u>Net Disposal Cost</u>	<u>% Change</u>
2012	\$ 72.00	\$ 14.00	\$ 58.00	7.41%
2013	84.00	28.00	56.00	-3.45%
2014	84.81	28.00	56.81	1.45%
2015	86.22	28.00	58.22	2.48%
2016	70.00	12.00	58.00	-0.38%
2017	70.00	12.00	58.00	0.00%
2018	77.00	12.00	65.00	12.07%
2019	79.00	10.00	69.00	6.15%
2020	82.00	-	82.00	18.84%
2021	84.00	-	84.00	2.44%
2022	87.00	-	87.00	3.57%
2023	103.00	-	103.00	18.39%

Fund: Environmental Recycling and Waste Disposal Fund 5100

The 2023 tipping fee increase covers increased Recycling & Energy Center operating expenses including labor, transportation of materials, insurance, as well as capital investments being made at the R&E Center. The planned capital investments support recovery of additional recyclables from the trash, as well as the separation of food scraps collected as part of a new pickup program to promote composting that is in the development stage.

Recycling Processing Facility

While Republic Services collects the recyclables from residential customers, their responsibility ends when they transport the materials to the recycling processing facility. Therefore, the City contracts with Eureka Recycling, a non-profit recycling processing center, to handle the materials after drop off. Eureka Recycling relies on local markets to ensure the materials are managed responsibly and 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 policy of the City's Environmental Advisory Commission.

The City's contract with Eureka contains a revenue sharing formula where the City receives all revenues from sales minus the processing costs. This formula benefits the City when the recycling markets are strong; however, market downturns severely impact the City ability to receive revenues through the agreement. As an example, during 2019 the markets weakened significantly, requiring the City to pay Eureka to process the materials instead of receiving sales revenue. Eureka's solid commitment to the local market helped maintain some sales though the revenues remained less than the cost of processing. In response, the City's 2020 Budget incorporated a \$0.75 per household monthly recycling surcharge to cover these unanticipated costs. The monthly surcharge increased to a \$1.00 per household in 2021 as the weak markets continued. In March 2021, the recycling markets stabilized and sales revenue began exceeding the processing costs once again; therefore, the City eliminated this extra processing fee in the 2022 Budget.

Recyclers are struggling with China's shunning of the US waste exports. Experts in the industry say the current challenges could ultimately prompt changes that make recycling more efficient, widespread, and sustainable across the country. Eureka estimates that 93% of what comes in to their plant goes to companies that make cardboard, bottles, cans, and other items.

State law mandates every county, and every community with 5,000 or more people, give residents an opportunity to recycle through either a recycling center or providing curbside pickup. Collected recyclable materials cannot be sent to landfills or incinerators without state permission. By 2030, counties in the Twin Cities metro area will be required to recycle 75% of the solid waste they generate. Those efforts include the construction or expansion of more US recycling plants and the development of new uses and customer for recycled products. Any reduction of contaminated items in recycling materials will reduce the cost to process the recycling and provide greater value of the end products.

Fund: Environmental Recycling and Waste Disposal Fund 5100

Budget Summary:

The City passes all collection, disposal and recycling processing costs directly to customers through a tiered volume-based rate structure. There are three sizes for refuse containers, and four rates (one for senior with 30-gallon service). Each size has a corresponding monthly charge that the City bills to residents on a quarterly basis. The hauler bills property owners directly for all extra refuse service.

The City monitors the residential rates to ensure they provide sufficient revenue to offset contract costs and provide financial integrity to the fund. Eighty-eight percent (88%) of the refuse fund expenditures are directly associated with collection, disposal, and recycling processing, with the remaining twelve percent (12%) associated with administrative and billing costs.

The 2023 Budget contains a rate increase that incorporates the 2023 vendor per unit collection/hauling contract fee and an 18% increase to the tipping fee portion to cover the expenditure increase from the Recycling & Energy Center.

Monthly Fee	2020 Rate	2021 Rate	2022 Rate	2023 Rate
30 gallon senior	\$ 12.81	\$ 13.51	\$ 12.78	\$ 13.28
30 gallon	13.02	13.72	13.00	13.54
60 gallon	18.36	19.17	18.61	20.16
90 gallon	24.51	25.45	25.08	27.79
Recycling processing fee	0.75	1.00	-----	-----

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

Goals:

1. Continue to advertise ways to improve the efficiency of single sort recycling and reduce residual disposal within the recycling.
2. Investigate options to incorporate multi-unit housing into organized recycling collection.

Fund: Environmental Recycling and Waste Disposal Fund 5100

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of collection accounts	7,539	7,524	7,521	7,530
Tons of Residential Garbage Collected	6,268	6,084	6,000	6,000
Tons of Residential Recycling Collected	2,152	1,670	1,500	2,000

City of White Bear Lake
Enterprise - Environmental Recycling and Waste Disposal

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
	Charges for Services					
4882	Disposal charges	\$ 1,054,797	\$ 1,091,528	\$ 1,107,945	\$ 1,107,945	\$ 1,218,904
4884	Renewable waste charges	490,670	511,588	512,000	512,676	518,880
4887	Recycling processing fee	69,324	92,791	-	-	-
	Total charges for service	<u>1,614,791</u>	<u>1,695,907</u>	<u>1,619,945</u>	<u>1,620,621</u>	<u>1,737,784</u>
	Other Revenue					
4660	County aid - SCORE grant	62,339	62,388	62,388	63,199	63,185
4955	Interest	4,259	(1,352)	5,000	-	-
5010	Sales recyclables	69	71,756	57,000	62,000	12,000
5350	Miscellaneous	-	107	-	-	-
5350	Clean up	8,302	16,740	18,000	16,000	18,000
	Total other revenues	<u>74,969</u>	<u>149,639</u>	<u>142,388</u>	<u>141,199</u>	<u>93,185</u>
	Total revenues	<u>1,689,760</u>	<u>1,845,546</u>	<u>1,762,333</u>	<u>1,761,820</u>	<u>1,830,969</u>
Expenditures						
	Operational	240,276	194,733	203,353	200,228	230,137
	Disposal	<u>1,469,835</u>	<u>1,503,829</u>	<u>1,558,900</u>	<u>1,516,000</u>	<u>1,645,000</u>
	Total expenditures	<u>1,710,111</u>	<u>1,698,562</u>	<u>1,762,253</u>	<u>1,716,228</u>	<u>1,875,137</u>
	Revenues over (under) expenditures	<u>(20,351)</u>	<u>146,984</u>	<u>80</u>	<u>45,592</u>	<u>(44,168)</u>
	Fund balance January 1	<u>82,166</u>	<u>61,815</u>	<u>133,349</u>	<u>208,799</u>	<u>254,391</u>
	Fund balance December 31	<u>\$ 61,815</u>	<u>\$ 208,799</u>	<u>\$ 133,429</u>	<u>\$ 254,391</u>	<u>\$ 210,223</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	61,815	208,799			
	Deferred outflows of pension resources	94	1,187			
	Net pension liability	(1,442)	(1,734)			
	Deferred inflows of pension resources	(174)	(1,701)			
	Accounts receivable	132,400	142,559			
	Financial statement fund balance					
	December 31	<u>192,693</u>	<u>349,110</u>			

City of White Bear Lake
Enterprise - Environmental Recycling and Waste Disposal

Annual Budget
Business Unit: 5100

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Expenditures						
Personnel Services						
6117	Overtime - regular employees	\$ 1,745	\$ 3,074	\$ 4,491	\$ 4,491	\$ 4,716
6122	PERA	131	230	337	337	354
6124	FICA/Medicare	133	229	344	344	361
	Total personnel services	<u>2,009</u>	<u>3,533</u>	<u>5,172</u>	<u>5,172</u>	<u>5,431</u>
Supplies						
6250	Other supplies	529	1,003	1,600	2,000	1,700
	Total supplies	<u>529</u>	<u>1,003</u>	<u>1,600</u>	<u>2,000</u>	<u>1,700</u>
Other Services and Charges						
6401	Professional services	8,867	11,885	10,800	10,800	11,100
6402	Data processing	29,572	30,111	37,300	38,075	43,825
6434	General liability insurance	3,983	3,983	4,381	4,381	4,381
6445	Postage	5,007	5,862	5,500	6,300	5,500
6450	Outside printing	6,783	6,918	6,900	7,800	8,200
6492	Advertising	796	1,255	-	-	1,300
6555	Rental of equipment	70	143	200	200	200
6560	Other contractual services	72,660	20,040	17,500	11,500	29,500
6565	Disposal fees	1,469,835	1,503,829	1,558,900	1,516,000	1,645,000
	Total other services and charges	<u>1,597,573</u>	<u>1,584,026</u>	<u>1,641,481</u>	<u>1,595,056</u>	<u>1,749,006</u>
Transfer						
7605	General fund - administration charge	110,000	110,000	114,000	114,000	119,000
	Total	<u>\$ 1,710,111</u>	<u>\$ 1,698,562</u>	<u>\$ 1,762,253</u>	<u>\$ 1,716,228</u>	<u>\$ 1,875,137</u>

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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, as employees handle both fire and ambulance calls for service. Though the Fire Department operation celebrated its 130th year of service to White Bear Lake area in 2018, the City has only provided 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. After a long history of providing service through the paid on call volunteer staffing model, ever-increasing call demands prompted a comprehensive strategic planning process to assess operations and identify improvements to the City's emergency medical response and fire service.

The City began to shift from the volunteer staffing structure to a "combination staffing model" of full-time and on-call employees in 2014 when it added four full-time medical responder positions. Results from the strategic planning process supported the shift and indicated need for additional full-time staff to meet the high call volume. New full-time positions created during 2018 and 2019 brought the staff complement to 12 full-time positions. Under this model, the Chief and Assistant Chief supervise all full-time and part-time staff, leaving a gap in the shift supervision of staff. In 2021, the City incorporated a Captain position into the staffing structure to operate as a shift lead for each crew. These assignments did not add to the existing crew, but rather promoted three current full-time staff to the Captain positions. At the end of 2021, two new full-time positions were hired with two more positions requested in 2023 as part of a three-year plan that ends in 2024 to build a third 24/7 full-time crew. The department continues to employ paid-on-call members to provide additional help with duties.

Full-time Firefighter/Paramedics work 24-hour shifts with a base schedule of 2,912 hours per year. This is more than the 2,080 hours worked by most typical full-time employees who work five 8-hour days each week. While some overtime is necessary with the 24/7 scheduling, Fair Labor Standards overtime rules are more liberal for Firefighter/Paramedic positions.

Prior to 2022, the budget for Fire Department Personnel Services was built with 20% of the associated staffing costs for Firefighter/Paramedic (F/PP) positions, with the remaining 80% assigned to the Ambulance Fund budget since a significant portion of the calls are for emergency medical issues. However, the Ambulance Fund could not financially survive on this allocation because Medicare's limited reimbursement amount, a high delinquency in self-pay accounts and the creation of high deductible insurance plans prevent the Fund from experiencing the full benefit of any rate increases. In light of these issues, the City compared its service model and funding strategy with those of cities with similar staffing models and calls for service.

Fund: Ambulance Fund 5250

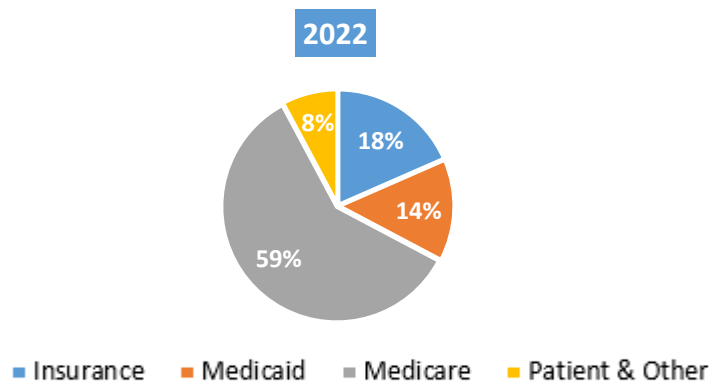
Comparison results indicated the City was conservative in the 20/80 allocation of FF/P salaries between the two funds as other cities either assign a higher percentage to the General Fund or combine the Fire and Ambulance Department budgets into one Special Revenue Fund and utilize a separate emergency response tax levy to help support the combined operations. Ambulance revenues can offset operating costs of the combined operations as a whole, however, they cannot support the ambulance service on its own. Given this information, the 2022 Budget moved from the 20/80 split for FF/P positions to a 25/75 split. Analysis as of late 2022 indicates the percentage will need to be increased again in the 2024 Budget. The ultimate goal is to balance both budgets while continuing to provide timely high quality service to patients.

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 operating and capital costs of the department. The City Council establishes the service rates billed to patients on a per run basis, which are consistent with the metropolitan average rates. Third party denials for selected billings and client non-payments reduce the revenue collections for the department.

One significant challenge the department faces in revenue collection relates to federal laws limiting the fees ambulance service providers may collect for Medicare or Medicaid patient transportations. All providers must accept the allowable reimbursement amount set by law as payment in full for patients with these coverages, without the ability to bill patients for the difference between the allowable amount and the actual cost of the service.

Approximately 73% of the department’s collections are for patients who fall under this revenue collection restriction through government programs such as Medicare or Medicaid. Below is a graph depicting the City’s patient mix for January 1, 2022 – October 24, 2022.

White Bear Lake Patient Mix

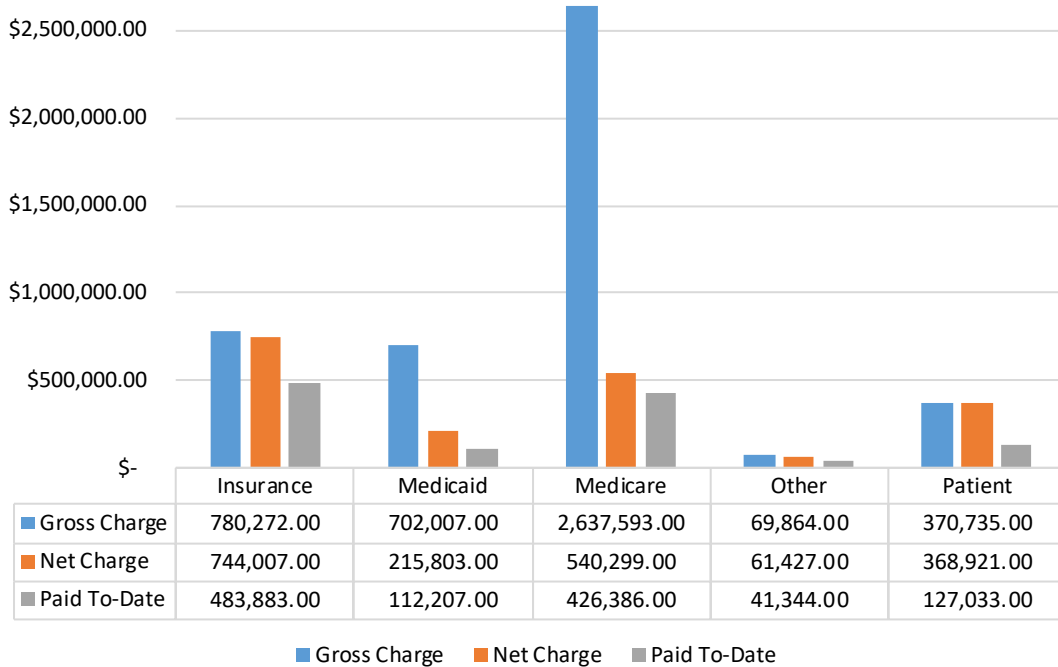


The graph below compares gross charges (the amounts originally charged by the City) to net charges (the amount the City is able to charge after taking into account adjustments due to third-party denials and the allowable reimbursement rate set by law for government insurance coverage), and the year-to date payments collected on each patient type. The information shown

Fund: Ambulance Fund 5250

is for January 1, 2022 – October 24, 2022. The graph illustrates how, on average, the City is only able to charge approximately 20% of total fees on Medicare claims and 30% on Medicaid claims. As noted in the graph above, Medicare and Medicaid make up 73% of the City’s patient mix.

Gross Charges, Net Charges, and Paid To-Date



The 2023 Budget conservatively assumes no increase in Medicare and Medicaid reimbursement rates since the actual change is unknown at this time.

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 2023 Budget to cover operational and capital expenditures of the Fund. A comparison of recent rates and the proposed rates are as follows:

Call Type	Rates Effective 1/1/2020	Rates Effective 1/1/2021	Rates Effective 1/1/2022	Rates Effective 1/1/2023
Basic Life Support	\$ 1,457.00	\$ 1,505.00	\$ 1,550.00	\$ 1,628.00
Advanced Life Support-1	1,921.00	1,980.00	2,040.00	2,143.00
Advanced Life Support-2	2,096.00	2,160.00	2,225.00	2,336.00
Treatment No Transport	489.00	505.00	520.00	546.00
Mileage per mile	31.00	32.00	33.00	35.00

Fund: Ambulance Fund 5250

Budget Summary:

The Fund is experiencing challenges in revenue collections as a majority of the calls are for patients covered by government plans that limit the allowable reimbursement amount for each transport and the increase of patients who have high deductible insurance plans and must pay the total amount due until they reach their annual deductible amount. These issues compound as the staffing model changes to ensure timely response to all calls for service.

The 5.0% rate increase in the 2023 Budget recognizes the need for additional revenues to support the operations yet understands the rates need to stay within a reasonable range.

The Fund was originally budgeted to receive a \$226,000 transfer in from the American Rescue Plan Aid Fund in 2022 to support operating expenses and to fund the hiring of two new medics. However, in the 2022 Revised Budget, the \$226,000 was budgeted as federal revenue instead for accounting purposes. An additional \$239,000 in American Rescue Plan Aid is budgeted for 2023 to support operating expenses and to fund the hiring of two new medics to complete the three-year process of building a third 24/7 full-time crew.

The Equipment Acquisition Fund transfers funding in to support the purchase of an ambulance to replace a 2012 unit in the 2022 Adopted Budget since the operations cannot support the purchase. Due to supply chain issues, the City only received the stretcher for the ambulance and will not be receiving the actual vehicle until 2023, so the transfer was split accordingly between the 2022 Revised Budget and 2023 Budget.

As mentioned above in the Department Activities and Responsibilities section, the 2023 Budget is built with 75% of the FF/P personnel costs assigned to this Fund and the remaining 25% assigned to the Fire Department. This percentage will need to change in 2024 to support operations and create financial stability in the Ambulance Fund.

In addition to increasing the full-time staff by two in 2023, the Personnel Services budget also increases due to the implementation of the classification and compensation study conducted by the City in 2022. Non-bargaining employees were placed at the step they are currently closest to (without a reduction in pay) in their new pay grade as of September 1, 2022. The plan includes an annual cost of living adjustment as of January 1, 2023, and on July 1, 2023 all qualifying non-bargaining employees will receive an increase for longevity. Unionized employees will finish out the year according to their current union contract, and then will move to their closest step and receive a cost of living adjustment as of January 1, 2023.

The increase in the Insurance Contribution and Workers' Compensation budgets in 2023 reflects a change in philosophy to more accurately account for how these benefits are allocated to each department. The increase in this Fund is offset by decreases in other Funds and departments.

The Equipment Supplies line item includes \$14,000 in funding for the purchase of rescue swimmer equipment, suits, fins, and masks in 2023.

Fund: Ambulance Fund 5250

The allocations for Other Supplies and Motor Fuels in 2022 and 2023 increase to account for the rising costs of medical supplies, a higher number of calls for service and actual fuel costs.

The City budgets for the contract billing and collections services associated with the City’s ambulance operations in the Professional Services account. In May 2021, the City switched to a new ambulance billing and collection service after working with the previous service provider for more than 20 years. The new service provider has an internally developed software and a substantial employee base that allows for quick processing of data related to claims. In the ambulance billing business, it is advantageous to get invoices out quickly and accurately to maximize payments from the insurance agencies. The new service provider fees are based on collections at 3% of the total revenue collected each month. The City has seen an increase in collections since the switch, which results in a correlating increase in fees paid to the service provider. The State of Minnesota’s 2% provider tax also rises in the 2022 Revised and 2023 Budgets with the increase in collections. The Contracted Services account budget includes funding for a bank lockbox to collect electronic insurance and patient payments.

The transfer to the General Fund supports the Ambulance Fund’s share of dispatch services and administrative services.

Goals:

1. Effectively deploy personnel and apparatus to increase overall service delivery.
2. Adjust personnel utilization to provide appropriate service levels.
3. Continue involvement of members in various community education endeavors including general health awareness and CPR training.
4. Implement new technology and skills to improve patient care for critically ill patients.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Medical Response Calls	3,292	3,992	4,150	4,150
Average Response Times	5:54	6:05	6:10	6:00
Percentage of Patients that Utilize Medicare, Medicaid, and Other Government Plans	72%	71%	73%	73%
CPR Training Classes Held	0	11	6	10

City of White Bear Lake
Enterprise - Ambulance

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
	Charges for services					
4882	Ambulance charges	\$ 1,769,476	\$ 1,912,993	\$ 1,980,000	\$ 2,224,005	\$ 2,300,000
	Total charges for services	<u>1,769,476</u>	<u>1,912,993</u>	<u>1,980,000</u>	<u>2,224,005</u>	<u>2,300,000</u>
	Other revenue					
4604	Intergovernmental - Federal Grant	115,608	133,522	-	226,000	239,000
4955	Interest	2,333	(1,237)	-	-	-
5010	Sale of property	12,946	-	-	2,768	-
5350	Miscellaneous revenue	4	-	-	-	-
	Total other revenue	<u>130,891</u>	<u>132,285</u>	<u>-</u>	<u>228,768</u>	<u>239,000</u>
	Transfers in					
	American Rescue Plan Aid Fund	149,847	-	226,000	-	-
	Non Bonded Fund	200,000	-	-	-	-
	Equipment Acquisition Fund	-	-	250,000	17,000	233,000
	Total transfers in	<u>349,847</u>	<u>-</u>	<u>476,000</u>	<u>17,000</u>	<u>233,000</u>
	Total revenues	<u>2,250,214</u>	<u>2,045,278</u>	<u>2,456,000</u>	<u>2,469,773</u>	<u>2,772,000</u>
Expenditures						
	Operations	2,067,094	2,049,837	2,347,050	2,447,517	2,777,797
	Capital	-	-	250,000	17,000	293,000
	Total expenditures	<u>2,067,094</u>	<u>2,049,837</u>	<u>2,597,050</u>	<u>2,464,517</u>	<u>3,070,797</u>
	Revenues over (under) expenditures	<u>183,120</u>	<u>(4,559)</u>	<u>(141,050)</u>	<u>5,256</u>	<u>(298,797)</u>
	Fund balance January 1	<u>158,551</u>	<u>341,671</u>	<u>187,287</u>	<u>337,112</u>	<u>342,368</u>
	Fund balance December 31	<u>\$ 341,671</u>	<u>\$ 337,112</u>	<u>\$ 46,237</u>	<u>\$ 342,368</u>	<u>\$ 43,571</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	341,671	337,112			
	Deferred outflows of pension resources	973,789	1,491,474			
	Net pension liability	(1,202,540)	(666,931)			
	Deferred inflows of pension resources	(766,216)	(1,621,324)			
	Net capital assets	450,678	315,980			
	Accounts receivable	802,971	817,309			
	Recognize part of A/R	(120,000)	(120,000)			
	Financial statement fund balance December 31	<u>480,353</u>	<u>553,620</u>			

City of White Bear Lake
Enterprise - Ambulance

Annual Budget
Business Unit: 5252

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 910,340	\$ 882,880	\$ 996,335	\$ 1,029,627	\$ 1,201,150
6117	Overtime - regular employees	155,216	141,936	143,231	151,592	171,574
6119	Salaries - temporary employees	175,807	194,380	223,582	223,187	220,506
6122	PERA Defined Benefit	184,206	176,929	197,382	204,724	239,915
6123	PERA Defined Contribution	2,673	1,990	3,564	3,564	3,564
6124	FICA/Medicare	31,016	31,397	36,254	36,847	38,631
6128	Insurance contribution	58,800	61,740	117,600	117,600	147,000
6138	Worker's compensation	119,000	117,100	140,520	140,520	169,405
6148	Other benefits	10,000	10,000	22,800	22,800	24,300
	Total personnel services	<u>1,647,058</u>	<u>1,618,352</u>	<u>1,881,268</u>	<u>1,930,460</u>	<u>2,216,045</u>
Supplies						
6210	Office supplies	7	37	50	50	50
6220	Equipment supplies	1,449	411	3,000	3,000	17,000
6230	Vehicle supplies	6,564	12,359	5,000	5,000	6,000
6250	Other supplies	54,808	56,504	55,000	65,000	66,000
6272	Motor fuels	18,683	31,747	24,000	41,000	43,000
6280	Books & periodicals	-	-	600	600	600
6290	Uniforms	4,461	5,598	10,000	10,000	10,000
6295	Small tools	18,335	20,185	10,000	10,000	10,000
	Total supplies	<u>104,307</u>	<u>126,841</u>	<u>107,650</u>	<u>134,650</u>	<u>152,650</u>
Other Services and Charges						
6401	Professional services	122,381	119,887	126,650	143,700	147,500
6402	Data processing	9,293	10,228	12,100	12,350	14,300
6405	Minnesota Care 2% Tax	21,968	14,032	23,000	31,000	31,000
6412	Cellular	4,170	4,180	4,600	5,075	5,020
6434	General liability insurance	6,634	6,634	7,297	7,297	7,297
6436	Vehicle liability insurance	7,967	2,000	2,060	2,060	2,060
6450	Outside printing	-	-	100	100	100
6460	Subscription/memberships	-	-	325	325	325
6470	Training	(773)	1,590	11,000	11,000	11,000
6505	Equipment maintenance service	1,768	1,969	7,000	7,000	7,000
6510	Vehicle maintenance service	2,321	1,781	19,000	12,500	12,500
6560	Other contractual service	-	2,343	-	5,000	5,000
	Total other services and charges	<u>175,729</u>	<u>164,644</u>	<u>213,132</u>	<u>237,407</u>	<u>243,102</u>
Capital Outlay						
	Equipment	-	-	250,000	17,000	293,000
	Total capital outlay	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>17,000</u>	<u>293,000</u>
Transfers						
	General Fund	<u>140,000</u>	<u>140,000</u>	<u>145,000</u>	<u>145,000</u>	<u>166,000</u>
Total		<u>\$ 2,067,094</u>	<u>\$ 2,049,837</u>	<u>\$ 2,597,050</u>	<u>\$ 2,464,517</u>	<u>\$ 3,070,797</u>

Fund: Pioneer Manor Fund 5300

The Pioneer Manor Fund accounts for operation and maintenance of a 42-unit senior citizen housing facility. The City built Pioneer Manor in 1994 with the goal to provide a quality independent living environment at a reasonable cost without direct tax payer support.

Department Activities and Responsibilities:

City staff oversees the long-range facility planning activities and contracts with Walker Methodist Consulting to manage the day-to-day operations. The one-year contract began in January 2018 and renews for 3-year periods if not cancelled 90 days in advance. Staff and residents remain satisfied with this contract due to Walker Methodist’s experience in managing senior facilities and their strong customer service.

In 2012, the annual debt service analysis indicated an advantage in refinancing the debt issue to recognize interest savings available through record low rates in the market. Even though this process reduced the Fund’s annual required debt payment, the City chose not to base the transfer to the Debt Service Fund on the new amortization schedule and continue to transfer \$160,000 per year according to the original plan. This decision provides budget consistency from year to year and allows the Debt Service Fund to accumulate fund balance to cover the higher annual payments at the end of the bond. The debt obligation will expire in 2023, which allows the fund the financial ability to focus on elevator replacement and maintenance/upgrades to the building’s general interior spaces.

Budget Summary:

The 2023 Budget plans a 5.0% rate increase effective in April to maintain operations. This provides additional means to sustain the Fund in anticipation of higher natural gas prices and unforeseen building maintenance issues but recognizes the limited monthly budget of the senior citizen residents. The following schedule provides the rental rates from 2020 through the proposed 2023 fee adjustment. The facility’s caretaker occupies one two-bedroom unit.

Type of Unit	Number of Units	Rates		Rates	
		Effective 4/1/2020	Effective 4/1/2021	Effective 4/1/2022	Effective 4/1/2023
1 bedroom	23	\$ 715.00	\$ 730.00	\$ 760.00	\$ 798.00
1 bedroom + den	3	765.00	780.00	810.00	850.00
2 bedroom	6	840.00	855.00	890.00	935.00
2 bedroom deluxe	10	890.00	905.00	940.00	987.00
Garage	20	58.00	59.00	62.00	65.00

The facility implemented a property management software in 2022 to streamline and digitize much of the administrative work and file keeping.

The transfers to the General Fund and Economic Development Fund support administrative services provided to the operations.

Fund: Pioneer Manor Fund 5300

Capital Outlay:

The 2022 Capital Outlay budget includes funding for the replacement of first floor carpeting, installation of an FOB access system, a fire panel, and a garage air exchanger. The 2023 Budget plans for replacement of second and third floor carpeting and new security cameras.

Goals:

1. Provide a quality senior facility for residents at affordable rental rates.
2. Continue providing social activities through management programming efforts with a special focus on events and programming that encourage social connection and mental and physical wellbeing.
3. Receive monthly reports from management organization that includes, but is not limited to, resident events, apartment vacancies and the number of applications received.
4. Invest in capital improvement projects as outlined in the current 10-year Capital Improvement Plan
5. Conduct an annual survey to ascertain resident satisfaction with the facility and property management.

Measurable Workload Data:

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Budget</u>	2023 <u>Budget</u>
Number of Unit-day vacancies per year	108	120	28	50
Scheduled resident events	139	183	550*	600
Number of persons on waiting list at end of year	48	49	87	75
Number of move outs during the year	8	5	3	3

*In addition to event programming that has been scheduled in the past, some high frequency ongoing events have been established in 2022 including Coffee Club six times per week and Card Club four times per week.

City of White Bear Lake
Enterprise - Pioneer Manor Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604.1	Federal grant	\$ 494	\$ -	\$ -	\$ -	\$ -
4604.2	County capital grant	379,351	-	-	-	-
4955	Interest	4,400	(1,597)	-	-	-
4975	Rents	401,600	409,554	426,000	426,000	446,000
4990	Donations	-	55	-	-	-
5350	Miscellaneous	1,432	2,326	3,500	4,128	5,500
5360	Refunds and reimbursements	2,768	216	-	1,015	-
	Total operating revenues	<u>790,045</u>	<u>410,554</u>	<u>429,500</u>	<u>431,143</u>	<u>451,500</u>
5205	Transfers in Economic Development Fund	829	-	-	-	-
	Total revenues	<u>790,874</u>	<u>410,554</u>	<u>429,500</u>	<u>431,143</u>	<u>451,500</u>
Expenditures						
	Operating	252,073	208,937	266,802	271,487	294,652
	Capital infrastructure	376,522	11,855	78,500	78,500	37,000
7605	Transfers out General Fund	-	17,000	18,000	18,000	18,500
7605	Economic Development Fund	-	-	-	-	17,000
7605	Debt Service Fund	160,000	160,000	160,000	160,000	160,000
	Total Transfers out	<u>160,000</u>	<u>177,000</u>	<u>178,000</u>	<u>178,000</u>	<u>195,500</u>
	Total expenditures	<u>788,595</u>	<u>397,792</u>	<u>523,302</u>	<u>527,987</u>	<u>527,152</u>
	Revenue over (under) expenditures	<u>2,279</u>	<u>12,762</u>	<u>(93,802)</u>	<u>(96,844)</u>	<u>(75,652)</u>
	Capital reserves adjustment (to) from	<u>70,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
	Fund balance January 1	<u>142,616</u>	<u>214,895</u>	<u>116,975</u>	<u>227,657</u>	<u>130,813</u>
	Fund balance December 31	<u>\$ 214,895</u>	<u>\$ 227,657</u>	<u>\$ 53,173</u>	<u>\$ 130,813</u>	<u>\$ 55,161</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	214,895	227,657			
	Net capital assets	1,751,531	1,659,985			
	Financial statement fund balance December 31	<u>1,966,426</u>	<u>1,887,642</u>			

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Supplies						
6210	Office supplies	\$ 1,314	\$ 748	\$ 1,000	\$ 750	\$ 1,000
6240	Building supplies	31,990	8,098	19,500	19,500	21,400
6250	Other supplies	179	-	500	500	-
6255	Equipment supplies	549	144	750	400	600
6295	Small tools	1,619	3,492	1,500	500	500
	Total supplies	<u>35,651</u>	<u>12,482</u>	<u>23,250</u>	<u>21,650</u>	<u>23,500</u>
Other Services and Charges						
6401	Professional services	44,181	46,428	48,200	57,800	67,300
6411	Telephone	2,168	2,149	2,400	2,200	2,400
6421	Water/sewer	6,296	6,868	8,000	7,500	8,000
6422	Electric	12,812	15,488	16,300	16,300	17,025
6423	Natural gas	6,552	9,326	10,000	22,015	23,500
6434	General liability insurance	3,320	3,320	3,652	3,652	3,652
6445	Postage	185	195	300	250	250
6487	Programs	2,038	1,079	3,000	2,500	3,000
6505	Equipment maintenance service	99	387	1,000	1,000	1,000
6515	Building maintenance service	66,051	50,586	84,600	81,150	72,800
6517	Apartment turnover maintenance	34,767	23,102	27,300	12,000	27,000
6560	Other contractual services	37,953	37,527	38,800	43,470	45,225
	Total other services and charges	<u>216,422</u>	<u>196,455</u>	<u>243,552</u>	<u>249,837</u>	<u>271,152</u>
Capital Outlay						
7120	Capital infrastructure - building	376,522	11,855	78,500	78,500	35,000
7160	Other improvements	-	-	-	-	2,000
	Total capital outlay	<u>376,522</u>	<u>11,855</u>	<u>78,500</u>	<u>78,500</u>	<u>37,000</u>
Transfer						
7605	General Fund	-	17,000	18,000	18,000	18,500
7605	Economic Development Fund	-	-	-	-	17,000
7605	Debt Service Fund	160,000	160,000	160,000	160,000	160,000
	Total transfer	<u>160,000</u>	<u>177,000</u>	<u>178,000</u>	<u>178,000</u>	<u>195,500</u>
Total		<u>\$ 788,595</u>	<u>\$ 397,792</u>	<u>\$ 523,302</u>	<u>\$ 527,987</u>	<u>\$ 527,152</u>

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 covering the operating costs of the department. Even though the License Bureau is a city department, as an agent of the State of Minnesota, the State sets many of the parameters for operations such as: transaction user charges, operating software, required supporting documentation for transactions, and reporting obligations.

The Fund also employs a full-time Passport Clerk to assist customers 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 launched a new secure web-based software, Minnesota Licensing and Registration System (MNLARS) in 2017 to replace its 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.

Despite system improvements after the initial implementation of the vehicle registration and ownership records, significant process issues remained. During the 2019 legislative session, the State Legislature voted to replace the MNLARS system with The Vehicle Title and Registration System named "MNDrive" because the cost of continuing to fix MNLARS was greater than implementing an entirely new system. The State launched the new "MNDrive" system in November 2020, with full implementation as well as the decommissioning of MNLARS completed in the fall of 2021.

Through the implementation of both MNLARS and MNDrive, 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 MNDrive to provide real-time data for the Department of Public Safety and system users. This shift in responsibilities drastically affected the department's operations. Since State Statutes set the transaction filing fee rates, which are the main revenues in the Fund, the City has no influence on changes to its revenue sources and can only balance the budget with strict expense management. This situation presents a major challenge as the department operations revolve around staff costs in a customer service driven department.

Fund: License Bureau Fund 5350

The Minnesota Legislature recognized some of the financial challenges the MNLARS implementation caused for Deputy Registrar offices through their passage of two financial assistance programs in 2019. First, the Governor signed legislation appropriating \$13 million as reimbursement to deputy registrar offices for costs associated with the new MNLARS system. Of that total, the City received \$204,171 based on a formula that distributes some of the available funds equally and the rest of the funds allocated proportionally based on the number of transactions with a filing fee retained by the deputy registrar from August 1, 2017 through December 31, 2018. This payment replenishes the fund balance for extremely high expenses experienced due to the implementation. Second, the Governor also signed legislation to increase filing fees the Deputy Registrars collect from customers for long and short motor vehicle applications by \$1 per transaction. Though the additional funds assist to support operating activities, the amount is lower than Deputy Registrars hoped to receive as compensation in relation to the amount of work they assumed for each application. Of greatest importance is the State’s lack of increase in transaction filing fees paid to Deputy Registrars for driver’s license applications.

The following table depicts the current fee structure after the most recent increase:

<u>Transaction Type</u>	<u>Rates as of 1/1/14</u>	<u>Rates as of 8/1/2019</u>
Long Forms for Title Changes	\$10.00	\$11.00
Short Forms for Tab Renewals	6.00	7.00
Drivers Licenses	8.00	8.00

A 2021 analysis of the Department’s revenues and expenses highlighted the fact that the per transaction filing fee paid to the Deputy Registrars for driver’s license transactions did not cover the City’s cost of processing the transaction. The department did not experience this issue prior to the Real or Enhanced ID regulations because multiple Standard ID transactions could be completed each hour producing revenues exceeding expenditures. This is not the case now for the following two factors:

- The increased duties transferred to the Deputy Registrar offices through the implementation of their web-based record software (initially MNLARS, now MNDrive)
- Additional documentation review for applicants of the Enhanced ID and Real ID extended transaction time

If the State Legislature does not increase the transaction rates during the 2023 Legislative session, the City will need to consider modifying staffing levels, change from a full-service to limited service office or internally support operations.

Fund: License Bureau Fund 5350

Budget Summary:

The proposed 2023 budget estimates a negative fund balance as of 12/31/23 due to the following reasons:

Major items:

- Minnesota Legislature’s lack of action to increase transaction fees during the 2022 session
- Implementation of the City’s new Pay Plan as the majority of department employee wages were well under market rate

Other contributing factors:

- Neighboring Deputy Registrar offices are operating by appointment only for driver license transactions due to staffing and financial issues. Consequently, they refer customers to our office since we offer walk-in services for all transactions.
- Auto industry challenges have reduced the number of title transactions processed. These transaction fees produce the highest revenue opportunity for the City.

The 2023 Budget assumes passport services will reconvene in January 2023 after pausing these services during the COVID-19 pandemic while staff worked to find suitable office space for these operations.

The 2022 Revised Budget includes \$25,000 in American Rescue Plan Aid funds to provide funding for operational costs as part of the recapture of lost revenues qualifications of the aid. The \$25,000 was originally budgeted as a transfer in from the American Rescue Plan Fund for this purpose in the 2022 Adopted Budget, but it was instead budgeted as a federal revenue in the 2022 Revised Budget for accounting purposes.

Capital Outlay:

The American Rescue Plan Fund, in the Capital Project Funds section of the budget, includes \$200,000 in 2023 for the relocation and renovation of the new License Bureau location at the Bellaire Center.

Goals:

1. Enhance relationship with local automobile by maintaining current relationships and acquiring more dealership customers.
2. Provide services to increase revenue by maintaining and increasing the drop box and walk-in services.

Fund: License Bureau Fund 5350

3. Adjust staffing levels throughout 2023 based on customer and dealer transactions. REAL ID deadline May 3rd, 2023 – maintain and adjust to accommodate customers.
4. Lobby State of Minnesota/Legislators for increased filing fees for all transactions, but especially driver’s license/identification card renewals and duplicates.

Measurable Workload Data:

	2020	2021	2022	2023
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Transactions processed, Counter	52,956	58,960	60,000	70,000
Transactions processed, Dealer	18,481	24,254	20,200	20,000
Drivers licenses processed	6,609	8,990	19,000	20,000
License Bureau transactions processed per hour	4.83	5.66	4.77	5.00
Passport transactions processed	420	0	0	2,000

City of White Bear Lake
Enterprise - License Bureau

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4604	Federal aid	\$ 16,060	\$ 50,000	\$ -	\$ 25,000	\$ -
4811	Deputy registrar	520,642	686,910	720,000	746,000	780,000
4812	Passports	14,105	-	29,641	-	72,300
4814	Passport photos	3,465	14	9,385	-	22,050
4816	Passport renewal photos	2,347	-	7,814	-	16,550
4955	Interest	5,861	(1,035)	-	-	-
5010	Sale of goods	63	76	-	20	-
5350	Miscellaneous	1,768	771	500	210	500
5360	Refunds and reimbursements	1,879	-	-	-	-
	Total operating revenues	<u>566,190</u>	<u>736,736</u>	<u>767,340</u>	<u>771,230</u>	<u>891,400</u>
Transfers In						
5205	American Rescue Plan Aid	-	-	25,000	-	-
5205	Economic Development Fund	12,940	-	-	-	-
		<u>12,940</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>579,130</u>	<u>736,736</u>	<u>792,340</u>	<u>771,230</u>	<u>891,400</u>
Expenditures						
	Operating - License Bureau	691,163	738,530	842,835	849,893	953,943
	Operating - Passport Office	18,345	289	53,042	430	92,899
	Total expenditures	<u>709,508</u>	<u>738,819</u>	<u>895,877</u>	<u>850,323</u>	<u>1,046,841</u>
Transfers Out						
	Interim Construction Fund	75,000	-	-	-	-
	General Fund	-	-	50,000	50,000	57,000
	Total transfers out	<u>75,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>57,000</u>
	Total expenditures	<u>784,508</u>	<u>738,819</u>	<u>945,877</u>	<u>900,323</u>	<u>1,103,841</u>
	Revenues over (under) expenditures	<u>(205,378)</u>	<u>(2,083)</u>	<u>(153,537)</u>	<u>(129,093)</u>	<u>(212,441)</u>
	Fund balance January 1	<u>422,606</u>	<u>217,228</u>	<u>171,013</u>	<u>215,145</u>	<u>86,052</u>
	Fund balance December 31	<u>\$ 217,228</u>	<u>\$ 215,145</u>	<u>\$ 17,476</u>	<u>\$ 86,052</u>	<u>\$ (126,390)</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	\$ 217,228	\$ 215,145			
	Deferred outflows of pension resources	25,348	187,319			
	Net pension liability	(388,106)	(274,130)			
	Deferred inflows of pension resources	(46,934)	(268,456)			
	Financial statement fund balance December 31	<u>\$ (192,464)</u>	<u>\$ (140,122)</u>			

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Personnel Services						
6105	Salaries - regular employees	\$ 462,618	\$ 481,761	\$ 548,543	\$ 551,429	\$ 633,898
6117	Overtime - regular employees	2,615	2,361	3,000	3,000	3,000
6119	Salaries - temporary employees	4,283	-	14,173	14,282	14,781
6122	PERA Defined Benefit	34,889	36,309	42,429	42,653	48,876
6124	FICA/Medicare	33,480	35,510	43,277	43,506	49,853
6128	Insurance contribution	89,500	88,160	105,840	105,840	105,000
6138	Worker's compensation	11,500	5,000	5,280	5,280	23,163
6146	Severance	-	9,782	-	-	-
6148	Other benefits	6,200	14,848	20,520	20,520	18,000
	Total Personnel Services	<u>645,085</u>	<u>673,731</u>	<u>783,061</u>	<u>786,510</u>	<u>896,572</u>
Supplies						
6210	Office supplies	2,249	3,013	3,645	3,420	3,595
6220	Equipment supplies	374	102	200	350	350
6240	Building supplies	774	401	1,900	200	200
6250	Other supplies	53	1,697	180	180	180
6290	Uniforms	-	28	60	60	60
6295	Small tools	774	496	600	8,972	4,070
	Total Supplies	<u>4,224</u>	<u>5,737</u>	<u>6,585</u>	<u>13,182</u>	<u>8,455</u>
Other Services and Charges						
6401	Professional services	263	20,708	2,725	6,300	2,750
6402	Data processing	9,273	10,209	12,100	12,350	14,300
6411	Telephone	2,782	3,340	3,630	4,115	4,250
6422	Electric	1,380	1,506	1,700	1,700	1,700
6423	Natural gas	448	524	800	1,025	1,125
6434	General liability insurance	7,233	7,233	7,956	7,956	7,956
6445	Postage	11,001	5,797	5,900	4,500	4,500
6450	Outside printing	-	84	100	100	100
6460	Subscription/memberships	1,000	1,100	1,200	770	1,100
6470	Training	613	42	570	685	570
6486	Mileage Reimbursement	-	-	75	75	75
6492	Advertising	-	250	2,438	2,340	2,340
6505	Equipment maintenance service	6,988	6,886	9,700	7,835	7,700
6515	Building maintenance service	-	-	3,570	-	-
6560	Other contractual services	873	1,383	725	450	450
	Total Other Services and Charges	<u>41,854</u>	<u>59,062</u>	<u>53,189</u>	<u>50,201</u>	<u>48,916</u>
Transfers						
7605	Interim Construction Fund	75,000	-	-	-	-
7605	General Fund	-	-	50,000	50,000	57,000
	Total Transfers	<u>75,000</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>57,000</u>
Total		<u>\$ 766,163</u>	<u>\$ 738,530</u>	<u>\$ 892,835</u>	<u>\$ 899,893</u>	<u>\$ 1,010,943</u>

City of White Bear Lake
Enterprise - Passports

Annual Budget
Business Unit: 5353

<u>Code</u>	<u>Item</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Adopted</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Personnel Services						
6105	Salaries - regular employees	\$ 4,833	\$ -	\$ 26,229	\$ -	\$ 57,963
6117	Overtime - regular employees	-	-	700	-	700
6119	Salaries - temporary employees	3,634	-	5,000	-	5,000
6122	PERA defined benefit	362	-	2,020	-	4,400
6124	FICA/Medicare	627	-	2,443	-	4,870
6128	Insurance contribution	5,980	-	9,800	-	10,500
6138	Worker's compensation	915	-	570	-	2,316
6148	Other benefits	105	-	1,900	-	1,800
	Total personnel services	<u>16,456</u>	<u>-</u>	<u>48,662</u>	<u>-</u>	<u>87,549</u>
Supplies						
6210	Office supplies	555	-	735	-	735
6220	Equipment supplies	-	-	75	-	75
6250	Other supplies	-	-	60	-	60
6290	Uniforms	-	-	-	-	100
6295	Small tools	-	-	400	-	400
	Total supplies	<u>555</u>	<u>-</u>	<u>1,270</u>	<u>-</u>	<u>1,370</u>
Other Services and Charges						
6401	Professional services	-	-	20	-	20
6411	Telephone	222	289	330	430	450
6445	Postage	997	-	1,925	-	1,925
6450	Outside printing	-	-	75	-	75
6460	Subscription/memberships	-	-	140	-	140
6492	Advertising	-	-	500	-	500
6505	Equipment maintenance service	115	-	120	-	120
6560	Other contractual services	-	-	-	-	750
	Total other services and charges	<u>1,334</u>	<u>289</u>	<u>3,110</u>	<u>430</u>	<u>3,980</u>
Total		<u>\$ 18,345</u>	<u>\$ 289</u>	<u>\$ 53,042</u>	<u>\$ 430</u>	<u>\$ 92,899</u>

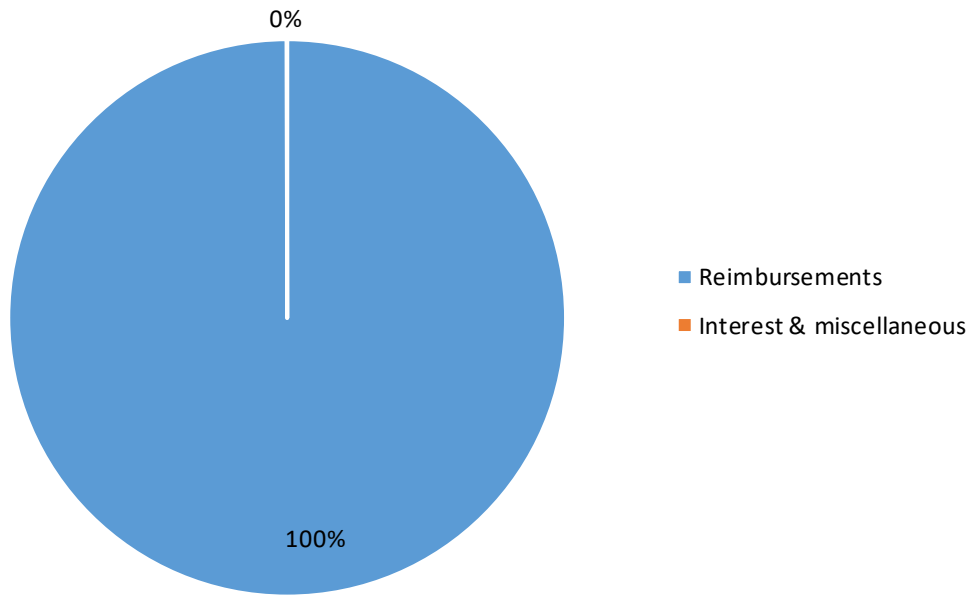
City of White Bear Lake
Internal Service Funds

Annual Budget

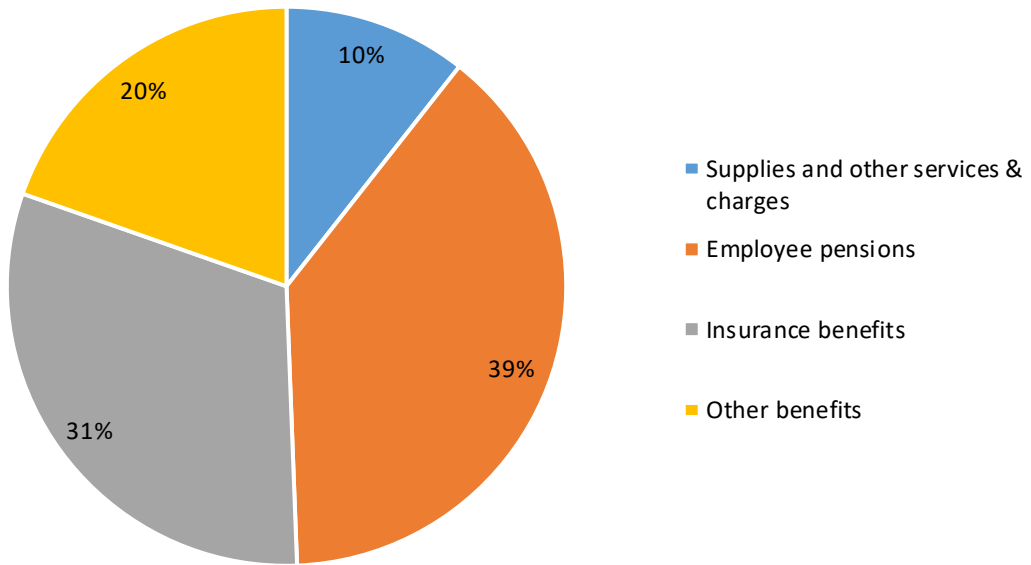
	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>2022 Revised</u>	<u>2023 Budget</u>
Revenues					
Reimbursements	\$ 3,321,469	\$ 3,401,594	\$ 4,022,250	\$ 4,020,875	\$ 4,358,709
Miscellaneous	370,531	284,780	20,050	68,431	1,078
Interest	82,348	(23,630)	60,000	-	-
Loan repayments	274,000	126,000	-	-	-
Transfers in	291,775	134,000	-	-	-
Total revenues	<u>4,340,123</u>	<u>3,922,744</u>	<u>4,102,300</u>	<u>4,089,306</u>	<u>4,359,787</u>
Expenditures					
Supplies	648	-	1,750	1,750	1,750
Other services & charges	365,586	425,248	482,575	447,575	484,075
Employee pensions	1,516,692	1,575,074	1,764,000	1,722,100	1,777,700
Insurance benefits	1,110,123	1,139,682	1,175,000	1,332,000	1,419,500
Other benefits	732,689	602,838	918,000	833,091	899,200
Total expenditures	<u>3,725,738</u>	<u>3,742,842</u>	<u>4,341,325</u>	<u>4,336,516</u>	<u>4,582,225</u>
Revenues over (under) expenditures	<u>614,385</u>	<u>179,902</u>	<u>(239,025)</u>	<u>(247,210)</u>	<u>(222,438)</u>
Fund balance, January 1	<u>3,118,267</u>	<u>3,732,652</u>	<u>3,703,656</u>	<u>3,912,554</u>	<u>3,665,344</u>
Fund balance, December 31	<u>\$ 3,732,652</u>	<u>\$ 3,912,554</u>	<u>\$ 3,464,631</u>	<u>\$ 3,665,344</u>	<u>\$ 3,442,906</u>

2023 Internal Service Funds

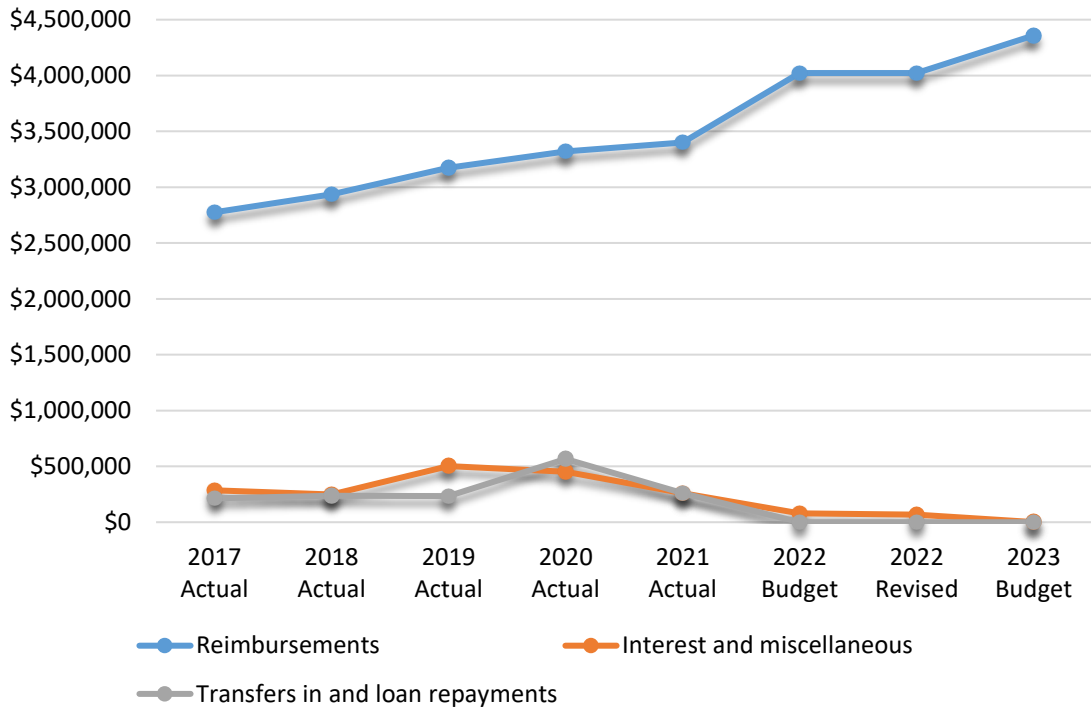
Total Revenues \$4,359,787



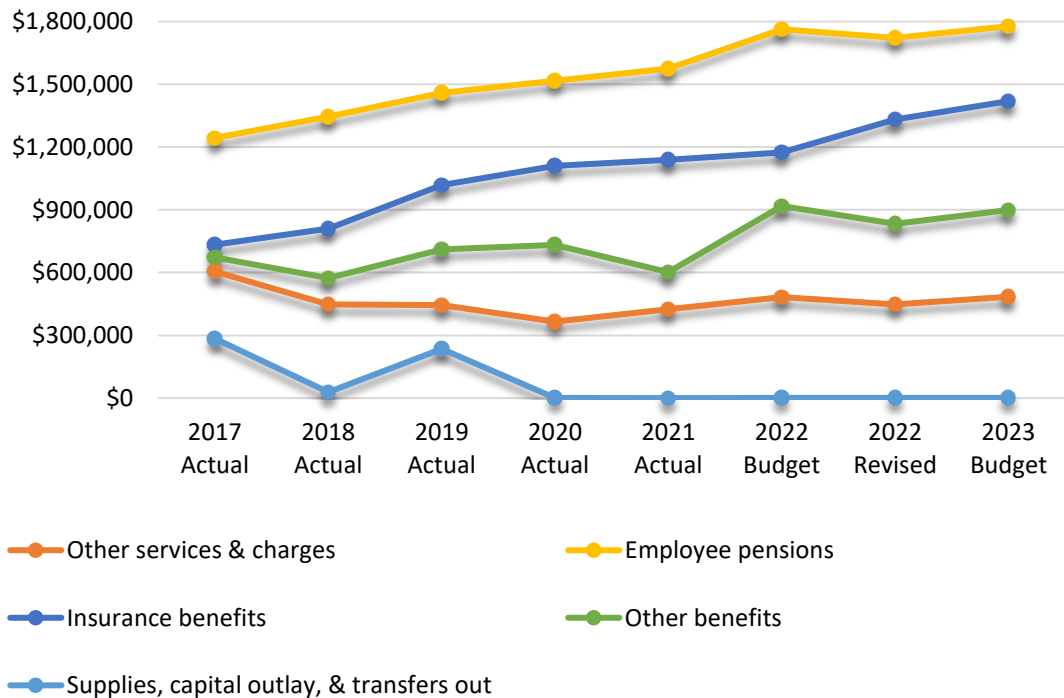
Total Expenditures \$4,582,225



Internal Service Funds Revenue Trend Analysis



Internal Service Funds Expenditure Trend Analysis



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Fund: Insurance Fund 6000

The Insurance Fund accounts for premiums and losses related to the City's property and liability insurance coverage.

Department Activities and Responsibilities:

Reimbursements from the City's operating departments provide the primary source of revenue to the Fund. 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.

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 provided approximately \$150,000 annually to help cover litigation costs. The fee continued through 2020. At that time, the City had recovered expenditure costs through the fee revenues. Since the City anticipates minimal remaining litigation costs, the City redirected future litigation fees and expenditures to the Water Fund as of 2021.

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 internal loan.

In 2019, the Fund used the proceeds from the YMCA internal loan repayment to support a transfer to the 2018B General Obligation Tax Abatement Bonds for Sports Center Renovations debt service payment. A philosophical change regarding the internal loan modified the repayment plan in 2020 for more transparency. Therefore, the Non-Bonded Fund transfer in 2020 repays the principal and interest amounts due for the year. An additional transfer from the Marina Fund prepays a portion of the 2021 principal amount. The Non-Bonded Fund completes the internal loan repayment plan in 2021 by transferring the final principal balance and interest. Moving forward, the fund will not make a transfer to the 2018B General Obligation Tax Abatement Bond as the debt service revenue will now be applied as originally directed by the City Council.

Fund: Insurance Fund 6000

Budget Summary:

The 2023 budget maintains the 2022 reimbursement amounts from other departments. The total receipts increase with an allocation added for the Bellaire Center within the Economic Development Fund and the new Technology Department within the General Fund.

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.

City of White Bear Lake
Insurance Fund

Annual Budget
Fund Summary

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4819	Department reimbursements					
	General Fund	\$ 146,822	\$ 134,052	\$ 147,159	\$ 147,159	\$ 147,639
	Economic Development Fund	-	-	-	-	5,300
	HRA Fund	-	-	1,375	-	-
	Water Fund	55,699	50,565	55,238	55,238	55,237
	Sewer Fund	35,810	32,000	35,095	35,095	35,095
	Refuse Fund	3,983	3,983	4,381	4,381	4,381
	Sports Center Fund	16,458	15,729	17,288	17,288	17,288
	Ambulance Fund	14,601	8,634	9,357	9,357	9,357
	Pioneer Manor	3,320	3,320	3,652	3,652	3,652
	License Bureau	7,233	7,233	7,957	7,957	7,957
	Total reimbursements	<u>283,926</u>	<u>255,516</u>	<u>281,502</u>	<u>280,127</u>	<u>285,907</u>
	Other Revenue					
4885	Lake litigation fees	170,180	-	-	-	-
4955	Interest	42,371	(13,745)	30,000	-	-
5010	Sale of property	2,502	-	-	-	-
5322	Loan principal repayment	274,000	126,000	-	-	-
5360	Refunds and reimbursements	103,633	84,646	-	2,346	-
	Total other revenue	<u>592,686</u>	<u>196,901</u>	<u>30,000</u>	<u>2,346</u>	<u>-</u>
	Transfers In					
5205	Marina Fund	44,000	-	-	-	-
5205	Non-Bonded Fund	242,000	134,000	-	-	-
	Total transfers in	<u>286,000</u>	<u>134,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total revenues	<u>1,162,612</u>	<u>586,417</u>	<u>311,502</u>	<u>282,473</u>	<u>285,907</u>
Expenditures						
	Supplies					
6220	Equipment supplies and parts	-	-	1,500	1,500	1,500
6230	Vehicle supplies and parts	523	-	-	-	-
6240	Building supplies and parts	125	-	150	150	150
6250	Other supplies and parts	-	-	100	100	100
	Total supplies	<u>648</u>	<u>-</u>	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>
	Other Services and Charges					
6401	Professional services	21,262	6,250	6,500	6,500	7,000
6434	General liability insurance	219,683	244,242	264,000	210,000	264,000
6436	Auto liability	21,636	23,908	27,000	25,000	27,000
6460	Subscriptions and dues	-	-	500	500	500
6470	Training and subsistence	8,058	8,219	10,000	10,000	10,000
6510	Vehicle repair service	-	8,906	-	-	-
6515	Building repair service	580	-	-	-	-
6540	Vandalism	-	2,850	-	-	-
6560	Contractual services	88,696	87,283	136,000	136,000	136,000
	Total other services and charges	<u>359,915</u>	<u>381,658</u>	<u>444,000</u>	<u>388,000</u>	<u>444,500</u>
	Total expenditures	<u>360,563</u>	<u>381,658</u>	<u>445,750</u>	<u>389,750</u>	<u>446,250</u>
	Revenues over (under) expenditures	<u>802,049</u>	<u>204,759</u>	<u>(134,248)</u>	<u>(107,277)</u>	<u>(160,343)</u>
	Fund balance January 1	<u>2,100,961</u>	<u>2,903,010</u>	<u>3,033,881</u>	<u>3,107,769</u>	<u>3,000,492</u>
	Fund balance December 31	<u>\$ 2,903,010</u>	<u>\$ 3,107,769</u>	<u>\$ 2,899,633</u>	<u>\$ 3,000,492</u>	<u>\$ 2,840,149</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	2,903,010	3,107,769			
	Advances to other funds	126,000	-			
	Financial statement fund balance December 31	<u>3,029,010</u>	<u>3,107,769</u>			

Fund: Employment Expense Fund 6200

The Employment Expense Fund centralizes reporting for employment–related costs for all City employees. Expenditure categories include the Public Employees Retirement Association (PERA), FICA, Medicare, employee insurances and Workers’ Compensation.

Department Activities and Responsibilities:

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, the Coordinated Plan or the Police and Fire Plan. PERA contribution rates adjust periodically to ensure the financial integrity of the plans.

Pension rates for Coordinated Plan members remain consistent with previous years. During 2018, the Legislature passed a bill during their 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.

Health Insurance Options:

The City’s Employee Health Insurance Committee (the Committee), comprised of representatives from each bargaining and non-bargaining employee group, reviews the annual premium and coverage proposals and provides feedback and recommendations regarding the insurance plans offered to employees. The City is required to compare insurance coverages and rates through a Request for Proposals (RFP) competitive bid process every five years or when the Committee feels it is prudent. This bid process is managed by CBIZ, the City’s benefits administrator. Between the required RFP years, if the insurance provider presents what is considered to be a reasonable proposal, an RFP is not pursued.

For 2023, the Committee opted to have CBIZ request proposals from multiple carriers for health insurance. Medica, the City’s current health insurance provider responded with a 15% increase to premiums, while Health Partners offered an overall reduction of 8.3%. The plans proposed by Health Partners for both the wide network and narrow network are comparable to what the City is currently receiving from Medica. The Committee unanimously recommended switching to Health Partners for the 2023.

Fund: Employment Expense Fund 6200

There are two coverage options available, one that has an open network of providers and one with a limited network of providers at a lower monthly premium rate. Both network options include deductible or Health Savings Account (HSA) plans. The monthly premiums and the City's contribution amount vary by employee based on the level of insurance selected, the employee's bargaining group and participation in the non-smoking incentive program.

A unique clause in the City's benefit offerings allows an employee to opt out of the health insurance plan and receive a deposit to their retirement account in lieu of a contribution to a health insurance premium. Roughly 35% of the workforce opts out of the City's health insurance, which considerably reduces the group size. The City Council approved the current contribution amount paid to employees who opt out of the City's health insurance coverage in 2010. There is no change in the amount for the 2023 plan year.

A major challenge in controlling insurance costs for the group centers around the small pool of employees covered through multiple plan options and the ability for some to opt out of coverage completely. The experience-rating factor can drive insurance rates up when small groups have members with significant health issues in past years. The City might recognize savings by combining all employees into one group under one insurance coverage option without the ability to opt out of coverage. The current RFP did not include this scenario; however, this structure will be an important discussion in future years.

Life Insurance:

The City purchases life insurance policies for each employee at their annual salary up to \$100,000. Employees may purchase individual or family supplemental policies on their own. There is no change the life insurance coverages as the City Council approved the renewal of a three-year rate guarantee for the coverage through 2024. The rates for all other individual or family supplemental insurances also remain the same for 2023.

Other Insurance:

At the request of the Committee, the City will begin offering a new voluntary benefit vision insurance plan in 2023 to compliment the short-term and long-term disability and dental coverages already available to employees. The rates for both disability insurance coverages remain unchanged for 2023 through previously approved multi-year terms, while the dental insurance premiums increase just under 6% in 2023.

Workers' Compensation:

The City maintains an active Employee Safety Committee and training program to reduce accidents, decrease workers' compensation injuries, and lower annual workers' compensation insurance premiums. For many years, the City participated in the Retrospective Worker's Compensation Rated Premium Option offered by the League of Minnesota Cities as a means to reduce costs if workers' compensation claims were minimal. Though the City recognized a

Fund: Employment Expense Fund 6200

savings in many years, a few years with significant claims required the City to pay a substantial share of those claims. As a result, the City opted out of the Retrospective Rated Premium Program during the annual renewal process for the coverage beginning on February 1, 2017. At that time the City changed to a \$5,000 deductible premium program to stabilize premium expenditures for future years.

In an effort to reduce insurance premium costs while trying to maintain sufficient coverage, staff reviewed the 4-year Premium Assessment report prepared by the League of Minnesota Cities as part of the renewal process for 2021 coverage. This tool calculates the City's best overall premium option based on an average of the four year actual claims data. The analysis indicted a coverage level with a \$10,000 deductible premium program maximized savings for the City. Moving forward, staff will review this assessment report annually as part of the renewal process.

Claims from the Retrospective Rating Program automatically close after 16 years. Each September the League of Minnesota Cities Insurance Trust analyzes the retrospective claims for the City and either refunds excess reserves or requests reimbursement for additional claim expenditures within the recent year. The City will experience the close out process from the Retrospective Rating Program through 2032 when the final claims insured under the program from 2016 reach the maximum limit unless the City chooses to pay extra to close out an old retro-rated year early.

Budget Summary:

Workers' compensation premiums are set during the annual renewal process based on full staffing levels for the year. An annual audit at the end of the policy calculates Workers' Compensation costs on the actual payroll expenditures for the coverage year. Revenues in the 2022 Revised Budget include a premium refund after the 2021 annual audit.

The 2022 Revised Budget includes funding for a Class and Compensation Plan Study in the Professional Services account.

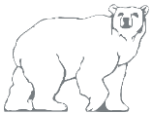
The 2023 Budget bases employee related expenditures on a full complement of positions throughout the entire year. Health insurance costs rise in 2023 as nine open positions within City Departments are conservatively estimated assuming the new employees will choose family insurance coverage with higher City contribution amounts. The actual expenditures could be much less if the new employees choose single or the deferred compensation coverage options. Calculations of 2023 Workers' Compensation rates include an experience modification rate of 1.22, which is an average of the actual modification rates for coverage years between 2019 and 2022. The actual costs for 2023 could be less if the experience modification rate is lower than the estimated amount.

**City of White Bear Lake
Employment Expense Fund**

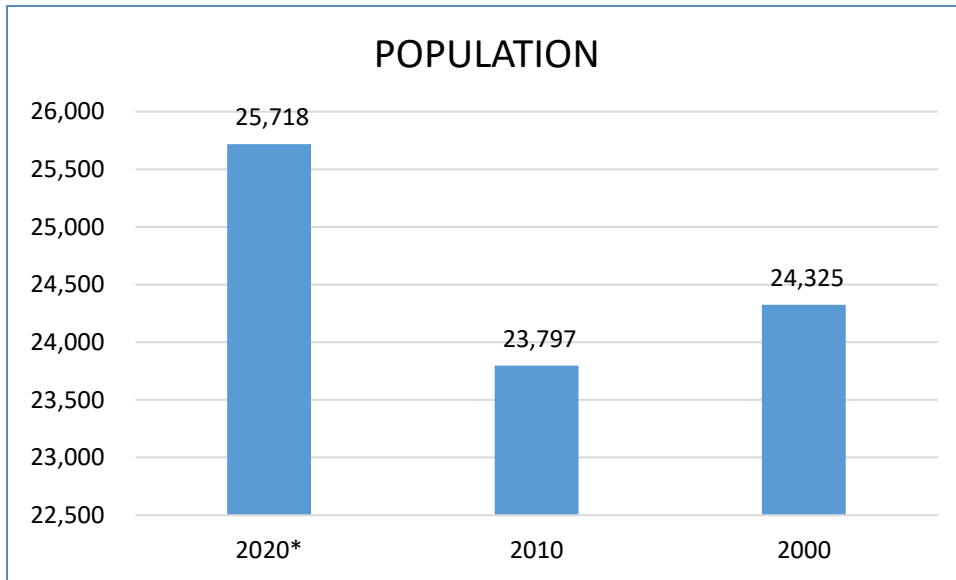
**Annual Budget
Fund Summary**

Code	Item	2020 Actual	2021 Actual	2022 Adopted	2022 Revised	2023 Budget
Revenues						
4819	Department reimbursements					
	General Fund	\$ 2,101,610	\$ 2,170,812	\$ 2,561,313	\$ 2,561,313	\$ 2,814,962
	Marina Fund	1,809	3,467	2,353	2,353	-
	Armory Fund	6,357	8,462	10,138	10,138	5,100
	Surface Water	11,331	23,179	24,553	24,553	27,153
	Economic Development Fund	32,963	28,120	30,384	30,384	32,741
	Water Fund	115,642	125,411	132,134	132,134	140,964
	Sewer Fund	101,099	120,316	130,235	130,235	115,543
	Refuse Fund	264	460	681	681	701
	Sports Center Fund	79,887	88,858	108,858	108,858	109,328
	Ambulance Fund	403,022	397,166	506,765	506,765	573,330
	License Bureau	183,559	179,827	233,334	233,334	252,980
	Total reimbursements	<u>3,037,543</u>	<u>3,146,078</u>	<u>3,740,748</u>	<u>3,740,748</u>	<u>4,072,802</u>
	Other revenue					
4604	Federal grants	14,890	-	-	-	-
4646	Miscellaneous state aid - PERA	-	-	17,350	-	-
4809	Charges for services	1,078	1,123	2,700	1,078	1,078
4955	Interest	39,977	(9,885)	30,000	-	-
5350	Miscellaneous revenue	36	35	-	-	-
5360	Refunds and reimbursements	78,212	198,976	-	65,007	-
	Total other revenue	<u>134,193</u>	<u>190,249</u>	<u>50,050</u>	<u>66,085</u>	<u>1,078</u>
	Transfers In					
5205	Economic Development Fund	5,775	-	-	-	-
	Total revenue	<u>3,177,511</u>	<u>3,336,327</u>	<u>3,790,798</u>	<u>3,806,833</u>	<u>4,073,880</u>
Expenditures						
	Employee pensions					
6122	PERA - defined benefit	1,084,089	1,122,329	1,240,000	1,200,000	1,240,000
6123	PERA - defined contribution	2,722	2,079	4,000	2,100	2,100
6124	FICA	429,881	450,666	520,000	520,000	535,600
	Total employee pensions	<u>1,516,692</u>	<u>1,575,074</u>	<u>1,764,000</u>	<u>1,722,100</u>	<u>1,777,700</u>
	Insurance benefits					
6130	Health insurance	907,299	935,457	963,000	1,105,000	1,189,000
6131	Health savings account contribution	67,803	70,831	70,000	75,000	78,000
6132	Life insurance	8,888	9,012	11,500	11,500	12,000
6134	Dental insurance	(100)	3,848	500	500	500
6136	ICMA contributions	126,233	120,534	130,000	140,000	140,000
	Total insurance benefits	<u>1,110,123</u>	<u>1,139,682</u>	<u>1,175,000</u>	<u>1,332,000</u>	<u>1,419,500</u>
	Other employee benefits					
6138	Worker's compensation	514,782	586,142	694,000	619,091	722,000
6144	Unemployment	32,921	(6,181)	20,000	20,000	20,000
6146	Severance pay	184,986	22,877	204,000	194,000	157,200
	Total other employee benefits	<u>732,689</u>	<u>602,838</u>	<u>918,000</u>	<u>833,091</u>	<u>899,200</u>
	Other services					
6401	Professional services	2,441	40,193	24,000	45,000	25,000
6455	Legal notices publications	-	-	300	300	300
6470	Training	-	-	-	-	-
6560	Contractual services	3,230	3,397	14,275	14,275	14,275
	Total other services	<u>5,671</u>	<u>43,590</u>	<u>38,575</u>	<u>59,575</u>	<u>39,575</u>
	Total expenditures	<u>3,365,175</u>	<u>3,361,184</u>	<u>3,895,575</u>	<u>3,946,766</u>	<u>4,135,975</u>
	Revenues over (under) expenditures	<u>(187,664)</u>	<u>(24,857)</u>	<u>(104,777)</u>	<u>(139,933)</u>	<u>(62,095)</u>
	Fund balance January 1	<u>1,017,306</u>	<u>829,642</u>	<u>669,775</u>	<u>804,785</u>	<u>664,852</u>
	Fund balance December 31	<u>\$ 829,642</u>	<u>\$ 804,785</u>	<u>\$ 564,998</u>	<u>\$ 664,852</u>	<u>\$ 602,757</u>
Fund Balance Reconciliation to Financial Statements:						
	Budget fund balance December 31	\$ 829,642	\$ 804,785			
	Deferred outflows of OPEB resources	420,340	928,561			
	Net OPEB liability	(1,464,554)	(2,086,348)			
	Deferred inflows of OPEB resources	(22,033)	(20,516)			
	Financial statement fund balance December 31	<u>\$ (236,605)</u>	<u>\$ (373,518)</u>			

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2020 POPULATION INFORMATION



*2020 is an estimate from the United States Census Bureau.

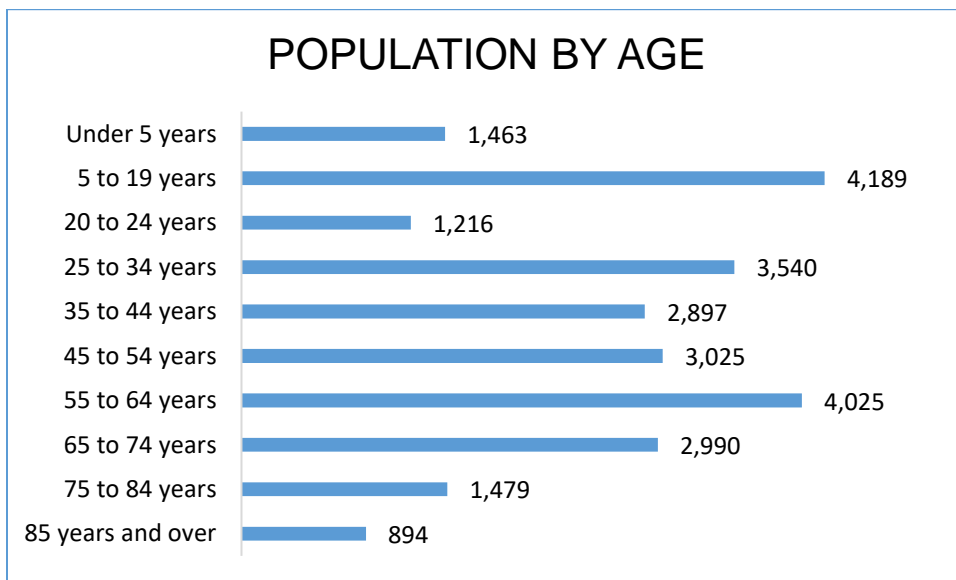
Population by Gender

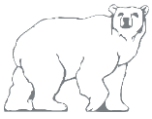
Median Age



43

years

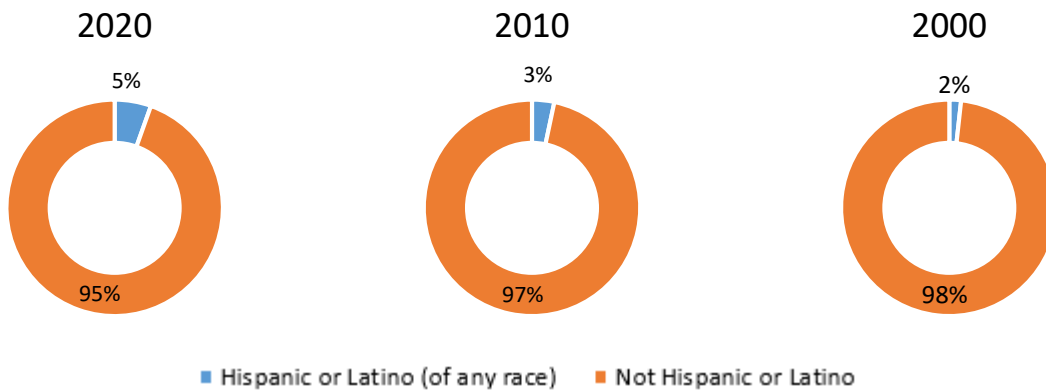




2020 POPULATION INFORMATION (CONTINUED)

POPULATION BY RACE

Race	2020	2010	2000
White	23,169	21,433	23,183
Black or African American	679	589	262
American Indian and Alaska Native	56	97	89
Asian	733	842	374
Other race	324	231	98
Two or more races	757	605	319

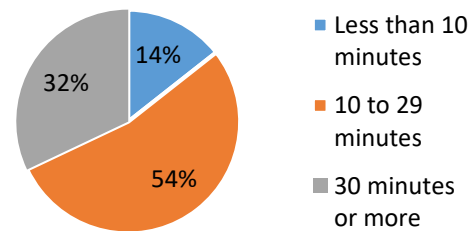


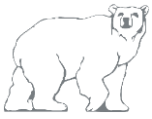
2020 OCCUPATION INFORMATION

Civilian employed population 16 years of age and over:

13,114

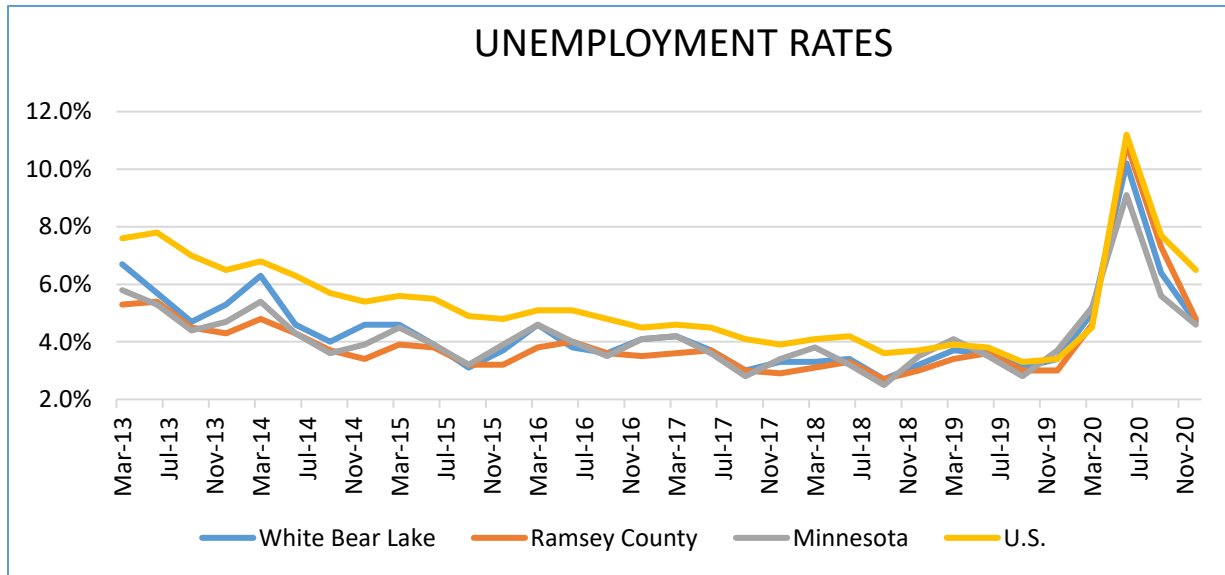
Travel Time to Work





2020 OCCUPATION INFORMATION (CONTINUED)

Industry:	Number of civilians employed
Construction	861
Manufacturing	1,665
Wholesale trade	360
Retail trade	1,221
Transportation and warehousing, and utilities	540
Information	267
Finance and insurance, and real estate and rental and leasing	734
Professional, scientific, and management, and administrative and waste management services	1,495
Educational services, and health care and social assistance	3,473
Arts, entertainment, and recreation, and accommodation and food services	1,182
Other services, except public administration	910
Public administration	406



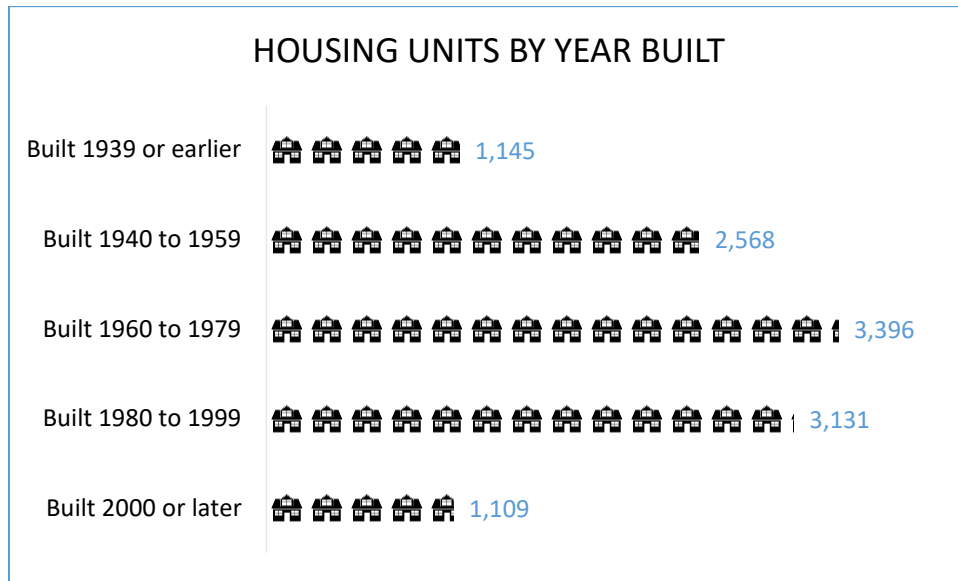
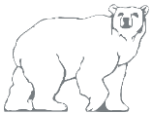
2020 HOUSING CHARACTERISTICS

Total housing units:

11,349

Average household size:

2.25

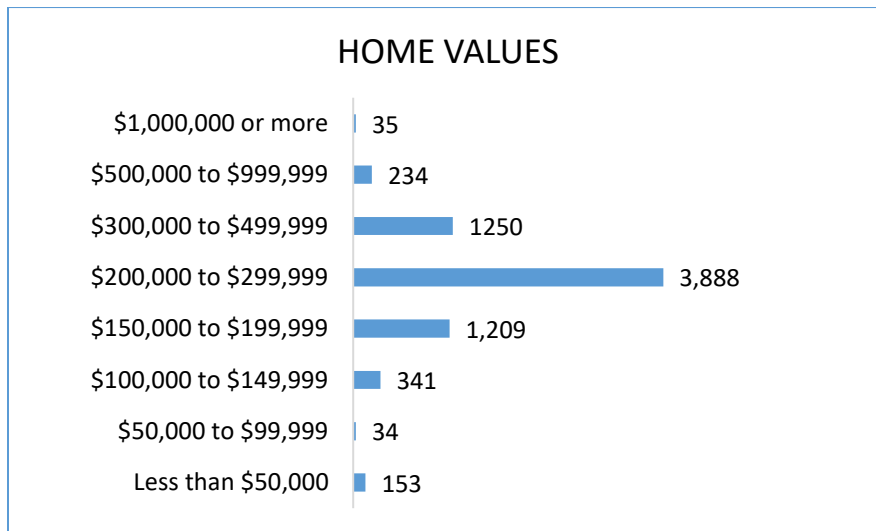


Median Home Value:

\$241,400

Median Monthly Mortgage Cost:

\$1,578



Occupied housing units: **10,948**

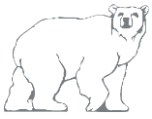
Vacant housing units: **401**

Owner-occupied units: **7,144**

Renter-occupied units: **3,804**

Housing units with a mortgage: **4,421**

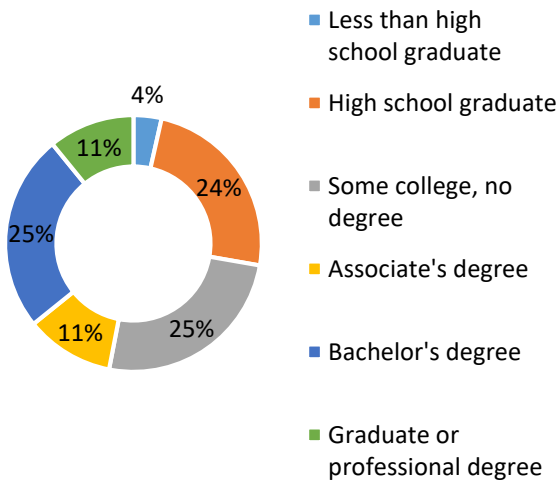
Housing units without a mortgage: **2,723**



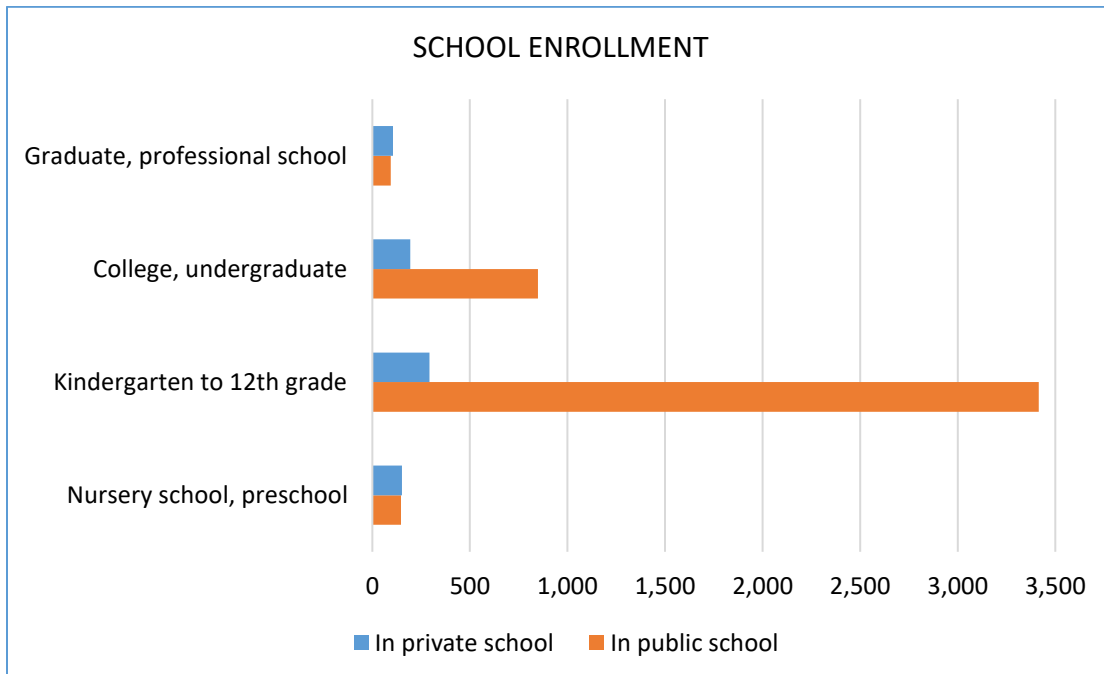
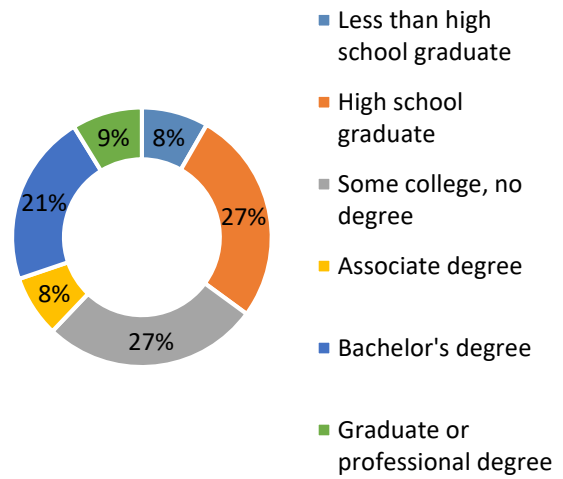
2020 EDUCATIONAL ATTAINMENT

96.5% of residents over 25 are high school graduates or higher.

2020 - POPULATION 25 YEARS AND OVER



2000 - POPULATION 25 YEARS AND OVER



Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Personal Income	Percentage of Personal Income	Population	Per Capita
	Special	Tax Increment	Tax Abatement Bonds	Revenue Bonds	Government					
	Assessment Bonds	Financing Bonds								
2012	\$ 2,555,000	\$ 2,650,000	\$ -	\$ -	\$ 5,205,000	\$ 1,218,273,900	0.43%	23,820	\$ 218.51	
2013	2,555,000	2,195,000	-	-	4,750,000	1,286,899,744	0.37%	24,074	197.31	
2014	2,340,000	1,745,000	-	-	4,085,000	1,497,574,000	0.27%	24,100	169.50	
2015	2,125,000	1,280,000	-	-	3,405,000	1,347,975,564	0.25%	24,159	140.94	
2016	1,920,000	3,415,000	-	-	5,335,000	1,458,514,512	0.37%	24,138	221.02	
2017	1,720,000	3,260,000	-	-	4,980,000	1,458,514,512	0.34%	25,001	199.19	
2018	7,436,187	3,035,000	3,330,000	-	13,801,187	1,491,125,376	0.93%	25,512	540.97	
2019	9,332,390	2,800,000	3,336,090	-	15,468,480	1,550,188,536	1.00%	25,752	600.67	
2020	12,825,993	2,560,000	3,210,784	919,389	19,516,166	1,601,568,384	1.22%	24,883	784.32	
2021	14,195,585	2,305,000	3,085,480	3,467,613	23,053,678	1,634,215,908	1.41%	25,067	919.68	

City of White Bear Lake**Annual Budget****Legal Debt Margin**

		<u>2021*</u>
Estimated taxable market value		<u>\$ 3,160,276,100</u>
Debt limit - 3% of market value		94,808,283
Total bonded debt	\$ 23,053,678	
Less:		
Tax increment bonds	\$ 2,305,000	
Special assessment bonds	14,195,585	
Revenue bonds	<u>3,467,613</u>	
	<u>19,968,198</u>	
Total debt applicable		<u>3,085,480</u>
Legal debt margin		<u>\$ 91,722,803</u>

*Projections of the 2022 legal debt margin are not included in this document as the 2022B G.O. CIP bonds will be sold after the compilation of this document.

City of White Bear Lake

Annual Budget

Principal Property Taxpayers

Taxpayer	2021			2012		
	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value
White Bear Woods Apartments	\$ 627,000	1	1.75%	\$ 337,750	1	1.51%
Xcel Energy	526,656	2	1.47%	322,362	2	1.44%
White Bear Marketplace	342,754	3	0.96%			
Aspen Research	327,540	4	0.91%	159,244	6	0.71%
The Pillars of White Bear Lake	279,336	5	0.78%			
Birch Lake Townhomes	275,432	6	0.77%			
The Waters of White Bear Lake	275,416	7	0.77%			
Boatworks Commons	239,210	8	0.67%			
White Bear Shopping Center	232,576	9	0.65%	217,432	5	0.97%
Majestic Pines Apartments	228,708	10	0.64%			
Trane Corporation				252,702	3	1.13%
Sam's Club				225,250	4	1.01%
Taylor Corporation				154,532	7	0.69%
Festival Foods				152,250	8	0.68%
K Mart Corporation				141,250	9	0.63%
Life Time Fitness				134,250	10	0.60%
Total	\$ 3,354,628		9.35%	\$ 2,097,022		9.39%
Total Tax Capacity of City	\$ 35,885,404			\$ 22,341,490		

Source: Ramsey and Washington Counties

City of White Bear Lake**Annual Budget****Larger Employers**

2021

Employer	Type of Business/Product	Estimated Number of Employees
ISD No. 624 (White Bear Lake Area Schools)	Elementary and secondary education	1,338
Century College	Post-secondary education	600
Trane Corporation	HVAC distributor	360
Cerenity Care Center of White Bear Lake	Nursing home and senior living facilities	277
Life Time Fitness	Health club	200
Sam's Club	Discount retail store	180
City of White Bear Lake	Municipal and government services	164
Saputo Dairy	Dairy products	150
International Paper	Corrugated box plant	130
Taymark Corporation	Marketing supplies	100

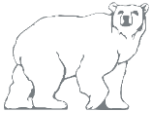
Source: Data Axle Reference Solutions, written and telephone survey (March 2022), and the Minnesota Department of Employment and Economic Development.

City of White Bear Lake
Capital Asset Statistics by Function

Annual Budget

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol vehicles	17.00	18.00	18.00	17.00	19.00	19.00	20.00	19.00	19.00	20.00
Fire										
Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire trucks	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Rescue boats with motors	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Public Works										
Streets										
Miles (1)	114.81	114.81	114.81	114.81	114.81	114.81	114.81	114.81	114.81	114.81
Street lights	515.00	515.00	515.00	515.00	515.00	515.00	523.00	529.00	529.00	529.00
Parks and recreation										
Public docks	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Outdoor ice rinks	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Playgrounds	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Softball fields	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Basketball court	2.00	2.00	2.00	2.00	2.00	2.00	5.00	5.00	5.00	5.00
Disc golf course	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sports Center										
Indoor ice rink	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Racquetball courts	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-
Water										
Miles of watermains	126.81	126.81	126.81	126.81	126.81	126.81	126.95	127.08	127.08	127.08
Fire hydrants	907.00	907.00	907.00	907.00	907.00	907.00	908.00	909.00	909.00	909.00
Sewer										
Miles of storm sewers	50.02	50.02	50.02	50.61	50.61	50.61	50.97	51.21	51.21	51.21
Miles of sanitary sewers	120.36	120.36	120.36	120.36	120.36	120.36	120.36	120.36	120.36	120.36

(1) Street miles listed on this report include City, County, MSA, and State and Private mileage within the City limits.



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.

ARPA: American Rescue Plan Act

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.

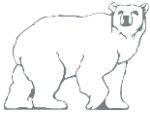
Audit: An objective examination and evaluation of the financial statements of an organization to make sure the financial records are a fair and accurate representation of the transactions they claim to represent.

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.

CARES Act: Coronavirus Aid, Relief, and Economic Security Act

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.

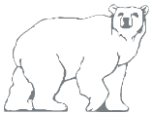
Conditional/Special Use Permit: Those uses which may be appropriate or desirable in a zoning district, but require special approval because they may create problems such as excessive height or bulk, traffic congestions, strain on essential facilities and services, etc.

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.

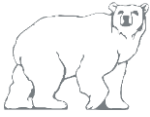
Fines & Forfeits: A sum of money imposed or surrendered as a penalty.

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.

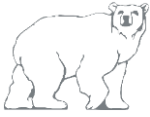
Grant: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

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.

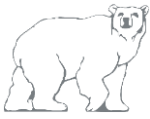
Market Value Credit Aid: A state government obligation to pay a certain portion of residential property tax. Homes valued at \$76,000 or less receives a \$304 state credit. The credit decreases \$9 for \$10,000 increase in market valuation. The credit is eliminated on homes valued at more than \$413,000.

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.

MS4: Municipal Separate Storm Sewer System. A conveyance or system of conveyances (roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, storm drains, etc.) that is also:

- owned or operated by a public entity (which can include cities, townships, counties, military bases, hospitals, prison complexes, highway departments, universities, etc.) having jurisdiction over disposal of sewage, industrial wastes, stormwater, or other wastes, including special districts



under State law such as a sewer district, flood control district or drainage districts, or similar entity, or an Indian tribe or an authorized Indian tribal organization, or a designated and approved management agency under section 208 of the Clean Water Act that discharges to waters of the United States;

- designed or used for collecting or conveying stormwater;
- which is not a combined sewer; and
- which is not part of a publicly owned treatment works.

NPDES: Federal National Pollutant Discharge Elimination System

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

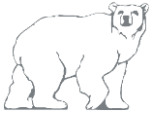
Performance Indicators: A quantitative or qualitative measurement of activity.

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.

SWPPP: Stormwater Pollution Prevention Program

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.

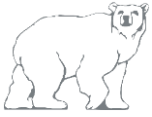
Tax Capacity Rate: The property tax rate which is based on the taxes levied as a proportion of the property value. A tax rate of 18.751% produces \$18.75 of taxes on each \$100 of tax capacity that a property is valued at.

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.

VTRS: Vehicle Title and Registration System