



City of  
**St. Francis**  
Minnesota



**2019 ADOPTED BUDGET**



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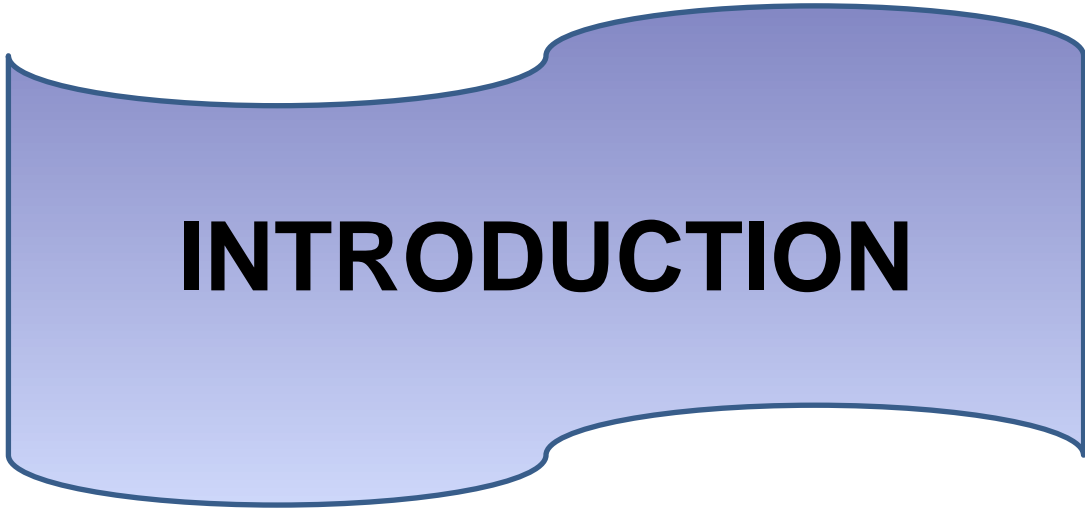
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**INTRODUCTION**

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St. Francis, Minnesota 55070  
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FAX 763-753-9881

### Letter of Transmittal

In compliance with state statutes, we are pleased to present the 2019 budget for the City of St. Francis. This budget document should be viewed as more than just a collection of financial data, but as the financial plan in which the organization will implement and accomplish Council policies, as well as meet the needs of the community and residents. In addition to the financial data contained within, this document includes information on the City organization, describes programs and services, and provides statistical values measuring activity performance and workloads.

The 2019 Budget, in the amount of \$11,125,829 includes all of the funds for the City of St. Francis and reflects a 4.7% increase from the previous year's budget. The budget, as presented, reflects Council's direction and staff commitment to achieve a cost-effective, efficient and high-quality service delivery model. Essentially, the 2019 budget is a reflection of the City's commitment to live within its means, and ensure that tax dollars are wisely managed and expended in as prudent a manner possible to achieve high-quality service outcomes.

City Council has been committed to strategically planning for the city's future while providing efficient and responsive services in the present. Highlights of recent City Council initiatives can be found below:

Capital Planning: The City has recently adopted a comprehensive Capital Improvement Plan that incorporates all aspects Capital expenditures. This plan includes all capital items in the areas of streets, water, wastewater, stormwater, equipment, parks, and buildings. This updated capital plan also outlines clear financial strategies and methods for smooth implementation and financial planning for the future.

Development and Redevelopment: The City has adopted a comprehensive Development/Redevelopment plan for the two primary commercial corridors in the City. The St. Francis Forward Plan strategically analyzes the land use options and implementation for development/redevelopment in the Highway 47 and Bridge Street commercial corridors. The plan strongly focuses on these commercial areas located within the MUSA. Sequential steps to implement these development strategies are provided within the plan and the City will be working towards this implementation and documenting the progress.

Building Activity: The City has had a major increase in new residential home permitting over the last few years. The increased building activity has required the City to focus on proper infrastructure and workload management. This focus has allowed the City to properly accommodate the high level of development within the City.

Utility services: The City has also been closely examining the Municipal Urban Service Area (MUSA) in order to properly stage growth within the community. The City is working to complete the comprehensive planning process with clearly identified MUSA expansion.

Technological Upgrades: The increased building activity has also substantially increased the workload of processing city business. Staffing coupled with technological upgrades, has allowed the City to process this increased activity and accommodate the needs of and additional stresses development brings to city services. In addition to processing city business, upgrades to the city's website has allowed for more citizen engagement and easier searching for residents who are seeking information.

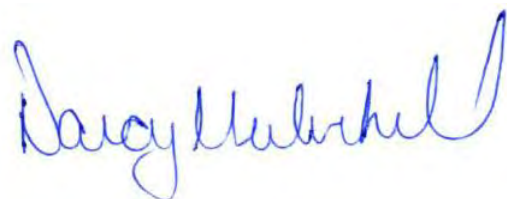
Public Safety: The 2019 budget also illustrates the City's commitment to addressing Public Safety. The 2019 Budget has significant investments in the Police and Fire operations. These departments continue to see support for their operations in order to ensure the City of St. Francis is a safe community.

The budgeting function is the primary tool the Council has to make sure the city's limited resources are wisely utilized and to establish department objectives for the coming year. The City Council will continue to review, discuss and analyze how to best utilize the limited tax dollars to ensure quality services are provided while continuing to plan for future growth and stress on city services. The City will also continue to review and analyze economic forces and intergovernmental funds to ensure the City of St. Francis continues to be fiscally responsible while providing top level services to their residents.

Respectfully submitted,



Joe Kohlmann  
City Administrator



Darcy Mulvihill  
Finance Director



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## COMMUNITY PROFILE

The City of St. Francis is located in the northernmost section of Anoka County, 12 miles north of Anoka and approximately 30 miles northwest of Minneapolis. The community can be accessed in a north southerly direction by State Trunk Highway 47 and County Road 24 in an east westerly direction.



St. Francis was originally known as the “Village of Otona” and was established in 1855 along the Rum River with a dam, grist, and a saw mill. The town was formally established as St. Francis in 1857. The Post Office was the first commercial building constructed in 1866, and in that year the Creamery Association was also built. Two other buildings were constructed during this period and still exist today: the Rum River Inn and the H.G. Leathers House. Both of these buildings are also listed on the National Register of Historic Places.

The community was an active center for milling lumber and flour in its early days. In the late 1880s, the population of St. Francis was almost 500, and the population actually held near that number until the 1960s. In 1923, the flour mill closed. Development of St. Francis in its early days suffered from the loss of the railroad as trade went to better transportation centers. From 1930 until 1960, agriculture was the community’s economic mainstay.

During the late 1960’s, St. Francis began to attract more residents and over the next few decades grew significantly. The community was incorporated in 1974, and with the assistance of a loan from the U.S. Department of Agriculture – Farmer’s Home Administration, the City constructed and began operating a municipal sewer and water system. These systems attracted quality development into the area. By 1980, the population had grown from 897 to 1,184 and by 1990, the population had grown 117% to reach a total of 2,538 residents. Growth continued through the 1990s and has been particularly dramatic in the past years. Today, the population is approximately 7,218. Its small town character, its schools and accessible location has attracted and continues to attract new residents, particularly young families.

St. Francis is a home rule charter city. Minnesota has two basic types of cities – home rule and statutory – which influence cities’ organization and powers. The difference is the type of enabling legislation from which the municipality gains its authority. Home rule cities obtain their powers from a locally enacted home rule charter which is essentially a city constitution. Statutory cities get their power from Chapter 412 of Minnesota Statutes. Home rule charter cities can exercise any powers in their locally adopted charters as long as there’s no conflict with state law. Conversely, charter provisions can specifically restrict the powers of a city.

St. Francis operates under the Council/Administrator form of government. An elected City Council sets the policy and overall direction for St. Francis. Then city staff, under the direction of a city administrator, carries out council decisions and provides day-to-day city services. The city administrator is accountable to the City Council.

The City Council consists of a Mayor and four Council Members elected at-large. City elections are held in even numbered years, with the Mayor serving a two-year term and all Council Members serving four-year terms.

The City of St. Francis provides a full range of services. The general governmental functions include police and fire protection, street maintenance, engineering, planning and zoning, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: water, sewer and a municipal liquor store.



St. Francis is served by Independent School District #15. They serve the communities of St. Francis, East Bethel, Bethel, Oak Grove, Andover, Athens, Nowthen and Stanford. The school district offices as well as the bus garage and several of the school buildings are located within the City limits.



The Rum River runs north/south through the central area of St. Francis offering scenic views and canoeing opportunities. Rum River North County Park, an Anoka County Park, consists of 80 acres located near the south-central boundary of St. Francis. It is the northern access to the Rum River Canoe Corridor and offers amenities such as picnic shelters, biking and hiking trails, campsites and observation decks.

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## CITY OF ST. FRANCIS, MINNESOTA PRINCIPAL CITY OFFICIALS

DECEMBER 2018

### CITY COUNCIL

STEVE FELDMAN, MAYOR  
Term Expires 12-31-2018

JOSEPH MUEHLBAUER, COUNCILMEMBER  
Term Expires 12-31-2020

ROBERT BAUER, COUNCILMEMBER  
Term Expires 12-31-2020

RICHARD SKORDAHL, COUNCILMEMBER  
Term Expires 12-31-2018

JERRY TVEIT, COUNCILMEMBER  
Term Expires 12-31-2018

### CITY MANAGERIAL STAFF

Employee	Position	Date Appointed
Joe Kohlmann	City Administrator	May 11, 2015
Barbara Held	City Clerk	July 1, 1991
Darcy Mulvihill	Finance Director	June 28, 2010
Todd Schwieger	Police Chief	December 5, 2016
Dave Schmidt	Fire Chief	July 11, 2017
Paul Teicher	Public Works Director	April 14, 2008
Kate Thunstrom	Community Development Director	November 30, 2015
John Schmidt	Liquor Store Manager	November 12, 2007

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## BUDGET OVERVIEW

### Challenges for the 2019 Budget

Challenges that frame the development of the 2019 Budget include:

Levy – For the 2019 tax levy, the Market Value Exclusion program continues. This program gives homestead properties valued at less than \$413,778, an exclusion of the market value from property taxes. This shifted the taxes that would be paid by this part of the excluded property mostly onto commercial and industrial properties. With the building growth that the city has experienced, the city council kept the tax levy rate approximately the same at 2018. The rate as proposed was 53.016%. This generated a total levy of \$3,793,590. This was an increase of \$304,799.

State aid –Local Government Aid was increased by \$2,738 for a total of \$409,896 in 2019.

Maintaining a competitive employee compensation and benefit package – In an effort to attract and retain high-performing employees, the City makes great effort to ensure that the City's compensation and benefit package is commensurate with peer communities. Union contracts with the City's two collective bargaining units were negotiated in 2017. A 3.0% COLA increase was given to the two unions and non-union personnel was given 3% for 2019.

### Revenues (net of transfers and debt proceeds) up by 3.5%

The 2019 budget anticipates revenues (net of transfers and debt proceeds) in the amount of \$10,837,698, an increase of \$366,086 (3.5%) from 2018. The increase is mainly due to the increase in the 2019 levy. The City also continues to review its fee schedule to determine what, if any, changes need to be implemented in future years for water and sewer rates.

#### Revenue Comparison

Fund	2018	2019	\$ Change	% Change
General	4,088,872	4,255,920	167,048	4.09%
Special Revenue	0	0	-	#DIV/0!
Debt	396,490	393,790	(2,700)	-0.68%
Capital	386,850	574,500	187,650	48.51%
Enterprise	5,599,400	5,613,488	14,088	0.25%
TOTAL	10,471,612	10,837,698	366,086	3.50%

### Expenditures (net of transfers and refunded debt service) up 4.86%

Expenditures (net of transfers and refunded debt service) in the 2019 Budget are up 4.86% or \$502,914 more than 2018.

#### Expenditure Comparison

Fund	2018	2019	\$ Change	% Change
General	4,148,872	4,315,920	167,048	4.03%
Special Revenue	10,246	10,208	(38)	-0.37%
Debt	625,250	593,407	(31,843)	-5.09%
Capital	818,637	1,081,429	262,792	32.10%
Enterprise	4,735,030	4,839,985	104,955	2.22%
TOTAL	10,338,035	10,840,949	502,914	4.86%

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**Tax levy  
increased for  
2019**

The City's tax levy for 2019 is \$3,793,590 which is an increase of \$304,799 over the 2018 levy. The median home value in the City of St. Francis increased from \$162,700 in 2018 to \$174,200 in 2019. A median home will pay an estimated \$809/year for 2019 city taxes.

The following table summarizes the estimated tax impact on homestead residential homes, based on the 2019 tax levy. This assumes no change in property valuation from year to year.

Estimated Market Value	2019 City Taxes	2018 City Taxes	Difference
100,000	\$ 380.65	\$ 387.69	\$ (7.04)
120,000	\$ 496.23	\$ 505.40	\$ (9.17)
130,000	\$ 554.02	\$ 564.26	\$ (10.24)
140,000	\$ 611.80	\$ 623.11	\$ (11.31)
174,200	\$ 809.02	\$ 823.98	\$ (14.96)
180,000	\$ 842.95	\$ 858.54	\$ (15.59)
200,000	\$ 958.53	\$ 976.25	\$ (17.72)
220,000	\$ 1,074.10	\$ 1,093.96	\$ (19.86)

County assessors value all property in the City annually. There is a lag time between when the property value is set and when the taxes are paid. For example, the market values that are set in 2018 are the basis for the taxes payable in 2019. The total of all the individual market values determines the total market value of the City.

After the estimated market value is determined, the amount of market value exclusion is determined. The full market value exclusion amount is \$30,400. This is 40% of \$76,000. Any value over \$76,000 loses 9% of the exclusion. The calculation on a \$200,000 house is as follows:

$$\$30,400 - ((\$200,000 - \$76,000) \times .09) = \$19,240$$

The \$19,240 is then subtracted from the \$200,000 to determine the property's taxable market value (TMV):

$$\$200,000 - \$19,240 = \$180,760$$

The taxable market value is then taken times the class rate of 1% (See table following to see class rates) to determine the net tax capacity (NTC):

$$\$180,760 \times .01 = \$1,808$$

Then the net tax capacity rate is taken times the total tax rate to determine the taxes for the property.

On non-homestead properties, the estimated market value is taken times the class rate and then taken times the tax rate to determine the tax amount.

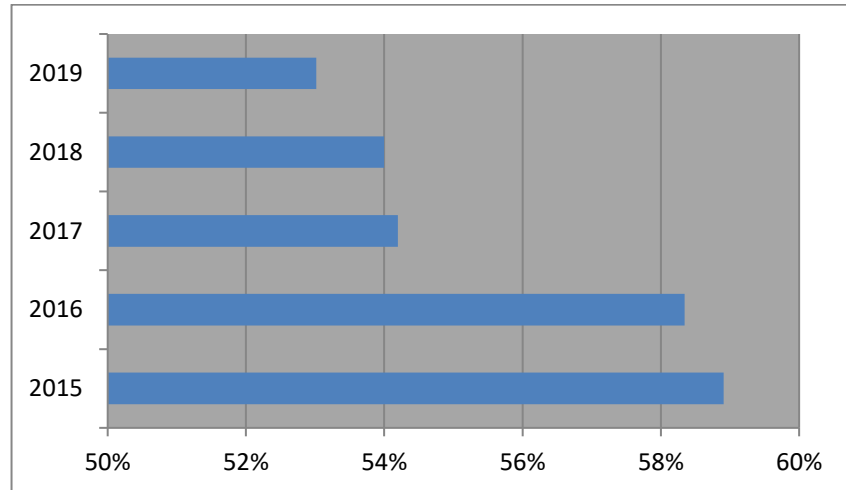
Property Type	Payable 2017 Class Rate	Payable 2018 Class Rate	Payable 2019 Class Rate
<b>Homestead</b>			
0 to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
<b>Non-Homestead (Single Family)</b>			
0 to \$500,000	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%
<b>Apartments</b>			
Regular	1.25%	1.25%	1.25%
Low Income	0.75%	0.75%	0.75%
<b>Commercial/Industrial</b>			
0 to \$150,000	1.50%	1.50%	1.50%
Over \$150,000	2.00%	2.00%	2.00%

When the City of St. Francis levies property taxes, the amount levied is allocated to property owners based on the tax capacity of their property. The total tax capacity is computed by factoring adjustments for tax increment districts and fiscal disparities. The adjustment for tax increment districts reduces the tax base for the value of the new development in a specified area. This allows the city to use the additional property taxes generated by the development to pay for certain expenses. The adjustment in tax base for fiscal disparities provides for sharing throughout the Twin Cities metropolitan area of a percentage of the growth in commercial and industrial tax base values. The growth is contributed to an area-wide tax base pool. A distribution index, based on the factors of population and property market value per capita, is used to allocate the area-wide tax base pool back to each taxing district. The following table provides a breakdown of St. Francis' tax base values:

	2017	2018	2019
Estimated Market Value	481,789,900	532,976,800	590,882,900
Taxable Market Value	432,932,382	485,820,180	542,147,539
Tax Capacity	4,673,608	5,208,277	5,770,363

The tax capacity is calculated by dividing the tax levy amount by the total tax capacity of the city's tax base. This rate is then applied to the tax capacity of the property to determine the amount of taxes due. The tax capacity rate for the city property tax levy for the past few years has been as follows:

2015	58.909%
2016	58.345%
2017	54.195%
2018	53.996%
Preliminary 2019	53.016%



Using the prior example of a single family home with an estimated market value of \$200,000, the approximate city tax for 2019 would be:

$$\$1,808 \times 53.016\% = \$958.53$$

There are other factors taken into consideration when computing the final tax amount. This example is intended to give an estimate of the city's property tax amount. City property taxes are only a portion of the total tax bill for property owners. In Minnesota, property taxes are also levied by school districts, counties and miscellaneous taxing districts. The property tax bill for each property owner is equal to each taxing district's tax rate multiplied by the property value and then added together.

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### Staffing

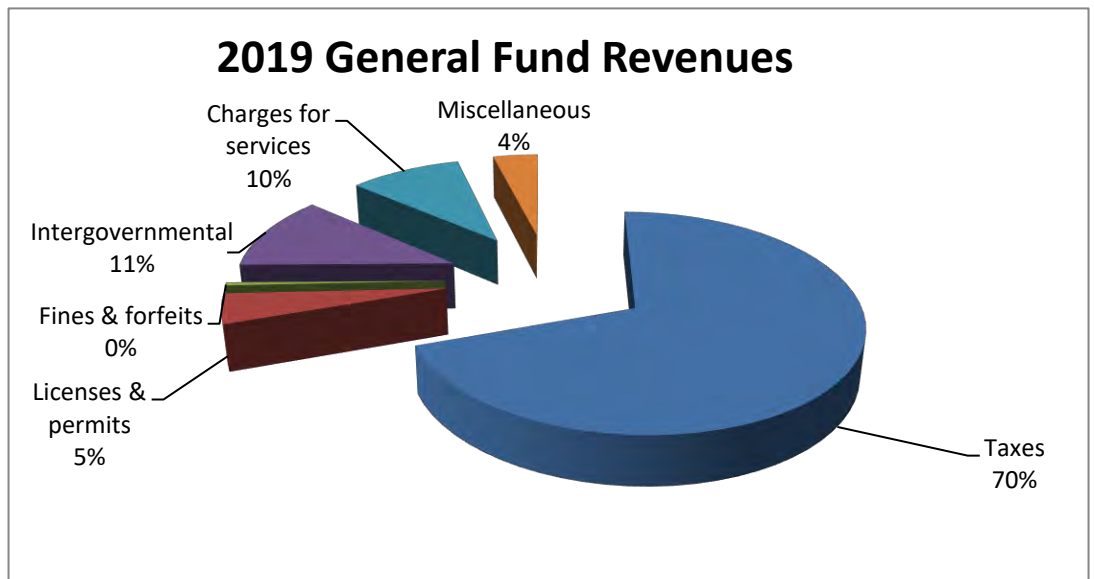
The number of full-time equivalent positions increased to 36 for the 2019 budget year.



**General Fund Revenues (net of transfers) up 4.09%**

The 4.09% increase in General Fund revenues (net of transfers) amounts to \$167,048 more in revenues than 2018. Taxes budgeted for the General Fund are \$241,830 more in 2019. Taxes represent 70% of the revenues for the General Fund.

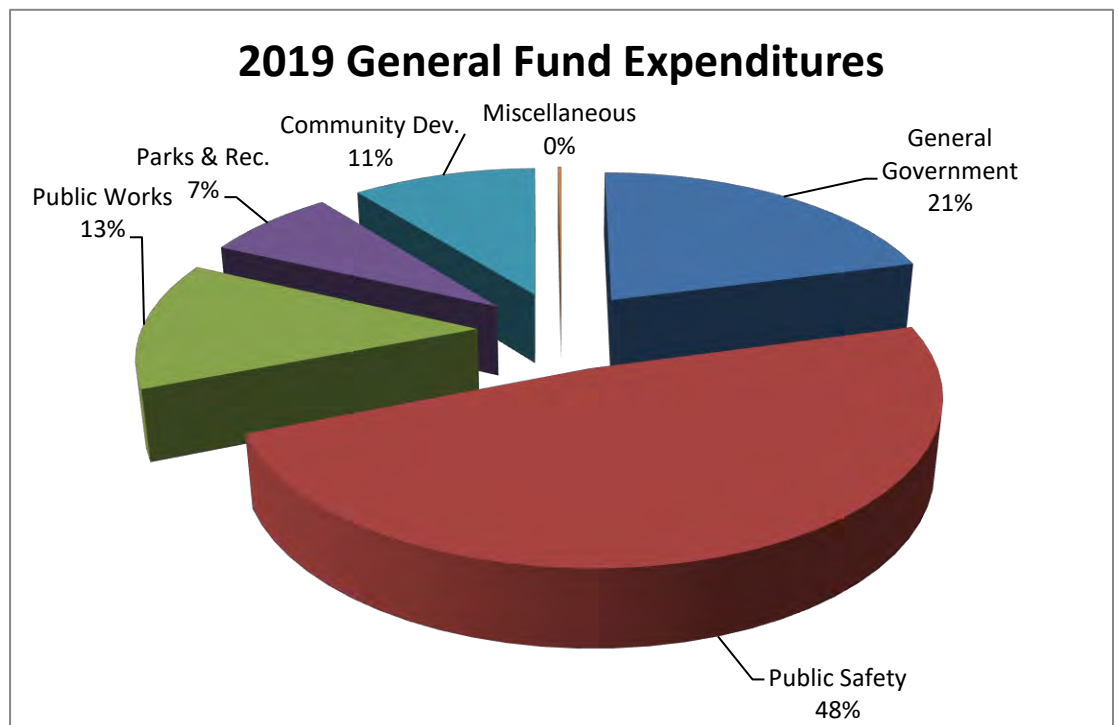
	2018	2019	\$ Change	% Change
<b>Taxes</b>	2,723,193	2,965,023	241,830	8.88%
<b>Licenses &amp; permits</b>	182,720	195,940	13,220	7.24%
<b>Fines &amp; forfeits</b>	24,000	20,520	(3,480)	-14.50%
<b>Intergovernmental</b>	608,229	492,737	(115,492)	-18.99%
<b>Charges for services</b>	382,430	415,010	32,580	8.52%
<b>Miscellaneous</b>	168,300	166,690	(1,610)	-0.96%
<b>TOTAL</b>	4,088,872	4,255,920	167,048	4.09%



**General Fund Expenditures (net of transfers) up 4.03%**

The 2019 Budget includes recommended expenditures (net of transfers) that are 4.03% higher than the 2018 Budget. This is an increase of \$167,048 over the previous year with the largest increase being recognized in the Public Safety budget.

	2018	2019	\$ Change	% Change
General Government	866,010	900,080	34,070	3.93%
Public Safety	1,834,050	2,079,450	245,400	13.38%
Public Works	714,750	557,150	(157,600)	-22.05%
Parks & Rec.	301,670	321,070	19,400	6.43%
Community Dev.	424,325	450,570	26,245	6.19%
Miscellaneous	8,067	7,600	(467)	-5.79%
<b>TOTAL</b>	<b>4,148,872</b>	<b>4,315,920</b>	<b>167,048</b>	<b>4.03%</b>



**General Fund Fund Balance will be 58.4% of Budget**

The State Auditor recommends that cities maintain unreserved fund balances in their general fund of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures. The 2019 budget projects a fund balance of 58.4% of fund operating revenues and 6.9 months of operating expenditures. This should provide a sufficient balance to cover cash flow needs and unexpected expenditures.

**Debt Service Funds**

The City has three debt service funds to account for debt. Fund 311 accounts for the 2013 bonds that refunded the 2007 bonds for street improvements and Fund 327 accounts for the 2015 bonds related to street improvements. These two funds are funded through property taxes, special assessments and transfers. The other fund is 2017 GO Capital Improvement Bonds. This bond is being repaid through property taxes and transfers.

Debt for the Water and Sewer Enterprise funds are accounted for in the respective funds.

Outstanding debt at December 31, 2018 is calculated at \$33,857,000.

**Capital Improvements**

The 2019 Budget implements the first year of the 2019-2023 Capital Improvement Plan (CIP) adopted by the City Council on August 6, 2018. This five-year plan is updated annually through a comprehensive capital needs planning process. Some of the projects listed in the CIP are not included in the annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval.

**Utility rates**

Water and sewer rates are set with the knowledge that predicting income is far more difficult than predicting expense and capital costs. In setting rates, the City expects fluctuations in consumption from year to year, and therefore expects a net loss in some years and a net profit in others. The rate setting process is designed to make gradual changes in rates whenever possible, focusing on a long-term strategy. A two-step rate increase was implemented in 2015 to pay for the debt service on a new wastewater treatment plant and to adjust the water rates to pay for the debt and operating in that fund. The first step went into effect for the bills due 12/10/2015 and the second step was effective with the bills due 01/01/2017. Rates were lowered in 2018.

Utility rate history (usage is per 1,000 gallons; base is per equivalent connection):

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>11/1/15</u>	<u>12/1/16</u>	<u>2018</u>
<b>Water</b>							
Base	11.75	11.75	13.75	13.75	16.50	19.80	14.55
Usage	Tiered	Tiered	Tiered	Tiered	Tiered	Tiered	Tiered
MN Test Fee	.53	.53	.53	.53	.53	.53	.53
<b>Sewer</b>							
Base	12.25	12.25	12.50	12.50	17.50	24.50	20.82
Usage	4.55	4.55	4.90	4.90	6.86	9.60	8.16

MN Statute 103G.291 was amended in 2008 to include a requirement for public water suppliers serving more than 1,000 people to adopt a water rate structure that encourages conservation by January 1, 2010. It was determined that a tiered rate system was the easiest and fairest solution. The following tiered rate system is in place for water usage

<u>Gallons per Equivalent Connection</u>	<u>Fee per 1,000 gallons</u>
0 – 14,999	\$4.50
15,000 – 29,999	\$4.72
30,000 – 44,999	\$5.45
>= 45,000	\$6.51

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MN PFA, the lender on our new Water Treatment Plant, requires that the City collect amounts necessary to produce net revenues adequate to pay all principal and interest when due on the Note. If not, they can require us to have a rate increase or direct us to levy the amount through property taxes.

MN PFA is also the lender on our new Wastewater Treatment Plant.

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**Water and  
Sewer Funds**

Customers are billed for water and sewer charges on a monthly basis. Monthly billing assists in water conservation and leak detection by notifying customers of their usage every 30 days. The City contracts with an outside billing service for its utilities. Unpaid bills are the responsibility of the property owner and are certified to the property taxes each year.

Staff continues to monitor utility revenues to ensure financial stability.

Expenditures from these funds are used for operation and maintenance, debt service, capital improvements, and infrastructure replacement relating specifically to the operation of water and sewer services. Major activity relating to these funds include:

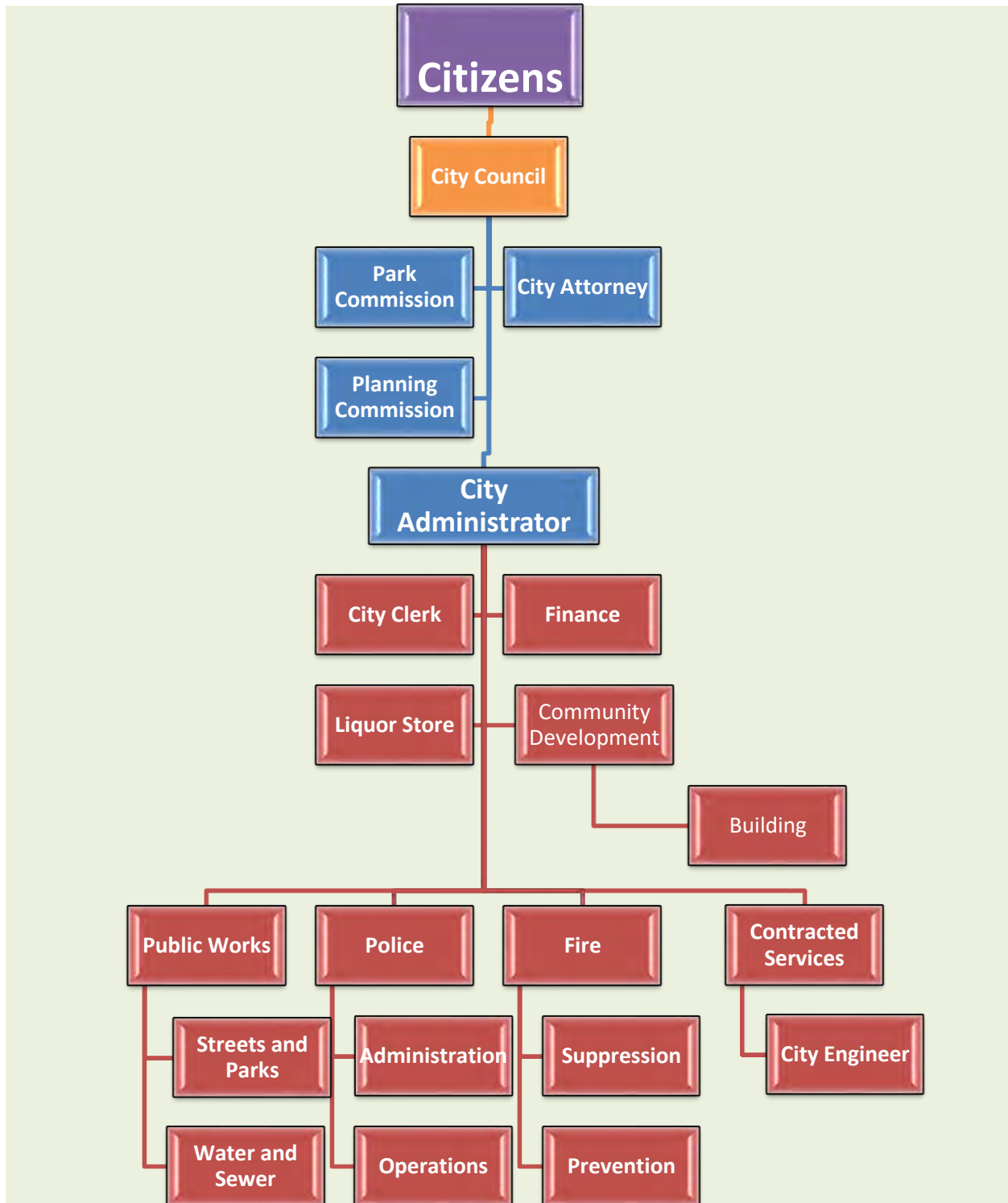
- A Water Treatment Plant was constructed in 2008 with low interest financing provided through the MN Public Facilities Authority.
- It is anticipated that the City will need to construct a new Waste Water Treatment Facility in the future and land was purchased in 2007 to accommodate this project.
- A second river crossing vital for uninterrupted water service for those residents on the east side of the Rum River and necessary for efficient watermain system maintenance was completed in 2009.
- Construction of sanitary sewer and water mains to serve properties along Ambassador Boulevard as well as providing development opportunities for existing undeveloped properties was completed in 2011.

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**Liquor**

The St. Francis Municipal Bottle Shop was established in 1964 and has been a key partner in the operation of the City. Records show that over \$500,000 of store proceeds have been used to support City purchases and various recreational activities within the City. The Bottle Shop has been a proud sponsor of the Pioneer Days fireworks display since 1999 and has also assisted with the financing of the Fire Department building expansion, Woodbury Park gazebo, Fire Department tanker, and various public safety equipment, just to name a few. Gross sales topped \$2 million for the first time in 2008 with gross profit at 25%.

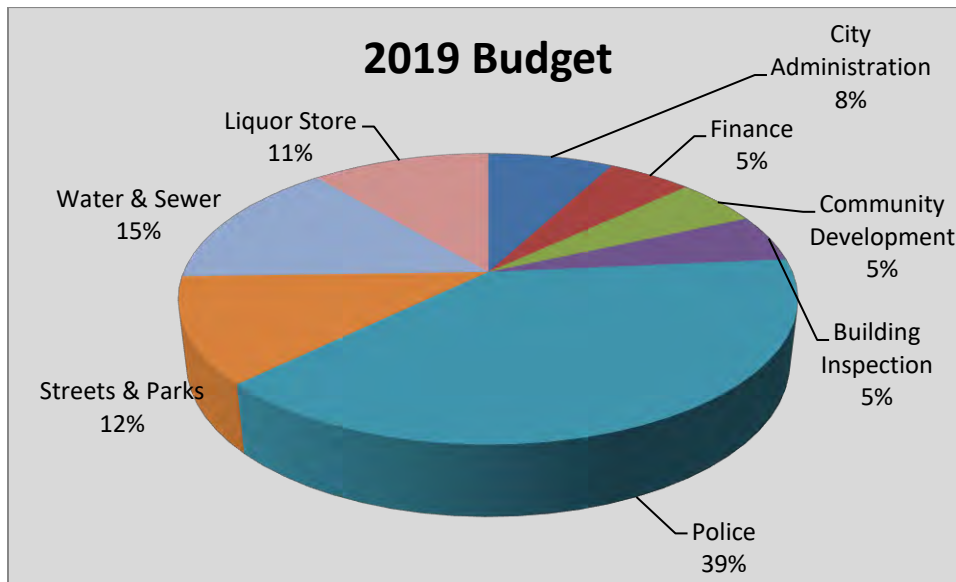
# ORGANIZATIONAL CHART



**CITY OF ST. FRANCIS, MINNESOTA  
SUMMARY OF PERSONNEL  
NUMBER OF BUDGETED REGULAR EMPLOYEES**

	2018		2019	
	FULL TIME	PART TIME	FULL TIME	PART TIME
City Administration	3.00	0.00	3.00	0.00
Finance	2.00	0.00	2.00	0.00
Community Development	2.00	0.00	2.00	0.00
Building Inspection	2.00	0.00	2.00	0.00
Police	14.00	0.00	15.00	0.00
Streets & Parks	4.50	0.00	4.50	0.00
Water & Sewer	5.50	0.00	5.50	0.00
Liquor Store	2.00	2.25	2.00	2.25
<b>TOTALS</b>	<b>35.00</b>	<b>2.25</b>	<b>36.00</b>	<b>2.25</b>

The number of part-time employees listed is after conversion to full-time equivalents. Employee totals do not include paid-per-call firefighters, reserve officers, commission members or election judges.



CITY OF ST. FRANCIS, MINNESOTA  
**LISTING OF PERSONNEL POSITIONS**  
 BUDGETED FULL-TIME REGULAR EMPLOYEES 2017-2019

<u>CODE</u>		<u>2017</u>	<u>2018</u>	<u>2019</u>
	<b><u>CITY ADMINISTRATION</u></b>			
101-41400	City Administrator	1.00	1.00	1.00
	City Clerk	1.00	1.00	1.00
	Receptionist/Office Support	2.00	1.00	1.00
	City Administration Department Total	<u>4.00</u>	<u>3.00</u>	<u>3.00</u>
	<b><u>FINANCE</u></b>			
101-41500	Finance Director	1.00	1.00	1.00
	Accounts Payable/Deputy City Clerk	0.00	1.00	1.00
		<u>1.00</u>	<u>2.00</u>	<u>2.00</u>
	<b><u>COMMUNITY DEVELOPMENT</u></b>			
101-41910	Community Development Director	1.00	1.00	1.00
	Assistant Community Development Director	0.00	1.00	1.00
		<u>1.00</u>	<u>2.00</u>	<u>2.00</u>
	<b><u>BUILDING INSPECTIONS</u></b>			
101-42400	Building Inspector	2.00	2.00	2.00
	<b><u>POLICE DEPARTMENT</u></b>			
101-42110	Police Chief	1.00	1.00	1.00
	Administrative Assistant	1.00	1.00	1.00
	Police Records Clerk	2.00	2.00	2.00
	Sergeant	2.00	2.00	2.00
	Investigator	1.00	1.00	1.00
	Police Officer	7.00	7.00	8.00
	Police Department Total	<u>14.00</u>	<u>14.00</u>	<u>15.00</u>
	<b><u>STREETS &amp; PARKS</u></b>			
101-43100	Highways, Streets & Roads			
	Public Works Director	0.25	0.25	0.25
	Streets/Parks Supervisor	0.50	0.50	0.50
	Streets & Parks Worker	1.70	1.70	1.70
101-45200	Parks			
	Public Works Director	0.25	0.25	0.25
	Streets/Parks Supervisor	0.50	0.50	0.50
	Streets & Parks Worker	0.90	0.90	0.90
101-43210	Recycling			
	Public Works Director	0.00	0.00	0.00
	Streets & Parks Worker	0.40	0.40	0.40
	Streets & Parks Department Total	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
	<b><u>WATER &amp; SEWER</u></b>			
601-49440	Water Operations:			
	Public Works Director	0.25	0.25	0.25
	Water/Wastewater Supervisor	0.50	0.50	0.50
	Water/Wastewater Operator	2.00	2.00	2.00
602-49440	Sanitary Sewer Operations:			
	Public Works Director	0.25	0.25	0.25
	Water/Wastewater Supervisor	0.50	0.50	0.50
	Water/Wastewater Operator	2.00	2.00	2.00
	Public Works Department Total	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>
	<b><u>MUNICIPAL LIQUOR STORE</u></b>			
609-49750	Liquor Store Manager	1.00	1.00	1.00
	Liquor Store Asst. Manager	1.00	1.00	1.00
	Municipal Liquor Store Total	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
	<b>TOTAL</b>	<u>34.00</u>	<u>35.00</u>	<u>36.00</u>



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of St. Francis  
Minnesota**

For the Fiscal Year Beginning

**January 1, 2018**

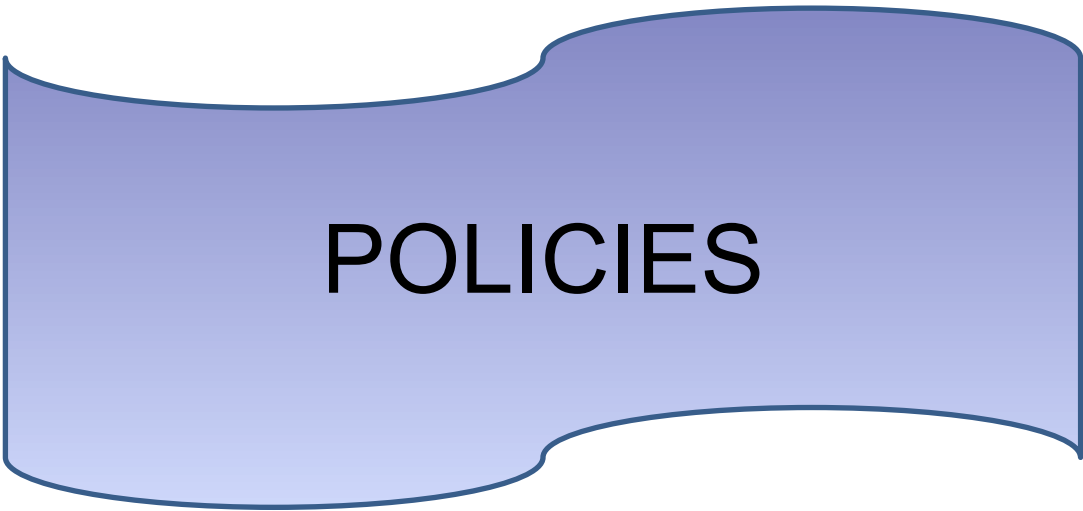
*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of St. Francis, Minnesota for its annual budget for the fiscal year beginning January 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





**POLICIES**

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## BUDGET PROCESS

One of the most important activities undertaken each year by the City is the budget process. The quality of decisions made in the budget process conveys the City's long-range plans and policies for current and future services and programs. The budget is a financial, planning, and policy document which reflects the allocation of limited revenue among competing uses and serves as a guide for the various departments in implementing their goals and objectives.

It is important that the budget process communicate and involve the citizens, elected officials, staff, management, businesses, and all other interested parties of the City by:

- Identifying their issues and concerns,
- Obtaining their support for the budget process with different opportunities to get involved or express opinions,
- Achieving their knowledge and understanding of the goals and resource allocation,
- And reporting to them on services and resource utilization.

The budget process is a year-round activity because regular reporting is necessary to provide accountability, understanding, and confidence in the City. The City provides different types of reporting to facilitate this process. These reports include: quarterly newsletters, monthly department reports, monthly investment reports, budget document, and an audited comprehensive annual financial statement.

The annual budget process begins in February of each year. Department heads receive preliminary budget guidance from the City Administrator, with direction from the Mayor and Council. In April – May, department heads are given budget instructions and worksheets reflecting two-year historical data and current year budget and expenditure amounts. Each department is responsible for submitting the proposed budgets for their respective programs. They are asked to determine if there is a need to increase staff or if other major changes are needed. They are given approximately a month to finalize their research and submit the budget worksheets to the Finance Director by early June. Revenues are projected by the Finance Director. In budgeting revenues, a conservative approach is taken. For many revenue line items, actual data over the past three years is analyzed to identify inherent trends, and an adjustment is made for known events predicted to occur in the coming calendar year. The City Administrator and Finance Director meet individually with each department head to discuss the department's budget submittal, and changes are made, either increases or decreases, to accommodate the overall budget picture. Total budget requests are compared to revenue estimates to ensure that there is funding available to fund the proposed expenditures. Following the individual meetings, budget workshops are held with the City Council. The submittal of the Proposed Budget is followed by a series of public presentations to the City Council that are designed to give the Council and citizens an overview of the Budget, and to prepare the Council in making informed budget decisions. The final document is adopted in December following the required public hearings. A more detailed timeline for the budget process is as follows:

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February	* Council-staff retreat to discuss goals and priorities for CIP and Budget.
March	* Finance Director prepares initial draft of Debt Service Budget.
April	* Finance Director prepares personnel cost estimates.
May	* Finance Director prepares budget worksheets and instructions for department heads.
	* City Administrator distributes budget preparation materials to department heads.
	* Finance Director prepares preliminary revenue estimates.
June	* Finance Director prepares initial draft of Capital Budget.
	* Budget requests are due from department heads.
	* Finance Director prepares preliminary report for the City Administrator on the Budget.
	* City Administrator and Finance Director meet with department heads to discuss budget requests.
	* Final decisions made regarding Operating, Capital and Debt Service Budgets.
	* Final General Fund revenue estimates prepared by Finance Director.
July	* Budget workshops held with City Council as needed.
August	* Finance Director makes final changes for the Proposed Budget.
Prior to Sept. 30 <sup>th</sup>	* At a Council meeting, the public hearing date on the proposed budget and proposed tax levy are approved by the Council.
By Sept 30 <sup>th</sup>	* Finance Director certifies preliminary levy and hearing date to Anoka County.
Sept/Oct	* Budget presentations held with City Council as needed.
November	* County auditor mails tax notices to each taxpayer.
December	* Public hearings and Council adoption of the Budget and tax levy.
	* Finance Director prepares tax certification forms for Anoka County. Summary Budget Statement published in accordance with the State Auditor's guidelines. Certification of Compliance with Truth in Taxation and Property Tax Levy Report requirements filed with State Department of Revenue.

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## FINANCIAL POLICIES

### Balancing the Budget

The City recognizes that its citizens deserve a commitment from the City to live within its means and that a balanced operating budget is the cornerstone of fiscal responsibility. A balance must be struck between revenues and expenditures so the public can realize the benefits of a strong and stable government. Annual operating expenditures (personnel costs, operating expenses, capital expenses and transfers) will be fiscally balanced with revenues or income estimates that can be reasonably and normally projected to be received during the fiscal year.

On an annual basis the City will present a balanced General Fund operating budget to the City Council. Total resources available, including fund balances plus projected revenue, shall be equal to or greater than the projected expenditures for the coming year. In the event a budget deviates from being presented as balanced, full disclosure and City Council approval will be required including the factors affecting the budget such as economic factors or emergency capital expenditures.

- Any increase in expenses that requires budget revision shall be offset by a budget transfer, increased revenue or use of fund balance.
- Any significant decrease in revenue that results in a budget imbalance shall be offset by a budget revision to reduce expenditures. Any minor decrease in revenues that results in a budget imbalance shall be assumed to be offset by departments that won't spend their entire expenditure budget.
- Temporary shortages, or operating deficits, can and will occur due to extraordinary events and circumstances. These operating deficits will not be tolerated as an extended trend.
- Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy or transferring for use in capital projects or "one-time only" projects.
- Special Revenue Funds are supported by special levies and fees, grants or intergovernmental revenues. Expenditures in these funds are strictly limited to the mandates of the funding source.

### Long-Range Planning and Fund Balance

A good budget process incorporates a long-term perspective to assess the financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions. This information is important in making quality decisions for both the current and future needs of the City.

Maintaining an adequate fund balance is essential. The City shall establish a reserve general fund balance in order to accommodate unexpected operational changes, legislative impacts or other economic events affecting the City's operations that could not have been reasonably anticipated. The goal is to establish an unreserved fund balance in the General Fund that is equivalent to forty percent (40%) of General Fund revenues. Fund balance is defined as the difference between assets and liabilities reported in a governmental fund. This unreserved fund balance will be used to meet cash flow needs until the first property tax and state aid payments are received at mid-year and to provide for unanticipated expenditures, revenue shortfalls, and emergency situations which may occur.

### Capital Improvement

The City shall establish a multi-year Capital Improvement Plan that allows the City to maintain its equipment and infrastructure at an adequate level. This plan will be updated annually. The City will coordinate development of the Capital Improvement Budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts. As resources are available, the most current year of the CIP will be

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incorporated into the current year operating budget as the Capital Improvement Budget. The City will provide ongoing preventative maintenance and upkeep on all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

## Capital Asset Inventory

Understanding the use and condition of all the City's equipment and infrastructure (capital asset) is important in receiving maximized public benefit. This allows the City to plan for the ongoing financial commitments required to maintain and replace the equipment and infrastructure.

- The City shall maintain a list of equipment and infrastructure.
- Identify corrective/maintenance needs on a yearly basis.
- Develop preventive and predictive maintenance planning estimates.
- Establish replacement schedules by determining useful life and estimated year of replacement for inventory.

## Revenue Policies

Understanding the revenue stream is essential to prudent planning. These policies seek stability to avoid potential service disruptions caused by revenue shortfalls. Estimates are arrived at by studying relevant revenue history along with economic trends and indices when available.

### Revenue Diversification

Program demands require that an adequate revenue stream be maintained. The City will continuously seek to diversify its revenue sources in order to improve the ability to handle fluctuations or dependency on individual sources. New and expanded unrestricted revenue streams should be first applied to support existing programs prior to funding new or expanded programs. The various sources of revenue shall be monitored to determine that rates continue to be adequate so each source is maximized. The City will pursue federal, state, and private grants but will strictly limit financial support of these programs to avoid commitments that continue beyond funding availability.

### Fees and Charges

The City will charge fees for services where such an approach is permissible, and where there is only a limited or specific group of beneficiaries of the City service. Sufficient user charges and fees shall be pursued and levied to support the full cost (operating, direct, indirect and capital) of operations. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax fees and charges. The City will periodically review fees and charges in order to keep pace with the cost of providing the service or that percentage of the total cost deemed appropriate by the City. Services shall be scaled to the level of support available from these fees and charges. When sufficient user charges and fees cannot be pursued and levied to support the full cost of operations (such as public record request), the City shall be aware of the costs not allocated to the user charges and fees. In conjunction with the annual budget process, departments will review the cost of providing services against the fee charged. Proposed increases will be brought before the City Council for approval. The City will set fees and user charges for each Enterprise Fund, such as Water and Sewer, at a level that fully supports the total direct and indirect costs of the activity. Indirect costs include the cost of annual depreciation of capital assets.

### Use of One-time Revenues

Non-recurring revenue or one-time revenues are sources of revenue the City cannot anticipate receiving on a continuing basis. It is important to seek out and receive this non-recurring revenue because these revenues have value different than ongoing revenues. The City will pursue one-time revenues but will strictly limit expenses to avoid commitments that continue on an ongoing basis.

The City shall not budget one-time revenues unless the revenue has been received or a commitment notice has been received. Use of one-time revenues will be reserved for the highest priorities of the current budget to include any revenue shortfalls impacting current budget, reducing and managing debt, use in considering one-time capital purchases and fund balance reserves.

### Use of Unpredictable Revenues

The City uses a conservation approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. Unpredictable revenue assumptions need to also consider the various factors that make the source unpredictable. Unpredictable revenue shall be monitored to determine how the various factors are affecting the collection both currently and in the future. Unpredictable revenue shall be described in the budget document, and the factors that make the source unpredictable discussed.

The City shall budget unpredictable revenue lower than the revenue assumption or anticipated collection. The City has not restricted the use of unpredictable revenues.

### Stabilization

The City needs to maintain a prudent level of financial resources to protect the public against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The long-range planning policy established a reserve general fund balance for unexpected operational changes, legislative impacts or other economic events.

## **Expenditure Policies**

The expenditures of a City define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability.

## **Expenditure Accountability**

Policies and budgets are not effective if the City does not make periodical review to actual expenditures. This review allows the City to decide on necessary actions to bring the budget back into balance. Financial reports presented to City Council and department heads on a regularly scheduled basis. Analysis of the financial reports presented to City Council and department heads on a regularly scheduled basis.

## **Debt**

Per state statutes, the City will not exceed three percent (3%) of the estimated market value of taxable property for general obligation debt. The City will utilize all appropriate financing methods to assist it in meeting its financial needs.

- Utilize finance consultants and professional service providers to assist in managing the debt of the City including: bond counsel, underwriters, financial advisers, paying agent and other professional service providers.
- Utilize the long-range planning plans in preparing the budget and developing financing scenarios.
- The structure and term of all City indebtedness shall vary in order to accommodate the different economic life cycles of the financed improvement.
- Short-term debt and interim financing should be used when it is prudent and advantageous to the City.
- All debt issues will be reviewed periodically to determine if refinancing or calling of any issue would be financially beneficial when advantageous, legally permissible and prudent.
- The City shall seek to use credit enhancement (letters of credit, bond issuance, surety bond, etc.) when such credit enhancement proves cost-effective.
- Establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code.
- The City shall maintain a relationship with the rating agencies that currently assign ratings to the various debt obligations.
- Provide ongoing disclosure information to established information repositories for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.
- Long term borrowing will not be used to finance current operations or normal maintenance.
- The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements.

- The City will confine long term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- Where possible, the City will use special assessment revenue or other self-supporting bonds instead of General Obligation Bonds.

### **Basis of Budgeting**

The modified accrual basis was used for the budgets for most of the funds in the budget. Under this basis, revenues are recognized in the accounting period that they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. The accrual basis was used for the budget of the enterprise funds (Water, Sewer, Storm Sewer and Liquor) in the Operating Budget. Under this basis, revenues are recognized in the accounting period that they are earned and measurable; expenses are recognized in the accounting period that they are incurred, if measurable. The basis of budgeting is the same as the basis of accounting.



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## FUND STRUCTURE

Following is a description of the funds included that are subject to appropriation, for which financial plans and budget appropriations are prepared annually. These funds are the General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds.

### GENERAL FUND

The General Fund is the City's primary operating fund. It accounts for all financial transactions not properly accounted for in any other fund, including most of the basic governmental services. The expenditures from the General Fund account for the majority of primary services provided by the City in the areas of public safety, parks and recreation, street maintenance, planning, engineering and general government. In 2012, the Bi-Centennial and the Pioneer Days Special Revenue Funds were moved into the General Fund.

### SPECIAL REVENUE FUNDS

This type of fund accounts for services and expenditures where revenue is restricted for a designated purpose. The City maintains the following Special Revenue Funds:

- **Police Forfeiture Fund** – proceeds from the sale of forfeited vehicles which is legally restricted for the purchase of police equipment.

### CAPITAL PROJECTS FUNDS

Capital projects funds account for the acquisition and construction of major capital facilities and equipment (except those financed by proprietary funds). This includes expenditures relating to street projects and economic development. The City maintains the following Capital Projects Funds:

- **Capital Projects/Equipment** – funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.
- **Park Fund** – for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.
- **Gambling Fund** – activity associated with the 10% contribution from the net gambling proceeds from the charitable organizations in the city.
- **Creekview Estates** – accounts for the accumulation of resources to finance the 2006 street reconstruction project.
- **Ivywood & 230<sup>th</sup>** – accounts for financial resources used to finance the 2015 street reconstruction project.
- **Building Improvement**—accounts for financial resources to finance future building improvements
- **Street Improvements**-- accounts for financial resources to finance future street improvements

## DEBT SERVICE FUNDS

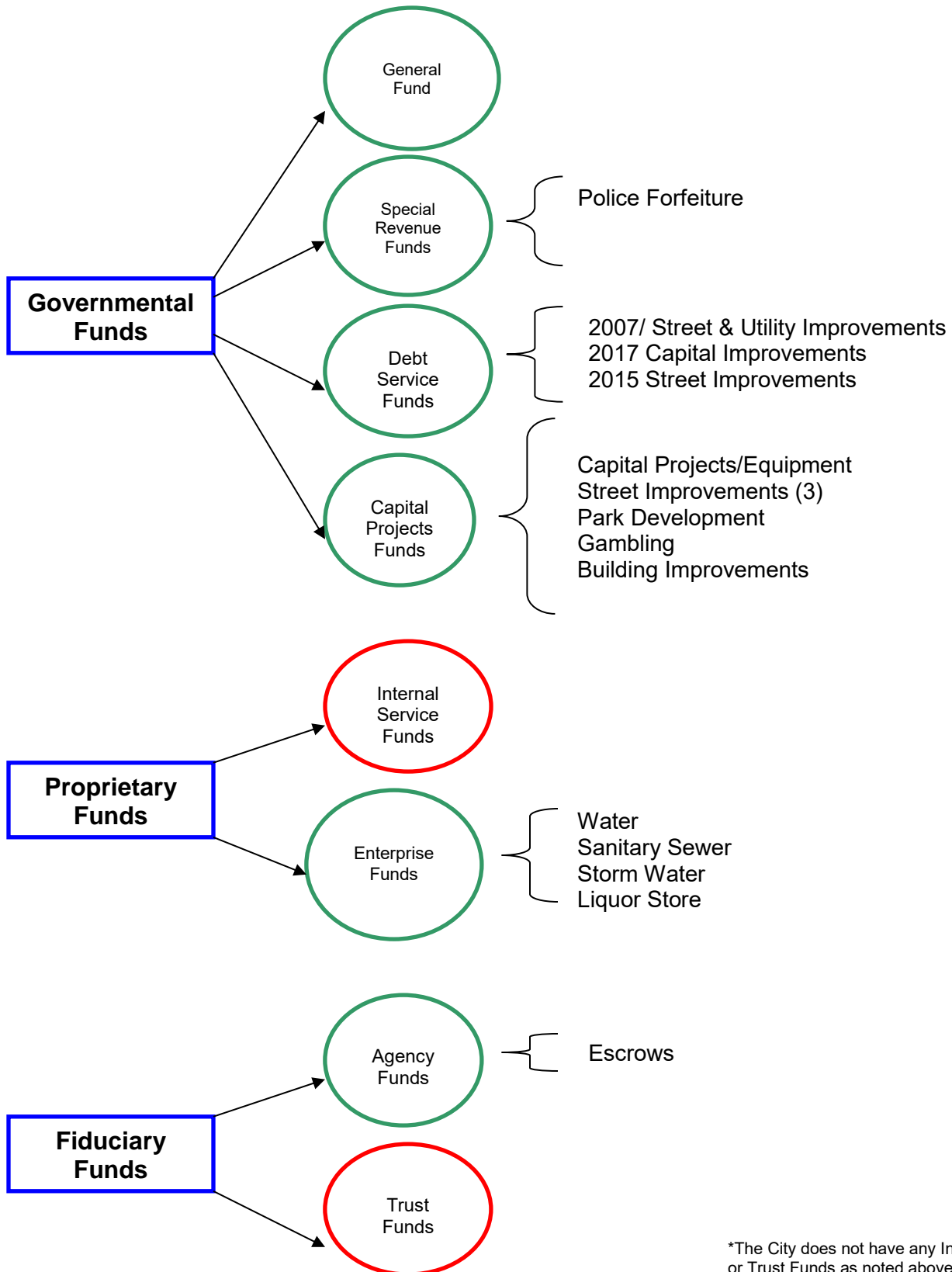
Debt service funds account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal, interest and fiscal agents' fees. Enterprise fund debt is accounted for in the individual enterprise fund.

## ENTERPRISE FUNDS

Enterprise funds account for our business-type activities. These activities provide services where most or all of the costs are recovered through user fees and charges. The City maintains the following Enterprise Funds:

- **Water Fund** – receives its revenues from charges to property owners to provide water utilities, fund operations and maintain infrastructure.
- **Sewer Fund** – receives its revenues from charges to property owners to provide sewer utilities, fund operations and maintain infrastructure.
- **Storm Water Fund**–receives its revenues from charges to property owners to fund operations and maintain infrastructure.
- **Liquor Fund** – accounts for the costs associated with the City's liquor operations.

**FUND STRUCTURE**



\*The City does not have any Internal Service or Trust Funds as noted above in red.

## City of St. Francis Funds and Departments Relationship

	General Government	Public Safety	Public Works	Culture & Recreation	Community Development	Miscellaneous	Liquor
<b><u>General Fund</u></b>	X	X	X	X	X	X	
<b><u>Special Revenue Funds</u></b>							
Police Forfeiture		X					
<b><u>Debt Service Funds</u></b>							
2013 Street & Utility Improvements	X						
2017 GO Capital Improvements	X						
2015 Street Improvements	X						
<b><u>Capital Projects Funds</u></b>							
Capital Projects		X	X	X			
Street Improvements			X				
Park Development				X			
Building Improvements	X						
Gambling		X					
<b><u>Proprietary Funds</u></b>							
Water			X				
Sewer			X				
Storm Water			X				
Liquor							X



**BUDGET SUMMARY**

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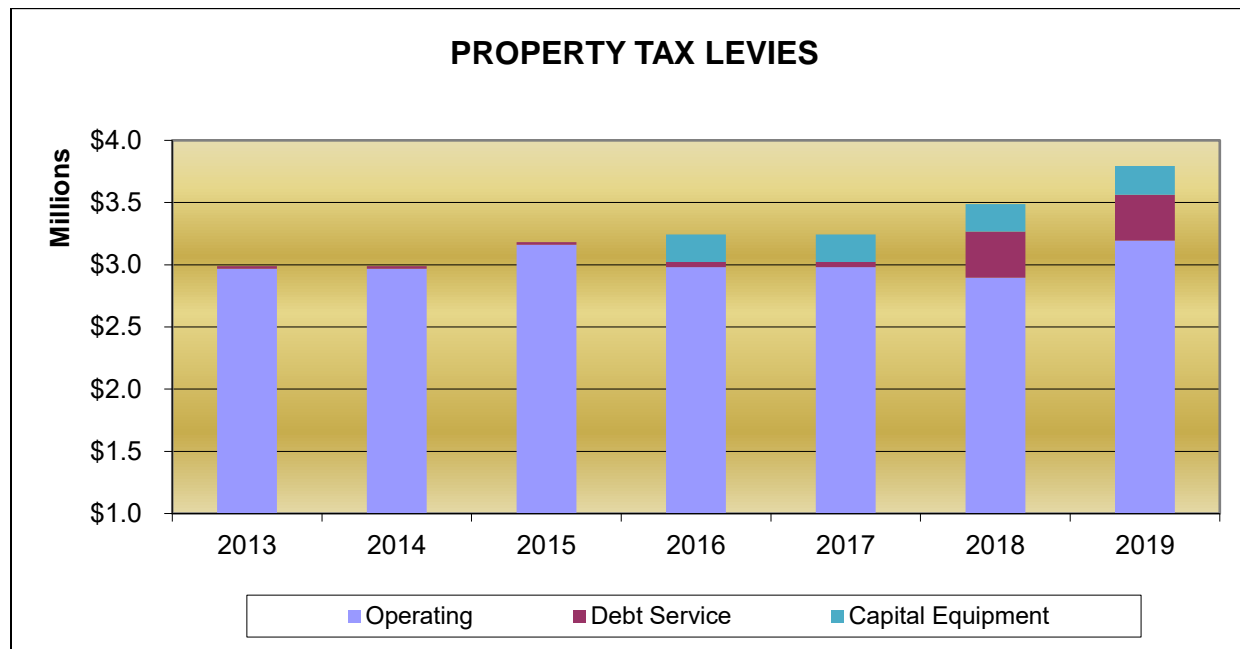
## REVENUE SOURCES

The City is dependent on the resources that generate revenue to provide for the different services that our residents receive. This dependency is the limiting factor on what services can be provided. These services range from the basic services of public safety and road maintenance to services enhancing the quality of life such as parks and community events. Our resources to generate revenues are affected by a number of factors, including City, State and Federal laws, rates, demographics, and economic conditions. The following provides a summary of the different revenue sources.

**Taxes - \$3,743,613 (33.7%)**

Tax revenues consist of property taxes (current and delinquent), tax increments and penalties and interest. This revenue source is primarily used in the General Fund and is set at a level to raise adequate revenue for the operating budget when combined with other expected revenues. The final level of expected revenue should be sufficient to conduct City business in accordance with Council policy and directives and result in a projected year-end fund balance to cover possible emergencies and contingencies. The Minnesota State Legislature eliminated the Market Value Credit Program in 2012 and replaced it with the Market Value Exclusion Program which continues in 2019.

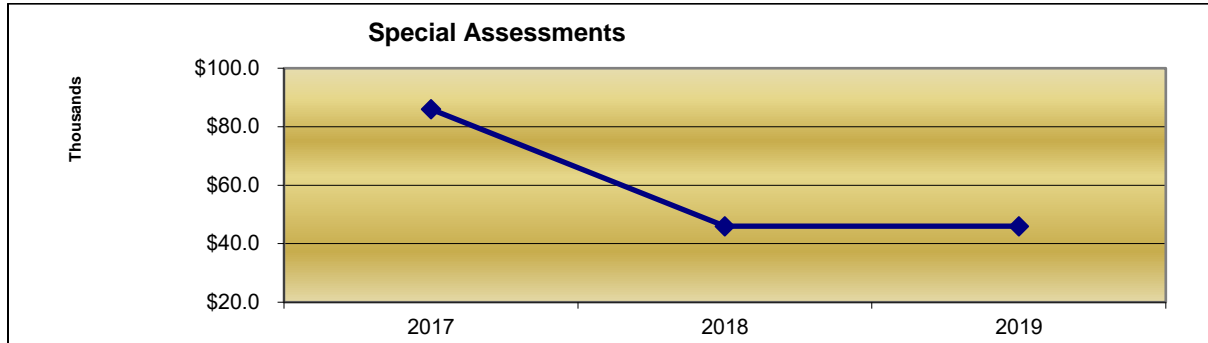
The City relies on property taxes for 70% of the total General Fund revenues, supporting such functions as public safety, public works, and general government.



**Special Assessments - \$46,000 (.04%)**

A portion of the costs for public improvements is recovered by assessment charges to the benefiting property owners. These collections are used to pay bond principal and interest on the outstanding improvements bonds or to reimburse the City if no bonds were issued. Property owners have the option of paying the assessment in full or spreading the assessment over a 10, 15 or 20-year payback period depending on the type of improvement. Special assessment revenue also includes charges against property for the collection of delinquent utility bills or miscellaneous charges. The budget is based on current payment schedules and a review of upcoming projects and outstanding balances.

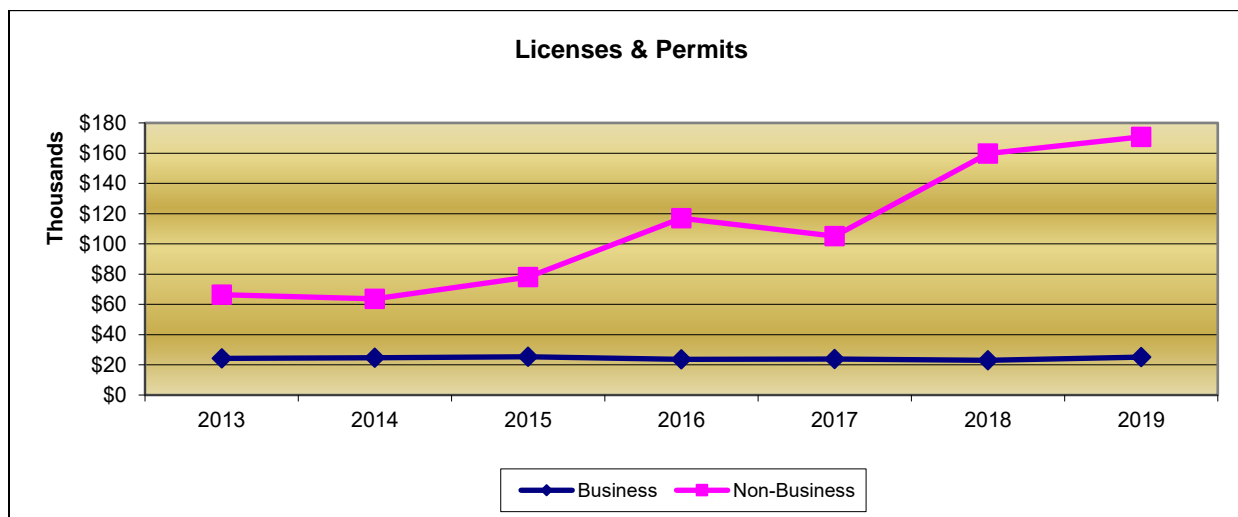
Special assessment collections for 2019 will be about the same as the 2018 budget based on an analysis of new rolls, scheduled installments and historical collection rates



**Licenses and Permits - \$195,940 (1.8%)**

This revenue source is found only in the General Fund. It primarily consists of liquor license fees, building permit fees, and animal licenses. These revenues are based on a review of the prior three years actuals, changes in economic conditions, City determined license rates, State regulated rates, and the Uniform Building Code.

These fees are normally charged as a means of recovering the cost of regulation in the interest of the overall community. Business license fees are required to be paid annually in order to operate a business within the City. Liquor license fees account for most of the revenue in this category. Non-business license and permit fees are levied to finance the cost of inspecting and regulating new construction and to cover a portion of the administrative costs associated with monitoring activities. Building permit fees generate most of the revenue in this category and have been the major factor in the increase for this revenue stream.

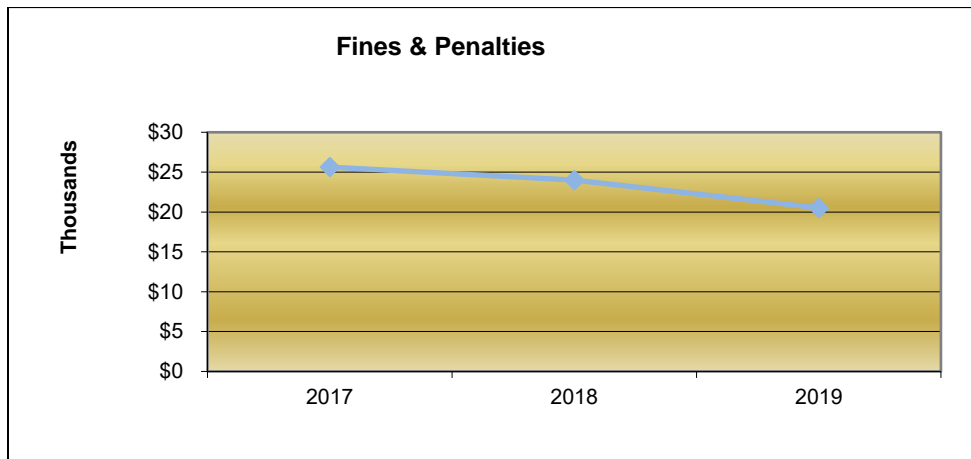




**Fines and Penalties - \$20,520 (0.2%)**

Fines and penalties consist of the City's share of fines collected by the County for court actions, animal impound fees, and revenue from drug forfeiture proceeds. The budget is based on a review of the prior three years actuals.

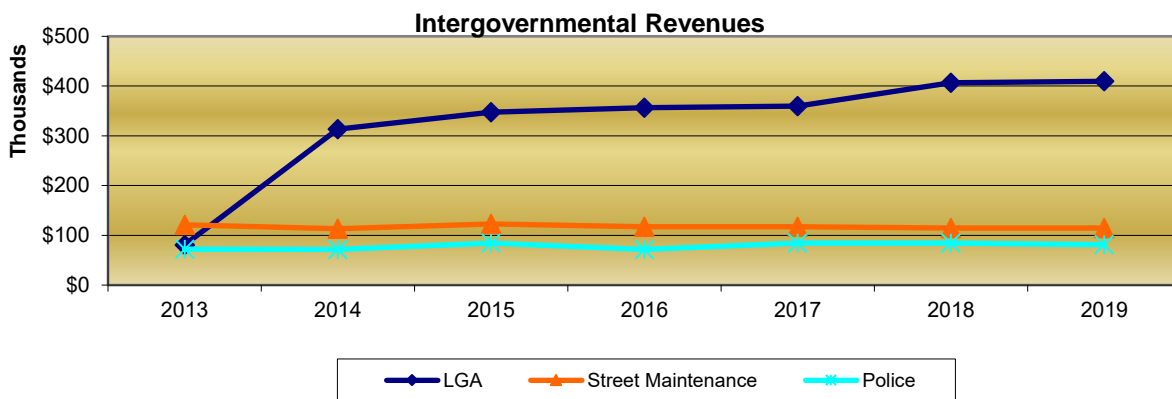
The fluctuations in this category are mainly caused by drug forfeiture proceeds. The revenue from drug forfeitures is dependent on crime in the city. We do not budget for drug forfeiture revenue as it is very unpredictable.



**Intergovernmental - \$607,737 (5.5%)**

This represents monies from other governments in the form of grants, entitlements, and shared revenues. In prior years this revenue source was comprised primarily of state aid in the form of the Market Value Homestead Credit (MVHC) and Local Government Aid (LGA). The state increased the amount allocated to LGA in 2014. The city is going to receive \$406,858 in 2018. Other items represented in this revenue source are Police and Fire State Aid, Community Development Block Grants and State Street Aid.

Items that account for most of these revenues on a consistent basis are local government aid, state street maintenance aid and state police aid.

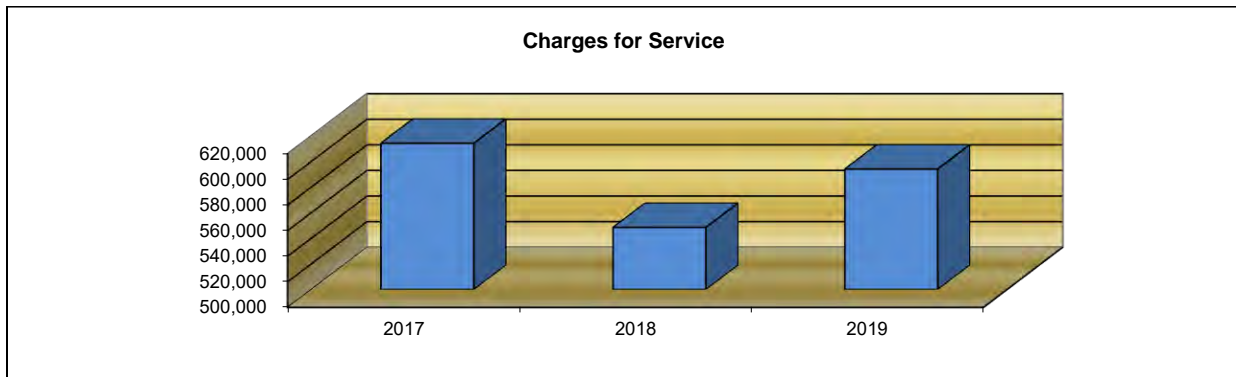


**Charges for Services - \$594.010 (5.3%)**

Charges for services comes from a variety of sources such as police contracts with the school district and a neighboring city, plan reviews, recycling revenue, special event fees, and administrative charges between funds.

The School district contracts with the city to provide 2 liason officers during the school year. During 2013 & 2014 they only contracted for 1. The revenue under this contract has been as follows:

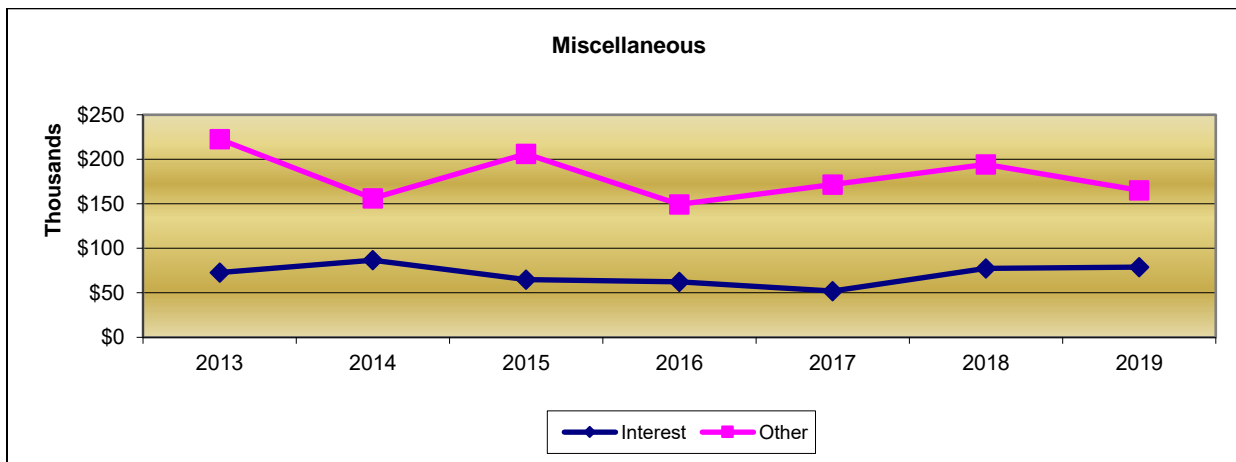
2015	\$126,446
2016	\$124,700
2017	\$132,900
2018	\$132,900
2019	\$140,360



**Miscellaneous - \$243,790 (2.2%)**

Miscellaneous revenues include investment earnings, park dedication fees, donations, cable franchise fees, sale of property, and antenna lease agreements. They are based on a review of the prior three years actuals.

Interest revenue is earned on the investment of City funds. Most cash in the City is pooled for investment purposes. Interest is allocated to funds on a monthly basis based on the change in each of the fund's cash balances.



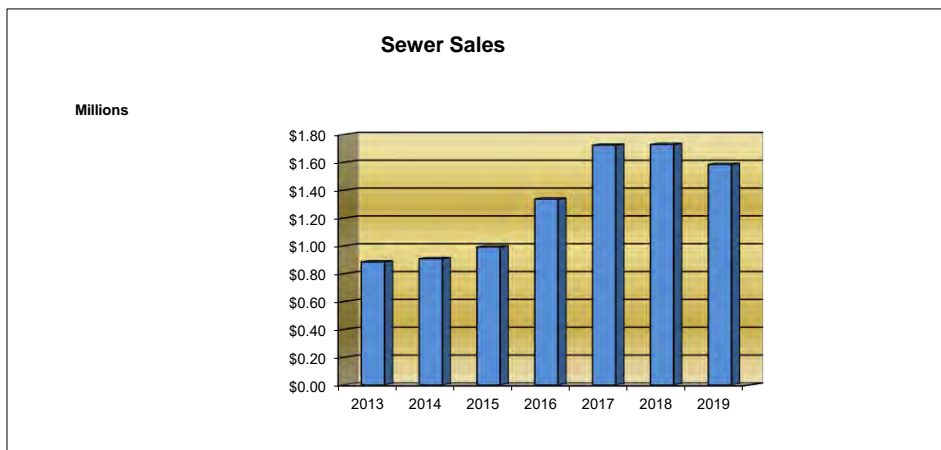
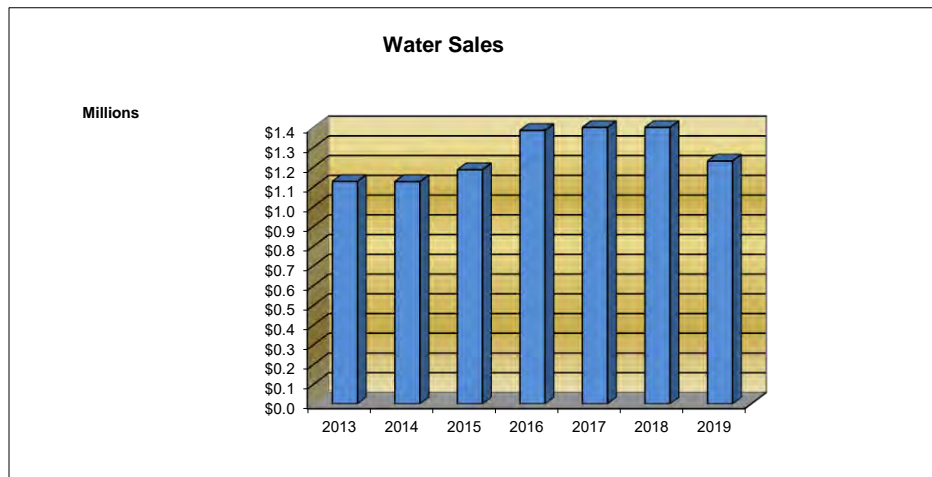
**Sales - Water, Sewer, Liquor - \$5,004,200 (45.0%)**

This represents water and sewer usage charges and sales made by our municipal liquor store. Rate studies and forecasts are reviewed to determine user charges.

The Water, Sewer and Municipal Liquor Funds are enterprise funds of the City. The funds are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (including depreciation) of providing services to the general public on a continuing basis be financed primarily through user charges.

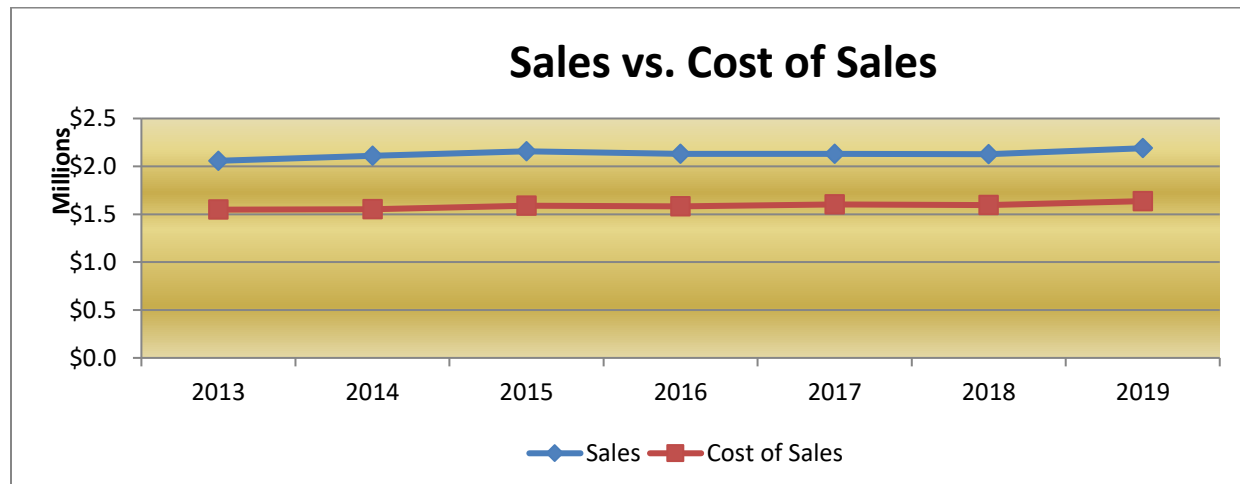
The history for the monthly water and sewer bill on a residential household that uses 6,000 gallons per month would be:

	<u>Water</u>	<u>Sewer</u>
2011	\$36.58	\$39.55
2012	\$36.58	\$39.55
2013	\$36.58	\$39.55
2014	\$39.78	\$41.90
2015	\$39.78	\$41.90
2016	\$47.63	\$58.66
2017	\$57.05	\$82.10
2018	\$57.05	\$82.10
2019	\$42.08	\$69.78



**St. Francis Municipal Liquor Store  
Sales Analysis**

Percent of Sales	2016		2017		2018		2019 Budget	
Liquor	718,959	33.7%	753,005	33.7%	767,299	33.3%	730,000	33.3%
Beer	1,109,453	52.0%	1,164,630	52.1%	1,219,107	52.9%	1,160,000	53.0%
Wine	202,436	9.5%	202,440	9.1%	205,937	8.9%	188,000	8.6%
Miscellaneous	41,910	2.0%	49,057	2.2%	67,549	2.9%	62,000	2.8%
Tobacco	58,811	2.8%	66,712	3.0%	45,501	2.0%	49,200	2.2%
<b>Total Sales</b>	2,131,569		2,235,844		2,305,393		2,189,200	



**Connection Fees - \$381,888 (3.4%)**

Water and sewer connection charges are due when new hookups are added to the City's system from either new construction or additions to current property. The fee per connection is set by the City. This category also contains payments from developers for their portion of infrastructure costs when putting in a new development.

**Debt Proceeds - \$0 (0.0%)**

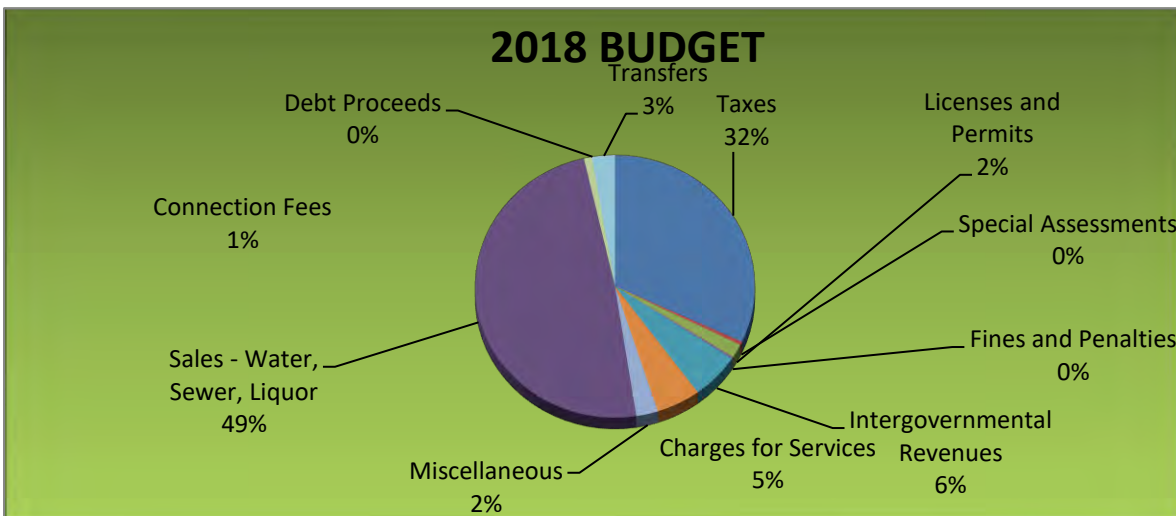
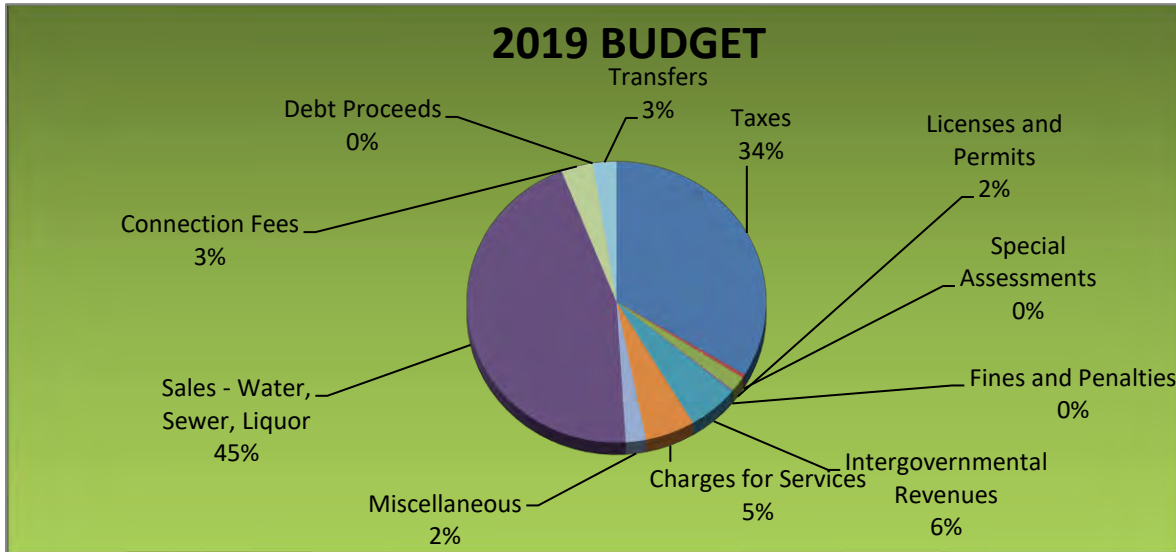
This Other Financing Source represents the funds received when issuing debt to pay for infrastructure or other capital items. None are projected for 2017.

**Transfers and Contributions of Assets - \$284,880 (2.6%)**

Transfers in are not an outside revenue source, but instead reflect amounts transferred between City Funds. These transfers may be utilized as a means to fund projects or debt service from multiple sources. The largest components of transfers in are to cover capital equipment or projects.

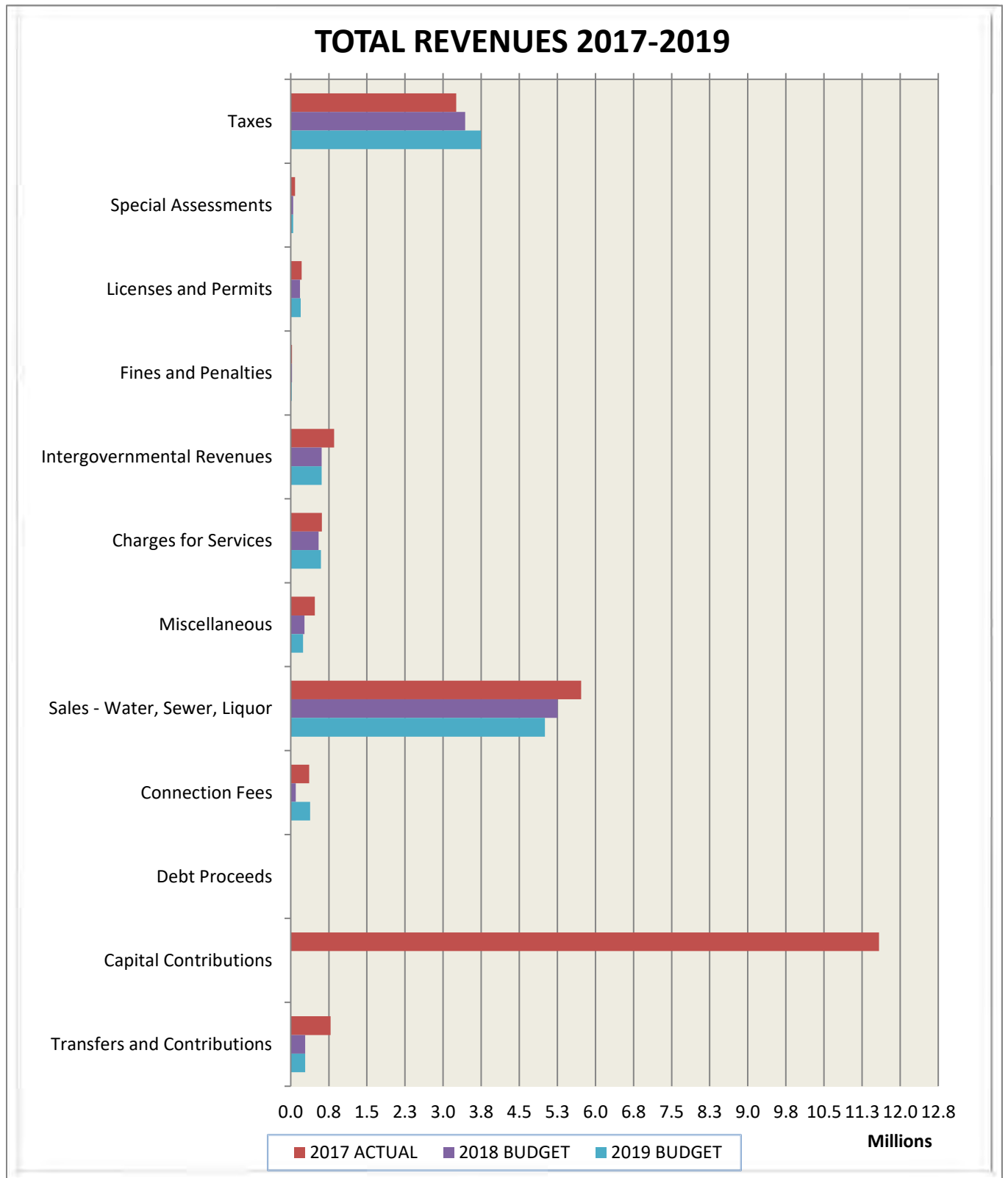
**CITY OF ST. FRANCIS, MINNESOTA**  
**ALL FUNDS**  
 REVENUE SOURCES AS A PERCENT OF TOTAL

<u>Total by Source</u>	2018 BUDGET	PERCENT OF TOTAL	2019 BUDGET	PERCENT OF TOTAL
Taxes	\$3,434,933	31.9%	3,743,613	33.7%
Special Assessments	\$46,000	0.4%	46,000	0.4%
Licenses and Permits	\$182,720	1.7%	195,940	1.8%
Fines and Penalties	\$24,000	0.2%	20,520	0.2%
Intergovernmental Revenues	\$608,229	5.7%	607,737	5.5%
Charges for Services	\$548,430	5.1%	594,010	5.3%
Miscellaneous	\$271,800	2.5%	243,790	2.2%
Sales - Water, Sewer, Liquor	\$5,255,500	48.9%	5,004,200	45.0%
Connection Fees	\$100,000	0.9%	381,888	3.4%
Debt Proceeds	\$0	0.0%	-	0.0%
Transfers	\$284,880	2.6%	284,880	2.6%
<b>Totals</b>	<b>\$10,756,492</b>	<b>100.0%</b>	<b>\$11,122,578</b>	<b>100.0%</b>



CITY OF ST. FRANCIS, MINNESOTA  
**ALL FUNDS**  
REVENUE SUMMARY

<u>Total by Source</u>	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Taxes	\$3,257,514	\$3,434,933	\$3,743,613	9.0%
Special Assessments	85,984	46,000	46,000	0.0%
Licenses and Permits	214,855	182,720	195,940	7.2%
Fines and Penalties	25,631	24,000	20,520	-14.5%
Intergovernmental Revenues	855,400	608,229	607,737	-0.1%
Charges for Services	614,213	548,430	594,010	8.3%
Miscellaneous	474,104	271,800	243,790	-10.3%
Sales - Water, Sewer, Liquor	5,718,362	5,255,500	5,004,200	-4.8%
Connection Fees	363,759	100,000	381,888	281.9%
Debt Proceeds	-	-	-	N/A
Capital Contributions	11,583,653	-	-	N/A
Transfers and Contributions	783,994	284,880	284,880	0.0%
<b>Totals</b>	<b>\$ 23,977,469</b>	<b>\$ 10,756,492</b>	<b>\$ 11,122,578</b>	<b>3.4%</b>
<u>Total By Fund</u>				
Operating Budget:				
General Fund	\$ 4,866,401	\$ 4,148,872	\$ 4,315,920	4.0%
Police Forfeiture Fund	-	-	-	N/A
EDA Fund	846	-	-	N/A
Water Fund	1,864,034	1,473,000	1,412,120	-4.1%
Sanitary Sewer Fund	6,727,705	1,823,000	1,830,768	0.4%
Storm Water Fund	176,787	165,500	167,000	0.9%
Municipal Liquor Fund	2,250,593	2,137,900	2,203,600	3.1%
<b>Total Operating Budget</b>	<b>\$ 15,886,366</b>	<b>\$ 9,748,272</b>	<b>\$ 9,929,408</b>	<b>1.9%</b>
Capital Improvements Budget:				
Park Improvements	\$ 4,968	\$ 2,200	\$ 2,200	0.0%
Gambling Fund	15,986	13,500	13,800	2.2%
Capital Equipment	403,305	251,150	258,000	2.7%
Building Fund	-	60,000	60,000	0.0%
Street Fund	37,820	60,000	238,500	297.5%
Creekview Estates	-	12,000	12,000	0.0%
Ivywood Street & 230th Lane	14,022	8,000	10,000	25.0%
<b>Total Capital Budget</b>	<b>\$ 476,101</b>	<b>\$ 406,850</b>	<b>\$ 594,500</b>	<b>46.1%</b>
Debt Service Budget:				
Debt Service Fund-2007	\$ 83,824	\$ 76,880	\$ 76,880	0.0%
Debt Service Fund-2015	37,171	30,770	28,570	-7.1%
EDA Lease Revenue Bonds	7,494,007	493,720	493,220	-0.1%
	<b>\$ 7,615,002</b>	<b>\$ 601,370</b>	<b>\$ 598,670</b>	<b>-0.4%</b>
<b>Totals</b>	<b>\$ 23,977,469</b>	<b>\$ 10,756,492</b>	<b>\$ 11,122,578</b>	<b>3.4%</b>

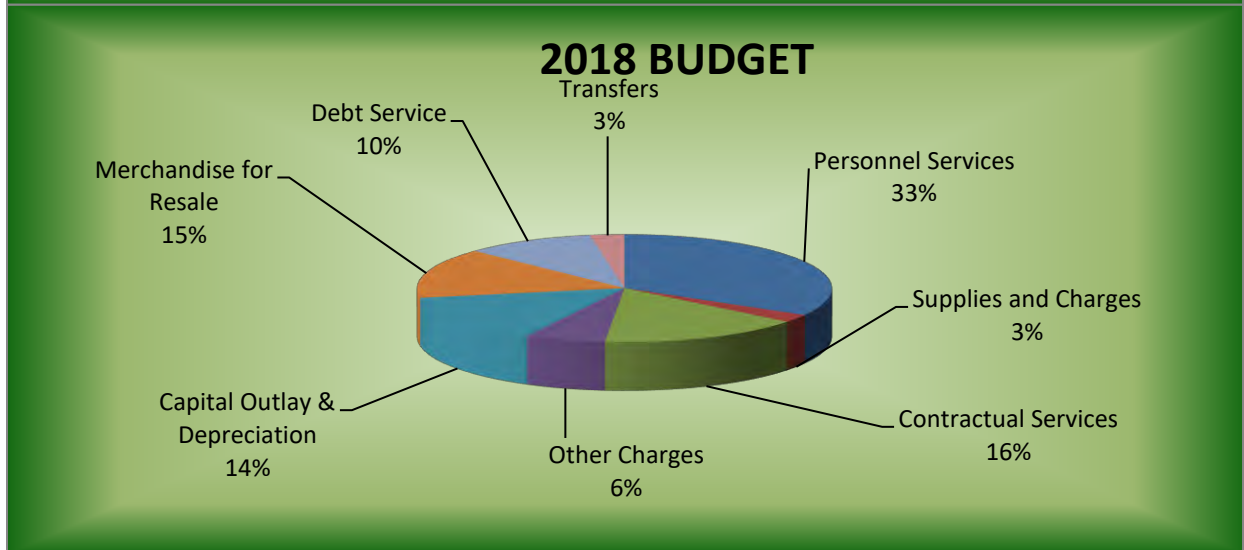
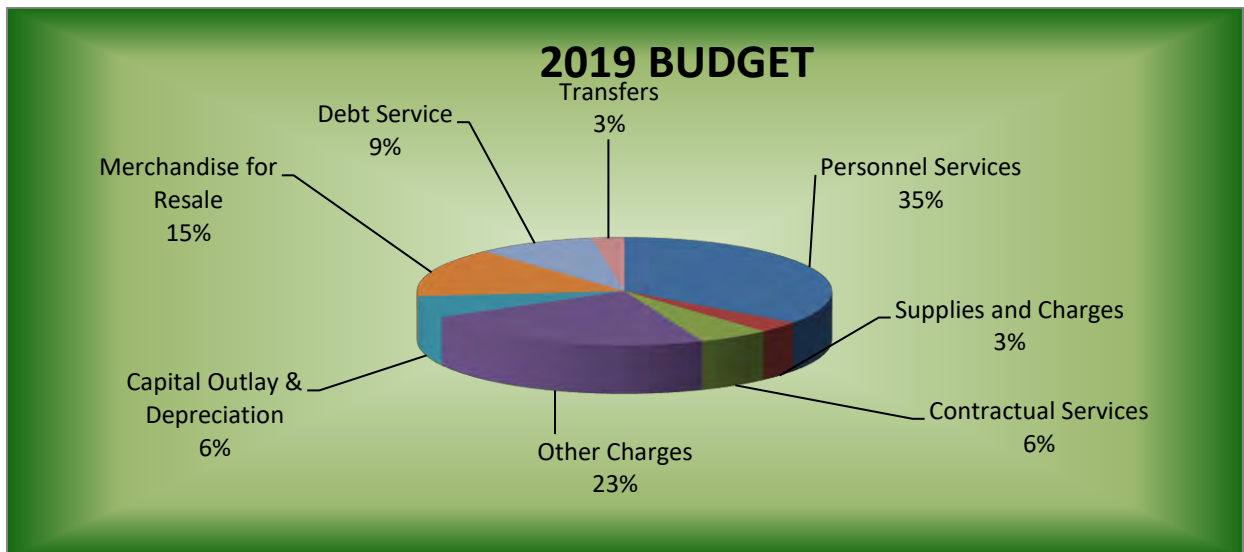


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**CITY OF ST. FRANCIS, MINNESOTA**  
**ALL FUNDS**  
 EXPENDITURE CLASSIFICATIONS AS A PERCENT OF TOTAL

<u>Total By Classification</u>	2018 BUDGET	PERCENT OF TOTAL	2019 BUDGET	PERCENT OF TOTAL
Personnel Services	\$3,537,300	33.3%	\$3,886,290	34.9%
Supplies and Charges	\$367,646	3.5%	\$377,258	3.4%
Contractual Services	\$629,150	5.9%	\$616,500	5.5%
Other Charges	\$1,603,122	15.1%	\$2,581,359	23.2%
Capital Outlay & Depreciation	\$1,523,637	14.3%	\$715,000	6.4%
Merchandise for Resale	\$1,596,500	15.0%	\$1,637,000	14.7%
Debt Service	\$1,080,680	10.2%	\$1,027,542	9.2%
Transfers	\$284,880	2.7%	\$284,880	2.6%
<b>Totals</b>	<b>\$10,622,915</b>	<b>100.0%</b>	<b>\$11,125,829</b>	<b>100.0%</b>

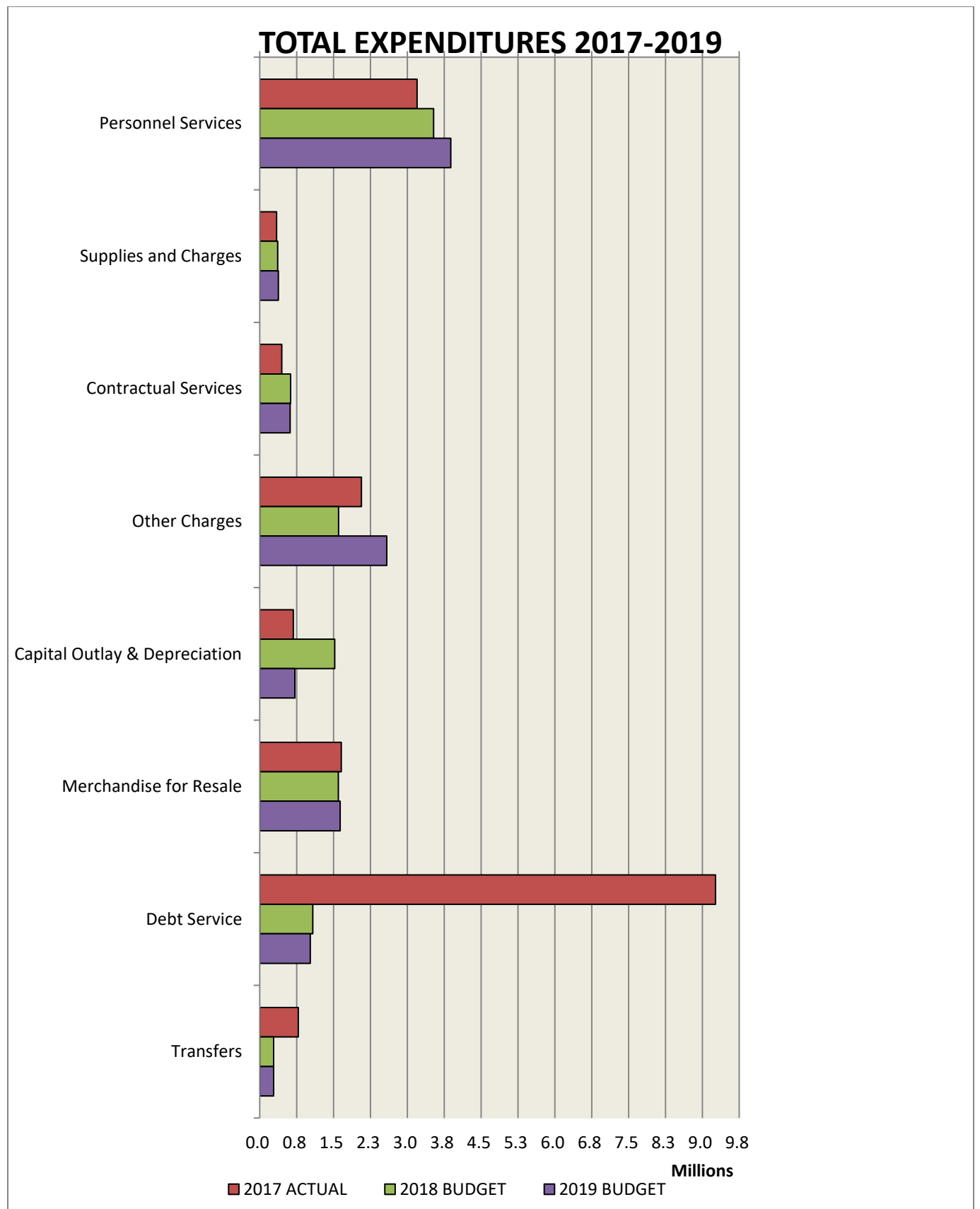


## CITY OF ST. FRANCIS, MINNESOTA

**ALL FUNDS**

## EXPENDITURE SUMMARY

	2017	2018	2019	%
	ACTUAL	BUDGET	BUDGET	CHANGE
<b>Total By Classification</b>				
Personnel Services	\$ 3,199,574	\$ 3,537,300	\$ 3,886,290	9.9%
Supplies and Charges	344,731	367,646	377,258	2.6%
Contractual Services	447,909	629,150	616,500	-2.0%
Other Charges	2,069,436	1,603,122	2,581,359	61.0%
Capital Outlay & Depreciation	682,572	1,523,637	715,000	-53.1%
Merchandise for Resale	1,658,950	1,596,500	1,637,000	2.5%
Debt Service	9,268,549	1,080,680	1,027,542	-4.9%
Transfers	783,994	284,880	284,880	0.0%
Totals	\$ 18,455,715	\$ 10,622,915	\$ 11,125,829	4.7%
<b>Total By Fund</b>				
<b>Operating Budget:</b>				
General Fund	\$ 4,348,897	\$ 4,148,872	\$ 4,315,920	4.0%
Park Improvements	46	-	-	N/A
Police Forfeiture	13,254	10,246	10,208	-0.4%
Water Fund	1,175,523	1,224,720	1,261,226	3.0%
Sanitary Sewer Fund	1,458,998	1,522,440	1,545,389	1.5%
Storm Sewer Fund	33,435	140,000	140,000	0.0%
Municipal Liquor Fund	2,329,836	2,132,750	2,178,250	2.1%
Total Operating Budget	\$ 9,359,989	\$ 9,179,028	\$ 9,450,993	3.0%
<b>Capital Improvements Budget:</b>				
Capital Equipment	\$ 375,714	\$ 818,637	\$ 899,199	9.8%
Building Fund	\$ -	\$ -	\$ -	
Street Fund	\$ 183	\$ -	\$ 182,230	
Gambling	\$ 4,000	\$ -	\$ -	
Creekview Estates	-	-	-	N/A
Ivywood Street & 230th Lane	60	-	-	N/A
Total Capital Budget	\$ 379,957	\$ 818,637	\$ 1,081,429	32.1%
<b>Debt Service Budget:</b>				
Debt Service Fund-2007	\$ 627,202	\$ 98,463	\$ 97,900	-0.6%
Debt Service Fund-2015	30,950.0	30,575	30,400	-0.6%
EDA Lease Revenue bonds	8,057,617	496,212	465,107	-6.3%
Total Debt Service	\$ 8,715,769	\$ 625,250	\$ 593,407	-5.1%
Totals	\$ 18,455,715	\$ 10,622,915	\$ 11,125,829	4.7%



CITY OF ST. FRANCIS, MINNESOTA  
**ALL FUNDS**  
 BUDGETED CHANGES IN FUND BALANCES/RETAINED EARNINGS

<u>Total By Fund</u>	BALANCE 01-01-19	REVENUES	NET OTHER INCREASES (DECREASES)	EXPENDITURES	BALANCE 12-31-19
Operating Budget:					
General	\$ 2,484,013	\$ 4,255,920	\$ 60,000	\$ 4,315,920	\$ 2,484,013
Police Forfeiture	10,208	-	-	10,208	-
EDA	100,518	-	-	-	100,518
Water	6,571,525	1,412,120	(111,080)	1,150,146	6,722,419
Sanitary Sewer	16,630,698	1,830,768	(113,800)	1,431,589	16,916,077
Storm Sewer	415,108	167,000	-	140,000	442,108
Municipal Liquor	1,931,723	2,203,600	(60,000)	2,118,250	1,957,073
<b>Total Operating Budget</b>	<b>28,143,793</b>	<b>9,869,408</b>	<b>(224,880)</b>	<b>9,166,113</b>	<b>28,622,208</b>
Capital Improvements Budget:					
Capital Projects/Equipment	1,014,516	238,000	20,000	899,199	373,317
Building	40	60,000	-	-	60,040
Street	1,462,429	238,500	-	182,230	1,518,699
Creekview Estates	(13,434)	12,000	-	-	(1,434)
Gambling Fund	75,562	13,800	-	-	89,362
Ivywood St & 230th Lane	(24,554)	10,000	-	-	(14,554)
Park Improvements	139,822	2,200	-	-	142,022
<b>Total Capital Budget</b>	<b>2,654,381</b>	<b>574,500</b>	<b>20,000</b>	<b>1,081,429</b>	<b>2,167,452</b>
Debt Service Budget:					
Debt Service-2013	48,074	37,000	39,880	97,900	27,054
Debt Service-2015	47,148	28,570	-	30,400	45,318
Debt Service-2017	(7,575)	328,220	165,000	465,107	20,538
<b>Total Debt Service Budget</b>	<b>\$ 87,647</b>	<b>\$ 393,790</b>	<b>\$ 204,880</b>	<b>\$ 593,407</b>	<b>\$ 92,910</b>
<b>Grand Total</b>	<b>\$ 30,885,821</b>	<b>\$ 10,837,698</b>	<b>\$ -</b>	<b>\$ 10,840,949</b>	<b>\$ 30,882,570</b>

## Notes on Changes over 10%:

Police Forfeiture-The city anticipates the use of these funds for police equipment  
 Creekview Estates-Special assessment receipts will pay off this fund.  
 Capital Projects/Equipments-Amounts are accumulated for the purchase of equipment.  
 Gambling Fund-Funds are being accumulated for future fire capital expenditures.  
 Ivywood and 230<sup>th</sup> Lane- Special assessment receipts will pay off this fund.  
 Storm Sewer-In the process of building up for future projects.



**GENERAL FUND**

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CITY OF ST. FRANCIS, MINNESOTA  
**GENERAL FUND (101)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b>Revenues:</b>				
Property Taxes	\$2,992,821	\$2,723,193	\$2,723,193	\$2,965,023
Licenses and permits	222,506	182,720	182,720	195,940
Fines and forfeits	25,631	24,000	24,000	20,520
Intergovernmental	855,401	608,229	608,229	492,737
Charges for services	430,972	382,430	382,430	415,010
Miscellaneous	198,203	168,300	168,300	166,690
Total revenues	4,725,534	4,088,872	4,088,872	4,255,920
<b>Expenditures:</b>				
General Government	825,827	866,010	866,010	900,080
Public Safety	1,680,154	1,834,050	1,834,050	2,079,450
Public Works	613,542	714,750	714,750	557,150
Culture and Recreation	277,528	301,670	301,670	321,070
Community Development	583,379	424,325	424,325	450,570
Miscellaneous	8,467	8,067	8,067	7,600
Total expenditures	3,988,897	4,148,872	4,148,872	4,315,920
Excess (deficit) of revenues over expenditures	736,637	(60,000)	(60,000)	(60,000)
<b>Other financing sources (uses):</b>				
Operating transfers in (out):	-	-	(1,400,000)	-
Municipal Liquor Operations	60,000	60,000	60,000	60,000
Sale of Capital Asset	80,867	-	-	-
Debt Service	(360,000)	-	-	-
Total other financing sources (uses)	(219,133)	60,000	(1,340,000)	60,000
Net change in fund balance	517,504	0	(1,400,000)	0
Fund balance - January 1	3,366,509	3,884,013	3,884,013	2,484,013
Fund balance - December 31	\$3,884,013	\$3,884,013	\$2,484,013	\$2,484,013
Fund balance/revenues	82.2%	95.0%	60.8%	58.4%
Fund balance/expenditures	97.4%	93.6%	59.9%	57.6%
Fund balance/# of mths of expenditures	11.7	11.2	7.2	6.9

CITY OF ST. FRANCIS, MINNESOTA  
GENERAL FUND  
STATEMENT OF REVENUES

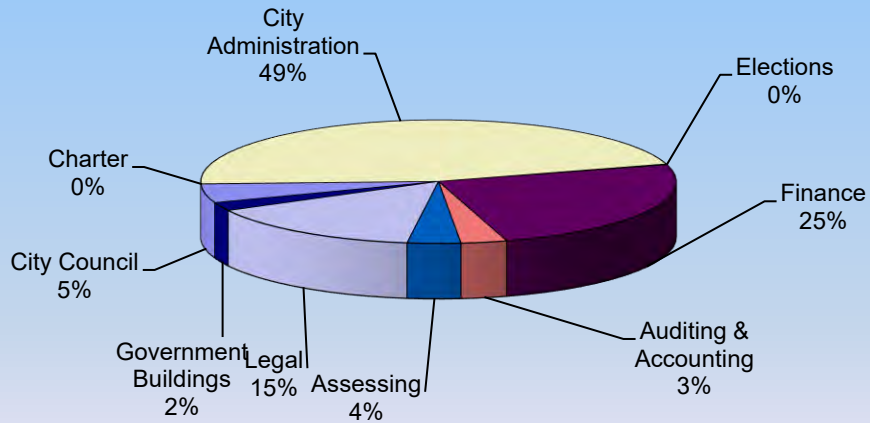
	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b><u>Taxes</u></b>				
Current	\$2,977,724	\$2,707,051	\$2,707,051	\$2,950,023
Delinquent	14,018	13,142	13,142	14,000
Penalties & interest	1,079	3,000	3,000	1,000
<b>Total Taxes</b>	<b>2,992,821</b>	<b>2,723,193</b>	<b>2,723,193</b>	<b>2,965,023</b>
<b><u>Licenses and Permits</u></b>				
<b><u>Business:</u></b>				
Liquor	21,867	19,850	19,850	21,800
Amusements	510	470	470	510
Cigarette, Refuse, etc.	3,100	2,645	2,645	2,840
<b><u>Non-business:</u></b>				
Building	152,900	130,000	130,000	135,000
Plumbing	8,645	6,225	6,225	7,870
Mechanical	15,508	8,700	8,700	11,770
Fireplace	1,425	250	250	630
Septic	6,525	4,100	4,100	5,130
Animal Licenses	900	900	900	870
Rental Licensing	7,650	5,200	5,200	5,200
Misc Permits	3,124	4,200	4,200	4,080
Surcharge - Permits	352	180	180	240
<b>Total Licenses and Permits</b>	<b>222,506</b>	<b>182,720</b>	<b>182,720</b>	<b>195,940</b>
<b><u>Fines and Penalties</u></b>				
Court fines	20,025	24,000	24,000	20,520
Administrative fines	5,606	-	-	-
<b>Total Fines and Penalties</b>	<b>25,631</b>	<b>24,000</b>	<b>24,000</b>	<b>20,520</b>
<b><u>Intergovernmental Revenue</u></b>				
PERA rate increase	1,971	1,971	1,971	1,971
Local government aid	359,777	406,858	406,858	409,596
Homestead credit	4,083	-	-	-
Street maintenance aid	115,694	115,000	115,000	-
Police aid	81,174	84,400	84,400	81,170
Other Fire grants/aid	13,955	-	-	-
Other Grants	5,570	-	-	-
Local government grants and aid	273,177	-	-	-
<b>Total Intergovernmental</b>	<b>855,401</b>	<b>608,229</b>	<b>608,229</b>	<b>492,737</b>



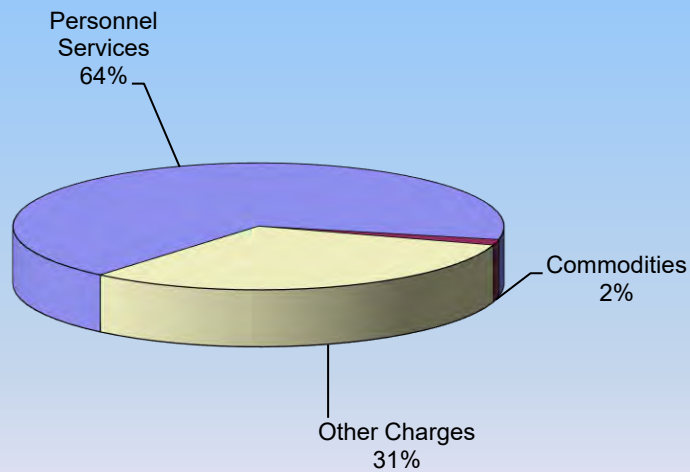
	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b><u>Charges for Service</u></b>				
<b><u>General Government:</u></b>				
Maps, fax, copies, notary fees	113	100	100	60
Refuse collection charges	3,599	3,000	3,000	3,390
Administrative charges	177,100	185,500	185,500	194,700
<b><u>Public Safety:</u></b>				
ISD #15 contract	134,302	132,900	132,900	140,360
Accident reports	400	400	400	360
Special event pay	2,535	2,500	2,500	2,760
Lock out fees	395	880	880	660
Fire Department charges	100	-	-	-
<b><u>Public Works:</u></b>				
WCA Block Grant	698	750	750	750
<b><u>Community Development:</u></b>				
Inspection contract	7,578	-	-	-
Zoning and subdivision fees	15,010	8,400	8,400	12,400
Plan check fees	89,142	48,000	48,000	59,570
<b>Total Charges for Service</b>	<b>430,972</b>	<b>382,430</b>	<b>382,430</b>	<b>415,010</b>
<b><u>Miscellaneous Revenue</u></b>				
Rentals, leases	52,319	52,400	52,400	52,950
Landfill abatement	47,211	37,000	37,000	37,000
Miscellaneous revenues	39,954	30,000	30,000	32,740
Interest on investments	22,070	16,000	16,000	10,000
Community Center rental	1,160	1,600	1,600	1,160
Donations & contributions	2,150	-	-	-
Cable TV revenues	33,339	31,300	31,300	32,840
Sale of property	-	-	-	-
<b>Total Miscellaneous</b>	<b>198,203</b>	<b>168,300</b>	<b>168,300</b>	<b>166,690</b>
<b>TOTAL REVENUES</b>	<b>\$4,725,534</b>	<b>\$4,088,872</b>	<b>\$4,088,872</b>	<b>\$4,255,920</b>

# GENERAL GOVERNMENT 2019 BUDGET

## Total By Program



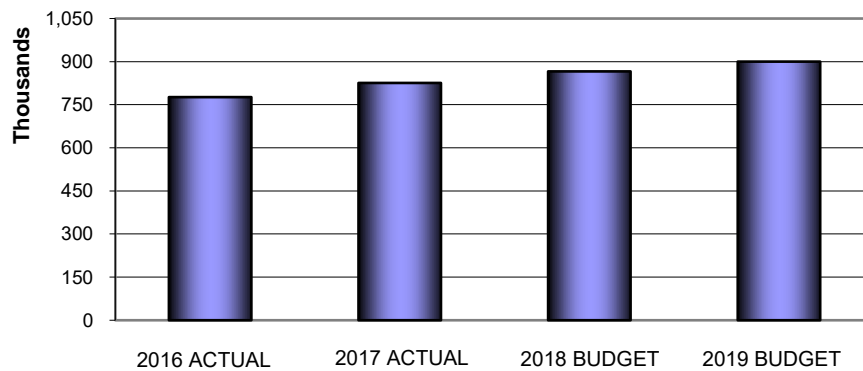
## Total By Classification



CITY OF ST. FRANCIS, MINNESOTA  
**GENERAL GOVERNMENT SUMMARY**  
 EXPENDITURE ANALYSIS

Total By Program	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% Change
City Council	\$35,517	\$47,721	\$38,650	\$44,000	13.8%
Charter	84	2,078	410	410	0.0%
City Administration	415,527	415,350	397,450	414,450	4.3%
Elections	7,454	1,715	9,100	1,770	-80.5%
Finance	129,454	135,982	211,300	222,900	5.5%
Auditing & Accounting	22,404	27,672	26,000	28,000	7.7%
Assessing	39,837	40,515	32,500	32,500	0.0%
Legal	110,229	135,590	130,650	135,850	4.0%
Government Buildings	16,002	19,204	19,950	20,200	1.3%
<b>Totals</b>	<b>776,508</b>	<b>825,827</b>	<b>866,010</b>	<b>900,080</b>	<b>3.9%</b>
<b>Total By Classification</b>					
Personnel Services	521,464	519,105	584,100	605,370	3.6%
Supplies	11,290	10,139	15,100	12,900	-14.6%
Other Charges	243,754	296,583	266,810	281,810	5.6%
<b>Totals</b>	<b>776,508</b>	<b>825,827</b>	<b>866,010</b>	<b>900,080</b>	<b>3.9%</b>
<b>Staffing</b>					
Full-time equivalents	5.00	5.00	5.00	5.00	

Expenditures



**Department:** General Government  
**Program:** City Council  
**Fund:** 101  
**Cost Center:** 41110

### **Program Description**

The Council provides the legislative and policy making activities of the City for the health, safety and welfare of the community. It exercises budgetary control through the adoption of the annual budget, and approval of claims against the City treasury. The Council also annually adopts a five year capital improvement plan identifying the City's infrastructure needs, appoints various citizen committees to render advice on legislative and city issues, and responds to constituent concerns and question by working with City administration to address community service issues.

### **Objectives**

- Adopt policies and ordinances consistent with council's position on growth, zoning and financial strategy.
- Continue joint efforts with other agencies to promote efficiency in government processes.

### **Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Council meetings	23	22	24	24
Special meetings	5	1	2	0
Special workshops	3	5	12	5
Town Hall meetings	0	0	0	1

### **Staffing**

- Council consists of a Mayor and four Council Members.

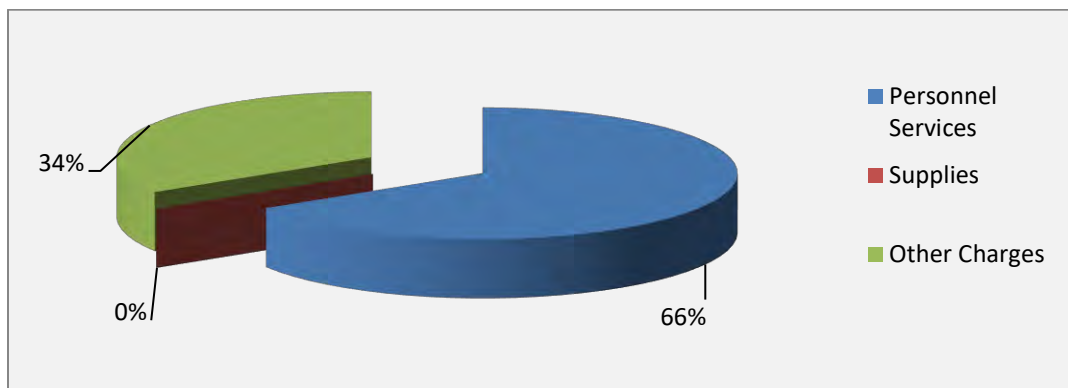
### **Program Expenditure Highlights**

- No changes expected.

### **Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ 28,108	\$ 28,328	\$ 29,100	\$ 29,100	0.0%
Supplies	-	-	-	-	N/A
Other Charges	7,409	19,393	9,550	14,900	56.0%
<b>Total</b>	<b>\$ 35,517</b>	<b>\$ 47,721</b>	<b>\$ 38,650</b>	<b>\$ 44,000</b>	<b>13.8%</b>

### **Program Expenditures by Classification**



<b>Department:</b>	<b>General Government</b>	<b>Fund:</b>	<b>101</b>
<b>Program:</b>	<b>Charter Commission</b>	<b>Cost Center:</b>	<b>41120</b>

**Program Description**

The City operates under a Home Rule Charter. This budget, when used, is mainly for legal advice and publishing requirements.

**Objectives**

- Bring forward charter amendments as needed.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Meetings	1	1	1	1

**Staffing**

Full-Time Equivalent positions	N/A	N/A	N/A	N/A	N/A
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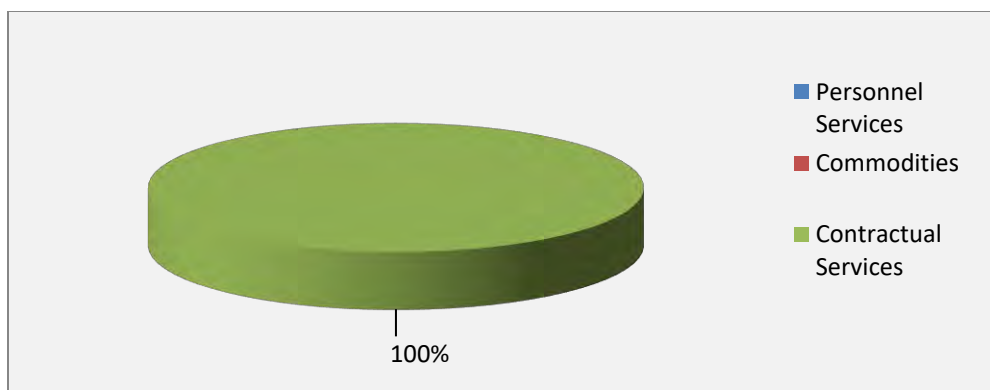
**Program Expenditure Highlights**

- No changes budgeted.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies	-	-	-	-	N/A
Other Charges	84	2,078	410	410	0.0%
Total	\$ 84	\$ 2,078	\$ 410	\$ 410	0.0%

**Program Expenditures by Classification**



**Department:** General Government  
**Program:** City Administration

**Fund:** 101  
**Cost Center:** 41400

**Program Description**

This program provides for the administration of City Government within the guidelines and policies established by the City Council. Responsibilities include directing the administration of City affairs and enforcing laws, City ordinances and resolutions as adopted by the governing body. The City Administrator and City Clerk are accounted for in this program.

**Objectives**

- Assist the city council with setting policies and procedures.
- Provide direction and leadership on city projects and budget management.
- Work on succession planning for key staffing roles within the organization
- Begin conversion of paper documents to electronic format.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Staff meetings held	47	50	50	52
Number of resolutions	69	50	49	40
Number of ordinances	14	10	9	12
Licenses issued	31	34	27	30

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	3.50	4.00	3.00	3.00

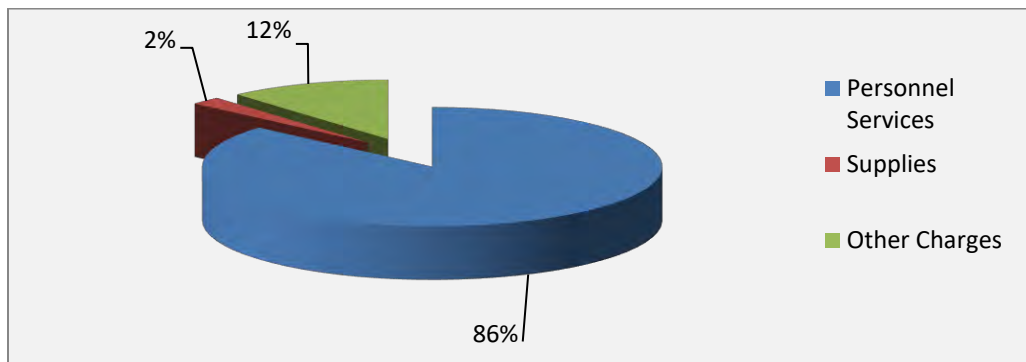
**Program Expenditure Highlights**

- No budget changes.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ 363,170	\$ 357,927	\$ 343,500	\$ 358,100	4.3%
Supplies	7,517	7,263	10,300	9,000	-12.6%
Other Charges	44,840	50,160	43,650	47,350	8.5%
<b>Total</b>	<b>\$ 415,527</b>	<b>\$ 415,350</b>	<b>\$ 397,450</b>	<b>\$ 414,450</b>	<b>4.3%</b>

**Program Expenditures by Classification**



**Department:** General Government  
**Program:** Elections

**Fund:** 101  
**Cost Center:** 41410

**Program Description**

Conduct national, state and local elections in accordance with statutory requirements. The City does not provide for elections associated with Independent School District #15.

**Objectives**

- Stay current with election law changes for future elections
- Recruit and train judges to ensure positive voter experience.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Number of registered voters	4,072	N/A	4,338	N/A
Number of votes cast	3,763	N/A	2,840	N/A
Number of precincts	3	N/A	3	N/A
Number of voting locations	2	N/A	1	N/A

**Staffing**

Full-Time Equivalent positions                      Election judges are temporary for during elections only

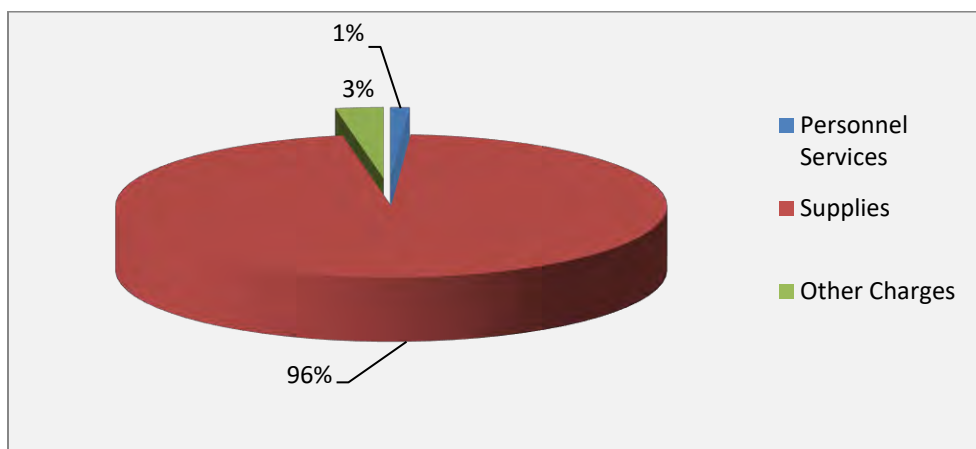
**Program Expenditure Highlights**

- Elections are normally held on even numbered years. This is a non-election year.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ 3,704	\$ 10	\$ 4,250	\$ 20	-99.5%
Supplies	1,891	1,673	2,800	1,700	-39.3%
Other Charges	1,859	32	2,050	50	-97.6%
<b>Total</b>	<b>\$ 7,454</b>	<b>\$ 1,715</b>	<b>\$ 9,100</b>	<b>\$ 1,770</b>	<b>-80.5%</b>

**Program Expenditures by Classification**







**Department:** General Government  
**Program:** Auditing and Accounting  
**Fund:** 101  
**Cost Center:** 41540

**Program Description**

This program accounts for costs associated with the annual audit of the City, our financial accounting software, and administration of our benefit services.

**Objectives**

- Complete the financial audit in a timely fashion
- Keep informed about on-going changes to financial reporting requirements.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
GFOA Award	Yes	Yes	To be submitted	To be submitted

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

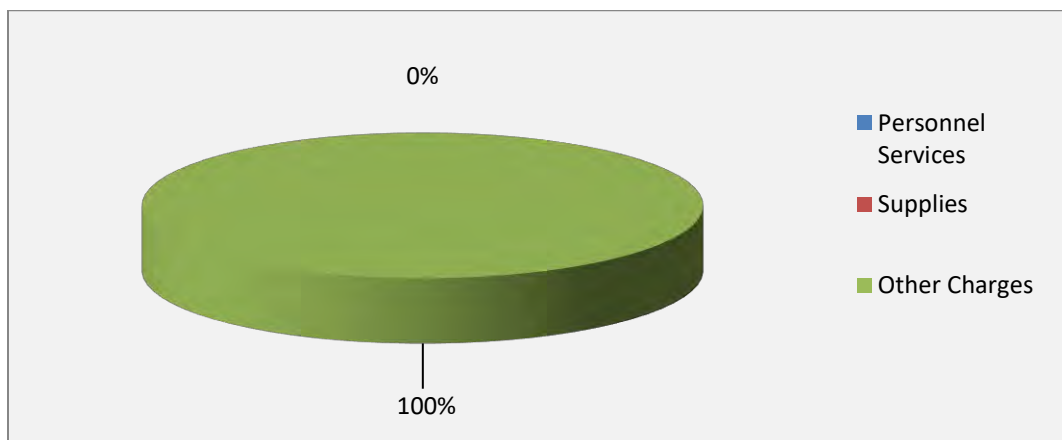
**Program Expenditure Highlights**

Audit costs are expected to stay relatively the same.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies	-	-	-	-	N/A
Other Charges	22,404	27,672	26,000	28,000	7.7%
<b>Total</b>	<b>\$ 22,404</b>	<b>\$ 27,672</b>	<b>\$ 26,000</b>	<b>\$ 28,000</b>	<b>7.7%</b>

**Program Expenditures by Classification**



**Department:** General Government      **Fund:** 101  
**Program:** Assessing      **Cost Center:** 41550

**Program Description**

Assessing is responsible for classifying, valuing and equalizing all taxable and exempt property within City limits. The City contracts with Erik Skogquist and Mary Wells for this service.

**Objectives**

- To assess new and existing parcels within the city as required..

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
N/A	N/A	N/A	N/A	N/A

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

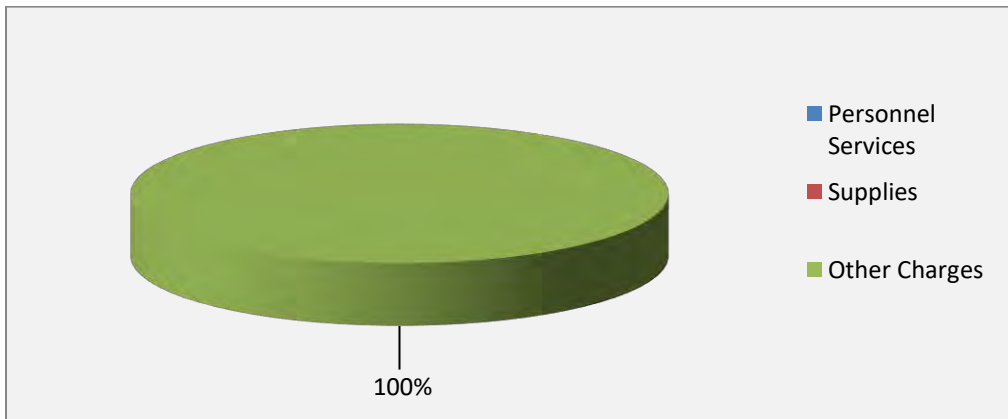
**Program Expenditure Highlights**

The costs for this program remain fairly flat.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies	-	-	-	-	N/A
Other Charges	39,837	40,515	32,500	32,500	0.0%
<b>Total</b>	<b>\$ 39,837</b>	<b>\$ 40,515</b>	<b>\$ 32,500</b>	<b>\$ 32,500</b>	<b>0.0%</b>

**Program Expenditures by Classification**



**Department:** General Government  
**Program:** Legal

**Fund:** 101  
**Cost Center:** 41600

**Program Description**

The City Attorney provides City Council and staff with research and support on issues of a legal matter. The City Attorney also serves as the chief prosecuting attorney for the City, attends Council meetings, and serves in an advisory capacity to all City departments on matters coming before the City Council.

**Objectives**

- Continue to realize savings by contracting for legal services.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
N/A	N/A	N/A	N/A	N/A

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

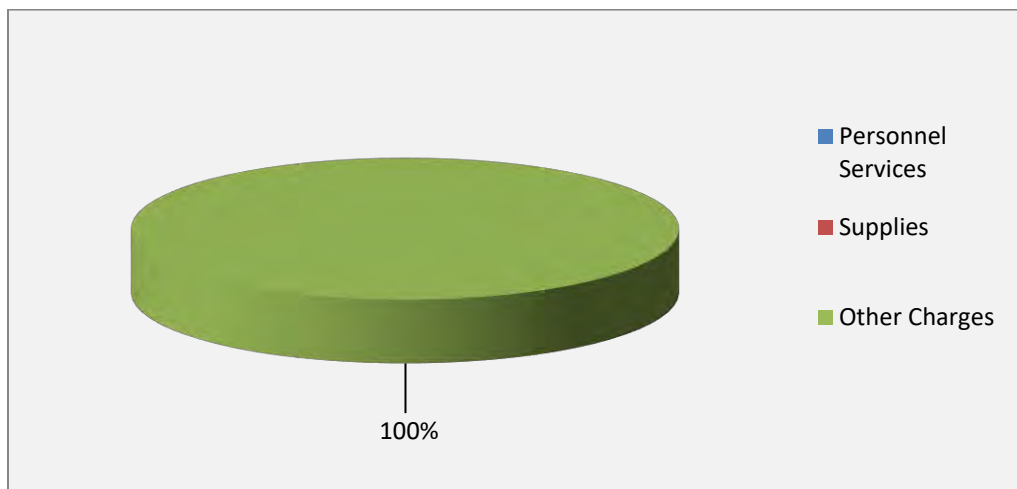
**Program Expenditure Highlights**

- The Legal fees have seen a slight increase in the past couple of years.

**Program Expenditures**

	ACTUAL	ACTUAL	BUDGET	BUDGET	CHANGE
	\$ -	\$ -	\$ -	\$ -	N/A
Personnel Services	-	-	-	-	N/A
Supplies	110,229	135,590	130,650	135,850	4.0%
Other Charges	<b>\$ 110,229</b>	<b>\$ 135,590</b>	<b>\$ 130,650</b>	<b>\$ 135,850</b>	<b>4.0%</b>
<b>Total</b>	ACTUAL	ACTUAL	BUDGET	BUDGET	CHANGE

**Program Expenditures by Classification**



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**Department:** General Government      **Fund:** 101  
**Program:** Government Buildings      **Cost Center:** 41940

**Program Description**

Provide for a clean, well-maintained and comfortable environment for building users of City Hall.

**Objectives**

- Continue to keep city hall clean for residents and employees.
- Maintain building to minimize repair costs.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Weeks cleaned	52	52	52	52

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	N/A-Contract with Kim's Kleaning			

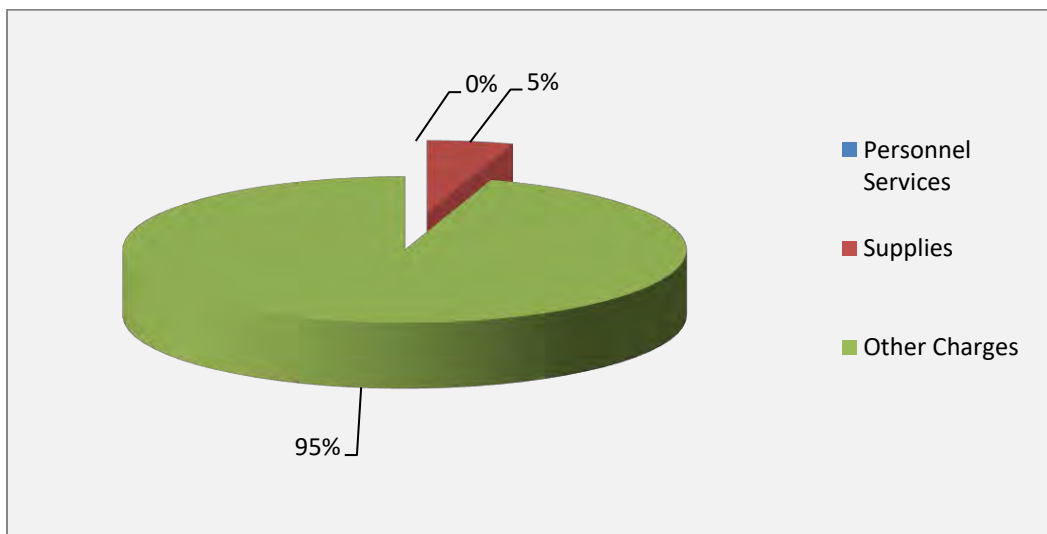
**Program Expenditure Highlights**

- No increases forecasted.

**Program Expenditures**

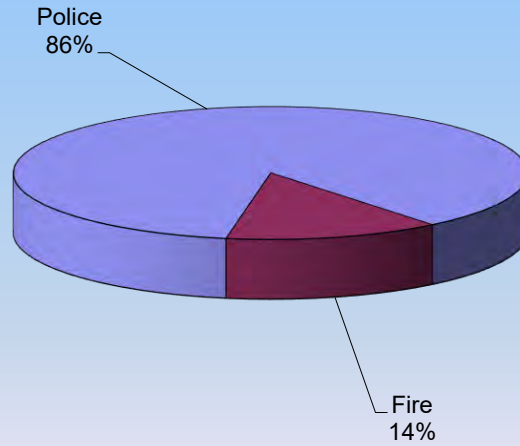
	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies	1,491	953	1,000	1,000	0.0%
Other Charges	14,511	18,251	18,950	19,200	1.3%
<b>Total</b>	<b>\$ 16,002</b>	<b>\$ 19,204</b>	<b>\$ 19,950</b>	<b>\$ 20,200</b>	<b>1.3%</b>

**Program Expenditures by Classification**

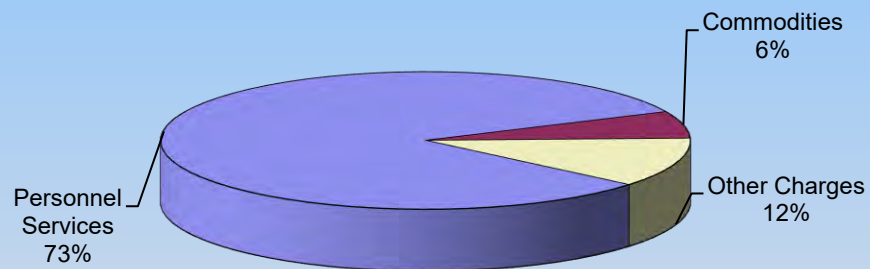


# PUBLIC SAFETY 2019 BUDGET

### Total By Program



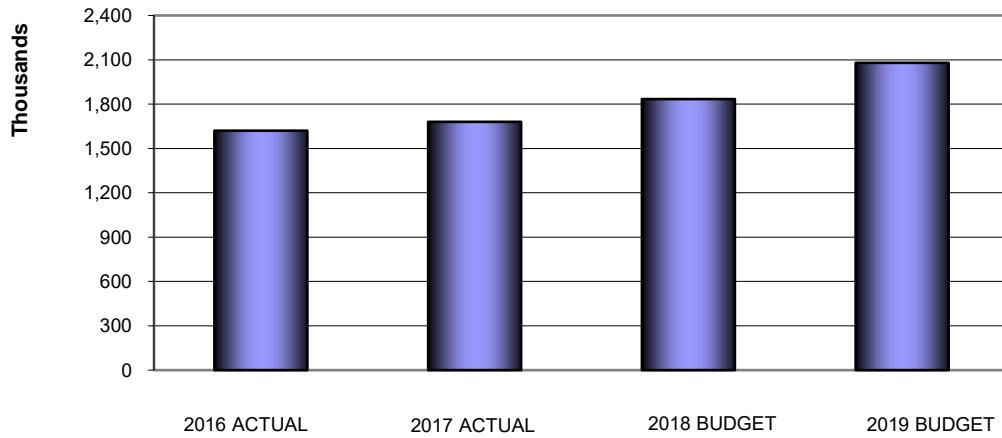
### Total By Classification



**CITY OF ST. FRANCIS, MINNESOTA  
PUBLIC SAFETY SUMMARY**

	2016	2017	2018	2019	%
Total By Program	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
Police	\$1,406,861	\$1,447,940	\$1,596,600	\$1,797,300	12.6%
Fire	213,374	232,214	237,450	282,150	18.8%
<b>Totals</b>	<b>1,620,235</b>	<b>1,680,154</b>	<b>1,834,050</b>	<b>2,079,450</b>	<b>13.4%</b>
<b>Total By Classification</b>					
Personnel Services	1,348,576	1,326,839	1,472,400	1,705,500	15.8%
Supplies	97,688	130,691	125,550	132,550	5.6%
Other Charges	173,971	222,624	236,100	241,400	2.2%
<b>Totals</b>	<b>1,620,235</b>	<b>1,680,154</b>	<b>1,834,050</b>	<b>2,079,450</b>	<b>13.4%</b>
<b>Staffing</b>					
Full-time equivalents	14.00	14.00	14.00	15.00	

**Expenditures**







**Department: Public Safety**      **Fund: 101**  
**Program: Fire**      **Cost Center: 42210**

**Program Description**

Responds to all fire and emergency medical incidents in the City. Paid on-call firefighters are alerted to an incident via a pager dispatched through the Anoka County Central Communications System. The fire department is responsible for performing new building plan reviews and existing building inspections to ensure compliance with State and Federal Fire Codes and Standards.

**Objectives**

- Address staffing challenges within the organization.
- Develop policies and procedures.
- Continue to evaluate programs and services.

**Program Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Total calls	251	323	377	400

**Staffing**

Full-Time Equivalent positions \_\_\_\_\_ Paid on-call fire department.

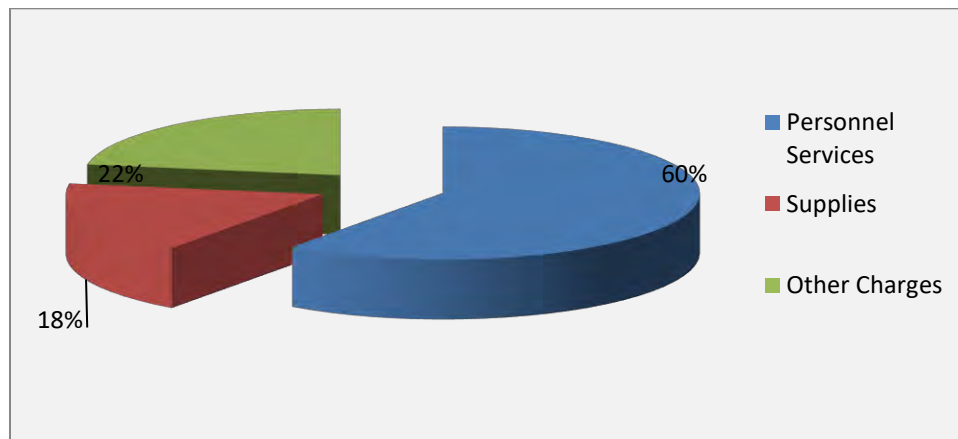
**Program Expenditure Highlights**

- Personnel Services are tied to the number of calls the volunteer firefighters respond to.

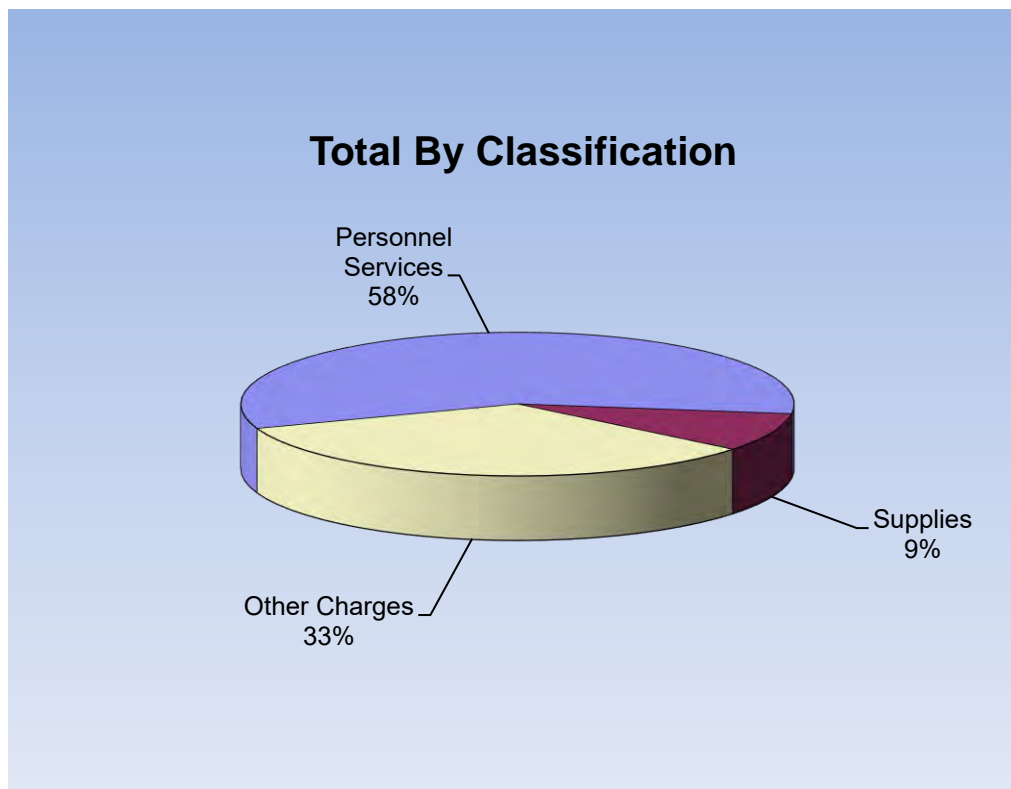
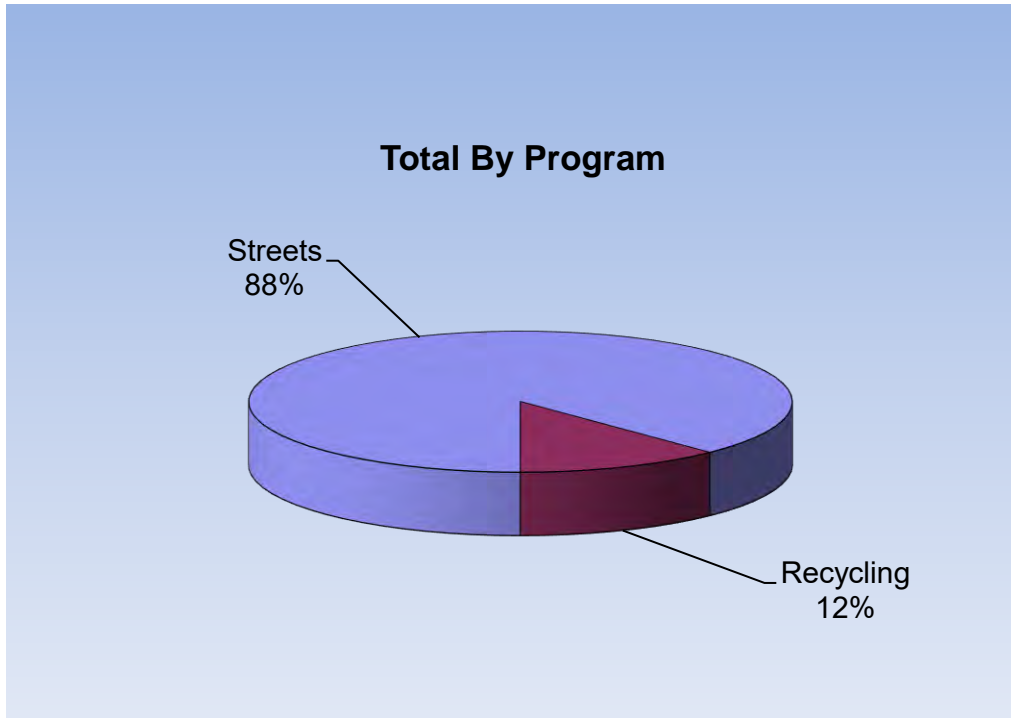
**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ 129,406	\$ 118,866	\$ 132,800	\$ 169,200	27.4%
Supplies	32,795	51,834	43,650	49,750	14.0%
Other Charges	51,173	61,514	61,000	63,200	3.6%
<b>Total</b>	<b>\$ 213,374</b>	<b>\$ 232,214</b>	<b>\$ 237,450</b>	<b>\$ 282,150</b>	<b>18.8%</b>

**Program Expenditures by Classification**



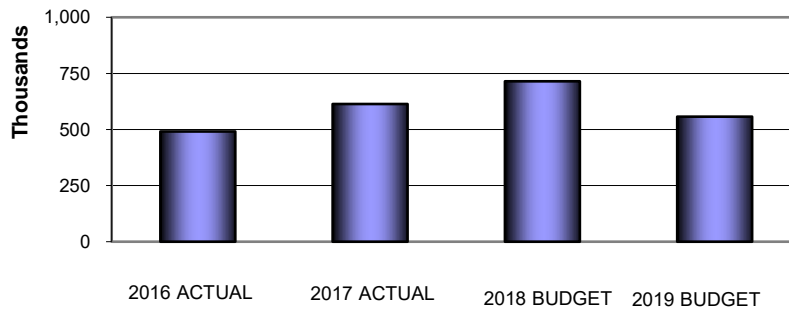
# PUBLIC WORKS 2019 BUDGET



CITY OF ST. FRANCIS, MINNESOTA  
**PUBLIC WORKS SUMMARY**  
 EXPENDITURE ANALYSIS

Total By Program	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	% BUDGET
Streets	\$445,048	\$555,784	\$649,950	\$489,050	-24.8%
Recycling	46,060	57,758	64,800	68,100	5.1%
	491,108	613,542	714,750	557,150	-22.0%
<b>Total By Classification</b>					
Personnel Services	240,789	273,531	292,400	321,700	10.0%
Supplies	34,026	38,643	45,450	48,350	6.4%
Other Charges	216,293	301,368	376,900	187,100	-50.4%
	491,108	613,542	714,750	557,150	-22.0%
<b>Staffing</b>					
Full-time equivalents	2.85	2.85	2.85	2.85	

**Expenditures**

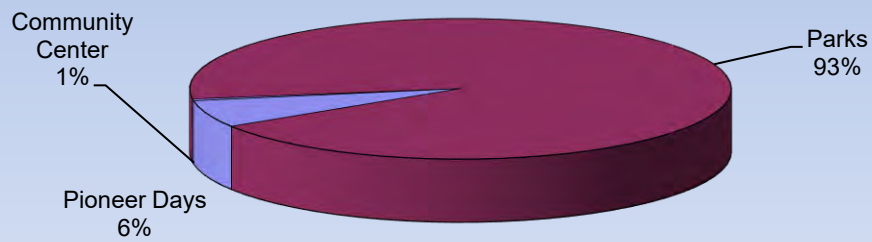




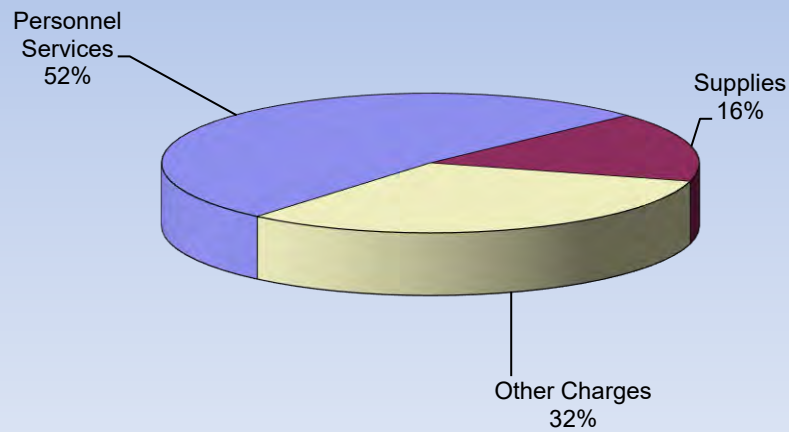


# CULTURE & RECREATION 2019 BUDGET

### Total By Program



### Total By Classification



CITY OF ST. FRANCIS, MINNESOTA  
**CULTURE & RECREATION SUMMARY**  
 EXPENDITURE ANALYSIS

Total By Program	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	% BUDGET
Community Center	\$1,239	\$1,089	\$1,320	\$1,320	0.0%
Parks	268,101	253,602	280,350	299,750	6.9%
Pioneer Days	26,592	22,837	20,000	20,000	0.0%
<b>Totals</b>	<b>295,932</b>	<b>277,528</b>	<b>301,670</b>	<b>321,070</b>	<b>6.4%</b>

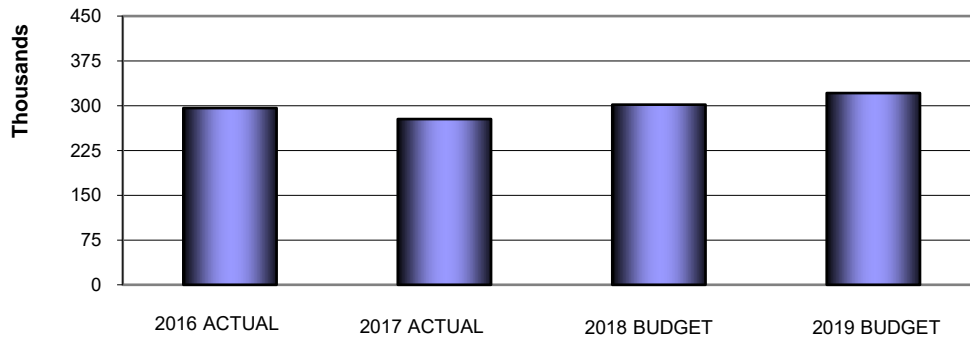
  

Total By Classification	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	% BUDGET
Personnel Services	166,831	147,701	153,600	166,800	8.6%
Supplies	39,533	35,690	53,000	51,950	-2.0%
Other Charges	89,568	94,137	95,070	102,320	7.6%
<b>Totals</b>	<b>295,932</b>	<b>277,528</b>	<b>301,670</b>	<b>321,070</b>	<b>6.4%</b>

Staffing	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET
Full-time equivalents	1.65	1.65	1.65	1.65

### Expenditures



**Department: Culture & Recreation**  
**Program: Community Center**

**Fund: 101**  
**Cost Center: 45000**

**Program Description**

Provides for the operation and maintenance of the Community Center at 23340 Cree Street NW.

**Objectives**

- Continue to provide a clean and safe environment for residents to use for gatherings

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Number of uses	247	276	277	275

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

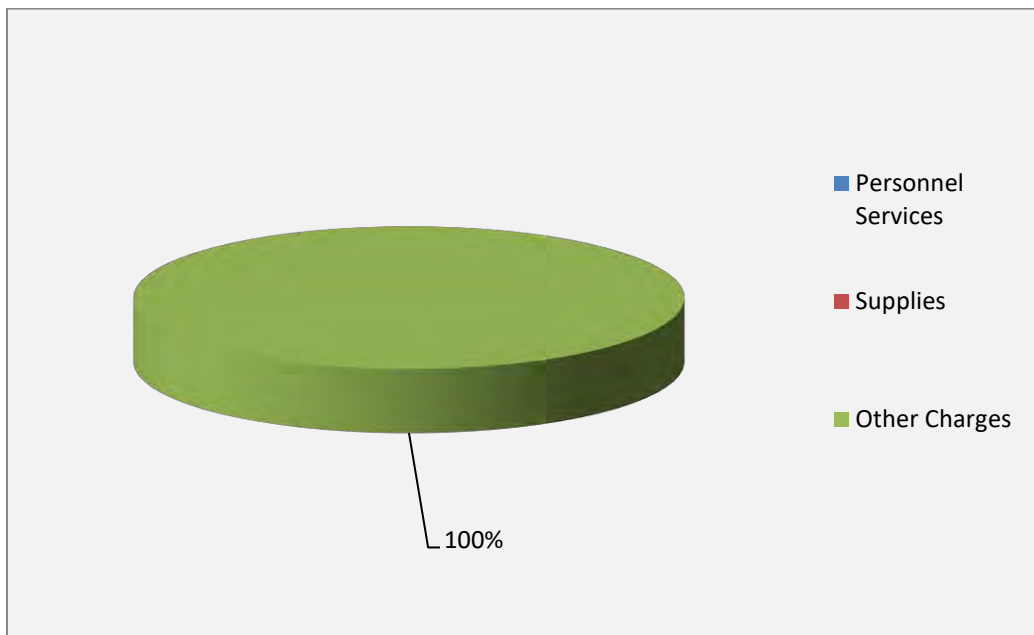
**Program Expenditure Highlights**

- Most costs are shown in the government buildings department.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies	7	-	-	-	N/A
Other Charges	1,232	1,089	1,320	1,320	0.0%
<b>Total</b>	<b>\$ 1,239</b>	<b>\$ 1,089</b>	<b>\$ 1,320</b>	<b>\$ 1,320</b>	<b>0.0%</b>

**Program Expenditures by Classification**





**Department:** Culture & Recreation  
**Program:** Parks

**Fund:** 101  
**Cost Center:** 45200

**Program Description**

Provides for the overall planning, management and administrative activities of the park facilities and for the maintenance and improvement of park and recreational facilities, including skating rinks, athletic fields and neighborhood parks.

**Objectives**

- Improve safety and maintenance throughout the park system.
- Maintain athletic fields through proper irrigation, fertilization and weed control
- Maintain landscaped areas.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Number of parks maintained	14	14	14	14
Total acreage mowed	58	58	58	58
Ballfields maintained	2	2	2	2
Number of playgrounds	8	8	8	8
Miles of trail maintained	7	7	7	7

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	1.65	1.65	1.65	1.65

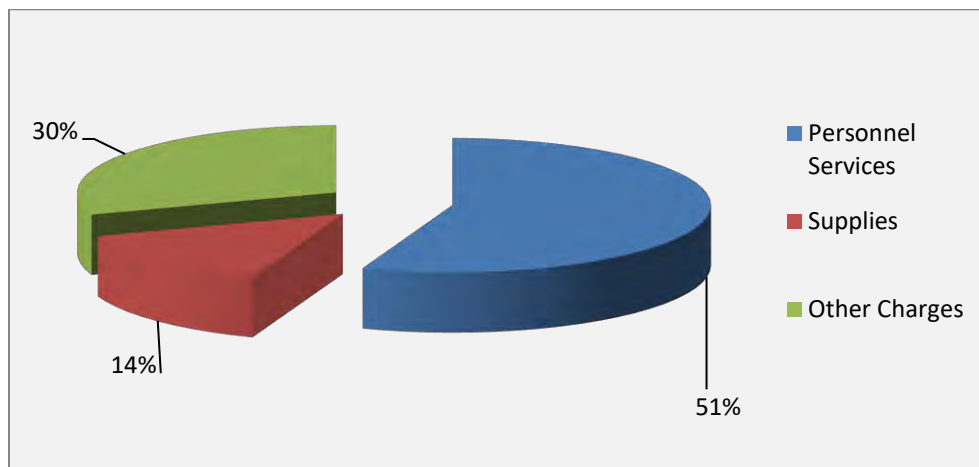
**Program Expenditure Highlights**

- 

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ 166,831	\$ 147,701	\$ 153,600	\$ 166,800	8.6%
Supplies	29,254	26,036	43,000	41,950	-2.4%
Other Charges	72,016	79,865	83,750	91,000	8.7%
<b>Total</b>	<b>\$ 268,101</b>	<b>\$ 253,602</b>	<b>\$ 280,350</b>	<b>\$ 299,750</b>	<b>6.9%</b>

**Program Expenditures by Classification**



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**Department:** Culture & Recreation      **Fund:** 101  
**Program:** Pioneer Days      **Cost Center:** 45230

**Program Description**

Provides for the City's annual celebration in June.

**Objectives**

- Promote the city to residents and visitors with a weekend celebrating St. Francis Pioneer Days.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Fireworks Display	Yes	Yes	Yes	Yes

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

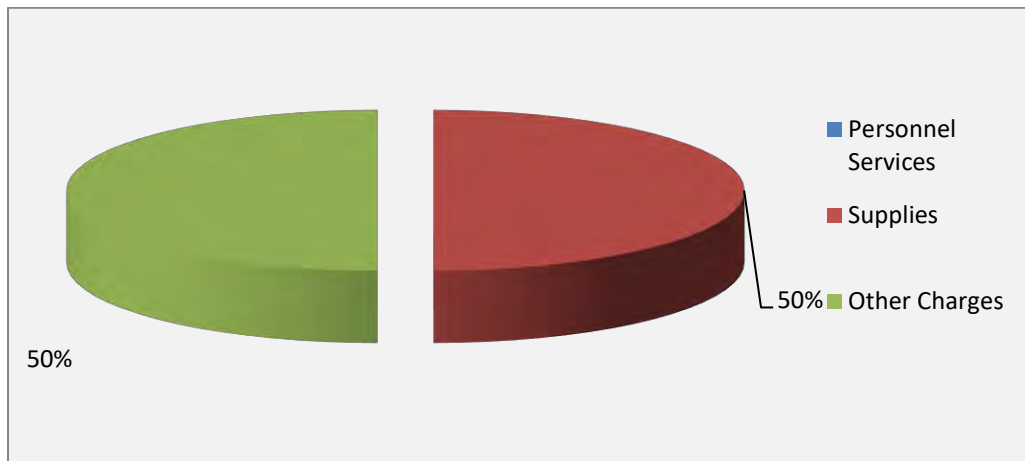
**Program Expenditure Highlights**

- The Pioneer Days celebration will be run by the Chamber of Commerce with the city contributing \$10,000.00 to them.

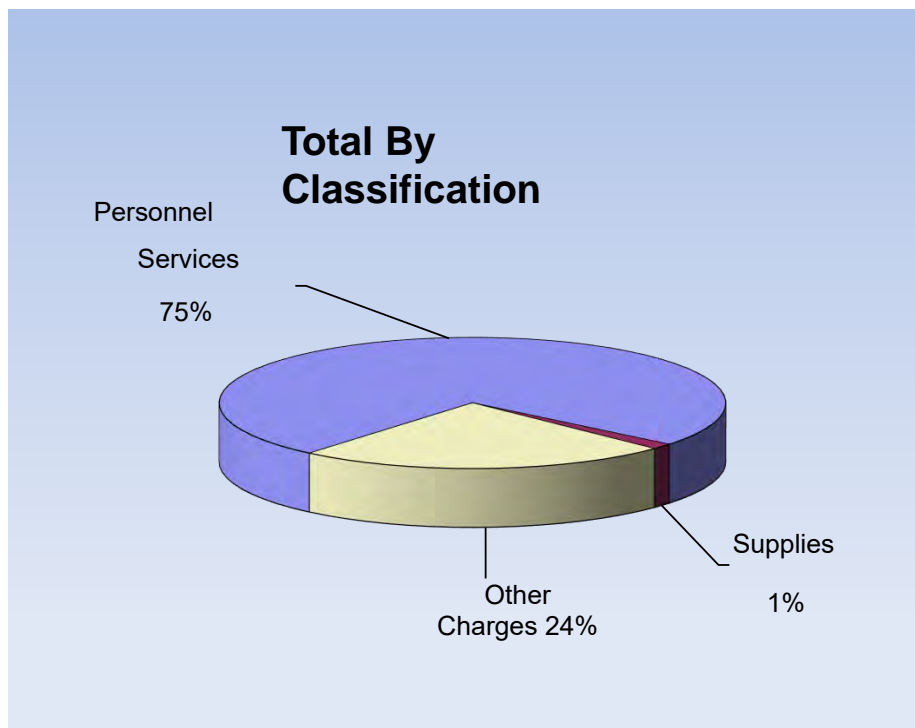
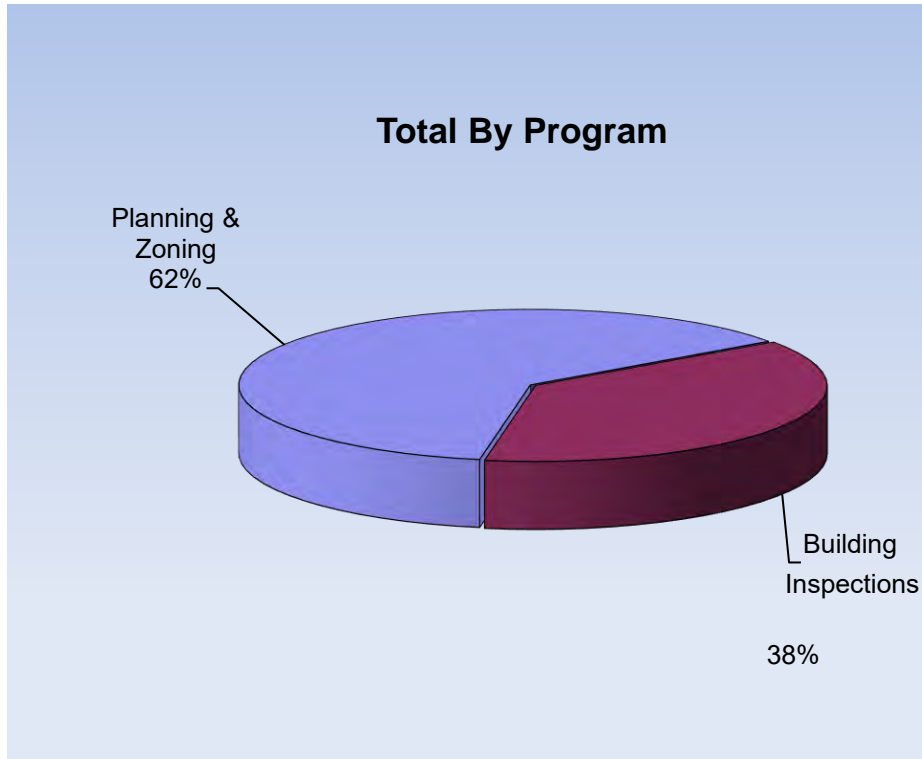
**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies	10,272	9,654	10,000	10,000	0.0%
Other Charges	16,320	13,183	10,000	10,000	0.0%
<b>Total</b>	<b>\$ 26,592</b>	<b>\$ 22,837</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>0.0%</b>

**Program Expenditures by Classification**



# COMMUNITY DEVELOPMENT 2019 BUDGET



CITY OF ST. FRANCIS, MINNESOTA  
**COMMUNITY DEVELOPMENT SUMMARY**  
 EXPENDITURE ANALYSIS

Total By Program	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	% BUDGET
Planning & Zoning	\$200,016	\$418,946	\$289,425	\$281,270	-2.8%
Building Inspections	168,357	164,433	134,900	169,300	25.5%
<b>Totals</b>	<b>368,373</b>	<b>583,379</b>	<b>424,325</b>	<b>450,570</b>	<b>6.2%</b>

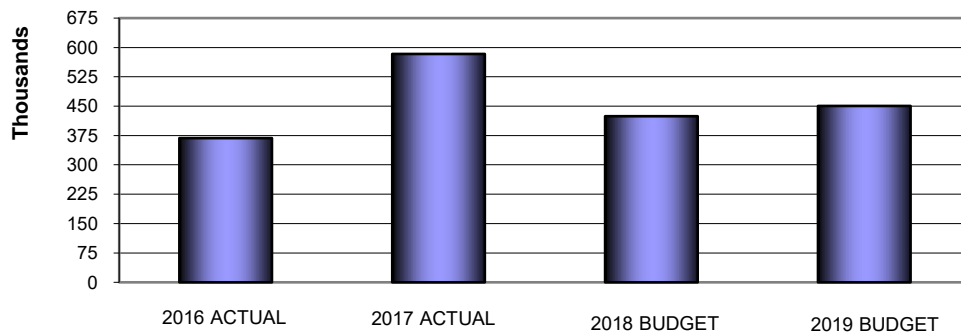
  

Total By Classification	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	% BUDGET
Personnel Services	265,716	228,466	322,500	336,870	4.5%
Supplies	7,538	5,133	7,000	6,300	-10.0%
Other Charges	95,119	349,780	94,825	107,400	13.3%
<b>Totals</b>	<b>368,373</b>	<b>583,379</b>	<b>424,325</b>	<b>450,570</b>	<b>6.2%</b>

Staffing	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET
Full-time equivalents	1.00	1.00	2.00	2.00

**Expenditures**





**Department:** Community Development      **Fund:** 101  
**Program:** Building Inspections      **Cost Center:** 42400

**Program Description**

Provide for the administration of the Uniform Building Code requirements and related ordinances to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all building and structures within the City of St. Francis.

**Objectives**

- Continue with the implementation of the rental licensing program.
- Continue implementation of the building codes.
- Continue public relations contact to improve city's public perception image.

**Performance Measures**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Single family	38	66	41	10
Townhomes/Manufactured homes	0	0	0	0
Commercial/Industrial	0	0	0	1
Miscellaneous building permits	280	308	446	400

**Staffing**

	2016 Actual	2017 Actual	2018 Actual	2019 Projected
Full-Time Equivalent positions	2.00	1.00	1.00	1.00

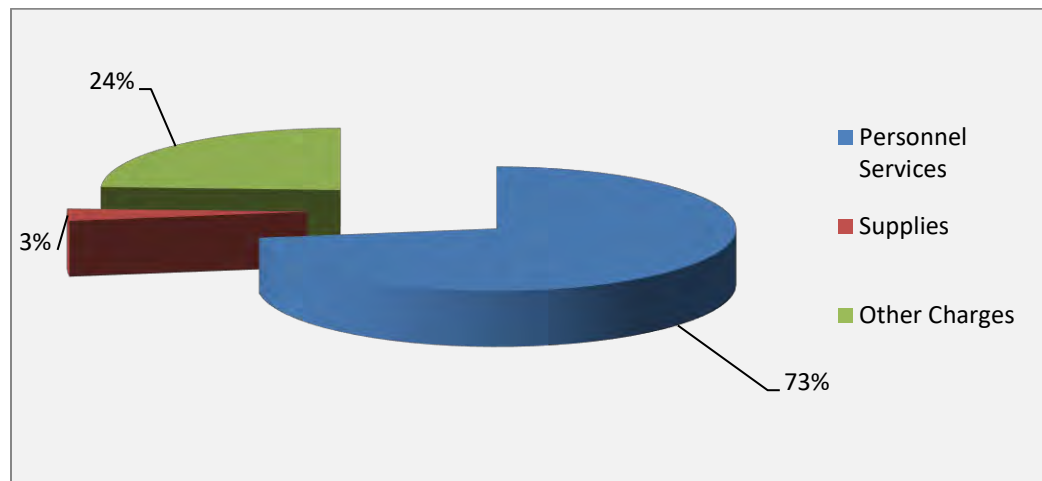
**Program Expenditure Highlights**

- Adjusted for the costs associated with the full-time staff.

**Program Expenditures**

	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	\$ 157,309	\$ 113,382	\$ 102,100	\$ 123,000	20.5%
Supplies	5,212	4,482	5,800	5,300	-8.6%
Other Charges	5,836	46,569	27,000	41,000	51.9%
<b>Total</b>	<b>\$ 168,357</b>	<b>\$ 164,433</b>	<b>\$ 134,900</b>	<b>\$ 169,300</b>	<b>25.5%</b>

**Program Expenditures by Classification**

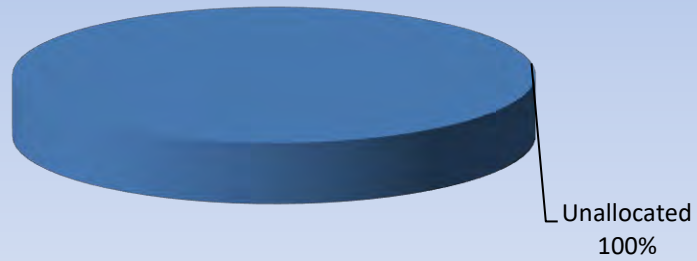


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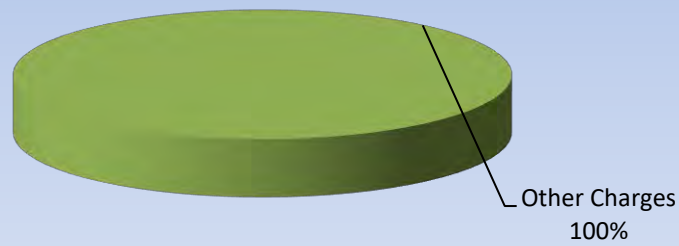
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# MISCELLANEOUS 2019 BUDGET

## Total By Program



## Total By Classification

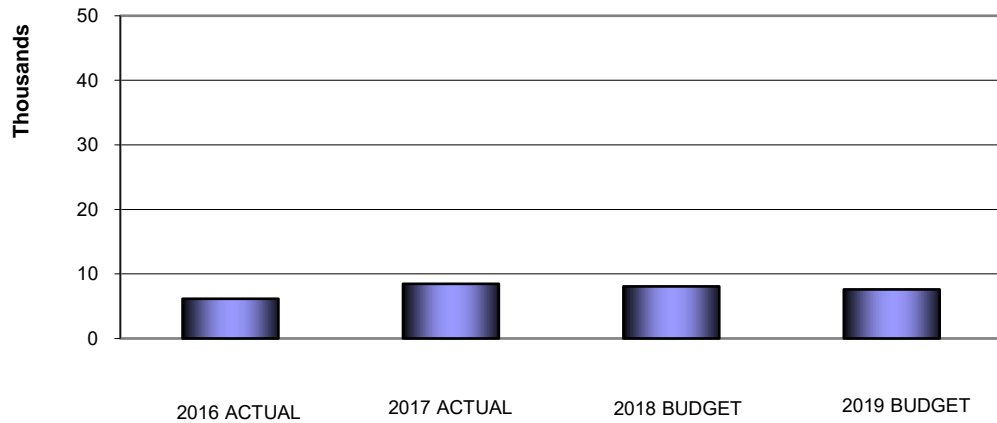




CITY OF ST. FRANCIS, MINNESOTA  
**MISCELLANEOUS SUMMARY**  
 EXPENDITURE ANALYSIS

Total By Program	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	% BUDGET
Unallocated	\$6,153	\$8,467	\$8,067	\$7,600	-5.8%
<b>Totals</b>	<b>6,153</b>	<b>8,467</b>	<b>8,067</b>	<b>7,600</b>	<b>-5.8%</b>
<b>Total By Classification</b>					
Personnel Services	0	0	0	0	N/A
Supplies	0	0	0	0	N/A
Other Charges	6,153	8,467	8,067	7,600	-5.8%
<b>Totals</b>	<b>6,153</b>	<b>8,467</b>	<b>8,067</b>	<b>7,600</b>	<b>-5.8%</b>
<b>Staffing</b>					
Full-time equivalents	0.00	0.00	0.00	0.00	

### Expenditures





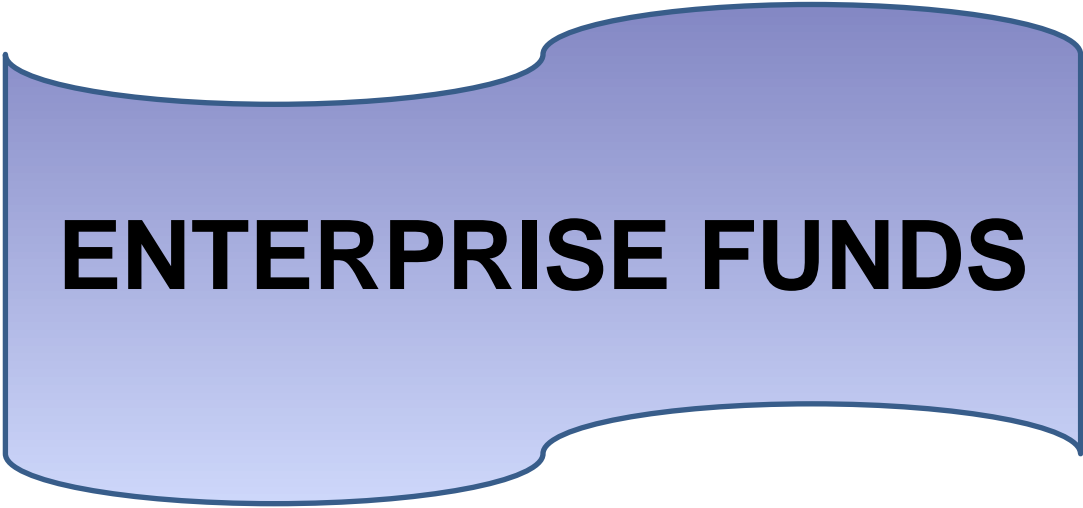


**SPECIAL REVENUE  
FUNDS**

CITY OF ST. FRANCIS, MINNESOTA  
**POLICE FORFEITURE FUND (208)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Fines and Forfeits:</u>				
Confiscated property	\$ -	\$ -	\$ 119	\$ -
<u>Miscellaneous:</u>				
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>-</b>
<u>Expenditures:</u>				
Commodities	13,254	10,246	30	10,208
Contractual services	-	-	-	-
Other charges	-	-	-	-
<b>Total expenditures</b>	<b>13,254</b>	<b>10,246</b>	<b>30</b>	<b>10,208</b>
Excess (deficit) of revenues over expenditures	(13,254)	(10,246)	89	(10,208)
Fund balance - January 1	23,373	10,119	10,119	10,208
Fund balance - December 31	\$ 10,119	\$ (127)	\$ 10,208	\$ -

This fund was established to account for money that is legally restricted for police services. Most of the revenues for this fund are from confiscated money that is split between the city, county and state based on a statutory formula. The city's share is 70%. The balance in this fund will fluctuate greatly.



**ENTERPRISE FUNDS**

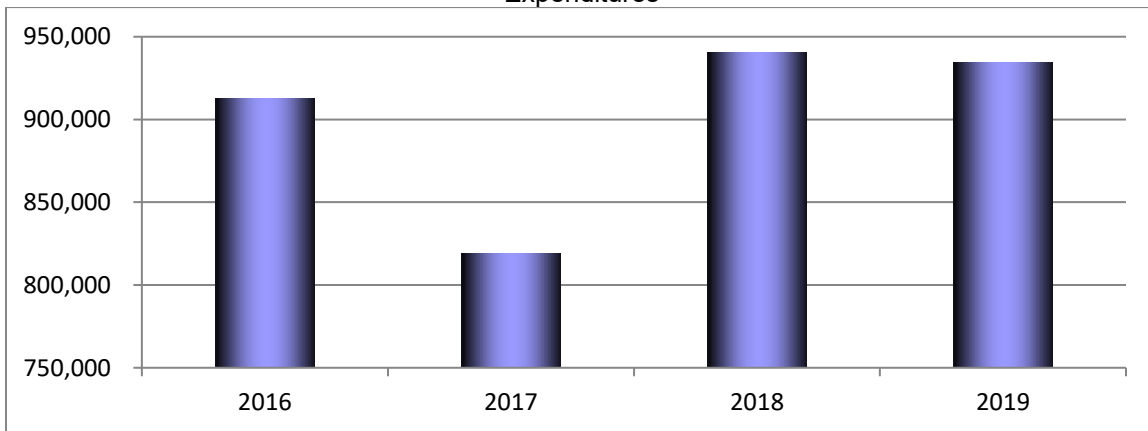
**CITY OF ST. FRANCIS, MINNESOTA  
WATER FUND SUMMARY  
EXPENSE ANALYSIS**

Total By Classification	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	168,389	159,632	196,850	220,000	11.8%
Commodities	125,301	71,681	59,800	54,000	-9.7%
Contractual Services	280,266	247,664	331,350	319,550	-3.6%
Depreciation	329,234	326,311	340,000	330,000	-2.9%
Other Charges	9,339	13,473	12,750	10,650	-16.5%
<b>Totals</b>	<b>912,529</b>	<b>818,761</b>	<b>940,750</b>	<b>934,200</b>	<b>-0.7%</b>

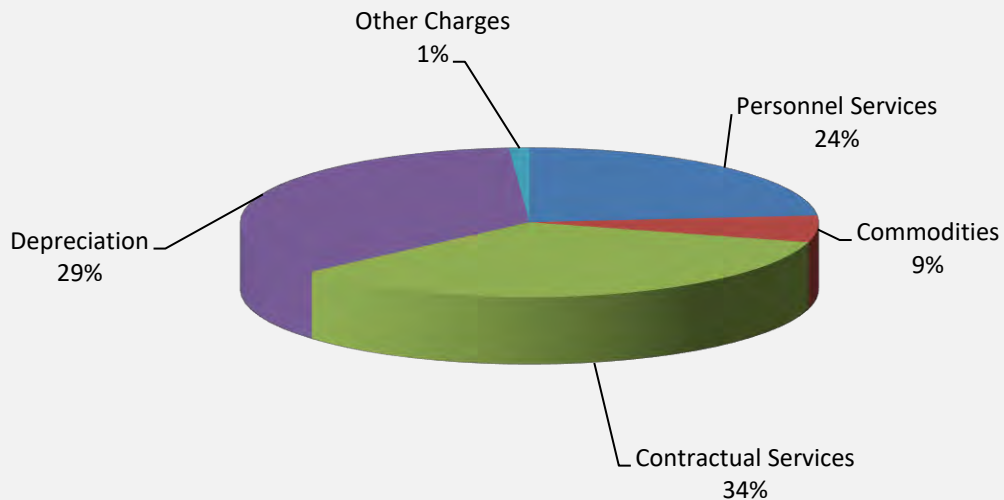
**Staffing**

Full-time equivalents	2.00	2.00	2.00	2.00
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Expenditures



**2019 BUDGET**



CITY OF ST. FRANCIS, MINNESOTA  
**WATER FUND (601)**  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

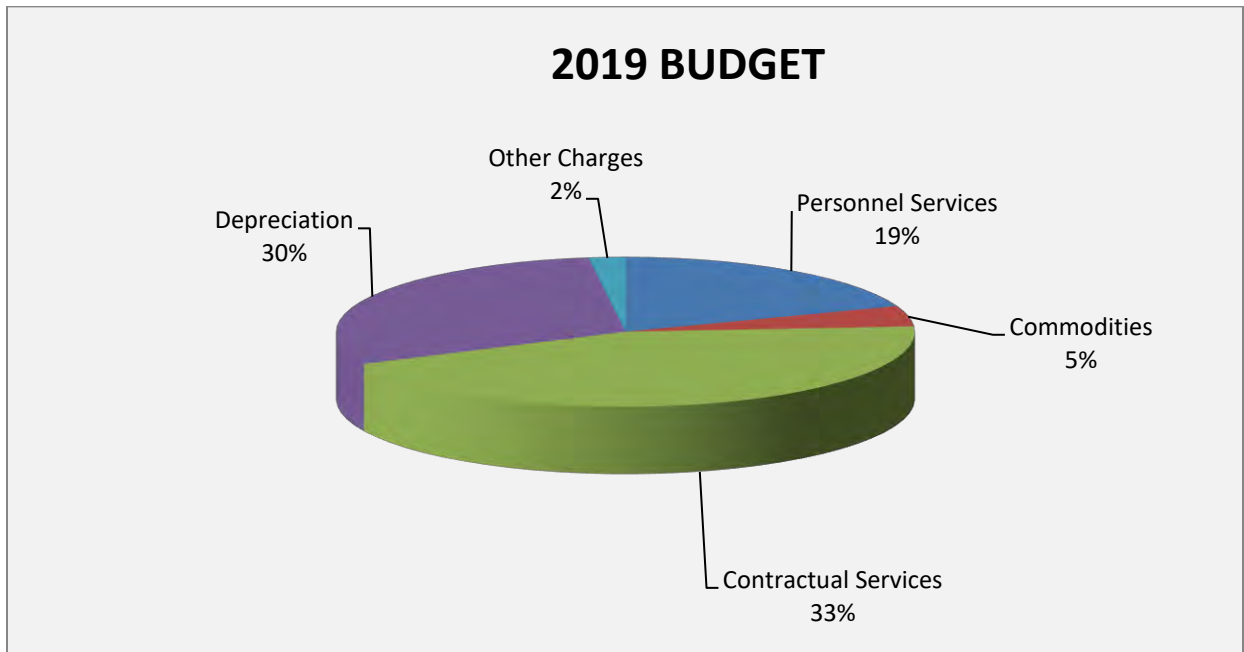
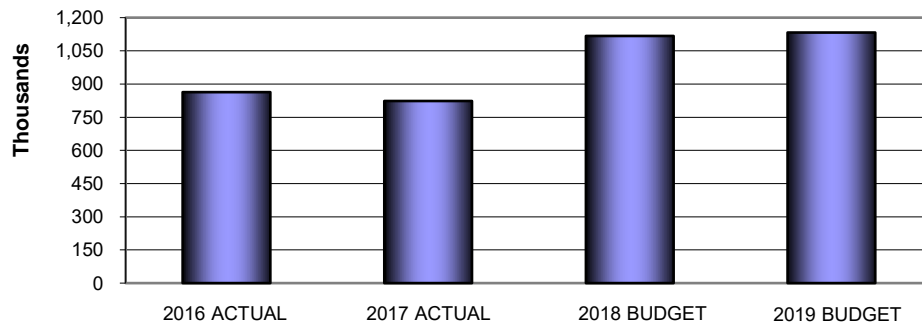
	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b><u>Operating revenues:</u></b>				
Water sales	\$ 1,671,817	\$ 1,400,000	\$ 1,400,000	\$ 1,230,000
Water penalty	-	-	-	-
<b>Total revenues</b>	<b>1,671,817</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>1,230,000</b>
<b><u>Operating expenses:</u></b>				
Personnel services	207,718	220,000	220,000	238,550
Supplies	72,383	54,000	54,000	50,800
Professional services	103,667	148,100	148,100	157,800
Communications	7,802	7,000	7,000	7,000
Insurance	18,880	18,200	18,200	15,000
Utilities	81,488	93,500	93,500	92,500
Repairs and maintenance	40,614	52,750	52,750	79,450
Depreciation	325,126	330,000	330,000	330,000
Other	14,807	10,650	10,650	14,350
<b>Total expenses</b>	<b>872,485</b>	<b>934,200</b>	<b>934,200</b>	<b>985,450</b>
<b>Operating income (loss)</b>	<b>799,332</b>	<b>465,800</b>	<b>465,800</b>	<b>244,550</b>
<b><u>Nonoperating revenues (expenses):</u></b>				
Investment earnings	27,728	20,000	30,000	20,000
Miscellaneous grants	-	-	-	-
Connection Fees	153,843	50,000	70,380	159,120
Interest expense	(191,958)	(179,440)	(179,440)	(164,696)
Special assessments	-	-	-	-
Miscellaneous revenues	10,646	3,000	3,000	3,000
<b>Total nonoperating revenues (expenses)</b>	<b>259</b>	<b>(106,440)</b>	<b>(76,060)</b>	<b>17,424</b>
<b>Net income (loss) before contributions and transfers</b>	<b>799,591</b>	<b>359,360</b>	<b>389,740</b>	<b>261,974</b>
<b><u>Transfers in (out):</u></b>				
Debt Service Fund	(18,580)	(18,580)	(18,580)	(18,580)
Capital Equipment	(10,000)	(10,000)	(10,000)	(10,000)
EDA Lease Revenue Bonds	(82,500)	(82,500)	(82,500)	(82,500)
Capital contributions	-	-	-	-
<b>Change in net position</b>	<b>688,511</b>	<b>248,280</b>	<b>278,660</b>	<b>150,894</b>
<b>Net position- January 1</b>	<b>5,604,354</b>	<b>6,292,865</b>	<b>6,292,865</b>	<b>6,571,525</b>
<b>Net position- December 31</b>	<b>\$ 6,292,865</b>	<b>\$ 6,541,145</b>	<b>\$ 6,571,525</b>	<b>\$ 6,722,419</b>

**CITY OF ST. FRANCIS, MINNESOTA  
SANITARY SEWER FUND SUMMARY  
EXPENSE ANALYSIS**

Total By Classification	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	158,898	149,717	197,550	220,000	11.4%
Commodities	24,440	20,237	47,600	50,300	5.7%
Contractual Services	339,471	314,999	508,800	499,100	-1.9%
Depreciation	326,298	323,363	340,000	340,000	0.0%
Other Charges	14,091	14,876	23,250	23,250	0.0%
<b>Totals</b>	<b>863,198</b>	<b>823,192</b>	<b>1,117,200</b>	<b>1,132,650</b>	<b>1.4%</b>

**Staffing**

Full-time equivalents	2.00	2.00	2.00	2.00
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CITY OF ST. FRANCIS, MINNESOTA  
**SANITARY SEWER FUND (602)**  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

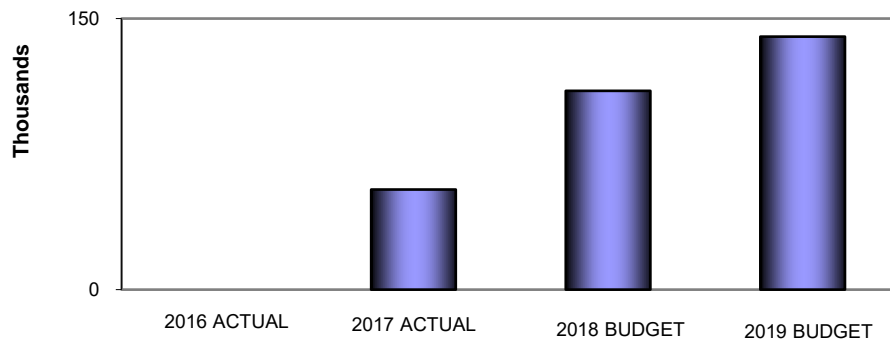
	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b>Operating revenues:</b>				
Sewer sales	\$ 1,810,376	\$ 1,728,000	\$ 1,728,000	\$ 1,585,000
<b>Total revenues</b>	<b>1,810,376</b>	<b>1,728,000</b>	<b>1,728,000</b>	<b>1,585,000</b>
<b>Operating expenses:</b>				
Personnel services	222,731	220,000	220,000	239,400
Supplies	61,018	50,300	50,300	58,000
Professional services	108,824	233,350	233,350	266,000
Communications	3,559	3,500	3,500	4,000
Insurance	26,323	16,400	16,400	30,000
Utilities	113,004	146,600	146,600	127,500
Repairs and maintenance	111,466	99,250	99,250	63,750
Depreciation	322,111	340,000	340,000	350,000
Other	15,340	23,250	23,250	23,500
<b>Total expenses</b>	<b>984,376</b>	<b>1,132,650</b>	<b>1,132,650</b>	<b>1,162,150</b>
<b>Operating income (loss)</b>	<b>826,000</b>	<b>595,350</b>	<b>595,350</b>	<b>422,850</b>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	44,596	20,000	20,000	20,000
Connection charges	209,916	50,000	50,000	222,768
Interest Expense	(360,822)	(275,990)	(275,990)	(269,439)
Bond Issuance Costs	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous revenues	56,746	25,000	25,000	3,000
<b>Total nonoperating revenues (expenses)</b>	<b>(49,564)</b>	<b>(180,990)</b>	<b>(180,990)</b>	<b>(23,671)</b>
<b>Net income (loss) before contributions and transfers</b>	<b>776,436</b>	<b>414,360</b>	<b>414,360</b>	<b>399,179</b>
<b>Transfers in (out):</b>				
Debt Service Fund	(21,300)	(21,300)	(21,300)	(21,300)
Capital Equipment	(10,000)	(10,000)	(10,000)	(10,000)
EDA Lease Revenue	-	-	-	-
Bonds	(82,500)	(82,500)	(82,500)	(82,500)
Grant	4,606,071	-	-	-
<b>Change in net position</b>	<b>5,268,707</b>	<b>300,560</b>	<b>300,560</b>	<b>285,379</b>
<b>Net position - January 1</b>	<b>11,061,431</b>	<b>16,330,138</b>	<b>16,330,138</b>	<b>16,630,698</b>
<b>Net position - December 31</b>	<b>\$ 16,330,138</b>	<b>\$ 16,630,698</b>	<b>\$ 16,630,698</b>	<b>\$ 16,916,077</b>

**CITY OF ST. FRANCIS, MINNESOTA  
STORM WATER FUND SUMMARY  
EXPENSE ANALYSIS**

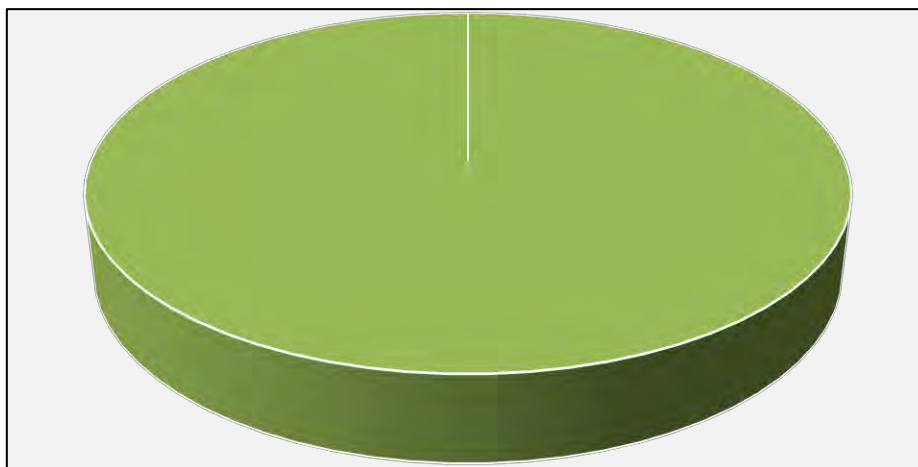
Total By Classification	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	-	-	-	-	N/A
Commodities	-	-	-	-	N/A
Contractual Services	-	55,385	110,000	140,000	27.3%
Depreciation	-	-	-	-	N/A
Other Charges	-	-	-	-	N/A
<b>Totals</b>	-	55,385	110,000	140,000	27.3%

**Staffing**

Full-time equivalents	0.00	0.00	0.00	0.00
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**2019 BUDGET**



Contractual Services,  
100%

CITY OF ST. FRANCIS, MINNESOTA  
**STORM WATER FUND (603)**  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

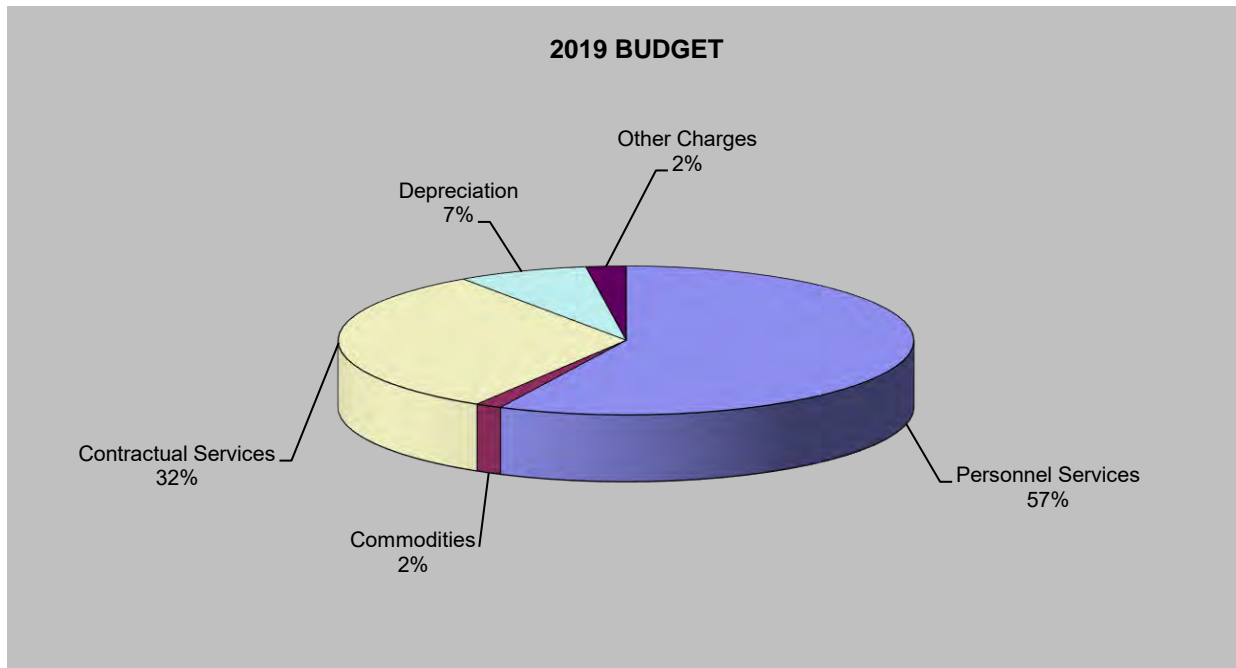
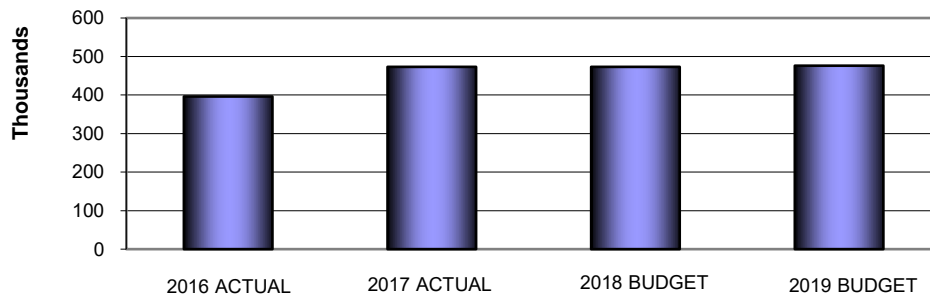
	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b>Operating revenues:</b>				
Storm Water Fee	\$ 171,867	\$ 165,000	\$ 165,000	\$ 165,000
<b>Total revenues</b>	<b>171,867</b>	<b>165,000</b>	<b>165,000</b>	<b>165,000</b>
<b>Operating expenses:</b>				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Professional services	33,435	30,000	800	-
Communications	-	-	-	-
Insurance	-	-	-	-
Utilities	-	-	-	-
Repairs and maintenance	-	110,000	13,334	140,000
Depreciation	-	-	-	-
Other	-	-	-	-
<b>Total expenses</b>	<b>33,435</b>	<b>140,000</b>	<b>14,134</b>	<b>140,000</b>
<b>Operating income (loss)</b>	<b>138,432</b>	<b>25,000</b>	<b>150,866</b>	<b>25,000</b>
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	1,423	500	3,000	2,000
Connection charges	-	-	-	-
Interest Expense	-	-	-	-
Special assessments	-	-	-	-
Miscellaneous revenues	3,497	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>4,920</b>	<b>500</b>	<b>3,000</b>	<b>2,000</b>
<b>Net income (loss) before contributions and transfers</b>	<b>143,352</b>	<b>25,500</b>	<b>153,866</b>	<b>27,000</b>
<b>Transfers in (out):</b>				
Debt Service Fund	-	-	-	-
Capital Equipment	-	-	-	-
EDA Lease Revenue Bonds	-	-	-	-
Capital contributions	-	-	-	-
<b>Change in net position</b>	<b>143,352</b>	<b>25,500</b>	<b>153,866</b>	<b>27,000</b>
<b>Net position - January 1</b>	<b>117,890</b>	<b>261,242</b>	<b>261,242</b>	<b>415,108</b>
<b>Net position - December 31</b>	<b>\$ 261,242</b>	<b>\$ 286,742</b>	<b>\$ 415,108</b>	<b>\$ 442,108</b>

**CITY OF ST. FRANCIS, MINNESOTA  
LIQUOR STORE FUND SUMMARY  
EXPENSE ANALYSIS**

Total By Classification	2016 ACTUAL	2017 ACTUAL	2018 BUDGET	2019 BUDGET	% CHANGE
Personnel Services	216,770	248,600	248,600	272,300	9.5%
Commodities	4,491	8,000	8,000	7,000	-12.5%
Contractual Services	133,482	171,900	171,900	151,250	-12.0%
Depreciation	33,859	34,000	34,000	35,000	2.9%
Other Charges	7,658	10,700	10,700	10,700	0.0%
<b>Totals</b>	<b>396,260</b>	<b>473,200</b>	<b>473,200</b>	<b>476,250</b>	<b>0.6%</b>

**Staffing**

Full-time equivalents	4.25	4.25	4.25	4.25
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CITY OF ST. FRANCIS, MINNESOTA  
**MUNICIPAL LIQUOR OPERATIONS FUND (609)**  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b><u>Operating revenues:</u></b>				
Liquor sales	\$ 753,005	\$ 715,000	\$ 726,600	\$ 730,000
Beer sales	1,164,630	1,110,000	1,162,390	1,160,000
Wine sales	202,440	200,000	188,480	188,000
Miscellaneous merchandise	49,382	42,000	45,606	45,000
N/A beer	4,713	5,500	4,256	4,200
Tobacco products	61,999	55,000	62,440	62,000
<b>Total revenues</b>	<b>2,236,169</b>	<b>2,127,500</b>	<b>2,189,772</b>	<b>2,189,200</b>
<b><u>Cost of sales:</u></b>				
	<b>(1,658,949)</b>	<b>(1,596,500)</b>	<b>(1,688,438)</b>	<b>(1,637,000)</b>
<b>Gross profit</b>	<b>577,220</b>	<b>531,000</b>	<b>501,334</b>	<b>552,200</b>
<b><u>Operating expenses:</u></b>				
Personnel services	264,890	272,300	272,300	272,100
Supplies	5,076	7,000	7,000	6,200
Professional services	119,534	107,700	107,700	112,700
Communications	4,445	4,500	4,500	4,500
Insurance	15,641	16,800	16,800	21,200
Utilities	16,046	14,900	14,900	13,000
Repairs and maintenance	4,098	7,350	7,350	6,350
Depreciation	35,335	35,000	35,000	35,000
Other	6,708	10,700	10,700	10,200
<b>Total expenses</b>	<b>471,773</b>	<b>476,250</b>	<b>476,250</b>	<b>481,250</b>
<b>Operating income (loss)</b>	<b>105,447</b>	<b>54,750</b>	<b>25,084</b>	<b>70,950</b>
<b><u>Other revenues (expenses):</u></b>				
Investment earnings	13,955	10,000	20,000	14,000
Miscellaneous revenues	469	400	400	400
<b>Total other revenues (expenses)</b>	<b>14,424</b>	<b>10,400</b>	<b>20,400</b>	<b>14,400</b>
<b>Net income (loss) before contributions and transfers</b>	<b>119,871</b>	<b>65,150</b>	<b>45,484</b>	<b>85,350</b>
<b><u>Transfers in (out):</u></b>				
General Fund	(60,000)	(60,000)	(60,000)	(60,000)
	(139,114)	-	-	-
<b>Change in net position</b>	<b>(79,243)</b>	<b>5,150</b>	<b>(14,516)</b>	<b>25,350</b>
<b>Net position - January 1</b>	<b>2,025,482</b>	<b>1,946,239</b>	<b>1,946,239</b>	<b>1,931,723</b>
<b>Net position - December 31</b>	<b>\$ 1,946,239</b>	<b>\$ 1,951,389</b>	<b>\$ 1,931,723</b>	<b>\$ 1,957,073</b>

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**CAPITAL OUTLAY  
FUNDS**

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## CAPITAL OUTLAY

This section provides an overview of Capital Outlay projects for the City of St. Francis. Projects include those within the Capital Improvement Plan, Departmental Operating Budgets and Capital Projects Fund.

### Capital Improvement Plan

The Capital Improvement Plan (CIP) is a schedule of proposed public projects and purchases over a five-year period. Capital improvements are normally non-routine projects costing \$5,000 or more, which require acquisition, construction, or replacement of various equipment or facilities, including public buildings, infrastructure, utilities and parks.

The plan is not intended to provide for precise budgeting. Capital costs are projected as estimates. Upon each update of the plan, deletions, additions, delays, or other revisions may occur, reflecting changing community needs. These changes allow for budget refinements as a particular project nears actual construction. Only after incorporation within successive budgets or as approved separately by the City Council will these items be considered funded.

Some of the items contained in the CIP will require on-going operational costs and, in some cases, produce operational savings. However, given the speculative nature of latter-year purchases, the exact cost cannot be reasonably quantified beyond next year. The 2019-2023 CIP was adopted by the Council on August 6, 2018. The following provides a summary of projects included in the City's Capital Improvement Plan along with project year. The following shows a breakdown by year.

Fund	Department	2019	2020	2021	2022	2023	Total
<b><u>Capital Equipment</u></b>							
	Administration	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 80,000
	Building	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
	Fire	\$ 76,250	\$ 116,250	\$ 81,250	\$ 76,250	\$ 64,000	\$ 414,000
	Police	\$ 139,500	\$ 64,700	\$ 98,000	\$ 66,300	\$ 89,900	\$ 458,400
	Public Works	\$ 149,100	\$ 17,000	\$ 78,000	\$ 169,000	\$ 88,000	\$ 501,100
	<b>Subtotal Capital Equipment</b>	<b>\$ 380,850</b>	<b>\$ 213,950</b>	<b>\$ 273,250</b>	<b>\$ 327,550</b>	<b>\$ 287,900</b>	<b>\$ 1,483,500</b>
<b><u>Street Improvements</u></b>							
	Streets	\$ 1,841,980	\$ 510,210	\$ 1,565,520	\$ 231,435	\$ -	\$ 4,149,145
<b><u>Buildings</u></b>							
	Facility Maintenance	\$ 27,000	\$ 46,400	\$ 18,400	\$ 40,500	\$ 14,000	\$ 146,300
<b><u>Park Improvement</u></b>							
	Parks	\$ 165,600	\$ 15,200	\$ 60,500	\$ -	\$ -	\$ 241,300
<b><u>Enterprise Funds</u></b>							
	Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sewer	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
	Liquor	\$ 30,000	\$ 11,100	\$ 10,000	\$ -	\$ -	\$ 51,100
	<b>Subtotal Enterprise Funds</b>	<b>\$ 30,000</b>	<b>\$ 11,100</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 101,100</b>
	<b>Total All</b>	<b>\$ 2,445,430</b>	<b>\$ 796,860</b>	<b>\$ 1,927,670</b>	<b>\$ 599,485</b>	<b>\$ 351,900</b>	<b>\$ 6,121,345</b>

The following table depicts the city's five-year CIP needs.

	Previous years*						
		2019	2020	2021	2022	2023	
<b>Use of Funds:</b>							
<b>Administration</b>							
Computers	11,035	6,000	6,000	6,000	6,000	\$	6,000
City Hall	7,407	10,000	10,000	10,000	10,000	\$	10,000
<b>Inspections</b>							
Vehicle	30,000						30,000
<b>Fire</b>							
Radio replacement	16,761	16,250	16,250	16,250	16,250		4,000
Turnout Gear (5 sets a year)	11,960	10,000	10,000	10,000	10,000		10,000
Fire Apparatus							
2000 Spartan	350,000	50,000	50,000	50,000			
1998 Tanker					50,000		50,000
2015 Tanker/Engine							
Vehicles							
Grass Rig							
Rescue			40,000				
Duty Officer (Charger from Chief)				5,000			
Chiefs Car (Grab Tahoe from Police)							
SCBA							
Extrication Equipment (2)							20,000
Thermal Imagers (2)							
Gas Fans (2)			3,000				
<b>Police</b>							
Vehicles		95,000	35,000	65,000	35,000		70,000
Police Radios	2,468	15,000	10,000	10,000	10,000		5,000
Firearms	4,000	3,500	3,500	3,500	1,000		1,000
UTV							
Squad Computers		6,000	2,200	4,400	2,500		4,400
Office Computers	6,263	6,000	-	1,100	3,800		5,500
Rifle Sights		500	500	500	500		500
Squad Cameras	3,500	3,500	3,500	7,500	7,500		12,500
Body Cameras	10,000	10,000	10,000	6,000	6,000		6,000
<b>Public Works</b>							
2018 Mack							
Pickup Trucks	11,587			68,000	42,000		
Sign Truck							
1 Ton Dump Truck							
Crane Truck					95,000		
2008 International Dump Truck (Refurb in 2019)		70,000					
2008 International Dump Truck (Replacement)	32,875						
Mowing Trailer							

	Previous years*	2019	2020	2021	2022	2023
Trench box Trailer						
Heavy Equipment Trailer						
2002 CAT Motor grader (Refurbish)					30,000	
2002 CAT Motor grader (Replace)						
2012 CAT Loader						
1990 Chevrolet Kodiak Tanker (Refurbish)			15,000			
Bobcat Tool Cat	6,984					
Miscellaneous Equipment and attachments	18,403	7,000		8,000		21,000
Batwing Mower						65,000
Zero Turn Mower		20,100				
Tool Cat (Replacement for 2006 JD Tractor)		50,000				
2008 Kubota Tractor						
Computers	390	2,000	2,000	2,000	2,000	\$ 2,000
<b>Total</b>	<b>523,633</b>	<b>380,850</b>	<b>216,950</b>	<b>273,250</b>	<b>327,550</b>	<b>322,900</b>

Some of the projects listed above are not included in our annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. Councils, economic conditions and priorities are always changing and these types of projects seem to be postponed or modified more than once. If they were included in our budget each year we feel it would misrepresent what is actually occurring.

Please see the city's website at [www.stfrancismn.org](http://www.stfrancismn.org) for a copy of the complete plan as adopted.

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CITY OF ST. FRANCIS, MINNESOTA  
**CAPITAL PROJECTS FUND (402)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Miscellaneous Revenue:</u>				
Property Taxes	\$ 223,150	\$ 223,150	\$ 223,150	\$ 230,000
State Aid	-			
Investment earnings	8,299	8,000	8,000	8,000
Miscellaneous	12,742	-	3,360	-
<b>Total revenues</b>	<b>244,191</b>	<b>231,150</b>	<b>234,510</b>	<b>238,000</b>
<u>Expenditures:</u>				
<u>Capital Outlay</u>				
General Government	6,469	18,207	565	34,442
Public Safety	268,964	499,212	100,611	615,417
Community Development	-	30,800	-	30,000
Public Works	100,281	270,418	200,218	219,340
Culture & Recreation	-	-		
<b>Total expenditures</b>	<b>375,714</b>	<b>818,637</b>	<b>301,394</b>	<b>899,199</b>
Excess (deficit) of revenues over expenditures	(131,523)	(587,487)	(66,884)	(661,199)
Other financing sources (uses):				
Transfers in (out):				
General Fund				
Water Fund	10,000	10,000	10,000	10,000
Sewer Fund	10,000	10,000	10,000	10,000
Liquor Fund	139,114	-	-	-
Transfer Out	-	-	-	-
<b>Net increase (decrease) in fund balance</b>	<b>27,591</b>	<b>(567,487)</b>	<b>(46,884)</b>	<b>(641,199)</b>
Fund balance - January 1	1,033,809	1,056,953	1,061,400	1,014,516
<b>Fund balance - December 31</b>	<b>\$ 1,061,400</b>	<b>\$ 489,466</b>	<b>\$ 1,014,516</b>	<b>\$ 373,317</b>

Accounts for funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.

CITY OF ST. FRANCIS, MINNESOTA  
**CREEKVIEW ESTATES FUND (505)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Revenues:</u>				
Special Assessments	\$ 13,005	\$ 12,000	\$ 12,000	\$ 12,000
Total revenues	<u>13,005</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
<u>Expenditures:</u>				
Miscellaneous	48	-	43	-
Engineering	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>48</u>	<u>-</u>	<u>43</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	12,957	12,000	11,957	12,000
Fund balance - January 1	<u>(38,348)</u>	<u>(26,396)</u>	<u>(25,391)</u>	<u>(13,434)</u>
Fund balance - December 31	<u>\$ (25,391)</u>	<u>\$ (14,396)</u>	<u>\$ (13,434)</u>	<u>\$ (1,434)</u>

Accounts for the accumulation of resources to finance the 2006 street reconstruction project. There was no debt taken out to finance this project. The deficit will be eliminated through future collections of special assessments.

CITY OF ST. FRANCIS, MINNESOTA  
**GAMBLING FUND (210)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Miscellaneous:</u>				
Miscellaneous	\$ 15,536	\$ 13,000	\$ 13,000	\$ 13,000
Investment earnings	450	500	800	800
Total revenues	15,986	13,500	13,800	13,800
 <u>Expenditures:</u>				
Commodities	4,000	-	-	-
Contractual services	-	-	-	-
Other charges	-	-	-	-
Total expenditures	4,000	-	-	-
Excess (deficit) of revenues over expenditures	11,986	13,500	13,800	13,800
Fund balance - January 1	49,776	59,276	61,762	75,562
Fund balance - December 31	\$ 61,762	\$ 72,776	\$ 75,562	\$ 89,362

This fund was established in 2012 to account for the gambling proceeds received from charitable gambling in the city. 10% of net profits need to be sent to the city. The city then use these funds to pay for things such and police, fire and other emergency services equipment and training.

CITY OF ST. FRANCIS, MINNESOTA  
**IVYWOOD STREET & 230TH LANE FUND (507)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Revenues:</u>				
Special Assessments	\$ 14,011	\$ 8,000	\$ 10,000	\$ 10,000
	11			
Total revenues	14,022	8,000	10,000	10,000
<u>Expenditures:</u>				
Miscellaneous	60	-	52	-
Engineering	-	-	-	-
Construction	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	60	-	52	-
Excess (deficit) of revenues over expenditures	13,962	8,000	9,948	10,000
Other financing sources (uses):				
Transfers in (out):				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
General Fund	-	-	-	-
Net increase (decrease) in fund balance	13,962	8,000	9,948	10,000
Fund balance - January 1	(48,464)	34,428	(34,502)	(24,554)
Fund balance - December 31	\$ (34,502)	\$ 42,428	\$ (24,554)	\$ (14,554)

Accounts for financial resources used to finance a street reconstruction project which is receiving special assessment revenue to pay for a portion of the costs.



CITY OF ST. FRANCIS, MINNESOTA  
**PARK DEVELOPMENT FUND (225)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Miscellaneous Revenue:</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,725	1,000	1,075	1,000
Park dedication fees	-	-	-	-
Investment earnings	1,143	700	998	700
Miscellaneous	100	500	385	500
<b>Total revenues</b>	<b>4,968</b>	<b>2,200</b>	<b>2,458</b>	<b>2,200</b>
<u>Expenditures:</u>				
Park development projects	46	-	7,097	-
<b>Total expenditures</b>	<b>46</b>	<b>-</b>	<b>7,097</b>	<b>-</b>
Excess (deficit) of revenues over expenditures	4,922	2,200	(4,639)	2,200
Other financing sources (uses):				
Transfers in (out):				
General Fund	-	-	-	-
<b>Net increase (decrease) in fund balance</b>	<b>4,922</b>	<b>2,200</b>	<b>(4,639)</b>	<b>2,200</b>
Fund balance - January 1	139,539	144,450	144,461	139,822
<b>Fund balance - December 31</b>	<b>\$ 144,461</b>	<b>\$ 146,650</b>	<b>\$ 139,822</b>	<b>\$ 142,022</b>

This fund accounts for the use of park availability charges, grants and tax revenues that are dedicated for the acquisition and improvement of City parks. Park availability charges are levied against all new buildings constructed.

The \$269,000 that was budgeted in 2011 was for the construction of Pederson Path along Pederson Drive. The city secured a federal and state grant to fund a major portion of this project. It was completed in 2011.

CITY OF ST. FRANCIS, MINNESOTA  
**BUILDING IMPROVEMENT FUND (404)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Miscellaneous Revenue:</u>				
Property Taxes	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<u>Expenditures:</u>				
<u>Capital Outlay</u>				
General Government	-	-	42,960	-
Public Safety	-	-	17,000	-
Community Development	-	-	-	-
Public Works	-	-	-	-
Culture & Recreation	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>59,960</b>	<b>-</b>
Excess (deficit) of revenues over expenditures	-	60,000	40	60,000
Other financing sources (uses):				
Transfers in (out):				
General Fund	-	-	-	-
Transfer Out	-	-	-	-
<b>Net increase (decrease) in fund balance</b>	<b>-</b>	<b>60,000</b>	<b>40</b>	<b>60,000</b>
Fund balance - January 1	-	-	-	40
<b>Fund balance - December 31</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 40</b>	<b>\$ 60,040</b>

Accounts for funds set aside for future building improvements.

CITY OF ST. FRANCIS, MINNESOTA  
**STREET IMPROVEMENT FUND (405)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2016 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<u>Miscellaneous Revenue:</u>				
Property Taxes	\$ -	\$ 60,000	\$ 60,000	\$ 120,000
State Aid				
Municipal Construction			\$ 112,500	\$ -
Municipal Maintenance	-	-	-	115,000
Investment earnings	-	-	-	2,000
Miscellaneous	-	-	-	1,500
	<hr/>			
Total revenues	-	60,000	172,500	238,500
<hr/>				
<u>Expenditures:</u>				
<u>Capital Outlay</u>				
Public Works				
Sealcoating/Crack Filling	-	-	-	103,230
Rehab/Overlay	-	-	202,500	-
Reconstruction	-	-	-	-
Parking Lot	-	-	-	-
Maintenance	-	-	-	65,000
Engineering	-	-	-	14,000
	-	-	-	-
	<hr/>			
Total expenditures	-	-	202,500	182,230
<hr/>				
Excess (deficit) of revenues over expenditures	-	60,000	(30,000)	56,270
Other financing sources (uses):				
Transfers in (out):				
General Fund		-	1,492,429	-
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Transfer Out	-	-	-	-
	<hr/>			
Net increase (decrease) in fund balance	-	60,000	1,462,429	56,270
Fund balance - January 1	-	-	-	1,462,429
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Fund balance - December 31	\$ -	\$ 60,000	\$ 1,462,429	\$ 1,518,699

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**DEBT SERVICE  
FUNDS**

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## DEBT SERVICE

Debt Service Funds are used to account for the accumulation and use of financial resources to pay principal, interest, and related costs on long-term debt. A separate Debt Service Sub-Fund is required for each bond issue.

The principal sources of revenue are property taxes (debt service levies), special assessments, interest earned on cash balances in funds, and transfers from other funds.

Expenditures include bond principal and interest on City bonds as well as fiscal agent fees and interest on negative cash balances in funds.

### Legal Debt Limit

Minnesota State Statutes limits the City's net debt to no more than three percent (3%) of the estimated market value of the taxable property within the municipality. Bond issues covered by this limit are those that are financed by property taxes unless at least 20% of the annual debt service costs are financed by special assessments or tax increments. St. Francis has one bond issue subject to the debt limit, that being the 2017 GO Capital Improvement Bonds. The difference between the statutory debt limit and the bonds outstanding that are covered by the debt limit is referred to as the legal debt margin. See the following table for the amounts.

	2019
Estimated market value of taxable property	542,147,539
Debt limit (3% of market value)	\$16,264,426
Total bonds outstanding excluding enterprise debt	\$6,405,000
Total debt applicable to debt limit	\$ 6,405,000
Legal debt margin	\$9,859,426

All bonds issued by the city's enterprise funds are reported in the individual budgets.

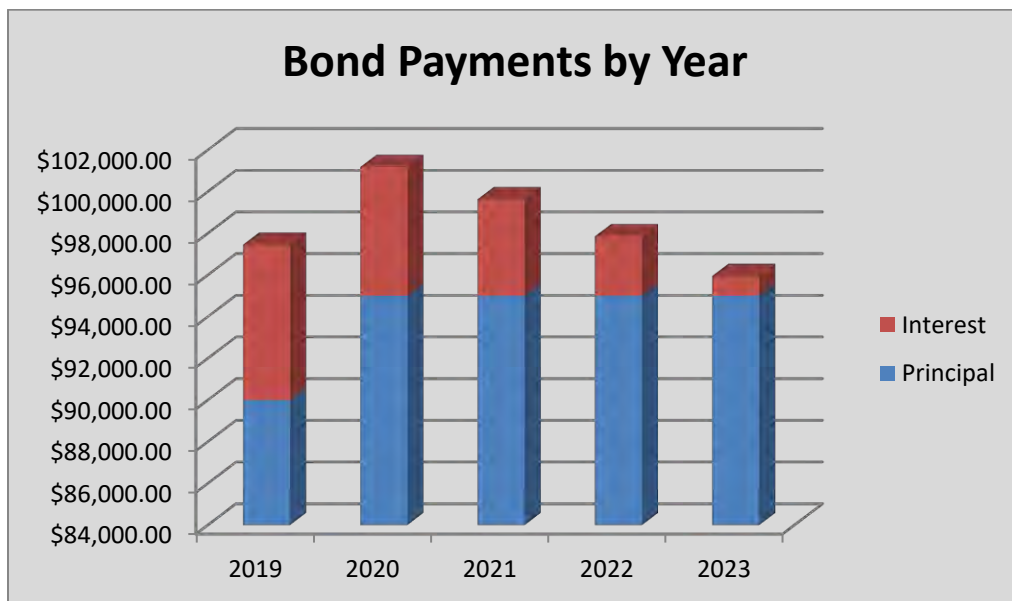
CITY OF ST. FRANCIS, MINNESOTA  
**DEBT SERVICE BUDGET (311)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b>Revenues:</b>				
Property taxes	\$ 21,187	\$ 20,900	\$ 20,900	\$ 20,900
Special assessments	17,764	16,000	16,000	16,000
Investment earnings	4,993	100	100	100
<b>Total revenues</b>	<b>43,944</b>	<b>37,000</b>	<b>37,000</b>	<b>37,000</b>
<b>Expenditures:</b>				
<b>Debt Service:</b>				
<b>Principal:</b>				
Regular	605,000	90,000	90,000	90,000
Interest	22,202	8,463	8,463	7,450
Paying agent fees	-	-	-	450
<b>Total expenditures</b>	<b>627,202</b>	<b>98,463</b>	<b>98,463</b>	<b>97,900</b>
Excess (deficit) of revenues over expenditures	(583,258)	(61,463)	(61,463)	(60,900)
<b>Other financing sources (uses):</b>				
Bond proceeds (net)	-	-	-	-
<b>Transfers in (out):</b>				
Water Fund	18,580	18,580	18,580	18,580
Sanitary Sewer Fund	21,300	21,300	21,300	21,300
<b>Net increase (decrease) in fund balance</b>	<b>(543,378)</b>	<b>(21,583)</b>	<b>(21,583)</b>	<b>(21,020)</b>
Fund balance - January 1	613,035	597,803	69,657	48,074
<b>Fund balance - December 31</b>	<b>\$ 69,657</b>	<b>\$ 576,220</b>	<b>\$ 48,074</b>	<b>\$ 27,054</b>



The following tables depict the City's debt service payments by year for 2007 General Obligation Debt payable from Special Assessments.

Year	Principal	Interest	Total
2019	90,000.00	7,450.00	97,450
2020	95,000.00	6,175.00	101,175
2021	95,000.00	4,631.00	99,631
2022	95,000.00	2,850.00	97,850
2023	95,000.00	950.00	95,950
<b>Total</b>	<b>\$470,000</b>	<b>\$22,056</b>	<b>\$492,056</b>

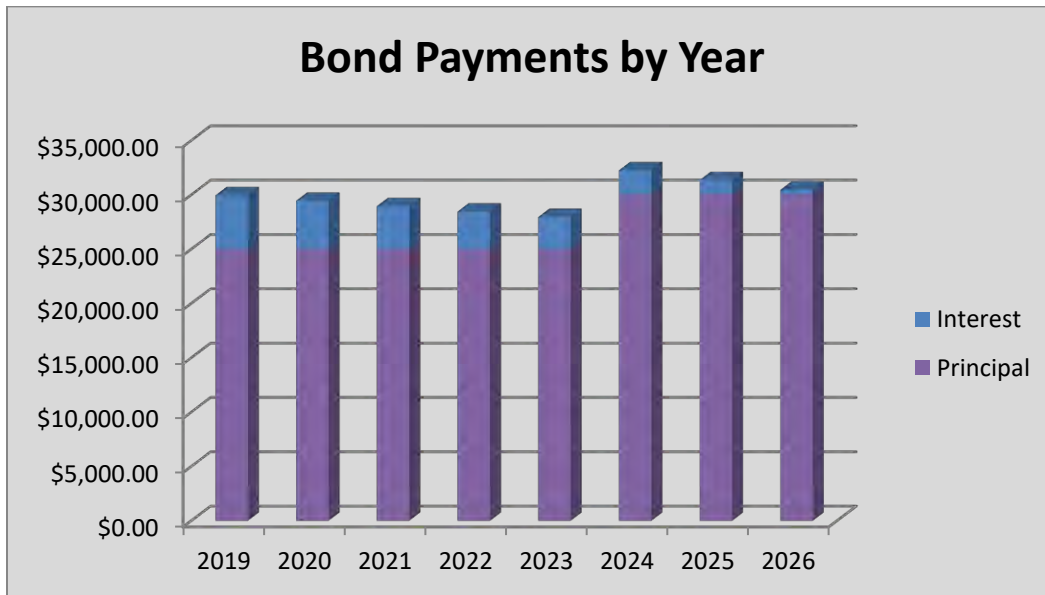


CITY OF ST. FRANCIS, MINNESOTA  
**DEBT SERVICE BUDGET (2015 DEBT)**  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
Revenues:				
Property taxes	\$ 20,356	\$ 20,470	\$ 20,470	\$ 20,470
Special assessments	16,389	10,000	8,000	8,000
Investment earnings	426	300	300	100
<b>Total revenues</b>	<b>37,171</b>	<b>30,770</b>	<b>28,770</b>	<b>28,570</b>
Expenditures:				
<u>Debt Service:</u>				
Principal:				
Regular	25,000	25,000	25,000	25,000
Interest	5,950	5,450	5,450	4,950
Paying agent fees	-	125	450	450
<b>Total expenditures</b>	<b>30,950</b>	<b>30,575</b>	<b>30,900</b>	<b>30,400</b>
Excess (deficit) of revenues over expenditures	6,221	195	(2,130)	(1,830)
Other financing sources (uses):				
Bond proceeds (net)	-	-	-	-
Net increase (decrease) in fund balance	6,221	195	(2,130)	(1,830)
Fund balance - January 1	43,057	47,779	49,278	47,148
Fund balance - December 31	<b>\$ 49,278</b>	<b>\$ 47,974</b>	<b>\$ 47,148</b>	<b>\$ 45,318</b>

The following tables depict the City's debt service payments by year for 2015 General Obligation Debt payable from Special Assessments.

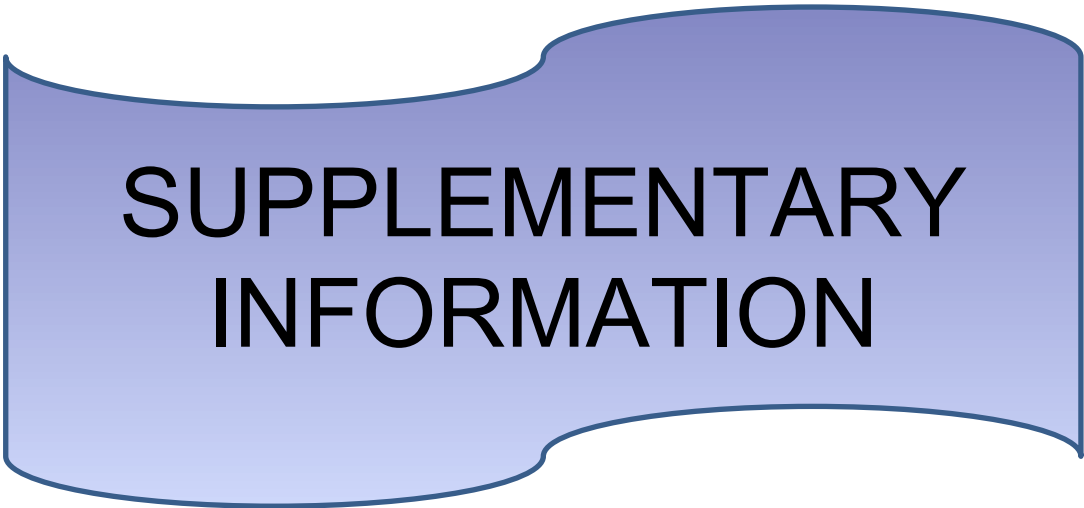
Year	Principal	Interest	Total
2019	25,000.00	4,950.00	29,950.00
2020	25,000.00	4,450.00	29,450.00
2021	25,000.00	3,950.00	28,950.00
2022	25,000.00	3,450.00	28,450.00
2023	25,000.00	2,950.00	27,950.00
2024	30,000.00	2,250.00	32,250.00
2025	30,000.00	1,350.00	31,350.00
2026	30,000.00	450.00	30,450.00
<b>Total</b>	<b>\$215,000</b>	<b>\$23,800</b>	<b>\$238,800</b>



CITY OF ST. FRANCIS, MINNESOTA  
**2017 GO CAPITAL IMPROVEMENT BONDS**  
 STATE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	2017 ACTUAL	2018 BUDGET	2018 ESTIMATE	2019 BUDGET
<b>Revenues:</b>				
Property Taxes	\$ -	\$ 327,220	\$ 327,220	\$ 327,220
Investment earnings	(8,575)	1,500	-	1,000
<b>Total revenues</b>	<b>(8,575)</b>	<b>328,720</b>	<b>327,220</b>	<b>328,220</b>
<b>Expenditures:</b>				
<u>Debt Service:</u>				
Principal:				
Regular	240,000	300,000	300,000	275,000
Interest	430,941	193,212	193,212	189,657
Paying agent fees	-	3,000	450	450
<b>Total expenditures</b>	<b>670,941</b>	<b>496,212</b>	<b>493,662</b>	<b>465,107</b>
Excess (deficit) of revenues over expenditures	(679,516)	(167,492)	(166,442)	(136,887)
<b>Other financing sources (uses):</b>				
Transfers in (out):				
Bond proceeds (net)	(409,094)	-	-	-
General Fund	360,000	-	-	-
Water Fund	82,500	82,500	82,500	82,500
Sanitary Sewer Fund	82,500	82,500	82,500	82,500
Net increase (decrease) in fund balance	(563,610)	(2,492)	(1,442)	28,113
Fund balance - January 1	557,477	4,091	(6,133)	(7,575)
Fund balance - December 31	\$ (6,133)	\$ 1,599	\$ (7,575)	\$ 20,538

This bond refunded the 2012 Lease Revenue Bonds which was used to fund the building of the Police/Public Works Building.



**SUPPLEMENTARY  
INFORMATION**

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**City of St. Francis, Minnesota  
Demographic Statistics**

Characteristics	Year	St. Francis	% Change From 1990	Anoka County	% Change From 1990	Metro Area	% Change From 1990
		#		#		#	
<b>Population</b>	1990	2,538	--	243,641	--	2,288,721	--
	2000	4,910	0.0	298,084	0.0	2,642,062	0.0
	2010	7,218	47.0	330,844	11.0	2,849,567	7.9
	2020	10,400	111.8	407,710	36.8	3,334,000	26.2
	2030	12,800	160.7	425,260	42.7	3,608,000	36.6
<b>Households</b>	1990	760	--	82,437	--	875,504	--
	2000	1,638	-35.0	106,428	-12.2	1,021,456	-8.6
	2010	2,520	0.0	121,227	0.0	1,117,749	0.0
	2020	4,000	58.7	156,220	28.9	1,362,000	21.9
	2030	5,000	98.4	172,250	42.1	1,492,000	33.5
<b>Persons Per Household</b>	1990	3.34	--	2.96	--	2.61	--
	2000	3.00	15.3	2.80	7.3	2.59	5.7
	2010	2.86	10.2	2.73	4.6	2.55	4.1
	2020	2.60	0.0	2.61	0.0	2.45	0.0
	2030	2.56	-1.5	2.47	-5.4	2.42	-1.2
<b>Employment</b>	1990	793	--	N/A	--	1,273,773	--
	2000	1,247	57%	110,091	-28.8	1,607,916	-24.4
	2010	1,537	94%	124,790	-19.3	1,544,613	-27.3
	2020	1,900	140%	141,970	-8.2	1,990,000	-6.4
	2030	2,220	180%	154,690	0.0	2,126,000	0.0

Sources: 1990, 2000 and 2010 -- U.S. Census Bureau or American Community Survey  
2020 and 2030 -- Metropolitan Council Estimates.

**City of St. Francis, Minnesota  
Demographic Statistics**

Characteristics	St. Francis In 1990	St. Francis In 2000	St. Francis In 2010	Metro Area In 1990	Metro Area In 2000	Metro Area In 2010
<b>Number of Persons</b>	2,538	4,910	7,218	2,288,721	2,642,062	2,849,567
<b>Persons by Gender</b>						
Female	49%	50%	51%	51%	51%	51%
Male	51%	50%	49%	49%	49%	49%
<b>Number of Families</b>	656	1,301	1,301	583,900	658,159	707,496
<b>Number of Households</b>	760	1,638	2,520	1,021,456	1,117,749	1,362,000
<b>Persons per Household</b>	3.34	3.00	2.86	2.61	2.59	2.55
<b>Number of Housing Units</b>	800	1,689	2,667	922,224	1,047,240	1,117,749
<b>Number of Persons By Age</b>						
0 - 19	44%	38%	34%	28%	29%	27%
20 - 24	6%	7%	6%	8%	7%	7%
25 - 34	22%	20%	16%	20%	16%	15%
35 - 64	25%	32%	38%	34%	39%	41%
65 - 74	2%	2%	4%	5%	5%	6%
75+	1%	1%	2%	4%	5%	5%
<b>Persons by Race</b>						
White	97%	95%	95%	91%	83%	76%
Non-white	3%	5%	5%	9%	17%	24%
<b>Households by Type</b>						
Family Households						
Married with children	46%	36%	30%	27%	26%	23%
Unmarried with children	17%	17%	16%	8%	9%	9%
Married without children	24%	26%	30%	31%	30%	31%
Non-family households	4%	7%	6%	8%	8%	8%
Lived alone	10%	13%	18%	25%	28%	29%



**City of St. Francis, Minnesota  
Demographic Statistics**

<b>Characteristics</b>	<b>St. Francis In 1990</b>	<b>St. Francis In 2000</b>	<b>St. Francis In 2010</b>	<b>Metro Area In 1990</b>	<b>Metro Area In 2000</b>	<b>Metro Area In 2010</b>
<b>Children By Age</b>						
Under 5 Years Old	28%	28%	26%	31%	31%	27%
5 to 19 Years Old	72%	72%	74%	69%	69%	73%
<b>Household Incomes</b>						
Median	\$32,474	\$51,982	\$67,480	\$36,565	\$ 54,304	\$65,181
<b>Highest Level of Education</b>						
Did not graduate high school	16%	10%	7%	12%	9%	7%
High school graduate	42%	38%	40%	30%	24%	23%
Some college not degree	21%	31%	28%	21%	24%	22%
Associate degree	11%	11%	12%	9%	8%	9%
Bachelor degree	7%	6%	10%	20%	24%	26%
Graduate/Professional degree	2%	4%	3%	8%	11%	13%

**CITY OF ST. FRANCIS, MINNESOTA**  
 Miscellaneous Statistical Facts  
 December 31, 2018

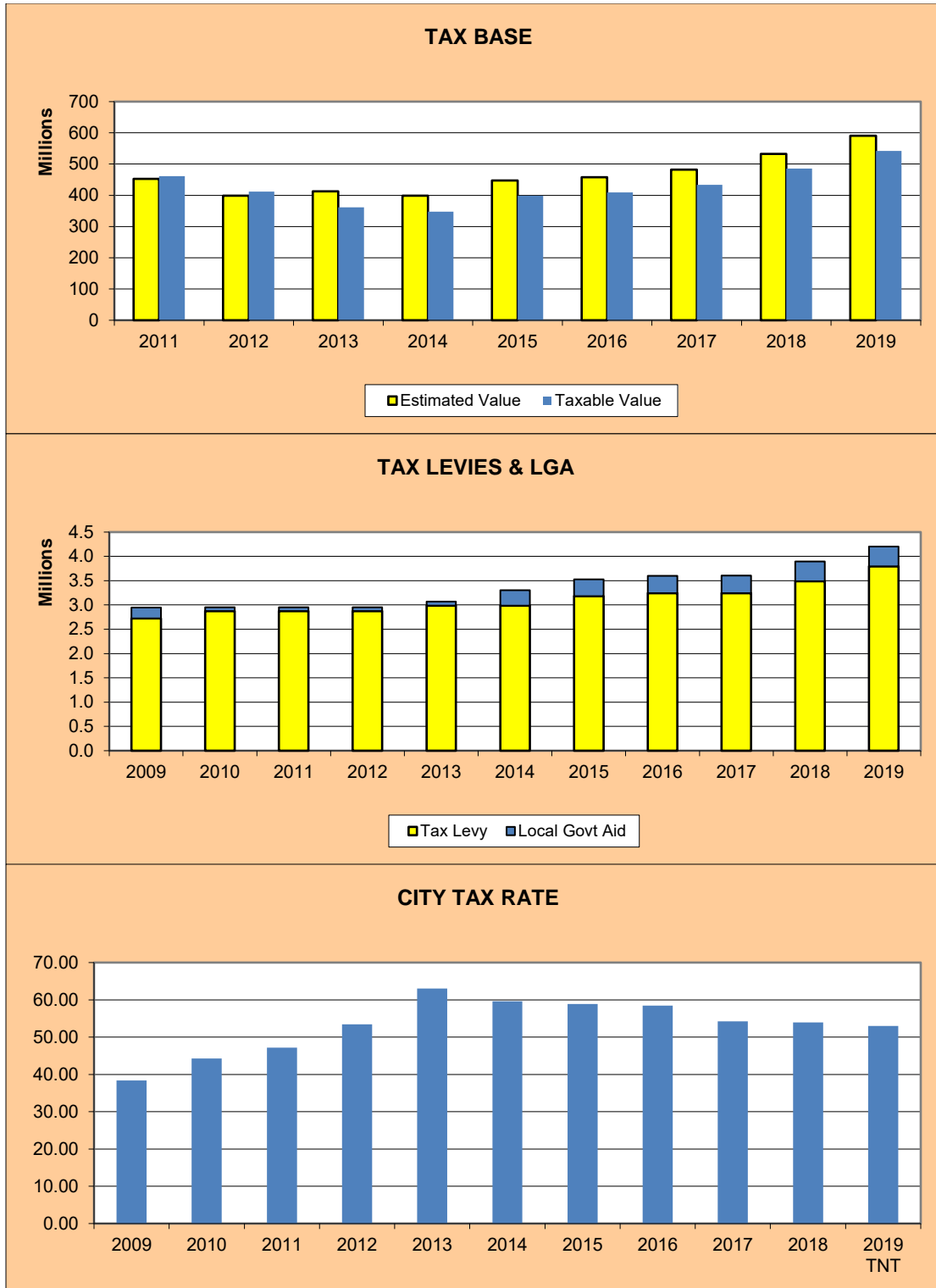
Year of incorporation	1974
Area of city	23.7 sq miles
Miles of roads:	
City	47
State/County	26.9
Private	4.5
	<hr/>
Total	78.4
	<hr/>
Water system:	
Number of hydrants	
City	269
Private	68
Number of wells	3
Miles of water mains	
City	24.7
Private	7.4
Raw	0.6
Abandoned	0.2
Sewer system:	
Lift stations	
City	12
Private	2
Miles of sewer mains	
City	20.6
Private	5.7
Number of manholes	
City	504
Private	142
Fire protection:	
Number of stations	1
Number of paid-per-call employees	23
Police protection:	
Number of stations	1
Number of full-time police officers	12
Recreation:	
Parks (developed)	83 acres
Number of parks and playgrounds	14
Employees:	
Full time (including police protection)	34
Part time and temporary (including fire protection)	24
Council members	5

	Local	State	National
Elections:			
Date of last elections	Nov 6, 2018	Nov 6, 2018	Nov 6, 2018
Number of registered voters	4338	4338	4338
Number of votes cast	2840	2840	2840
Percent of registered voters voting	65%	65%	65%

CITY OF ST. FRANCIS  
Principal Taxpayers  
December 31, 2017

Taxpayer		2018/2019	
		Net Tax Capacity	Percent of Total Tax Capacity
Alliant Techsystems	Ammunition manufacturer	179,298	3.27%
St. Francis Realty LLC	Shopping Center	93,195	1.70%
ALS Properties Woodhaven LLC	Mobile Home Park	90,499	1.65%
King Exchange LLC	Shopping Center	73,124	1.33%
Connexus Energy	Utility	63,052	1.15%
Minnegasco Inc.	Utility	59,286	1.08%
Northern Capital Investments	Residential	45,269	0.82%
Village Bank	Commercial	25,964	0.47%
Individual Family LP	Commercial	21,132	0.39%
Abbey Field LTD Partnership	Apartment	24,941	0.45%
		675,760	12.31%

**CITY OF ST. FRANCIS, MINNESOTA  
TAX BASE, TAX LEVIES AND TAX RATES**



**CITY OF ST. FRANCIS, MINNESOTA  
TAX BASE, TAX LEVIES AND TAX RATES**

**TAX BASE**

Year Payable	Estimated Value	Taxable Value
2011	452,734,781	461,213,200
2012	399,249,358	411,814,985
2013	412,869,600	361,177,080
2014	398,810,600	347,731,217
2015	447,317,400	398,645,565
2016	458,283,800	409,538,606
2017	481,952,300	433,545,564
2018	532,976,800	485,820,180
2019	590,882,900	542,147,539

**TAX LEVIES**

Year Payable	Tax Levy	Local Govt Aid	Total Levy + LGA
2009	2,724,202	222,535	2,946,737
2010	2,873,160	80,940	2,954,100
2011	2,873,160	80,940	2,954,100
2012	2,873,160	80,940	2,954,100
2013	2,988,086	80,940	3,069,026
2014	2,988,086	313,420	3,301,506
2015	3,180,953	347,348	3,528,301
2016	3,244,573	356,255	3,600,828
2017	3,244,573	359,777	3,604,350
2018	3,488,791	406,858	3,895,649
2019	3,793,590	409,596	4,203,186

**TAX RATES**

Year Payable	City Rate	Overlapping Rates*			Special Districts
		Anoka County	ISD #15	ISD #728	
2009	38.401	32.445	20.992	36.300	3.797
2010	44.265	35.574	24.970	40.142	4.317
2011	47.139	40.376	28.896	43.489	4.478
2012	53.406	42.265	32.835	45.548	3.225
2013	63.026	44.411	33.707	50.058	3.317
2014	59.629	43.239	33.635	51.286	3.286
2015	58.909	38.123	29.449	42.483	2.856
2016	58.429	38.894	29.371	39.266	2.971
2017	54.195	36.78	28.868	37.197	2.766
2018	53.932	36.458	13.182	36.020	2.795
2019 TNT	53.017	35.509	24.816	32.716	2.540

\*-Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

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## 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).

**APPROPRIATION:** An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**ASSESSED VALUATION:** A valuation set upon real estate or other property by a government as a basis for levying taxes.

**ASSETS:** Property owned by a government which has a monetary value.

**BOND:** A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date{s}) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

**BUDGET DOCUMENT:** The official written statement prepared by the budget office and supporting staff which presents the proposed budget to the legislative body.

**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 both operating and capital outlays. The capital budget normally is based on a capital improvement program.

**CAPITAL IMPROVEMENT PROGRAM:** 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 purchaser construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

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

**CONTINGENCY ACCOUNT:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

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**CONTRACT:** A contract, for purposes of the bidding laws, is an agreement for the sale or purchase of supplies, materials, equipment, or the rental thereof or the construction, alteration, repairs or maintenance of real or personal property.

**DEBT SERVICE:** Payment of interest and repayment of principal to holders of a government's debt instruments.

**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.

**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 a capital asset which is charged as an expense during a particular period.

**ENTERPRISE FUND:** A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**EXPENDITURES:** Where accounts are kept on the accrual or modified accrual 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.

**FISCAL DISPARITIES:** A distribution of 40% of the growth in commercial and industrial properties within the seven-county metropolitan area since 1971

**FULL FAITH AND CREDIT:** 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 a fund's 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.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (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 practices 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.



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**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 balance 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.

**HOME RULE CHARTER:** A home rule charter City is one that has its powers and structure determined by an election of its citizens in adopting a charter, as opposed to a statutory City whose structure and powers are fairly well proscribed by state statute.

**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.

**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 or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

**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.

**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 HOMESTEAD CREDIT (MVHC):** A property tax relief program devised by the State government to give local property tax payers relief from the burden of local property taxes.

**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 values of investments or debt obligations mature and may be reclaimed.

**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).

**PERA:** Public Employees Retirement Association

**PERSONAL SERVICES:** A level of budgetary appropriations, which includes expenses for salaries, wages, and related employee benefits such as the City's share of retirement and insurance.

**POLICE DEPARTMENT AID:** An intergovernmental revenue from the State to be used to maintain the Police Department. A premium tax of two percent is imposed on automobile insurance and apportioned to qualifying cities.

**POLICY:** A set of guidelines used for making decisions.

**RETAINED EARNINGS:** An equity account reflecting the accumulated earnings of the City's Water, Sanitary Sewer and Liquor Store Fund.

**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.

**SUPPLIES:** A level of budgetary appropriations, which includes expenses for commodities that are used such as office supplies, operating supplies, repair and maintenance supplies.

**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 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 30.751% produces \$30.75 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.

**TRANSFER:** Transfers of assets between funds.

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**Acronyms**

CAFR	Comprehensive Annual Financial Report
CIP	Capital Improvement Plan
EDA	Economic Development Authority
EMV	Estimated Market Value
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers' Association
GO	General Obligation
LGA	Local Government Aid
MUSA	Municipal Urban Service Area
MVHC	Market Value Homestead Credit
MVHE	Market Value Homestead Exclusion
NTC	Net Tax Capacity
SAC	Sewer Availability Charge
SIPC	Securities Investor Protection Corporation
TIF	Tax Increment Financing
TMV	Taxable Market Value
WAC	Water Availability Charge