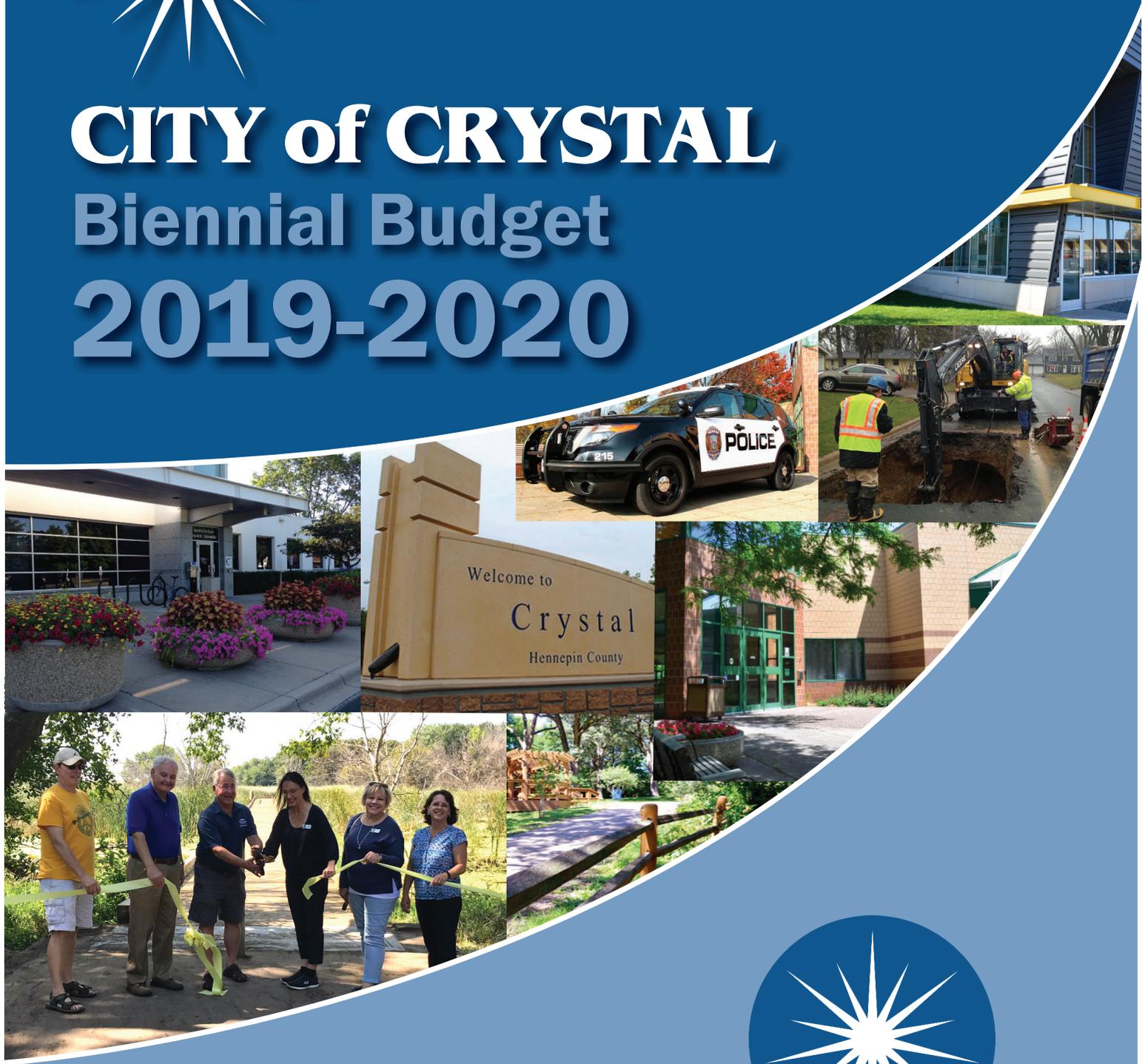


CITY of CRYSTAL

Biennial Budget

2019-2020



Adopted Dec. 18, 2018
Amended Dec. 17, 2019

CITY of CRYSTAL

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2019-2020 City of Crystal Budget

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LETTER OF TRANSMITTAL



December 17, 2019

To the Honorable Mayor and City Council:

We are pleased to submit the 2019 – 2020 Biennial Budget, updated with the latest 2020 numbers. This budget provides the city council and residents with a balanced budget and a sound financial plan that maintains core service levels, while remaining responsive to the financial concerns of Crystal taxpayers.

The budget is a comprehensive document based on current city operations, services and the city council's policies and goals. Work began on the 2019 – 2020 budget in 2018. During 2019, the city council had multiple discussions to determine 2020 priorities and to develop a budget that meets its goals, maintains core services and is sensitive to tax impacts.

The 2020 Budget is the second year of the city's first biennial budget. Looking forward two years allows a first-year focus on operations and a second-year focus on long-term planning/capital budgets.

As part of this overall effort, the city council took steps in 2018 to realign how the city accounts for specific operational areas. For example, the Permanent Improvement Revolving (PIR) Fund was segmented out so the city could better account for fleet, information technology, parks and buildings. In addition, the Street Construction Fund and the Street Maintenance Fund were combined into one Street Improvement Fund.

The separation of funds also results in the creation of Internal Service Funds that create the ability to better track specific expenses and plan for replacement funding. The city now has three Internal Service Funds: fleet, information technology and buildings.

In 2017, the Parks Master Plan was approved. The first steps in this plan were taken in 2018 with the Welcome Park improvements and in 2019 with the Becker Park renovation. The city is committed to implementing the Parks Master Plan and has a designated Park Improvement Fund.

Letter continued on page 4.

Letter continued from page 3.

All of these efforts align with the strategic mission of the city of increasing capital funds for implementing the long-term plan and developing a strategy surrounding utilities and infrastructure improvements. In 2018, the city council accepted both the Long-term Plan and Utility Rate Study. By accepting the first Long-term Plan, the city committed to a focused, strategic planning for future capital needs. The Utility Rate Study resulted in a structure change in how customers are invoiced, primarily with sanitary sewer invoices. Previously, customers were invoiced at a flat rate. Beginning in 2019, customers are invoiced based on winter water consumption. All properties will pay a base fee – essentially an access fee – for utilities.

The 2020 Budget reflects a 9.03% increase in the property tax levy from 2019. This increase ensures the city can maintain service levels as the community ages, and that it invests in the capital needs required by an aging community. In addition, the 2020 Budget includes funding for three elections.

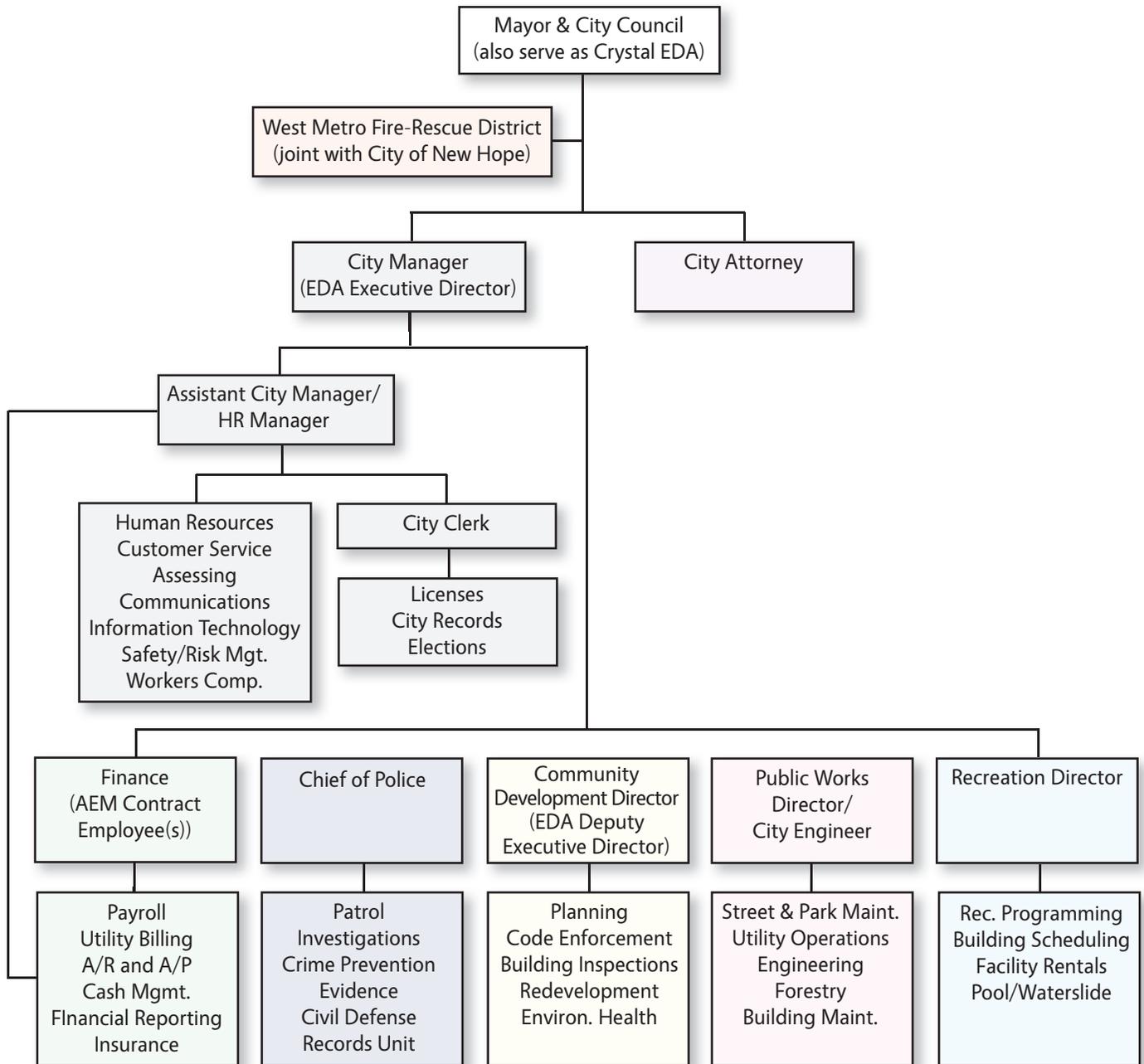
A review of the preliminary property tax levies and budget was held on Sept. 3, 2019 and approved by the city council. A public input meeting was held on Oct. 5, 2019 and the formal Truth in Taxation Public Input Session was held on Dec. 3, 2019. The 2020 Budget was approved on Dec. 17, 2019.

Please contact me at 763-531-1140 or Finance Director Jean McGann at 763-531-1110 with any questions.

Respectfully submitted,

Anne Norris, City Manager

Organizational Chart



Governing Body

Crystal operates as a home-rule charter city, which receives its enabling authority through the adoption of a city charter. The Crystal City Charter is the city's constitution, which provides for the type of government and outlines functions, structure and procedures of city government. Crystal became a charter city in 1960.

The City of Crystal has a Council-Manager form of government. Under this plan, the elected members of the council set the policies for the operation of the city. The council hires a professional city manager, who is responsible for the administration of all city business.

The Crystal City Council consists of seven members: a mayor and six council members who are elected to alternating four-year terms. Elections are held in November during even-numbered years.



Jim Adams
Mayor

Term Expires:
Dec. 31, 2020



Nancy LaRoche
Section I

Term Expires:
Dec. 31, 2020



Olga Parsons
Section II

Term Expires:
Dec. 31, 2022



Therese Kiser
Ward 1

Term Expires:
Dec. 31, 2022



Brendan Banks
Ward 2

Term Expires:
Dec. 31, 2022



John Budziszewski
Ward 3

Term Expires:
Dec. 31, 2020



Julie Deshler
(Ward 4)

Term Expires:
Dec. 31, 2020

Council Priorities

- Create a thriving business climate.
- Fiscally sound financial practices, including long-term planning for major capital expenditures.
- Create strong neighborhoods.
- Build an inclusive community so that all feel welcome.

Budget Overview

The City of Crystal has developed a comprehensive budget that encompasses city council goals, maintains current service levels and invests in infrastructure. Property taxes support approximately 69% of the annual general fund budget; and, in order to meet the objectives above, the overall city budget includes a 4.02% property tax increase in 2019 and 9.03% in 2020.

The 2019 Budget requires \$14,242,445 and \$14,780,026 in 2020 for operations within the General Fund to continue at existing service levels and includes the best information available regarding inflationary factors, union contract settlements and anticipated maintenance and equipment needs. Each budget year is impacted by inflation, state and local policy changes as well as the economy. The remainder of the budget document provides details about property taxes, property tax rates, property tax impacts to the community and details of each budget.

Property taxes are levied for the purposes of providing services to the community, supporting capital needs and providing funding for the Economic Development Authority (EDA). The following information shows the property tax levy from 2017 – 2020.

	2017	2018 Levy	2019 Adopted	2020 Proposed	2020 Increase (Decrease)	2020 % Change
General levy	\$ 8,657,000	\$ 9,436,779	\$ 9,716,249	\$ 10,143,522	\$ 427,273	4.40 %
Capital improvements and Internal Service levy						
Police Equipment Revolving	137,400	151,900	154,938	154,938	\$ -	0.00
Park Improvement	-	-	248,310	358,914	110,604	44.54
Street Construction	163,600	163,600	110,144	110,144	-	0.00
Internal Service levy						
Information Technology	-	-	159,179	159,179	-	0.00
PIR	266,220	301,210	-	-	-	0.00
Buildings	574,400	574,400	585,888	1,072,295	486,407	83.02
Fleet	-	-	85,680	85,680	-	0.00
Total Capital Improvement and Internal Service levy	1,141,620	1,191,110	1,344,139	1,941,150	597,011	44.42
EDA	277,200	277,200	282,744	282,744	\$ -	0.00
Total levy	\$ 10,075,820	\$ 10,905,089	\$ 11,343,132	\$ 12,367,416	\$ 1,024,284	9.03 %
Market value based referendum levy	\$ 212,000	\$ -	\$ -	\$ -	\$ -	-
	<u>\$ 10,287,820</u>	<u>\$ 10,905,089</u>	<u>\$ 11,343,132</u>	<u>\$ 12,367,416</u>	<u>\$ 1,024,284</u>	<u>9.03 %</u>

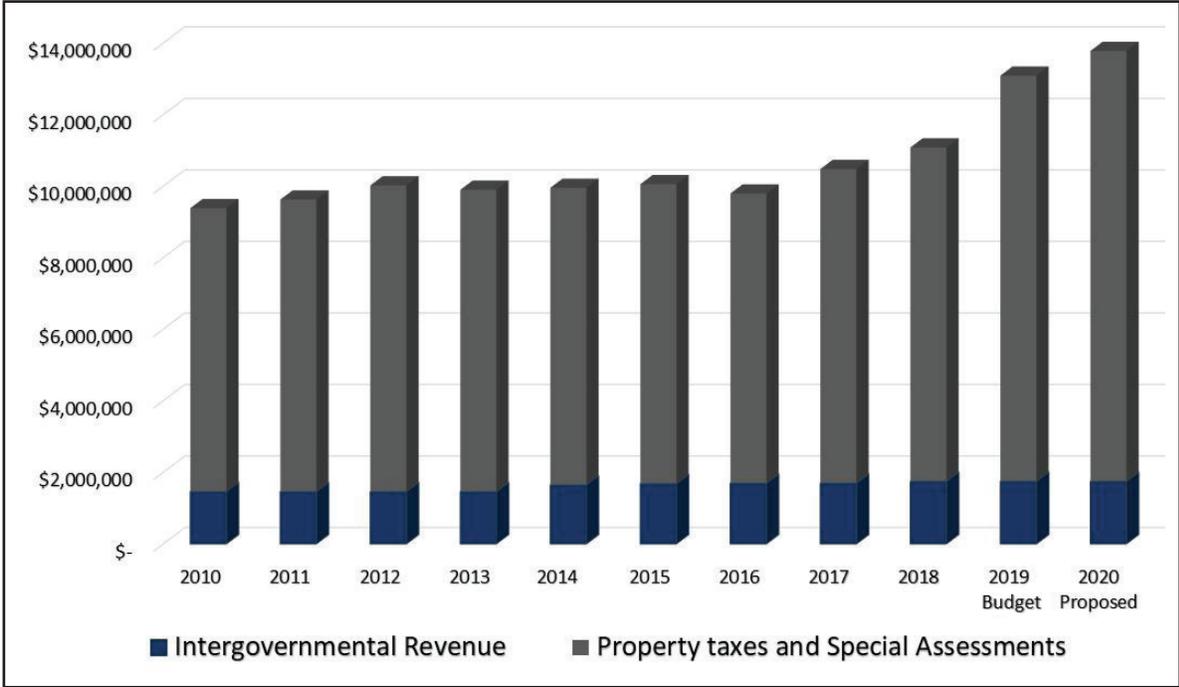
The following table represents the estimated tax impact based on actual examples at various percentile valuations.

Actual Examples at Various Percentile Valuations:	10th Percentile	30th Percentile	50th Percentile	70th Percentile	90th Percentile
Estimated Market Value	\$174,000	\$196,000	\$214,000	\$235,000	\$275,000
Taxable Market Value	\$152,420	\$176,400	\$196,020	\$218,910	\$262,570
Proposed 2020 Taxes*	\$2,318	\$2,675	\$2,977	\$3,314	\$3,967
Hennepin County	\$646	\$748	\$831	\$928	\$1,113
City of Crystal	\$707	\$823	\$928	\$1,036	\$1,252
Robbinsdale Schools	\$840	\$959	\$1,057	\$1,170	\$1,386
Metropolitan Council	\$37	\$43	\$48	\$54	\$65
Other Taxing Districts	\$88	\$102	\$113	\$126	\$151

** Amounts as shown on the Truth in Taxation Notice except the city portion which has been updated with a 9.03% levy increase*

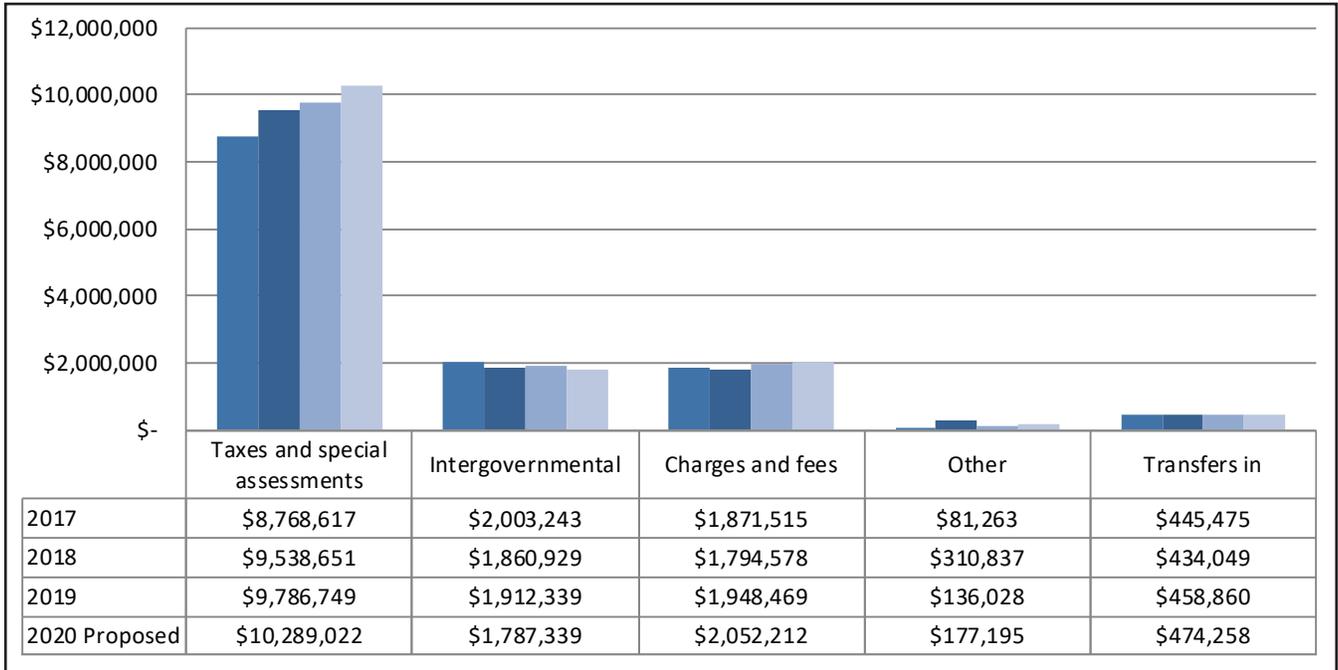
As budgets are being developed, it is important to review the history of taxes and intergovernmental revenue as this is the primary revenue source for the general fund.

The graph below identifies taxes and intergovernmental revenue over the past 10 years and proposed for the next year. It shows how intergovernmental revenues have stayed relatively flat while the costs of providing services and saving for long term capital needs continues to rise.

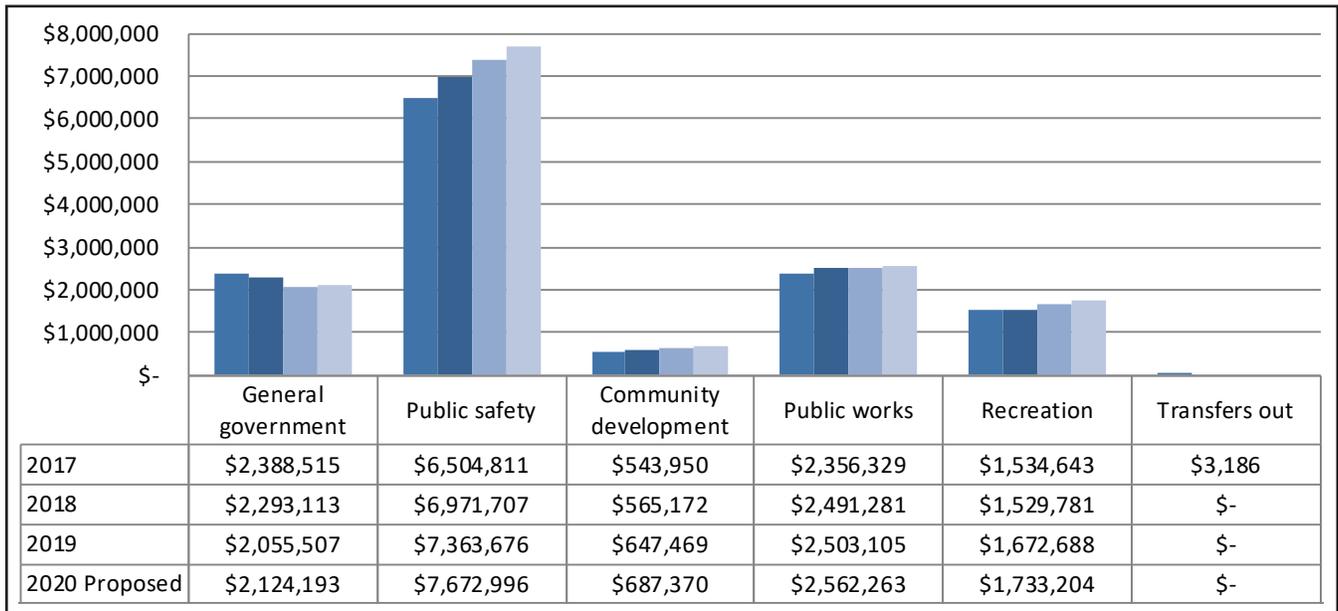


The following information provides data to better understand how the General Fund (operating budget) is funded and where these resources are allocated.

Revenue Sources



Expenditures



Fund Types

The City of Crystal classifies funds into six types: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds and Internal Service Funds.

General Fund

As the primary operating fund, the General Fund records all revenues and expenditures that are not assigned to another fund. The fund provides the resources to sustain the daily activities for administrative and operating expenses for general government, public safety, public works, recreation, and community development expenditures. The fund has more diverse revenue sources than other funds, including property taxes, licenses, permits, fines and forfeits, intergovernmental revenue (grants), service charges, and investment interest. The General Fund budget can be found on pages 13–14.

Special Revenue Funds

Certain activities are established or designated by statute, charter or ordinance with defined revenue sources for a specific and restricted purpose, such as Tax Increment Financing (TIF). Funds included in this fund type are TIF Districts and the Economic Development (EDA) Fund. Tax increments from the only TIF district was first received in July 2000 and the last receipt is expected in December 2025. Increments must be spent on activities that promote the development and preservation of affordable housing. This Tax Increment District is District 2155/ Heather Manor Apartments and The Heathers Assisted Living Facility at 2900 – 3000 Douglas Dr. N. Information about this fund can be found on page 15.

Debt Service Funds

Established to account for the payment (from special assessments and other sources) of interest and principal on long-term debt. The debt service funds reflect the 16 phases of street reconstruction. The debt schedule and information regarding city bonds may be found on page 16.

Capital Project Funds

While Capital Project Funds are approved by the city council on a project-by-project basis, the city has included the 2019 and 2020 budgeted projects within this budget document. The use of these fund types are to account for the monies used for the acquisition and construction of capital projects. Capital Project Fund budgets can be found on page 17.

Enterprise Funds

Established to account for the acquisition, operation, and maintenance of activities that are self-supporting such as city water and sewer service, storm drainage, recycling and street lights. User fees predominantly support the operations of these funds. Enterprise fund budgets as well as user rate impacts can be found on page 18.

Internal Service Funds

These funds are established to account for the financing of goods and services provided to city departments on a reimbursement basis. The city maintains Internal Service Funds for fleet, information technology, buildings and the Self Insurance Fund. Internal Service Fund budgets can be found on page 19.

Total City Budget 2019

The total city budget as shown below is the combined budgets of all parts of the organization, including the Economic Development Authority (EDA).

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Total Budget 2019	Total Budget 2018
Revenue								
Property Taxes and Special Assessments	\$ 9,786,749	\$ 487,744	\$ 1,059,000	\$ 513,392	\$ -	\$ 830,747	\$ 12,677,632	\$ 13,000,659
Licenses and Permits	837,610	-	-	-	-	-	837,610	844,228
Intergovernmental Revenue	1,912,339	-	-	850,000	1,325,000	556,756	4,644,095	3,983,430
Charges for Services	818,859	12,000	-	-	7,876,611	-	8,707,470	8,744,677
Fines and Forfeits	292,000	-	-	-	-	-	292,000	304,000
Interest Income	68,000	40,000	12,900	120,165	60,536	56,217	357,818	322,300
Miscellaneous	68,028	-	-	102,000	-	55,640	225,668	193,580
Interfund Services	458,860	-	-	-	-	1,214,467	1,673,327	434,049
Sale of Land	-	-	-	-	-	-	-	144,000
Transfers In	-	-	-	1,200,000	60,000	-	1,260,000	10,400
Total Revenue	\$ 14,242,445	\$ 539,744	\$ 1,071,900	\$ 2,785,557	\$ 9,322,147	\$ 2,713,827	\$ 30,675,620	\$ 27,981,323
Appropriations								
General Government	\$ 2,055,507	\$ -	\$ -	\$ -	\$ -	\$ 1,009,549	\$ 3,065,056	\$ 2,615,334
Police and Fire	7,363,676	-	-	-	-	-	7,363,676	6,989,682
Community Development	647,469	-	-	-	-	-	647,469	571,191
Public Works	2,503,105	-	-	-	-	-	2,503,105	2,590,741
Recreation	1,672,688	-	-	-	-	-	1,672,688	1,594,098
Debt Service	-	-	2,158,341	-	-	-	2,158,341	1,437,968
Capital Outlay	-	-	-	4,212,200	-	1,352,558	5,564,758	3,098,500
Enterprise Funds	-	-	-	-	7,665,389	-	7,665,389	8,712,379
Economic Development Authority	-	635,878	-	-	-	-	635,878	413,970
Total Appropriations	\$ 14,242,445	\$ 635,878	\$ 2,158,341	\$ 4,212,200	\$ 7,665,389	\$ 2,362,107	\$ 31,276,360	\$ 28,023,863
Net Revenue Over (Under) Appropriations	\$ -	\$ (96,134)	\$ (1,086,441)	\$ (1,426,643)	\$ 1,656,758	\$ 351,720	\$ (600,740)	\$ (42,540)
Fund balance, January 1	\$ 6,880,446	\$ 5,125,649	\$ 6,079,346	\$ 12,016,575	\$ 32,263,070	\$ 6,455,160	\$ 68,820,246	\$ 68,219,506
Fund balance, December 31	\$ 6,880,446	\$ 5,029,515	\$ 4,992,905	\$ 10,589,932	\$ 33,919,828	\$ 6,806,880	\$ 68,219,506	\$ 68,176,966

Total City Budget 2020

The total city budget as shown below is the combined budgets of all parts of the organization, including the Economic Development Authority (EDA).

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Total Budget 2020	Total Budget 2019
Revenue								
Property Taxes and Special Assessments	\$ 10,289,022	\$ 487,744	\$ 1,070,000	\$ 623,996	\$ -	\$ 1,317,154	\$ 13,787,916	\$ 12,677,632
Licenses and Permits	853,810	-	-	-	-	-	853,810	837,610
Intergovernmental Revenue	1,787,339	-	-	230,000	-	556,756	2,574,095	4,644,095
Charges for Services	891,402	12,000	-	-	8,346,964	-	9,250,366	8,707,470
Fines and Forfeits	307,000	-	-	-	-	-	307,000	292,000
Interest Income	94,512	40,000	10,900	112,755	48,605	55,080	361,852	357,818
Miscellaneous	82,683	-	-	39,000	-	55,640	177,323	225,668
Interfund Services	474,258	-	-	-	-	1,242,709	1,716,967	1,673,327
Sale of Land	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	60,000	-	60,000	1,260,000
Total Revenue	\$ 14,780,026	\$ 539,744	\$ 1,080,900	\$ 1,005,751	\$ 8,455,569	\$ 3,227,339	\$ 29,089,329	\$ 30,675,620
Appropriations								
General Government	\$ 2,124,193	\$ -	\$ -	\$ -	\$ -	\$ 1,000,297	\$ 3,124,490	\$ 3,065,056
Police and Fire	7,672,996	-	-	-	-	-	7,672,996	7,363,676
Community Development	687,370	-	-	-	-	-	687,370	647,469
Public Works	2,562,263	-	-	-	-	-	2,562,263	2,503,105
Recreation	1,733,204	-	-	-	-	-	1,733,204	1,672,688
Debt Service	-	-	3,351,453	-	-	-	-	-
Capital Outlay	-	-	-	1,577,050	-	1,211,797	2,788,847	5,564,758
Enterprise Funds	-	-	-	-	7,838,294	-	7,838,294	7,665,389
Economic Development Authority	-	635,878	-	-	-	-	635,878	635,878
Total Appropriations	\$ 14,780,026	\$ 635,878	\$ 3,351,453	\$ 1,577,050	\$ 7,838,294	\$ 2,212,094	\$ 27,043,342	\$ 29,118,019
Net Revenue Over (Under) Appropriations	\$ -	\$ (96,134)	\$ (2,270,553)	\$ (571,299)	\$ 617,275	\$ 1,015,245	\$ 2,045,987	\$ 1,557,601
Fund balance, January 1	\$ 6,880,446	\$ 5,029,515	\$ 4,992,905	\$ 10,589,932	\$ 33,919,828	\$ 6,806,880	\$ 68,219,506	\$ 68,176,966
Fund balance, December 31	\$ 6,880,446	\$ 4,933,381	\$ 2,722,352	\$ 10,018,633	\$ 34,537,103	\$ 7,822,125	\$ 70,265,493	\$ 69,734,567

General Fund - Revenues

The General Fund budget for 2019 and 2020 reflects an overall increase in revenue and expenditures of 1.46% and 4.17% respectively. Outlined below is a summary of budgeted revenues along with the major changes in 2020 revenue when compared to 2019.

REVENUES	2017	2018	2019	2020	2019 to 2020
	Actual	Actual	Budget	Budget	Increase (Decrease)
Taxes					
Property taxes	\$ 8,709,286	\$ 9,499,766	\$ 9,716,249	\$ 10,218,522	\$ 502,273
Special assessments and other	59,331	38,885	70,500	70,500	-
Licenses and permits	785,452	740,190	837,610	853,810	16,200
Intergovernmental revenues	2,003,243	1,860,929	1,912,339	1,787,339	(125,000)
Charges for services	758,967	821,045	818,859	891,402	72,543
Fines & forfeits	327,096	233,343	292,000	307,000	15,000
Investment income	34,575	152,555	68,000	94,512	26,512
Miscellaneous	46,688	158,282	68,028	82,683	14,655
Transfers in	445,475	434,049	458,860	474,258	15,398
TOTAL REVENUES	\$ 13,170,113	\$ 13,939,044	\$ 14,242,445	\$ 14,780,026	\$ 537,581

Major Revenue Changes	\$
Projected Property Tax Increase	\$ 442,273
Licenses and permits	16,200
Intergovernmental revenue	(125,000)
Police and Fire Pension Aid (pass through)	17,000
Pawn Shop transaction fees	5,000
Fines and Forfeits	15,000
Antenna lease	12,000
Interest Earnings	26,512
Recreation	28,000
Community Center	27,300
Pool	6,100
Miscellaneous modifications	51,798
Transfers	15,398
	<u>\$ 537,581</u>

General Fund - Expenditures

Outlined below is a summary of the budgeted expenditures along with the major changes in 2020 expenditures when compared 2019.

	2017	2018	2019	2020	2019 to 2020	2019 to 2020
	Actual	Actual	Budget	Proposed	Increase (Decrease)	Increase (Decrease)
EXPENDITURES						
General government						
Mayor and council	\$ 139,403	\$ 129,833	\$ 151,015	\$ 136,320	(14,695)	-9.73%
Administration	1,213,982	1,248,288	1,077,448	1,070,325	(7,123)	-0.66%
Human resources	67,907	47,701	59,154	56,613	(2,541)	-4.30%
Assessing	274,926	293,272	315,183	322,691	7,508	2.38%
Legal	53,704	54,874	68,000	59,000	(9,000)	-13.24%
Election	15,959	47,104	15,200	128,096	112,896	742.74%
Finance	622,634	472,041	369,507	351,148	(18,359)	-4.97%
Total general government	\$ 2,388,515	\$ 2,293,113	\$ 2,055,507	\$ 2,124,193	\$ 68,686	3.34%
Public safety						
Police	\$ 5,184,703	\$ 5,585,253	\$ 5,918,569	\$ 6,164,559	\$ 245,990	4.16%
Fire	1,320,108	1,386,454	1,445,107	1,508,437	63,330	4.38%
	\$ 6,504,811	\$ 6,971,707	\$ 7,363,676	\$ 7,672,996	\$ 309,320	4.20%
Community Development						
Total Community Development	\$ 543,950	\$ 565,172	\$ 647,469	\$ 687,370	\$ 39,901	6.16%
Public works						
Engineering	\$ 381,535	\$ 401,799	\$ 418,559	\$ 441,633	\$ 23,074	5.51%
Street Maintenance	901,191	991,961	1,003,149	1,019,316	16,167	1.61%
Park Maintenance	786,504	883,475	996,097	1,010,514	14,417	1.45%
Forestry	53,744	42,594	85,300	90,800	5,500	6.45%
City Buildings	233,355	171,452	-	-	-	N/A
Total public works	\$ 2,356,329	\$ 2,491,281	\$ 2,503,105	\$ 2,562,263	\$ 59,158	2.36%
Recreation						
Recreation	\$ 896,903	\$ 855,652	\$ 975,427	\$ 1,025,154	\$ 49,727	5.10%
Community Center	387,027	401,616	418,227	424,172	5,945	1.42%
Pool	250,713	272,513	279,034	283,878	4,844	1.74%
	\$ 1,534,643	\$ 1,529,781	\$ 1,672,688	\$ 1,733,204	\$ 60,516	3.62%
Other Financing Uses						
Transfers Out	\$ 3,186	\$ -	\$ -	\$ -	\$ -	N/A
TOTAL EXPENDITURES	\$ 13,331,434	\$ 13,851,054	\$ 14,242,445	\$ 14,780,026	\$ 537,581	3.77%

Major Expenditure Changes	\$
Wages and Benefits	401,484
Elections - service contracts/equipment	112,896
Administration - completion of website update	(25,000)
Administration - service contracts	(10,000)
Legal Services - code update and general	(25,000)
Utilities, professional services and miscellaneous	(27,127)
IT reallocation of costs	60,313
West Metro Fire District	50,015
	<u>\$ 537,581</u>

Special Revenue Funds

The city has one Tax Increment Financing District (TIF) that will expire at the end of 2025. It is a housing district that funds the city's home improvement programs and repayment of a TIF note for The Cavanagh Senior Apartments. The city's Economic Development Authority is another funding source for the city's home improvement programs and undertakes other activities to enhance the economic vitality and desirability of the community.

	2019 budget			2020 Budget		
	TIF #2155	EDA	Total	TIF #2155	EDA	Total
Revenue						
Property Taxes and Special Assessments	\$ 200,000	\$ 282,744	\$ 482,744	\$ 205,000	\$ 282,744	\$ 487,744
Charges for Services	-	11,000		-	12,000	12,000
Interest Income	12,000	30,000	11,000	12,000	28,000	40,000
Total Revenue	\$ 212,000	\$ 323,744	\$ 493,744	\$ 217,000	\$ 322,744	\$ 539,744
Expenditures						
Personnel services	\$ -	\$ 264,052	264,052	\$ -	\$ 316,203	\$ 316,203
Professional Services	3,200	37,800	41,000	3,200	41,000	44,200
Contractual Services	193,375	45,500	238,875	193,375	49,200	242,575
Printing	-	500	500	-	500	500
Miscellaneous	-	4,400	4,400	-	4,400	4,400
Interest	41,000	-	41,000	28,000	-	28,000
Total Expenditures	\$ 237,575	\$ 352,252	\$ 589,827	\$ 224,575	\$ 411,303	\$ 635,878
Net Revenue Over (Under) Appropriations	\$ (25,575)	\$ (28,508)	\$ (96,083)	\$ (7,575)	\$ (88,559)	\$ (96,134)
Fund balance, January 1	\$ 1,300,298	\$ 3,931,635	\$ 5,231,933	\$ 1,274,723	\$ 3,903,127	\$ 5,177,850
Fund balance, December 31	\$ 1,274,723	\$ 3,903,127	\$ 5,177,850	\$ 1,267,148	\$ 3,814,568	\$ 5,081,716

Debt Service Funds

The city sells bonds to raise revenue to finance large projects such as street reconstruction. The city issued the final bond in 2017 for the 16 phases of street reconstruction. The following tables show the debt service revenue and expenditures for 2019 and 2020 and the current obligations through the audited year of 2018.

	2008 Improvement Bond	2009A Improvement Bond	2011 Improvement Bond	2012 Improvement Bond	2019 budget 2013 Improvement Bond	2015 Improvement Bond	2016 Improvement Bond	2017 Improvement Bond	Total
Revenue									
Special Assessments	\$ 84,000	\$ 85,000	\$ 60,000	\$ 125,000	\$ 125,000	\$ 155,000	\$ 225,000	\$ 200,000	\$ 1,059,000
Interest Income	2,000	2,500	1,200	2,000	2,000	1,000	1,000	1,200	12,900
Total Revenue	\$ 86,000	\$ 87,500	\$ 61,200	\$ 127,000	\$ 127,000	\$ 156,000	\$ 226,000	\$ 201,200	\$ 1,071,900
Expenditures									
Principal	\$ 135,000	\$ 170,000	\$ 115,000	\$ 185,000	\$ 235,000	\$ 185,000	\$ 255,000	\$ 415,000	\$ 1,695,000
Interest	29,276	68,985	25,388	30,806	62,888	53,110	61,313	125,100	456,866
Professional services and fiscal agent fees	750	950	750	850	1,225	1,250	200	500	6,475
Total Expenditures	\$ 165,026	\$ 239,935	\$ 141,138	\$ 216,656	\$ 299,113	\$ 239,360	\$ 316,513	\$ 540,600	\$ 2,158,341
Net Revenue Over (Under) Expenditures	\$ (79,026)	\$ (152,435)	\$ (79,938)	\$ (89,656)	\$ (172,113)	\$ (83,360)	\$ (90,513)	\$ (339,400)	\$ (1,086,441)
Fund Balance, January 1	\$ 640,835	\$ 1,238,584	\$ 613,918	\$ 844,681	\$ 917,118	\$ 562,454	\$ 749,213	\$ 512,543	\$ 6,079,346
Fund Balance, December 31	\$ 561,809	\$ 1,086,149	\$ 533,980	\$ 755,025	\$ 745,005	\$ 479,094	\$ 658,700	\$ 173,143	\$ 4,992,905

	2008 Improvement Bond	2009A Improvement Bond	2011 Improvement Bond	2012 Improvement Bond	2020 Budget 2013 Improvement Bond	2015 Improvement Bond	2016 Improvement Bond	2017 Improvement Bond	Total
Revenue									
Special Assessments	\$ 90,000	\$ 75,000	\$ 50,000	\$ 100,000	\$ 120,000	\$ 135,000	\$ 200,000	\$ 300,000	\$ 1,070,000
Interest Income	1,500	1,500	1,200	2,000	1,500	1,000	1,000	1,200	10,900
Total Revenue	\$ 91,500	\$ 76,500	\$ 51,200	\$ 102,000	\$ 121,500	\$ 136,000	\$ 201,000	\$ 301,200	\$ 1,080,900
Expenditures									
Principal	\$ 625,000	\$ 1,020,000	\$ 110,000	\$ 180,000	\$ 225,000	\$ 185,000	\$ 245,000	\$ 330,000	\$ 2,920,000
Interest	23,910	63,354	22,260	27,156	57,725	53,110	56,313	117,650	421,478
Professional services and fiscal agent fees	2,500	2,700	750	850	1,225	1,250	200	500	9,975
Total Expenditures	\$ 651,410	\$ 1,086,054	\$ 133,010	\$ 208,006	\$ 283,950	\$ 239,360	\$ 301,513	\$ 448,150	\$ 3,351,453
Net Revenue Over (Under) Expenditures	\$ (559,910)	\$ (1,009,554)	\$ (81,810)	\$ (106,006)	\$ (162,450)	\$ (103,360)	\$ (100,513)	\$ (146,950)	\$ (2,270,553)
Fund Balance, January 1	\$ 561,809	\$ 1,086,149	\$ 533,980	\$ 755,025	\$ 745,005	\$ 479,094	\$ 658,700	\$ 173,143	\$ 4,992,905
Fund Balance, December 31	\$ 1,899	\$ 76,595	\$ 452,170	\$ 649,019	\$ 582,555	\$ 375,734	\$ 558,187	\$ 26,193	\$ 2,722,352

DESCRIPTION	Issue	Maturity	Authorized and Issued	Interest Rate	Unaudited Balance 12/30/2019	Due 2020
General Obligation Special Assessment Bonds						
2008A Special Assessment	8/1/2008	2/1/2024	2,190,000	3.50-4.35%	\$ 625,000	\$ 130,000
2009A Special Assessment	7/21/2009	2/1/2030	3,360,000	2.00-4.50%	1,675,000	170,000
2011A Special Assessment	7/19/2011	2/1/2027	1,705,000	0.50-3.55%	795,000	110,000
2012A Special Assessment	7/16/2013	2/1/2028	2,635,000	0.50-3.55%	1,430,000	180,000
2013A Special Assessment	6/17/2015	2/1/2029	3,235,000	0.50-3.55%	2,050,000	225,000
2015A Special Assessment	7/16/2015	2/1/2031	2,550,000	2.50-3.00%	1,940,000	185,000
2016A Special Assessment	8/25/2016	2/1/2032	3,330,000	2.00-2.50%	2,795,000	245,000
2017A Street Reconstruction	9/14/2017	2/1/2033	4,665,000	2.00-3.00%	4,250,000	330,000
Total General Obligation Special Assessment Bonds					\$ 15,560,000	\$ 1,575,000

Capital Project Funds

Outlined below are the individual Capital Project Funds. While projects are budgeted for a specific year there will be instances when a project may not be completed at year-end and roll into the following year.

	2019 budget			
	Police Equip Revolving Fund	Streets	Parks	Total
Revenue				
Property Taxes and Special Assessments	\$ 154,938	\$ 110,144	\$ 248,310	\$ 513,392
Intergovernmental Revenue	-	230,000	620,000	850,000
Interest Income	29,373	74,136	16,656	120,165
Miscellaneous	15,000	-	87,000	102,000
Transfers In	-	-	1,200,000	1,200,000
Total Revenue	\$ 199,311	\$ 414,280	\$ 2,171,966	\$ 2,785,557
Expenditures				
Capital Outlay	\$ 247,200	\$ 890,000	\$ 3,075,000	\$ 4,212,200
Total Expenditures	\$ 247,200	\$ 890,000	\$ 3,075,000	\$ 4,212,200
Net Revenue Over (Under) Expenditures	\$ (47,889)	\$ (475,720)	\$ (903,034)	\$ (1,426,643)
Fund Balance, January 1	\$ 2,937,313	\$ 7,413,645	\$ 1,665,617	\$ 12,016,575
Fund Balance, December 31	\$ 2,889,424	\$ 6,937,925	\$ 762,583	\$ 10,589,932

	2020 Budget			
	Police Equip Revolving Fund	Streets	Parks	Total
Revenue				
Property Taxes and Special Assessments	\$ 154,938	\$ 110,144	\$ 358,914	\$ 623,996
Intergovernmental Revenue	-	230,000	-	230,000
Interest Income	28,894	76,235	7,626	112,755
Miscellaneous	15,000	-	24,000	39,000
Transfers In	-	-	-	-
Total Revenue	\$ 198,832	\$ 416,379	\$ 390,540	\$ 1,005,751
Expenditures				
Capital Outlay	\$ 235,700	\$ 806,350	\$ 535,000	\$ 1,577,050
Total Expenditures	\$ 235,700	\$ 806,350	\$ 535,000	\$ 1,577,050
Net Revenue Over (Under) Expenditures	\$ (36,868)	\$ (389,971)	\$ (144,460)	\$ (571,299)
Fund Balance, January 1	\$ 2,889,424	\$ 6,937,925	\$ 762,583	\$ 10,589,932
Fund Balance, December 31	\$ 2,852,556	\$ 6,547,954	\$ 618,123	\$ 10,018,633

Enterprise Funds

The city maintains five enterprise funds; water, sewer, storm drainage, recycling and street lights. For 2019 and 2020, the city has approved rate increases as identified below for water, sewer and storm drainage. Recycling and street light rates remain consistent with 2018.

	2019		Water	Sewer	Storm	Street lights	Recycling	Total				
Revenue												
Intergovernmental Revenue	\$	-	\$	-	\$	1,325,000	\$	-	\$	1,325,000		
Charges for Services		3,631,212		2,497,838		1,149,899		204,688		392,974	7,876,611	
Interest Income		8,837		23,688		13,850		5,861		8,300	60,536	
Transfers In		-		30,000		-		30,000		-	60,000	
Total Revenue	\$	3,640,049	\$	2,551,526	\$	2,488,749	\$	240,549	\$	401,274	\$	9,322,147
Cost of Sales												
Water Charges	\$	2,394,650	\$	-	\$	-	\$	-	\$	-	\$	2,394,650
Sewage Disposal Charges		-		1,650,000		-		-		-		1,650,000
Total Cost of Sales	\$	2,394,650	\$	1,650,000	\$	-	\$	-	\$	-	\$	4,044,650
Gross Margin	\$	1,245,399	\$	901,526	\$	2,488,749	\$	240,549	\$	401,274	\$	5,277,497
Expenditures												
Personnel services	\$	400,310	\$	400,465	\$	200,192	\$	-	\$	-	\$	1,000,966
Professional Services		23,075		10,825		20,540		-		-		54,440
Contractual Services		133,723		58,724		42,477		-		392,974		627,898
Utilities		35,750		29,500		12,240		115,000		-		192,490
Repairs and Maintenance		81,400		73,500		17,100		500		-		172,500
Supplies		67,300		67,700		24,250		1,600		-		160,850
Miscellaneous		21,900		34,531		76,710		9,045		-		142,186
Depreciation		230,092		180,106		368,133		32,217		-		810,548
Transfer out		191,985		191,985		51,661		14,595		8,635		458,861
Total Expenditures	\$	1,185,535	\$	1,047,336	\$	813,303	\$	172,957	\$	401,609	\$	3,620,739
Net Revenue Over (Under) Expenditures	\$	59,864	\$	(145,810)	\$	1,675,446	\$	67,592	\$	(335)	\$	1,656,758
Fund Balance January 1	\$	9,825,375	\$	8,640,804	\$	12,512,664	\$	1,106,096	\$	178,131	\$	32,263,070
Fund Balance December 31	\$	9,885,239	\$	8,494,994	\$	14,188,110	\$	1,173,688	\$	177,796	\$	33,919,828

	2020		Water	Sewer	Storm	Street lights	Recycling	Total				
Revenue												
Intergovernmental Revenue	\$	-	\$	-	\$	-	\$	-	\$	-		
Charges for Services		3,736,697		2,805,211		1,207,394		204,688		392,974	8,346,964	
Interest Income		8,837		19,214		5,922		6,332		8,300	48,605	
Transfers In		-		30,000		-		30,000		-	60,000	
Total Revenue	\$	3,745,534	\$	2,854,425	\$	1,213,316	\$	241,020	\$	401,274	\$	8,455,569
Cost of Sales												
Water Charges	\$	2,410,800	\$	-	\$	-	\$	-	\$	-	\$	2,410,800
Sewage Disposal Charges		-		1,700,000		-		-		-		1,700,000
Total Cost of Sales	\$	2,410,800	\$	1,700,000	\$	-	\$	-	\$	-	\$	4,110,800
Gross Margin	\$	1,334,734	\$	1,154,425	\$	1,213,316	\$	241,020	\$	401,274	\$	4,344,769
Expenditures												
Personnel services	\$	415,250	\$	415,404	\$	207,662	\$	-	\$	-	\$	1,038,316
Professional Services		23,575		10,825		20,540		-		-		54,940
Contractual Services		134,463		59,464		42,984		-		392,974		629,885
Utilities		35,750		29,500		12,240		115,000		-		192,490
Repairs and Maintenance		131,560		73,660		17,100		500		-		222,820
Supplies		69,250		67,700		24,250		1,600		-		162,800
Miscellaneous		20,355		35,120		76,740		9,225		-		141,440
Depreciation		230,092		180,105		368,132		32,217		-		810,546
Transfer out		198,427		198,427		53,395		15,084		8,924		474,257
Total Expenditures	\$	1,258,722	\$	1,070,205	\$	823,043	\$	173,626	\$	401,898	\$	3,727,494
Net Revenue Over (Under) Expenditures	\$	76,012	\$	84,220	\$	390,273	\$	67,394	\$	(624)	\$	617,275
Fund Balance January 1	\$	9,885,239	\$	8,494,994	\$	14,188,110	\$	1,173,688	\$	177,796	\$	33,919,828
Fund Balance December 31	\$	9,961,251	\$	8,579,214	\$	14,578,384	\$	1,241,082	\$	177,172	\$	34,537,103

Internal Service Funds

The city created three new internal service funds; building, fleet and information technology. These funds provide services to all city funds and are funded both by property taxes and interfund service revenue.

Revenue	2019				
	Self Insurance	Building	Fleet	Information Technology	Total
Property Taxes and Special Assessments	\$ -	\$ 585,888	\$ 85,680	\$ 159,179	\$ 830,747
Intergovernmental Revenue	-	556,756	-	-	556,756
Interest Income	2,500	28,407	22,870	2,440	56,217
Miscellaneous	9,000	-	46,640	-	55,640
Interfund Services	466,964	276,302	-	471,201	1,214,467
Total Revenue	\$ 478,464	\$ 1,447,353	\$ 155,190	\$ 632,820	\$ 2,713,827
Expenditures					
Personnel services	\$ -	\$ 276,302	\$ 3,578	\$ 113,413	\$ 393,293
Contractual Services	-	-	-	365,506	365,506
Miscellaneous	250,750	-	-	-	250,750
Capital outlay	-	549,519	653,000	150,039	1,352,558
Total Expenditures	\$ 250,750	\$ 825,821	\$ 656,578	\$ 628,958	\$ 2,362,107
Net Revenue Over (Under) Expenditures	\$ 227,714	\$ 621,532	\$ (501,388)	\$ 3,862	\$ 351,720
Fund Balances, January 1	\$ 1,083,511	\$ 2,840,685	\$ 2,286,993	\$ 243,971	\$ 6,455,160
Fund Balances, December 31	\$ 1,311,225	\$ 3,462,217	\$ 1,785,605	\$ 247,833	\$ 6,806,880
2020					
Revenue	Self Insurance	Building	Fleet	Information Technology	Total
Property Taxes and Special Assessments	\$ -	\$ 1,072,295	\$ 85,680	\$ 159,179	\$ 1,317,154
Intergovernmental Revenue	-	556,756	-	-	556,756
Interest Income	2,500	34,622	16,959	999	55,080
Miscellaneous	9,000	-	46,640	-	55,640
Interfund Services	477,554	288,250	-	476,905	1,242,709
Total Revenue	\$ 489,054	\$ 1,951,923	\$ 149,279	\$ 637,083	\$ 3,227,339
Expenditures					
Personnel services	\$ -	\$ 288,250	\$ 3,578	\$ 119,739	\$ 411,567
Contractual Services	-	-	-	331,711	331,711
Miscellaneous	257,019	-	-	-	257,019
Capital outlay	-	626,500	405,020	180,277	1,211,797
Total Expenditures	\$ 257,019	\$ 914,750	\$ 408,598	\$ 631,727	\$ 2,212,094
Net Revenue Over (Under) Expenditures	\$ 232,035	\$ 1,037,173	\$ (259,319)	\$ 5,356	\$ 1,015,245
Fund Balances, January 1	\$ 1,311,225	\$ 3,462,217	\$ 1,785,605	\$ 247,833	\$ 6,806,880
Fund Balances, December 31	\$ 1,543,260	\$ 4,499,390	\$ 1,526,286	\$ 253,188	\$ 7,822,125

Conclusion

The 2019 and 2020 budgets respond to the city council's goals and are structured to maintain services. Activities specific to the 2019 – 2020 budget include:

- Continued investment in the Parks Master Plan and Building Fund.
- Maintaining current service levels.
- State and local elections scheduled in 2020.

The city council and staff will continue their efforts in refining the comprehensive long range financial plan for capital needs including parks, buildings, infrastructure, vehicles and major equipment.

We believe that all interested parties will find this document useful in evaluating the city's programs and services. Supplemental line item budgets can be obtained from the Finance Department.