



2017 Adopted Budget

*For the Fiscal Year Beginning January 1, 2017
City of Lakeville, Minnesota*

CITY OF LAKEVILLE, MINNESOTA
 2017 Adopted Budget
 Table of Contents

	<u>Page</u>
Elected and Appointed Officials	4
Introduction	
Overview	
Location	6
Community Profile	7
Organizational Structure	13
Budget Structure	
Description of City Funds and Accounting Structure	14
Relationships between Departments and Funds	17
Financial and Budget Policies	18
2016 Budget Development Process and Calendar	23
Budget Overview	
Property Tax Levy Information	24
Budgetary Summary for All Appropriated Fund Types	25
General Fund	
Fund Balance Discussion	28
Schedule of Revenues, Expenditures, and Changes in Fund Balance	29
Schedule of Revenues	
General Property Taxes	30
Licenses and Permits	31
Intergovernmental	32
Charges for Services	33
Court Fines, Investment Income, Miscellaneous, and Other Financing	35
Department/Program Budget Descriptions and Expenditures	
General Government	
Mayor and Council	36
Committees and Commissions	38
City Administration	39
City Clerk	41
Legal Counsel	43
Planning	44
Community and Economic Development	46
Inspections	48
General Government Facilities	50
Finance	52
Information Systems	54
Human Resources	56
Insurance	58

CITY OF LAKEVILLE, MINNESOTA

2017 Adopted Budget

Table of Contents

(continued)

	<u>Page</u>
General Fund <i>(continued)</i>	
Public Safety	
Police	59
Fire	62
Public Works	
Engineering	64
Operations and Maintenance	66
Streets	68
Parks and Recreation	
Parks	70
Recreation	72
Heritage Center	74
Arts Center	75
Special Revenue Funds	
Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances	78
Communications Fund	80
Economic Development Fund	83
Debt Service Funds	
Description	86
Debt Financing and Obligations	87
Legal Debt Limits	88
Credit Rating	88
Debt Issuance	89
Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances	90
General Obligation Debt Fund	91
General Obligation Special Assessments Fund	92
Tax Increment Fund	93
State-Aid Street Fund	94
Water Revenue Fund	95
Arena Revenue Fund	96
HRA Lease Revenue Fund	97
Combined Schedule of Governmental Debt Service Requirements	98
Capital Projects Funds	
Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances	101
Municipal State Aid Street Fund	103
Pavement Management Fund	105

CITY OF LAKEVILLE, MINNESOTA

2017 Adopted Budget

Table of Contents

(continued)

	<u>Page</u>
Capital Projects Funds <i>(continued)</i>	
Improvement Construction Fund	107
Storm Sewer Fund	109
Water Fund	110
Sanitary Sewer Fund	112
Park Dedication Fund	113
Park Improvement Fund	115
Trail Improvement Fund	117
Tax Increment Fund	119
Building Fund	120
Equipment Fund	121
Enterprise Funds	
Liquor Fund	123
Utility Fund	
Overall	126
Water Operation	130
Sanitary Sewer Operation	132
Street Light Operation	134
Environmental Resources	136
Internal Service Fund	
Municipal Reserves Fund	140
Appendices	
Number of City Employees (Full Time Equivalent)	143

CITY OF LAKEVILLE, MINNESTOA
OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGET
FISCAL YEAR 2017

Elected Officials

Mayor	Matt Little
Council Member	Doug Anderson
Council Member	Bart Davis
Council Member	Colleen Ratzlaff LaBeau
Council Member	Kerrin Swecker

Appointed Officials

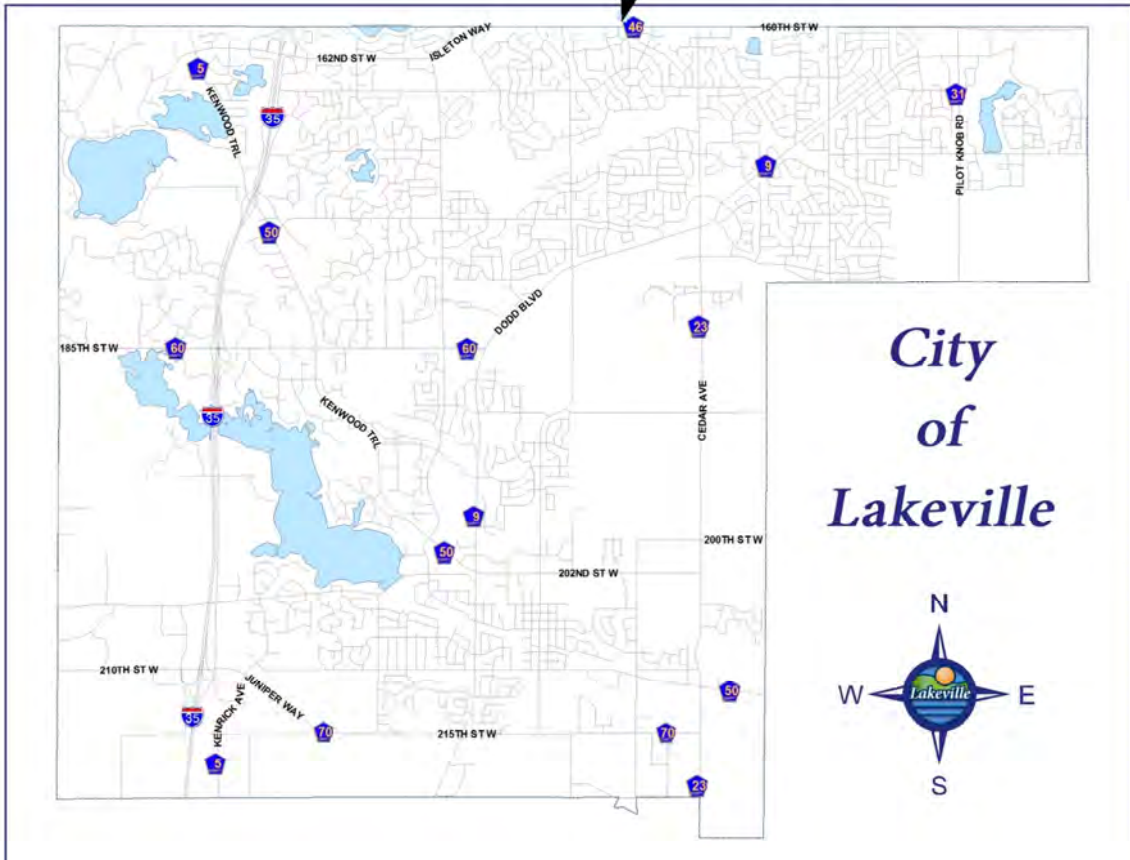
City Administrator	Justin Miller
Finance Director/Treasurer	Jerilyn Erickson
City Clerk	Charlene Friedges
Police Chief	Jeffrey Long
Fire Chief	Michael Meyer
Public Works Director	Christopher Petree
Parks and Recreation Director	John Hennen
Planning Director	Daryl Morey
Community and Economic Development Director	David Olson
City Engineer	Zach Johnson
Liquor Director	Brenda Visnovec
Human Resources Manager	Tammy Schutta

Introduction

State of Minnesota



Dakota County



CITY OF LAKEVILLE, MINNESOTA

Community Profile

Community Description

The City of Lakeville is a suburban community located approximately 20 minutes south of the Minneapolis–Saint Paul metropolitan area within Dakota County. The City has a land area of 38 square miles and serves a community with a population of 59,991 residents based on a recent estimate by the Metropolitan Council. The population of 59,991 is 4,037 or 7.2% over the 2010 Federal Census of 55,954.

History

Back in 1853, Captain William B. Dodd directed construction of a road connecting the military forts in St. Paul and the southern forts in St. Peter and Mankato. That road was later named Dodd Road. In 1855, 250 acres were platted at the halfway point along that route by J.J. Brackett, who used the road to transport travelers and suppliers. This midway point, near beautiful Prairie Lake, was called Lakeville. A settlement was soon established and a post office was constructed to serve the community.

Conveniently located, Lakeville soon grew to include a general store, two hotels, a boarding house, a blacksmith shop, a saloon, and a shoemaker shop. In 1858, Lakeville Township was officially formed, encompassing the rural farming areas surrounding the Lakeville settlement. A variety of ethnic groups settled in the area, including immigrants from Ireland, Scotland, England, and the Scandinavian countries.

When the railroad came through in 1869, railroad officials were unable to purchase the land adjacent to the existing settlement. So, the railroad proceeded to buy 20 acres in Lakeville Township, just east of the existing settlement, and named the area Fairfield. It wasn't long before local businesses moved the short distance to Fairfield where the railroad came through. The first Lakeville

settlement site was soon abandoned. In 1878 the Fairfield site established its own government and officially became the Village of Lakeville.

In 1889, the Village Council appropriated \$1,000 for anyone who would start a creamery to serve the community. In 1890 a creamery was started by a group of farmers from the Lakeville area. In 1891 the Village Council again offered a financial incentive to encourage development - \$1,500 for a mill. By 1892, the Claro Mill, located by the railroad tracks and 208th Street, was up and running. By 1900 the village had grown to a population of 373, and voters approved a bond issue to build a new engine house, lock up, and Village Hall. In 1901 the building opened, complete with a bell tower and bell used to summon people to fight fires.

In 1967, Lakeville Township and the Village of Lakeville merged to form the City of Lakeville. Since then, Lakeville has continued to grow into the dynamic suburban community of today, where government, residents, and businesses continue to work together. Founded by hard-working pioneers, Lakeville government today still maintains a commitment to well-planned growth and development designed to enhance the community.

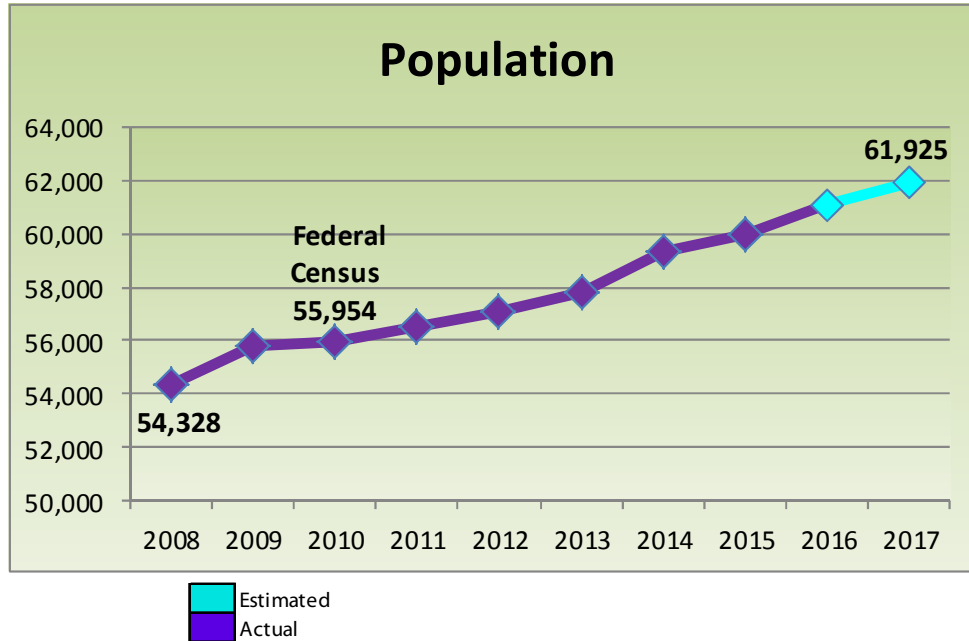
CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

Growth Management

The City has been and is expected to continue to be one of the fastest growing cities in Minnesota.



The Lakeville City Council created a Strategic Growth Management Task Force in 1992. Its goal was to develop strategies regarding the rate, location and types of development that would generate fiscal stability while preserving and enhancing the City's quality of life and services.

The City Council reconvened the Strategic Growth Task Force in 1998 for the purpose of making both short and long-term recommendations or suggestions on strategies relating to how the rate, location and type of residential and commercial/industrial growth can generate fiscal stability and preserve or enhance the quality of services, while minimizing any adverse impacts on City systems and taxpayers.

In December 2010, the City Council approved the 2011-2013 Strategic Plan for Economic Development. The Plan served as a guide for the work of the Economic Development Commission (EDC) and Economic Development Departmental staff to achieve Lakeville's economic development objectives.

The 2014-2016 Strategic Plan for Economic Development, the eighth plan prepared by the EDC since 1995, was approved by the City Council in November 2013. Six Strategic priorities were identified. Based on their priorities, key outcome indicators and strategic initiatives were developed. The 2017-2019 plan is currently being updated.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)



In early 2013 the City retained a consultant to facilitate a community visioning process. The City Council assembled a task force drawn from diverse perspectives from throughout the community. The task force was responsible for reviewing data and input from various sources and also considered current and future trends regarding housing, development, demographics, and various potential changes that could occur throughout the community over the next 25 years. With input from the community and with the help of the consultant the task force worked through this data and developed a unified community vision report called Envision Lakeville.

The community vision report presents a vision of Lakeville’s future, a set of community values and a list of strategic priorities for guiding the implementation of the key initiatives outlined in the report over the next 25 years.

The next steps in the Envision Lakeville process is to begin discussions regarding how the City Council wishes to initiate an implementation or strategic plan and how community groups, City staff and the City Council’s advisory boards and commission can participate in its development and application.



Vision Statement: *“We envision a thriving, multi-generational community where families, friends and neighbors connect, live, learn, work and play. Great schools; a diverse local economy; exceptional parks, trails, and recreational opportunities; vibrant social and cultural institutions; safe neighborhoods; and responsive and cost-effective public services – together create a place we are proud to call home.”*

Community Values:

- ✓ Diversified Economic Development
- ✓ Good Value for Public Services
- ✓ Safety Throughout the Community
- ✓ Design That Connects the Community
- ✓ High Quality Education
- ✓ A Home for All Ages and Stages of Life
- ✓ A Sense of Community and Belonging
- ✓ Access to a Multitude of Natural Amenities and Recreational Opportunities

Strategic Priorities

- Increase economic sustainability
- Support a high quality education
- Provide services that add value
- Develop a community of choice
- Cultivate a sense of community

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

City of Lakeville 2008 actual land use composition and 2030 projection is as follows¹:

<u>Land Use</u>	2008	2030
	<u>Actual</u>	<u>Projection</u>
• Single family residential	20.8%	27.6%
• Townhomes, condominiums	2.2%	10.2%
• Rural agriculture/residential	36.6%	12.0%
• Commercial/industrial	7.0%	13.2%
• Parks and open space	15.0%	16.0%
• Public right-of-ways	13.4%	13.4%
• Public and semi-public	3.9%	3.8%
• Multifamily residential	0.1%	3.0%
• Manufactured housing	1.0%	0.8%

City of Lakeville demographic and economic statistics with select unemployment rate comparisons to Dakota County, State of Minnesota, and the United States for the last ten years are as follows:

<u>Labor Force Unemployment Rate³</u>						
<u>Year</u>	<u>Population²</u>	<u>City of Lakeville</u>		<u>Dakota County</u>		<u>State of Minn.</u>
		<u>Labor Force</u>	<u>Rate</u>	<u>Labor Force</u>	<u>Rate</u>	<u>Rate</u>
2006	52,323	29,677	3.9%	230,427	4.1%	4.9%
2007	53,829	30,588	3.9%	230,246	4.2%	4.8%
2008	54,328	30,744	5.4%	231,191	5.9%	6.6%
2009	55,772	30,759	6.4%	227,791	7.1%	7.5%
2010	55,954	31,741	5.9%	227,117	6.5%	7.0%
2011	56,534	31,237	4.8%	232,257	5.2%	5.7%
2012	57,048	32,312	4.2%	229,545	4.7%	5.2%
2013	57,789	32,977	3.7%	230,839	4.0%	4.5%
2014	59,361	33,493	2.9%	231,538	3.2%	3.7%
2015	59,991	33,876	2.7%	234,299	3.1%	3.7%

Source:

¹ City of Lakeville 2010 Comprehensive Plan.

² Metropolitan Council as of April 1st of each year, (except for year 2010 Federal Census).

³ Minnesota Dept. of Employment and Economic Development as of December 31, 2015.

Not seasonally adjusted, information not available

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

Organization

The City's governing body consists of a mayor and four council members, all elected at large. The mayor serves a two-year term of office and council members serve overlapping four-year terms. The present mayor and council members are:

		<u>Expiration of Term</u>
Matt Little	Mayor	December 31, 2016
Doug Anderson	Council Member	December 31, 2016
Bart Davis	Council Member	December 31, 2018
Colleen Ratzlaff LaBeau	Council Member	December 31, 2018
Kerrin Swecker	Council Member	December 31, 2016

The City Administrator is responsible for the daily management of City business and the administration of policy as directed by the Council. Mr. Justin Miller is the City Administrator and has served in this capacity since December 2014. Mr. Miller has 10 years of experience in local government as a city administrator.

Services

Lakeville provides a full range of services. City functions include general government administration, police and fire protection, street maintenance, engineering, planning and zoning, parks and recreation, and community and economic development services. The City also operates two Enterprise Funds for three off-sale liquor stores and a water, sanitary sewer, street light and environmental resources utility. The three liquor stores are strategically located adjacent to major highways collectively represent the largest municipal liquor operation in Minnesota.

The City's Police Department consists of 57 full-time officers and 23 volunteer police reservists. The Fire Department has four stations and is served by 84 trained volunteers. The City has a fire rating of 3 for insurance purposes. This results in a significant reduction in fire insurance premiums for commercial and industrial buildings and apartments.

Additional City facilities include 62 park properties (which include 45 playgrounds), 19 conservation areas and seven greenways, three municipal swimming beaches, nine outdoor ice rinks which are fully boarded, 3 indoor ice rinks, and approximately 108 miles of trails.

The City provides water and sanitary sewer facilities to a majority of its residential areas. The City's present water system includes 18 wells, 2 reservoirs and 6 water storage facilities with a total capacity of 11.8 million gallons. The City's water treatment plant has a production capacity of 26.5 million gallons of water per day. The Metropolitan Council Environmental Service (MCES) is responsible for treatment and disposal of sanitary sewer effluent.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

Major employers located in the City of Lakeville

<u>Employer</u>	<u>Number of Employees</u>	<u>Product/Service</u>
Independent School District No. 194	1,370	Public Education
Hearthside Food Solutions	630	Food service contractors
ConAgra Store Brands	515	Breakfast cereal manufacturing
Imperial Plastics	450	Plastics material & resign mfg
Post Consumer Brands	327	Cereal production
Menasha Corporation	246	Corrugated box manufacturing
BTD Manufacturing	245	Metal manufacturing
City of Lakeville	239	City Government
Jeff Belzers Chev-Dodge-Kia	200	Auto Dealership
Target	200	Retail

Source: City of Lakeville, Minnesota

Ten of the Largest Taxpayers in the City of Lakeville

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Net Tax Capacity Value</u>
Southfork Apartments LLC	Apartments	\$ 330,854
Lakeville 2004 LLC	Commercial	328,838
Heritage Commons LLC	Retail	325,364
Minnegasco Inc	Utility	291,298
Dakota Electric Association	Utility	285,868
Argonne Investments LLC	Retail	267,020
Walker Highview Hills LLC	Senior Housing	259,216
Target Corporation	Retail	255,234
AGNL Exercise LLC	Commercial	240,066
Northern States Power Company	Utility	226,854

Source: Dakota County Auditor and Treasurer's Office 2015/2016 Taxable Net Tax Capacity

CITY OF LAKEVILLE, MINNESOTA
 Organizational Structure
 December 31, 2016



DESCRIPTION OF CITY FUNDS AND ACCOUNTING STRUCTURE

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City's fiscal year is the calendar year.

Governmental Fund Types

Budgets are appropriated for the following governmental funds through which functions of the City are financed:

General Fund

The general fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specified purposes. Special revenue funds utilized by the City include the following:

- Communications
- Economic development

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs not funded by proprietary fund type operations. Debt service funds utilized by the City include the following:

- General Obligation (G.O.)
- G.O. improvement
- Tax increment
- State-aid Street
- Water revenue
- Arena revenue
- HRA lease revenue

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition of equipment, construction of major capital facilities and infrastructure, or other long-term projects. The City prepares a 5-year capital improvement plan and adopts the first year of the plan. Once the budget is adopted, the individual capital appropriations do not lapse. In budgeting capital projects funds, the City assumes that all budgeted amounts will be spent on the indicated projects within the fiscal year or shortly thereafter.

DESCRIPTION OF CITY FUNDS AND ACCOUNTING STRUCTURE

Governmental Fund Types *(continued)*

Capital Projects Funds *(continued)*

As such, appropriations for uncompleted capital projects are not available for re-appropriation in subsequent years. Capital projects funds utilized by the City include the following:

- Municipal state aid
- Pavement management
- Improvement construction
- Storm sewer
- Water
- Sanitary sewer
- Park dedication
- Park improvement
- Trail improvement
- Tax increment
- Building
- Equipment

Proprietary Fund Types

Budgets are appropriated for the following proprietary funds through which functions of the City's proprietary activities are funded primarily through retail sales and user charges.

Enterprise Funds

The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business – 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 are to 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.

Internal Service Fund

The internal service funds are used to account for the financing of goods or services provided by one City department to other City departments. The City utilizes the municipal reserves fund as an internal service fund.

DESCRIPTION OF CITY FUNDS AND ACCOUNTING STRUCTURE

MAJOR FUNDS

Major funds are classified according to generally accepted accounting principles as those funds having any one of their total assets, liabilities, revenues or expenditures/expenses equal to or greater than 10% of either total of governmental fund types or proprietary fund types and 5% of the aggregated total for both governmental funds and enterprise funds.

<u>Fund</u>	<u>Major Funds</u>		<u>Non-Major Funds</u>	
	Governmental	Proprietary	Governmental	Proprietary
General	X			
Special Revenue				
Communication			X	
Economic Development			X	
Debt Service				
General Obligation	X			
G.O. Improvement	X			
Tax Increment			X	
State-Aid Street			X	
Water Revenue			X	
Arena Revenue			X	
HRA Lease Revenue			X	
Capital Projects				
Municipal State Aid Street			X	
Pavement Management			X	
Improvement Construction	X			
Storm Sewer			X	
Water	X		X	
Sanitary Sewer			X	
Park Dedication			X	
Trail Improvement			X	
Tax Increment			X	
Building	X			
Equipment			X	
Enterprise				
Liquor		X		
Utility		X		
Internal Service				
Municipal Reserves				X

CITY OF LAKEVILLE, MINNESOTA

Relationships Between Departments and Funds

December 31, 2016

Funds	General Government Admin.	Community and Economic Development	Finance	Police	Fire	Public Works	Parks and Recreation	Off-Sale Liquor
General Fund	X	X	X	X	X	X	X	
Special Revenue Funds:								
Communications	X							
Economic Development		X						
Debt Service Funds:								
			X					
Capital Projects Funds:								
Municipal State-aid						X		
Pavement Mgmt.						X		
Improvement Const.						X		
Storm Sewer						X		
Water						X		
Sanitary Sewer						X		
Park Dedication							X	
Trail Improvement							X	
Tax Increment		X	X					
Building	X		X	X	X	X	X	
Equipment				X	X	X	X	
Enterprise Funds:								
Liquor								X
Utility						X		
Internal Service Fund:								
Municipal Reserves			X					

FINANCIAL AND BUDGET POLICIES

These policies provide guidelines for the fiscal administration of the City. The budget for the City of Lakeville serves as a comprehensive, rational guide for financial and programmatic decision-making and operations management throughout each fiscal year. The budget is intended to be not only a financial plan but also a performance plan linked to the strategic goals established by the City Council and outlined in the Strategic Budget Goals and Initiatives.

Accounting, Auditing and Financial Reporting

The financial reporting and budgeting systems of the City are organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Funds are the control structures that ensure that public monies are spent only for those purposes authorized and within the amounts authorized. Funds are established to account for the different types of activities and legal restrictions that are associated with a particular government function.

- An independent audit will be performed annually.
- The City will produce comprehensive annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP).
- The City will endeavor to maintain the GFOA Certificate of Excellence in Financial Reporting.

Budgetary Basis of Accounting

Governmental fund budgets are on a modified accrual basis of accounting consistent with generally accepted accounting principles. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Under the modified accrual basis, expenditures are generally recognized when the liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. *Governmental fund budgets* include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Proprietary fund budgets are on an accrual basis of accounting consistent with generally accepted accounting principles except for loans, loan payments, capital expenses, and depreciation, which are budgeted on a cash basis. The focus of accrual accounting is primarily upon the determination of net income and the maintenance of capital. Therefore, included within these funds are all assets and liabilities associated with the fund’s operations. Revenues are recognized when earned and expenses are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt or payment of cash may take place in another accounting period. Expenses are recognized in the accounting period in which the liability is incurred, which also includes depreciation. For budgetary control purposes, the City also appropriates capital acquisitions for the proprietary funds. *Proprietary fund budgets* include the Enterprise Liquor Fund, Utility Fund and the Internal Service Municipal Reserves Fund.

A budget is not adopted for the City’s *Fiduciary Agency Fund*.

FINANCIAL AND BUDGET POLICIES

(continued)

The City's audited financial statement uses the modified accrual basis of accounting for all governmental funds (at the fund level), and uses the accrual basis of accounting for all proprietary funds.

Budget Development

The City's operating budget policy sets forth guidance with respect to balanced operating budgets, with an overriding goal of achieving structural balance over a longer-term period, while recognizing that in certain periods, revenues and expenditures may not be equal. A balanced budget for the General Fund is defined as revenues and other sources equal to or exceeding operating expenditures and other uses. The budget will provide for adequate maintenance of capital facilities and equipment and for their orderly replacement.

The adopted budget will take into consideration the coordinated development of the capital improvement plan with the development of the operating budget. Operating costs associated with new capital improvements will be projected and included in future operating budget forecasts. The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues whenever reasonably possible.

Budget amounts are as originally adopted or as amended by City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the total expenditures level for the General Fund and Special Revenue Funds. The City Administrator has authorization to expend funds in excess of the appropriation for individual line items.

Balanced budgets for the proprietary enterprise funds are defined as providing sufficient revenues to support the operations of those funds, without subsidy from the General Fund or property taxes. Charges from the proprietary internal service funds shall be sufficient to support such activities. In addition to operating expenses, enterprise funds shall be budgeted to provide for replacement costs of property, plant, and equipment, if appropriate, when establishing rates and charges for services.

The operating budget will describe the major goals to be achieved and the services and programs to be delivered for the level of funding provided. Where possible the City will integrate performance measurement and productivity indicators with the budget.

Budgeted expenditure appropriations lapse at year-end. Supplementary appropriations can be carried forward to the following year if approved by the City Council.

Budget Amendment Process

Budgets that require amending for reasons of a routine nature or special circumstances are amended by the passage of a resolution approved by the City Council. Amendments of a routine nature are typically approved in December of the current fiscal year while amendments due to special circumstances or unexpected events such as emergencies are authorized at the earliest possible City Council meeting date.

FINANCIAL AND BUDGET POLICIES

(continued)

Revenue Policies

Revenue policy elements include:

- The City will project its annual revenues realistically, yet conservatively for budget purposes.
- The City will endeavor to maintain a diversified and stable revenue system to shelter it from annual fluctuations in any one revenue source. All existing and potential revenue sources will be reexamined annually.
- New sources of non-property-tax revenue should be actively explored at all times.
- Where appropriate and not contrary to accepted public policy or statutes, emphasis will be directed toward full cost recovery through user fees. User fees and cost allocation formulas will be updated periodically (annually if needed).
- Ongoing, the City will review the full cost of activities supported by user fees to identify the impact of inflation and other factors. The fees along with the resulting net property tax costs will be reviewed with the City Council during the budget process. Sensitivity to market rates will also be considered in setting fees.
- Intergovernmental grant requests are subject to fiscal review before the application is submitted. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the City relating to the grant's purpose and to provide an overall budgetary review of grant proposals.

Investments

- Investments will be in conformance with the City of Lakeville's Investment Policy. All investments will address safety, liquidity, and yield. All cash balances during the year are invested in securities permitted by State Statute and the Investment Policy.
- It is the City's policy to invest all available monies at competitive interest rates, coordinated with projections of the City's operating and program cash flow needs. Interest earned from investment of available funds will be distributed to the funds annually based on each fund's average monthly cash balance for the year.

Capital Improvement Budgets

- Capital outlay expenditures result in the acquisition of fixed capital assets that have a useful life of greater than one year. They are tangible in nature in that the physical substance does not materially change its form through use.
- The City will adopt a five-year capital improvement plan and update it annually.
- The City will coordinate development of the capital improvement plan with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
- The City will project its equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and included in the operating budget. In addition,

FINANCIAL AND BUDGET POLICIES

(continued)

the City will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

- The City staff will identify the estimated costs and potential funding sources, including the consideration of joint ventures with other cities, for each capital project proposal before it is submitted to the City Council for approval.
- The process will include an evaluation of effective financing for each project.
- Budget balances appropriated in Capital Projects Funds are designated for specific projects and are carried forward as available for expenditure until the project is complete or the balance is transferred to other eligible projects.

Debt

The City's debt policy provides guidance to ensure that long-term debt is utilized appropriately and in a fiscally prudent manner. Elements of the policy include:

- Limiting long-term borrowing to capital improvements or other long-term projects which cannot, and appropriately should not, be financed from current revenues.
- Final maturity of bonds and notes should not exceed the expected useful life of the underlying project for which it is being issued.
- Where possible, the City will endeavor to pledge special assessments, State-aid or other non-tax revenues to debt service payments.
- Debt will not be used to finance current operations.
- State of Minnesota Statutes limits the legal debt obligations to 3% of the City's taxable market value.

Fund Balance

Fund balance or net assets are terms used to define the difference between a fund's assets and its liabilities. Fund balance is used in governmental fund types and net assets are used in proprietary fund types. The City's General Fund unrestricted fund balance, designated for working capital as of the end of the year, should equal 40% to 50% of the next year's budgeted expenditures. Fund balance may be used for the following:

- Provide flexibility if State law significantly limits the City's taxing and spending powers. This could include legislation regarding levy limits, property tax freezes, levy referendum requirements, etc.
- Provide flexibility if the State eliminates or reduces State revenue including fire pension aid, police pension aid, aid for streets, or PERA pension aid.
- Provide some protection for future funding needs of the capital improvement plan including possible liquor operations legislation.
- Support the City's bond rating.

FINANCIAL AND BUDGET POLICIES

(continued)

- Cover expenses created by natural disaster including flood, fire, or tornadoes and protect against other unforeseen expenditures and any other items.
- Cover a General Fund deficit when actual revenues are less than expenditures and to allow for a reasonable degree of error in budget forecasting.

For budget purposes only the fund balance for the General Fund excludes the nonspendable, restricted and committed fund balance classifications.

The fund balance policy protects the City in the event of temporary revenue shortfalls or unpredicted expenditures and provides time to react to permanent changes in the City's operating environment.

2017 BUDGET DEVELOPMENT PROCESS AND CALENDAR

State Statutes, local ordinances, and the City's budget development policy prescribe the process of budget review and adoption for the City of Lakeville. The laws require public input in the budget process, including the publishing of a budget summary in the local media. Public input is also available at the public meetings at which budget information is discussed. The following is a calendar for the 2017 budget process:

May 2016

- City Administrator directs staff to prepare their budget based on Council goals and objectives.
- Finance Department distributes budget preparation information to all departments.
- The five year Capital Improvement Plan is developed under the guidance and direction of the City Administrator

June/July 2016

- Proposed budgets are submitted to the City Administrator and Finance Department.
- Budget meetings are held with Department Directors and budget preparers.
- Finance Department reviews budget requests and prepares a proposed budget.
- City Administrator reviews proposed budget and directs revisions based on budget requests and revenue estimates.
- City Council receives a draft of the Capital Improvement Plan and provides comments and direction.

August 2016

- City Council work session on tax legislation, General Fund budget history, budget requests, debt, property tax levy, and potential tax impacts.
- Staff reviews proposed budget and makes revisions as directed by the City Council.

September 2016

- City Council approval of preliminary budget and property tax levy on September 19th.
- Preliminary property tax levy certified to Dakota County by September 30th.

October 2016

- City Council work session to review Utility Fund budgets.

November 2016

- Planning Commission reviews the Capital Improvement Plan for compliance with the Comprehensive Plan.
- City Council work session to review changes to the proposed budget.
- Dakota County sends a notice to taxpayers indicating their property tax and the date of each taxing jurisdiction's budget hearing.
- City Council holds public hearing on the proposed Capital Improvement Plan and Adopts Plan.

December 2016

- City Council holds a "Truth in Taxation" public hearing on the final budget and final property tax levy on December 5th.
- After listening to public comment, the City Council closes the public hearing.
- City Council adopts the final budget and final property tax levy on December 5th.
- Final property tax levy certified to Dakota County by December 30th.

PROPERTY TAXES

Tax Levy

The adopted 2017 tax levy is \$26,679,614 which is a \$999,995 (3.89%) increase from the 2016 tax levy. The adopted tax levy takes into consideration an increase for equipment (\$100,000), and increase for facilities (\$99,000) and increase for parks and trails (\$158,000). The tax levy increase is primarily the result of increased costs due to growth in the City for General Fund operations (\$288,205) and debt for street reconstruction (354,790).

The adopted 2017 tax levy is as follows:

Tax Levy - Summary

	2017		
	Levy	Increase/ (Decrease)	%
General Fund	18,842,000	288,205	1.55%
Street Reconstruction	50,000	-	0.00%
Pavement Management Fund	1,191,550	-	0.00%
Building Fund	150,000	99,000	194.12%
Equipment Fund	350,000	100,000	40.00%
Park Improvement Fund	175,000	125,000	n/a
Trail Improvement Fund	111,200	33,000	42.20%
Debt Service Funds	5,809,864	354,790	6.50%
Total	\$ 26,679,614	\$ 999,995	3.89%

The tax levy for street reconstruction debt service will be a factor for tax levy increases in 2017 and future years. Benefited property owners are specially assessed for 40% of the typical residential street reconstruction; the remaining 60% of street reconstruction costs is financed with property tax levies. General Obligation Improvement bonds are issued to finance the projects with special assessments and property tax levies pledged to the repayment of the debt.

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for All Appropriated Fund Types
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances and Net Assets
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
<u>Revenues</u>				
General property taxes	\$ 24,815,129	\$ 25,679,362	\$ 25,684,074	\$ 26,671,171
Tax increment	404,082	349,000	456,561	456,561
Licenses and permits	3,387,001	2,611,474	3,448,488	2,940,379
Intergovernmental	5,318,371	6,862,888	7,949,640	2,516,696
Charges for services	22,120,595	18,204,910	21,844,835	19,305,494
Court fines	369,356	315,000	466,000	466,000
Special assessments	1,736,905	1,050,496	1,122,282	1,436,159
Investment income	420,692	336,818	391,657	409,172
Donations	9,789,826	1,415,224	1,421,419	1,205,000
Miscellaneous	850,402	2,774,154	3,056,725	933,061
Gross profit	<u>3,289,119</u>	<u>3,385,006</u>	<u>3,429,586</u>	<u>3,439,986</u>
Total revenues	<u>72,501,478</u>	<u>62,984,332</u>	<u>69,271,267</u>	<u>59,779,679</u>
<u>Expenditures and expenses</u>				
General government	5,196,423	5,625,317	5,785,669	5,927,626
Public safety	10,892,071	11,706,573	11,504,261	12,282,014
Public works	3,858,297	4,818,999	4,397,964	4,918,872
Parks and recreation	3,532,376	3,719,420	3,516,277	3,800,415
Debt service	11,297,639	10,110,133	10,061,229	11,841,036
Capital outlay	31,648,313	34,039,403	38,608,860	20,882,657
Operating expenses	<u>14,721,847</u>	<u>24,630,127</u>	<u>24,097,549</u>	<u>17,992,592</u>
Total expenditures and expenses	<u>81,146,966</u>	<u>94,649,972</u>	<u>97,971,809</u>	<u>77,645,212</u>
<u>Other financing sources (uses)</u>				
Transfer from other funds	6,904,491	3,869,883	5,104,534	4,948,032
Transfer to other funds	(6,904,491)	(3,869,883)	(5,104,534)	(4,948,032)
Disposal of assets	(115,951)	119,000	129,500	34,000
Issuance of debt	16,545,000	26,337,574	25,906,522	9,592,981
Refunding bonds issued	-	-	6,758,102	-
Payment on refunded bonds called	(12,460,000)	(1,950,000)	(1,950,000)	(18,455,000)
Premium on bonds issued	<u>1,005,509</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,974,558</u>	<u>24,506,574</u>	<u>30,844,124</u>	<u>(8,828,019)</u>
Net change in fund balance and net position	(3,670,930)	(7,159,066)	2,143,582	(26,693,552)
Fund balance and net position, January 1	<u>191,775,693</u>	<u>166,031,206</u>	<u>188,104,763</u>	<u>190,248,345</u>
Fund balance and net position, December 31	<u>\$ 188,104,763</u>	<u>\$ 158,872,140</u>	<u>\$ 190,248,345</u>	<u>\$ 163,554,793</u>
Enterprise capital outlay acquisitions	<u>\$ 692,165</u>	<u>\$ 1,191,589</u>	<u>\$ 1,147,781</u>	<u>\$ 1,045,189</u>
Enterprise bond proceeds	<u>\$ -</u>	<u>\$ 7,473,720</u>	<u>\$ 6,570,000</u>	<u>\$ 1,494,952</u>
Enterprise debt principal	<u>\$ 180,000</u>	<u>\$ 190,000</u>	<u>\$ 180,000</u>	<u>\$ 190,000</u>

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for Appropriated Fund Types
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances and Net Assets
 For the Year Ending December 31, 2017

	2017 Adopted Budget							Total
	Governmental Funds				Proprietary Funds			
	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Liquor	Enterprise Utility	Internal Service Municipal Res.	
Revenues								
General property taxes	\$ 18,833,557	\$ -	\$ 5,809,864	\$ 2,027,750	\$ -	\$ -	\$ -	\$ 26,671,171
Tax increment	-	-	404,000	52,561	-	-	-	456,561
Licenses and permits	2,202,952	737,427	-	-	-	-	-	2,940,379
Intergovernmental	1,021,685	516	1,242,331	120,000	3,900	128,264	-	2,516,696
Charges for services	2,666,697	2,500	382,176	3,909,549	-	11,973,773	370,799	19,305,494
Court fines	466,000	-	-	-	-	-	-	466,000
Special assessments	-	-	1,403,888	32,271	-	-	-	1,436,159
Investment income	90,071	3,702	94,448	176,870	3,744	36,978	3,359	409,172
Donations	-	-	95,000	10,000	-	1,100,000	-	1,205,000
Miscellaneous	37,860	-	-	891,601	3,600	-	-	933,061
Gross profit	-	-	-	-	3,439,986	-	-	3,439,986
Total revenues	<u>25,318,822</u>	<u>744,145</u>	<u>9,431,707</u>	<u>7,220,602</u>	<u>3,451,230</u>	<u>13,239,015</u>	<u>374,158</u>	<u>59,779,679</u>
Expenditures and expenses								
General government	5,393,563	534,063	-	-	-	-	-	5,927,626
Public safety	12,282,014	-	-	-	-	-	-	12,282,014
Public works	4,918,872	-	-	-	-	-	-	4,918,872
Parks and recreation	3,800,415	-	-	-	-	-	-	3,800,415
Debt service	-	-	11,458,778	-	125,959	256,299	-	11,841,036
Capital outlay	40,135	107,579	-	20,734,943	-	-	-	20,882,657
Operating expenses	-	-	-	-	2,487,749	15,003,503	501,340	17,992,592
Total expenditures and expenses	<u>26,434,999</u>	<u>641,642</u>	<u>11,458,778</u>	<u>20,734,943</u>	<u>2,613,708</u>	<u>15,259,802</u>	<u>501,340</u>	<u>77,645,212</u>
Other financing sources (uses)								
Transfer from other funds	782,655	-	1,609,729	2,094,500	-	461,148	-	4,948,032
Transfer to other funds	(1,145,000)	(115,429)	-	(2,052,075)	(547,454)	(1,035,017)	(53,057)	(4,948,032)
Disposal of assets	-	-	-	-	-	34,000	-	34,000
Issuance of debt	-	-	-	9,592,981	-	-	-	9,592,981
Payment on refunded bonds called	-	-	(18,455,000)	-	-	-	-	(18,455,000)
Total other financing sources (uses)	<u>(362,345)</u>	<u>(115,429)</u>	<u>(16,845,271)</u>	<u>9,635,406</u>	<u>(547,454)</u>	<u>(539,869)</u>	<u>(53,057)</u>	<u>(8,828,019)</u>
Net change in fund balance and net assets	(1,478,522)	(12,926)	(18,872,342)	(3,878,935)	290,068	(2,560,656)	(180,239)	(26,693,552)
Fund balance and net assets, January 1	14,121,784	326,463	31,540,091	29,197,079	4,016,905	110,374,241	671,782	190,248,345
Fund balance and net assets, December 31	<u>\$ 12,643,262</u>	<u>\$ 313,537</u>	<u>\$ 12,667,749</u>	<u>\$ 25,318,144</u>	<u>\$ 4,306,973</u>	<u>\$ 107,813,585</u>	<u>\$ 491,543</u>	<u>\$ 163,554,793</u>
Enterprise capital outlay acquisitions	\$ -	\$ -	\$ -	\$ -	\$ 205,000	\$ 840,189	\$ -	\$ 1,045,189
Enterprise bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,494,952	\$ -	\$ 1,494,952
Enterprise debt principal	\$ -	\$ -	\$ -	\$ -	\$ 190,000	\$ -	\$ -	\$ 190,000

General Fund

The General Fund accounts for all revenues and expenditures necessary to provide a full range of services, including general government administration, community and economic development, public safety, public works, and parks and recreation.

CITY OF LAKEVILLE, MINNESOTA

General Fund
Fund Balance Discussion

The Fund Balance Policy states *“The City will endeavor to maintain an unrestricted (committed, assigned and unassigned) fund balance in the General Fund of an amount not less than 40% and not greater than 50% of the next year’s budgeted expenditures of the General Fund.”*

The fund balance represents the amount of funds required to operate during the first six months of the year. The City’s most significant revenue sources – taxes and intergovernmental revenue – do not provide appreciable revenues until the second half of the year.

A healthy financial position also allows the City to avoid volatility in tax rates; allows for the adequate consistent funding of services, repairs and unexpected costs; and can be a factor in determining the City’s bond rating and resulting interest costs.

	2017 Adopted <u>Budget</u>
Revenues and other financing sources	\$ 26,101,477
Expenditures and other financing uses	<u>27,579,999</u>
Net increase/(decrease)	(1,478,522)
Fund balance, January 1	<u>14,121,784</u>
Fund balance, December 31	<u>\$ 12,643,262</u>
Ratio: Fund balance to next year's expenditures	46.4%

CITY OF LAKEVILLE, MINNESOTA
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending December 31, 2017

	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>	<u>Change from 2016 Amended Budget</u>	
					(Amount)	(Percent)
Revenues						
General property taxes	\$ 17,857,368	\$ 18,553,538	\$ 18,558,250	\$ 18,833,557	\$ 280,019	1.5%
Licenses and permits	2,655,873	1,905,528	2,714,492	2,202,952	297,424	15.6%
Intergovernmental	978,596	998,216	996,652	1,021,685	23,469	2.4%
Charges for services	3,388,546	3,199,629	3,421,571	2,666,697	(532,932)	-16.7%
Court fines	369,356	315,000	466,000	466,000	151,000	47.9%
Investment income	55,883	40,376	40,000	90,071	49,695	123.1%
Miscellaneous	67,495	57,806	38,145	37,860	(19,946)	-34.5%
Total revenues	<u>25,373,117</u>	<u>25,070,093</u>	<u>26,235,110</u>	<u>25,318,822</u>	<u>248,729</u>	<u>1.0%</u>
Expenditures						
<u>General government</u>						
Mayor and Council	95,965	99,866	98,983	101,090	1,224	1.2%
Committees and Commissions	73,175	84,784	84,840	75,660	(9,124)	-10.8%
City administration	393,910	432,341	425,602	423,147	(9,194)	-2.1%
City Clerk	139,779	197,752	193,826	139,774	(57,978)	-29.3%
Legal counsel	68,990	78,178	55,340	57,000	(21,178)	-27.1%
Planning	427,404	466,731	465,616	564,262	97,531	20.9%
Community and econ. development	288,720	303,857	304,927	358,272	54,415	17.9%
Inspections	943,737	1,121,013	1,110,440	1,061,584	(59,429)	-5.3%
General government facilities	396,713	483,178	482,236	529,611	46,433	9.6%
Finance	684,386	735,662	690,181	759,615	23,953	3.3%
Information systems	537,181	602,583	601,749	620,742	18,159	3.0%
Human resources	433,294	534,845	528,370	520,626	(14,219)	-2.7%
Insurance	322,100	182,180	182,180	182,180	-	0.0%
<u>Public safety</u>						
Police	9,310,676	9,820,907	9,805,833	10,493,244	672,337	6.8%
Fire	1,649,260	1,751,383	1,722,947	1,788,770	37,387	2.1%
<u>Public works</u>						
Engineering	659,432	799,876	735,030	1,005,397	205,521	25.7%
Operations and Maintenance	531,754	662,012	489,201	664,477	2,465	0.4%
Streets	2,753,580	3,352,649	3,187,886	3,276,483	(76,166)	-2.3%
<u>Parks and recreation</u>						
Parks	2,362,566	2,462,056	2,319,631	2,541,925	79,869	3.2%
Recreation	635,489	636,654	629,951	672,981	36,327	5.7%
Heritage Center	85,516	110,777	85,399	95,822	(14,955)	-13.5%
Arts Center	474,266	499,614	499,599	502,337	2,723	0.5%
Other	-	119,771	-	-	(119,771)	-100.0%
Total expenditures	<u>23,267,893</u>	<u>25,538,669</u>	<u>24,699,767</u>	<u>26,434,999</u>	<u>896,330</u>	<u>3.5%</u>
Excess (deficiency) of revenues over expenditures	<u>2,105,224</u>	<u>(468,576)</u>	<u>1,535,343</u>	<u>(1,116,177)</u>	<u>(647,601)</u>	<u>138.2%</u>
<u>Other financing sources (uses)</u>						
Transfer from other funds	809,935	806,513	806,513	782,655	(23,858)	-3.0%
Transfer to other funds	<u>(1,612,000)</u>	<u>(595,000)</u>	<u>(595,000)</u>	<u>(1,145,000)</u>	<u>(550,000)</u>	<u>92.4%</u>
Total other financing sources (uses)	<u>(802,065)</u>	<u>211,513</u>	<u>211,513</u>	<u>(362,345)</u>	<u>(573,858)</u>	<u>-271.3%</u>
Net change in fund balance	1,303,159	(257,063)	1,746,856	(1,478,522)	(1,221,459)	475.2%
Fund balance, January 1	<u>11,071,769</u>	<u>12,374,928</u>	<u>12,374,928</u>	<u>14,121,784</u>	<u>1,746,856</u>	<u>14.1%</u>
Committed Fund Balance	45,000	-	-	-	-	0%
Fund balance, December 31	<u>\$ 12,374,928</u>	<u>\$ 12,117,865</u>	<u>\$ 14,121,784</u>	<u>\$ 12,643,262</u>	<u>\$ 525,397</u>	<u>4.3%</u>
Ratio: Fund balance to CY expenditures	<u>53.2%</u>	<u>47.4%</u>	<u>57.2%</u>	<u>47.8%</u>		
Ratio: Fund balance to NY expenditures	<u>50.1%</u>	<u>45.8%</u>	<u>53.4%</u>	<u>46.4%</u>		

General Fund
Schedule of Revenues and Other Financing Sources (Uses)

	2015	2016	2016	2017	Change from	
	Actual	Amended	Estimate	Adopted	2016 Amended	
		<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<u>General property taxes</u>						
Ad valorem taxes - current	\$ 15,904,598	\$ 16,520,988	\$ 16,520,988	\$ 15,892,620	\$ (628,368)	-3.8%
Ad valorem taxes - delinquent	61,405	118,950	118,950	110,000	(8,950)	-7.5%
Market value homestead credit	3,476	-	-	-	-	0%
Fiscal disparities	1,824,735	1,846,419	1,846,419	2,760,956	914,537	49.5%
Penalties and interest	10,240	16,156	16,156	16,156	-	0.0%
Manufactured home tax	45,968	47,825	47,825	47,825	-	0.0%
Gravel tax	6,946	3,200	7,912	6,000	2,800	87.5%
Total general property taxes	<u>17,857,368</u>	<u>18,553,538</u>	<u>18,558,250</u>	<u>18,833,557</u>	<u>280,019</u>	<u>1.5%</u>

General Fund
Schedule of Revenues and Other Financing Sources (Uses)

	2015	2016	2016	2017	Change from	
	Actual	Amended	Estimate	Adopted	2016 Amended	
		Budget	Budget	Budget	Budget	
<u>Licenses and permits</u>						
<u>Licenses</u>						
Tobacco	\$ 10,500	\$ 9,600	\$ 10,800	\$ 10,800	\$ 1,200	12.5%
Trash removal	4,250	4,250	3,825	3,825	(425)	-10.0%
Dog	11,455	12,636	12,000	12,000	(636)	-5.0%
Signs	8,350	5,750	5,750	5,750	-	0.0%
On-sale liquor	136,825	127,100	156,542	160,450	33,350	26.2%
Sunday liquor	4,000	4,000	4,600	4,600	600	15.0%
Non-intoxicating liquor on	1,400	1,200	1,050	1,200	-	0.0%
Non-intoxicating liquor off	4,200	4,500	4,725	4,500	-	0.0%
Wine	3,583	3,200	3,200	3,200	-	0.0%
Fireworks	2,100	2,100	2,100	2,100	-	0.0%
Massage	2,900	3,200	2,050	1,850	(1,350)	-42.2%
Miscellaneous	3,380	2,550	1,610	1,610	(940)	-36.9%
Total licenses	<u>192,943</u>	<u>180,086</u>	<u>208,252</u>	<u>211,885</u>	<u>31,799</u>	<u>17.7%</u>
<u>Permits</u>						
Plan review fees	558,795	340,956	560,000	382,396	41,440	12.2%
Building	1,337,343	996,045	1,415,000	1,206,950	210,905	21.2%
Plumbing	124,430	68,728	122,000	89,179	20,451	29.8%
Water/sewer	49,294	30,981	49,000	36,713	5,732	18.5%
Mechanical	110,641	61,912	106,000	66,542	4,630	7.5%
Grading/filling	975	450	1,275	450	-	0.0%
Excavating/gravel	1,775	1,775	1,775	1,775	-	0.0%
Driveway	1,500	700	2,550	700	-	0.0%
Zoning	5,865	3,800	7,860	3,800	-	0.0%
Right-of-way	61,373	41,420	41,420	35,000	(6,420)	-15.5%
Fire burning	1,260	1,250	875	1,250	-	0.0%
Electrical	207,943	176,675	196,000	165,562	(11,113)	-6.3%
Miscellaneous	1,736	750	2,485	750	-	0.0%
Total permits	<u>2,462,930</u>	<u>1,725,442</u>	<u>2,506,240</u>	<u>1,991,067</u>	<u>265,625</u>	<u>15.4%</u>
Total licenses and permits	<u>2,655,873</u>	<u>1,905,528</u>	<u>2,714,492</u>	<u>2,202,952</u>	<u>297,424</u>	<u>15.6%</u>

General Fund
Schedule of Revenues and Other Financing Sources (Uses)

	2015	2016	2016	2017	Change from	
	Actual	Amended	Estimate	Adopted	2016 Amended	
		Budget		Budget	Budget	%
<u>Intergovernmental</u>						
State-aid police	\$ 388,811	\$ 420,200	\$ 459,300	\$ 459,200	\$ 39,000	9.3%
State-aid fire relief	342,889	314,365	342,276	340,899	26,534	8.4%
State-aid pensions	21,303	21,303	21,303	21,303	-	0.0%
State POST Board grant	15,659	18,810	16,751	18,810	-	0.0%
State Drug Task Force grant	12,394	-	2,010	-	-	0%
State Police protective vests grant		20,400	20,400	15,600	(4,800)	-23.5%
State fire training grant	23,854	4,500	6,520	4,500	-	0.0%
State ski trail grant		462	-	-	(462)	-100.0%
State snowmobile trail maint. grant	200	200	200	200	-	0.0%
Federal traffic safety project	24,505	12,000	12,000	12,000	-	0.0%
Federal DUI enforcement grant	87,450	137,956	64,022	65,320	(72,636)	-52.7%
Auto Theft Grant	14,818	10,220	10,217	-	(10,220)	-100.0%
Safe Routes to Schoole grant	4,902	-	-	-	-	0%
Art Center CDP Grant	41,761	37,800	37,800	35,000	(2,800)	-7.4%
CDBG - DT Development Guide	-	-	-	45,000	45,000	0%
Other grants	50	-	3,853	3,853	3,853	0%
Total intergovernmental	<u>978,596</u>	<u>998,216</u>	<u>996,652</u>	<u>1,021,685</u>	<u>23,469</u>	<u>2.4%</u>

General Fund
Schedule of Revenues and Other Financing Sources (Uses)

	2015	2016	2016	2017	Change from	
	Actual	Amended	Estimate	Adopted	2016 Amended	
		<u>Budget</u>		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<u>Charges for services</u>						
<u>General government</u>						
Rezoning fees	\$ 2,500	\$ 1,500	\$ 3,000	\$ 4,000	\$ 2,500	166.7%
Platting fees	13,900	10,000	10,000	12,800	2,800	28.0%
Variance fees	2,300	1,500	1,900	1,500	-	0.0%
PUD application fees	1,000	1,000	1,000	1,000	-	0.0%
CUP fees	7,500	5,000	5,000	5,000	-	0.0%
Home occupation fees	500	300	-	-	(300)	-100.0%
Planner fees	73,052	38,000	38,000	38,000	-	0.0%
Reinspection fees	-	1,650	3,500	2,500	850	51.5%
Inspection department fees	25,409	17,599	21,375	24,400	6,801	38.6%
General government service charge POP	-	15,000	15,000	6,500	(8,500)	-56.7%
General government service charge	27,321	2,348	2,150	2,300	(48)	-2.0%
Tree escrow fund administration	893	500	500	500	-	0.0%
Lodging tax fee	10,007	9,569	9,569	9,760	191	2.0%
Fiscal Agent - Dakota Comm. Ctr.	66,288	67,614	65,880	67,198	(416)	-0.6%
Fiscal Agent - Arenas	32,000	32,640	31,800	32,640	-	0.0%
Investment management fees	28,200	28,200	29,000	29,000	800	2.8%
Sale of maps/copies	21	250	20	20	(230)	-92.0%
Finance charges	1,196	600	600	600	-	0.0%
Total general government	<u>292,087</u>	<u>233,270</u>	<u>238,294</u>	<u>237,718</u>	<u>4,448</u>	<u>1.9%</u>
<u>Public safety</u>						
Police department charges	211,557	206,509	192,670	200,735	(5,774)	-2.8%
SRO - ISD 194 contributions	193,542	178,537	200,522	207,570	29,033	16.3%
Animal pickup	2,635	3,444	3,100	3,100	(344)	-10.0%
Animal storage	5,140	5,928	5,230	5,230	(698)	-11.8%
Animal rabies	1,678	2,934	2,300	2,300	(634)	-21.6%
Restitution	1,248	1,400	1,400	1,400	-	0.0%
Forfeiture - sale of assets	47,943	42,000	42,000	42,000	-	0.0%
Fire contracts	37,190	38,160	38,160	39,150	990	2.6%
Fire department charges	866	600	600	600	-	0.0%
ALF Ambulance - admin. charge	4,800	4,785	4,860	4,932	147	3.1%
Total public safety	<u>506,599</u>	<u>484,297</u>	<u>490,842</u>	<u>507,017</u>	<u>22,720</u>	<u>4.7%</u>

General Fund
Schedule of Revenues and Other Financing Sources (Uses)

	2015	2016	2016	2017	Change from	
	Actual	Amended	Estimate	Adopted	2016 Amended	
		Budget		Budget	Budget	
<u>Charges for services (continued)</u>						
Public works						
Engineering platting - preliminary	\$ 21,834	\$ 22,850	\$ 34,200	\$ 24,000	\$ 1,150	5.0%
Engineering platting - final	9,142	6,580	10,100	4,560	(2,020)	-30.7%
Engineering plan review	4,419	2,660	1,155	1,200	(1,460)	-54.9%
Engineering developer insp. fees	56,175	3,000	-	15,000	12,000	400.0%
Engineering developer cont. admin.	698,916	343,189	424,122	325,000	(18,189)	-5.3%
Engineering Imp. Proj. design	185,867	195,540	144,850	101,827	(93,713)	-47.9%
Engineering Imp. Proj. const. inspect.	422,135	596,484	641,561	342,925	(253,559)	-42.5%
Engineering Imp. Proj. administration	258,732	470,977	510,456	245,695	(225,282)	-47.8%
Engineering G.I.S. fees	62,700	28,500	51,225	30,500	2,000	7.0%
Special assessment admin. charge	65,905	56,922	50,749	48,105	(8,817)	-15.5%
Special assessment searches	325	1,200	500	500	(700)	-58.3%
Document/map sales	42	100	-	-	(100)	-100.0%
Bid plan/spec. deposits	829	150	100	100	(50)	-33.3%
Street department charges	23,954	16,276	16,300	16,300	24	0.1%
Credit River - Judicial Road maint.	2,698	2,700	2,700	2,700	-	0.0%
Developer street signs installation	78,380	21,230	30,000	30,000	8,770	41.3%
Total public works	<u>1,892,053</u>	<u>1,768,358</u>	<u>1,918,018</u>	<u>1,188,412</u>	<u>(579,946)</u>	<u>-32.8%</u>
Parks, recreation and arts center						
Non-resident fees					-	0%
Brochure advertising	14,975	9,900	12,025	9,900	-	0.0%
Youth activities	120,955	133,657	141,551	141,229	7,572	5.7%
Youth sport surcharge	32,471	32,600	32,600	32,600	-	0.0%
Youth special events	16,035	15,438	15,411	16,659	1,221	7.9%
Youth special events donations	2,695	1,400	1,000	1,200	(200)	-14.3%
Adult activities	57,435	63,295	61,664	60,106	(3,189)	-5.0%
Puppet wagon donations	4,500	4,500	3,500	4,500	-	0.0%
Safety Camp	2,962	2,560	2,560	2,318	(242)	-9.5%
Safety Camp donations	1,050	1,100	550	1,050	(50)	-4.5%
Senior Center donations	1,642	890	1,600	1,600	710	79.8%
Senior Center program fees	20,316	19,100	21,050	21,050	1,950	10.2%
Senior Center special events	-	-	20,224	16,000	16,000	0%
Senior Center Brochure Ad Revenue	2,265	2,500	2,200	2,200	(300)	-12.0%
Senior Center excursions	8,069	21,000	11,000	11,000	(10,000)	-47.6%
Ritter Farm Park ELC	10,876	12,411	7,487	9,469	(2,942)	-23.7%
Excursions	9,205	7,200	8,286	5,900	(1,300)	-18.1%
Tennis lessons	15,419	13,500	15,419	15,419	1,919	14.2%
Total recreation programs	<u>320,870</u>	<u>341,051</u>	<u>358,127</u>	<u>352,200</u>	<u>11,149</u>	<u>3.3%</u>
Park rental/maint./tournament fees	38,498	32,250	32,250	32,250	-	0.0%
Tree sales (net)	3,404	3,100	3,100	3,100	-	0.0%
Senior Center membership surcharge	19,650	21,000	21,000	21,000	-	0.0%
Senior Center Punchcard	657	-	-	-	-	0%
Senior Citizen Club Fundraising	15,259	23,153	-	-	(23,153)	-100.0%
Senior/Heritage Center rentals	58,588	35,000	56,200	56,200	21,200	60.6%
Total parks and recreation	<u>456,926</u>	<u>455,554</u>	<u>470,677</u>	<u>464,750</u>	<u>9,196</u>	<u>2.0%</u>

General Fund
Schedule of Revenues and Other Financing Sources (Uses)

	2015	2016	2016	2017	Change from	
	Actual	Amended	Estimate	Adopted	2016 Amended	
		Budget		Budget	Budget	Budget
<u>Charges for services (continued)</u>						
<u>Parks, recreation and arts center (continued)</u>						
Arts center program fees	\$ 86,570	\$ 89,150	\$ 89,940	\$ 92,000	\$ 2,850	3.2%
Arts center on-sale	5,528	-	12,000	12,000	12,000	0%
Arts center rental/event admissions	148,783	169,000	201,800	164,800	(4,200)	-2.5%
Total arts center	<u>240,881</u>	<u>258,150</u>	<u>303,740</u>	<u>268,800</u>	<u>10,650</u>	<u>4.1%</u>
Total parks, recreation and arts center	<u>697,807</u>	<u>713,704</u>	<u>774,417</u>	<u>733,550</u>	<u>19,846</u>	<u>2.8%</u>
Total charges for services	<u>3,388,546</u>	<u>3,199,629</u>	<u>3,421,571</u>	<u>2,666,697</u>	<u>(532,932)</u>	<u>-16.7%</u>
<u>Court fines</u>	<u>369,356</u>	<u>315,000</u>	<u>466,000</u>	<u>466,000</u>	<u>151,000</u>	<u>47.9%</u>
Total court fines	<u>369,356</u>	<u>315,000</u>	<u>466,000</u>	<u>466,000</u>	<u>151,000</u>	<u>47.9%</u>
<u>Investment income</u>	<u>55,883</u>	<u>40,376</u>	<u>40,000</u>	<u>90,071</u>	<u>49,695</u>	<u>123.1%</u>
<u>Miscellaneous</u>						
Disposal of assets	14,180	7,540	7,540	6,440	(1,100)	-14.6%
Donations	19,203	19,661	-	-	(19,661)	-100.0%
Antenna site leases	31,716	30,605	30,605	31,420	815	2.7%
Other	2,396	-	-	-	-	0%
Total miscellaneous	<u>67,495</u>	<u>57,806</u>	<u>38,145</u>	<u>37,860</u>	<u>(19,946)</u>	<u>-34.5%</u>
<u>Other financing sources (uses) - Transfers</u>						
<u>Special Revenue</u>						
From Communications Fund	152,933	134,978	134,978	75,429	(59,549)	-44.1%
<u>Capital Projects</u>						
To Improvement Construction Fund	(500,000)	-	-	-	-	0%
To Building Fund	-	-	-	(200,000)	(200,000)	0%
To Equipment Fund	(877,000)	(550,000)	(550,000)	(945,000)	(395,000)	71.8%
To Park Improvement Fund	(235,000)	-	-	-	-	0%
To Environmental Resources EAB	-	(45,000)	(45,000)	-	45,000	-100.0%
<u>Enterprise</u>						
From Liquor Fund	165,173	172,970	172,970	198,819	25,849	14.9%
From Utility Fund	441,817	447,053	447,053	455,350	8,297	1.9%
<u>Internal Service</u>						
From Municipal Reserve Fund	<u>50,012</u>	<u>51,512</u>	<u>51,512</u>	<u>53,057</u>	<u>1,545</u>	<u>3.0%</u>
Total other financing (net)	<u>(802,065)</u>	<u>211,513</u>	<u>211,513</u>	<u>(362,345)</u>	<u>(573,858)</u>	<u>-271.3%</u>

MAYOR AND COUNCIL

Program Description:

The Mayor and City Council are the legislative and governing body of the City of Lakeville. The Mayor and four City Council Members are elected at-large; the Mayor is elected to a two year term and each Council Member is elected to a four year term. Council Member elections are staggered so that two Council Members are elected every two years.

The Mayor and Council Members represent the entire community and they are empowered by law to legislate City-wide policy. This includes the authority to pass and enforce ordinances, establish public and administrative policies, create advisory boards and commissions, and manage the City's financial operations including preparing a budget, auditing expenditures, and transacting other City business as required by law. The City Council also serves as the Housing and Redevelopment Authority (HRA) for the City. The City Council appoints a City Administrator who directs City staff on implementation of Council decisions and provides day-to-day City operations.

Services:

- Represents the People of Lakeville.
- Exercises legislative authority through the enactment of ordinances, policies, and resolutions.
- Conducts the City's intergovernmental affairs. The Council may make agreements for the joint exercise of powers through agreements with other units of government, appoint people to serve on intergovernmental bodies, conduct City business with State and Federal agencies, and participate in intergovernmental programs and the work of municipal associations such as the League of Minnesota Cities.
- Has the full authority over the City's financial affairs, including but not limited to levying taxes, adopting a budget, disbursement of public monies, and issuance of debt.
- Formulates policies that will help the City prepare for the future and adjust to social and economic trends which require long-range planning regarding City facilities, needs and services.
- Directs the enforcement of City ordinances.
- Appoints members of the advisory boards.
- Provides leadership by promoting ideas and programs which serve the community.

MAYOR AND COUNCIL

(continued)

Budget Summary:

	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 48,549	\$ 49,139	\$ 48,502	\$ 49,151
Commodities	-	50	50	50
Other charges and services	<u>47,416</u>	<u>50,677</u>	<u>50,431</u>	<u>51,889</u>
Total	<u>\$ 95,965</u>	<u>\$ 99,866</u>	<u>\$ 98,983</u>	<u>\$ 101,090</u>
<u>Revenue sources</u>				
Taxes and other public funds	<u>\$ 95,965</u>	<u>\$ 99,866</u>	<u>\$ 98,983</u>	<u>\$ 101,090</u>

COMMITTEES AND COMMISSIONS

Program Description:

- The City has a number of committees which provide recommendations to the City Council relating primarily to policy issues. Committees include Planning, Economic Development, Finance, Lakeville Area Arts Center, Parks Recreation and Natural Resources, Lakeville Yellow Ribbon, Cable TV Board and the Pan-O-Prog community celebration.

Services:

- Advise City Council relative to policy issues.
- Staff support of the annual Pan-O-Prog community celebration.

Budget Summary:

<u>Function</u>	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
Planning Commission	\$ 3,654	\$ 5,425	\$ 5,650	\$ 5,687
Economic Development	785	944	1,043	1,053
Parks, Recreation and N.R.	2,185	2,195	2,495	2,759
Finance Committee	599	1,048	630	630
Lakeville Area Arts Center	806	804	765	814
Pan-O-Prog	65,146	60,868	74,257	64,717
Total	<u>\$ 73,175</u>	<u>\$ 71,284</u>	<u>\$ 84,840</u>	<u>\$ 75,660</u>

<u>Expenditures</u>	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
Personnel services	\$ 59,171	\$ 64,592	\$ 64,437	\$ 61,412
Commodities	2,372	1,530	1,530	1,530
Other charges and services	11,632	18,662	18,873	12,718
Total	<u>\$ 73,175</u>	<u>\$ 84,784</u>	<u>\$ 84,840</u>	<u>\$ 75,660</u>

<u>Revenue sources</u>	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
Charges for services	\$ -	\$ 15,000	\$ 15,000	\$ 6,500
Taxes and other public funds	73,175	69,784	69,840	69,160
Total	<u>\$ 73,175</u>	<u>\$ 84,784</u>	<u>\$ 84,840</u>	<u>\$ 75,660</u>

CITY ADMINISTRATION

Program Description:

The City Administration Department, under the direction of the City Administrator, is charged with implementing policy and direction established by the City Council. It is the responsibility of the City Administrator to provide the overall direction for the City organization in accordance with policies established by the City Council. Other responsibilities are to ensure that City operations are conducted efficiently and effectively such that City Council and citizen concerns are addressed. The department also develops recommendations to the City Council regarding programs, operations and policies. In addition, the City Administrator presents, reviews and monitors the annual operating budget for the City. This leadership helps to ensure that the City of Lakeville operates within the boundaries of prudence and ethics as set forth in the Lakeville Policy Manual and City Code of Ordinances.

Services:

- Provide complete and objective information and recommendations to the City Council.
- other official bodies as directed by the Council.
- Oversee and support City departments as they provide the best possible services to the community at the lowest possible cost.
- Handles personnel matters for the City in accordance with policy as established by the City Council. Negotiates or delegates the negotiation of terms and conditions of employee labor contracts for presentation to the City Council. Conducts annual evaluations and review of work performance for all department heads.
- Provide comprehensive vision and leadership for the City organization so that desires and needs of the community and City Council goals are achieved.
- Recommends from time to time the adoption of such measures as deemed necessary for the health, safety and welfare of the community or for the improvement of the administration.
- Prepare and provide to the City Council a fiscally responsible budget to finance City operations in support of community desires and City Council goals.
- Attends and participates in discussions at all meetings of the City Council and

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
City Administrator	1.0	1.0	1.0	1.0
Assistant City Administrator	1.0	1.0	1.0	1.0
Senior Administrative Assistant/ Deputy Clerk	1.0	1.0	1.0	1.0
Total	3.0	3.0	3.0	3.0

CITY ADMINISTRATION

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 372,108	\$ 407,028	\$ 401,087	\$ 404,834
Commodities	245	800	2,550	800
Other charges and services	17,568	17,513	17,513	17,513
Capital outlay	3,989	7,000	4,452	-
Total	\$ 393,910	\$ 432,341	\$ 425,602	\$ 423,147
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Other financing sources	\$ 52,177	\$ 53,496	\$ 53,496	\$ 56,412
Taxes and other public funds	341,733	378,845	372,106	366,735
Total	\$ 393,910	\$ 432,341	\$ 425,602	\$ 423,147

CITY CLERK

Program Description:

The City Clerk is a statutory office that is responsible for City records management, election administration, legal notification to the public, the issuance of licenses and permits, and the preparation and retention of the official minutes. The office is also the primary source of information for citizen questions and public records requests. The City Clerk is responsible for election administration including staffing and adherence to all election laws of the State of Minnesota and the Federal government. The duties and responsibilities of the City Clerk are described in Minnesota Statute 412.591.

Services:

- Preparation of Council meeting agendas.
- Administration of records management system in accordance with Minnesota Data Retention Act.
- Attend all Council meetings and record meeting minutes.
- Elections administration.
- Administration of ordinance codification.
- Issuance and renewal of licenses.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
City Clerk	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0

CITY CLERK

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 106,963	\$ 111,240	\$ 171,247	\$ 110,468
Commodities	90	2,282	1,500	200
Other charges and services	32,726	76,230	21,079	29,106
Capital outlay	-	8,000	-	-
Total	\$ 139,779	\$ 197,752	\$ 193,826	\$ 139,774
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Taxes and other public funds	\$ 139,779	\$ 197,752	\$ 193,826	\$ 139,774
Total	\$ 139,779	\$ 197,752	\$ 193,826	\$ 139,774

LEGAL COUNSEL

Program Description:

The City Attorney’s office has the statutory responsibility for the administration of all legal services for the City of Lakeville. The work involves serving as the legal advisor and providing legal services to the Council, the committees, commissions and boards of the City, and all City departments. The responsibilities of the office also include substantial involvement in City projects, liability issues, and contractual agreements.

The City of Lakeville retains the services of Campbell Knutson, P.A., to handle the City’s legal affairs including questions of law, court actions and prosecutions. Funding for prosecution is provided for in the Police Department budget.

Services:

- Acts as legal counsel at meetings of the City Council and Planning Commission.
- Represents the City, its boards and officers, in civil claims and litigation.
- Drafts and revises local ordinances and resolutions.
- Drafts and reviews development agreements.
- Researches and writes legal opinions and memoranda for elected officials and City departments.
- Negotiates and drafts City contracts, leases and indemnification agreements.
- Administration of all real estate activity.

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Other charges and services	\$ 68,990	\$ 78,178	\$ 55,340	\$ 57,000
<u>Revenue sources</u>				
Taxes and other public funds	\$ 68,990	\$ 78,178	\$ 55,340	\$ 57,000

PLANNING

Program Description:

The Planning Department offers a variety of services to preserve and enhance the quality of life for those who live and work in the community. The department guides the physical development of Lakeville in a manner that promotes sustained and managed growth and protects the health, safety and general welfare of its residents. The department oversees all the short and long term land use, zoning and development activities as required by State Statute. The Planning Department provides technical support to the Planning Commission and City Council.

Services:

- Administer comprehensive planning and development regulations and policies as adopted by the City of Lakeville and the laws of the State of Minnesota.
- Coordinate development review with other City departments and outside agencies.
- Administer development review and process permits consistent with land use, subdivision and environmental regulations.
- Initiate dialogue in response to emerging community issues.
- Process applications in a timely, thorough and accurate manner.
- Respond to public inquiries accurately and in a timely manner.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Planning Director	1.0	1.0	1.0	1.0
Associate Planners	2.0	2.0	2.0	2.0
Planning Assistant/Code Enforcement	0.0	0.0	0.0	0.8
Administrative Assistant	0.5	0.5	0.5	0.5
Total	3.5	3.5	3.5	4.3

PLANNING

(continued)

Budget Summary:

	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 389,260	\$ 405,466	\$ 406,927	\$ 505,012
Commodities	1,491	3,230	3,378	3,329
Other charges and services	36,237	56,857	55,311	55,921
Capital outlay	416	1,178	-	-
Total	<u>\$ 427,404</u>	<u>\$ 466,731</u>	<u>\$ 465,616</u>	<u>\$ 564,262</u>
<u>Revenue sources</u>				
Charges for services	\$ 100,773	\$ 57,550	\$ 58,920	\$ 62,320
Taxes and other public funds	<u>326,631</u>	<u>409,181</u>	<u>406,696</u>	<u>501,942</u>
Total	<u>\$ 427,404</u>	<u>\$ 466,731</u>	<u>\$ 465,616</u>	<u>\$ 564,262</u>

COMMUNITY AND ECONOMIC DEVELOPMENT

Program Description:

The Community and Economic Development Department is responsible for services that promote business and development that supports the overall economic vitality of the community. Department services include business development, redevelopment, promotion and business retention; real estate sale and acquisitions, economic development strategic planning, and transportation improvement advocacy including transit facilities and service.

Services:

- Coordinate with the Dakota County CDA to administer HUD funded Community Development Block Grant programs and other housing and redevelopment programs.
- Serve as a liaison to the business community.
- Coordinate special projects, studies, and development projects related to economic development.
- Staff and coordinate the activities of the Economic Development Commission (EDC).
- Coordinate with State and local agencies to provide assistance to new and expanding businesses.
- Provide development updates, statistics, and demographics for the City Council, Economic Development Commission and City departments.
- Provide high-level City development strategies.
- Coordinate Manufacturers Week activities.
- Respond to inquiries and assist developers and businesses to navigate through the City’s development process.
- Coordinate public information activities regarding local economic development issues.

Staffing:

Position (FTE)	2015 Actual	2015 Budget	2016 Estimate	2017 Budget
Community and Econ. Dev. Director	1.0	1.0	1.0	1.0
Economic Development Specialist	0.9	1.0	1.0	1.0
Administrative Assistant	0.5	0.5	0.5	0.5
Total	2.4	2.5	2.5	2.5

COMMUNITY AND ECONOMIC DEVELOPMENT

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 267,623	\$ 271,277	\$ 272,347	\$ 284,506
Commodities	190	250	830	250
Other charges and services	19,104	31,750	31,750	73,516
Capital outlay	1,803	580	-	-
Total	\$ 288,720	\$ 303,857	\$ 304,927	\$ 358,272
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 45,000
Miscellaneous	735	-	-	-
Other financing sources	20,000	20,000	20,000	15,000
Taxes and other public funds	267,985	283,857	284,927	298,272
Total	\$ 288,720	\$ 303,857	\$ 304,927	\$ 358,272

INSPECTIONS

Program Description:

The primary responsibility of the Inspections Department is for enforcement of the adopted building codes. The department is also responsible for code enforcement to preserve the livability and integrity of residential and commercial districts and prevent deterioration and blighted influences within the community.

Services:

- Process applications, perform plan review and issue permits for residential and commercial projects.
- Conduct seminars for homeowners regarding new deck construction and basement remodeling projects.
- Assist design professionals, contractors and homeowners with interpretations on code related questions.
- Respond to customer complaints concerning construction sites, code enforcement, refuse storage, and other zoning and housing maintenance.
- Perform building related inspections.
- Respond to complaints of vacant homes and inspect home's condition prior to occupancy.
- Issue Certificates of Occupancy for permits which meet or exceed permit requirements.
- Perform code compliance inspections.
- Coordinate records, consolidate plans and archives.
- Participate in the development and amendments to State and local code requirements both nationally and locally.
- Provide information regarding code requirements.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Building Official	1.0	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Sr. Plumbing/Mechanical Inspector	1.0	1.0	1.0	1.0
Sr. Building Inspector	1.6	2.0	2.0	2.0
Building Inspectors	2.0	2.0	2.0	2.0
Total	7.6	8.0	8.0	8.0

INSPECTIONS

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 735,608	\$ 822,601	\$ 826,989	\$ 830,402
Commodities	11,427	10,834	10,206	12,627
Other charges and services	194,215	286,328	271,995	218,555
Capital outlay	2,487	1,250	1,250	-
Total	\$ 943,737	\$ 1,121,013	\$ 1,110,440	\$ 1,061,584
 <u>Revenue sources</u>				
Licenses and permits	\$ 2,471,280	\$ 1,731,192	\$ 2,511,990	\$ 1,996,817
Charges for services	25,409	19,249	24,875	26,900
Taxes and other public funds	(1,552,952)	(629,428)	(1,426,425)	(962,133)
Total	\$ 943,737	\$ 1,121,013	\$ 1,110,440	\$ 1,061,584

GENERAL GOVERNMENT FACILITIES

Program Description:

The General Government Facilities Department is responsible for the maintenance and operating costs of City Hall, a storage facility and a radio communications building. This department is also responsible for the landscape maintenance and snowplowing of the Heritage Library.

This department provides staffing for planning, implementing, coordinating and evaluating a comprehensive program of improvements including project management for the following buildings that are budgeted within their respective departments.

<u>Facility</u>	<u>Location</u>	<u>Square Footage</u>
<u>General Government Facilities Budget</u>		
City Hall	20195 Holyoke Avenue	32,600
Storage Facility	7773 214 th Street	25,000
Radio Communications Building	17900 Jacquard Avenue	800
<u>Other Budgets</u>		
Police Station	9237 183 rd Street	68,569
Fire Station #1	20190 Holyoke Avenue	8,700
Fire Station #2	16720 Dodd Boulevard	5,724
Fire Station #3	17490 Kenrick Avenue	5,500
Fire Station #4	9465 185 th Street	13,830
Central Maintenance Facility	7570 179 th Street West	110,000
Heritage Center	20110 Holyoke Avenue	16,406
Arts Center	20965 Holyoke Avenue	8,200
Water Treatment Facility	18400 Ipava Avenue	47,125
Liquor Store Kenrick	16179 Kenrick Avenue	9,714
Liquor Store Galaxie	16000 Galaxie Avenue	11,300
Liquor Store Heritage	20164 Heritage Drive	8,960

Services:

- Protect the investment the City and the Community have made in its facilities by developing and implementing long term facility maintenance programs to keep life cycle costs of the facilities as low as possible.
- Plan for and procure services, equipment, tools and supplies necessary for effective and efficient operations.
- Plan, organize, coordinate, assign, and monitor work of facilities maintenance and cleaning staff necessary to perform required job functions.
- Manage facilities maintenance and repair projects.
- Administer contracts and direct contractors for landscaping, HVAC, generator maintenance, snow removal, electrical, plumbing, food services, etc.
- Preventive maintenance programs.

GENERAL GOVERNMENT FACILITIES

(continued)

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Facility Maintenance Supervisor	1.0	1.0	1.0	1.0
Facility Attendants	0.0	0.0	1.9	2.6
City Hall Receptionists	1.6	1.6	1.6	1.6
City Hall Administrative Assistant	0.4	0.4	0.4	0.4
Total	3.0	3.0	4.9	5.6

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 205,164	\$ 288,830	\$ 286,033	\$ 332,817
Commodities	15,975	22,728	23,262	22,907
Other charges and services	175,574	171,620	172,941	173,887
Total	\$ 396,713	\$ 483,178	\$ 482,236	\$ 529,611
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Miscellaneous	\$ 43,716	\$ 30,605	\$ 30,605	\$ 31,420
Other financing sources	60,251	58,942	58,942	72,727
Taxes and other public funds	292,746	393,631	392,689	425,464
Total	\$ 396,713	\$ 483,178	\$ 482,236	\$ 529,611

FINANCE

Program Description:

The Finance Department is responsible for the overall financial management, accounting and reporting activity of the City. This department also provides financial controls and treasury management of other City departments to help ensure proper stewardship of public funds. The Finance Department coordinates the annual operating and capital budget process for all City operations.

Services:

- Financial reporting. Coordinate and prepare the annual audit and Comprehensive Annual Financial Report (CAFR). Maintain high quality audit results and minimize audit costs. Preparation of required State, Federal and other government agency reports. Maintain general ledger and fixed capital asset systems and perform various accounting functions such as reconciliation of various accounts.
- Treasury management including investment of City funds, accounts payable function, debt management and reporting and manage bank agreements and transactions to minimize costs and maximize efficiency.
- Billing and collection for City services including but not limited to development related services, licenses, public safety activities and quarterly water, sanitary sewer, street light services and environmental resources. Manage utility billings to provide high quality customer service and timely deposit of collections.
- Fiscal agent for ALF Ambulance, Dakota Communications Center, and Lakeville Arenas. Services include preparation of Comprehensive Annual Financial Report, interim financial reports, accounts payable functions, treasury management, budgeting, and debt management.
- Budget administration including the Capital Improvement Plan.
- Supervision of City risk management program.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Finance Director	0.8	1.0	1.0	1.0
Assistant Finance Director	0.1	1.0	1.0	1.0
Senior Administrative Assistant	0.8	0.0	0.0	0.0
Senior Accountants	2.9	3.0	2.7	3.0
Accountant II	1.0	1.0	1.0	1.0
Accounts Payable Technician	1.0	1.0	1.0	1.0
Total	6.6	7.0	6.7	7.0

FINANCE

(continued)

Budget Summary:

	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 600,882	\$ 652,537	\$ 607,737	\$ 670,563
Commodities	3,997	4,958	4,355	4,229
Other charges and services	75,341	78,167	76,741	84,823
Capital outlay	<u>4,166</u>	<u>-</u>	<u>1,348</u>	<u>-</u>
Total	<u>\$ 684,386</u>	<u>\$ 735,662</u>	<u>\$ 690,181</u>	<u>\$ 759,615</u>
<u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Charges for services	\$ 127,684	\$ 129,054	\$ 127,280	\$ 129,438
Other financing sources	50,012	51,512	51,512	53,057
Taxes and other public funds	<u>506,690</u>	<u>555,096</u>	<u>511,389</u>	<u>577,120</u>
Total	<u>\$ 684,386</u>	<u>\$ 735,662</u>	<u>\$ 690,181</u>	<u>\$ 759,615</u>

INFORMATION SYSTEMS

Program Description:

The Information Systems Department is responsible for providing and supporting the electronic information systems of other City departments. The services provided by the Department include network infrastructure support; desktop computer support; and planning, analysis and implementation of information systems technology.

Services:

- Provide 24/7 access to the City's website.
- Provide support for users of City information systems.
- Establish and maintain network systems to allow efficient flow of information.
- Coordinate future systems development.
- Maintain and support the City's local area networks.
- Assist with the maintenance and development of the City's wide area network.
- Perform maintenance and repair work on city-owned computing equipment.
- Perform installation, maintenance, and upgrades of city-owned computer software, and VoIP telephones.
- Provide training and software support to City personnel.
- Maintain and assist in development of the City's World Wide Web and Intranet sites.
- Coordinate and monitor Internet access for City employees.
- Coordinate with City staff and LOGIS on the deployment and operation of applications.
- Provide desktop support to City staff.
- Provide maintenance and support for document imaging solution.
- Development and implementation of City data security plan and disaster recovery.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Information Systems (IS) Manager	1.0	1.0	0.9	1.0
IS Network Specialist	1.0	1.0	1.0	1.0
IS Technician	1.0	1.5	1.1	2.0
Total	3.0	3.5	3.0	4.0

INFORMATION SYSTEMS

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 319,691	\$ 382,259	\$ 381,321	\$ 391,170
Commodities	3,819	5,196	5,293	6,276
Other charges and services	179,163	215,128	215,135	223,296
Capital outlay	34,508	-	-	-
Total	\$ 537,181	\$ 602,583	\$ 601,749	\$ 620,742
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Other financing sources	\$ 95,247	\$ 98,386	\$ 98,386	\$ 125,539
Taxes and other public funds	441,934	504,197	503,363	495,203
Total	\$ 537,181	\$ 602,583	\$ 601,749	\$ 620,742

HUMAN RESOURCES

Program Description:

The City Human Resources Department is responsible for development, recommendation and implementation of policies related to human resources issues. The Department provides guidance and assistance to City leadership and employees regarding recruitment, employee satisfaction and development. The Human Resources function strives to retain and support a workforce committed to high quality, efficient services and respectful working relationships.

Services:

- Employee wage and benefit packages administration.
- Partner in recruitment and performance management with all departments.
- Payroll administration.
- Personnel records management.
- Workers compensation claims processing.
- Compensation and classifications system administration.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Human Resources Manager	1.0	1.0	1.0	1.0
Benefits Specialist	1.0	1.0	1.0	1.0
Payroll Technician	1.2	2.0	2.0	2.0
Total	3.2	4.0	4.0	4.0

HUMAN RESOURCES

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 323,058	\$ 423,789	\$ 438,833	\$ 389,063
Commodities	2,390	1,340	1,340	1,340
Other charges and services	101,604	109,716	86,849	130,223
Capital outlay	6,242	-	1,348	-
Total	\$ 433,294	\$ 534,845	\$ 528,370	\$ 520,626
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Other financing sources	\$ 100,792	\$ 105,975	\$ 105,975	\$ 129,481
Taxes and other public funds	332,502	428,870	422,395	391,145
Total	\$ 433,294	\$ 534,845	\$ 528,370	\$ 520,626

INSURANCE

Program Description:

The Insurance Department is responsible for property and liability insurance, workers compensation, the Employee/Management Safety Committee, and related health and safety programs (OSHA, DOT, and EPA).

The City uses the Internal Service Municipal Reserves Fund for accounting, reporting and allocation of related insurance costs. Under this model, operating departments within the various City funds receive a charge from the Municipal Reserves Fund, and all costs (premiums, claims, and related) are reflected in a single fund. This allows for better accounting and monitoring of the City’s risk management costs. Workers compensation costs are charged to the various City funds and allocated to their individual departments based on employee salaries. The Insurance Department represents the General Fund’s share of the risk management activities.

Services:

- Manage potential risk and loss from unforeseen events. Tactics include aggressive case management, promoting safe behaviors, and ensuring safe environments.

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Other charges and services	\$ 322,100	\$ 182,180	\$ 182,180	\$ 182,180
 <u>Revenue sources</u>				
Taxes and other public funds	\$ 322,100	\$ 182,180	\$ 182,180	\$ 182,180

POLICE

Program Description:

The primary function of the Police Department is to safeguard and protect the lives, health and property of the Citizens of Lakeville. The Department includes a wide array of public safety functions including patrol, investigations, proactive drug enforcement, animal control, canine unit, police reservists, Chaplaincy, park ranger and Emergency Management Preparedness.

Services:

- **Patrol.** Provide 9-1-1 uniformed patrol response 24 hours a day, 7 days a week including traffic safety and code enforcement, conflict resolution team, MAAG team and special operations team.
- **Dispatching.** City of Lakeville is a member of the Dakota Communications Center Joint Powers Organization which provides dispatching services for all police, fire and emergency management services in the County.
- **Investigations.** Adult and juvenile investigations of criminal activity. Includes crime scene investigation unit and one officer assigned to the South Metro Drug Task Force.
- **Records management.** The support staff is responsible for maintenance of police records in accordance with State and Federal data practice laws.
- **Administration.** Provide background and compliance checks for licensing and permitting functions including alcohol and tobacco server training. Public education programs include Child Safety Programs, Citizens Academy and crime prevention, safety camp participation, Police cable TV programming and Night to Unite program.
- **Courts and prosecution.** City attorney prosecutes those who endanger the lives and property of others.
- **School Resource Liaisons.** Two police officers are assigned to the senior high and middle schools during the school year.
- **Emergency Management.** Function includes civil defense siren system, Special Operations Team, participation in County-wide domestic preparedness committee and preparation for possible community emergencies.
- **Animal Control.** Function includes dog licensing and animal code enforcement.
- **Community Service Officer (CSO).** Provide assistance to sworn officers. Responsible for maintenance of facility and vehicles. During the summer, the department employs seasonal CSOs who maintain order at the Lake Marion boat launch and enforce park regulations.
- **Police Reserves.** The Police Reserves unit is comprised of non-sworn volunteers who assist the police officers with special events and community emergencies.

POLICE

(continued)

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Sworn Officers				
Chief	1.0	1.0	1.0	1.0
Deputy Chief	1.0	1.0	1.0	1.0
Lieutenants	4.0	4.0	4.0	4.0
Sergeants	5.0	5.0	5.0	5.0
Investigators	6.0	6.0	6.0	6.0
Narcotics Task Force Officer	1.0	1.0	1.0	1.0
DUI Enforcement Grant	0.5	1.0	1.0	1.0
Patrol Officers	34.3	35.4	35.8	38.0
Total Sworn Officers	52.8	54.4	54.8	57.0
Business Manager	1.0	1.0	1.0	1.0
Evidence Technician	1.0	1.0	1.0	1.0
Community Service Officers	4.8	4.8	4.6	4.8
Records Analyst	1.0	1.0	1.0	1.0
Police Administrative Assistants	4.7	4.7	4.7	4.7
Total	65.3	66.9	67.1	69.5

POLICE

(continued)

Budget Summary:

<u>Program</u>	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended Budget</u>	<u>Estimate</u>	<u>Adopted Budget</u>
Police patrol	\$ 4,778,931	\$ 5,132,949	\$ 5,153,181	\$ 5,587,849
Investigations	1,145,758	1,160,329	1,208,740	1,224,201
Dispatching	910,224	934,819	934,819	1,014,160
Administration	365,499	351,242	374,215	387,674
Records management	587,181	629,706	627,544	655,128
Vehicle and equipment maint.	228,148	231,933	213,591	243,949
Courts and prosecution	220,471	229,361	229,361	229,361
K-9 unit	261,966	276,079	240,816	269,733
Facility maintenance	193,650	199,131	190,717	211,682
Community Service Officers	231,648	254,499	241,627	252,672
School Resource Officers	198,102	198,072	202,967	209,494
DUI Grant Officer	113,321	151,191	122,094	126,789
Animal control	12,483	19,100	14,000	14,000
Police reserves	25,201	17,244	17,441	31,781
Crime prevention	3,026	3,995	3,995	4,008
Other	26,067	31,257	30,725	30,763
Total	<u>\$ 9,301,676</u>	<u>\$ 9,820,907</u>	<u>\$ 9,805,833</u>	<u>\$ 10,493,244</u>

	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended Budget</u>	<u>Estimate</u>	<u>Adopted Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 7,249,042	\$ 7,712,219	\$ 7,710,620	\$ 8,220,190
Commodities	356,368	347,779	323,780	411,866
Other charges and services	1,637,401	1,740,358	1,746,914	1,861,188
Capital outlay	67,865	20,551	24,519	-
Total	<u>\$ 9,310,676</u>	<u>\$ 9,820,907</u>	<u>\$ 9,805,833</u>	<u>\$ 10,493,244</u>

Revenues and other financing

<u>Revenue sources</u>				
Licenses	\$ 182,493	\$ 172,236	\$ 200,402	\$ 204,035
Intergovernmental	548,539	619,586	588,553	574,783
Charges for services	463,743	440,752	447,222	462,335
Court fines	369,356	315,000	466,000	466,000
Miscellaneous	8,864	19,661	-	-
Other financing sources	66,022	68,482	68,482	-
Taxes and other public funds	7,671,659	8,185,190	8,035,174	8,786,091
Total	<u>\$ 9,310,676</u>	<u>\$ 9,820,907</u>	<u>\$ 9,805,833</u>	<u>\$ 10,493,244</u>

FIRE

Program Description:

The City of Lakeville Fire Department is organized and designed to provide responsive, efficient and effective life and property protection. The department is staffed by paid-on-call firefighters and part-time duty crews (effective 2015). The Department is responsible for fire emergency response, disaster preparedness, fire code compliance/enforcement, fire investigations, fire prevention and education. The City also maintains mutual aid agreements with neighboring communities which provide Lakeville with additional personnel and equipment capabilities to fight major fires and meet the demands of a large scale emergency.

Services:

- **Emergency Response**
 - Fire suppression.
 - Emergency Medical Response (EMS).
 - Vehicle extrication – rescue.
 - Ice and water rescue.
 - Domestic security and emergency management.
 - Hazardous condition and disaster mitigation.
- **Prevention**
 - Plan review.
 - Alarm and suppression system acceptance testing.
 - Occupancy inspections.
 - Fire prevention inspections.
- **Fire Investigation**
 - Fire cause determination.
- **Education**
 - Firefighters’ initial and continued education and certification.
 - Safety Camp.
 - Night to Unite.
 - Fire prevention visits to schools.
 - “On Call” cable TV program.
 - Station tours.
 - Public and employee fire extinguisher training.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Fire Chief	1.0	1.0	1.0	1.0
Assistant Fire Chief	0.7	1.0	0.9	1.0
Fire Marshal	1.0	1.0	1.0	1.0
Fire Inspector	1.0	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	0.6	0.6	0.6	0.6
Total	5.3	5.6	5.5	5.6

FIRE

(continued)

Budget Summary:

	<u>2015 Actual</u>	<u>2016 Amended Budget</u>	<u>2016 Estimate</u>	<u>2017 Adopted Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 1,231,805	\$ 1,324,358	\$ 1,308,241	\$ 1,348,421
Commodities	145,298	139,128	137,956	153,922
Other charges and services	<u>272,157</u>	<u>287,897</u>	<u>276,750</u>	<u>286,427</u>
Total	<u>\$ 1,649,260</u>	<u>\$ 1,751,383</u>	<u>\$ 1,722,947</u>	<u>\$ 1,788,770</u>
 <u>Revenue sources</u>				
Licenses	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Intergovernmental	366,743	318,865	348,796	345,399
Charges for services	42,856	43,545	43,620	44,682
Taxes and other public funds	<u>1,237,561</u>	<u>1,386,873</u>	<u>1,328,431</u>	<u>1,396,589</u>
Total	<u>\$ 1,649,260</u>	<u>\$ 1,751,383</u>	<u>\$ 1,722,947</u>	<u>\$ 1,788,770</u>

ENGINEERING

Program Description:

The Engineering Department is responsible for planning, designing, surveying, inspecting, and constructing new public infrastructure including streets, wastewater collection system, water supply, storage and distribution system, storm water management system, bike and pedestrian trails, street signs, street lighting, and traffic signals. The Department also includes the Geographic Information System (GIS) function which is responsible for the management of data relating to parcels, parcel boundaries, utilities, streets, and other infrastructure.

Services:

- **Public infrastructure.** Provide design services; project oversight and management for streets, sanitary sewers, drainage and water projects to include wetland mitigation plans. Provide management of the public assessments and other property data. Prepare feasibility studies for new public projects that are assessed.
- **New development.** Review proposed, preliminary and final plats related to new residential, commercial and industrial development construction projects. Process ensures that plans are in conformance with Comprehensive Plans, ordinances and City of Lakeville Standard Specifications.
- **Comprehensive Plans.** Prepare and provide technical oversight and review of the Comprehensive Plans for Surface Water Management, Sanitary Sewer, Water Distribution System, and Transportation.
- **Customer service.** Assist residents and provides technical assistance for drainage problems, grading issues, erosion control and drain tile. Includes review of residential, commercial, industrial and institutional surveys and construction plans (Site, Grading, Erosion Control, Street and Utility). Includes inspection for general compliance to the approved survey and subdivision plans. Respond to resident inquiries regarding drainage alteration and flood zones. Manages the public rights of way for all City streets.
- **Records Management.** The department maintains the official City base maps, as-builts, plans, records and property data relating to special assessments.
- **Geographic Information System (GIS).** Develop and maintain the City's GIS database. Coordinate the maintenance, development, and application of GIS system. Manage the comprehensive inventory of City utilities. Manage the information conduit between Dakota County GIS and the City.

ENGINEERING

(continued)

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Engineering				
City Engineer	1.0	1.0	1.0	1.0
Project Engineer	1.6	2.0	2.0	2.0
Civil Engineer	0.4	-	0.7	1.0
Graduate Engineer	0.4	1.0	-	-
Administrative Assistant	1.0	1.0	0.8	1.0
GIS				
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Technician	1.0	1.0	1.0	1.0
Total	6.4	7.0	6.5	7.0

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 581,091	\$ 657,449	\$ 659,940	\$ 704,482
Commodities	5,360	8,924	8,163	8,766
Other charges and services	53,060	122,171	55,785	292,149
Capital outlay	19,921	11,332	11,142	-
Total	\$ 659,432	\$ 799,876	\$ 735,030	\$ 1,005,397
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Charges for services	\$ 920,287	\$ 465,151	\$ 572,151	\$ 448,965
Other financing sources	100,244	100,927	100,927	138,340
Taxes and other public funds	(361,099)	233,798	61,952	418,092
Total	\$ 659,432	\$ 799,876	\$ 735,030	\$ 1,005,397

OPERATIONS AND MAINTENANCE

Program Description:

The Operations and Maintenance Department oversees the Utilities and Streets Departments, and is responsible for the rehabilitation and maintenance of the City’s infrastructure systems including: pavement management, water main, sanitary sewer and storm sewer systems.

Services:

- **Pavement Management.** Complete annual pavement ratings and analysis of the City’s street system. The results of these ratings will be used to determine the City’s Overall Condition Index (OCI), which serves as a tool for prioritizing and programming the City’s Street Reconstruction Projects.
- **Collector Roadway Rehabilitation Projects.** Survey, design, administer the contract and perform inspection duties for collector roadway rehabilitation projects. This includes compliance with all State Statute 429 requirements associated with specially assessing benefiting properties within the project areas, such as: preparation of the feasibility report, public hearing materials and notices, special assessment rolls and assessment hearing materials.
- **Street Reconstruction Program.** Manage consultant(s) working to design the City’s annual Street Reconstruction Projects. Prepare materials associated with the 429 Special Assessment Process and for inspection duties during the construction of the projects.
- **Public infrastructure.** Provide design services; project oversight and management for other pavement management and utility rehabilitation projects, such as: The City’s annual Miscellaneous Roadway Repair Project, trail reconstruction projects and City parking lot improvement projects.
- **Collector Roadway Financing.** Provide annual updates to the City’s Collector Roadway Financing budget based on current funding priorities and updated construction cost estimates for use with future budgetary planning.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Operations and Maintenance (O&M) Engineer	1.0	1.0	0.8	1.0
O & M Construction Coordinator	-	-	0.9	0.8
O & M Engineer Coordinator	-	-	1.0	1.0
Senior Construction Representative	2.9	4.0	1.0	1.8
Total	3.9	5.0	3.7	4.6

OPERATIONS AND MAINTENANCE

(continued)

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 445,936	\$ 603,715	\$ 466,086	\$ 614,951
Commodities	5,761	7,283	6,317	7,723
Other charges and services	13,509	15,141	13,787	14,318
Capital outlay	66,548	35,873	3,011	27,485
Total	\$ 531,754	\$ 662,012	\$ 489,201	\$ 664,477
 <u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Charges for services	\$ 866,734	\$ 1,263,001	\$ 1,296,867	\$ 690,447
Taxes and other public funds	(334,980)	(600,989)	(807,666)	(25,970)
Total	\$ 531,754	\$ 662,012	\$ 489,201	\$ 664,477

STREETS

Program Description:

The Streets Department is responsible for the safe and reliable maintenance of the City’s infrastructure systems including pavement management, snow and ice removal, traffic control and signage, street lights, and storm sewer systems as well as the support systems such as fleet and facilities management.

Services:

- **Snow removal and ice control.** Plow snow and apply deicing chemicals to City streets during snow and ice events to maintain a safe driving surface.
- **Boulevard trees and mowing.** Maintain 3,700 boulevard trees to include trimming, removal, and replacement as needed. Mow 87 miles of boulevards and City-owned parcels twice annually.
- **Fleet management.** Perform routine maintenance and repairs for the entire city fleet of vehicles and mobile equipment.
- **Storm sewer maintenance.** Assist with inspection of 20 percent of the City’s storm sewer outfalls each year to control water pollution by locating and correcting point sources that discharge pollutants.
- **Street signs and striping.** Inventory, manage, and install regulatory and informational street signs as well as traffic control striping of roadways and crosswalks.
- **Gravel road maintenance.** Regular grading and shaping of road surfaces and the application of chemicals to reduce dust and stabilize the roadway.
- **Pavement Management.** Manage contractors in the crack sealing of 260 centerline miles of streets within Lakeville’s pavement management districts. This includes milling, thin overlays, patching, and other repairs to streets and sidewalks.
- **Streetlights.** Inspect streetlights throughout the City and manage the repair or replacement of damaged or inoperative lights.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Streets Superintendent	1.0	1.0	1.0	1.0
Streets Supervisor	1.0	1.0	1.0	1.0
Streets Lead Maintenance	1.0	1.0	1.0	1.0
Streets Maintenance II	10.4	11.3	11.7	12.0
Fleet Supervisor	1.0	1.0	1.0	1.0
Fleet Service Technician Lead	1.0	1.0	1.0	1.0
Fleet Service Technicians	4.0	4.0	4.0	4.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total	20.4	21.3	21.7	22.0

STREETS

(continued)

Budget Summary:

<u>Program</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Amended</u> <u>Budget</u>	<u>2016</u> <u>Estimate</u>	<u>2017</u> <u>Adopted</u> <u>Budget</u>
Administration	\$ 482,951	\$ 505,607	\$ 497,394	\$ 520,033
Snow removal and ice control	643,126	967,154	984,782	905,968
Fleet management	557,409	794,904	659,920	685,762
Signs and striping	302,215	285,180	274,114	318,792
Pavement management	186,960	208,614	185,471	212,726
Central Maintenance Facility	110,100	115,593	108,634	105,237
Boulevard trees and mowing	140,314	110,325	139,805	148,217
Storm sewer systems	106,306	116,505	102,820	109,051
Street sweeping	114,142	100,795	108,215	119,312
Gravel roads and dust control	79,315	89,529	86,396	102,981
Traffic signal systems	11,873	17,629	17,304	17,870
Sidewalks, curbs and gutters	5,131	7,493	4,755	5,051
Other	13,738	33,321	18,276	25,483
Total	<u>\$ 2,753,580</u>	<u>\$ 3,352,649</u>	<u>\$ 3,187,886</u>	<u>\$ 3,276,483</u>

<u>Expenditures</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Amended</u> <u>Budget</u>	<u>2016</u> <u>Estimate</u>	<u>2017</u> <u>Adopted</u> <u>Budget</u>
Personnel services	\$ 1,726,034	\$ 1,954,340	\$ 1,914,796	\$ 2,011,988
Commodities	733,378	1,037,288	970,176	912,051
Other charges and services	294,168	361,021	302,914	352,444
Capital outlay	-	-	-	-
Total	<u>\$ 2,753,580</u>	<u>\$ 3,352,649</u>	<u>\$ 3,187,886</u>	<u>\$ 3,276,483</u>

<u>Revenues and other financing</u>				
<u>Revenue sources</u>				
Charges for services	\$ 105,032	\$ 40,206	\$ 49,000	\$ 49,000
Other financing sources	107,418	108,778	108,778	112,774
Taxes and other public funds	2,541,130	3,203,665	3,030,108	3,114,709
Total	<u>\$ 2,753,580</u>	<u>\$ 3,352,649</u>	<u>\$ 3,187,886</u>	<u>\$ 3,276,483</u>

PARKS

Program Description:

The City of Lakeville provides a comprehensive community-wide array of park facilities and open spaces. The Parks Department is committed to the effective and responsible management of parks, open space, facilities and resources to satisfy the needs of the community.

Services:

- Parks administration is responsible for planning, management and supervision of various program functions including park maintenance, recreation, the Lakeville Area Arts Center, and the Lakeville Active Adults.
- Manage and maintain six hockey and pleasure skating areas.
- Planning, administering and managing resources for park maintenance, improvements and development.
- Collaborate with and assist various community groups and civic organizations as well as three school districts to plan, organize, promote and enhance other activities and opportunities within the City of Lakeville.
- Provide routine maintenance of all athletic fields and facilities including Central Maintenance Facility, Heritage Center, Arts Center and the Ritter Farm Park Environmental Learning Center.
- Oversee the organization and implementation of community-centered special events such as Household Hazardous Waste Drop-Off Day, Annual Tree Sale, Family Fun Fest, Taste of Lakeville, Fourth of July Celebration, Pan-O-Prog, Lakeville Art Festival, and numerous youth athletic tournaments.
- Provide routine maintenance to all neighborhood parks and associated support facilities.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Administration				
Parks and Recreation Director	0.8	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0	1.0
Parks Maintenance				
Operations and Maintenance Manager	1.0	1.0	-	-
Parks Superintendent	-	-	0.5	1.0
Parks Supervisor	1.0	1.0	0.6	1.0
Parks Lead Maintenance	1.0	1.0	1.0	1.0
Parks Maintenance II	9.0	9.0	9.0	9.8
Administrative Assistant	1.0	1.0	1.0	1.0
Total	14.8	15.0	14.1	15.8

PARKS

(continued)

Budget Summary:

<u>Program</u>	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended Budget</u>	<u>Estimate</u>	<u>Adopted Budget</u>
Park maintenance	\$ 1,437,854	\$ 1,458,166	\$ 1,435,569	\$ 1,585,119
Administration	375,179	397,851	362,352	387,467
Park equipment maintenance	317,501	331,007	279,175	299,392
Hockey and skating rinks	104,239	134,558	113,971	143,587
Central maintenance facility	87,797	96,617	86,317	81,578
Trail lighting	39,996	43,857	42,247	44,782
Total	<u>\$ 2,362,566</u>	<u>\$ 2,462,056</u>	<u>\$ 2,319,631</u>	<u>\$ 2,541,925</u>

	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended Budget</u>	<u>Estimate</u>	<u>Adopted Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 1,611,926	\$ 1,675,556	\$ 1,580,203	\$ 1,785,414
Commodities	280,096	277,377	243,642	277,283
Other charges and services	470,544	504,748	492,696	475,478
Capital outlay	-	4,375	3,090	3,750
Total	<u>\$ 2,362,566</u>	<u>\$ 2,462,056</u>	<u>\$ 2,319,631</u>	<u>\$ 2,541,925</u>

Revenues and other financing

Revenue sources

Intergovernmental	\$ 200	\$ 662	\$ 200	\$ 200
Charges for services	41,902	35,350	35,350	35,350
Miscellaneous	-	-	-	-
Other financing sources	-	-	-	-
Taxes and other public funds	<u>2,320,464</u>	<u>2,426,044</u>	<u>2,284,081</u>	<u>2,506,375</u>
Total	<u>\$ 2,362,566</u>	<u>\$ 2,462,056</u>	<u>\$ 2,319,631</u>	<u>\$ 2,541,925</u>

RECREATION

Program Description:

The Recreation Department is responsible for providing year round recreational programs and activities for all age groups. The department also collaborates with and assists numerous Lakeville groups, organizations, clubs and school districts to provide recreation services throughout the community.

Services:

- **Senior Citizens.** The city maintains a facility to serve the senior population. Recreation and social programs are provided year round through the facility.
- **Youth activities.** A variety of programs are provided including summer camps, firearms safety, golf, Kamp Kermit, Learn to Skate, Sports Unlimited, and Youth Enrichment.
- **Adult activity.** Leagues are organized through the Recreation Department that include basketball, softball, volleyball, broomball, dodgeball, as well as the Ground Pounders Running Series and golf lessons.
- **Youth special events.** Programs include Arbor Day, Egg Hunts, Fishing Contests, Haunted Forest, Once Upon a Star, Pan-O-Prog programs, Santa Calls, Holiday Lights, and Santa's Secret Store.
- **Tennis lessons** and camps with the support of United States Tennis Association (USTA).
- **Excursions.** A diverse program of day trips is offered to various locations throughout the metropolitan area.
- **Ritter Farm Park ELC.** The Environmental Learning Center is located in one of the metropolitan area's most pristine nature areas. Nature programs provide participants with educational opportunities in a natural environment.
- **Puppet Wagon.** The Lakeville Lions sponsor a mobile puppet show that travels to various community parks during the summer season.
- **Safety Camp.** A program that is offered exclusively to 3rd and 4th graders, with the support of Lakeville Police and Fire, Dakota Electric and the National Guard.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2016 Budget
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Program Supervisor	0.9	1.0	-	-
Recreation Administrative Assistant	1.0	1.0	1.0	1.0
Recreation Program Coordinator	1.0	1.0	1.5	2.0
Heritage Center Administrative Assistant	0.7	0.7	1.2	1.4
Total	4.6	4.7	4.2	5.4

RECREATION

(continued)

Budget Summary:

<u>Program</u>	2015 <u>Actual</u>	2006 Amended <u>Budget</u>	2016 <u>Estimate</u>	2017 Adopted <u>Budget</u>
Recreation administration	\$ 290,405	\$ 248,774	\$ 230,525	\$ 259,197
Active Adults	173,630	195,658	207,916	221,816
Youth activities	93,199	108,900	114,628	114,828
Adult activities	30,412	36,874	35,637	35,180
Youth special events	12,869	11,100	11,734	12,508
Ritter Farm Park ELC	6,797	12,514	6,197	6,424
Excursions	9,974	5,456	4,500	4,500
Tennis lessons	11,561	10,125	11,561	11,561
Puppet wagon	5,035	4,271	4,271	4,710
Safety camp	1,607	2,982	2,982	2,257
Total	<u>\$ 635,489</u>	<u>\$ 636,654</u>	<u>\$ 629,951</u>	<u>\$ 672,981</u>
	2015 <u>Actual</u>	2016 Amended <u>Budget</u>	2016 <u>Estimate</u>	2017 Adopted <u>Budget</u>
<u>Expenditures</u>				
Personnel services	\$ 369,549	\$ 364,098	\$ 345,512	\$ 393,149
Commodities	22,389	27,572	32,644	35,483
Other charges and services	226,928	244,206	242,037	244,349
Capital outlay	16,623	778	9,758	-
Total	<u>\$ 635,489</u>	<u>\$ 636,654</u>	<u>\$ 629,951</u>	<u>\$ 672,981</u>
<u>Revenue sources</u>				
Charges for services	\$ 341,177	\$ 362,051	\$ 379,127	\$ 373,200
Taxes and other public funds	294,312	274,603	250,824	299,781
Total	<u>\$ 635,489</u>	<u>\$ 636,654</u>	<u>\$ 629,951</u>	<u>\$ 672,981</u>

HERITAGE CENTER

Program Description:

The Heritage Center is a facility that is the home for the Lakeville Area Historical Society, Yellow Ribbon and the Lakeville Active Adults. The Heritage Center program accounts for all costs related to operating the facility including utilities, maintenance, repairs and operation of the facility.

Services:

- Facilities for the educational, social, and recreational programs for senior citizens.
- Facilities for the Lakeville Area Historical Society.
- Facilities for the Lakeville Active Adults.
- Facility rental opportunities for community, private or business events.
- Facilities for the Lakeville Yellow Ribbon.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2016 Budget
Facility Attendants (part-time)	0.9	0.9	0.9	0.9
Total	0.9	0.9	0.9	0.9

Budget Summary:

	2015 Actual	2016 Amended Budget	2016 Estimate	2017 Adopted Budget
<u>Expenditures</u>				
Personnel services	\$ 35,243	\$ 45,759	\$ 34,170	\$ 34,274
Commodities	5,437	12,627	5,888	12,663
Other charges and services	44,836	52,391	45,341	48,885
Capital outlay	-	-	-	-
Total	\$ 85,516	\$ 110,777	\$ 85,399	\$ 95,822
<u>Revenue sources</u>				
Charges for services	\$ 73,847	\$ 58,153	\$ 56,200	\$ 56,200
Taxes and other public funds	11,669	52,624	29,199	39,622
Total	\$ 85,516	\$ 110,777	\$ 85,399	\$ 95,822

ARTS CENTER

Program Description:

The Lakeville Area Arts Center is a community facility that provides entertainment, educational, and recreational programs involving the visual and performing arts.

Services:

- The Arts Center offers a series of performing art classes involving a diverse variety of talent appealing to a wide range of audience members. Professional singers, instrumentalists, comedians, and actors are scheduled as part of the season series.
- The pottery program offers classes for adults, youth, and special programs during the school day for home schooled youth.
- “Expressions! Community Theater” is comprised of area performers that produce three comedy acts per year.
- Art classes are provided for a diverse spectrum of interests including silversmithing, glass lampworking, batik, seasonal ornaments, dolls, purses, and jewelry.
- Art camps provide educational visual arts sessions for the area youth.
- The Arts Center facility is also available to host a variety of uses including family gatherings, educational training sessions or business presentations.
- Painting classes are offered in acrylics, oils, and watercolors.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Arts Center Coordinator	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Facility Attendants (part-time)	1.5	1.5	1.5	1.5
Pottery Manager	0.2	0.2	0.2	0.2
Total	3.7	3.7	3.7	3.7

ARTS CENTER

(continued)

Budget Summary:

<u>Program</u>	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Arts Center administration	\$ 193,087	\$ 190,729	\$ 182,681	\$ 198,389
Arts Center facility	102,275	113,290	120,693	123,743
Performing arts events	72,263	52,780	50,943	44,450
Arts Center grant	41,761	37,800	37,800	35,000
Event and building rentals	2,852	40,450	39,353	33,500
Art camp	14,660	21,620	16,640	16,650
Pottery classes	26,931	20,715	28,990	28,200
Expressions! Community Theater	10,135	8,965	10,249	9,655
Painting classes	9,269	11,915	10,950	11,450
Art classes	1,033	1,350	1,300	1,300
Total	<u>\$ 474,266</u>	<u>\$ 499,614</u>	<u>\$ 499,599</u>	<u>\$ 502,337</u>

<u>Expenditures</u>	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Personnel services	\$ 242,452	\$ 264,160	\$ 257,164	\$ 269,762
Commodities	23,624	23,410	26,428	33,750
Other charges and services	199,352	210,864	210,552	189,925
Capital outlay	8,838	1,180	5,455	8,900
Total	<u>\$ 474,266</u>	<u>\$ 499,614</u>	<u>\$ 499,599</u>	<u>\$ 502,337</u>

<u>Revenue sources</u>	2015	2016	2016	2017
	<u>Actual</u>	<u>Amended</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Intergovernmental	\$ 41,761	\$ 37,800	\$ 37,800	\$ 35,000
Charges for services	240,881	258,150	303,740	268,800
Taxes and other public funds	191,624	203,664	158,059	198,537
Total	<u>\$ 474,266</u>	<u>\$ 499,614</u>	<u>\$ 499,599</u>	<u>\$ 502,337</u>

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds from specific revenue sources that are either legally restricted or committed by City Council to expenditures of specific purposes. Establishment of such funds also enables the City to more effectively manage its resources and minimize tax levies.

Communications Fund

This fund accounts for franchise fees from cable TV operations. Expenditures and other financing uses are used to finance the City's Cable TV and Public Communications functions, including long-term replacement of equipment.

Economic Development Fund

The administrative fees received from issuance of conduit debt in 2008 and the Minnesota Department of Trade and Economic Development (DTED) Economic Recovery Grant are committed to economic development initiatives.

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for All Special Revenue Funds
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
Licenses	\$ 731,128	\$ 755,946	\$ 733,996	\$ 737,427
Intergovernmental	3,814	516	516	516
Charges for services	2,500	2,500	2,500	2,500
Investment income	3,192	4,395	4,436	3,702
Miscellaneous	2,125	-	25,000	-
Total revenues	<u>742,759</u>	<u>763,357</u>	<u>766,448</u>	<u>744,145</u>
<u>Expenditures</u>				
General government	444,680	553,164	569,777	534,063
Capital outlay	<u>85,387</u>	<u>48,262</u>	<u>47,552</u>	<u>107,579</u>
Total expenditures	<u>530,067</u>	<u>601,426</u>	<u>617,329</u>	<u>641,642</u>
Excess (deficiency) of revenues over expenditures	<u>212,692</u>	<u>161,931</u>	<u>149,119</u>	<u>102,503</u>
<u>Other financing sources (uses)</u>				
Transfer from other funds	-	-	-	-
Transfer to other funds	<u>(647,933)</u>	<u>(234,978)</u>	<u>(234,978)</u>	<u>(115,429)</u>
Net change in fund balance	(435,241)	(73,047)	(85,859)	(12,926)
Fund balance, January 1	<u>997,563</u>	<u>543,133</u>	<u>562,322</u>	<u>326,463</u>
Fund balance, December 31	<u><u>\$ 562,322</u></u>	<u><u>\$ 470,086</u></u>	<u><u>\$ 476,463</u></u>	<u><u>\$ 313,537</u></u>

CITY OF LAKEVILLE, MINNESOTA
Budgetary Summary for Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2017

	2017 Adopted Budget		
	Communications	Economic Development	Total
<u>Revenues</u>			
Licenses	\$ 737,427	\$ -	\$ 737,427
Intergovernmental	516	-	516
Charges for services	-	2,500	2,500
Investment income	3,497	205	3,702
Total revenues	<u>741,440</u>	<u>2,705</u>	<u>744,145</u>
<u>Expenditures</u>			
General government	521,563	12,500	534,063
Capital outlay	107,579	-	107,579
Total expenditures	<u>629,142</u>	<u>12,500</u>	<u>641,642</u>
Excess (deficiency) of revenues over expenditures	<u>112,298</u>	<u>(9,795)</u>	<u>102,503</u>
<u>Other financing sources (uses)</u>			
Transfer to other funds	<u>(115,429)</u>	<u>-</u>	<u>(115,429)</u>
Net change in fund balance	(3,131)	(9,795)	(12,926)
Fund balance, January 1	<u>285,483</u>	<u>40,980</u>	<u>326,463</u>
Fund balance, December 31	<u>\$ 282,352</u>	<u>\$ 31,185</u>	<u>\$ 313,537</u>

COMMUNICATIONS FUND

Fund Description:

The **Communications Fund** is responsible for the City's primary sources of information and communication including City newsletter, City website, and Lakeville Government Television (cable channel 16). The Communications Department also manages the Lakeville Access Television (cable channel 12). The department's mission is to provide information regarding municipal programs and services in a quality and cost-effective manner that engages the community and enhances the City's image locally, regionally, and nationally.

Services:

- **Lakeville Government Television (LGTV) Channel 16.** The Communications Department is responsible for creating government television programs for cable channel 16. The Department produces and directs broadcasts of live meetings as well as prepares for rebroadcast on cable channel 16. Other services include updating the electronic message board on cable channel 16 and working with other departments to create and produce special video projects such as the Comp Plan program, new police station program, etc. The department also monitors Cable Franchise issues and public comments as well as facilitating the Cable TV Board and monitoring MACTA legislative information.
- **Lakeville Access Television Channel 12.** The public access television cable channel 12 is managed by the Communications Department.
- **Website.** The City's website is maintained by the Communications Department. The department also coordinates website content with the objectives of other departments. The department also maintains and promotes the employee intranet.
- **Publications.** The department prepares *Messages*, the City's weekly newsletter. Special publications are produced such as the new resident guidebook, utility brochure, welcome packet flyers, project and events collateral materials, and advertisements. Marketing plans and focused communications are prepared for projects or programs such as Comprehensive Land Use Plan, water conservation, dog ordinance, etc. Press releases are a responsibility of the department as well as responding to public inquiries. Developing and promoting the style and image standards for communications pieces are also a primary activity.
- **Social media.** The department establishes and maintains City listservs for automatic e-mail delivery of City publications.
- **Special event planning.** The department is responsible for planning and coordination of special events such as groundbreakings and grand openings.

COMMUNICATIONS FUND

(continued)

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Communications Manager	1.0	1.0	0.9	1.0
Communications Specialist	1.0	1.0	1.0	1.0
Video Production & Tech Specialists	2.0	2.0	2.0	2.0
Total	4.0	4.0	3.9	4.0

COMMUNICATIONS FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Special Revenue - Communications Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	Actual	Adopted	Estimate	Adopted
		Budget		Budget
<u>Revenues</u>				
Licenses - Franchise fee	\$ 731,128	\$ 755,946	\$ 733,996	\$ 737,427
Intergovernmental	516	516	516	516
Investment income (charges)	2,812	4,182	4,182	3,497
Miscellaneous	2,125	-	25,000	-
Total revenues	<u>736,581</u>	<u>760,644</u>	<u>763,694</u>	<u>741,440</u>
<u>Expenditures - General government</u>				
Personnel services	344,283	342,859	388,491	358,759
Commodities	2,583	2,583	6,790	6,260
Other charges and services	89,984	195,222	161,996	156,544
Capital outlay	85,387	48,262	47,552	107,579
Total expenditures	<u>522,237</u>	<u>588,926</u>	<u>604,829</u>	<u>629,142</u>
Excess (deficiency) of revenues over expenditures	<u>214,344</u>	<u>171,718</u>	<u>158,865</u>	<u>112,298</u>
<u>Other financing (uses) - Transfers</u>				
To General Fund	(152,933)	(134,978)	(134,978)	(75,429)
To Equipment Fund	(495,000)	(100,000)	(100,000)	-
To Building Fund	-	(150,000)	(150,000)	-
To Improvement Constr Fund	-	-	-	(40,000)
Total other financing (uses)	<u>(647,933)</u>	<u>(384,978)</u>	<u>(384,978)</u>	<u>(115,429)</u>
Net change in fund balance	(433,589)	(213,260)	(226,113)	(3,131)
Fund balance, January 1	945,185	500,456	511,596	285,483
Fund balance, December 31	<u>\$ 511,596</u>	<u>\$ 287,196</u>	<u>\$ 285,483</u>	<u>\$ 282,352</u>
<u>Fund Balance</u>				
Restricted	3,254	15,575	21,963	50,680
Committed	508,342	271,621	263,520	231,672
Fund balance, December 31	<u>\$ 511,596</u>	<u>\$ 287,196</u>	<u>\$ 285,483</u>	<u>\$ 282,352</u>

ECONOMIC DEVELOPMENT FUND

(continued)

Fund Description:

The **Economic Development Fund** was created to account for the State of Minnesota Department of Trade and Economic Development (DTED) Economic Recovery Grant and administrative fees for conduit debt. The funds are appropriated to economic development initiatives.

Services:

Promote economic development activities by providing financial incentives to business which are considering locating to or expanding in the City of Lakeville.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Special Revenue - Economic Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015 Actual	2016 Adopted Budget	2016 Estimate	2017 Adopted Budget
<u>Revenues</u>				
Intergovernmental	\$ 3,298	\$ -	\$ -	\$ -
Charges for services	2,500	2,500	2,500	2,500
Investment income (charges)	380	213	254	205
Total revenues	6,178	2,713	2,754	2,705
<u>Expenditures - General Government</u>				
Other charges and services	7,830	12,500	12,500	12,500
Net change in fund balance	(1,652)	(9,787)	(9,746)	(9,795)
Fund balance, January 1	52,378	42,677	50,726	40,980
Fund balance, December 31	\$ 50,726	\$ 32,890	\$ 40,980	\$ 31,185

Debt Service Funds

These funds account for the accumulation of resources for the payment of long-term debt principal and interest, but excluding debt issued for and serviced by an Enterprise Fund.

General Obligation (G.O.) Fund

Debt approved by voter referendum, certificates of indebtedness, capital improvement and street reconstruction bonds. Revenues are provided primarily from property taxes.

G.O. Improvement Fund

Debt issued to finance construction of public improvements. The special assessments levied against benefited property owners are pledged toward the repayment of the principal and interest on these bonds.

Tax Increment Fund

Debt issued to finance construction of public improvements in accordance with approved tax increment plans. Property tax increments received from designated tax increment financing districts are pledged to the payment of the bonds.

State-aid Street Fund

Debt issued to finance construction of State-aid street projects within the City. The primary revenue source is municipal street State-aid allotments from the State of Minnesota Department of Transportation.

Water Revenue Fund

Debt issued to finance the construction of wells, pump houses, towers, water main systems, and the City's water treatment facility. Water connection fees are pledged toward the repayment of the principal and interest on these bonds.

Arena Revenue Fund

Debt issued for the construction of the Lakeville Ames Ice Arena first and second sheet of ice, spectator seating and locker rooms. Revenue sources include donations from net operating ice arena revenues and other sources pledged to the payment of the bonds. The Ice Arena Revenue Refunding Bonds, Series 2008 A is a general obligation backed by the full-faith and credit of the City. The Gross Revenue Recreation Facility Bonds of 1999 are not general obligations.

Debt Service Funds

(Continued)

HRA Revenue Fund

The Lakeville Housing and Redevelopment Authority (HRA) issued the HRA Ice Arena Lease Revenue Bonds, Series 2006 for the Hasse single sheet ice arena facility. The HRA issued Lease Revenue Refunding Bonds, Series 2016, to refinance the Lease Revenue Bonds, Series 2006, resulting in approximately \$1 million in interest savings. Debt service will be payable from property taxes and lease payments to be made to the City pursuant to the lease agreement between the HRA and Independent School District 194. These HRA bonds are not general obligations and, accordingly, are not backed by the full-faith and credit of the City.

DEBT SERVICE FUNDS

Fund Description:

Debt Service Funds are established to account for the accumulations of resources for the payment of general long-term principal, interest and related costs also referred to as the “Government Activities Bonds.” Not included is the debt issued for and serviced by the Liquor Fund.

As of December 31, 2016, the City of Lakeville has approximately \$130.25 million of governmental activities debt outstanding. The total of all debt, including Liquor revenue bonds and Utility revenue bonds is \$139.54 million.

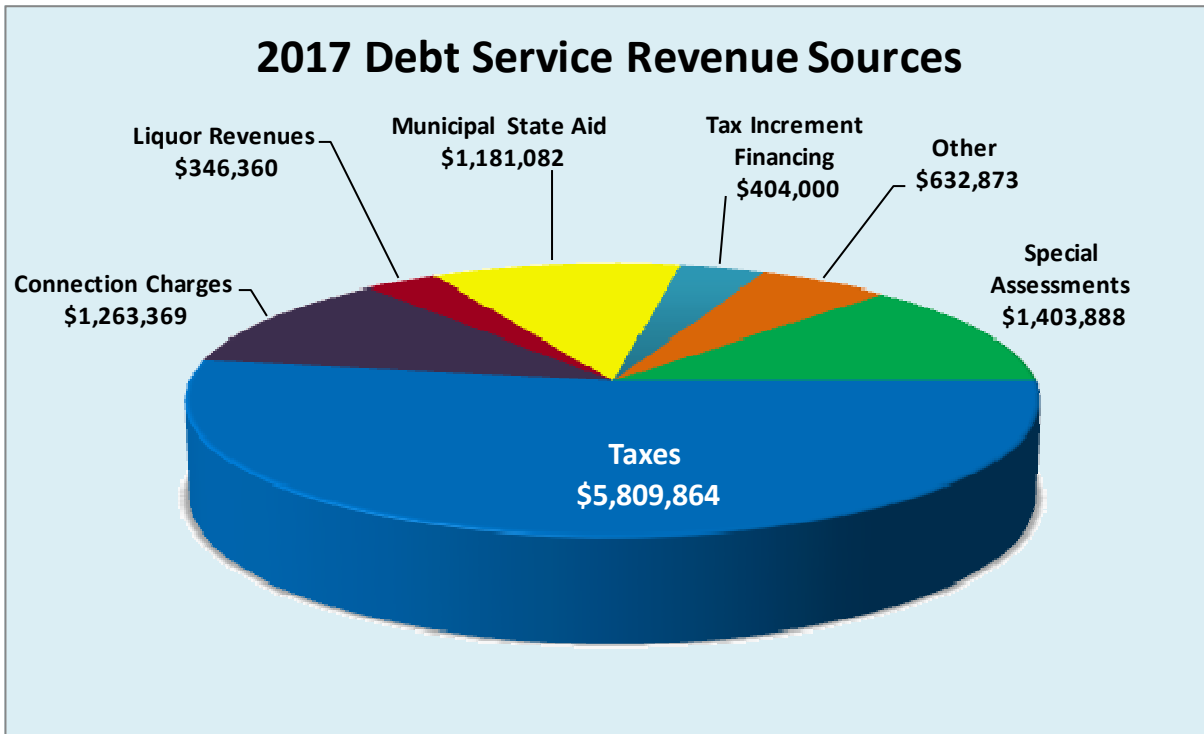
	<u>Outstanding December 31, 2016</u>
<u>Governmental Activities</u>	
General Obligation Bonds	\$ 50,705,000
G.O. Improvement Bonds	47,470,000
Tax increment bonds	1,460,000
State-aid street revenue bonds	7,145,000
Water connection revenue bonds	8,280,000
Arena revenue bonds	490,000
HRA lease revenue bonds	<u>14,700,000</u>
Total governmental activity bonds	130,250,000
 <u>Business-type Activities</u>	
Liquor revenue bonds	2,715,000
Water revenue bonds	6,075,000
Sewer revenue bonds	<u>495,000</u>
Total bonded indebtedness	<u>\$ 139,535,000</u>

Depending on the purpose and financing source of repayment, the City will, in consultation with its financial advisor, select the repayment period and type of debt refinance which best meets its financial objectives. Interest costs have been reduced in recent years with the refinancing of eligible issues. The 2017-2021 Capital Improvement Plan is an important planning document utilized for debt management.

The debt is repaid from a myriad of revenue sources including but not limited to special assessments, connection charges, liquor fund revenues, ice arena revenues, tax increments, State Aid street payments and property taxes. Approximately 53% of the debt is paid for from property taxes with the remaining 47% paid from non-tax sources. Revenues of \$11.04 million are required to pay the debt obligations in 2017.

DEBT SERVICE FUNDS

(continued)



The following is a summary of the principal and interest debt service payments for the coming years. The schedule shown below does not include any new debt, debt refinancing or advanced debt retirement which may or may not occur after December 31, 2016.

**Government Activity Bonds
Principal and Interest Payments**

Year	General Obligation	G.O. Improvement	Tax Increment	State-aid Roads	Water Revenue	Arena Revenue	Public Facility Lease Obligations
2017	\$ 15,097,329	\$ 4,253,733	\$ 275,161	\$ 1,181,083	\$ 624,200	\$ 181,305	\$ 8,279,394
2018	3,715,816	4,698,057	276,161	1,175,933	612,075	183,090	583,550
2019	3,750,910	4,695,569	276,761	730,889	614,325	179,180	579,600
2020	3,755,121	4,556,250	271,908	725,344	610,700	-	578,650
2021	3,815,798	4,379,105	276,493	416,378	611,200	-	582,325
2022-2026	19,106,363	17,787,045	270,565	1,661,720	3,066,725	-	2,945,475
2027-2031	11,604,380	12,043,860	-	1,669,879	2,905,150	-	2,971,700
2032-2036	961,538	8,286,840	-	1,668,520	1,740,825	-	606,900
2037-2038	-	259,144	-	-	-	-	-
Total	\$ 61,807,255	\$ 60,959,603	\$ 1,647,049	\$ 9,229,746	\$ 10,785,200	\$ 543,575	\$ 17,127,594

The City is in compliance with all bond covenants.

DEBT SERVICE FUNDS

(continued)

Legal Debt Limits

Minnesota Statutes §475 limits the amount of general obligation debt which is financed solely from property tax levies including Equipment Certificates, Capital Improvement Bonds, Street Reconstruction Bonds and debt approved by referendum. The debt cannot exceed 3% of the taxable market value of the City. Debt excluded from limitations are those for which some other source of revenue is pledged as security including but not limited to improvement bonds, tax increment bonds, utility revenue bonds and revenue bonds. The debt limit calculations are as follows:

	<u>As of</u> <u>December 31, 2016</u>
Included in debt limits	
G.O. Street Reconstruction Bonds	\$ 15,680,000
G.O. Capital Improvement Bonds	35,025,000
HRA Ice Arena Lease Revenue Bonds	<u>14,700,000</u>
Total debt subject to debt limits	<u>65,405,000</u>
 Excluded from debt limits	
G.O. Improvement Bonds	47,470,000
G.O. State-aid Street Bonds	7,145,000
G.O. Tax Increment Bonds	1,460,000
G.O. Water Revenue Bonds	8,280,000
Business-Type Revenue Bonds	9,285,000
Ice Arena debt	<u>490,000</u>
Total debt excluded from debt limits	<u>74,130,000</u>
Total bonded indebtedness	<u>\$ 139,535,000</u>
Taxable Market Value (Lakeville, 2017)	6,320,294,525
Multiply by 3%	3%
Legal debt limit (3% of Taxable market value)	\$ 189,608,836
Less: G.O. Debt subject to limit	<u>(65,405,000)</u>
Legal debt margin	<u>\$ 124,203,836</u>

DEBT SERVICE FUNDS

(continued)

Credit Rating

Aa1

Moody's Investors Services has affirmed Aa1 underlying rating on the City of Lakeville's outstanding long-term general obligation debt and the Aa3 underlying rating on the City's lease revenue debt. In its most recent analysis, Moody's Investor Service credit report stated the rating was *"The Aa1 underlying rating reflects the city's history of excellent financial management and strong reserve levels; wealthy tax base located just south of the Twin Cities Metropolitan Area, and an above average debt burden. The Aa3 lease revenue rating is notched twice off the city's underlying rating due to the annual risk non-appropriation and the non-essential nature of the pledged asset."*

Refunding Debt

In August 2014 the City issued \$12.660 million of (cross-over) refunding debt to refinance the G.O. Street Reconstruction Bonds of 2005A and G.O. Capital Improvement Bonds series 2007D. The refinancing has resulted in a net present value savings of \$1.290 million over the 17 year life of the debt. The refunding bonds, as well as the series 2005A and 2007D bonds, will remain as City obligations until the two refunded bonds are called and fully retired on or before February 1, 2017.

In September, 2016, the Housing and Redevelopment Authority issued \$7.115 million of advanced refunding debt to refinance the Lease Revenue Bonds of 2006. The refinancing has resulted in an approximate net value savings of \$1 million over the 15-year life of the debt.

The refunding bonds, as well as the series 2006 bonds, will remain as City Debt obligations until the refunded bonds are called and fully retired on or before February 1, 2017.

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for All Debt Service Funds
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 5,289,534	\$ 5,455,074	\$ 5,455,074	\$ 5,809,864
Tax increment	404,082	349,000	404,000	404,000
Intergovernmental	907,391	1,075,739	1,075,364	1,242,331
Charges for services	403,132	403,132	403,132	382,176
Special assessments	1,303,619	1,017,213	1,088,999	1,403,888
Investment income	146,532	133,324	138,801	94,448
Donations	95,000	95,000	95,000	95,000
Miscellaneous	-	-	880	-
Total revenues	<u>8,549,290</u>	<u>8,528,482</u>	<u>8,661,250</u>	<u>9,431,707</u>
<u>Expenditures - debt service</u>				
Principal maturities	7,385,000	5,935,000	5,935,000	7,200,000
Interest on debt	3,735,120	4,014,265	3,970,203	4,237,203
Fiscal charges	33,070	25,451	20,609	21,575
Total expenditures	<u>11,153,190</u>	<u>9,974,716</u>	<u>9,925,812</u>	<u>11,458,778</u>
Excess (deficiency) of revenues over expenditures	<u>(2,603,900)</u>	<u>(1,446,234)</u>	<u>(1,264,562)</u>	<u>(2,027,071)</u>
<u>Other financing sources (uses)</u>				
Transfer from other funds	2,584,021	973,893	926,225	1,609,729
Transfer to other funds	-	(607,500)	(607,500)	-
Issuance of debt	144,398	-	278,505	-
Refunding bonds issued	-	-	6,758,102	-
Payment on refunded bonds called	<u>(12,460,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(18,455,000)</u>
Total other financing sources (uses)	<u>(9,731,581)</u>	<u>(1,583,607)</u>	<u>5,405,332</u>	<u>(16,845,271)</u>
Net change in fund balance	(12,335,481)	(3,029,841)	4,140,770	(18,872,342)
Fund balance, January 1	<u>39,734,802</u>	<u>26,947,672</u>	<u>27,399,321</u>	<u>31,540,091</u>
Fund balance, December 31	<u>\$ 27,399,321</u>	<u>\$ 23,917,831</u>	<u>\$ 31,540,091</u>	<u>\$ 12,667,749</u>

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
Debt Service - General Obligation Debt Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 3,270,773	\$ 3,058,055	\$ 3,058,055	\$ 3,218,208
Intergovernmental				
Federal Build America Bonds credit	65,990	63,837	63,837	61,249
Special assessments	124,969	74,148	50,027	15,857
Investment income (charges)	<u>98,725</u>	<u>99,901</u>	<u>96,732</u>	<u>48,127</u>
Total revenues	<u>3,560,457</u>	<u>3,295,941</u>	<u>3,268,651</u>	<u>3,343,441</u>
<u>Expenditures - debt service</u>				
Principal maturities	2,365,000	2,210,000	2,210,000	2,195,000
Interest on debt	2,459,981	2,092,979	2,096,081	1,717,328
Fiscal charges	<u>6,369</u>	<u>5,925</u>	<u>1,979</u>	<u>1,744</u>
Total expenditures	<u>4,831,350</u>	<u>4,308,904</u>	<u>4,308,060</u>	<u>3,914,072</u>
Excess (deficiency) of revenues over expenditures	<u>(1,270,893)</u>	<u>(1,012,963)</u>	<u>(1,039,409)</u>	<u>(570,631)</u>
<u>Other financing sources (uses)</u>				
Transfer from				
Enterprise - Liquor Fund	400,000	400,000	400,000	346,360
Payment on refunded bonds called	<u>(12,460,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(11,185,000)</u>
Total other financing sources (uses)	<u>(12,060,000)</u>	<u>(1,550,000)</u>	<u>(1,550,000)</u>	<u>(10,838,640)</u>
Net change in fund balance	(13,330,893)	(2,562,963)	(2,589,409)	(11,409,271)
Fund balance, January 1	<u>30,781,452</u>	<u>17,465,040</u>	<u>17,450,560</u>	<u>14,861,151</u>
Fund balance, December 31	<u>\$ 17,450,559</u>	<u>\$ 14,902,077</u>	<u>\$ 14,861,151</u>	<u>\$ 3,451,880</u>

Budget Summary:**CITY OF LAKEVILLE, MINNESOTA**

Debt Service - General Obligation Improvement (Special Assessments) Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 1,704,751	\$ 2,082,513	\$ 2,082,513	\$ 2,298,106
Special assessments	1,178,650	943,065	\$ 1,038,972	1,388,031
Investment income	<u>23,264</u>	<u>24,929</u>	<u>30,652</u>	<u>34,050</u>
Total revenues	<u>2,906,665</u>	<u>3,050,507</u>	<u>3,152,137</u>	<u>3,720,187</u>
<u>Expenditures - debt service</u>				
Principal maturities	1,590,000	2,340,000	\$ 2,340,000	2,715,000
Interest on debt	640,813	1,036,308	1,036,308	1,538,733
Fiscal charges	<u>15,415</u>	<u>14,656</u>	<u>13,412</u>	<u>14,613</u>
Total expenditures	<u>2,246,228</u>	<u>3,390,964</u>	<u>3,389,720</u>	<u>4,268,346</u>
Excess (deficiency) of revenues over expenditures	<u>660,437</u>	<u>(340,457)</u>	<u>(237,582)</u>	<u>(548,159)</u>
<u>Other financing sources (uses)</u>				
Transfer from				
Capital Projects				
Storm Sewer Fund	101,000	-	-	-
Water Fund	-	-	-	114,000
Enterprise Funds				
Water Operating Fund	66,684	399,893	399,893	524,794
Issuance of debt	<u>143,082</u>	<u>-</u>	<u>278,505</u>	<u>-</u>
Total other financing sources (uses)	<u>310,766</u>	<u>399,893</u>	<u>678,398</u>	<u>638,794</u>
Net change in fund balance	971,203	59,436	440,816	90,635
Fund balance, January 1	<u>4,303,472</u>	<u>4,874,300</u>	<u>5,274,675</u>	<u>5,715,491</u>
Fund balance, December 31	<u>\$ 5,274,675</u>	<u>\$ 4,933,736</u>	<u>\$ 5,715,491</u>	<u>\$ 5,806,126</u>

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
Debt Service - Tax Increment Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 63	\$ -	\$ -	\$ -
Tax increment	404,082	349,000	404,000	404,000
Investment income	<u>21,705</u>	<u>4,167</u>	<u>7,098</u>	<u>8,076</u>
Total revenues	<u>425,849</u>	<u>353,167</u>	<u>411,098</u>	<u>412,076</u>
<u>Expenditures - debt service</u>				
Principal maturities	210,000	220,000	220,000	220,000
Interest on debt	72,561	63,961	63,961	55,161
Fiscal charges	<u>5,298</u>	<u>1,115</u>	<u>1,115</u>	<u>1,115</u>
Total expenditures	<u>287,859</u>	<u>285,076</u>	<u>285,076</u>	<u>276,276</u>
Excess (deficiency) of revenues over expenditures	<u>137,990</u>	<u>68,091</u>	<u>126,022</u>	<u>135,800</u>
<u>Other financing sources (uses)</u>				
Transfer to Capital Projects Improvement Construction	<u>-</u>	<u>(607,500)</u>	<u>(607,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(607,500)</u>	<u>(607,500)</u>	<u>-</u>
Net change in fund balance	137,990	(539,409)	(481,478)	135,800
Fund balance, January 1	<u>3,294,393</u>	<u>3,363,545</u>	<u>3,432,383</u>	<u>2,950,905</u>
Fund balance, December 31	<u>\$ 3,432,383</u>	<u>\$ 2,824,136</u>	<u>\$ 2,950,905</u>	<u>\$ 3,086,705</u>

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
Debt Service - State Aid Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2017

	2015	2016	2016	2017
	Actual	Adopted Budget	Estimate	Adopted Budget
<u>Revenues</u>				
Intergovernmental - State-aid	\$ 841,401	\$ 1,011,902	\$ 1,011,527	\$ 1,181,082
Investment income	138	171	178	169
Total revenues	<u>841,539</u>	<u>1,012,073</u>	<u>1,011,705</u>	<u>1,181,251</u>
<u>Expenditures - debt service</u>				
Principal maturities	725,000	750,000	750,000	940,000
Interest on debt	116,401	261,527	261,527	241,082
Fiscal charges	<u>1,509</u>	<u>1,350</u>	<u>1,350</u>	<u>1,350</u>
Total expenditures	<u>842,910</u>	<u>1,012,877</u>	<u>1,012,877</u>	<u>1,182,432</u>
Excess (deficiency) of revenues over expenditures	<u>(1,371)</u>	<u>(804)</u>	<u>(1,172)</u>	<u>(1,181)</u>
<u>Other financing sources (uses)</u>				
Issuance of debt	<u>1,316</u>	-	-	-
Total other financing sources (uses)	<u>1,316</u>	-	-	-
Net change in fund balance	(55)	(804)	(1,172)	(1,181)
Fund balance, January 1	<u>23,717</u>	<u>22,920</u>	<u>23,662</u>	<u>22,490</u>
Fund balance, December 31	<u>\$ 23,662</u>	<u>\$ 22,116</u>	<u>\$ 22,490</u>	<u>\$ 21,309</u>

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
Debt Service - Water Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2016

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
Miscellaneous	\$ -	\$ -	\$ 880	\$ -
<u>Expenditures - debt service</u>				
Principal maturities	1,975,000	-	-	340,000
Interest on debt	39,500	174,000	126,837	284,200
Fiscal charges	<u>1,837</u>	<u>-</u>	<u>375</u>	<u>375</u>
Total expenditures	<u>2,016,337</u>	<u>174,000</u>	<u>127,212</u>	<u>624,575</u>
Excess (deficiency) of revenues over expenditures	<u>(2,016,337)</u>	<u>(174,000)</u>	<u>(126,332)</u>	<u>(624,575)</u>
<u>Other financing sources (uses)</u>				
Transfer from				
Capital Projects - Water Fund	<u>2,016,337</u>	<u>174,000</u>	<u>126,332</u>	<u>624,575</u>
Total other financing sources (uses)	<u>2,016,337</u>	<u>174,000</u>	<u>126,332</u>	<u>624,575</u>
Net change in fund balance	-	-	-	-
Fund balance, January 1	-	-	-	-
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
Debt Service - Arena Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2016

	2015	2016	2016	2017
	Actual	Adopted	Estimate	Adopted
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Revenues				
Charges for services	\$ 88,626	\$ 88,626	\$ 88,626	\$ 88,626
Investment income	792	422	426	416
Donations	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>
Total revenues	<u>184,418</u>	<u>184,048</u>	<u>184,052</u>	<u>184,042</u>
Expenditures - debt service				
Principal maturities	275,000	145,000	145,000	155,000
Interest on debt	43,420	33,990	33,990	26,305
Fiscal charges	<u>264</u>	<u>325</u>	<u>178</u>	<u>178</u>
Total expenditures	<u>318,684</u>	<u>179,315</u>	<u>179,168</u>	<u>181,483</u>
Net changes in fund balances	(134,266)	4,733	4,884	2,559
Fund balance, January 1	<u>261,185</u>	<u>126,450</u>	<u>126,919</u>	<u>131,803</u>
Fund balance, December 31	<u>\$ 126,919</u>	<u>\$ 131,183</u>	<u>\$ 131,803</u>	<u>\$ 134,362</u>

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
Debt Service - HRA Lease Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ending December 31, 2016

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 313,947	\$ 314,506	\$ 314,506	\$ 293,550
Charges for services	314,506	314,506	314,506	293,550
Investment income	<u>1,908</u>	<u>3,734</u>	<u>3,715</u>	<u>3,610</u>
Total revenues	<u>630,361</u>	<u>632,746</u>	<u>632,727</u>	<u>590,710</u>
<u>Expenditures - debt service</u>				
Principal maturities	245,000	270,000	270,000	635,000
Interest on debt	362,444	351,500	351,500	374,394
Fiscal charges	<u>2,378</u>	<u>2,080</u>	<u>2,200</u>	<u>2,200</u>
Total expenditures	<u>609,822</u>	<u>623,580</u>	<u>623,700</u>	<u>1,011,594</u>
Excess (deficiency) of revenues over expenditures	<u>20,539</u>	<u>9,166</u>	<u>9,027</u>	<u>(420,884)</u>
<u>Other financing sources (uses)</u>				
Payment on refunded bonds called	-	-	-	(7,270,000)
Issuance of refunding debt	<u>-</u>	<u>-</u>	<u>6,758,102</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,758,102</u>	<u>(7,270,000)</u>
Net change in fund balance	20,539	9,166	6,767,129	(7,690,884)
Fund balance, January 1	<u>1,070,583</u>	<u>1,095,417</u>	<u>1,091,122</u>	<u>7,858,251</u>
Fund balance, December 31	<u>\$ 1,091,122</u>	<u>\$ 1,104,583</u>	<u>\$ 7,858,251</u>	<u>\$ 167,366</u>

CITY OF LAKEVILLE, MINNESOTA
 COMBINED SCHEDULE OF BONDED INDEBTEDNESS
 DECEMBER 31, 2016

	Interest Rates %	Issue Date	Call Date	Maturity Date	Outstanding	Due in 2017	
						Principal	Interest
Governmental Activities:							
General Obligation Bonds:							
Capital Improvement Refunding Bonds of 2012 B	2.00-4.00	Aug-15-12	Feb-01-22	Feb-01-30	12,260,000	530,000	383,450
Capital Improvement Bonds of 2007 D	4.625-5.00	Aug-01-07	Feb-01-17	Feb-01-32	11,700,000	11,700,000	285,431
Capital Improvement Refunding Bonds of 2014 B	1.75-5.00	Aug-20-14	Feb-01-24	Feb-01-32	11,065,000	-	443,863
Street Reconstruction Refunding Bonds of 2012 B	2.00-4.00	Aug-15-12	Feb-01-22	Feb-01-30	8,315,000	675,000	267,300
Street Reconstruction Bonds of 2005 A	3.85-4.20	Dec-01-05	Feb-01-16	Feb-01-26	-	-	-
Street Reconstruction Refunding Bonds of 2014 B	1.75-5.00	Aug-20-14	Feb-01-24	Feb-01-32	1,595,000	130,000	65,663
Street Reconstruction Bonds of 2007 H	3.50-4.50	Dec-15-07	Feb-01-18	Feb-01-28	2,010,000	130,000	82,845
Street Reconstruction Bonds of 2009 A (Taxable)	1.55-5.95	Dec-30-09	Feb-01-20	Feb-01-30	3,760,000	215,000	188,778
Total General Obligation Bonds					50,705,000	13,380,000	1,717,330
G.O. Improvement Bonds:							
Improvement Refunding Bonds of 2007 B	3.875	Feb-01-07	n/a	Feb-01-16	-	-	-
Improvement Bonds of 2007 F	4.00-4.125	Aug-01-07	Feb-01-14	Feb-01-18	100,000	50,000	3,088
Improvement Bonds of 2008 A	2.70-3.75	Oct-01-08	n/a	Feb-01-19	90,000	30,000	2,813
Improvement Refunding Bonds of 2009 B	2.00-3.00	Dec-30-09	n/a	Feb-01-20	1,245,000	375,000	31,256
Improvement Bonds of 2011 A	0.50-3.50	Dec-01-11	Feb-01-21	Feb-01-32	1,465,000	190,000	32,328
Improvement Bonds of 2012 A	2.00-4.00	Aug-15-12	Feb-01-22	Feb-01-33	5,200,000	555,000	146,625
Improvement Bonds of 2013 A	2.00-4.00	Aug-15-13	Feb-01-23	Feb-01-34	4,030,000	360,000	103,850
Improvement Bonds of 2014 A	2.00-3.50	Aug-20-14	Feb-01-24	Feb-01-35	7,845,000	685,000	243,775
Improvement Bonds of 2015 A	1.75-5.00	Aug-20-15	Feb-01-25	Feb-01-36	11,815,000	470,000	435,063
Improvement Bonds of 2016 B	1.50-5.00	Jul-21-16	Feb-01-25	Feb-01-37	15,680,000	-	539,937
Total G.O. Improvement Bonds					47,470,000	2,715,000	1,538,735
Tax Increment Bonds:							
Tax Increment Refunding Bonds of 2007 A	4.00-4.20	Feb-01-07	Feb-01-16	Feb-01-22	1,460,000	220,000	55,161
Total Tax Increment Bonds					1,460,000	220,000	55,161
State-aid Street Revenue Bonds:							
State-aid Street Bonds of 2007 G	4.00	Dec-15-07	Apr-01-16	Apr-01-18	865,000	425,000	26,100
State-aid Street Refunding Bonds of 2010 A	2.00-4.00	Jan-01-10	n/a	Apr-01-20	1,170,000	280,000	34,700
State-aid Street Refunding Bonds of 2011 B	0.50-2.15	Dec-01-11	n/a	Apr-01-21	380,000	75,000	6,426
State-aid Street Bonds of 2015 A	1.75-5.00	Aug-20-15	Feb-01-25	Feb-01-36	4,730,000	160,000	173,856
Total State-aid Street Revenue Bonds					7,145,000	940,000	241,082
Water Connection Revenue Refunding Bonds of 2004 B							
G.O. Water Revenue Bonds of 2016A	4.00	Nov-01-04	Feb-01-14	Feb-01-16	-	-	-
	2.0-5.0	Feb-25-16	Feb-01-24	Feb-01-34	8,280,000	340,000	284,200
Arena Revenue Bonds:							
Gross Revenue Recreation Facility Bonds of 1999	5.30-5.40	Apr-01-99	n/a	Aug-01-19	490,000	155,000	26,305
Total Arena Revenue Bonds					490,000	155,000	26,305
HRA Lease Revenue Bonds:							
HRA Ice Arena Lease Revenue Bonds of 2006	4.25-4.625	Dec-01-06	Feb-01-17	Feb-01-32	7,585,000	7,585,000	172,881
HRA Ice Arena Lease Revenue Ref Bonds of 2016	2.00-4.00	Sep-22-16	Feb-01-27	Feb-01-32	7,115,000	320,000	201,513
Total HRA Lease Revenue Bonds					14,700,000	7,905,000	374,394
Total Governmental Activity Bonds					130,250,000	25,655,000	4,237,207
Business-type Activity:							
Liquor Revenue Bonds of 2007	5.00	May-01-07	Feb-01-17	Feb-01-27	2,715,000	190,000	131,000
Water Revenue Bonds of 2016 B	1.50-5.00	Jul-21-16	Feb-01-25	Feb-01-34	6,075,000	-	217,850
Sewer Revenue Bonds of 2016 B	1.50-5.00	Jul-21-16	Feb-01-25	Feb-01-25	495,000	-	21,275
Total Business-type Activity Bonds					9,285,000	190,000	370,125
Total Bonded Indebtedness					\$ 139,535,000	\$ 25,845,000	\$ 4,607,332

Capital Projects Funds

The Capital Projects Funds account for financial resources appropriated to the replacement or construction of infrastructure, construction or improvements of capital facilities and the acquisition of equipment, except those financed by Enterprise Funds.

Municipal State-aid Street Fund

This fund accounts for an annual allotment from the State of Minnesota Municipal State-aid street construction account.

Pavement Management Fund

The Pavement Management Fund's primary purpose is to account for pavement management activities relating to cracksealing, patching, and overlays. These major maintenance projects are financed with property taxes.

Improvement Construction Fund

This fund accounts for the construction of certain public improvements, such as streets, storm sewers, water and sanitary sewer trunk lines. Construction contracts involve multiple financing resources from the City and other government entities. Construction projects usually extend over several years before completion.

Storm Sewer Fund

This fund accounts for fees and area charges to land developers for construction of trunk storm sewer systems.

Water Fund

This fund accounts for revenues derived primarily from connection charges collected at the time building permits are issued. Funds are appropriated towards the construction costs of water supply lines, wells and water storage facilities, and provide the debt service to bonds issued to finance the construction of the City's water treatment facility and other trunk infrastructure improvements.

Sanitary Sewer Fund

This fund accounts for sewer connection and area fees charged to land developers for connecting to the City's sanitary sewer system. Appropriations are applied to the construction of sanitary sewer trunk systems.

Park Dedication Fund

This fund accounts for park development fees charged to land developers. The expenditures consist of acquiring and developing new City parks and trails.

Capital Projects Funds

(Continued)

Park Improvement Fund

This fund accounts for the long term maintenance, repairs and replacement of the City parks. The primary revenue source is property taxes, intergovernmental grants and donations.

Trail Improvement Fund

This fund accounts for the long term maintenance, repairs and replacement of the City trails. The primary revenue source is property taxes.

Tax Increment Fund

This fund accounts for revenue received from tax increment property that does not require debt financing. The expenditures are for current and future development of tax increment property.

Building Fund

This fund accounts for the accumulation and disbursement of funds for the construction or improvement of public buildings.

Equipment Fund

This fund accounts for the purchase of public safety, street and park maintenance equipment. The most significant capital acquisitions are related to replacing vehicles, heavy machinery, and technology.

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for All Capital Projects Funds
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 1,668,227	\$ 1,670,750	\$ 1,670,750	\$ 2,027,750
Tax increment	-	-	52,561	52,561
Intergovernmental	3,338,916	4,713,361	5,724,944	120,000
Charges for services	8,566,920	3,898,084	7,284,477	3,909,549
Special assessments	433,286	33,283	33,283	32,271
Investment income	160,946	95,247	147,547	176,870
Donations	230,954	247,000	226,419	25,000
Miscellaneous	732,305	2,728,909	2,989,100	876,601
Total revenues	<u>15,131,554</u>	<u>13,386,634</u>	<u>18,129,081</u>	<u>7,220,602</u>
<u>Expenditures - Capital outlay</u>				
General government	724,922	927,451	1,791,281	679,685
Public safety				
Police	409,023	240,021	493,143	283,433
Fire	660,028	761,834	1,212,149	340,043
Public works	26,668,402	28,333,488	32,156,740	15,949,156
Parks and recreation	2,867,145	3,656,801	2,842,622	3,482,626
Total expenditures	<u>31,329,520</u>	<u>33,919,595</u>	<u>38,495,935</u>	<u>20,734,943</u>
Excess (deficiency) of revenues over expenditures	<u>(16,197,966)</u>	<u>(20,532,961)</u>	<u>(20,366,854)</u>	<u>(13,514,341)</u>
<u>Other financing sources (uses)</u>				
Transfer from other funds	3,489,923	2,068,250	3,305,569	2,094,500
Transfer to other funds	(2,669,018)	(803,750)	(1,493,401)	(2,052,075)
Issuance of debt	16,400,602	26,337,574	25,628,017	9,592,981
Premium on bonds issued	1,005,509	-	-	-
Total other financing sources (uses)	<u>18,227,016</u>	<u>27,602,074</u>	<u>27,440,185</u>	<u>9,635,406</u>
Net change in fund balance	2,029,050	7,069,113	7,073,331	(3,878,935)
Fund balance, January 1	<u>20,094,698</u>	<u>12,624,445</u>	<u>22,123,748</u>	<u>29,197,079</u>
Fund balance, December 31	<u>\$ 22,123,748</u>	<u>\$ 19,693,558</u>	<u>\$ 29,197,079</u>	<u>\$ 25,318,144</u>

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for Capital Projects Funds
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2017 Adopted Budget													Total
	Municipal	Pavement	Improvement	Storm		Sanitary	Park	Park	Trail	Tax	Tax	Building	Equipment	
	<u>State-aid</u>	<u>Management</u>	<u>Construction</u>	<u>Sewer</u>	<u>Water</u>	<u>Sewer</u>	<u>Dedication</u>	<u>Improvement</u>	<u>Improvement</u>	<u>Abatement</u>	<u>Increment</u>	<u>Building</u>	<u>Equipment</u>	
Revenues														
General property taxes	\$ -	\$ 1,191,550	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 111,200	\$ -	\$ -	\$ 150,000	\$ 350,000	\$ 2,027,750
Tax increment	-	-	-	-	-	-	-	-	-	-	52,561	-	-	52,561
Intergovernmental	-	120,000	-	-	-	-	-	-	-	-	-	-	-	120,000
Charges for services	-	-	-	1,052,264	1,320,200	267,300	1,269,785	-	-	-	-	-	-	3,909,549
Special assessments	-	-	-	217	17,000	15,000	54	-	-	-	-	-	-	32,271
Investment income	20,700	5,400	-	31,600	18,500	26,300	22,300	-	2,200	-	1,200	15,092	33,578	176,870
Donations	-	-	-	-	-	-	10,000	-	-	-	-	-	15,000	25,000
Miscellaneous	276,790	-	-	-	359,993	-	32,090	-	-	-	-	-	207,728	876,601
Total revenues	<u>297,490</u>	<u>1,316,950</u>	<u>50,000</u>	<u>1,084,081</u>	<u>1,715,693</u>	<u>308,600</u>	<u>1,334,229</u>	<u>175,000</u>	<u>113,400</u>	<u>-</u>	<u>53,761</u>	<u>165,092</u>	<u>606,306</u>	<u>7,220,602</u>
Expenditures - Capital outlay														
General government	-	-	-	-	-	-	-	-	-	-	-	190,000	489,685	679,685
Public safety														
Police	-	-	-	-	-	-	-	-	-	-	-	41,500	241,933	283,433
Fire	-	-	-	-	-	-	-	-	-	-	-	29,200	310,843	340,043
Public works	2,168,964	1,429,673	9,682,981	526,132	1,075,000	148,875	-	-	-	-	-	100,700	816,831	15,949,156
Parks and recreation	-	-	-	-	-	-	2,278,000	235,000	350,284	-	51,046	305,792	262,504	3,482,626
Total expenditures	<u>2,168,964</u>	<u>1,429,673</u>	<u>9,682,981</u>	<u>526,132</u>	<u>1,075,000</u>	<u>148,875</u>	<u>2,278,000</u>	<u>235,000</u>	<u>350,284</u>	<u>-</u>	<u>51,046</u>	<u>667,192</u>	<u>2,121,796</u>	<u>20,734,943</u>
Excess (deficiency) of revenues over expenditures	(1,871,474)	(112,723)	(9,632,981)	557,949	640,693	159,725	(943,771)	(60,000)	(236,884)	-	2,715	(502,100)	(1,515,490)	(13,514,341)
Other financing sources (uses)														
Transfer from other funds	778,500	-	40,000	-	-	-	-	-	-	-	-	200,000	1,076,000	2,094,500
Transfer to other funds	-	(100,000)	-	(1,213,500)	(738,575)	-	-	-	-	-	-	-	-	(2,052,075)
Issuance of debt	-	-	9,592,981	-	-	-	-	-	-	-	-	-	-	9,592,981
Total other financing sources (uses)	<u>778,500</u>	<u>(100,000)</u>	<u>9,632,981</u>	<u>(1,213,500)</u>	<u>(738,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>1,076,000</u>	<u>9,635,406</u>
Net change in fund balance	(1,092,974)	(212,723)	-	(655,551)	(97,882)	159,725	(943,771)	(60,000)	(236,884)	-	2,715	(302,100)	(439,490)	(3,878,935)
Fund balance, January 1	4,133,374	1,075,704	1,529,223	6,319,262	3,673,291	5,266,534	4,458,776	75,897	444,836	(378,913)	165,585	754,589	1,678,921	29,197,079
Fund balance, December 31	<u>\$ 3,040,400</u>	<u>\$ 862,981</u>	<u>\$ 1,529,223</u>	<u>\$ 5,663,711</u>	<u>\$ 3,575,409</u>	<u>\$ 5,426,259</u>	<u>\$ 3,515,005</u>	<u>\$ 15,897</u>	<u>\$ 207,952</u>	<u>\$ (378,913)</u>	<u>\$ 168,300</u>	<u>\$ 452,489</u>	<u>\$ 1,239,431</u>	<u>\$ 25,318,144</u>

MUNICIPAL STATE-AID STREET FUND

Fund Description:

The **Municipal State-aid Street Fund** accounts for an annual allotment from the State of Minnesota Municipal State-aid street construction account.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Municipal State-aid Street Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	Actual	Adopted	Estimate	Adopted
		Budget		Budget
<u>Revenues</u>				
Intergovernmental revenues	\$ 3,111,493	\$ 3,721,111	\$ 3,829,359	\$ -
Investment income (charges)	14,657	9,300	17,000	20,700
Miscellaneous	-	452,000	623,658	276,790
Total revenues	<u>3,126,150</u>	<u>4,182,411</u>	<u>4,470,017</u>	<u>297,490</u>
<u>Expenditures - Capital outlay</u>				
Public works	5,652,973	3,206,172	4,361,761	2,168,964
Parks and recreation	477,991	-	-	-
Total expenditures	<u>6,130,964</u>	<u>3,206,172</u>	<u>4,361,761</u>	<u>2,168,964</u>
Excess (deficiency) of revenues over expenditures	<u>(3,004,814)</u>	<u>976,239</u>	<u>108,256</u>	<u>(1,871,474)</u>
<u>Other financing sources (uses)</u>				
Transfer from Capital Projects:				
Water Trunk Fund			620,000	-
Storm Sewer Trunk Fund	-	-	-	778,500
Issuance of debt	4,728,684	-	-	-
Premium on bonds issued	271,564	-	-	-
Total other financing sources (uses)	<u>5,000,248</u>	<u>-</u>	<u>620,000</u>	<u>778,500</u>
Net change in fund balance	1,995,434	976,239	728,256	(1,092,974)
Fund balance, January 1	<u>1,409,684</u>	<u>1,861,941</u>	<u>3,405,118</u>	<u>4,133,374</u>
Fund balance, December 31	<u>\$ 3,405,118</u>	<u>\$ 2,838,180</u>	<u>\$ 4,133,374</u>	<u>\$ 3,040,400</u>

MUNICIPAL STATE AID STREET FUND

CITY OF LAKEVILLE, MINNESOTA
Capital Projects - Municipal State-aid Street Fund
Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
CR 50 Recon (CSAH 60 to CSAH 9)	\$ 2,024,964
CR 50 Recon (Holyoke Ave to Cedar Ave)	<u>144,000</u>
Total	<u>\$ 2,168,964</u>

PAVEMENT MANAGEMENT FUND

Fund Description:

The **Pavement Management Fund** primary purpose is to account for major maintenance projects which are financed with property taxes. Accounting for pavement management activities in a designated fund enables the City Council to establish a relatively stable tax levy. The fund activities account for maintenance costs which would otherwise be accounted for in the operating budget. The Pavement Management Fund enables the City to establish a long-term maintenance program and financing plan which, when taken into consideration with the street reconstruction program, enables the City to develop a consistent long-term financing plan for one of the community's most significant infrastructure assets.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Pavement Management Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 1,189,883	\$ 1,191,550	\$ 1,191,550	\$ 1,191,550
Intergovernmental revenue	120,000	120,000	120,000	120,000
Charges for services	75,407	-	-	-
Special assessments	2,998	-	-	-
Investment income (charges)	7,649	6,400	6,700	5,400
Miscellaneous	-	60,000	60,000	-
Total revenues	<u>1,395,937</u>	<u>1,377,950</u>	<u>1,378,250</u>	<u>1,316,950</u>
<u>Expenditures - Capital outlay</u>				
Public works	1,042,207	1,668,580	1,538,551	1,429,673
Parks and recreation	124,116	-	-	-
Total expenditures	<u>1,166,323</u>	<u>1,668,580</u>	<u>1,538,551</u>	<u>1,429,673</u>
Excess (deficiency) of revenues over expenditures	229,614	(290,630)	(160,301)	(112,723)
<u>Other financing sources (uses)</u>				
Transfer to Equipment Fund	<u>(524,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net change in fund balance	(294,386)	(390,630)	(260,301)	(212,723)
Fund balance, January 1	<u>1,630,391</u>	<u>1,275,214</u>	<u>1,336,005</u>	<u>1,075,704</u>
Fund balance, December 31	<u>\$ 1,336,005</u>	<u>\$ 884,584</u>	<u>\$ 1,075,704</u>	<u>\$ 862,981</u>

PAVEMENT MANAGEMENT FUND

(continued)

CITY OF LAKEVILLE, MINNESOTA
Capital Projects - Pavement Management Fund
Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
Patching & minor overlays	\$ 965,516
Safety improvements	124,349
Crack sealing	140,608
Velocity patching	109,200
Other	<u>90,000</u>
Total	<u>\$ 1,429,673</u>

IMPROVEMENT CONSTRUCTION FUND

Fund Description:

The **Improvement Construction Fund** accounts for the construction of certain public improvements, such as streets and storm sewers. The City Council has approved a street reconstruction program that replaces aging street infrastructure. Benefited property owners are specially assessed for 40% of the cost with the remaining 60% paid by the City with property taxes. The financing of the improvements is accomplished with the issuance of General Obligation Improvement Bonds. The special assessments and taxes are pledged to the repayment of the debt. The taxes are proposed to be amortized over a 10 year period to mitigate the impact of tax increases on business and residents.

IMPROVEMENT CONSTRUCTION FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Improvement Construction Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

		2016		2017
	2015	Adopted	2016	Adopted
	Actual	Budget	Estimate	Budget
<u>Revenues</u>				
General property taxes	\$ 49,623	\$ 50,000	\$ 50,000	\$ 50,000
Intergovernmental	1,000	822,250	974,685	-
Charges for services	-	-	66,288	-
Special assessments	389,040	-	-	-
Investment income (charges)	18,988	-	11,200	-
Total revenues	<u>458,651</u>	<u>872,250</u>	<u>1,102,173</u>	<u>50,000</u>
<u>Expenditures - Capital outlay</u>				
General government	184,677	-	-	-
Public works	<u>12,042,512</u>	<u>19,687,574</u>	<u>19,687,574</u>	<u>9,682,981</u>
Total expenditures	<u>12,227,189</u>	<u>19,687,574</u>	<u>19,687,574</u>	<u>9,682,981</u>
Excess (deficiency) of revenues over expenditures	<u>(11,768,538)</u>	<u>(18,815,324)</u>	<u>(18,585,401)</u>	<u>(9,632,981)</u>
<u>Other financing sources (uses)</u>				
Transfer from General Fund	500,000	-	-	-
Transfer from Capital Projects				
Sanitary Sewer Trunk Fund	-	150,000	150,000	-
Storm Sewer Trunk Fund	-	150,000	150,000	-
Water Trunk Fund	-	150,000	150,000	-
Tax Increment Fund	27,681	-	117,319	-
Transfer from Debt Service				
Tax Increment	-	607,500	607,500	-
Transfer from Special Revenue				
Communications	-	-	-	40,000
Transfer to Capital Projects				
Tax Increment	-	(79,750)	(79,750)	-
Issuance of debt	11,671,918	17,637,574	15,399,860	9,592,981
Premium on bonds issued	733,945	-	1,376,898	-
Total other financing sources (uses)	<u>12,933,544</u>	<u>18,615,324</u>	<u>17,871,827</u>	<u>9,632,981</u>
Net change in fund balance	1,165,006	(200,000)	(713,574)	-
Fund balance, January 1	<u>1,077,791</u>	<u>1,277,791</u>	<u>2,242,797</u>	<u>1,529,223</u>
Fund balance, December 31	<u>\$ 2,242,797</u>	<u>\$ 1,077,791</u>	<u>\$ 1,529,223</u>	<u>\$ 1,529,223</u>

STORM SEWER FUND

Fund Description:

The **Storm Sewer Fund** accounts for fees and area charges to land developers for construction of trunk storm sewer systems.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Storm Sewer Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
Charges for services	\$ 2,671,526	\$ 1,052,264	\$ 1,850,448	\$ 1,052,264
Special assessments	235	226	226	217
Investment income	27,332	2,500	25,000	31,600
Total revenues	<u>2,699,093</u>	<u>1,054,990</u>	<u>1,875,674</u>	<u>1,084,081</u>
<u>Expenditures - Capital outlay</u>				
Public works	<u>412,667</u>	<u>526,132</u>	<u>415,630</u>	<u>526,132</u>
Excess (deficiency) of revenues over expenditures	<u>2,286,426</u>	<u>528,858</u>	<u>1,460,044</u>	<u>557,949</u>
<u>Other financing sources (uses)</u>				
Transfer to				
Capital Proj. - Improv Const	-	(150,000)	(150,000)	-
Capital Proj. - Municipal State Aid	-	-	-	(778,500)
Utility Fund- Environmental Resources	-	-	-	(435,000)
Debt Service - Special Assessment	<u>(101,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(101,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(1,213,500)</u>
Net change in fund balance	2,185,426	378,858	1,310,044	(655,551)
Fund balance, January 1	<u>2,823,792</u>	<u>4,507,468</u>	<u>5,009,218</u>	<u>6,319,262</u>
Fund balance, December 31	<u>\$ 5,009,218</u>	<u>\$ 4,886,326</u>	<u>\$ 6,319,262</u>	<u>\$ 5,663,711</u>

WATER FUND

Fund Description:

The **Water Fund** accounts for revenues derived primarily from connection charges collected at the time building permits are issued and antenna site leases with wireless communications companies. Funds are committed toward the construction costs of water supply lines, wells and water storage facilities, and provide the debt service to bonds issued to finance the construction of the City's water treatment facility and other trunk infrastructure improvements.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Water Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ending December 31, 2017

	2015	2016	2016	2017
	Actual	Adopted	Estimate	Adopted
		Budget		Budget
<u>Revenues</u>				
Charges for services	\$ 2,352,123	\$ 1,320,200	\$ 2,171,987	\$ 1,320,200
Special assessments	20,771	17,000	17,000	17,000
Investment income	491	1,600	(15,500)	18,500
Miscellaneous	<u>352,900</u>	<u>344,596</u>	<u>356,429</u>	<u>359,993</u>
Total revenues	<u>2,726,285</u>	<u>1,683,396</u>	<u>2,529,916</u>	<u>1,715,693</u>
<u>Expenditures - Capital outlay</u>				
Public works	<u>6,471,852</u>	<u>1,595,000</u>	<u>3,718,255</u>	<u>1,075,000</u>
Excess (deficiency) of revenues over expenditures	<u>(3,745,567)</u>	<u>88,396</u>	<u>(1,188,339)</u>	<u>640,693</u>
<u>Other financing sources (uses)</u>				
Transfer to				
Debt Service - Water Revenue	(2,016,337)	(174,000)	(126,332)	(738,575)
Capital Proj. - Impr. Constr.	-	(150,000)	(150,000)	-
Capital Proj. - Municipal State Aid	-	-	(620,000)	-
Issuance of debt	<u>-</u>	<u>8,700,000</u>	<u>8,851,259</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,016,337)</u>	<u>8,376,000</u>	<u>7,954,927</u>	<u>(738,575)</u>
Net change in fund balance	(5,761,904)	8,464,396	6,766,588	(97,882)
Fund balance, January 1	<u>2,668,607</u>	<u>(7,684,016)</u>	<u>(3,093,297)</u>	<u>3,673,291</u>
Fund balance, December 31	<u>\$ (3,093,297)</u>	<u>\$ 780,380</u>	<u>\$ 3,673,291</u>	<u>\$ 3,575,409</u>

WATER FUND

(continued)

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Water Fund

Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
Well construction	\$ 875,000
Developer credits	<u>200,000</u>
Total	<u>\$ 1,075,000</u>

SANITARY SEWER FUND

Fund Description

The **Sanitary Sewer Fund** accounts for sewer connection and area fees charged to land developers for connecting to the City's sanitary sewer system. Appropriations are applied to the construction of sanitary sewer trunk systems.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Sanitary Sewer Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ending December 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
Charges for services	\$ 940,203	\$ 267,300	\$ 784,236	\$ 267,300
Special assessments	20,182	16,000	16,000	15,000
Investment income (charges)	32,695	2,100	25,100	26,300
Total revenues	<u>993,080</u>	<u>285,400</u>	<u>825,336</u>	<u>308,600</u>
<u>Expenditures - Capital outlay</u>				
Public works	<u>392,368</u>	<u>139,000</u>	<u>423,726</u>	<u>148,875</u>
Excess (deficiency) of revenues over expenditures	<u>600,712</u>	<u>146,400</u>	<u>401,610</u>	<u>159,725</u>
<u>Other financing sources (uses)</u>				
Transfer to				
Capital Proj. - Improv Constr	-	(150,000)	(150,000)	-
Total other financing sources (uses)	-	(150,000)	(150,000)	-
Net change in fund balance	600,712	(3,600)	251,610	159,725
Fund balance, January 1	<u>4,414,212</u>	<u>4,422,958</u>	<u>5,014,924</u>	<u>5,266,534</u>
Fund balance, December 31	<u>\$ 5,014,924</u>	<u>\$ 4,419,358</u>	<u>\$ 5,266,534</u>	<u>\$ 5,426,259</u>

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Sanitary Sewer Fund

Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
Developer credits	<u>\$ 148,875</u>
Total Projects	<u>\$ 148,875</u>

PARK DEDICATION FUND

Fund Description:

The **Park Dedication Fund** accounts for park dedication fees received from land developers. The expenditures consist of acquiring and developing new City parks and trails.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Park Dedication Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
Intergovernmental - grants	\$ 106,423	\$ -	\$ 900	\$ -
Charges for services	2,516,661	1,258,320	2,411,518	1,269,785
Special assessments	60	57	57	54
Investment income	14,545	13,500	14,400	22,300
Donations	151,596	-	10,731	10,000
Miscellaneous	<u>22,802</u>	<u>972,138</u>	<u>975,286</u>	<u>32,090</u>
Total revenues	<u>2,812,087</u>	<u>2,244,015</u>	<u>3,412,892</u>	<u>1,334,229</u>
<u>Expenditures - Capital outlay</u>				
Parks and recreation	<u>1,214,216</u>	<u>2,460,739</u>	<u>1,839,252</u>	<u>2,278,000</u>
Excess (deficiency) of revenues over expenditures	<u>1,597,871</u>	<u>(216,724)</u>	<u>1,573,640</u>	<u>(943,771)</u>
Net changes in fund balances	1,597,871	(216,724)	1,573,640	(943,771)
Fund balance, January 1	<u>1,287,265</u>	<u>2,690,167</u>	<u>2,885,136</u>	<u>4,458,776</u>
Fund balance, December 31	<u>\$ 2,885,136</u>	<u>\$ 2,473,443</u>	<u>\$ 4,458,776</u>	<u>\$ 3,515,005</u>

PARK DEDICATION FUND

(continued)

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Park Dedication Fund

Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
Major Construction	
West Lake Marion Park - Bike Cour	\$ 85,000
Land acquisition	
Avonlea Park	1,500,000
Future land acquisition	100,000
Trail Construction	
175th - Isleton to Jasmine (S Side)	100,000
Developer credits	435,000
Other	<u>58,000</u>
Total	<u>\$ 2,278,000</u>

PARK IMPROVEMENT FUND

Fund Description:

The **Park Improvement Fund** accounts for the long term maintenance, repairs and replacement of the City parks.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Park Improvement Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ -	\$ 50,000	\$ 50,000	\$ 175,000
Intergovernmental	-	50,000	50,000	-
Investment income	797	-	-	-
Donations	<u>52,482</u>	<u>247,000</u>	<u>215,688</u>	<u>-</u>
Total revenues	<u>53,279</u>	<u>347,000</u>	<u>315,688</u>	<u>175,000</u>
<u>Expenditures - Capital outlay</u>				
Parks and recreation	<u>225,918</u>	<u>312,500</u>	<u>307,582</u>	<u>235,000</u>
Excess (deficiency) of revenues over expenditures	<u>(172,639)</u>	<u>34,500</u>	<u>8,106</u>	<u>(60,000)</u>
<u>Other financing sources (uses)</u>				
Transfer from				
General Fund	235,000	-	-	-
Liquor Fund	<u>5,430</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>240,430</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	67,791	34,500	8,106	(60,000)
Fund balance, January 1	<u>-</u>	<u>39,000</u>	<u>67,791</u>	<u>75,897</u>
Fund balance, December 31	<u>\$ 67,791</u>	<u>\$ 73,500</u>	<u>\$ 75,897</u>	<u>\$ 15,897</u>

PARK IMPROVEMENT FUND

(continued)

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Park Improvement Fund

Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
Playground replacements	
Dodd Trail	\$ 82,500
Highview Heights	82,500
Aronson building upgrades	10,000
Dodd Trail pickleball courts	<u>60,000</u>
Total	<u>\$ 235,000</u>

TRAIL IMPROVEMENT FUND

Fund Description:

The **Trail Improvement Fund** accounts for the long term maintenance, repairs and replacement of the City trails.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Trail Improvement Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 77,748	\$ 78,200	\$ 78,200	\$ 111,200
Investment income	5,394	-	3,100	2,200
Total revenues	<u>83,142</u>	<u>78,200</u>	<u>81,300</u>	<u>113,400</u>
<u>Expenditures - Capital outlay</u>				
Parks and recreation	<u>196,057</u>	<u>251,520</u>	<u>266,019</u>	<u>350,284</u>
Total expenditures	<u>196,057</u>	<u>251,520</u>	<u>266,019</u>	<u>350,284</u>
Excess (deficiency) of revenues over expenditures	<u>(112,915)</u>	<u>(173,320)</u>	<u>(184,719)</u>	<u>(236,884)</u>
Net change in fund balance	(112,915)	(173,320)	(184,719)	(236,884)
Fund balance, January 1	<u>742,470</u>	<u>594,334</u>	<u>629,555</u>	<u>444,836</u>
Fund balance, December 31	<u>\$ 629,555</u>	<u>\$ 421,014</u>	<u>\$ 444,836</u>	<u>\$ 207,952</u>

TRAIL IMPROVEMENT FUND

(continued)

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Trail Improvement Fund

Schedule of Capital Outlay

<u>Projects</u>	<u>2017</u>
Trail sealcoating	\$ 70,000
N side 165th - Ipava to Interlachen (reclamation)	57,825
W side Flagstaff Ave - Fontina Path to Dodd Blvd (reclam)	120,377
Dodd Trail trails - Flagstaff to Dodd Blvd (reclam)	56,327
Casperson soccer field trail	3,000
Engineering costs for reclam/overlay proj 18%	<u>42,755</u>
Total	<u>\$ 350,284</u>

TAX INCREMENT FUND

Fund Description:

The **Tax Increment Fund** accounts for revenue received from tax increment property that does not require debt financing. The expenditures are for pay-as-you-go contractual agreements as identified in the tax increment plans.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Capital Projects - Tax Increment Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
Tax increment	\$ -	\$ -	\$ 52,561	\$ 52,561
Charges for services	11,000	-	-	-
Investment income	<u>1,640</u>	<u>500</u>	<u>1,200</u>	<u>1,200</u>
Total revenues	<u>12,640</u>	<u>500</u>	<u>53,761</u>	<u>53,761</u>
<u>Expenditures - Capital outlay</u>				
General government	<u>27,862</u>	<u>-</u>	<u>49,933</u>	<u>51,046</u>
Excess (deficiency) of revenues over expenditures	<u>(15,222)</u>	<u>500</u>	<u>3,828</u>	<u>2,715</u>
<u>Other financing sources (uses)</u>				
Transfer from				
Improvement Construction Fund	-	79,750	79,750	-
Transfer to				
Improvement Construction Fund	<u>(27,681)</u>	<u>-</u>	<u>(117,319)</u>	<u>-</u>
Total other financing sources (uses)	<u>(27,681)</u>	<u>79,750</u>	<u>(37,569)</u>	<u>-</u>
Net change in fund balance	(42,903)	80,250	(33,741)	2,715
Fund balance, January 1	<u>242,229</u>	<u>98,429</u>	<u>199,326</u>	<u>165,585</u>
Fund balance, December 31	<u>\$ 199,326</u>	<u>\$ 178,679</u>	<u>\$ 165,585</u>	<u>\$ 168,300</u>

BUILDING FUND

Fund Description:

The **Building Fund** accounts for the accumulation and disbursement of funds for the construction or improvement of public buildings.

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Building Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ending December 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 50,616	\$ 51,000	\$ 51,000	\$ 150,000
Investment income	8,458	-	-	15,092
Donations	24,776	-	-	-
Miscellaneous	131,903	650,000	651,575	-
Total revenues	<u>215,753</u>	<u>701,000</u>	<u>702,575</u>	<u>165,092</u>
<u>Expenditures - Capital outlay</u>				
General government	399,435	339,450	329,654	190,000
Public safety				
Police	3,819	19,050	19,237	41,500
Fire	331,315	83,050	60,750	29,200
Public works	100,753	102,300	84,263	100,700
Parks and recreation	258,379	296,950	101,144	305,792
Total expenditures	<u>1,093,701</u>	<u>840,800</u>	<u>595,048</u>	<u>667,192</u>
Excess (deficiency) of revenues over expenditures	<u>(877,948)</u>	<u>(139,800)</u>	<u>107,527</u>	<u>(502,100)</u>
<u>Other financing sources (uses)</u>				
Transfer from				
General Fund	-	-	-	200,000
Special Revenue - Communications	-	150,000	150,000	-
Total other financing sources	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>200,000</u>
Net change in fund balance	(877,948)	10,200	257,527	(302,100)
Fund balance, January 1	<u>1,375,010</u>	<u>573,827</u>	<u>497,062</u>	<u>754,589</u>
Fund balance, December 31	<u>\$ 497,062</u>	<u>\$ 584,027</u>	<u>\$ 754,589</u>	<u>\$ 452,489</u>

EQUIPMENT FUND

Fund Description:

The **Equipment Fund** accounts for the purchase of public safety, street and park maintenance equipment. The most significant capital acquisitions are related to replacing vehicles, machinery, and technology.

All departments evaluated the overall condition of the City's fleet and equipment. In many cases, the expected useful life of these assets has been extended on the condition that there was no adverse increase in repairs or operating costs.

Equipment acquisition for general government purposes, such as police, fire, streets, engineering, parks, and technology are financed primarily by non-tax revenues such as Liquor Fund contributions and sale of assets.

EQUIPMENT FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA

Capital Projects - Equipment Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Revenues</u>				
General property taxes	\$ 300,357	\$ 250,000	\$ 250,000	\$ 350,000
Investment income	28,300	59,347	59,347	33,578
Donations	2,100	-	-	15,000
Miscellaneous	224,700	250,175	322,152	207,728
Total revenues	<u>555,457</u>	<u>559,522</u>	<u>631,499</u>	<u>606,306</u>
<u>Expenditures - Capital outlay</u>				
General government	112,948	588,001	282,781	489,685
Public safety				
Police	405,204	220,971	473,906	241,933
Fire	328,713	678,784	1,151,399	310,843
Public works	553,070	1,408,730	1,926,980	816,831
Parks and recreation	370,468	335,092	328,625	262,504
Total expenditures	<u>1,770,403</u>	<u>3,231,578</u>	<u>4,163,691</u>	<u>2,121,796</u>
Excess (deficiency) of revenues over expenditures	<u>(1,214,946)</u>	<u>(2,672,056)</u>	<u>(3,532,192)</u>	<u>(1,515,490)</u>
<u>Other financing sources (uses)</u>				
Transfer from				
General Fund	877,000	50,000	550,000	945,000
Pavement Management	524,000	100,000	100,000	100,000
Special Revenue - Communications	495,000	100,000	100,000	-
Enterprise -Utility Fund	-	31,000	31,000	31,000
Enterprise - Liquor Fund	825,812	500,000	500,000	-
Total other financing sources (uses)	<u>2,721,812</u>	<u>781,000</u>	<u>1,281,000</u>	<u>1,076,000</u>
Net change in fund balance	1,506,866	(1,891,056)	(2,251,192)	(439,490)
Fund balance, January 1	<u>2,423,247</u>	<u>2,967,332</u>	<u>3,930,113</u>	<u>1,678,921</u>
Fund balance, December 31	<u>\$ 3,930,113</u>	<u>\$ 1,076,276</u>	<u>\$ 1,678,921</u>	<u>\$ 1,239,431</u>

LIQUOR FUND

Fund Description:

The **Liquor Fund** is responsible for controlling the sale of off-sale alcoholic beverages, while generating revenue for the community. This includes abiding by all State Statutes regarding the legal sale of alcohol, offering competitive pricing, while providing superior product selection and customer service.

Of the 193 cities operating municipal liquor stores in Minnesota, Lakeville continues to have the highest revenues and highest gross profit.

Services:

- Control the sale of alcoholic beverages. The City is committed to restricting youth access to alcohol. Employees are also trained in how to observe and decline sales to obviously intoxicated individuals.
- Profits are dedicated to the reduction of property taxes. Liquor Fund net proceeds are committed to financing capital improvements which would otherwise be financed with property taxes.
- Lakeville is committed to quality customer service. Product selection is continually evolving and is the lifeblood that drives the industry. Wine specifically is a hallmark for Lakeville. Store ambiance, strategic location of stores and customer satisfaction are deemed a high priority.
- Asset management and inventory integrity plays an essential role in profitability. The retail liquor industry is highly competitive. Inventory controls as well as policies that include well-defined checks and balances ensure assets are controlled, while the management team and point of sale operations enable Lakeville to maintain a high rate of return on investment through effective marketing strategies.

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Operations Director	1.0	1.0	1.0	1.0
Administrative Services Manager	1.0	1.0	1.0	1.0
Store Managers	3.0	3.0	3.0	3.0
Inventory Control Technician	1.0	1.0	1.0	1.0
Assistant Store Managers	5.0	5.0	5.0	5.0
Lead Sales Associates	3.0	3.0	3.9	3.9
Sales Associates	10.4	10.4	9.9	9.9
Total	24.4	24.4	24.8	24.8

LIQUOR FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Liquor Fund
 Schedule of Revenues, Expenses and Changes in Net Position
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	Actual	Adopted	Estimate	Adopted
		Budget		Budget
<u>Sales and cost of sales</u>				
Sales	\$ 13,611,292	\$ 13,882,928	\$ 13,926,781	\$ 14,045,802
Cost of sales	<u>10,322,173</u>	<u>10,497,922</u>	<u>10,497,195</u>	<u>10,605,816</u>
Gross profit	<u>3,289,119</u>	<u>3,385,006</u>	<u>3,429,586</u>	<u>3,439,986</u>
<u>Operating expenses</u>				
Personnel services	1,308,167	1,358,238	1,360,920	1,443,341
Commodities	54,971	72,276	63,572	70,710
Other charges and services	<u>918,721</u>	<u>846,686</u>	<u>810,188</u>	<u>857,233</u>
Total operating expenses	<u>2,281,859</u>	<u>2,277,200</u>	<u>2,234,680</u>	<u>2,371,284</u>
Operating income	<u>1,007,260</u>	<u>1,107,806</u>	<u>1,194,906</u>	<u>1,068,702</u>
<u>Non-operating revenue (expense)</u>				
Intergovernmental	3,900	3,900	3,900	3,900
Investment income (charges)	5,104	17,115	5,412	3,744
Miscellaneous	48,477	3,600	3,600	3,600
Disposal of assets	<u>(33,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating (net)	<u>24,100</u>	<u>24,615</u>	<u>12,912</u>	<u>11,244</u>
Income before transfers, bond expense, and depreciation	<u>1,031,360</u>	<u>1,132,421</u>	<u>1,207,818</u>	<u>1,079,946</u>
Transfers to other funds	(1,397,972)	(1,074,937)	(1,074,937)	(547,454)
Bond expense	(144,449)	(135,417)	(135,417)	(125,959)
Depreciation	<u>(125,003)</u>	<u>(114,761)</u>	<u>(116,465)</u>	<u>(116,465)</u>
Total transfers, bond expense and depreciation	<u>(1,667,424)</u>	<u>(1,325,115)</u>	<u>(1,326,819)</u>	<u>(789,878)</u>
Change in net position	(636,064)	(192,694)	(119,001)	290,068
Net position, January 1	<u>4,771,970</u>	<u>4,967,463</u>	<u>4,135,906</u>	<u>4,016,905</u>
Net position, December 31	<u>\$ 4,135,906</u>	<u>\$ 4,774,769</u>	<u>\$ 4,016,905</u>	<u>\$ 4,306,973</u>
Capital outlay acquisitions	<u>\$ 105,299</u>	<u>\$ 107,915</u>	<u>\$ 77,510</u>	<u>\$ 205,000</u>
Debt - Principal	<u>\$ 175,000</u>	<u>\$ 180,000</u>	<u>\$ 180,000</u>	<u>\$ 190,000</u>

LIQUOR FUND

(continued)

Contributions (transfers) to other funds: The Liquor Fund budget will make the following contributions to other funds in the coming year thereby resulting in a corresponding decrease in the tax levy:

	<u>2017</u>
Debt - Police Station	\$ 346,360
General operations	200,220
Community recycling	874
	<u>\$ 547,454</u>

Debt: The Liquor Fund has \$2.7 million of debt outstanding, which financed the Galaxie store construction in 2007. The 2017 debt obligation, including principal and interest, is \$321,000.

UTILITY FUND

Overall

Fund Description:

The **Utility Fund** is responsible for the operation of a 26.50 million gallon per day water treatment facility and the associated water collection and distribution system to provide potable water to Lakeville residents and businesses. The City is also responsible for the collection and transmission of sewage to wastewater treatment plants managed by the Metropolitan Council Environmental Services (MCES).

The Utility Fund budget is effectively managed by budgeting water, sanitary sewer, street lighting and environmental resources as separate operations. Individual schedules for revenues, expenses, changes in net assets are provided for each of the respective operations. The combining of these operations comprises the Utility Fund which is presented in the Utility Fund Schedule of Revenues, Expenses and Changes in Net Assets.

Services:

- **Water.** The water system includes operation and maintenance of 18 wells, 6 towers, 2 reservoirs, water treatment plant, and 321 miles of water distribution system.
- **Sanitary sewer.** The sanitary sewer system includes maintenance of 260 miles of sanitary sewer and force mains, 8 pressure reducing stations, and 20 lift stations and 3 grinder stations, which transmit effluent to the MCES Empire Treatment Facility.
- **Street lighting.** The street lighting system is operated and maintained by Xcel Energy and Dakota Electric Association (DEA). The City of Lakeville bills customers on a quarterly basis for lighting.
- **Environmental Resources.** This fund accounts for the surface water management operations and forestry program which manage, promotes and protects the City's natural resources. Recycling programs are also accounted for under this program and promotes education, reduction/reusing and recycling efforts. Recycling programs are funded by a grant from Dakota County.

UTILITY FUND

Overall (continued)

Staffing:

Position (FTE)	2015 Actual	2016 Budget	2016 Estimate	2017 Budget
Public Works Director	1.0	1.0	1.0	1.0
Utilities Superintendent	1.0	1.0	1.0	1.0
Utilities Supervisor	1.0	1.0	1.0	1.0
P.W. Analyst / Safety Specialist	1.0	1.0	1.0	1.0
Utility Lead Maintenance	1.0	1.0	1.0	1.0
Utility Maintenance II	11.8	12.0	11.2	12.0
Utility Billing Technician	2.0	2.0	2.0	2.0
Administrative Assistant	0.8	1.0	1.0	1.0
Environmental Resources Manager	1.0	1.0	1.0	1.0
Environmental Resources Specialist	1.0	1.0	1.0	1.0
Environmental Resources Technician	0.0	0.0	0.0	0.75
Forester	0.0	0.5	0.3	0.70
Total	21.6	22.5	21.5	23.45

City staff prepared a Water and Sanitary Sewer Rate Analysis to determine the appropriate rates. The City Council approved a 2017 rate increase based on the recommendation contained in the Analysis.

Customer rate increases are a result of increases in operating costs. Water adjustments will finance upgrades to the water infrastructure. Sewer adjustment will finance upgrades to the sewer infrastructure and the Metropolitan Council's rate increase. Street lighting adjustment will finance the electric company rate increases. The Environmental Resources fee will offset costs associated with environmental and forestry related programs.

<u>Fee Structure</u>	<u>Basis</u>	<u>2017</u>	
		<u>Adopted</u>	<u>Increase</u>
Water base	Account	\$ 6.57	\$ 2.19
Water tier 1 (<30 thousand gallons)	Gallonage	\$ 1.32	\$ 0.29
Water tier 2 (30 - 49 thousand gallons)	Gallonage	\$ 2.09	\$ 0.46
Water tier 3 (>49 thousand gallons)	Gallonage	\$ 3.57	\$ 0.78
State of MN water testing fee	Connection	\$ 1.59	-
Sanitary sewer base	Account	\$ 7.91	\$ 0.72
Sanitary sewer usage (1,000 gallons)	Gallonage	\$ 3.92	\$ 0.36
Sanitary sewer non-metered accounts	Account	\$ 78.40	\$ 7.13
Street lights (residential)	Account	\$ 8.76	\$ 0.34
Street lights (non-residential)	Front foot	\$ 0.2451	\$ 0.01
Environmental resources fee	REU	\$ 9.30	\$ 1.55

REU – Residential Equivalent Unit

UTILITY FUND

Overall *(continued)*

Rates listed above are on a per quarter basis for residential unless noted otherwise. Commercial and industrial rates are similar to residential rates with the exception of irrigation sprinkler accounts are billed at the residential water tier 3.

Environmental Resources management fee is based on the residential equivalent unit. The REU is that portion of a customer's facility that has an impact on the storm sewer system equivalent to a single family residence. The determination of a facility's REU shall be based on dwelling units.

UTILITY FUND

Overall (continued)

Budget Summary – Utility Fund:

CITY OF LAKEVILLE, MINNESOTA
Enterprise - Utility Fund
Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Operating revenues</u>				
User charges for services	\$ 9,042,640	\$ 10,227,133	\$ 10,209,735	\$ 11,813,285
Other	173,823	164,003	160,488	160,488
Total operating revenue	<u>9,216,463</u>	<u>10,391,136</u>	<u>10,370,223</u>	<u>11,973,773</u>
<u>Operating expenses</u>				
Personnel services	2,007,214	2,176,820	2,098,502	2,237,660
Commodities	365,739	471,177	438,670	470,850
Other charges and services	2,734,445	3,026,084	2,982,427	3,144,924
Disposal charges	3,253,486	3,263,530	3,263,530	3,509,576
Major maintenance	49,071	9,393,270	8,941,657	2,276,019
Total operating expenses	<u>8,409,955</u>	<u>18,330,881</u>	<u>17,724,786</u>	<u>11,639,029</u>
Operating income (expense)	<u>806,508</u>	<u>(7,939,745)</u>	<u>(7,354,563)</u>	<u>334,744</u>
<u>Non-operating revenue</u>				
Intergovernmental	85,754	80,556	148,264	128,264
Investment income	46,872	42,616	51,288	36,978
Disposal of assets	(82,570)	119,000	129,500	34,000
Total non-operating revenue	<u>50,056</u>	<u>242,172</u>	<u>329,052</u>	<u>199,242</u>
Income (loss) before contributions, transfers, and depreciation	<u>856,564</u>	<u>(7,697,573)</u>	<u>(7,025,511)</u>	<u>533,986</u>
Contributed capital	9,463,872	1,073,224	1,100,000	1,100,000
Transfers from other funds	20,612	21,227	66,227	461,148
Transfers to other funds	(527,556)	(897,206)	(897,206)	(1,035,017)
Bond expense	-	-	-	(256,299)
Depreciation	(3,471,498)	(3,416,188)	(3,542,995)	(3,364,474)
Total contributions, transfers, and depreciation (net)	<u>5,485,430</u>	<u>(3,218,943)</u>	<u>(3,273,974)</u>	<u>(3,094,642)</u>
Change in net position	6,341,994	(10,916,516)	(10,299,485)	(2,560,656)
Net position, January 1	<u>114,331,732</u>	<u>108,793,305</u>	<u>120,673,726</u>	<u>110,374,241</u>
Net position, December 31	<u>\$ 120,673,726</u>	<u>\$ 97,876,789</u>	<u>\$ 110,374,241</u>	<u>\$ 107,813,585</u>
Capital outlay acquisitions	<u>\$ 586,866</u>	<u>\$ 1,083,674</u>	<u>\$ 1,085,443</u>	<u>\$ 840,189</u>
Bond proceeds	<u>\$ -</u>	<u>\$ 7,473,720</u>	<u>\$ 6,570,000</u>	<u>\$ 1,494,952</u>

UTILITY FUND

Water Operation

Program Description:

The **Water Operation** is a collection, treatment, storage, and distribution system that delivers potable water to over 19,200 residential, commercial, institutional, and industrial properties. The system also accounts for all costs related to the operation and maintenance of 18 wells, 6 towers, 2 reservoirs, water treatment plant, and 321 miles of water distribution system.

Services – Water Operation: Collect, treat, and distribute potable water to meet the needs of residential, commercial, institutional, and industrial customers.

- Monitor and ensure water quality and compliance with U.S. Environmental Protection Agency and Minnesota Department of Health requirements.
- Operate and maintain 18 well stations. Treat ground water with chemicals to remove iron and manganese and improve the taste.
- Maintain 321 miles of water main. Repair water main breaks. Inspect and approve new water main construction. Exercise fire hydrants annually.
- Operate a 26.50 million gallon per day water treatment plant.
- Locate underground utility structures, water main, and residential curb stops.
- Enforce water restrictions pursuant to approved operations policy.

UTILITY FUND

Water Operation

(continued)

Budget Summary - Water Operation:

CITY OF LAKEVILLE, MINNESOTA
Enterprise - Utility Fund (Water Operation)
Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Operating revenues</u>				
User charges for services	\$ 2,949,084	\$ 3,526,004	\$ 3,555,151	\$ 4,377,242
Other	173,823	164,003	160,488	160,488
Total operating revenue	<u>3,122,907</u>	<u>3,690,007</u>	<u>3,715,639</u>	<u>4,537,730</u>
<u>Operating expenses</u>				
Personnel services	1,027,278	1,066,234	1,023,600	1,090,312
Commodities	261,451	337,082	311,429	348,183
Other charges and services	1,424,016	1,235,537	1,220,651	1,239,664
Major maintenance	-	7,446,360	7,136,444	1,731,019
Total operating expenses	<u>2,712,745</u>	<u>10,085,213</u>	<u>9,692,124</u>	<u>4,409,178</u>
Operating income (loss)	<u>410,162</u>	<u>(6,395,206)</u>	<u>(5,976,485)</u>	<u>128,552</u>
<u>Non-operating revenue</u>				
Intergovernmental	4,074	1,632	1,632	1,632
Investment income	22,031	21,424	26,022	18,016
Disposal of assets	(82,678)	4,500	4,500	10,000
Total non-operating revenue	<u>(56,573)</u>	<u>27,556</u>	<u>32,154</u>	<u>29,648</u>
Income (loss) before contributions, transfers, and depreciation	<u>353,589</u>	<u>(6,367,650)</u>	<u>(5,944,331)</u>	<u>158,200</u>
Contributed capital	5,676,823	604,082	600,000	600,000
Bond expense	-	-	-	(234,874)
Transfers to other funds	(213,336)	(548,511)	(548,511)	(664,038)
Depreciation	(2,129,374)	(2,160,956)	(2,160,956)	(2,160,956)
Total contributions, transfers, and depreciation (net)	<u>3,334,113</u>	<u>(2,105,385)</u>	<u>(2,109,467)</u>	<u>(2,459,868)</u>
Change in net position	3,687,702	(8,473,035)	(8,053,798)	(2,301,668)
Net position, January 1	<u>72,924,795</u>	<u>67,938,264</u>	<u>76,612,497</u>	<u>68,558,699</u>
Net position, December 31	<u>\$ 76,612,497</u>	<u>\$ 59,465,229</u>	<u>\$ 68,558,699</u>	<u>\$ 66,257,031</u>
Capital outlay acquisitions	<u>\$ 189,582</u>	<u>\$ 565,124</u>	<u>\$ 565,124</u>	<u>\$ 107,242</u>
Bond proceeds	<u>\$ -</u>	<u>\$ 6,753,720</u>	<u>\$ 6,075,000</u>	<u>\$ 1,094,952</u>

UTILITY FUND

Sanitary Sewer Operation

Program Description:

The **Sanitary Sewer Operation** is a collection and forwarding system that removes wastewater from residential, commercial, institutional, and industrial properties. The system also accounts for all costs associated with the operation and maintenance of lift stations and sanitary sewer mains. The treatment facility operations are the responsibility of the Metropolitan Council Environmental Services (MCES).

Services - Sanitary Sewer Operation:

- Clean, televise, and evaluate approximately 70-80 miles of sanitary sewer main each year and make repairs as necessary.
- Inspect manholes for groundwater infiltration and seal the structures to eliminate the problem.
- Evaluate portions of the sanitary sewer system for surface water inflow and groundwater infiltration (I&I) problems and perform any necessary repairs to correct the problem.
- Operate and maintain lift stations.

UTILITY FUND

Sanitary Sewer Operation

(continued)

Budget Summary - Sanitary Sewer Operation:

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund (Sanitary Sewer Operation)
 Schedule of Revenues, Expenses and Changes in Net Position
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Operating revenue</u>				
User charges for services	\$ 4,596,025	\$ 5,130,765	\$ 5,047,350	\$ 5,638,031
<u>Operating expenses</u>				
Personnel services	709,721	794,026	769,217	817,174
Commodities	61,601	99,067	82,424	89,742
Other charges and services	230,849	349,557	336,439	322,728
Disposal charges	3,253,486	3,263,530	3,263,530	3,509,576
Major maintenance	49,071	1,946,910	1,805,213	545,000
Total operating expenses	<u>4,304,728</u>	<u>6,453,090</u>	<u>6,256,823</u>	<u>5,284,220</u>
Operating income (loss)	<u>291,297</u>	<u>(1,322,325)</u>	<u>(1,209,473)</u>	<u>353,811</u>
<u>Non-operating revenue</u>				
Intergovernmental	1,632	26,632	26,632	1,632
Investment income	16,837	16,750	18,082	11,388
Disposal of assets	108	114,500	125,000	24,000
Total non-operating revenue	<u>18,577</u>	<u>157,882</u>	<u>169,714</u>	<u>37,020</u>
Income (loss) before contributions, transfers and depreciation	<u>309,874</u>	<u>(1,164,443)</u>	<u>(1,039,759)</u>	<u>390,831</u>
Contributed capital	3,787,049	469,142	500,000	500,000
Transfer from other funds	19,055	19,260	19,260	23,873
Transfer to other funds	(150,220)	(152,157)	(152,157)	(143,628)
Bond expense	-	-	-	(21,425)
Depreciation	(1,331,122)	(1,248,027)	(1,374,834)	(1,203,516)
Total contributions, transfers, and depreciation (net)	<u>2,324,762</u>	<u>(911,782)</u>	<u>(1,007,731)</u>	<u>(844,696)</u>
Change in net position	2,634,636	(2,076,225)	(2,047,490)	(453,865)
Net position, January 1	<u>40,249,303</u>	<u>39,732,585</u>	<u>42,883,939</u>	<u>40,836,449</u>
Net position, December 31	<u>\$ 42,883,939</u>	<u>\$ 37,656,360</u>	<u>\$ 40,836,449</u>	<u>\$ 40,382,584</u>
Capital outlay acquisitions	\$ 79,294	\$ 501,282	\$ 501,282	\$ 332,947
Bond proceeds	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 495,000</u>	<u>\$ -</u>

UTILITY FUND

Street Light Operation

Program Description:

The **Street Light Operation** is designed to protect property, health and safety of the community's residents and businesses. The system is maintained by Xcel Energy and Dakota Electric Association.

Services – Street Light Operation:

- Perform annual inspections of approximately 4,985 street lights and report any maintenance requirements to responsible electric companies.
- Perform seasonal banner and flag changes on downtown street lights.

UTILITY FUND

Street Light Operation

(continued)

Budget Summary – Street Light Operation:

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund (Street Light Operation)
 Schedule of Revenues, Expenses and Changes in Net Position
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Operating revenue</u>				
User charges for services	\$ 770,460	\$ 778,918	\$ 793,540	\$810,000
<u>Operating expenses</u>				
Personnel services	18,400	17,738	17,738	18,262
Commodities	7	31	31	31
Other charges and services	798,620	738,330	707,970	723,984
Total operating expenses	<u>817,027</u>	<u>756,099</u>	<u>725,739</u>	<u>742,277</u>
Operating income (loss)	<u>(46,567)</u>	<u>22,819</u>	<u>67,801</u>	<u>67,723</u>
<u>Non-operating revenue</u>				
Investment income	<u>1,372</u>	<u>996</u>	<u>1,134</u>	<u>1,609</u>
Income(loss) before transfers	<u>(45,195)</u>	<u>23,815</u>	<u>68,935</u>	<u>69,332</u>
Transfers to other funds	<u>(3,568)</u>	<u>(3,538)</u>	<u>(3,538)</u>	<u>(4,384)</u>
Change in net position	(48,763)	20,277	65,397	64,948
Net position, January 1	<u>254,699</u>	<u>164,484</u>	<u>205,936</u>	<u>271,333</u>
Net position, December 31	<u>\$ 205,936</u>	<u>\$ 184,761</u>	<u>\$ 271,333</u>	<u>\$ 336,281</u>

UTILITY FUND

Environmental Resources

Fund Description:

The **Environmental Resources Fund's** purpose is to manage, promote and protect the City's natural resources including lakes, wetlands, streams, prairies and woodlands. The objective is accomplished through public education endeavors, surface water infrastructure management and monitoring the natural resources.

Services:

- **Surface water resource monitoring.** Environmental Resources coordinates and manages a variety of water quality research and improvement projects including aquatic plant control and fish management on City water bodies. The department also implements the City of Lakeville's Comprehensive Water Resources Management Plan, Wetland Management Plan, South Creek Management Plan and the City of Lakeville's Storm Water Pollution Prevention Program (SWPPP).
- **Surface water infrastructure management.** In the management of the storm water treatment basins, environmental resources staff works closely with the Engineering and Street department staff to perform the work or to obtain quotes for the removal of the sediments and restoration of the area disturbed. Environmental resources staff also determines which storm water basins must be inspected and cleaned of sediment.
- **Public education and interaction.** Public education and outreach required by State and Federal regulations are carried out with the Wetland Health Evaluation Project, the Vermillion River Watch program, and through presentations to various age groups. This includes coordination and management of the Adopt-a-Pond program, Citizen Assisted Monitoring Program and the Blue Thumb workshops with Dakota County Soil and Water Conservation District to educate and promote water quality stewardship among residents.
- **Watershed management.** Staff reviews wetland delineation and performs a majority of the requirements for being the Responsible Governmental Unit (RGU) and the Local Governmental Unit (LGU) in relationship to environmental permitting. Staff also provides the wetland delineation, mitigation and monitoring plans for public improvement projects.
- **New Development - Residential.** The department ensures that all construction plans for new developments meet NPDES Permit requirements. Staff assists in preparing wetland alteration permits and mitigation plans, obtains leases from the DNR for utility crossing of public waters for City projects, performs many of the duties required by local, State and Federal rules and regulations by being either the Responsible Governmental Unit (RGU) or the Local Governmental Unit (LGU). Inspect tree preservation of all new developments.
-
- **New Development - Commercial and Industrial.** The department also provides plan review and inspections of all erosion control for industrial, commercial, and institutional building permits. They ensure that the wetland delineations are correct and meet the requirement of the State of Minnesota Wetland Conservation Act, ensure that tree preservation plans are accurate and that a developer takes feasible measures to save significant trees and protect valuable natural resources.

UTILITY FUND

Environmental Resources

(continued)

Environmental recycling. The City of Lakeville will join an existing partnership between the Cities of Apple Valley, Burnsville and Eagan in 2017 to provide recycling services. The partnership, named Dakota Valley Recycling (DVR), has existed since 2003 and supports Dakota County's Solid Waste Abatement Program initiatives that promote environmental recycling awareness, such as education and public

outreach. Funding is provided by a grant from Dakota County. Environmental Resources staff serve as the City's liaison to DVR.

UTILITY FUND

Environmental Resources

(continued)

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund (Environmental Resources)
 Schedule of Revenues, Expenses and Changes in Net Position
 For the Year Ending December 31, 2017

	2015	2016	2016	2017
	<u>Actual</u>	<u>Adopted</u>	<u>Estimate</u>	<u>Adopted</u>
		<u>Budget</u>		<u>Budget</u>
<u>Operating revenue</u>				
User charges for services	\$ 727,071	\$ 791,446	\$ 813,694	\$ 988,012
<u>Operating expenses</u>				
Personnel services	251,815	298,822	287,947	311,912
Commodities	42,680	34,997	44,786	32,894
Other charges and services	280,960	702,660	717,367	858,548
Total operating expenses	<u>575,455</u>	<u>1,036,479</u>	<u>1,050,100</u>	<u>1,203,354</u>
Operating income	<u>151,616</u>	<u>(245,033)</u>	<u>(236,406)</u>	<u>(215,342)</u>
<u>Non-operating revenue</u>				
Intergovernmental	80,048	52,292	120,000	125,000
Investment income	6,632	3,446	6,050	5,965
Total non-operating revenue	<u>86,680</u>	<u>55,738</u>	<u>126,050</u>	<u>130,965</u>
Income before transfers and depreciation	<u>238,296</u>	<u>(189,295)</u>	<u>(110,356)</u>	<u>(84,377)</u>
Transfers from other funds	1,557	1,967	46,967	437,275
Transfers to other funds	(160,432)	(193,000)	(193,000)	(222,967)
Depreciation	(11,002)	(7,205)	(7,205)	(2)
Total transfers and depreciation (net)	<u>(169,877)</u>	<u>(198,238)</u>	<u>(153,238)</u>	<u>214,306</u>
Change in net position	68,419	(387,533)	(263,594)	129,929
Net position, January 1	<u>902,935</u>	<u>957,972</u>	<u>971,354</u>	<u>707,760</u>
Net position, December 31	<u>\$ 971,354</u>	<u>\$ 570,439</u>	<u>\$ 707,760</u>	<u>\$ 837,689</u>
Capital outlay acquisitions	<u>\$ 193,253</u>	<u>\$ 17,268</u>	<u>\$ 19,037</u>	<u>\$ -</u>

Internal Service Fund

Municipal Reserves Fund

This fund is used to account for the City's risk management program relating to general liability, excess liability, property, and casualty insurance costs which are charged to other City departments on a cost reimbursement basis.

MUNICIPAL RESERVES FUND

Fund Description:

Under the Governmental Accounting Standards Board (GASB) Statement No. 10, risk management activities of a government entity can be accounted for in either the General Fund or an Internal Service Fund, if one fund is used. The City uses the **Internal Service Municipal Reserves Fund** to budget such costs. Under this model, operating departments within the various City funds receive a charge from the Municipal Reserves Fund, and all costs (premiums, claims, and related expenses) are reflected in a single fund. This allows for better accountability and monitoring of the City's risk management costs.

Services:

- General liability insurance.
- Excess liability insurance.
- Property/casualty insurance.
- Auto physical damage insurance.
- Employment practices liability insurance.
- Workers compensation insurance.

The general liability insurance is provided through the League of Minnesota Cities Insurance Trust, a municipal insurance pool, in which the City retains exposure to losses for liability claims up to \$50,000 per occurrence, with a \$100,000 yearly claims payment maximum; a \$1,000 per claim deductible applies if the City exceeds the \$100,000 maximum.

Risk management charges to various City funds are based on factors such as number of automobiles used, stated value of buildings and contents, and employee salaries. A portion of the City's liability insurance premium is attributable to vehicles and is allocated along with the physical damage premium. The remainder of the liability insurance premium is combined with an estimate of claims costs (including legal and administration) and allocated accordingly to individual funds. Workers compensation costs are charged to the various City funds and allocated to their individual departments based on employee salaries.

MUNICIPAL RESERVES FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE, MINNESOTA
 Internal Service - Municipal Reserves Fund
 Schedule of Revenues, Expenses and Changes in Net Position
 For the Year Ending December 31, 2017

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016</u> <u>Estimate</u>	<u>2017</u> <u>Adopted</u> <u>Budget</u>
<u>Operating revenues</u>				
Charges for services	\$ 415,277	\$286,933	\$286,932	\$297,799
Other	127,757	73,496	76,000	73,000
Total operating revenues	<u>543,034</u>	<u>360,429</u>	<u>362,932</u>	<u>370,799</u>
<u>Operating expenses</u>				
Other charges and services	<u>433,532</u>	<u>491,097</u>	<u>478,623</u>	<u>501,340</u>
Operating income	<u>109,502</u>	<u>(130,668)</u>	<u>(115,691)</u>	<u>(130,541)</u>
<u>Non-operating revenue (expense)</u>				
Investment income	2,162	3,745	4,174	3,359
Transfer to General Fund	<u>(50,012)</u>	<u>(51,512)</u>	<u>(51,512)</u>	<u>(53,057)</u>
Total non-operating (net)	<u>(47,850)</u>	<u>(47,767)</u>	<u>(47,338)</u>	<u>(49,698)</u>
Change in net assets	61,652	(178,435)	(163,029)	(180,239)
Net position, January 1	<u>773,159</u>	<u>748,911</u>	<u>834,811</u>	<u>671,782</u>
Net position, December 31	<u>\$ 834,811</u>	<u>\$ 570,476</u>	<u>\$ 671,782</u>	<u>\$ 491,543</u>

Appendix

CITY OF LAKEVILLE, MINNESOTA
Number of City Employees (Full Time Equivalent)

<u>Position Title</u>	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2016 Estimated</u>	<u>2017 Budget</u>
<u>General government</u>				
City Administrator	1.0	1.0	1.0	1.0
Assistant City Administrator	1.0	1.0	1.0	1.0
Senior Administrative Assistant/Deputy Clerk	1.0	1.0	1.0	1.0
Communications Manager	1.0	1.0	1.0	1.0
Communications Specialist	1.0	1.0	1.0	1.0
Video Production & Tech Specialists	2.0	2.0	2.0	2.0
City Clerk	1.0	1.0	1.0	1.0
Planning Director	1.0	1.0	1.0	1.0
Associate Planners	2.0	2.0	2.0	2.0
Planning Assisant/Code Enforcement	0.0	0.0	0.0	0.8
Planning Administrative Assistant	0.5	0.5	0.5	0.5
Community and Economic Development Director	1.0	1.0	1.0	1.0
Economic Development Specialist	0.9	1.0	1.0	1.0
Community and Economic Dev. Admin. Assistant	0.5	0.5	0.5	0.5
Building Official	1.0	1.0	1.0	1.0
Senior Inspectors	2.6	3.0	3.0	3.0
Building Inspectors	2.0	2.0	2.0	2.0
Building Senior Administrative Assistant	1.0	1.0	1.0	1.0
Building Administrative Assistant	1.0	1.0	1.0	1.0
Facility Maintenance Supervisor	1.0	1.0	1.0	1.0
Facility Attendants	0.0	0.0	1.9	2.6
City Hall Receptionists	1.6	1.6	1.6	1.6
City Hall Administrative Assistant	0.4	0.4	0.4	0.4
Finance Director	0.8	1.0	1.0	1.0
Assistant Finance Director	0.1	1.0	1.0	1.0
Senior Accountants	2.9	3.0	2.7	3.0
Accountant II	1.0	1.0	1.0	1.0
Accounts Payable Technician	1.0	1.0	1.0	1.0
Finance Senior Administrative Assistant	0.8	0.0	0.0	0.0
Information Systems Manager	1.0	1.0	0.9	1.0
Information Systems Network Specialist	1.0	1.0	1.0	1.0
Information Systems Technician	1.0	1.5	1.1	2.0
Human Resources Manager	1.0	1.0	1.0	1.0
Benefits Specialist	1.0	1.0	1.0	1.0
Payroll Technician	<u>1.2</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total general government	<u>37.3</u>	<u>39.5</u>	<u>40.6</u>	<u>43.4</u>

CITY OF LAKEVILLE, MINNESOTA
 Number of City Employees (Full Time Equivalent)

<u>Position Title</u>	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2016 Estimated</u>	<u>2017 Budget</u>
<u>Public safety</u>				
<u>Police</u>				
<u>Sworn officers</u>				
Chief	1.0	1.0	1.0	1.0
Deputy Chief	1.0	1.0	1.0	1.0
Lieutenants	4.0	4.0	4.0	4.0
Sergeants	5.0	5.0	5.0	5.0
Investigators	6.0	6.0	6.0	6.0
Narcotics Task Force Officer	1.0	1.0	1.0	1.0
DUI Enforcement Grant	0.5	1.0	1.0	1.0
Patrol Officers	<u>34.3</u>	<u>35.4</u>	<u>35.8</u>	<u>38.0</u>
Total sworn officers	<u>52.8</u>	<u>54.4</u>	<u>54.8</u>	<u>57.0</u>
Business Manager	1.0	1.0	1.0	1.0
Evidence Technician	1.0	1.0	1.0	1.0
Community Service Officers	4.8	4.8	4.6	4.8
Records Analyst	1.0	1.0	1.0	1.0
Police Administrative Assistants	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>
Total police	<u>65.3</u>	<u>66.9</u>	<u>67.1</u>	<u>69.5</u>
<u>Fire</u>				
Fire Chief	1.0	1.0	1.0	1.0
Assistant Fire Chief	0.7	1.0	0.9	1.0
Fire Marshal	1.0	1.0	1.0	1.0
Fire Inspector	1.0	1.0	1.0	1.0
Fire Senior Administrative Assistant	1.0	1.0	1.0	1.0
Fire Administrative Assistant	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
Total fire	<u>5.3</u>	<u>5.6</u>	<u>5.5</u>	<u>5.6</u>
Total public safety	<u>70.6</u>	<u>72.5</u>	<u>72.6</u>	<u>75.1</u>
<u>Public works</u>				
<u>Engineering</u>				
City Engineer	1.0	1.0	1.0	1.0
Project Engineer	1.6	2.0	2.0	2.0
Civil Engineer	0.4	0.0	0.7	1.0
Graduate Engineer	0.4	1.0	0.0	0.0
Engineering Administrative Assistant	1.0	1.0	0.8	1.0
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Technician	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total engineering	<u>6.4</u>	<u>7.0</u>	<u>6.5</u>	<u>7.0</u>

CITY OF LAKEVILLE, MINNESOTA
 Number of City Employees (Full Time Equivalent)

<u>Position Title</u>	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2016 Estimated</u>	<u>2017 Budget</u>
<u>Public works</u> (continued)				
<u>Operations and Maintenance</u>				
Operations and Maintenance (O & M) Engineer	1.0	1.0	0.8	1.0
O & M Construction Coordinator	0.0	0.0	0.9	0.8
O & M Engineer Coordinator	0.0	0.0	1.0	1.0
Senior Construction Representative	<u>2.9</u>	<u>4.0</u>	<u>1.0</u>	<u>1.8</u>
Total operations and maintenance	<u>3.9</u>	<u>5.0</u>	<u>3.7</u>	<u>4.6</u>
<u>Streets</u>				
Streets Superintendent	1.0	1.0	1.0	1.0
Streets Supervisor	1.0	1.0	1.0	1.0
Streets Lead Maintenance	1.0	1.0	1.0	1.0
Fleet Supervisor	1.0	1.0	1.0	1.0
Fleet Service Technician Lead	1.0	1.0	1.0	1.0
Streets Maintenance II	10.4	11.3	11.7	12.0
Fleet Service Technicians	4.0	4.0	4.0	4.0
Streets Administrative Assistant	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total streets	<u>20.4</u>	<u>21.3</u>	<u>21.7</u>	<u>22.0</u>
Total public works	<u>30.7</u>	<u>33.3</u>	<u>31.9</u>	<u>33.6</u>
<u>Parks and recreation</u>				
<u>Parks</u>				
Parks and Recreation Director	0.8	1.0	1.0	1.0
Parks Operations and Maintenance Manager	1.0	1.0	0.0	0.0
Parks Superintendent	0.0	0.0	0.5	1.0
Parks Supervisor	1.0	1.0	0.6	1.0
Parks Lead Maintenance	1.0	1.0	1.0	1.0
Parks Maintenance II	9.0	9.0	9.0	9.8
Parks Administrative Assistant	1.0	1.0	1.0	1.0
Parks Maintenance Administrative Assistant	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total parks	<u>14.8</u>	<u>15.0</u>	<u>14.1</u>	<u>15.8</u>
<u>Recreation</u>				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Program Supervisor	0.9	1.0	0.0	0.0
Recreation Administrative Assistant	1.0	1.0	1.0	1.0
Recreation Program Coordinator	1.0	1.0	1.0	2.0
Senior Center Administrative Assistant	0.7	0.7	1.2	1.4
Total recreation	<u>4.6</u>	<u>4.7</u>	<u>4.2</u>	<u>5.4</u>
<u>Heritage Center</u>				
Heritage Center Facility Attendant	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>
Total Heritage Center	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>

CITY OF LAKEVILLE, MINNESOTA
 Number of City Employees (Full Time Equivalent)

<u>Position Title</u>	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Estimated</u>	<u>2017</u> <u>Budget</u>
<u>Parks and recreation</u> (continued)				
<u>Arts Center</u>				
Arts Center Manager	1.0	1.0	1.0	1.0
Arts Center Administrative Assistant	1.0	1.0	1.0	1.0
Arts Center Facility Attendant	1.5	1.5	1.5	1.5
Pottery Manager	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
Total arts center	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>
Total parks and recreation	<u>24.0</u>	<u>24.3</u>	<u>22.9</u>	<u>25.8</u>
Total general/special revenue fund employees	<u>162.6</u>	<u>169.6</u>	<u>168.0</u>	<u>177.9</u>
 <u>Liquor fund</u>				
Operations Director	1.0	1.0	1.0	1.0
Store Managers	3.0	3.0	3.0	3.0
Administrative Services Manager	1.0	1.0	1.0	1.0
Inventory Control Technician	1.0	1.0	1.0	1.0
Assistant Store Managers	5.0	5.0	5.0	5.0
Lead Sales Associates	3.0	3.0	3.9	3.9
Sales Associates	<u>10.4</u>	<u>10.4</u>	<u>9.9</u>	<u>9.9</u>
Total liquor fund employees	<u>24.4</u>	<u>24.4</u>	<u>24.8</u>	<u>24.8</u>
 <u>Utility fund</u>				
Public Works Director	1.0	1.0	1.0	1.0
Utilities Superintendent	1.0	1.0	1.0	1.0
Utilities Supervisor	1.0	1.0	1.0	1.0
Public Works & Facilities Coordinator	1.0	1.0	1.0	1.0
Utility Lead Maintenance	1.0	1.0	1.0	1.0
Utility Maintenance II	11.8	12.0	11.2	12.0
Utility Billing Technician	2.0	2.0	2.0	2.0
Utility Administrative Assistant	0.8	1.0	1.0	1.0
Environmental Resources Manager	1.0	1.0	1.0	1.0
Environmental Resources Specialist	1.0	1.0	1.0	1.0
Environmental Resources Technician	0.0	0.0	0.0	0.8
Forester	<u>0.0</u>	<u>0.5</u>	<u>0.3</u>	<u>0.7</u>
Total utility fund employees	<u>21.6</u>	<u>22.5</u>	<u>21.5</u>	<u>23.5</u>
Total general/special revenue fund employees	162.6	169.6	168.0	177.9
Total liquor fund employees	24.4	24.4	24.8	24.8
Total utility fund employees	<u>21.6</u>	<u>22.5</u>	<u>21.5</u>	<u>23.5</u>
Total City employees	<u>208.6</u>	<u>216.5</u>	<u>214.3</u>	<u>226.2</u>