



## 2020 – 2024 Long Term Plan

City of Big Lake  
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## PERTINENT INFORMATION ABOUT BIG LAKE

## City Officials



**Seth Hansen**  
Council Member  
Term Expires 12/31/2020



**Rose Johnson**  
Council Member  
Term Expires 12/31/2020



**Mike Wallen**  
Mayor  
Term Expires 12/31/2020



**Paul Knier**  
Council Member  
Term Expires 12/31/2022



**Scott Zettervall**  
Council Member  
Term Expires 12/31/2020

## City Management

Name	Position
Clay Wilfahrt	City Administrator
Gina Wolbeck	City Clerk
Deb Wegeleben	Finance Director
Hanna Klimmek	Community Development Director
Joel Scharf	Chief of Police
Matt Hayen	Deputy Chief of Police
Seth Hansen	Fire Chief – Paid on Call
Mark Hedstrom	Assistant Fire Chief – Paid on Call
Layne Otteson	City Engineer/Public Works Director
Dan Childs	Water/Wastewater Superintendent
Nick Abel	Street/Parks Superintendent
Greg Zurbey	Liquor Store Manager
Lisa Miller	Assistant Liquor Store Manager

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# City Organizational Chart – by Services

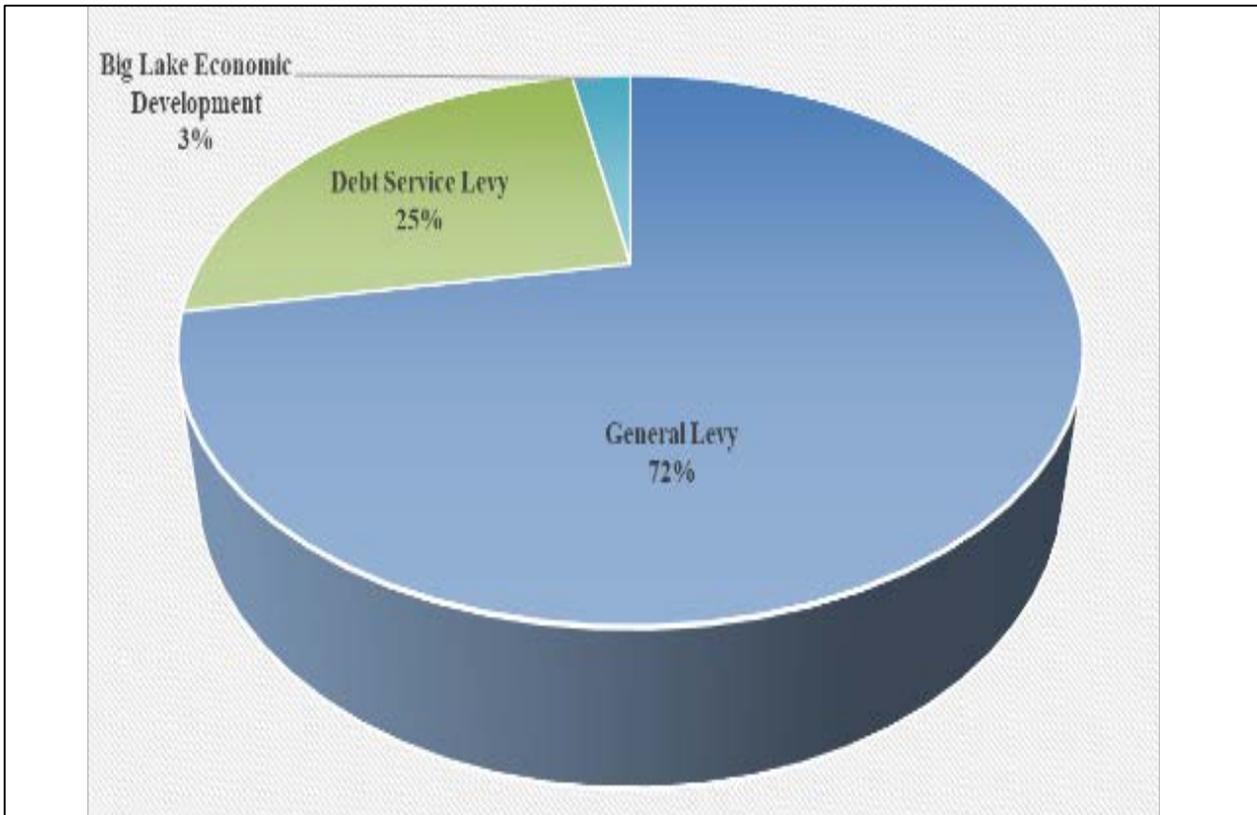




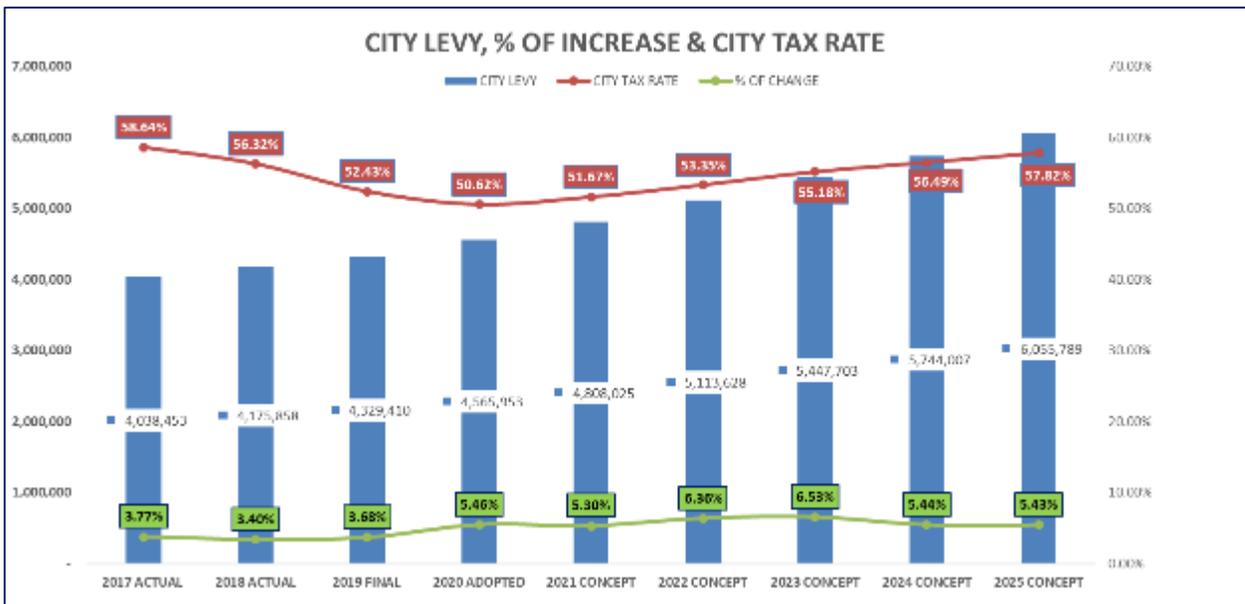
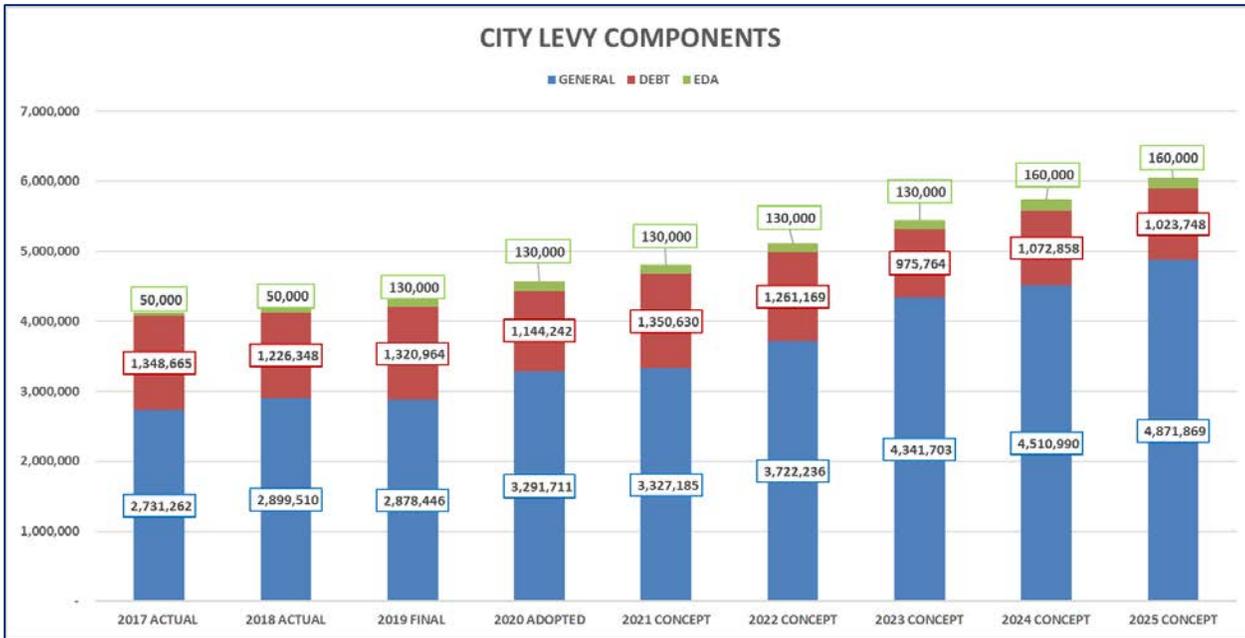
## FIVE YEAR FINANCIAL PLAN

## City of Big Lake Levy Long-Term Planning

The property taxes received are allocated in three different ways, the majority is in the General Fund Levy, which for 2020 represents 72 percent of the total levy amount. The second component is the Debt Levy which is used for the budget year's debt payments that are not covered by assessments, enterprise funds or other allocations as dictated by Council, for 2020 this levy represents 25% of the total levy amount. The final component is the Big Lake Economic Development levy which is used for economic development within the City. The total levy for the City of Big Lake including the Big Lake Economic Development for the 2020 Budget is \$4,565,953. This is an increase of 5.46% over 2019.



For the long term planning, the assumptions used were that the tax capacity would increase 3 percent and the increase to the total levy would be in the 5 percent to 7 percent increase, which would take into consideration the growth anticipated for upcoming years. Below is a graph indicating the estimated levy for the City of Big Lake through 2025, as indicated in the graph the General Fund Levy estimated increase is an average of 8.3 percent per year.



## General Fund Long-Term Planning

The General Fund is used to account for the revenues and expenditures necessary to provide basic governmental services for the city. The principal sources of revenues are property taxes, transfers from the Liquor Store fund, franchise fees, intergovernmental revenues and licenses and permits. Expenditures are for general government, public safety, streets, culture & recreation and economic development.

The General Fund has consistently remained in sound financial condition from year to year due to effective management of sources and uses within this fund.

The Fund had \$3.215 million in total fund balance at year end 2018, with a projected fund balance for 2019 of \$3.272 million, and an estimated fund balance for 2020 of \$3.364 million.

Below is a summary of past and recent year-end fund balance reserves as well as projection for future balances.

<b>Fund Balance</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 Budget</b>	<b>2020 Estimate</b>
Nonspendable	113,861	94,296	101,344	82,185	88,501	103,486	108,660	114,093
Restricted	17,498	-	-	-	-	-	-	-
Assigned	108,270	94,978	73,220	145,579	150,013	147,167	114,329	150,000
Unassigned	2,047,571	2,412,141	2,529,125	2,796,408	2,990,373	2,965,325	3,049,981	3,099,981
<b>Total Fund Balance</b>	<b>\$2,287,200</b>	<b>\$2,601,415</b>	<b>\$2,703,689</b>	<b>\$3,024,172</b>	<b>\$3,228,887</b>	<b>\$3,215,978</b>	<b>\$3,272,970</b>	<b>\$3,364,074</b>

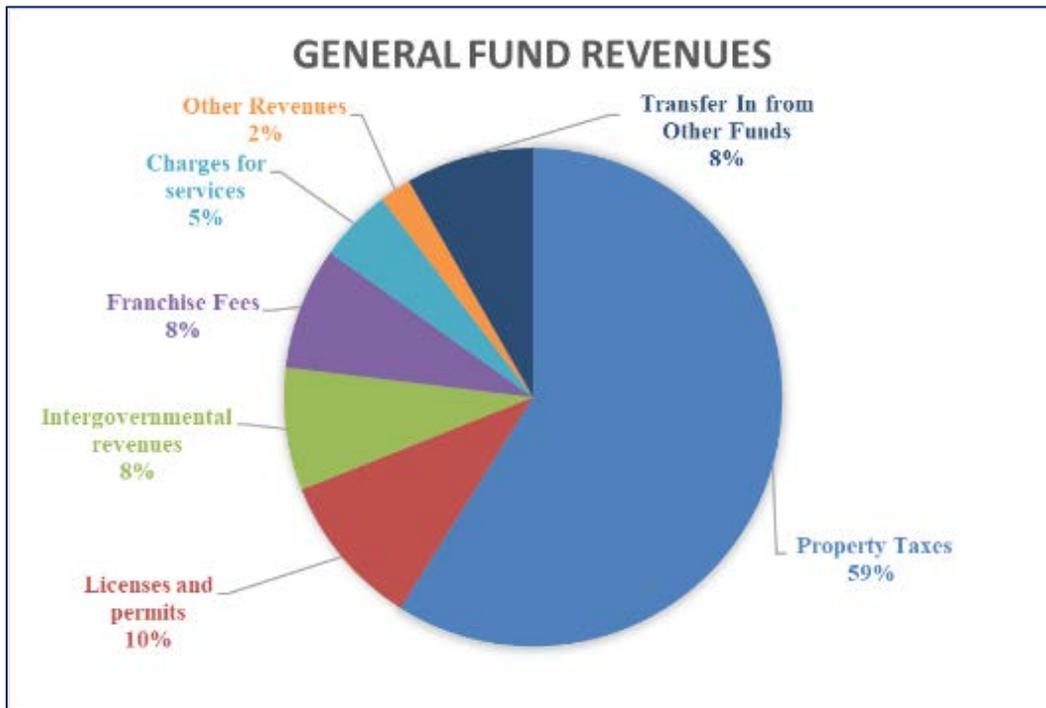
**Unassigned Fund Balance Policy**

*Must maintain 50% of the next year's expenditure budget*

<b>Fund Balance</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Expenditure Budget for next year	3,499,664	3,939,974	4,011,628	4,286,269	4,580,541	5,040,364	4,857,198	5,416,062
Policy Minimum Requirement 50%	1,749,832	1,969,987	2,005,814	2,143,135	2,290,271	2,520,182	2,428,599	2,708,031
Projected Ending Fund Balance to Expenditure:	65.35%	66.03%	67.40%	70.55%	70.49%	63.80%	67.38%	62.11%

## Source of Funds

The primary source of funding for the General Fund is the property tax. Property taxes represent approximately 59% of total revenues in the General Fund. Services such as public safety, which are the largest expenditure areas in the General Fund, are highly dependent on the property tax for funding. Over half of the total property tax levy the City collects goes toward support of public safety. The following pie-chart provides a break-down of General Fund Revenues.



The sum of all non-property tax revenue total the remaining 41% of all revenues in the General Fund. The majority of the non-property tax revenue comes from charges for services, licenses and permits. The City has historically set charges for services and licenses and permits at a level sufficient to cover the full cost of services provided. All fees and charges are reviewed annually to ensure they remain at both a reasonable and competitive level. The following provides information on the General Fund revenue sources, including future projections, summarized by major category.

### **Property Taxes**

The proposed property tax levy for the General Fund is \$3,291,711, this is an increase of \$413,265 from the 2019 General Fund levy. The reason for this increase is due to additional staffing, insurance, and transfers to capital improvement funds for future projects. This is approximately a 5.46 percent increase over 2019. The property tax figure for the General Fund is a net figure adjusted for an estimate of delinquent and uncollectible taxes.

The City's average residential values increased by 8 percent for pay 2020. Commercial/Industrial average values increased by 2 percent from 2019.

For planning purposes, future property tax revenues shown in the Five-year Financial Plan are calculated to show the level of tax funding needed to balance the annual budget assuming that the present level of services are provided. In addition, a 3 percent growth in property value is assumed. The future property tax amounts shown in the Five-year Financial Plan are for projection purposes only to show the demand for additional levy before other decisions are made to determine final levy by year.

### **Licenses & Permits**

Licenses and permit revenue of approximately \$541,490 for the General Fund represents approximately 10 percent of the General Fund revenues. In the past few years the City had some large commercial developments as well as a national home builder acquire several parcels for new homes, resulting in higher revenues in licenses and permits. Estimates for 2020 and beyond are based on an average year and this line item will be carefully monitored and changes in estimates recommended as needed.

### **Charges for Services**

Charges for services revenue of approximately \$257,857 for the General Fund represents approximately 5 percent of the General Fund revenues. This estimate is approximately \$7,000 higher than the 2019 budget. Street lights fees will be higher due to the new homes constructed in the past prior two years. Also included in this category is lease revenue for the antenna site rental fees, which are approximately \$50,000 a year, with a projection of approximately 1 percent a year based on contract. In addition, engineering charges for staff time for projects will be higher due to the fact that the City now has an in-house engineer.

### **Fines & Forfeitures**

Fines and forfeitures revenue of approximately \$51,750 for the General Fund represents approximately 1 percent of the General Fund revenues, the estimate is based on results of recent years. This is just a slight increase to the 2019 budget estimate. The revenue category includes mainly court fines from traffic enforcement.

### **Intergovernmental Revenues**

Intergovernmental revenues of \$431,453 for the General fund represents approximately 8 percent of the General Fund revenues. Revenues received from the State for the Police and Fire retirement contribution, street maintenance, grants

and the Big Lake Township contribution towards the City's library. For projection purpose this category is budgeted relatively consistent year over year.

### **Franchise Fees**

Franchise fees revenues of \$429,962 for the General Fund represents 8 percent of the General Fund revenues. These revenues are used to help offset the cost of providing services to the community. Estimates for 2020 and on take into consideration any new development in housing or commercial business with just a slight increase to show the anticipated slow but steady growth in the City.

### **Transfer in from Other Funds**

The Liquor Store fund transfers funds each year to the General Fund to help offset the cost of providing services to the community. In 2019, the Liquor Store fund transferred \$600,000 to the General Fund, for 2020 the budgeted transfer is \$450,000 and represents 8 percent of the General Fund revenues. Once again the City needs to thank the citizens of Big Lake for supporting Lake Liquor, as without the continued growth the City would not be able to budget for the transfer and would have to either eliminate services or increase the levy.

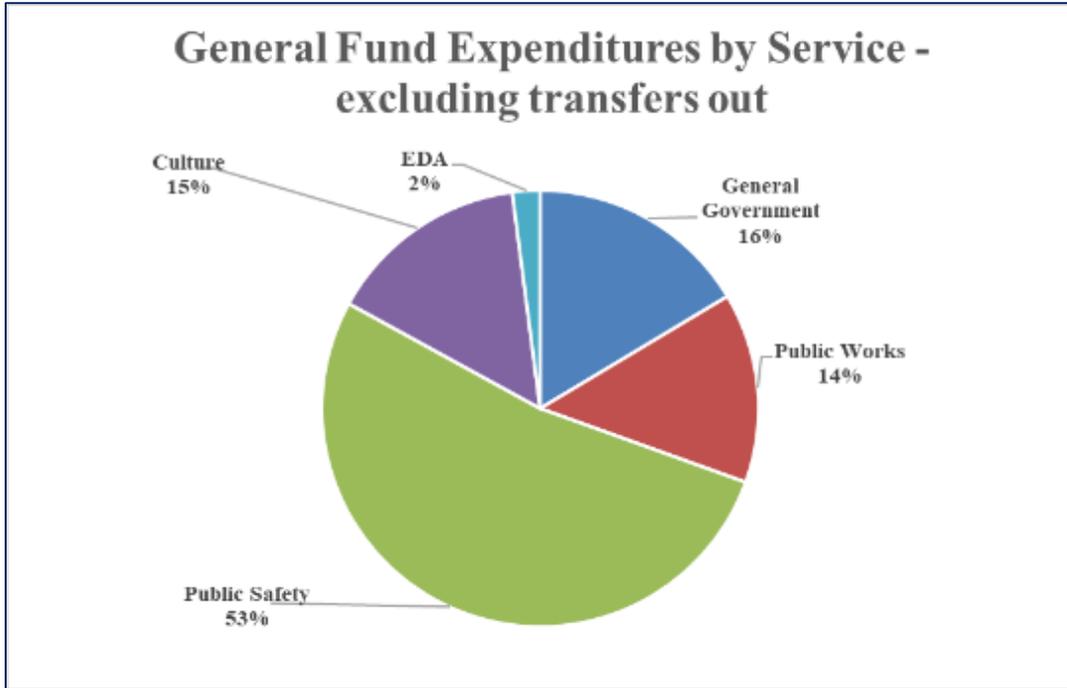
For future projects the transfer is estimated at approximately \$450,000, however this will have to be monitored each year and estimated adjusted based on the profits of the Liquor Store.

### **Use of Designed Assigned Fund Balance**

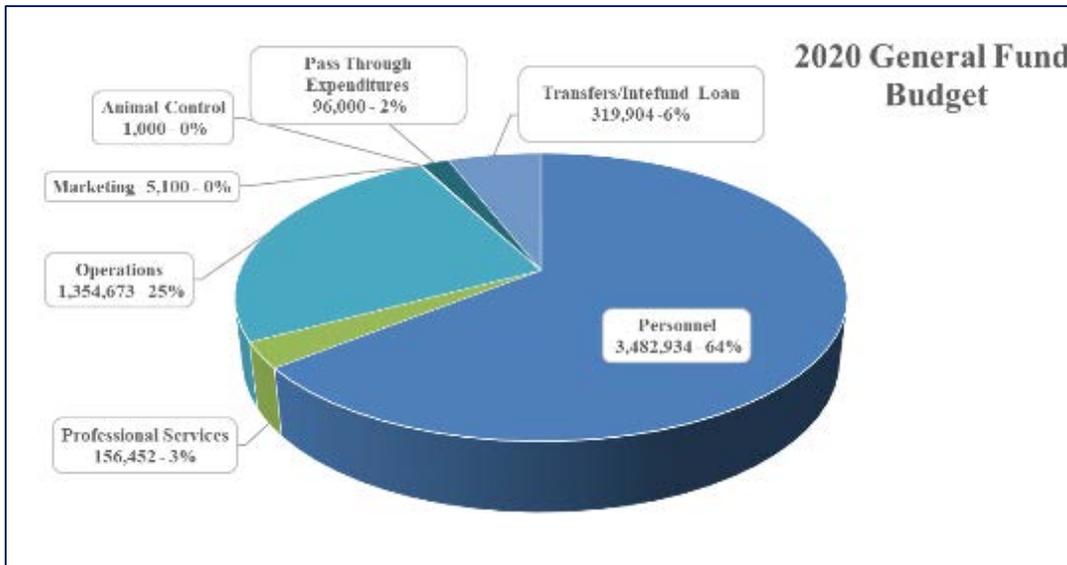
Budget use of assigned fund balance in 2020 is \$22,362, this is prior year donations for the contribution to the reading in the park provided by Early Childhood Family Education (ECFE) program and the Lake Grant that was received in 2016. Each year Council allows staff to allocate remaining donations received and not yet used as an assigned designated fund balance for each department. The department then can budget for the expenditures the next year and use designated fund balance instead of having to increase the tax levy for the services provided.

### **Use of Funds**

Expenditures from the General Fund are for general governmental services such as police, fire, building inspections, street maintenance, engineering, regulatory services, recreation, parks, planning and zoning, finance and general administration. Public Safety, which consists of police, fire and building division comprise the largest share, 53 percent, of the total expenditure budget in the General Fund. The following chart provides a break-down by major services areas within the General Fund, excluding transfers.



Use of Funds in the General Fund can also be broken down into the following spending categories for which further explanation and comparison of change from 2019 to 2020 is provided.



#### Personnel Costs

Personnel costs are comprised of wages, health, dental, and life insurance costs, and other benefits such as employer taxes, employer pension contribution, worker’s compensation insurance, wellness program and disability insurance. In December the City Council approved the market increase to the pay-scale for the police union and non-union employees at 2.50 percent increase. For the public works union, per the existing contract, the increase to the pay-scale is 3 percent. Workers’ compensation insurance has been trending down due to the improvement in overall experience ratings. Health insurance premiums are trending an average of 10 percent increase. For the 2020 budget the total personnel cost is estimated at a

10.88 percent increase over 2019. For the Five-year plan, the personnel expenditures are projected at an annual of approximately 6.5 percent increase.

### **Professional Services**

Legal, auditing, informational technology and other consultants are included in professional services and represents approximately 2.89 percent of the total General Fund expenditures budget. The 2020 budget estimates are \$156,452 or 11 percent greater than the 2019 budget, due to the increase IT support. Future years' professional services expenditures were projected out with a constant inflationary factor.

### **Operations**

Supplies, advertising, utilities, fuel, subscriptions, dues, training, and maintenance on vehicles, equipment or buildings are included in the operations and represents approximately 25 percent of the total General Fund expenditures budget. Fuel costs have been favorable for the past few years. The City budgets for fuel based on average prices and the trending usage for department from prior years. Training of City staff is very important to Council, so the training budget is consistent year to year, however it does take into consideration any new training that will be needed in the future. Future year operations expenditure were projected out with a constant inflationary factor.

### **Transfers**

Major capital expenses for facilities, fleet and other capital items or projects are accounted for in the Infrastructure Improvement/Replacement Capital Fund and the Equipment and Building Replacement Capital Fund. Since 2016, the City has budgeted the Local Government Aid received from the State into these two Capital Funds. In addition, the 2020 General Fund expenditure budget is estimating a \$319,904 transfer to the Capital Funds for future projects. Future year transfers also take into consideration transfers from the General Fund to the Capital Funds for future projects based on the City's Capital Improvement Plan.

### **Debt**

The General Fund does not make any direct debt services payment, but the fund does transfer revenue received from the lease of a portion of the Liquor Store to the Jerky Shoppe to the debt service fund for the bonds used to purchase the liquor store building.

### **Fund Balance**

It is important for the financial stability of the City to maintain fund balance for unanticipated expenditures or unforeseen emergencies, as well as to provide adequate working capital for current operating needs as to avoid short-term borrowing.

The City will maintain fund balances in the General Fund at a level which will avoid issuing short-term debt to meet the cash flow needs of the current operating budget. The goal of the City is to maintain a minimum total General Fund unassigned fund balance of 50 percent of the projected next year's operating budget per the City's financial policies. In addition, per the finance policies if at year-end the unassigned fund balance is more than the required level, such excess may be transferred into the Capital Improvement Funds for Infrastructure or Equipment/Building Replacement.

For long-term planning, 2022 – 2024, the City is budgeting excess revenues to maintain a 50% fund balance of current year expenditures.

# General Fund Five-Year Financial Plan

STATEMENT OF REVENUES AND EXPENDITURES - SUMMARY BUDGET - GENERAL FUND FIVE-YEAR FINANCIAL PLAN										
	Actual					Budget				
	2016	2017	2018	2019	2020	+/- to last year	2021	2022	2023	2024
<b>REVENUE</b>										
Taxes	\$2,275,498	\$2,625,717	\$2,873,463	\$2,717,153	\$3,190,691	\$473,538	\$3,220,950	\$3,610,559	\$4,224,294	\$4,387,539
Special assessments	2,343	2,149	2,955	500	2,000	1,500	2,000	2,000	2,000	2,000
Licenses and permits	518,961	646,793	554,781	364,100	541,490	177,390	578,250	600,300	620,250	662,300
Intergovernmental revenues	468,998	375,599	452,504	402,450	431,453	29,003	441,608	441,774	441,951	442,140
Franchise Fees	442,833	434,945	422,562	415,273	429,962	14,689	432,362	434,762	437,162	439,562
Charges for services	320,134	328,328	258,421	251,057	257,854	6,796	260,504	263,608	266,799	269,956
Fines and forfeitures	43,467	49,273	51,563	46,525	51,750	5,225	56,850	58,850	60,850	62,850
Interest earnings	42,698	37,181	(30,464)	31,500	31,500	-	31,500	31,500	31,500	31,500
Contributions/Donations	97,405	50,370	63,227	6,000	3,000	(3,000)	3,000	3,000	3,000	3,000
Miscellaneous revenue	77,106	29,153	3,442	7,000	4,000	(3,000)	4,000	4,000	4,000	4,000
Transfer In from Other Funds	364,568	300,000	375,000	600,000	450,000	(150,000)	450,000	450,000	450,000	450,000
Total Current year revenues	4,654,011	4,879,508	5,027,454	4,841,558	5,393,700	552,142	5,481,024	5,900,354	6,541,805	6,754,847
Prior year Donations - Designed Fund Balance	-	-	8,322	15,640	22,362	6,722	10,000	10,000	6,044	-
<b>TOTAL GENERAL FUND REVENUES BUDGET</b>	<b>\$4,654,011</b>	<b>\$4,879,508</b>	<b>\$5,035,776</b>	<b>\$4,857,198</b>	<b>\$5,416,062</b>	<b>\$558,864</b>	<b>\$5,491,024</b>	<b>\$5,910,354</b>	<b>\$6,547,849</b>	<b>\$6,754,847</b>
<b>EXPENDITURES</b>										
Mayor/Council	\$ 33,366	\$ 33,885	\$ 34,445	\$ 33,773	\$ 34,171	\$ 398	\$ 34,195	\$ 34,221	\$ 34,246	\$ 34,273
Planning and Zoning	106,681	116,903	158,431	172,160	156,448	(15,712)	166,669	175,384	184,676	194,561
Elections	15,678	1,226	15,703	1,400	24,550	23,150	1,800	24,700	1,800	26,700
Administration and Finance	801,545	537,752	525,726	513,741	542,979	29,238	571,321	600,535	632,282	666,706
IT - Computer/Software/Maintenance	-	-	-	77,786	78,300	514	95,331	96,540	97,777	99,045
BLSCS	47,685	61,041	61,956	64,383	69,491	5,108	72,428	75,878	80,000	85,009
EDA	146,194	139,539	169,693	120,222	104,528	(15,694)	110,528	116,273	122,404	128,903
Building Inspection	209,040	252,375	186,684	195,566	203,664	8,098	216,871	226,000	238,361	239,615
Engineering	-	47,311	58,023	60,636	86,568	25,932	92,119	97,421	103,083	109,107
Streets	501,599	463,665	536,726	580,485	631,019	50,534	655,377	681,876	710,373	704,804
Parks	433,247	472,846	497,759	532,231	590,739	58,508	649,308	717,184	802,507	818,602
Police	1,589,113	1,596,118	1,776,234	1,865,962	2,054,458	188,496	2,175,577	2,300,493	2,437,744	2,579,908
Fire	276,080	306,028	293,668	263,117	416,460	153,343	432,721	444,631	459,290	471,248
Community - Recreation	11,113	18,356	85,192	101,745	102,783	1,038	107,208	111,648	116,373	121,435
Transfers out	156,929	627,759	640,124	273,990	319,904	45,914	109,571	107,571	426,931	424,931
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$4,328,270</b>	<b>\$4,674,803</b>	<b>\$5,040,364</b>	<b>\$4,857,199</b>	<b>\$5,416,062</b>	<b>\$558,865</b>	<b>\$5,491,024</b>	<b>\$5,810,353</b>	<b>\$6,447,849</b>	<b>\$6,704,847</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ 325,740</b>	<b>\$ 204,705</b>	<b>\$ (4,589)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 50,000</b>
Unassigned Fund Balance - Projected	\$2,849,865	\$3,054,570	\$3,049,981	\$3,049,980	\$3,049,980		\$3,049,980	\$3,149,981	\$3,249,981	\$3,299,981
Percentage of Expenditures:										
Unassigned Fund Balance must remain 50%	60.96%	60.60%	62.79%	56.31%	55.54%		52.49%	48.85%	48.47%	49.22%

# General Fund Five-Year Financial Plan Expenditure Budget

## Summary by Category

Category:	2019-2020								2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
	2016 Actual	2017 Actual	2018 Actual	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change					
Personnel	\$ 2,557,455	\$ 2,722,711	\$ 2,904,953	\$ 3,125,009	\$ 3,464,934	\$ 339,925	10.88%	\$ 3,690,150	\$ 3,917,448	\$ 4,162,334	\$ 4,375,415	
Personnel - Elections	11,381	-	10,773	-	18,000	18,000	100.00%	-	18,000	-	20,000	
Professional Services	142,582	110,443	105,243	140,853	156,452	15,599	11.07%	160,620	160,846	165,488	165,835	
Operations	1,016,865	1,070,486	1,261,592	1,217,346	1,354,673	137,327	11.28%	1,428,584	1,504,388	1,590,996	1,616,567	
Marketing	-	3,588	3,911	3,000	5,100	2,100	70.00%	5,100	5,100	5,100	5,100	
Animal Control	858	602	858	1,000	1,000	-	0.00%	1,000	1,000	1,000	1,000	
Pass Through Expenditures	96,867	98,024	102,393	96,000	96,000	-	0.00%	96,000	96,000	96,000	96,000	
Interfund/Lease payment	12,668	11,614	10,517	-	-	-	0.00%	-	-	-	-	
Transfers to other Funds	494,593	657,335	640,124	273,990	319,904	45,914	16.76%	109,571	107,571	426,931	424,931	
<b>Total - Budget</b>	<b>\$4,333,270</b>	<b>\$4,674,803</b>	<b>\$5,040,364</b>	<b>\$4,857,199</b>	<b>\$ 5,416,062</b>	<b>\$ 558,865</b>	<b>11.51%</b>	<b>\$5,491,024</b>	<b>\$5,810,353</b>	<b>\$6,447,849</b>	<b>\$6,704,847</b>	
% of budget	2016	2017	2018	2019	2020			2021	2022	2023	2024	
Personnel	59.02%	58.24%	57.63%	64.34%	63.98%			67.20%	67.42%	64.55%	65.26%	
Personnel - Elections	0.26%	0.00%	0.21%	0.00%	0.33%			0.00%	0.31%	0.00%	0.30%	
Professional Services	3.29%	2.36%	2.09%	2.90%	2.89%			2.93%	2.77%	2.57%	2.47%	
Operations	23.47%	22.90%	25.03%	25.06%	25.01%			26.02%	25.89%	24.67%	24.11%	
Marketing	0.00%	0.08%	0.08%	0.06%	0.09%			0.09%	0.09%	0.08%	0.08%	
Animal Control	0.02%	0.01%	0.02%	0.02%	0.02%			0.02%	0.02%	0.02%	0.01%	
Pass Through Expenditures	2.24%	2.10%	2.03%	1.98%	1.77%			1.75%	1.65%	1.49%	1.43%	
Interfund/Lease payment	0.29%	0.25%	0.21%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%	
Transfers to other Funds	11.41%	14.06%	12.70%	5.64%	5.91%			2.00%	1.85%	6.62%	6.34%	
	100.00%	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%	100.00%	

## Summary by Service

Service	2019-2020									
	2017 Actual	2018 Actual	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change	2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
<b>General Government</b>										
Mayor/Council	\$ 33,885	\$ 34,445	\$ 33,773	\$ 34,171	\$ 398	1.18%	\$ 34,195	\$ 34,221	\$ 34,246	\$ 34,273
Planning	116,903	158,431	172,160	156,448	(15,712)	-9.13%	166,669	175,384	184,676	194,561
Elections	3,726	15,703	3,400	24,550	21,150	622.06%	3,800	24,700	3,800	26,700
Administration/Finance	957,010	1,082,600	720,891	774,843	53,952	7.48%	604,152	633,366	1,015,113	1,049,537
IT - Computer/Software/Maintenance	-	-	85,786	101,700	15,914	18.55%	108,431	109,640	110,877	112,145
<b>Total General Government</b>	<b>1,111,524</b>	<b>1,291,179</b>	<b>1,016,010</b>	<b>1,091,712</b>	<b>75,701</b>	<b>7.45%</b>	<b>917,247</b>	<b>977,311</b>	<b>1,348,713</b>	<b>1,417,216</b>
<b>Public Safety</b>										
Police	1,638,118	1,785,234	1,868,602	2,057,098	188,496	10.09%	2,178,217	2,303,133	2,437,744	2,579,908
Fire	360,028	293,668	269,617	419,460	149,843	55.58%	432,721	444,631	459,290	471,248
Building	252,375	186,684	195,566	203,664	8,098	4.14%	216,871	226,000	238,361	239,615
<b>Total Public Safety</b>	<b>2,250,521</b>	<b>2,265,586</b>	<b>2,333,785</b>	<b>2,680,223</b>	<b>346,437</b>	<b>14.84%</b>	<b>2,827,809</b>	<b>2,973,763</b>	<b>3,135,396</b>	<b>3,290,772</b>
<b>Streets &amp; Highways</b>										
Engineering	47,311	58,023	60,636	86,568	25,932	42.77%	92,119	97,421	103,083	109,107
Streets	573,665	566,726	616,485	666,020	49,535	8.04%	690,378	716,877	715,374	709,804
<b>Total Streets &amp; Highways</b>	<b>620,976</b>	<b>624,749</b>	<b>677,121</b>	<b>752,588</b>	<b>75,467</b>	<b>11.15%</b>	<b>782,497</b>	<b>814,298</b>	<b>818,457</b>	<b>818,911</b>
<b>Culture &amp; Recreation</b>										
Parks	472,846	540,009	543,931	614,739	70,808	13.02%	673,308	741,184	826,507	842,602
BLCS	61,041	61,956	64,383	69,491	5,108	7.93%	72,428	75,878	80,000	85,009
Community - Recreation (other)	18,356	85,192	101,745	102,783	1,038	1.02%	107,208	111,648	116,373	121,435
<b>Total Culture &amp; Recreation</b>	<b>552,243</b>	<b>687,157</b>	<b>710,059</b>	<b>787,013</b>	<b>76,954</b>	<b>10.84%</b>	<b>852,944</b>	<b>928,709</b>	<b>1,022,880</b>	<b>1,049,046</b>
<b>Economic Development</b>	139,539	171,693	120,222	104,528	(15,694)	-13.05%	110,528	116,273	122,404	128,903
<b>Total General Fund Expenditures</b>	<b>\$ 4,674,803</b>	<b>\$ 5,040,364</b>	<b>\$ 4,857,199</b>	<b>\$ 5,416,062</b>	<b>\$ 558,864</b>	<b>11.51%</b>	<b>\$5,491,024</b>	<b>\$5,810,353</b>	<b>\$6,447,849</b>	<b>\$ 6,704,847</b>

## Special Revenue Funds Long Term Planning

The Special Revenue Funds are governmental funds to account for services and expenditures where revenue is restricted for a designated purpose. The City maintains six Special Revenue Funds, however only two are budgeted funds using the modified accrual basis. All funds however do use the modified accrual basis for the financial statements.

Following are the Special Revenue Funds that are budgeted.

- **EDA Fund** – is the general fund for the Big Lake Economic Development Authority (EDA). The main revenue is the EDA tax levy for the purpose of funding development needs
- **Farmers Market Fund** – is the general fund for the Big Lake Farmers Market. The main revenue is donations and vendor licenses

### EDA Fund Financial Plan

The Big Lake Economic Development Authority (EDA) Fund was created by the City Council in 1990. The EDA Fund accounts for the general activities of the EDA. The City Council appoints the seven members to serve as Board Commissioners, two of which are members of the City Council. The remaining five members are members of the community.

Under Minnesota Statutes Chapter 469-Economic Development, cities may establish an EDA, including approval for the EDA to serve as a Housing and Redevelopment Authority (HRA). The maximum general operational levy of HRAs allowed under State law is 0.185 percent of the taxable market value. The authorizing Statute permits the EDA to levy and collect a special benefit levy.

State law provides that expenditures maybe made from the EDA Fund based on the following criteria: 1) the EDA appropriates the funds as part of the annual budget, and/or 2) the EDA authorizes any amendment to the EDA budget outside of the annual appropriation process.

### Source of Funds

The principal sources of revenue for this fund have been property tax levy and interest earned on cash balances in the funds. Property tax revenues are under the maximum allowable under the special levy law.

The finance plan shows the levy to remain the same for 2020 as it was for 2019. In 2019, the levy was increased by \$80,000, this increase is used to fund 50 percent of the Community Development Directors wage, as this position is also the Executive Director of the Big Lake Economic Development Authority. Prior to 2019 all wages of the Community Development Director were funded out of the General Fund. The long-term plan for this fund maintains the EDA special levy at \$130,000, until 2024 at which it will increase an additional \$30,000 to \$160,000. With this levy the fund will slowly begin to build up the fund balance to fund future economic developments. Without tax support from the special EDA levy, there is no other identified funding source to sustain this activity.

### Use of Funds

According to State Statute, the proceeds from the EDA levy can be used for one or both of the following purposes: 1) for projects to remedy the shortage of housing for low and moderate-income residents, and/or 2) for public redevelopment costs in situations where private enterprise would not act without government participation. The City has used the EDA Funds for redevelopment purposes.

The 2020 budget includes use of funds for the annual transfer of \$25,000 to the Sewer Fund for a payment of debt. The debt to the Sewer Fund will be paid in full by budget year 2021. Beginning in 2020 and through 2023, there will be an annual transfer to the Industrial Park Expansion Land Purchase fund to pay for special assessment pertaining to a redevelopment project infrastructure. Other uses of the funds for 2020 include the staff position allocation, related marketing and department expenses.

### **Fund Balance**

The City will maintain fund balances in the Special Revenue Funds at a level which will avoid issuing short-term debt to meet the cash flow needs of the current operating budget. The Plan maintains a fund balance within the EDA Fund to meet both anticipated and unanticipated future economic development needs. The City will annually evaluate the level of fund balance for its appropriateness.



Summary Budget

City of Big Lake Economic Development Fund													
Revenue Budget													
LEVY AMOUNT													
\$ 130,000													
Levy \$160K													
Account Number	Description	2016 Actual	2017 Actual	2018 Actual	2019 Final Budget	2020 Adopted Budget	2019 - 2020		2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget	
							\$	%					
		Change	Change										
275-000-3101	RE & PP Taxes-Current	\$ 49,476	\$ 49,321	\$ 49,711	\$ 128,700	\$ 128,700	\$ -		\$ 128,700	\$ 128,700	\$ 128,700	\$ 158,400	
275-000-3102	RE & PP Taxes-Delinquent	429	612	362	500	400	(100)	-20.00%	400	400	400	400	
275-000-3155	Transfer In Revenue	-	-	-	-	25,000	25,000	100.0%	-	-	-	-	
275-000-3999	Interest Earned	129	245	619	400	800	400	100.00%	800	800	800	800	
<b>Total Revenues</b>		<b>\$ 72,890</b>	<b>\$105,055</b>	<b>\$82,192</b>	<b>\$ 129,600</b>	<b>\$ 154,900</b>	<b>\$ 25,300</b>	<b>19.52%</b>	<b>\$ 129,900</b>	<b>\$ 129,900</b>	<b>\$ 129,900</b>	<b>\$ 159,600</b>	
<b>Projected Cash Flow Change</b>													
	Beginning Cash Balance	\$ 7,710	\$ 18,092	\$ 65,671	\$ 55,810	\$ 84,815			\$ 43,105	\$ 27,105	\$ 28,576	\$ 25,778	
	Projected Excess Revenue	48,382	87,579	50,139	54,005	(16,710)			4,884	1,470	(2,797)	18,741	
	Interfund Loan Principal Paym	(38,000)	(40,000)	(60,000)	(25,000)	(25,000)			(20,884)	-	-	-	
	<b>Projected Ending Cash</b>	<b>\$ 18,092</b>	<b>\$ 65,671</b>	<b>\$55,810</b>	<b>\$ 84,815</b>	<b>\$ 43,105</b>			<b>\$ 27,105</b>	<b>\$ 28,576</b>	<b>\$ 25,778</b>	<b>\$ 44,519</b>	
Expenditure Budget													
Account Number	Description	2016 Actual	2017 Actual	2018 Actual	2019 Final Budget	2020 Adopted Budget	2019 - 2020		2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget	
							\$	%					
		Change	Change										
275-000-00-05-4002	Wages	\$ -	\$ -	\$ -	\$ 48,937	\$ 51,671	\$ 2,734	5.59%	\$ 54,771	\$ 58,058	\$ 61,541	\$ 65,233	
275-000-00-05-4008	Insurance Benefits (er)	-	-	-	3,357	3,546	189	5.63%	3,759	3,984	4,223	4,477	
275-000-00-05-4009	HSA Accounts	-	-	-	750	750	-		750	750	750	750	
275-000-00-05-4010	F.I.C.A./Medicare (er)	-	-	-	3,744	3,953	209	5.58%	4,190	4,441	4,708	4,990	
275-000-00-05-4012	P.E.R.A. (er)	-	-	-	3,670	3,876	206	5.61%	4,382	4,645	4,923	5,219	
275-000-00-20-4140	Audit	-	-	-	500	500	-		500	515	515	515	
275-000-00-20-4160	Engineering	500	2,836	-	1,000	500	(500)	-50.00%	500	500	500	500	
275-000-00-20-4170	Legal	-	4,366	3,087	3,000	3,000	-		3,000	3,000	3,000	3,000	
275-000-00-20-4180	Other Consultants	12,500	3,064	8,500	4,000	2,000	(2,000)	-50.00%	2,000	2,000	2,000	2,000	
275-000-00-25-4134	Website	-	-	250	250	250	-		250	250	250	250	
275-000-00-25-4206	Recording Fees	-	-	174	150	150	-		150	150	150	150	
275-000-00-25-4212	Other Operations Expenses	382	21	6	250	50	(200)	-80.00%	50	50	50	50	
275-000-00-25-4220	Advertising/Marketing	1,403	1,393	406	1,100	1,100	-		1,100	1,100	1,100	1,100	
275-000-00-25-4220	Advertising/Marketing - New Marketing Project	-	-	-	-	50,000	50,000	100.0%	-	-	-	-	
275-000-00-25-4235	Postage	-	-	55	60	25	(35)	-58.33%	25	25	25	25	
275-000-00-25-4238	Training	89	469	1,030	1,000	1,000	-		1,000	1,000	1,000	1,000	
275-000-00-25-4243	Meals	-	50	-	50	50	-		50	50	50	50	
275-000-00-25-4257	Contractors Hired	985	-	302	500	300	(200)	-40.00%	300	300	300	300	
275-000-00-25-4260	Subscriptions / Dues	-	-	-	650	650	-		750	750	750	750	
275-000-00-25-4375	Snow Removal (lots owned)	-	-	631	1,000	500	(500)	-50.00%	500	500	500	500	
275-000-00-71-4612	Transfer to FUND 141 - Special Assessment on Industri	-	-	-	-	46,362	46,362	100.0%	46,362	46,362	46,362	50,000	
275-000-00-85-4625	Interfund Loan Interest	6,029	5,127	3,927	1,377	1,377	-		627	-	-	-	
<b>Total Expenditures</b>		<b>\$ 24,508</b>	<b>\$ 17,476</b>	<b>\$32,053</b>	<b>\$ 75,595</b>	<b>\$ 171,610</b>	<b>\$ 96,015</b>	<b>127.01%</b>	<b>\$ 125,016</b>	<b>\$ 128,430</b>	<b>\$ 132,697</b>	<b>\$ 140,859</b>	
Excess Revenues/(deficit)		48,382	87,579	50,139	54,005	(16,710)	-		4,884	1,470	(2,797)	18,741	
CASHFLOW PURPOSE ONLY													
275-2070	Interfund Loan Principal (IFL)	38,000	40,000	60,000	25,000	25,000			20,884	-	-	-	
<b>Total Expenditures &amp; IFL</b>		<b>\$ 62,508</b>	<b>\$ 57,476</b>	<b>\$92,053</b>	<b>\$ 100,595</b>	<b>\$ 196,610</b>			<b>\$ 145,900</b>	<b>\$ 128,430</b>	<b>\$ 132,697</b>	<b>\$ 140,859</b>	

## Farmers Market Fund Financial Plan

This fund is used for all transactions pertaining to the Farmer's Market that is held May through September on every Wednesday as well as the winter market that is held once a month from November until April. As of 2018 the newly created position of recreational coordinator is responsible for the farmer's market. In 2017, the City implemented the EBT/Debit/Credit Card capability for purchases at the market, as well as the Power of Produce program. In 2019, music was added to the Farmers Market, and the market continues to see growth. The long-term plan indicated in 2020, the market plan will need to make adjustments to sustain the fund.

### Source of Funds

The principal source of revenues for this fund is donations from organizations and vendor licenses. The finance plans show a constant level of donations and vendor licenses, without these sources of revenue there is no other identified funding source to sustain this activity.

### Use of Funds

The expenditures related to this fund pertain to the staff position to coordinate the market, music and other entertainment during the market as well as operating supplies needed for the market.



## Summary Budget

<b>REVENUES</b>									
<b>Account Number</b>	<b>Description</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Final Budget</b>	<b>2020 Adopted Budget</b>	<b>2021 Concept Budget</b>	<b>2022 Concept Budget</b>	<b>2023 Concept Budget</b>	<b>2024 Concept Budget</b>
280-000-3155	Transfer In Revenue - Admin	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
280-000-3160	Inter-govt Revenue	-	437	-	-	-	-	-	-
280-000-3163	SHIP Grant	1,550	-	-	-	-	-	-	-
280-000-3200	Vendor Licenses	1,315	1,475	2,000	2,000	2,000	2,000	2,000	2,000
280-000-3203	Vendor Licenses - Winter	120	750	100	200	200	200	200	200
280-000-3230	Donations from Organization	6,700	11,000	6,000	8,000	8,000	8,000	8,000	8,000
280-000-3357	Farmers Market Bages	-	47	-	10	10	10	10	10
280-000-3999	Interest Earned	116	295	10	100	100	100	100	100
280-000-4200	Other Grant Proceeds	193	275	100	200	200	200	200	200
<b>Total Revenues</b>		<b>\$ 20,994</b>	<b>\$ 14,279</b>	<b>\$ 8,210</b>	<b>\$ 10,510</b>				
<b>EXPENDITURES</b>									
<b>Account Number</b>	<b>Description</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Final Budget</b>	<b>2020 Adopted Budget</b>	<b>2021 Concept Budget</b>	<b>2022 Concept Budget</b>	<b>2023 Concept Budget</b>	<b>2024 Concept Budget</b>
280-000-00-05-4002	Wages	\$ 4,050	\$ 765	\$ 1,091	\$ 6,918	\$ 7,333	\$ 7,773	\$ 8,239	\$ 8,734
280-000-00-05-4008	Insurance Benefits (er)	-	-	101	609	670	737	811	892
280-000-00-05-4009	HSA Accounts	-	-	30	180	180	180	180	180
280-000-00-05-4010	F.I.C.A./Medicare (er)	310	59	83	530	561	595	630	668
280-000-00-05-4012	P.E.R.A. (er)	-	57	82	519	587	622	659	699
280-000-00-05-4016	W/C Insurance	-	36	6	38	40	42	44	46
280-000-00-25-4110	Bank Charges	215	331	350	420	420	420	420	420
280-000-00-25-4130	Computers/Software	1,090	104	200	-	-	-	-	-
280-000-00-25-4210	Operating Supplies	750	262	700	500	500	500	500	500
280-000-00-25-4212	Other Operations Expenses	1,486	2,870	1,500	3,000	3,000	3,000	3,000	3,000
280-000-00-25-4220	Advertising	632	642	650	650	650	650	650	650
280-000-00-25-4238	Training/Schools	110	50	50	50	50	50	50	50
280-000-00-25-4255	Rent/Lease	50	300	200	-	-	-	-	-
280-000-00-25-4257	Contractors Hired	2,730	2,975	3,000	4,000	4,000	4,000	4,000	4,000
280-000-00-25-4260	Subscriptions/Dues	-	258	300	540	540	540	540	540
<b>Total Expenditures</b>		<b>\$ 11,440</b>	<b>\$ 8,709</b>	<b>\$ 8,343</b>	<b>\$ 17,954</b>	<b>\$ 18,531</b>	<b>\$ 19,108</b>	<b>\$ 19,723</b>	<b>\$ 20,378</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>		<b>\$ 9,554</b>	<b>\$ 5,570</b>	<b>\$ (133)</b>	<b>\$ (7,444)</b>	<b>\$ (8,021)</b>	<b>\$ (8,598)</b>	<b>\$ (9,213)</b>	<b>\$ (9,868)</b>
<b>Projected Cash Flow Change</b>		<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Beginning Cash Balance		\$ 521	\$ 10,075	\$ 15,645	\$ 15,511	\$ 8,067	\$ 47	\$ (8,552)	\$ (17,765)
Projected Excess Revenue		9,554	5,570	(133)	(7,444)	(8,021)	(8,598)	(9,213)	(9,868)
<b>Projected Ending Cash</b>		<b>\$ 10,075</b>	<b>\$ 15,645</b>	<b>\$ 15,511</b>	<b>\$ 8,067</b>	<b>\$ 47</b>	<b>\$ (8,552)</b>	<b>\$ (17,765)</b>	<b>\$ (27,634)</b>

## Capital Project Funds

Capital Project Funds account for the acquisition and construction of major capital facilities, infrastructure maintenance and equipment replacement, except for those financed by proprietary funds. The City has four budgeted funds in this category. The Capital Project Funds use the modified accrual basis for both financial statement and budgeting purposes.

- **The Capital Project/Street Improvement Funds** – includes receipt and disbursement of bond proceeds or other sources obtained to finance improvement and additions to the City’s infrastructure
- **Infrastructure Improvement Funds** – includes revenues received from the Local Government Aid, MSA State Aid for street improvement, grants, transfer from the General Fund for future street maintenance. Disbursement include transfers to the Capital Project fund for infrastructure improvements, trail maintenance and park improvements, and transfers to the debt service funds for new bonding of street reconstruction projects. The City financial plans do not have any new debt payments affiliated with the 2018 street improvement to be levied until 2025, instead the payments will be made from transfers from the Infrastructure Improvement Fund

- **Equipment and Building Replacement Funds** – includes revenues received from the Local Government Aid, sales of fixed assets as well as transfer in from the General Fund. Disbursement and/or allocations of fund balance are based on the Capital Improvement Plan Summary and approved each budget year by Council
- **Park Development Fund** – reflects development of new City parks and improvement of existing parks. Revenue is primarily from park development fees and in the future transfers from the Infrastructure Improvement Fund

### Capital Project/Street Improvement Fund Financial Plan

This fund accounts for all receipts and disbursement pertaining to the construction or improvements of the City’s infrastructure.

#### Source of Funds

The principal source of revenues for this fund are the proceeds from bonds issued to fund the improvements.

#### Use of Funds

The expenditures related to this fund pertain to the cost of infrastructure improvements. The City has decided to do street reconstruction projects every other year beginning in 2018.

#### Summary Budget

Capital Projects Fund 175	Actual					Budget			
	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>REVENUE</b>									
Property Tax Paid Special Assessment	\$ 9,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Paid Special Assessments	22,812	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	2,071,778	-	3,832,000	-	2,627,241	-	3,121,261
Interest Income	332	(49)	237	-	-	-	-	-	-
Other Revenues	-	558	-	-	-	-	-	-	-
Transfer In from Other Funds	117,235	1,086,034	580,561	731,827	130,874	-	372,796	-	-
<b>TOTAL REVENUES</b>	<b>149,533</b>	<b>1,086,543</b>	<b>2,652,576</b>	<b>731,827</b>	<b>3,962,874</b>	<b>-</b>	<b>3,000,037</b>	<b>-</b>	<b>3,121,261</b>
<b>EXPENDITURES/ALLOCATION</b>									
Streets Projects	4,062	141,881	1,986,072	303,702	3,832,000	-	2,627,241	-	3,121,261
Signal Projects	-	-	509,831	231,652	-	-	-	-	-
Trail / Sidewalk Projects	176,219	1,023,146	1,118	196,473	130,874	-	372,796	-	-
Interfund Loan payments	2,196	-	-	-	-	-	-	-	-
Transfers out to other funds/Debt Service	-	-	28,000	-	-	-	-	-	-
<b>TOTAL EXPEND/ALLOCATIONS</b>	<b>182,477</b>	<b>1,165,027</b>	<b>2,525,021</b>	<b>731,827</b>	<b>3,962,874</b>	<b>-</b>	<b>3,000,037</b>	<b>-</b>	<b>3,121,261</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ (32,944)</b>	<b>\$ (78,484)</b>	<b>\$ 127,555</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Fund Balance</b>	<b>\$ (9,674)</b>	<b>\$ (88,158)</b>	<b>\$ 39,397</b>	<b>\$ 39,397</b>	<b>\$ 39,397</b>	<b>\$39,397</b>	<b>\$ 39,397</b>	<b>\$ 39,397</b>	<b>\$ 39,397</b>

## Capital Improvement Funds Financial Plan

The Infrastructure Improvement/Replacement Fund and the Equipment & Building Replacement Fund were established in 2015 and accounts for all activities pertaining to any capital or equipment improvement or replacement for the City.

### Source of Funds

The principal source of revenues for this fund are the allocations from the Local Government Aid, MSA State Aid, grants and transfers from the General Fund.

### Use of Funds

The transfers to the Capital Fund pertain to the cost of infrastructure improvements, equipment replacement or maintenance based on the City's Capital Improvement Plan and Councils direction throughout the year of specific projects to be funded and is allocated per department's needs. In addition, there is a yearly transfer to debt service budgeted for any new debt payments for the street reconstruction plan.

### Summary Budget

	Actual			Budgets					
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Improvement Funds 194-199									
<b>REVENUE</b>									
Local Govt Aid - Fund 199	\$ 410,000	\$ 543,623	\$ 196,805	\$ 577,696	\$ 556,611	\$ 620,194	\$ 623,795	\$ 627,414	\$ 631,051
Local Govt Aid - Fund 198	128,954	-	225,000	45,000	160,000	100,000	100,000	100,000	100,000
Franchise Fee - Utilities	-	-	-	-	-	-	-	350,000	350,000
Intergovernmental	39,318	-	2,000	-	-	-	-	-	-
Lease Proceeds	39,746	-	-	-	-	-	-	-	-
Special Assessment -Mill/Overlay	-	-	-	41,513	16,975	15,946	15,946	15,946	15,946
Grants	55,455	372,000	-	681,408	89,796	-	285,597	-	-
Sales of Fix Assets	190,976	6,925	28,913	27,000	26,000	26,000	13,000	26,000	26,000
Miscellaneous revenue	1,970	2,395	10,405	-	-	-	-	-	-
Interest Income	6,145	18,710	33,348	2,500	2,500	2,500	2,500	2,500	2,500
Transfer In from Other Funds	526,497	764,593	270,000	266,840	284,073	76,740	74,740	44,100	42,100
<b>TOTAL REVENUES</b>	<b>1,862,333</b>	<b>1,879,272</b>	<b>1,056,607</b>	<b>1,641,957</b>	<b>1,135,955</b>	<b>841,380</b>	<b>1,115,578</b>	<b>1,165,960</b>	<b>1,167,597</b>
<b>EXPENDITURES/ALLOCATION</b>									
Administration and Finance	4,880	122,829	60,380	228,000	53,000	50,000	40,000	25,000	25,000
BLCS	173,023	16,724	23,644	6,000	-	6,000	-	-	-
Computers/Scanners/Software (194)	-	-	61,833	-	180,900	24,600	24,600	24,600	24,600
Elections	20,778	-	2,560	2,000	-	2,000	-	2,000	2,000
Fire	71,000	-	77,112	82,000	163,833	210,833	711,133	299,300	142,500
Parks/Recreation	91,065	-	-	11,700	80,000	130,000	75,000	75,000	10,000
Parks - Trail Maintenance (195)	-	-	-	-	14,000	14,000	14,000	14,000	14,000
Police	168,560	88,490	143,196	95,240	100,940	94,840	85,690	99,200	88,900
Streets	-	246,711	-	466,000	267,000	210,000	275,000	35,000	125,000
Streets Maintenance (196)	-	-	-	30,000	200,000	55,000	30,000	350,000	350,000
Streets/Trail Projects (198)	455,960	1,088,099	24,369	858,091	89,796	-	371,996	-	-
Transfers out -debt payment	-	-	343,305	792,025	100,000	100,000	100,000	100,000	100,000
<b>TOTAL EXPEND/ALLOCATIONS</b>	<b>986,374</b>	<b>1,574,280</b>	<b>767,396</b>	<b>2,571,056</b>	<b>1,249,469</b>	<b>897,273</b>	<b>1,727,419</b>	<b>1,024,100</b>	<b>882,000</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ 875,959</b>	<b>\$ 304,992</b>	<b>\$ 289,211</b>	<b>\$ (929,099)</b>	<b>\$ (113,514)</b>	<b>\$ (55,893)</b>	<b>\$(611,841)</b>	<b>\$ 141,860</b>	<b>\$ 285,597</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Fund Balance</b>	<b>\$ 1,799,671</b>	<b>\$ 2,104,663</b>	<b>\$ 2,393,874</b>	<b>\$ 1,464,775</b>	<b>\$ 1,351,261</b>	<b>\$ 1,295,369</b>	<b>\$ 683,528</b>	<b>\$ 825,388</b>	<b>\$ 1,110,985</b>

## Parks Development Fund Financial Plan

The Parks development fund accounts for capital improvement projects for the City’s parks and trail system. There is nearly 215 acres of parkland, 20 miles of trail and sidewalk and 3.5 acres of greenway in Big Lake. The Big Lake park system includes parks with playgrounds, ball fields and picnic areas. Visitors can also enjoy beach access at Lakeside Park along with a boat landing and fishing pier.

As the City grew, developers either paid park dedication fees or donated land for the park system. The cash or land donation was (and is) based on the size of a particular development. The City developed its park system by adding general amenities, bituminous and concrete surfaces, fencing, hockey rinks, playground equipment, shelters, buildings, etc. The routine maintenance of the existing parks is funded in the General Fund.

### Source of Funds

The main source of revenue for this fund is park dedication fees. Park dedication fees in prior years had attributed to one or two large developments annually. As the City reaches full development of residential parcels there are fewer parcels to develop that will be charged park dedications fees in the future, for that reason in 2018 the City established the Park & Trail Dedication fees for Commercial or Industrial development. However, for future planning, the revenue estimated is only for those developments that are in the current planning stages.

### Use of Funds

The City prepares a detailed five-year capital improvement plan that outlines all planned renovations and improvement at City parks by park by project. Due to the lack of park dedication funds the majority of these projects will have to be postponed indefinitely, until other funding sources may be available beyond what is shown in the five-year plan.

<b>PARK PROJECTS FUNDED</b>		<b>ESTIMATED COST</b>
Sandord Select Park - completed in 2019		\$ 140,000
New Southside Park		130,000
<b>PARK PROJECTS POSTPONED</b>		<b>ESTIMATED COST</b>
Powell Park Improvements		\$ 80,000
Lake Ridge Park	playground equipment	150,000
Shores of Lake Mitchell Park	playground equipment	150,000
Mitchell Farms Park	playground equipment	100,000
Wright Crossing Park	playground equipment	150,000
Highline Park	playground equipment	150,000
Hudson Woods	playground equipment	150,000
Bluff Park	playground equipment	150,000
Skate Park	Skate Board Equipment	200,000
		<u>\$ 1,280,000</u>

### Transfers

Starting with the 2020 budget, there will be a \$14,000 transfer from the General Fund to the Parks and Trails Improvement Fund to set aside for future park developments.

## General Obligation Debt Funds

Debt service funds account for the accumulation of resources for the payment of general long-term debt principal and interest. The City maintains individual debt service funds for each bond issued. The City has established annual financial plans for all general obligation bond funds which is shown in total as the G.O. Debt Funds. The Debt Funds use the modified accrual basis for both financial statements and budgeting.

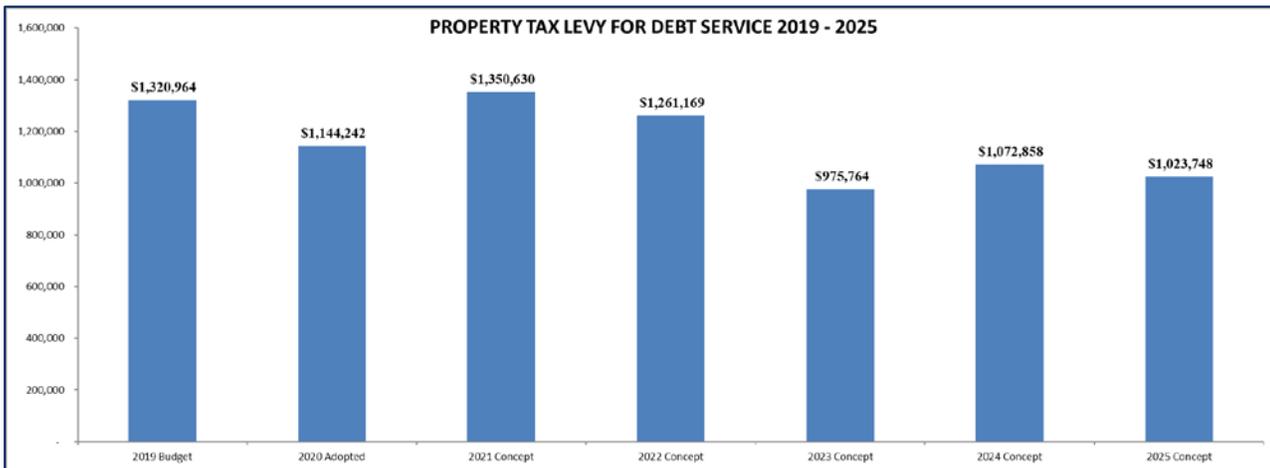
General obligations bonds are secured by the full faith and credit of the City. The City has the authority to levy property taxes for repayment of these bonds.

For this plan, the amounts projected in the Capital Project/Street Improvement plan to be funded by General Obligation Improvement Bonds are assumed to be bonded. The proposed debt structure is consistent with the City's debt management policies. Interest rates are estimated conservatively.

## Source of Funds

The principal sources of revenue are property taxes (debt service levies), special assessments, State Aid and transfers in from the Infrastructure Improvement Fund.

The following graph shows the amount of existing and projected debt service levies for the next five years. The current finance plan shows debt levies for bonds currently outstanding with no projected new debt levies. Planned street improvements included in the CIP that are bonded will need to be levied, however, a portion of the payment will be paid for by franchise fees.



## Transfers

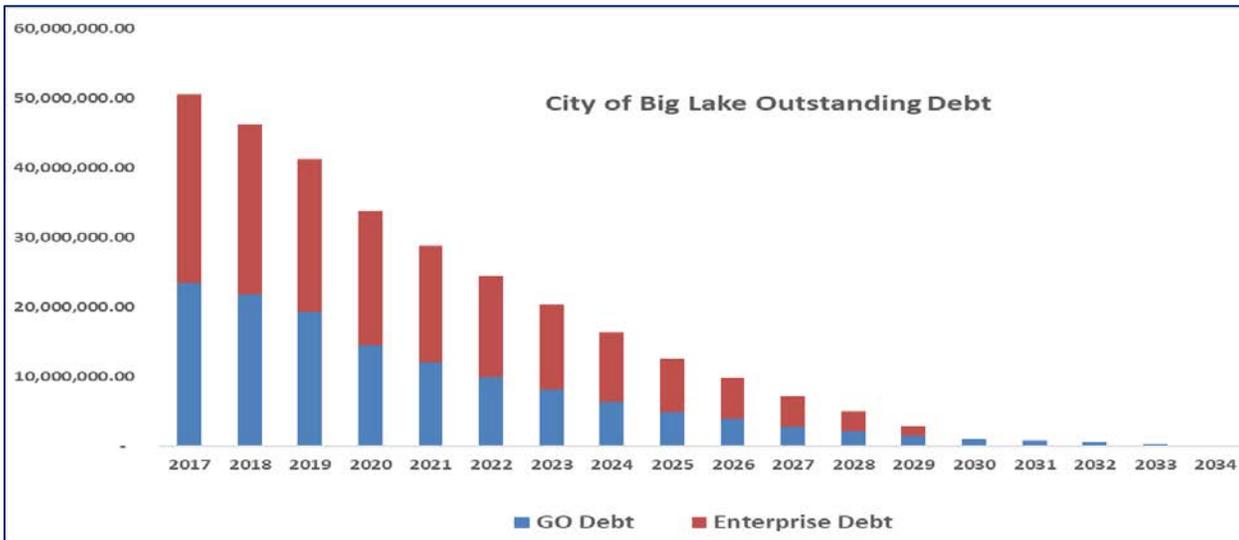
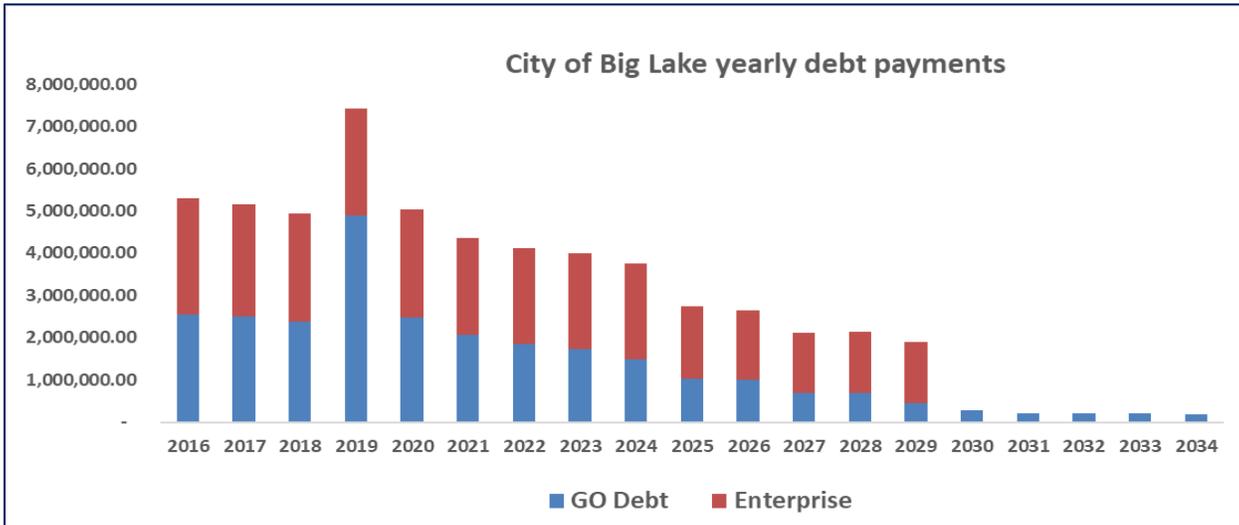
Annual transfers are shown in the Infrastructure Improvement/Replacement Fund to pay for future debt services.

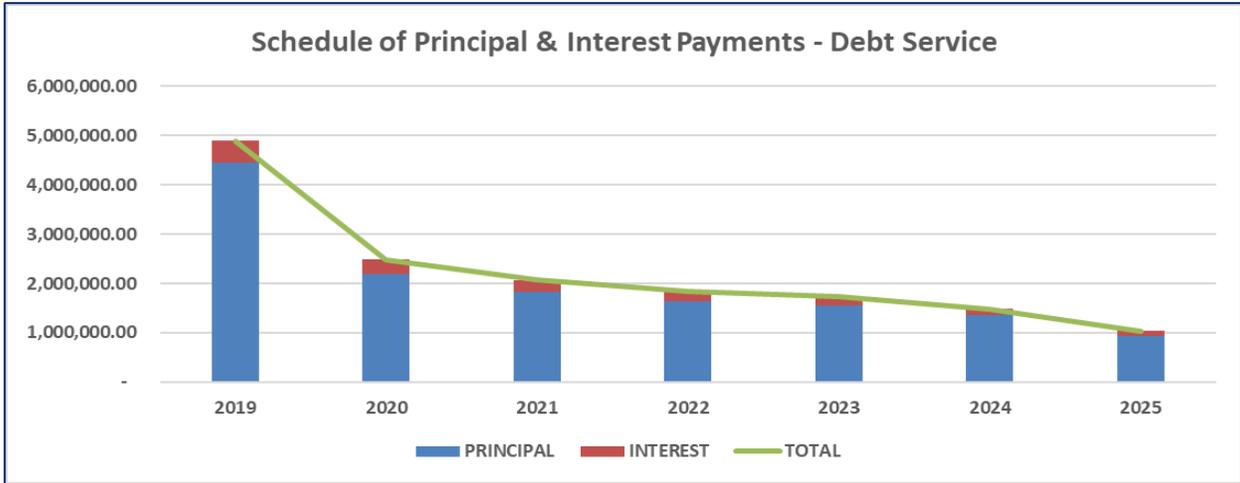
## Use of Funds and Fund Balance

According to State Statute, proceeds from the debt service levies and fund balance can only be used for redemption of debt.

## Debt Management

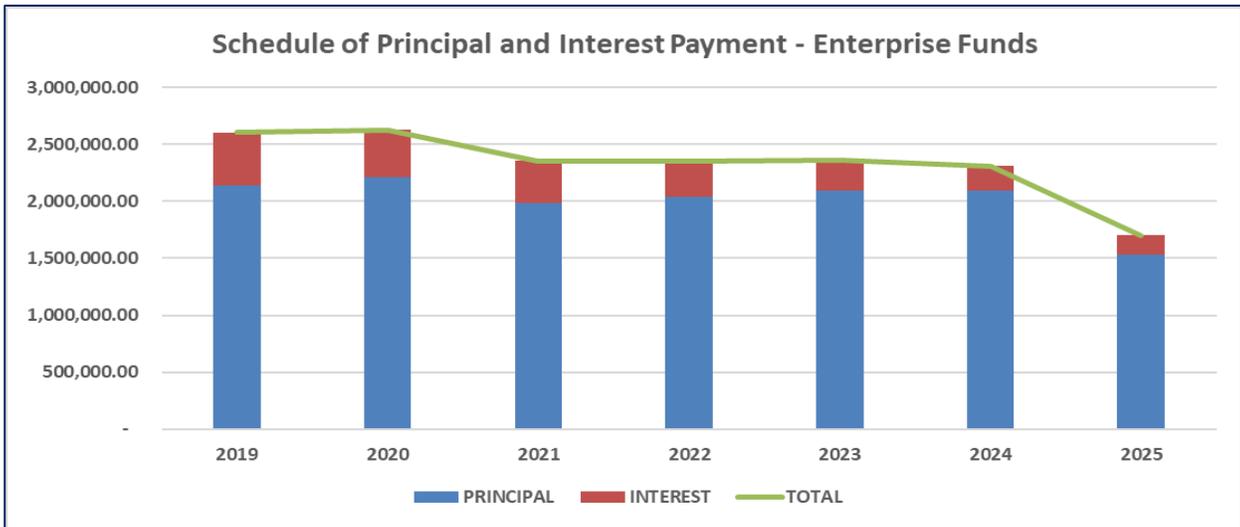
The graph below shows the City's principal and interest payments in the current budget year and beyond. As the graph shows the debt payments for the G.O. Debt spike in 2019, this is due to an advance refunding done 2016 that saved the City \$1.8 Million in interest. The second graph shows the total outstanding debt for the City of Big Lake. This graph also shows the decline in outstanding debt.





### General Obligation Debt - Debt Service Funds

Year	2019	2020	2021	2022	2023	2024	2025
<b>Principal</b>	\$ 4,444,330	\$ 2,189,063	\$ 1,821,063	\$ 1,638,063	\$ 1,556,430	\$ 1,349,430	\$ 927,796
<b>Interest</b>	450,775	296,608	248,227	205,422	165,699	131,938	106,883
<b>Total</b>	<b>\$ 4,895,105</b>	<b>\$ 2,485,671</b>	<b>\$ 2,069,290</b>	<b>\$ 1,843,485</b>	<b>\$ 1,722,128</b>	<b>\$ 1,481,367</b>	<b>\$ 1,034,679</b>



### General Obligation Debt - Enterprise Funds (includes Revenue Bonds and PFA Loans)

Year	2019	2020	2021	2022	2023	2024	2025
<b>Principal</b>	\$ 2,139,092	\$ 2,213,359	\$ 1,989,359	\$ 2,036,359	\$ 2,092,993	\$ 2,094,926	\$ 1,533,571
<b>Interest</b>	467,103	416,195	366,302	317,637	267,428	214,263	167,695
<b>Total</b>	<b>\$ 2,606,195</b>	<b>\$ 2,629,554</b>	<b>\$ 2,355,661</b>	<b>\$ 2,353,996</b>	<b>\$ 2,360,421</b>	<b>\$ 2,309,189</b>	<b>\$ 1,701,266</b>

## Enterprise Funds

Enterprise Funds account for business-type activities. These activities provide services where most of the costs are recovered through user fees and charges. The City has four Enterprise Funds. The accrual basis of accounting is used by the Enterprise Funds for financial statement purposes. For budget purposes the funds use accrual basis except for capital assets and debt payments which are budgeted on a modified accrual basis with each finance plan. Depreciation is noted at the bottoms of the finance plans.

- **Water and Sewer Funds** – received its revenues from charges to all property owners to provide water and sanitary sewer utilities, fund operations and maintenance and capital improvements.
- **Storm Sewer Fund** – receives its revenues from charges to all property owners to fund water quality projects, operations and maintenance, and capital improvements.
- **Lake Liquor Store Fund** - receives its revenues from the control sale of alcoholic beverages to fund cost of goods sold, operations and maintenance, transfer to the general fund and capital improvements.

## Water and Sewer Funds Financial Plans

The Water and Sewer Funds were established for the accounting for costs of providing water and sewer services to residents and businesses.

### Background

Big Lake is in the Mississippi River -St. Cloud Watershed. Rivers and creeks in the watershed drain surface water to the Mississippi River. Thus, land use, including farming and urban development, affects the water quality in all of the streams, lakes, and wetlands of the watershed.

Watershed quality is important because water from the lakes, rivers, and streams (in addition to rainwater) is what populates the aquifers and supplies groundwater to the City.

Big Lake is split between two groundwater provinces (according to the Department of Natural Resources): the metro province and the central province. The geologic formation affects water quality in all cities and is thus important information.

- Metro province: Sand aquifers in generally thick (greater than 100 feet) sandy and clayey glacial drift overlying Precambrian sandstone and Paleozoic sandstone, limestone, and dolostone aquifers
- Central province: Sand aquifers in generally thick (greater than 100 feet) sandy and clayey glacial drift overlying Precambrian and Cretaceous bedrock. Fractured and weathered Precambrian bedrock is used locally as a water source

Big Lake is built upon sandstone, siltstone, and minor shale. It is located within the Lower Cretaceous Aquifer.

Most of the soils in and around Big Lake are very sandy, which allows surface water to drain easily to the aquifer. This is why it is vital that we protect our surface water quality (lakes, rivers, and wetlands) in Big Lake. An aquifer is an underground layer of rock and gravel that holds water and may be tapped for drinking or crop irrigation.

In contrast, soils near the Elk River and to the north of that stream tend to be “hydric,” meaning that they hold much water. This is a result of their geologic history and the high ground water level.

Until 1981, all of the housing and businesses in Big Lake used on-site, private wastewater treatment systems. These systems, in combination with small lots and soils that are either too well or too poorly drained, (particularly near the lakes and in the north), may have posed health risks. Now, a municipal sanitary sewer system has mitigated that problem.

## **Water Treatment**

The raw water in the City of Big Lake contains radionuclides above the maximum contaminant level as set forth by the Minnesota Department of Health and the U.S. Environmental Protection Agency and required treatment to meet these regulations. In addition, the raw water supply has higher concentrations of iron and manganese. It was determined that an iron and manganese removal plant should be constructed and the radionuclides would be filtered out with the oxidized manganese, thereby meeting the necessary treatment standards

## **Wastewater Treatment**

Wastewater treatment and disposal is an important part of protecting and preserving Minnesota's water resources. Wastewater can be treated at a city's treatment facility. Treating wastewater protects the environment and human health by removing pathogens and other contaminants before the water is discharged back into the environment.

Municipal wastewater typically refers to the collection and treatment of a community's wastewater. A city, or a group of cities, often have sewer pipes that serve all the properties in their community and deliver wastewater to a central treatment plant.

The Minnesota Pollution Control Agency (MPCA) issues permits to wastewater treatment plants that put limits on what can be in their discharged water, and requires certain types of reporting. The agency works with plant operators to help them comply with regulations and address location-specific issues. Minnesota wastewater treatment operators must be certified in order to operate a treatment facility.

The City's Water & Sewer public utility provides water to over 3600 residential and business customers. The City operates 7 wells, a water treatment plant as well as a wastewater treatment facility. The original wastewater treatment facility was constructed in 1981 and was updated in 1996, 1999 and an expansion was done in 2009. The water treatment plant also underwent an expansion in 2004.

Billings to customers are based on actual water usage that is metered for each property and sewer is calculated on the average water use from November through April. An annual comprehensive review of rates is completed to ensure financial stability of the utility. A portion of the fees collected in these funds supports funding of the replacement of the systems infrastructure.

Utility bills are generated on a monthly basis to encourage water conservation. Monthly bills notify customers of their water usage each month, assisting with a better understanding of water usage and leak detection. Payments are received by check, electronic automatic withdrawal through bank drafting or through an on-line credit card, or bank transfer option. During the months of April through October, unpaid accounts will have the water shut off until payment is received. Unpaid bills are the responsibility of the property owner and are certified to the property taxes in the fall of each year. Customers

also have the option of opting out of a paper bill each month to instead receive an e-mail indicating their bill is ready for viewing on-line, those that choose this option do receive a 50 cent credit to the bill each month.

### **Source of Funds**

The primary source of funding is user charges based on the property's water usage. Minnesota Statutes require public water suppliers serving more than 1,000 to adopt a water rate structure that encourages water conservation. The City's rate structure used for water billing includes a two-tiered rate system for all customers. The top tier is designed to effect high water users. High water usage is usually caused from lawn sprinkling or leaks. For residential users, the first tier is for usage up to 6,500 gallons used each month, the second tier is for all amounts over the 6,500 gallons used each month. For multi-family structures, as well as irrigation accounts, the first tier is for any usage a month up to 88,600, the second tier is any usage over the 88,600 each month. For commercial users, the first tier is for usage up to 51,000 gallons used each month and the second tier is for any usage over the 51,000 gallons per month. All usage is billed on a per 1,000 gallons. Starting in 2018, the City starting budgeting in the general fund and paying for the usage that each facility used in water, as well as irrigation. Going forward the increase to municipal accounts will be 30 to 40 percent to help offset a larger increase to the residents and businesses.

Additionally, there is a monthly fixed fee for each account. For residential the base fee is \$6.81, for multi-family and irrigation accounts the base fee is \$15.63, commercial base fee is based on the meter size. Industrial base fee is \$306.18 per month.

Sewer fees are based on the November – April average water usage and billed per 1,000 gallons, for residential, multi-family and commercial the rate is \$8.90 per 1,000 gallons. The month fixed rate is \$11.55 for residential and multi-family. The monthly fixed rate for commercial is \$18.28.

For 2020 the water usage rates increased by 6%, the sewer usage fee increased by 5% and the base fees remained flat. For the next coming years it is projected that the base fees will remain flat, water usage will need to increase 2 to 3 percent and sewer usage will need to increase 5 percent to cover the rising cost of infrastructure replacement and treatment.

For industrial accounts the rates are based on the contract signed with the business. Currently the City has only one industrial contract and the rates for that account will increase 8 percent each year.

Below is a summary of the proposed water and sewer rates. The proposed rate increase over the next several years are related to the potential of replacement water meters to go to an automatic meter read in-lieu of contracting out the service. In addition, the possibility of two new wells. For the sewer fund, the proposed rate increase takes into consideration the expansion of the wastewater treatment facility in order to meet the current demands as well as future growth in the city.

<b>WATER USAGE RATES - RESIDENTIAL, MULTI-FAMILY, IRRIGATION</b>											
YEAR	Adopted					Budget	Projected				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate Tier 1 (per 1,000)	3.36	3.89	4.01	4.09	3.93	4.17	4.3	4.44	4.47	4.52	4.56
Annual % Increase	0%	16%	3%	2%	-4%	6%	3%	3%	1%	1%	1%
<b>WATER USAGE RATES - COMMERCIAL</b>											
YEAR	Adopted					Budget	Projected				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate Tier 1 (per 1,000)	3.35	2.4	2.47	2.52	2.42	2.56	2.64	2.72	2.75	2.77	2.8
Annual % Increase	0%	-28%	3%	2%	-4%	6%	3%	3%	1%	1%	1%
<b>SEWER USAGE- RESIDENTIAL, MULTI-FAMILY, COMMERCIAL</b>											
YEAR	Adopted					Budget	Projected				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate Tier 1 (per 1,000)	7.27	7.68	7.99	8.15	8.48	8.9	9.34	9.81	10.3	10.82	11.25
Annual % Increase	25%	6%	4%	2%	4%	5%	5%	5%	5%	5%	4%
<b>WATER USAGE RATES - MUNICIPAL - GENERAL FUND</b>											
YEAR	Adopted					Budget	Projected				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate (per 1,000)	0	0	0	4.14	5.80	7.82	10.55	14.25	19.23	19.23	19.23
Annual % Increase	0%	0%	0%	100%	40%	35%	35%	35%	35%	0%	0%
<b>SEWER USAGE RATES - MUNICIPAL - GENERAL FUND</b>											
YEAR	Adopted					Budget	Projected				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Rate (per 1,000)	0	0	0	8.31	11.63	11.63	11.63	11.63	11.63	11.63	11.63
Annual % Increase	0%	0%	0%	100%	40%	0%	0%	0%	0%	0%	0%

Big Lake’s rates tend to be near the top when compared to neighboring and market cities. This is due to several factors, including the mandated upgrades to the wastewater treatment facility, the upcoming expansion needed to the wastewater treatment facility to meet current and future demands. The practices of charging direct and indirect costs to the utility funds are not utilized by all cities.

Estimated revenues for 2020 are based on a typical weather year. Dry summer conditions results in higher revenue and wet summer result in lower revenue. Increased revenue in dry summers is partially offset by the increased costs of additional chemicals, electricity and natural gas costs for pumping and increased maintenance from heavier use on the equipment.

### Use of Funds

Expenses from these funds are used for operation and maintenance, debt service, capital improvement and infrastructure replacement relating specifically to the operations of water and sewer services. This includes all direct and indirect overhead costs incurred from operating a water and sewer business.

A five-year Capital Improvement Plan (CIP) is used by the City to project capital improvement and infrastructure replacement needs. The improvements scheduled include on-going programs of water main replacement, sewer rehabilitation, well rehabilitation, and other scheduled improvements. The detail on specific projects is included in the

City's CIP. During the past few years, the Public Works staff has become much more aggressive in inspecting and planning for the City's water and sewer infrastructure, especially the older major components. This stepped-up inspection and asset management planning program has identified needs for several infrastructure maintenance projects that are much more immediate and has been taken into consideration with this current planning document.

### **Major Capital Initiatives**

The City's CIP includes a \$1 million project to replace water meters installed in homes and businesses across the City in 2020. It is necessary to replace the current meters as they are beginning to slow and underreport water use, which results in lost revenues to the water system. An efficient and well-maintained system is essential to ensure proper collection of use charges and rate stability.

The City's Water Treatment Plant is supplied by a series of wells throughout the community. The City currently has seven wells all drawing from the Mt. Simon Aquifer. Some of the wells have seen reduction in production recently, and with the growth of the community, there has been increasing demand for water. Because of the changing circumstances, the City needs to consider investing in new wells in order to ensure adequate water supply for existing and future residents and businesses. City staff believes that because of the long lead time to construct a well, and the current and potential water use, now is the time to begin planning for future wells. Staff believes it is wise to study the need for additional wells. The first step in the study is to determine what level of need exists, potential alternatives, and identify locations for the well(s). At this point, staff knows that there is a looming need for investment, but staff's expertise is not in hydrology. For that reason, council has directed staff to retain the help of Wenk and Associates to conduct a formal study to determine what the cities options are and the potential cost of those options. The City's CIP includes the \$2.4 million project to add the two new wells.

The City's Wastewater Treatment Plant is operating at 147% of its permitted BOD levels, which is a measure of waste loading. That number is expected to grow significantly over the next few years due to residential and industrial growth. The plan also has a few other issues like insufficient backup power. Wenk and Associates have developed a Wastewater Treatment Facility plan in conjunction with the MPCA and City staff to address these issues.

Phase one of the Facility plan, calls for an initial expansion in 2020 to add an oxidation ditch, replacing some screens, adding a generator, and some other miscellaneous electrical and controls improvements. The oxidation ditch and screens will help with the BOD capacity issues. The portable generator will help with the lack of sufficient backup power. The City's CIP includes the \$3.304 million for this project, which will be funded by a \$1 million dollar grant from the State and the remainder from reserves. Additionally, there will be an added \$42,087 in additional O&M costs as a result primarily of added chemical, utilities and maintenance. These additional O&M costs have been implemented into the future budgets as well as rates.

Future expansions are outlined in the Facility plan and the City's CIP includes the \$18 million project to complete the expansion. Needed improvements simply must not be delayed. The plan also includes an aggressive approach to street reconstruction and rehabilitation. Water and sewer infrastructure replacement occurs as a street is replaced.

As noted above stepped-up infrastructure needs will have financial planning impacts with the use of bonding as a financing tool and the debt payments will have an impact on rates. Rate stability will be closely monitored as well as maintaining a strong long-term cash balance within the funds.

### **Net Assets**

For the Enterprise Funds, the City strives to maintain working capital cash balances at a minimum equal to three months. Bonding for large projects within the funds is needed to complete the CIP requests listed in the City's plan.

Five Year Summary Plans – Water Funds

	Actual		Budget				Projected			
	2017	2018	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change	2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
<b>Revenue Budget</b>										
Utilities Revenues - Water	\$ 2,205,527	\$ 1,997,514	\$ 2,047,208	\$ 2,196,341	\$ 149,133	7.28%	\$ 2,185,816	\$ 2,396,899	\$ 2,423,071	\$ 2,473,449
Other Revenues - Water	11,085	19,286	3,398	3,009	(389)	-11.45%	2,657	1,898	1,795	1,023
<b>Total Revenues</b>	<b>\$ 2,216,612</b>	<b>\$ 2,016,800</b>	<b>\$ 2,050,606</b>	<b>\$ 2,199,350</b>	<b>\$ 148,744</b>	<b>7.25%</b>	<b>\$ 2,188,473</b>	<b>\$ 2,398,797</b>	<b>\$ 2,424,866</b>	<b>\$ 2,474,472</b>
<b>Expense Budget</b>										
Personnel	\$ 548,846	\$ 520,845	\$ 612,013	\$ 652,436	\$ 40,423	6.60%	\$ 691,175	\$ 731,751	\$ 774,882	\$ 820,736
Professional Services	32,514	34,396	35,958	37,030	1,072	2.98%	37,833	38,661	39,671	40,549
Operations	297,843	325,395	365,401	356,520	(8,881)	-2.43%	362,366	368,373	374,545	380,890
Capital/Transfers	115,727	20,000	41,000	159,525	118,525	289.09%	28,000	120,369	28,000	112,689
Debt - Interest	227,956	189,738	177,009	157,156	(19,853)	-11.22%	240,186	209,694	179,855	109,120
Debt - Principal*	750,004	770,204	777,788	803,355	25,567	3.29%	816,355	791,475	758,755	758,755
<b>Total Expenses</b>	<b>\$ 1,972,890</b>	<b>\$ 1,860,578</b>	<b>\$ 2,009,169</b>	<b>\$ 2,166,022</b>	<b>\$ 148,591</b>	<b>7.40%</b>	<b>\$ 2,175,915</b>	<b>\$ 2,260,323</b>	<b>\$ 2,155,708</b>	<b>\$ 2,222,739</b>
<b>Net Income/(Loss)</b>	<b>\$ 243,722</b>	<b>\$ 156,222</b>	<b>\$ 41,437</b>	<b>\$ 33,328</b>	<b>\$(114,785)</b>		<b>\$ 12,558</b>	<b>\$ 138,474</b>	<b>\$ 269,158</b>	<b>\$ 251,733</b>
<b>Depreciation Expense</b>	<b>\$ 865,229</b>	<b>\$ 865,728</b>	<b>\$ 866,000</b>	<b>\$ 934,061</b>	<b>\$ 68,061</b>		<b>\$ 934,061</b>	<b>\$ 934,061</b>	<b>\$ 934,061</b>	<b>\$ 934,061</b>
<b>Projected Ending Cash **</b>	<b>\$ 462,796</b>	<b>\$ 624,301</b>	<b>\$ 695,738</b>	<b>\$ 739,067</b>	<b>\$ 71,437</b>	<b>10.27%</b>	<b>\$ 456,625</b>	<b>\$ 295,099</b>	<b>\$ 254,257</b>	<b>\$ 185,990</b>
*projected principal debt payment includes any new debt										
**projected cash balance is after principal debt payments are made										

## Five Year Summary Plans – Sewer Funds

	Actual		Budget				Projected			
	2017	2018	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change	2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
<b>Revenue Budget</b>										
Utilities Revenues - Sewer	\$ 2,388,223	\$ 2,304,996	\$ 2,434,925	\$ 2,697,158	\$ 262,233	10.77%	\$ 2,834,509	\$ 2,978,508	\$ 5,133,068	\$ 3,299,497
Other Revenues - Sewer	18,045	60,071	6,000	6,000	-	0.00%	6,000	2,000	2,000	2,000
<b>Total Revenues</b>	<b>\$ 2,406,268</b>	<b>\$ 2,365,067</b>	<b>\$ 2,440,925</b>	<b>\$ 2,703,158</b>	<b>\$ 262,233</b>	<b>10.74%</b>	<b>\$ 2,840,509</b>	<b>\$ 2,980,508</b>	<b>\$ 5,135,068</b>	<b>\$ 3,301,497</b>
<b>Expense Budget</b>										
Personnel	\$ 550,075	\$ 542,278	\$ 611,613	\$ 652,016	\$ 40,403	6.61%	\$ 690,656	\$ 731,125	\$ 774,141	\$ 819,870
Professional Services	25,785	23,327	27,408	27,250	(158)	-0.58%	27,730	28,224	28,891	29,416
Operations	348,896	386,423	365,289	435,926	70,637	19.34%	442,990	450,230	2,651,231	661,011
Capital/Transfers	60,000	468,564	20,000	333,262	313,262	1566.31%	126,000	166,184	70,000	62,344
Debt - Interest	430,774	381,107	362,753	330,504	(32,249)	-8.89%	299,979	271,375	808,011	769,310
Debt - Principal*	1,358,480	1,283,796	1,315,212	1,356,646	41,434	3.15%	1,119,646	1,145,446	1,177,246	1,230,462
<b>Total Expenses</b>	<b>\$ 2,774,010</b>	<b>\$ 3,085,495</b>	<b>\$ 2,702,275</b>	<b>\$ 3,135,604</b>	<b>\$(383,220)</b>	<b>-14.18%</b>	<b>\$ 2,707,000</b>	<b>\$ 2,792,584</b>	<b>\$ 5,509,519</b>	<b>\$ 3,572,412</b>
<b>Net Income/(Loss)</b>	<b>\$ (367,742)</b>	<b>\$ (720,428)</b>	<b>\$ (261,350)</b>	<b>\$ (432,446)</b>	<b>\$ 459,078</b>		<b>\$ 133,509</b>	<b>\$ 187,924</b>	<b>\$ (374,451)</b>	<b>\$ (270,915)</b>
<b>Depreciation Expense</b>	<b>\$ 1,283,931</b>	<b>\$ 1,284,262</b>	<b>\$ 1,366,158</b>	<b>\$ 1,397,595</b>	<b>\$ 31,437</b>		<b>\$ 1,407,595</b>	<b>\$ 1,417,595</b>	<b>\$ 1,422,595</b>	<b>\$ 1,922,595</b>
<b>Projected Ending Cash **</b>	<b>\$ 1,214,878</b>	<b>\$ 743,241</b>	<b>\$ 661,891</b>	<b>\$ 395,330</b>	<b>\$ (81,350)</b>	<b>-12.29%</b>	<b>\$ 673,839</b>	<b>\$ 960,683</b>	<b>\$ 381,731</b>	<b>\$ (107,741)</b>

\*projected principal debt payment includes any new debt  
\*\*projected cash balance is after principal debt payments are made

The Sewer Fund projected ending cash does not include the Sewer Access Charges that will be collected for new development, as those activities go directly into the Sewer CIP Fund.

## Storm Sewer Funds Financial Plans

The Storm Sewer Fund was established for the accounting of costs for providing storm drainage services to the community and for preserving and improving surface water quality in the City's lakes and ponds.

### Source of Funds

The rate charged for the user is based on a property's land size. Properties less than one acre are charged \$4.93 per month, those properties greater than one acre are charged \$4.93 per month, per acre.

### Use of Funds

The storm sewer charges provide the funding for the storm drainage maintenance, street sweeping, pond clean-out, water quality work and other storm related functions. This fund will also transfer for replacement of storm water that is completed during the Street Reconstruction and Rehabilitation projects.

## Five Year Summary Plans – Storm Water Funds

	Actual		Budget				Projected			
	2017	2018	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change	2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
<b>Revenue Budget</b>										
Utilities Revenues-Storm Water	\$ 256,315	\$ 252,639	\$ 254,839	\$ 257,872	\$ 3,033	1.19%	\$ 260,742	\$ 263,617	\$ 266,497	\$ 269,382
Other Revenues -Storm Water	1,819	4,610	1,000	2,500	1,500	150.00%	2,525	2,550	2,576	2,602
<b>Total Revenues</b>	<b>\$ 258,134</b>	<b>\$ 257,249</b>	<b>\$ 255,839</b>	<b>\$ 260,372</b>	<b>\$ 4,533</b>	<b>1.77%</b>	<b>\$ 263,267</b>	<b>\$ 266,167</b>	<b>\$ 269,073</b>	<b>\$ 271,984</b>
	-	-	-	-	-	-	-	-	-	-
<b>Expense Budget</b>										
Personnel	\$ 137,636	\$ 136,632	\$ 151,729	\$ 145,343	\$ (6,386)	-4.21%	\$ 145,861	\$ 154,401	\$ 163,481	\$ 173,136
Professional Services	9,628	4,068	4,248	3,648	(600)	-14.12%	3,648	3,648	3,697	3,697
Operations	15,697	24,392	23,058	30,411	7,353	31.89%	30,845	31,300	31,779	32,282
Capital/Transfers	-	-	-	157,500	157,500	100.0%	-	-	50,000	-
Debt - Interest	39,641	39,641	39,641	64,641	25,000	63.07%	64,641	64,641	64,641	64,641
Debt - Principal*	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 202,602</b>	<b>\$ 204,733</b>	<b>\$ 218,676</b>	<b>\$ 401,543</b>	<b>\$ 13,943</b>	<b>6.38%</b>	<b>\$ 244,994</b>	<b>\$ 253,990</b>	<b>\$ 313,598</b>	<b>\$ 273,756</b>
	-	-	-	-	-	-	-	-	-	-
<b>Net Income/(Loss)</b>	<b>\$ 55,532</b>	<b>\$ 52,516</b>	<b>\$ 37,163</b>	<b>\$ (141,171)</b>	<b>\$ (15,353)</b>		<b>\$ 18,272</b>	<b>\$ 12,177</b>	<b>\$ (44,526)</b>	<b>\$ (1,772)</b>
<b>Depreciation Expense</b>	<b>\$ 269,240</b>	<b>\$ 222,632</b>	<b>\$ 222,636</b>	<b>\$ 237,636</b>	<b>\$ 15,000</b>		<b>\$ 237,636</b>	<b>\$ 237,636</b>	<b>\$ 237,636</b>	<b>\$ 237,636</b>
<b>Projected Ending Cash **</b>	<b>\$ 199,332</b>	<b>\$ 251,848</b>	<b>\$ 289,011</b>	<b>\$ 147,840</b>	<b>\$ 37,163</b>	<b>12.86%</b>	<b>\$ 166,113</b>	<b>\$ 178,289</b>	<b>\$ 133,764</b>	<b>\$ 131,991</b>

\*projected principal debt payment includes any new debt

\*\*projected cash balance is after principal debt payments are made

## Liquor Store Funds Financial Plans

Lake Liquors is a municipal liquor store operated by the City of Big Lake. The goal of Lake Liquor is to control the sale of alcoholic beverages while generating revenue for the community. Lake Liquor pours the profits back into the community by the annual budget transfer to the General Fund. Without this budget transfer the City would either have to raise the general fund levy or eliminate services provided.

Lake Liquor was previously located in "The Stampin Place" located next to Tootsies Tavern. In 1985, the liquor store was moved to the Lake Shopping Center Mall in the northeast corner. In 2005, the City of Big Lake purchased the old grocery store from George Stevens. The store was remodeled and occupancy occurred in April of 2006 with a grand opening on May 1, 2006. In 2014, the original debt 2005A was refunded with the 2014A for interest savings. The debt is scheduled to be paid in full as of February 1, 2025.

### Source of Funds

The sales of inventory of the liquor store, along with interest earning make up the revenue for this fund.

### Use of Funds

Expenses from this fund are used for operation and maintenance, debt service, capital improvement and infrastructure replacement relating specifically to the operations of the liquor store. This includes all direct and indirect overhead costs incurred from operating a liquor store.

## Transfers

Each year there is a budgeted transfer from the Liquor Store to the General Fund, without this transfer the City would have to either raise the general fund levy or eliminate City services. For the 2020, the budgeted transfer is \$450,000, this is a \$150,000 decrease over 2019. In 2019, the additional \$150,000 transfer was used for resurfacing of the McDowall trail.

## Debt

A portion of the revenues are used to pay for the debt that incurred for the purchase and remodel of the existing store. No new debt is proposed in 2020 or the coming years.

Following is a detail of the five-year summary plan as well as the transfers to the General Fund.

## Five Year Summary Plans – Liquor Store Funds

	Actual		Budget				Projected			
	2017	2018	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change	2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
<b>Revenue Budget</b>										
<b>Sales</b>										
Gross Sales	\$ 4,161,756	\$ 4,239,612	\$ 4,694,225	\$ 4,494,157	\$ (200,068)	-4.26%	\$ 4,628,973	\$ 4,767,833	\$ 4,910,859	\$ 5,058,176
Cost of Sales	2,995,521	3,061,009	3,350,832	3,301,250	(49,582)	-1.48%	3,396,557	3,494,663	3,595,653	3,595,653
<b>Gross Profit</b>	<b>\$ 1,166,235</b>	<b>\$ 1,178,603</b>	<b>\$ 1,343,393</b>	<b>\$ 1,192,907</b>	<b>\$(150,486)</b>	<b>-11.20%</b>	<b>\$ 1,232,416</b>	<b>\$ 1,273,169</b>	<b>\$ 1,315,206</b>	<b>\$ 1,462,522</b>
<b>Revenue Budget</b>										
Gross Sales	\$ 4,161,756	\$ 4,239,612	\$ 4,694,225	\$ 4,494,157	\$ (200,068)	-4.26%	\$ 4,628,973	\$ 4,767,833	\$ 4,910,859	\$ 5,058,176
Other Revenues	7,444	21,306	9,162	10,450	1,288	14.06%	10,550	10,651	10,753	10,856
<b>Total Revenues</b>	<b>\$ 4,169,200</b>	<b>\$ 4,260,918</b>	<b>\$ 4,703,387</b>	<b>\$ 4,504,607</b>	<b>\$(198,780)</b>	<b>-4.23%</b>	<b>\$ 4,639,523</b>	<b>\$ 4,778,484</b>	<b>\$ 4,921,612</b>	<b>\$ 5,069,032</b>
<b>Expense Budget</b>										
Personnel	\$ 363,926	\$ 448,236	\$ 490,187	\$ 505,473	\$ 15,286	3.12%	\$ 512,002	\$ 544,673	\$ 579,549	\$ 616,789
Professional Services	5,743	5,206	6,044	5,700	(344)	-5.69%	5,700	5,700	5,853	5,853
Operations	182,614	168,633	147,149	158,406	11,257	7.65%	161,155	164,096	167,306	168,867
Cost of Sales	2,995,521	3,061,009	3,350,832	3,301,250	(49,582)	-1.48%	3,396,557	3,494,663	3,595,653	3,595,653
Capital/Transfers	361,500	414,736	630,000	450,000	(180,000)	-28.57%	475,000	475,000	475,000	475,000
Debt -Interest	14,549	13,281	12,408	10,901	(1,507)	-12.15%	9,303	7,603	5,659	3,283
Debt - Principal*	72,670	76,304	72,670	79,937	7,267	10.00%	79,937	79,937	83,571	83,571
<b>Total Expenses</b>	<b>\$ 3,996,523</b>	<b>\$ 4,187,405</b>	<b>\$ 4,709,290</b>	<b>\$ 4,511,667</b>	<b>\$(197,623)</b>	<b>-4.20%</b>	<b>\$ 4,639,653</b>	<b>\$ 4,771,672</b>	<b>\$ 4,912,591</b>	<b>\$ 4,949,016</b>
<b>Net Income/(Loss)</b>	<b>\$ 172,677</b>	<b>\$ 73,514</b>	<b>\$ (5,903)</b>	<b>\$ (7,060)</b>	<b>\$ (1,157)</b>		<b>\$ (131)</b>	<b>\$ 6,811</b>	<b>\$ 9,020</b>	<b>\$ 120,016</b>
<b>Depreciation Expense</b>	<b>\$ 65,687</b>	<b>\$ 66,905</b>	<b>\$ 65,688</b>	<b>\$ 68,000</b>	<b>\$ (1,217)</b>	<b>-1.85%</b>	<b>\$ 68,000</b>	<b>\$ 68,000</b>	<b>\$ 68,000</b>	<b>\$ 68,000</b>
<b>Projected Ending Cash **</b>	<b>\$ 830,691</b>	<b>\$ 904,204</b>	<b>\$ 898,301</b>	<b>\$ 891,241</b>	<b>\$ (5,903)</b>	<b>-0.66%</b>	<b>\$ 891,110</b>	<b>\$ 897,922</b>	<b>\$ 906,942</b>	<b>\$ 1,026,958</b>

\*projected principal debt payment includes any new debt

\*\*projected cash balance is after principal debt payments are made

### LIQUOR STORE TRANSFERS

### FIVE-YEAR FINANCIAL PLAN

	Actual		Budget				Projected			
	2017	2018	2019 Final Budget	2020 Adopted Budget	\$ Change	% Change	2021 Concept Budget	2022 Concept Budget	2023 Concept Budget	2024 Concept Budget
<b>Transfer Budget</b>										
Transfer to General Fund	\$ 300,000	\$ 375,000	\$ 600,000	\$ 450,000	\$ (150,000)	-25.00%	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Transfer to CIP Fund***	50,000	25,000	-	-	-		-	-	-	-
***used for trails										
	<b>\$ 350,000</b>	<b>\$ 400,000</b>	<b>\$ 600,000</b>	<b>\$ 450,000</b>	<b>\$(150,000)</b>		<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>

