

2015 **BUDGET**

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Dear Mayor Pearson, Members of the City Council & Taxpayers of the City of Lake Elmo:

I am pleased to submit to you the 2015 City of Lake Elmo Budget – **a budget that represents the second consecutive year of no increase in the property tax levy and a decrease in the tax levy rate.**

At the request of the City Council, the foundation of the 2015 City of Lake Elmo Budget is based on three governing principles:

- 1. Efficient, low cost, taxpayer based government**
- 2. Disciplined and balanced market-driven growth**
- 3. Well-ordered, low regulatory burdened quality of life**

Using these three governing principles as the baseline, the 2014 City Budget has been constructed based on the following metrics:

- 1. Performance, Lean Based Operations**
- 2. Maintenance of Adequate Reserves & Sound Financial Policies**
- 3. The Cost of Growth is Paid for By Growth**
- 4. Keep the tax burden as low as possible**

Performance Based Budgeting

The 2015 City of Lake Elmo Budget was constructed using performance-based budgeting techniques. That is, each Department began constructing their budget at “0” and worked their way to a cost of doing business pro forma that used five year trend analysis, actual cost forecasting, and projected expense to execute the 2015 Plan of Work. This performance based approach also focused on the allocation of work anticipated in 2015 – namely in the Community Development & Building Departments and created appropriate non-tax based funding sources for work specifically done for new development – both commercial and residential. As an example, to date, the City of Lake Elmo has billed developers \$132,207.78 for work it has completed in review of new development in fiscal year 2014. In fact, all of the growth in the general fund budget of \$495,000 is related to fees, permits, and review escrows as a result of growth.

The use of performance based budgeting also has changed the format of the annual operating budget. Each City Department has created a narrative that highlights their mission statement, addresses significant events in 2014, states major objectives in 2015, contains a detailed line by line budget and establishes performance indicators that will hold the operations accountable to the bottom line. Staff is to be commended for putting these performance metrics in place and their commitment to the proper stewardship of tax dollars.

The City of Lake Elmo has also been able to keep the cost of government relatively flat due to partnerships with the Washington County Sheriff's Department (our 24/7 policing cost equate to \$61/ per capita – the lowest for a full service community in Washington County), the City of Oakdale, and the City of Maplewood through cooperative agreements that allow for the sharing of personnel and equipment. Automatic aid has also improved the efficiency of our Fire Department while articulating our coverage area.

While most communities allocate 55-60% plus in their operating budget to personnel – Lake Elmo's human resource costs are roughly 42% of the general operating costs. Pay increases are now based on merit, not a standard cost of living increase with the Human Resources Committee developing evaluation templates to gauge performance. It should also be noted that a majority of current staff is cross functional reducing the need to hire additional staff to complete the work for the City – but we are close to operational capacity.

The City Council also has reduced the Library Budget by 10% to reflect healthy reserves and the actual cost of running the City's independent library system. Residents also need to know that we continue to work diligently with Washington County on a more efficient library card reimbursement program and inter-library loan.

Sound Financial Policies and the Maintenance of Reserves

The creation of a formal Finance Committee has greatly improved the internal review function of the City. In 2014 Lake Elmo submitted its first Comprehensive Annual Financial Report to the Government Financial Officers Association – a standard practice in most governments. In the last two years, the City has adopted financial policies in the areas of purchasing, internal control, debt service, undesignated fund balance, and infrastructure debt participation for growth. Finance Committee meets regularly to perform an audit of the previous month's activities.

Adoption of the aforementioned policies, the delivery of a clean audit and the impending growth allowed Lake Elmo to maintain its **Aa2** rating with Moodys Investor Service and receive a **bond rating increase** from Standards and Poors to **AA+** due to strong reserves and strong financial performance (*Note: You can read the details of each of these ratings in the appendix of this budget document*). These bond ratings allow the City to borrow money at a lower rate (approximately 2-3%) and create a competitive environment for bond issuance.

The City of Lake Elmo maintains 74% of its operating budget in reserve for emergencies (\$1,951,162) and has \$520,467 in its debt service account – both well above national averages. For the past three years, the City has paid down \$600,000 of an internal planning loan and still delivered budget surpluses in excess of \$200,000 – building the undesignated fund balance to its current level. The remainder of the planning loan will be paid for via environmental review fees (AUAR) charged to new development.

To emphasize its commitment to Performance Based Budgeting, the Finance Committee eliminated the use of a contingency fund in the 2015 Operating Budget. In the past (prior to 2013), internal service funds were used to pay for unexpected costs (namely equipment repair or weather-related emergency government). Beginning in 2015, these unplanned occurrences will be brought to the Finance Committee for review and expended via the undesignated fund balance after careful scrutiny.

As a supplement to the budget, the City of Lake Elmo has acquired \$6 million in state grants for water, sewer and economic development projects. \$2 million in funds were used to offset the Lake Elmo sewer interceptor project and water main extension in 2013. \$3.5 million in funds will be used in 2015 to construct a booster station and water main line to the I94 corridor via Inwood Avenue. \$500,000 was granted from the Minnesota Investment Fund to bring 90 new jobs to Lake Elmo through the relocation of Valley Cartage from Wisconsin.

Finally, the City of Lake Elmo mitigated \$4.5 million in potential wastewater inefficiency fines from the Metropolitan Council via the adoption of the Comprehensive Plan, installation of the Lake Elmo sewer interceptor and elimination of the Memorandum of Understanding.

Growth Pays for Growth

The City Council and the Finance Committee established a firm policy that new developments and growth will be paid for by the growth. In 2014, the City adopted strict escrow contracts that insure that any review work that city staff performs for developers is 100% cost recoverable – this includes contract work conducted by the City Attorney, City Engineer and other consulting services needed to review new growth plans (ie subdivision plats). Additionally, the City has adopted a new development agreement template that mandates that developers provide 125% of project costs via an irrevocable letter of credit. Contrary to past practices, final plats will not be allowed to be recorded until total project completion is verified – we will not subsidize developer failures anymore. The City has also adopted a firm policy that it will not pay for any new infrastructure associated with growth unless the streets, water, sewer or storm water facilities need to be oversized to benefit the community as a whole.

The first two major infrastructure projects associated with growth – Section 34/ Lennar and the East Village Sewer project were approximately 85% funded by developers via waiver of assessment appeal and the granting of easements. These projects are expected to produce \$840,000,000 of new value to the community. The other 15% that the community has borrowed for oversizing will result in savings - sewer and water infrastructure savings of approximately \$2-2.5 million due to right sizing of pipe and improved hydraulics. The City Council also acquired a first-of-its kind \$1.455 million of commitments against future water availability charges on the Lake Elmo Avenue water main installation. These commitments come in the form of cash payments, letter of credits and advance

payments of water availability charges. This represents 58% of the total funds borrowed and secures debt service payments for the first seven years of growth.

From a utility standpoint, it is important to note that state bonding, developer security, right sizing our infrastructure, and advance commitments of water availability charges should allow the City to reduce our water rates in the next 18-24 months. **Simply put new growth is paying for new growth and often it can relieve the burden on current residents.**

Reducing Government Burden/Low Tax Rate

The City of Lake Elmo still has the distinction of **one of the lowest tax rates in the Twin Cities metroplex and is the community that has held its real estate value the best in the past 10 years.** The 2015 City Budget endeavors to maintain this status for two reasons: First, other units of government and educational system tax rates are going up largely due to labor agreements and referendum. So during these times of rebalancing, this City Council believes that we at the local level need to do our best to make sure the burden of government is not too high, but still get the work done. Second, there will be other expenses coming the way for many of our taxpayers with the advent of sewer to the downtown area. The City knows that many of you have antiquated septic systems or systems that no longer meet the State of Minnesota requirements. The replacement of these systems (which in turn will protect the water quality of Lake Elmo) and the elimination of downtown flooding are priorities – but will undoubtedly cost taxpayers additional funds. **During this time of transition for many families and business, the City Council is committed to keep the burden of local government low.**

Conclusion

The following pages of the 2015 City of Lake Elmo Budget have been crafted thoughtfully and with the above principles and strategies in mind. It is a budget that is beginning to resemble common best practices in local governments across the nation. It has been assembled by a hard working staff that is committed to serving you to the best of their ability each day. This budget transcends the status quo of the past as it is active in its goals, it will measure success and it will hold government accountable. I want to thank the City Council, Finance Committee, Department Head, our external vendors and inter-governmental partners for their help as we enter the era of zero-based, performance budgeting. I trust you will be pleased with the results.

Respectfully,



Dean A. Zuleger
City Administrator

City of Lake Elmo

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Anne Smith, Councilmember
Mike Reeves, Councilmember

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Cathy Bendel, Finance Director
Adam Bell, City Clerk
Mike Bouthilet, Public Works Superintendent
Kyle Klatt, Community Development Director
Greg Malmquist, Fire Chief

FINANCE COMMITTEE

Wally Nelson, Finance Committee Chairman and City Council Member
Anne Smith, City Council Member
Terry Forrest, Retired CFO
Julie Fliflet, Director of Finance and Administration

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1 Statistical Guide

Each year when a city renews its Capital Improvement Plan, a determination is made on how those projects will be funded. In the case where bonds are needed to provide the funding, a very detailed review of the City's financial status is performed by a bond rating company. The City uses the Moody's rating service for this process and their most recent 2013 report is attached.

As mentioned in their write-up, there are key credit indicators which are renewed to determine a city's credit worthiness and some of those are presented below. As mentioned by Moody's the City of Lake Elmo has "strong finances supported by conservative budgeting, annual surpluses, and healthy unreserved fund balances; low direct debt burden and favorable personal liability."

CITY MISSION STATEMENT & CORE VALUES

Lake Elmo's "Commitment to the Community," or mission statement: "To provide quality public services in a fiscally responsible manner while preserving the city's open space character."

Eight guiding "WE BELIEVE" values that will direct its service, both internally and externally to the community: Lake Elmo's Core Values of Service are:

- **Ethics and Integrity** We believe that ethics and integrity are the foundation of public trust and confidence and that all meaningful relationships are built on these values.
- **Visionary Leadership and Planning** We believe that the very essence of leadership is to be visionary and innovative while planning for the future.
- **Excellence and Quality in the Delivery of Services** We believe that service to our residents is our reason for being and commit to delivering services in a professional, cost-effective, and efficient manner;
- **Fiscal Responsibility** We believe that fiscal responsibility and prudent stewardship of public funds, both short term and long term, are essential for citizen confidence in government.
- **Open and Honest Communication** We believe that open and honest communication is paramount for an involved citizenry and fosters a positive working environment for employees.
- **Respect for the Individual** We believe that citizens we serve are to be treated with the utmost respect and deserve the best treatment the city can provide.
- **Thoughtful Community Building** We believe in the development of our community through thoughtful, careful planning that is communicated in a positive manner that enhances the process.
- **Professionalism** We believe that continuous improvement and innovation is the mark of a professional organization, and we are committed to applying this principle to the services we offer and the development of employees.

CREDIT RATINGS



New Issue: Moody's assigns Aa2 to Lake Elmo's (MN) \$6.2M GO Bonds, Ser. 2014A

Global Credit Research - 10 Jun 2014

Maintains Aa2 on \$21.1M of GO debt post-sale

LAKE ELMO (CITY OF) MN
Cities (including Towns, Villages and Townships)
MN

Moody's Rating

ISSUE	RATING
General Obligation Bonds, Series 2014A	Aa2
Sale Amount \$6,235,000	
Expected Sale Date 06/17/14	
Rating Description General Obligation	

Moody's Outlook NOO

Opinion

NEW YORK, June 10, 2014 --Moody's Investors Service has assigned a Aa2 rating to the City of Lake Elmo's (MN) \$6.2 million General Obligation Bonds, Series 2014A. Concurrently, Moody's maintains the Aa2 rating on \$21.1 million of the city's post-sale general obligation debt. The series 2014A bonds are secured by the city's general obligation unlimited tax pledge, and proceeds of the bonds will finance street, water, and sewer improvements within the city.

SUMMARY RATING RATIONALE

The Aa2 rating reflects the city's moderately-sized but affluent tax base located in the Twin Cities metro region; strong finances supported by conservative budgeting and healthy unassigned fund balance; moderate direct debt burden; and modest exposure to unfunded pension liabilities.

STRENGTHS

- Affluent tax base favorably located in Twin Cities metropolitan area
- Strong financial operations and healthy General Fund reserves and liquidity

CHALLENGES

- Small tax base size relative to others in the rating category
- Above average fixed costs

DETAILED CREDIT DISCUSSION

MODERATELY-SIZED AND AFFLUENT TAX BASE NEAR THE TWIN CITIES

The city's tax base is expected to grow in the medium term due to its favorable location within the Twin Cities metropolitan area and large amount of land available for development. Located in Washington County (Aaa stable), the city lies along the eastern edge of the metropolitan region, and is one of only a few communities in the area with a large amount of land available for development. The city's full value of \$1.1 billion experienced three years of large declines during the recent economic downturn, largely attributable to residential housing depreciation.

However, housing values have stabilized and the area has experienced modest growth in the past two years with full value increasing by 0.1% in 2013 and 1.3% in 2014. City officials report that approximately 45% of the city's land is available for development and, of that available land, 60% will be developed within the next 5 to 10 years. Major development areas include a mixed use development along I-94, the "Old Village" section of the city, and the northern edge of the city along Highway 36. Recent estimates show approximately 1,200 new homes being built in the I-94 area over the next 5 years as well as 1,600 new residences in the Old Village area between 2013 and 2030. Given the planned development for the area, it is expected that the tax base will experience substantial growth in the medium term. The city is in the process of constructing substantial water and sewer improvements throughout the city in order to accommodate the planned development. The city has an Infrastructure Debt Participation Policy in place that requires infrastructure for private development to be funded by the developer or benefiting parties. The city collects fees and special assessments at preliminary plat mitigating the risk of non-payment.

Lake Elmo is primarily a bedroom community with the majority of residents commuting to employment opportunities throughout the Twin Cities area. Based upon net tax capacity, the city is 77% residential and 17% commercial and industrial. The largest employer of city residents is 3M Company (Aa2 stable), which is headquartered in nearby Maplewood (Aa1) and employs approximately 10,000. The city was party to a lawsuit along with the State of Minnesota seeking damages from 3M for allowing perfluorochemicals (PFCs) to leach into groundwater in Washington County over several decades. The city has entered a tolling agreement through December 2014, which allows the city to negotiate with 3M and puts on hold the statute of limitations should the city decide to return to litigation. Conservatively, the city has not included any potential settlement money in its budget projections, and will use any such funds for one time expenditures or to pay debt service. Management reports that the city's other major employers and taxpayers remain stable.

The city has experienced ongoing population growth in recent decades, including 17.6% growth between 2000 and 2010, and the Metropolitan Council (Aaa stable) estimates that the city's 2010 population of 8,069 could grow to 20,500 by 2040. Washington County's unemployment rate of 4.7% in March of 2014 remained below the national (6.8%) and state (5.4%) levels for same period. Lake Elmo's resident income levels significantly exceed those of the nation, with median family income equivalent to 194.1% and of the nation.

STABLE FINANCIAL OPERATIONS SUPPORTED BY HEALTHY RESERVES

The city's financial operations are expected to remain stable given its history of sound financial management and maintenance of healthy General Fund liquidity and reserves. The city has demonstrated conservative financial management, having closed the past six fiscal years with modest operating surpluses. Management attributes the surpluses to conservative budgeting of both revenues and expenditures. The city closed fiscal 2012 with a \$525,000 operating surplus and a General Fund balance of \$3.4 million, or a substantial 105.3% of revenues. Approximately \$1 million of the city's fund balance is reserved for an advance to the city's Old Village Fund. The advance was made several years ago to finance the initial planning for the Old Village redevelopment project, but the project stalled during the economic downturn. The development has restarted and the planning and surveying have been completed. Because some of the initial planning could not be repaid by the developers, the city internally repaid \$200,000 of the advance in fiscal 2012 and fiscal 2013 using unbudgeted General Fund revenues. The city plans to repay an additional \$200,000 in fiscal 2014. At the end of fiscal 2014, a total of \$600,000 of the advance will remain, which is expected to be repaid by environmental impact fees paid by the developers by fiscal 2016. Despite the advance, General Fund liquidity remains healthy, with 2012 unrestricted cash and investments totaling \$2.1 million, or 65.1% of revenues. Likewise, the city's fiscal 2012 unassigned fund balance of \$2.4 million, which is equivalent to 73.9% of revenues, remains healthy and above the city's policy of maintaining unassigned fund balance of 35% to 50% of budgeted operating revenues. Draft financial statements for fiscal 2013 indicate that the unassigned General Fund Balance decreased by \$100,000 to \$2.3 million, or approximately 64% of revenues primarily due to weather related costs and staffing additions in the city's Planning Department. For fiscal 2014, the city passed a balanced budget and officials report that revenues and expenditures are tracking to budget. Management expects no significant change in fund balance.

Property taxes comprise 78% of Lake Elmo's revenues, and the city's collection rate is high with few appeals. The city does not receive any local government aid; therefore, it is not subject to any risk associated with budgetary pressures at the state. The state implemented property tax limits for 2014 only, but the cap did not impact Lake Elmo as the city had planned to keep its levy flat.

MODERATE DEBT BURDEN WITH MODEST ADDITIONAL BORROWING PLANNED

The city's direct debt burden is a moderate 0.8% of full value, and though some additional borrowing is planned, the debt burden is expected to remain manageable given the city's expected growth. The city's net direct debt

does not include \$12.1 million of GO debt that is expected to be repaid by the city's self-supporting water enterprise. The city's gross debt burden, inclusive of the self-supporting debt, is a more substantial 1.9% of full value. The city's fixed costs related to debt service, inclusive of the GO debt supported by the water enterprise, are above average at 18.8% of operating expenditures in 2012. The city expects to issue an additional \$2 million to \$3 million of GO debt for water and sewer improvements over the next few years. Amortization of existing debt is average, with 66.8% of principal expected to be retired within ten years. All of the city's outstanding debt is fixed rate, and the city is not a party to any interest rate swap agreements.

MODEST EXPOSURE TO UNFUNDED PENSION LIABILITIES

The city has a moderate employee pension burden, based on unfunded liabilities for its share of two multiple-employer cost sharing plans, the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), and one single employer plan administered by the Lake Elmo Volunteer Firefighter's Relief Association. Moody's has allocated liabilities of state cost-sharing plans in proportion to its contributions to each plan for analytic purposes. The city's share of unfunded pension liabilities allocated by Moody's on a reported basis is an estimated \$868,000 across the three plans. The actuarial valuation dates for the state plans are as of June 30, 2012. The city's annual contribution to the three retirement plans in fiscal 2012 was \$104,000 equal to 3.1% of operating expenditures (General Fund and Debt Service Fund).

Moody's adjusted combined net pension liability (ANPL) for the city as of fiscal 2013, under our methodology for adjusting reported pension data, is \$3.0 million. The city's three-year average ANPL is equal to 0.57 times operating revenues and 0.20% of full value. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities.

WHAT COULD CHANGE THE RATING - UP

- Growth in the city's tax base to levels consistent with higher-rated entities
- Maintenance of healthy financial reserves and liquidity

WHAT COULD CHANGE THE RATING - DOWN

- Deterioration of the tax base or weakening of the demographic profile
- Material declines in the city's financial reserves
- A significant increase in the city's net direct debt burden

KEY STATISTICS

Tax Base Size - 2014 Full Value (economic market): \$1.1 billion

Full Value Per Capita: \$137,327

Socioeconomic Indices - MFI: 194.1% of the US

Fiscal 2012 Available Operating Funds Balance: 62.7% of revenues

5-Year Dollar Change in Available Operating Fund Balance as % of Revenues: 30.4%

Fiscal 2013 Operating Funds Cash Balance: 55.0% of revenues

5-Year Dollar Change in Cash Balance as % of Revenues: 14.4%

Institutional Framework: Aa

Operating History: 5-Year Average of Operating Revenues / Operating Expenditures: 1.12x

Net Direct Debt / Full Value: 0.79%

Net Direct Debt / Operating Revenues: 2.26x

3-Year Average of Moody's Adjusted Net Pension Liability / Full Value: 0.20%

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RatingsDirect®

Summary:

Lake Elmo, Minnesota; General Obligation

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Rationale

Outlook

Related Criteria And Research

Summary:

Lake Elmo, Minnesota; General Obligation

Credit Profile

Lake Elmo GO

Long Term Rating

AA+/Stable

Upgraded

Rationale

Standard & Poor's Ratings Services raised its long-term rating to 'AA+' from 'AA' on Lake Elmo, Minn.'s series 2009A and 2009B general obligation (GO) bonds, based on the application of its local GO criteria released Sept. 12, 2013. The outlook is stable.

The city's unlimited-tax GO pledge secures payment of debt service on the bonds with special assessments as a partial source of payment.

The 'AA+' rating reflects our assessment of the following factors:

- Lake Elmo's economy is, in our opinion, very strong, with projected per capita effective buying income at 163% of the national average and per capita market value at roughly \$134,600. The city serves an estimated population of 8,200 in Washington County and is located approximately 14 miles east of St. Paul. Residents have access to employment throughout the broad and diversified Minneapolis-St. Paul metropolitan statistical area, which we consider a credit strength. According to the Bureau of Labor Statistics, the county's unemployment rate averaged 4.6% in 2013, well below the national average.
- Budgetary flexibility is very strong, with available reserves exceeding 50% of operating expenditures for the past several years. As of fiscal year-end 2012 (Dec. 31), available general fund reserves were \$2.4 million, or 88% of expenditures. We understand that general fund has loaned money, totaling \$1.6 million in fiscal 2012, to cover capital spending and negative reserves in other governmental funds. Although management expects to settle these loans by fiscal 2014, we believe that available reserves could somewhat weaken, while remaining very strong, if most of the interfund loans were written off without repayment. Still, we believe budgetary flexibility will remain very strong for the next couple of years because management plans to maintain available reserves in excess of the policy level of 50% of budgeted tax revenue.
- We consider the city's budgetary performance strong overall. Excluding one-time capital projects financed with bond proceeds, the city ended fiscal 2012 with a surplus of 19.1% for the general fund and a surplus of 1.4% for the total governmental funds. Despite supporting the capital spending in other funds, the city reported consecutive general fund surpluses for the past several years, supported by improving operating revenue. For fiscal 2013, management anticipates a surplus of \$200,000 for the general fund and stable operations for total governmental funds. We believe that budgetary performance will remain strong for fiscal years 2014 and 2015 based on city's expectations of at least balanced operations for the general fund and total governmental funds.
- Supporting the city's finances is very strong liquidity, with total government available cash at 136% of adjusted total governmental funds expenditures and at 7.9x debt service. Based on past issuance of debt, we believe that the city has strong access to capital markets to provide for liquidity needs if necessary.
- The city's management conditions are, in our view, strong with "good" financial practices under our Financial

Management Assessment (FMA) methodology, indicating that financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis. We revised the FMA score to "good" from "standard" because the city adopted a formal fund balance policy and a debt management policy.

- We view the city's debt and contingent liability profile is adequate. Total governmental funds debt service accounts for 17.3% of adjusted total governmental funds expenditures and net direct debt, excluding debt partially paid from utility revenue, translates to 282.6% of total governmental funds revenue. The overall net debt burden, excluding utility-supported debt, equals 2.9% of economic market value. Officials plan to retire 66% of direct debt in 10 years; we consider these positive credit factors. However, management plans to issue \$2.85 million in GO debt that could increase the debt burden to more than 3% of market value and worsen the debt profile to a weak level.
- All full-time and certain part-time employees are covered by defined-benefit plans administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees' Retirement Fund, a cost-sharing, multiple-employer retirement plan. The city made contributions as required by state statute in fiscal 2012 of \$65,000, or 1.6% of adjusted total governmental fund expenditures. It also made pass-through payments received from the state to the Lake Elmo Firemen's Relief Association, which is a single-employer defined-benefit pension plan. The city does not pay for any portion of retiree health care premiums, but allows retirees to stay on its health insurance plan at their own expense, as mandated by state law. As such, a portion of the city's contributions to the health care plan for active employees constitutes an implicit subsidy contribution on behalf of its retirees.
- We consider the Institutional Framework score for Minnesota cities with population greater than 2,500 strong.

Outlook

The stable outlook indicates that we do not expect significant changes in the city's very strong budgetary flexibility, liquidity, and economy. We do not anticipate lowering the rating in the two-year outlook period based on management's projections of at least stable operations for fiscal years 2014 and 2015. An upgrade is unlikely given the city's high direct debt as a percentage of total governmental funds revenue and plans for additional debt, which could weaken the debt profile.

Related Criteria And Research

Related Criteria

USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013

Related Research

S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

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WASHINGTON COUNTY MARKET AND NET TAX CAPACITY VALUES OF TAXABLE PROPERTY

Tax Authority	Final Pay 2014										Estimated Pay 2015									
	New Construction	Estimated Market Value	Referendum Market Value	Taxable Market Value	Tax Capacity	Power-line	TIF	Fiscal Disparity Contribution	Taxable for LTR	New Construction	Estimated Market Value	Referendum Market Value	Taxable Market Value	Tax Capacity	Power-line	TIF	Fiscal Disparity Contribution	Taxable for LTR		
0002 Baytown	5,743,100	201,090,700	276,176,700	263,840,900	2,973,996	0	0	31,971	2,942,025	12,246,100	346,378,400	327,034,800	337,937,600	3,557,466	0	0	34,192	3,523,274		
0004 Denmark	2,065,300	360,980,300	249,966,600	328,489,500	3,342,623	0	0	180,788	3,161,835	1,133,000	386,683,300	259,789,700	348,274,800	3,514,580	0	0	180,817	3,333,763		
0009 May	3,451,600	568,521,200	453,975,300	524,538,500	5,423,815	0	0	121,040	5,302,775	2,613,500	652,588,500	522,701,600	607,076,300	6,301,242	0	0	134,231	6,167,011		
0011 Grey Cloud Island	20,800	39,593,900	36,093,100	37,823,100	414,466	0	0	22,181	392,285	19,200	43,970,000	40,301,100	42,494,500	461,346	0	0	22,744	438,602		
0014 Stillwater Twp	765,700	361,452,800	316,762,500	336,440,300	3,402,182	0	0	34,058	3,368,124	2,412,700	431,119,700	376,070,900	403,741,000	4,094,119	0	0	35,978	4,058,141		
0017 West Lakeland	6,920,100	568,447,400	546,954,600	555,400,200	5,772,733	0	0	107,198	5,665,535	4,954,400	639,996,600	614,608,400	628,388,900	6,548,455	0	0	108,721	6,439,734		
0100 Afton	3,921,200	540,099,900	467,252,300	518,368,200	5,516,571	0	0	242,965	5,273,606	7,034,900	612,497,300	524,642,400	587,137,100	6,228,860	0	0	245,261	5,983,599		
0200 Bayport	3,013,100	226,832,600	225,477,700	213,755,700	2,609,729	0	159,016	274,921	2,175,792	9,405,500	237,262,900	235,502,700	224,564,100	2,670,731	0	147,524	273,688	2,249,519		
0300 Birchwood	164,200	120,831,900	117,728,300	115,968,100	1,207,968	0	0	0	1,207,968	101,200	118,984,600	116,110,300	114,429,900	1,180,907	0	0	0	1,180,907		
0400 Scandia	1,608,400	540,314,200	447,598,000	506,397,300	5,173,329	1,717	0	137,108	5,034,504	2,949,300	639,683,800	533,612,400	607,505,300	6,210,099	1,562	0	143,265	6,065,272		
0500 Dellwood	227,900	293,576,600	281,797,600	289,989,000	3,287,475	0	0	95,529	3,191,946	1,778,000	291,286,300	287,075,900	287,835,900	3,254,249	0	0	95,764	3,158,485		
0600 Forest Lake	12,063,900	1,719,925,200	1,648,615,300	1,604,411,300	18,493,584	1,971	733,687	1,843,975	15,913,951	19,791,100	1,836,338,700	1,763,271,500	1,729,768,900	19,710,579	1,894	705,249	1,799,226	17,204,210		
0700 Hugo	24,780,100	1,344,215,300	1,246,152,200	1,221,142,200	13,396,249	3,722	81,927	954,963	12,355,637	21,365,700	1,555,087,600	1,449,256,600	1,442,351,300	15,644,229	3,455	81,927	968,869	14,589,978		
0800 Lake Elmo	15,422,600	1,082,340,100	1,019,367,700	1,046,031,000	11,743,375	666	0	928,699	10,814,010	23,088,700	1,219,536,600	1,139,771,200	1,184,690,000	13,184,410	660	0	785,142	12,398,608		
0900 Lakeland Shores	124,600	49,986,100	49,613,200	48,259,600	529,239	0	0	16,905	512,334	304,600	54,473,700	54,048,500	52,868,700	580,646	0	0	14,814	565,832		
1000 Mahtomedi	8,281,500	883,377,800	877,447,300	849,508,700	9,233,037	0	83,864	425,336	8,723,837	8,695,300	934,598,100	928,803,000	905,519,700	9,762,976	0	83,864	421,441	9,257,671		
1100 Marine on St Croix	9,600	116,365,500	112,368,700	115,368,700	1,235,688	0	0	47,925	1,187,763	859,900	122,774,600	122,796,000	126,204,000	1,353,826	0	0	48,931	1,304,895		
1200 Newport	1,273,500	283,433,900	275,865,200	281,587,400	3,482,211	0	0	586,835	2,895,376	429,300	290,196,400	282,421,600	288,880,100	3,567,885	0	0	603,428	2,964,457		
1300 St Paul Park	1,333,600	311,657,800	300,489,600	285,934,400	3,072,715	0	0	304,274	2,768,441	1,841,500	352,772,100	340,991,100	310,404,900	3,506,723	0	0	300,318	3,206,405		
1400 Landfall	0	7,419,600	7,419,600	7,419,600	144,906	0	66,337	53,463	25,106	0	6,872,900	6,872,900	6,872,900	133,785	0	63,309	43,636	26,841		
1500 Stillwater City	10,713,200	1,774,367,400	1,758,884,000	1,670,262,500	19,432,956	0	1,204,018	2,080,246	16,148,892	14,306,900	2,003,265,100	1,984,396,500	1,912,185,600	21,841,563	0	1,259,638	2,037,944	18,544,081		
1600 Willernie	60,200	35,811,200	35,675,200	31,646,800	360,755	0	0	34,685	326,070	0	40,455,800	40,353,700	36,637,300	411,009	0	0	34,699	376,310		
1700 Oak Park Heights	2,874,900	666,399,400	662,326,200	640,880,100	10,261,262	0	126,677	2,467,230	7,667,355	7,992,000	713,854,700	709,324,500	691,259,900	10,836,264	0	185,870	2,214,198	8,436,196		
1800 St Mary's Point	683,800	6,625,800	58,979,400	60,262,200	649,524	0	0	649,524	0	202,800	70,110,000	65,987,100	67,954,900	736,307	0	0	0	736,307		
1900 Lakeland	775,300	201,192,300	196,968,200	189,797,500	2,078,696	0	26,236	96,683	1,956,777	768,100	211,241,300	206,925,900	200,457,900	2,185,091	0	20,633	76,818	2,087,640		
2000 Lake St Croix Beach	210,500	82,167,800	80,998,700	72,894,900	751,304	0	0	15,839	735,465	638,500	92,934,300	91,436,000	84,425,200	868,435	0	0	15,212	853,223		
2100 Pine Springs	193,900	50,728,100	50,678,900	49,801,900	510,890	0	0	6,652	504,238	0	55,095,400	55,066,000	54,523,200	558,122	0	0	6,963	551,159		
2200 Cottage Grove	19,317,600	2,649,105,400	2,512,979,300	2,396,493,700	26,706,774	0	675,251	2,040,883	23,990,640	20,805,600	2,938,421,500	2,793,016,700	2,702,223,600	29,777,371	0	661,084	2,016,933	27,099,354		
2500 Woodbury	104,081,800	6,675,106,200	6,508,195,700	6,292,668,500	73,346,693	0	174,802	6,981,506	66,190,385	156,759,200	7,713,334,700	7,520,356,200	7,360,832,600	84,584,437	0	83,228	7,153,074	77,448,135		
2600 Oakdale	4,650,400	2,148,517,200	2,118,869,900	1,960,930,900	24,118,863	0	521,027	3,278,757	20,319,079	6,122,300	2,336,447,500	2,287,484,300	2,260,094,400	25,007,948	0	535,966	3,353,625	22,118,357		
2700 Grant	2,581,200	673,468,800	616,322,300	643,716,200	6,735,152	2,878	0	170,817	6,561,457	4,673,900	775,076,100	706,577,400	744,711,600	7,803,794	2,658	0	175,452	7,628,684		
7500 Hastings	19,600	2,833,800	2,810,000	2,809,800	48,257	0	0	16,418	31,839	0	2,842,300	2,818,500	2,842,300	48,553	0	0	16,840	31,713		
9400 White Bear Lake	6,600	35,994,800	35,601,800	33,976,000	432,874	0	0	49,719	383,155	0	37,983,000	37,766,300	36,129,000	452,695	0	0	49,738	402,957		
Grand Total	237,359,800	24,770,773,300	23,596,897,100	23,176,814,700	265,889,891	10,954	3,852,842	23,648,569	238,377,526	332,493,200	27,770,163,800	26,419,995,700	26,274,427,900	297,578,702	10,229	3,828,291	23,411,862	270,328,200		

WASHINGTON COUNTY COUNT OF RESIDENTIAL HOMESTEADS BY RANGE OF TAXABLE MARKET VALUE BEFORE HOMESTEAD EXCLUSION

City/Town	Median Value	Median % Change from prior year	Range of Taxable Market Value										Total					
			0-99,900	100,000-149,900	150,000-199,900	200,000-249,900	250,000-299,900	300,000-349,900	350,000-399,900	400,000-449,900	450,000-499,900	500,000-749,900		750,000-1,149,900	1,150,000-1,999,900	2,000,000-2,499,900	2,500,000-4,999,900	
City of Afton	369,900	12.3%	1	7	35	69	106	144	136	137	94	152	47	2				930
City of Bayport	173,400	4.9%	3	137	269	74	61	32	32	11	8	14	7	3				651
City of Birchwood	246,500	3.0%	3	9	42	93	83	15	6	2	9	36	14					312
City of Cottage Grove	204,500	13.2%	177	1,196	3,332	3,048	1,172	763	365	156	60	35	1					10,305
City of Dellwood	401,800	1.1%	1		2	4	38	46	51	31	20	77	54	11	6	3		344
City of Forest Lake	203,000	9.1%	74	886	1,298	1,093	796	469	239	133	60	104	20			1		5,173
City of Grant	372,900	16.7%	5		6	53	156	237	226	187	143	210	91	3				1,317
City of Hastings																		0
City of Hugo	226,300	18.7%	29	630	1,040	850	696	541	259	159	91	145	18					4,458
City of Lake Elmo	352,200	11.9%	4	19	126	227	280	357	284	262	196	357	91	1				2,204
City of Lake St Croix Beach	146,300	14.2%	6	128	154	54	21	20	6	2	1	6						398
City of Lakeland	208,900	7.2%	5	32	164	283	57	18	4	2	21	25	1	1	1	1		620
City of Lakeland Shores	251,400	8.1%	2	1	14	28	19	17	7	2		2	12					104
City of Landfall																		0
City of Mahtomedi	258,900	8.2%	7	35	349	589	492	312	168	135	84	159	56	4	1			2,391
City of Marine on St Croix	233,900	8.0%		4	50	41	35	29	20	30	11	31	5					256
City of Newport	137,100	2.9%	46	442	220	71	57	31	17	6	3	1						894
City of Oak Park Heights	195,400	17.8%	65	137	283	362	105	10</										

2 General Fund Summary

The general fund (a type of governmental fund) is the chief operating fund of the city and is used to account for all financial resources except those required to be accounted for in another fund. Activities accounted for in the general fund include general government, public safety, public works, and culture and recreation. An annual appropriated budget is adopted during the year for the city's general fund.

BASIS OF ACCOUNTING & BUDGETING

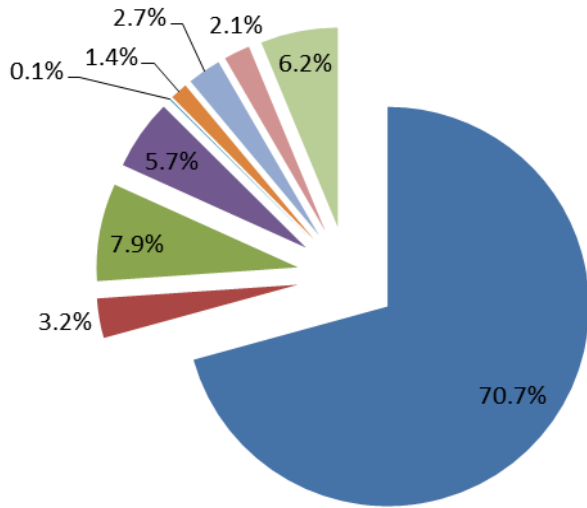
The measurement focus for the general fund is on a current financial resources basis, where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The fund balance is considered a measure of expendable resources.

101 – General Fund	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2014 <u>Projected</u>	2015 <u>Budget</u>	<u>% Change</u>
Total Revenue	3,216,584	3,250,605	3,303,535	3,284,375	3,798,334	12.23%
Expenses by Department:						
Mayor & Council	24,209	49,187	45,269	40,581	40,955	0.92%
Administration	484,915	379,858	392,494	413,246	407,316	-1.43%
Elections	13,857	1,040	13,350	11,290	1,050	-90.70%
Communications	22,512	44,194	35,570	61,692	70,842	14.83%
Finance	151,326	157,203	154,935	155,120	134,646	-13.20%
Planning & Zoning	165,068	250,077	271,859	249,524	218,138	2.79%
Engineering Services	69,864	34,501	48,000	53,000	54,800	3.4%
City Hall	26,327	26,283	24,733	37,288	50,235	34.72%
Total General Government	958,079	942,343	986,210	990,356	984,063	-0.64
Police	492,911	495,759	500,000	510,000	517,799	1.53%
Prosecution	47,224	52,104	51,000	50,274	50,000	-0.54%
Fire	336,792	366,162	395,456	395,809	385,312	-2.65%
Fire Relief	39,956	53,778	37,324	37,324	37,324	0.00%
Building Inspection	132,591	139,939	152,874	142,018	323,558	127.83%
Emergency Communication	6,194	3,745	5,800	7,000	7,000	0.00%
Animal Control	1,319	13,729	6,282	6,800	6,800	0.00%
Total Public Safety	1,056,987	1,125,217	1,148,735	1,149,224	1,327,792	15.54%
Public Works	295,132	473,807	378,609	374,563	380,195	1.50%
Streets	190,361	204,416	176,800	211,500	222,578	5.24%
Ice & Snow Removal	45,320	126,648	96,000	87,000	95,500	9.77%
Street Lighting	38,691	25,988	28,800	24,000	28,000	16.67%
Recycling	12,776	7,584	7,400	5,400	9,500	75.93%
Tree Program	4,126	11,325	5,000	5,000	6,000	20.00%
Total Public Works	586,405	849,768	692,609	707,463	741,773	4.85%

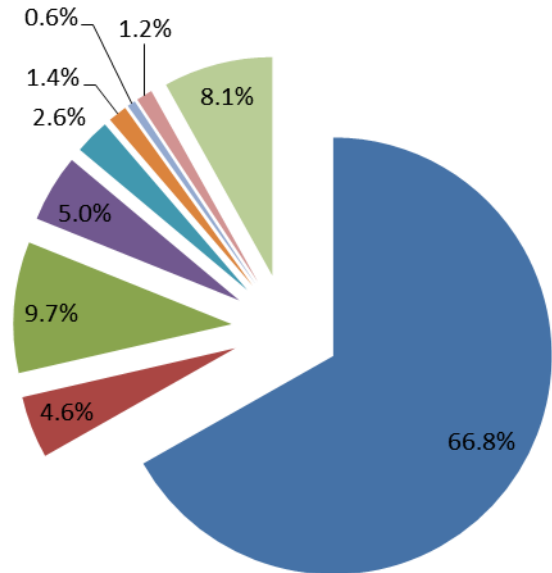
Parks & Recreation	144,668	166,343	205,239	156,175	153,028	-2.02%
IT & Telephone	49,254	52,915	70,741	94,653	109,560	15.75%
Compensation Adjustments	0	0	0	0	35,000	100.00%
Debt Service paid by Optns	0	0	21,632	21,632	247,118	1042.37%
Contingency Fund	0	0	0	0	0	0.00%
Internal Loan Repmt	200,000	200,000	200,000	200,000	200,000	0.00%
Total Expenses	2,995,393	3,136,586	3,303,535	3,297,872	3,798,334	15.18%
Net Income Over Expenses	221,191	(85,981)	0	86,503	0	NA

GENERAL FUND REVENUES

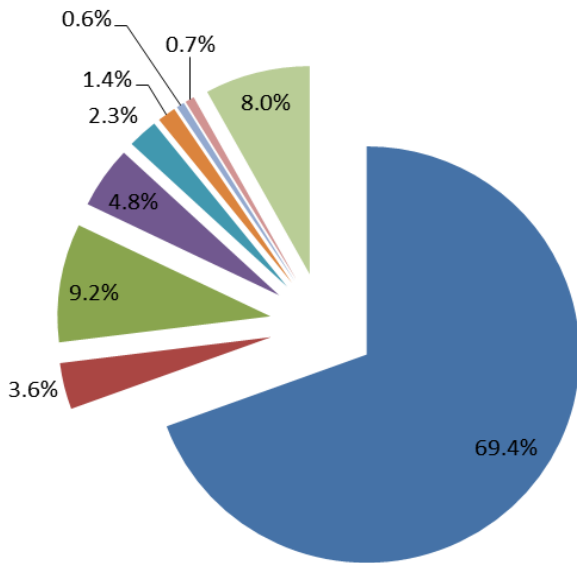
2012



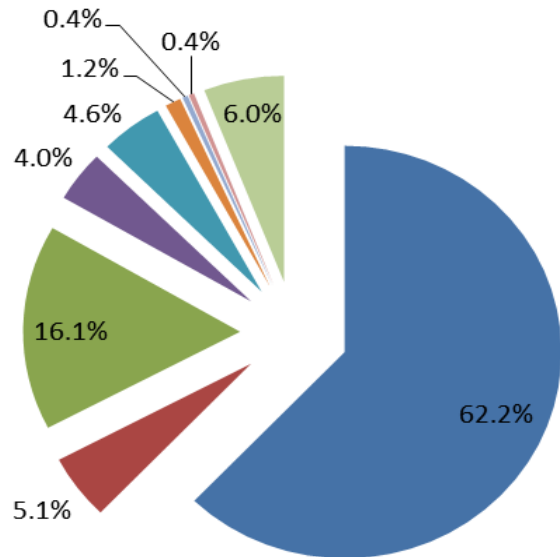
2013



Projected 2014



Projected 2015



- General
- Special Assessments
- Licenses and Permits
- Intergovernmental
- Charges for Services
- Fines and Forfeitures
- Investment Earnings
- Miscellaneous
- Library*

MAYOR & COUNCIL

MISSION STATEMENT

To provide for the legislative and policy-making activities of the City's government; to provide for the planning and control of the municipal expenditures through the adoption of an annual budget.; to provide for the generation of revenue through the levying of taxes, fees, and rate structures; to provide a forum for citizen input into the policy process through public hearings, advisory commissions, public testimony, and civic and community groups.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Formed the Finance Committee, which meets monthly at minimum. Two council members sit on committee.
- Formed the Human Resources Committee, which meets quarterly at minimum. One council member and the mayor sit on committee.
- Held annual Local Board of Appeal and Equalization. Two council members attended training to acquire certification.
- Worked with staff to obtain \$3.5 Million dollars in 2014 State Bonding.

Primary Concentration for Remainder of year:

- Continue to work on attaining resolution for 3M lawsuit.
- Continue to work on finding Lake Elmo Library solution for accessing Washington County resources

MAJOR 2015 OBJECTIVES

- Onboard 2 newly elected Council members.
- Continue to work on attaining resolution for 3M lawsuit if not already achieved.
- Continue to work on finding Lake Elmo Library solution for accessing Washington County resources if not already achieved
- The Mayor and at least one Council Member attend 2015 LMC conference.
- Continue serving on City Council Committees that make recommendations to the City Council as a whole.
- Continue to represent the City on various boards and Commissions pertaining to local government.

DEPARTMENT BUDGET SUMMARY

	2012 Actual	2013 Actual	2014 Budget	2014 Projected	2015 Budget	% Change
1110 – Mayor & Council						
PT Salaries	16,435.00	25,690.00	25,690.00	25,690.00	25,690.00	0%
FICA Contributions	1,018.98	1,592.78	1,592.78	1,592.78	1,592.78	0%
Medicare Contributions	238.28	372.54	372.54	372.54	372.54	0%
Workers Compensation	36.00	326.02	300.00	326.02	300.00	7.99%
Mileage	469.53	253.11	800.00	0.00	500.00	-500%
Miscellaneous	766.78	6,655.07	5,000.00	2,000.00	0.00*	100%
Dues & Subscriptions	3,689.19	12,711.32	10,514.00	10,000.00	11,500.00	-15%
Conferences & Training	1,554.92	1,586.00	1000.00	600.00	1,000.00	-66.67%
Total Administration	24,208.68	49,186.84	45,269.32	40,581.38	40,955.32	-0.92%

PERFORMANCE INDICATORS

Successful execution of 2015 Plan of Work

*Youth Services Bureau fees now presented under Police Services

ADMINISTRATION

MISSION STATEMENT

To create a lean and efficient government that properly stewards taxpayer dollars and resources, establishes best practices in the management and welfare of the employees, and provides transparency, fairness, and low burdened regulation.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Secured \$3.5 Million in MN State Bonding for Inwood Avenue water Infrastructure Spearheaded by a bipartisan effort of local legislators, Lake Elmo was able to secure \$3.5 million in state bonds to construct a watermain line to the I-94 corridor. Mayor Pearson, City staff, and our lobbying team worked tirelessly since November to secure the funding.
- Achieved the elimination of the Metropolitan Council Memorandum of Understanding mandating growth. The City now controls its growth plans.
- Staff began scanning property records into Laserfiche for digital retention. Staff digitized all Council Resolutions from 1990 to present. This also involves destroying the related documents pursuant to the City Retention policy.
- Coordinated the amendment and codification of fourteen ordinances.
- Responded to three data requests involving more than simple copy reproduction.
- Staff achieved 0% health benefits rate increase, in part due to low rate of utilization.
- City Administrator attended 2014 Minnesota City Managers Association conference.
- City Clerk attended second year of Minnesota Municipal Clerks' Institute. Municipal Clerk Certification is awarded after three years.
- City Clerk and Deputy Clerk attended the 2014 Minnesota Clerk and Finance Officers Association Conference.
- City Clerk and Deputy Clerk attended the 2014 League of Minnesota Cities Insurance Trust Loss Prevention training.
- Processed over 29,000 pages for City Council Agenda packets through August 5, 2014 meeting.
- Created over 90 pages of City Council meeting minutes through August 5, 2014 meeting.
- Published over 45 legal notices in the newspapers of record.
- Utilized Predictive Index assessment tool with 100% staff and 80% of the City Council.

Primary Concentration for Remainder of year:

- Continue to work on attaining resolution for 3M lawsuit.
- Implement electronic packets for the City Council
- Maintain the City's official records and make them readily accessible. Continue to digitize and destroy paper records according to retention policy.
- Work with HR Committee to develop employee Performance Management system that replaces the annual employee evaluation score sheet. This also includes training and development systems that align with City goals.
- Create and coordinate Employee Satisfaction survey.
- Create and revise job descriptions for 100% of staff positions.
- Create and implement standard employee, commissioner, committee or board member recruitment procedure.
- Keep informed of the current laws governing areas of human resources and employment law, record management and data practices, and open meeting law.

MAJOR 2015 OBJECTIVES

- After successfully implementing electronic packets for the City Council, expand option to the Planning Commission and meeting staff.
- Implement a City employee wellness program.
- Have all Commission members complete the Predictive Index assessment.
- Maintain and protect the privacy and security of employee records.
- Continue to develop employment policies based on best management practices and compliance with employment laws.
- Work closely with other local government jurisdictions, local civic organizations and agencies to better serve the City.
- Keep informed of the current laws governing areas of human resources and employment law, record management and data practices, and open meeting law.

DEPARTMENT BUDGET SUMMARY

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2014 <u>Projected</u>	2015 <u>Budget</u>	% <u>Change</u>
1320 – Administration						
FT Salaries	221,050.46	163,556.15	176,384.00	172,109.70	198,125.20	-15.12%
PERA Contributions	15,308.04	11,766.06	12,505.02	12,477.95	14,364.08	-15.12%
ICMA Contributions	0.00	0.00	0.00	0.00	0.00	0.00%
FICA Contributions	13,071.08	9,596.66	10,603.92	10,670.80	12,283.76	-15.12%
Medicare Contributions	3,057.07	2,244.41	2,479.96	2,495.59	2,872.82	-15.12%
Health/Dental Insurance	25,567.57	35,684.00	47,636.00	43,440.00	44,865.45	-3.28%
Unemployment Benefits	0.00	3,082.47	0.00	0.00	0.00	0.00%
Workers Compensation	1,121.12	728.39	1,000.00	1,000.00	1,000.00	0.00%
Office Supplies	8,440.74	6,269.32	6,000.00	6,000.00	5,500.00	8.33%
Printed Forms	1,886.58	0.00	0.00	0.00	0.00	0.00%
Legal Services	69,359.72	58,455.29	60,000.00	22,500.00	45,000.00	-100.00%
Assessing Services	44,977.84	32,234.14	30,500.00	32,000.00	32,000.00	0.00%
Contract Services	19,014.12	5,000.00	0.00	37,480.00	0.00	100.00%
Postage	4,488.63	1,050.55	4,053.50	1,000.00	2,000.00	-100.00%
Mileage	1,009.99	1,050.55	600.00	175.00	500.00	-185.71%
Legal Publishing	2,844.54	2,856.78	2,400.00	4,000.00	5,000.00	-25.00%
Insurance	34,611.16	35,339.30	35,000.00	35,000.00	35,000.00	0.00%
Miscellaneous	8,078.53	3,009.15	600.00	950.00	600.00	36.84%
Dues & Subscriptions	807.28	1,315.96	600.00	2,105.00	2,105.00	0.00%
Books	32.64	464.31	0.00	42.28	0.00	100.00%
Conferences & Training	8,399.32	3,152.01	2,185.00	8,800.00	6,100.00	30.68%
Staff Development	1,042.60	0.00	0.00	0.00	0.00	0.00%
Total Administration	484,915.42	379,858.45	396,538.62	392,246.33	407,316.30	-3.84%
PERFORMANCE INDICATORS						
Target 2015						
Number of Ordinances Codified			12			
Resolutions Processed			110			
Business licenses Issued			20			
“Excellent” or “Good” Quality of Life resident rating			95%			
Administrative Hearings held			3			
Response time to call or email inquiry			<24 hours			
Employee Satisfaction rate			90%			
Wellness Program participation			50%			
Human Resources Committee meetings			8			
Human Resources Policies revised/created			25			

Employee Exit Interviews	100%
Data Practice Requests	5
Digitize records (number of pages)	10,000
Destroy Records (number of pages)	3,000
Number of Legal Publications	60

ELECTIONS

MISSION STATEMENT

To provide for an orderly process that allows for all Lake Elmo residents to exercise their right to vote.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Due to the timing of elections being regularly held late in the calendar and therefore budget year, there was a significant event in 2013 that took place after the 2014 budget was prepared. Successfully held 2013 Special Election – Independent School District #834.
- Clerk and Deputy Clerk received 10+ hours of election training by Washington County, State of Minnesota, and League of Minnesota Cities.
- Refined and revamped City Election Judge training.
- Performed 2+ hours of election training for 40 Election Judges. Performed 2+ hours of election training 2 Head Election Judges.
- Implemented new election equipment into service during the 2014 primary election. DS200 Vote Tabulator purchased by Washington County.

Primary Concentration for Remainder of year:

- Conduct successful 2014 State Primary and General elections in 2 City precincts.

MAJOR 2015 OBJECTIVES

- Changes in Elections Department activity and budget needs correlate with election years. Elections are held in even number years and therefore costs and activity overall will be higher in those years and lower in odd number years.
- Continue to partner with Washington County Elections Division.
- Keep informed of the current laws governing elections and area of responsibility.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
1410 - Elections						
PT Salaries	9,873.00	100.00	10,000	9,500.00	0.00	100.00%
Office Supplies	1,124.92	0.00	500.00	450.00	0.00	100.00%
Legal Publications/ Notification	0.00	0.00	500.00	400.00	0.00	100.00%
Election Equipment	0.00	0.00	0.00	0.00	0.00	0.00%
Equipment Repair	0.00	0.00	450.00	0.00	0.00	0.00%
County Election Fees	0.00	940.00	950.00	940.00	950.00	-1.06%
Printed Forms	350.00	0.00	350.00	0.00	0.00	0.00%
Miscellaneous	2,509.42	0.00	600.00	0.00	100.00	-100.00%
Total Elections	13,857.34	1,040.00	13,350.00	11,290.00	1,050.00	90.70%

PERFORMANCE INDICATORS

Target 2015

Registered Voters	N/A
Total Voters	N/A
Percentage Voting	N/A

*N/A – Not applicable because no election planned.

COMMUNICATIONS

MISSION STATEMENT

To provide the citizens of Lake Elmo with the most informed, efficient and transparent customer service experience possible.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Maintained relevant website content, and daily, weekly and quarterly news updates.
- Conducted (4) neighborhood meetings
- Increased usage of social media to include YouTube channel featuring streaming of community event video and relevant meeting replays.
- Launched a park marketing program including weekly featured park e-blasts, interactive park location map on website, and cable programming.
- Increased cable programming including production and launch of "The Mayor Show"
- Continued Speak Your Peace Initiative including collaborating with the Lake Elmo Elementary School, Lake Elmo Rotary, and the Lake Elmo Library, maintained relevant SYP website and production of SYP video vignettes.
- The successful planning, marketing, and execution of (3) community events: Summer Kick-Off, Street Dance, and Battle of the Bands.
- The distribution of (5) community surveys on a variety of relevant topics.
- Introduced the 'fresh' brand to the community through saturation mailing.
- Introduced new theming elements to community through design and installation of new park signs.
- Converted cable bulletin broadcast from Compix to web-based carousel program; refreshing bulletin to utilize 'fresh' brand.
- Converted and upgraded to digital meeting recording and archiving
- Continued to cultivate network of NextGen volunteers
- Increased City of Lake Elmo Facebook page fan base by 54%
- Increased 'fresh' weekly e-news distribution list by 10%

PRIMARY FOCUS FOR REMAINDER OF 2014

- Develop FAQ list and add to website
- Produce three more episodes of "The Mayor Show"
- Present (2) more community events – Volksmarch & Light Up Lake Elmo

MAJOR 2015 OBJECTIVES

- Continue promoting 'fresh' brand both internally and externally
 - Creating a community promotional video
 - Creating an identity manual and standardized collateral to maintain brand integrity
- Implement new CRM (Citizen Request Management) program and policies
- Remap website for efficiency and content consistency
- Continue to develop and improve cable broadcasts and webstreaming to include more video production/programming, and expanded bulletin broadcast
- Continue to cultivate NextGen group – primary project research and establish community Farmers Market
- Continue Speak Your Peace Project by reaching out to at least (3) groups or events

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
1450 -Communications						
FT Salaries	9,667.01	18,419.54	13,390.00	28,875.70	35,875.70	-24.24%
PERA Contributions	700.90	1,335.45	970.78	2,093.49	2,600.99	-24.24%
FICA Contributions	590.86	1,106.04	830.18	1,790.29	2,224.29	-24.24%
Medicare Contributions	138.16	258.62	194.16	418.70	520.20	-24.24%
Health/Dental Insurance	0.00	3,264.00	3,120.00	9,933.70	9,970.10	-0.36%
Workers Compensation	56.00	85.23	110.00	0.00	0.00	0.00%

Newsletter	6,897.30	9,785.63	8,000.00	8,000.00	8,000.00	0.00%
Office Supplies	91.07	1,026.09	304.41	560.69	560.69	0.00%
Mileage	0.00	41.64	100.00	100.00	100.00	0.00%
Public Notices	859.99	6,163.62	4,200.00	4,200.00	5,040.00	-20.00%
Cable Operations	3,360.88	2,054.84	3,600.00	4,720.00	4,800.00	-1.69%
Conferences	0.00	498.00	700.00	700.00	700.00	0.00%
Repair/Maint Equipment	150.00	155.50	50.00	299.00	450.00	-50.50%
Total Communications	22,512.17	44,194.20	35,569.53	61,691.57	70,842.97	-14.83%

PERFORMANCE INDICATORS

	Actual 2013	Target 2014	Proj. 2014	Target 2015
Increase/Improve Cable /Web stream Utilization				
- # Mayor Show production (episodes)	0	12	5	6
- # Community feature video segments	0	0	0	4
Taxpayer Engagement/Feedback				
- # Surveys issued	1	6	6	6
- # Neighborhood/Community Meetings	0	5	5	5
Speak Your Peace Civility Project				
- # presentations/events	1	3	3	3
Consistent and Timely Communication Management				
- % Source newsletters delivered on deadline	100%	100%	100%	100%
- % 'fresh' e-blasts on deadline	100%	100%	100%	100%
Increase Social Media Presence/Reach				
- % Increase Facebook followers	-	10%	60%	10%
- % Increase 'fresh' subscribers	-	10%	10%	10%

FINANCE

MISSION STATEMENT

To provide accurate and timely reporting to the City Council, Finance Committee, City Departments, state, county, other regulatory agencies and the residents of Lake Elmo. This includes audited financial statements, utility billing, assessments, and all other monthly, quarterly and annual reporting.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Completion of the first CAFR report for the City of Lake Elmo.
- Receipt of an unqualified opinion on the City's 2013 financial audit with no audit findings.
- Completion of the 2014 bonding cycle and all required reporting; maintained Aa2 bond rating with Moody's rating agency and received an improved rating from S&P.
- Completion of the water cash flow model/pro-forma reports as outlined by the Finance Committee.
- Initialized tracking, reporting and reconciliation process related to Developer escrows.
- Streamlined month end close process to allow for earlier draft financial statements for the Finance Committee review.
- Began work on the 2015 budget and set up templates for the new zero based budgeting process.

Primary focus for the remainder of 2014

- Completion of the sewer cash flow model/pro-forma reports as outlined by the Finance Committee.
- Completion of streamlined purchasing policy.
- Propose and finalize an internal control policy for the City.
- Complete the 2015 budget.
- Implement a process to accept on-line utility billing payments and to accept credit card payments. Propose how to incorporate the related costs into the billing fees.
- Complete a water and sewer rate study to determine if any rate adjustments are possible for 2015.
- Provide reporting support to all commissions and departments as requested.
- Work with the Finance Committee to enhance fund reporting and development pro-forma analysis.
- Timely submission of all certifications and reporting to the state and county agencies.
- Initialize structure for archiving Finance records and related security on access to those documents.

MAJOR 2015 OBJECTIVES

- Complete 2014 year end close out work by February 28, 2015. (This includes payroll, utility billing and financial)
- Complete 2014 audit fieldwork by March 15th, 2015.
- Complete 2014 audit by May 15th, 2015.
- Submission of 2014 to OSA and GFOA by due date of 6/30/15.
- Enhance bond offering statement reporting and maintain Aa2 bond rating with Moody's.
- Perform an in-depth review and analysis of the Utility Billing and General Ledger systems to identify areas for improved performance and efficiencies.
- Initialize developer tracking reports for reporting upon development activity and progress.
- Initialize interactive Utility Billing activities on the City website (Balance inquiries, account updates, payment processing etc).
- Timely submission of all certifications and reporting to the state and county agencies.
- Provide knowledgeable, courteous customer service to everyone who contacts the Finance Department.
- Continue zero based budgeting and incorporate reporting on the performance indicators identified by departments during the 2015 budget process.
- Complete archiving of 2012 and 2013 Finance Department records.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
1520 - Finance						
FT Salaries	40,211.20	87,576.16	87,880.00	84,308.86	66,863.00	20.69%
PT Salaries	0.00	0.00	0.00	0.00	3,600.00	-3600.00%
PERA Contributions	2,402.81	6,379.58	6,371.30	6,112.39	4,847.57	20.69%

FICA Contributions	2,199.03	5,169.26	5,448.56	5,227.15	4,368.71	16.42%
Medicare Contributions	514.22	1,208.80	1,274.26	1,222.48	1,021.71	16.42%
Health/Dental Insurance	6,132.13	18,496.00	19,936.00	10,988.80	14,955.15	-36.09%
Unemployment Benefits	11,343.00	0.00	0.00	6,400.45	3,000.00	53.13%
Workers Compensation	176.00	405.18	600.00	77.56	500.00	-544.66%
Office Supplies	483.75	457.06	300.00	483.13	500.00	-3.49%
Printed Forms	236.50	0.00	0.00	433.47	500.00	-15.35%
Audit Services	26,810.00	20,500.00	27,000.00	27,000.00	27,000.00	0.00%
Contract Services	58,570.12	15,124.52	4,500.00	11,590.02	6,000.00	48.23%
Mileage	168.72	44.40	50.00	0.00	50.00	-50.00%
Miscellaneous	1,573.00	1,431.93	1,000.00	25.28	200.00	-691.14%
Dues & Subscriptions	0.00	185.00	0.00	0.00	740.00	-100.00%
Conferences & Training	505.80	225.00	575.00	710.85	500.00	29.66%
Total Finance	151,326.28	157,202.89	154,935.12	154,580.44	134,646.14	12.90%

PERFORMANCE INDICATORS

- Mail out water bills by the 15th of the month following quarter end.
- Mail out storm water bills by the 15th of the month following year end.
- Posting of UB payments within 3 days of receipt.
- Payment of all vendor invoices within 15 days of receipt by the Finance department.
- Month end close completed by 5th working day.
- Monthly financial statements published each month by 8th working day.

COMMUNITY DEVELOPMENT

MISSION STATEMENT

To thoughtfully adopt a City-wide Comprehensive Plan and implementation strategies that maintains the open space character of the community while balancing attractive, sustainable growth opportunities that meet the requirements of the Metropolitan Council.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Conducted reviews of four subdivision sketch plans, including Easton Village, Village Preserve, Wildflower at Lake Elmo, and Gonyea South
- Completed review of one final plat for Savona; 44 single family lots platted and recorded with County
- Finalized development agreement with Lennar for Savona; established policies for street lights, landscaping, and park dedication to use in future agreements
- Completed reviews for six preliminary plats: Hammes West, Hunter's Crossing, Easton Village, Village Preserve, Lakewood Crossing, Boulder Ponds. These plats combined include 626 single family lots, 64 multi-family units, and 4 commercial parcels
- Processed four Comprehensive Plan amendments to revise the residential density ranges, reconsider the RAD-ALT land use category, and revise the future land use for the Holliday property along 30th Street
- Continued to work towards completion of a major Zoning Ordinance rewrite, adopted 10 separate amendments to the Zoning Ordinance ranging from perfecting amendments to new exterior storage and screening ordinances
- Prepared a new Outdoor Wedding Venue Ordinance to allow alternate agricultural related uses on larger properties
- Adopted a major amendment to the Shoreland Management Overlay Ordinance to bring the code up-to-date with the revised Zoning Ordinance and to incorporate sewer areas into the City's shoreland zones.
- Prepared three Zoning Map amendments to support new development proposals
- Reviewed four major Planned Unit Development projects: Wildflower at Lake Elmo, Boulder Ponds, and Launch Properties (concept review) and Eagle Point Medical (preliminary and final)
- Considered three Conditional Use Permits: Verizon Wireless Tower, Family Means, and Kwik Trip Convenience Store
- Conducted a review of rural development parcels, culminating in a Planning Commission recommendation to eliminate the RAD-ALT land use category
- Completed work to eliminate the MOU with the Met Council and successfully negotiated a reduction in the City's 2040 household and population targets as stated in the MOU
- Participated as part of the project management team for the Lake Elmo Avenue and Manning Avenue corridor projects
- Represented Lake Elmo as a member of the Gateway Corridor Technical Advisory Committee
- Completed reviews of two variances, both pertaining to shoreland issues
- Organized initial business owner meeting and prepared draft Lake Elmo Market Area Profile Report
- Completed ordinance establishing cost recovery for Village AUAR
- Hired Planning Intern for summer; prepared trail audit report to study current conditions and ownership of trails in Lake Elmo

PRIMARY FOCUS FOR REMAINDER OF 2014

- Prepare form-based code for Village Mixed Use District and surrounding area
- Complete five-year update of the Lake Elmo AUAR
- Process final plat applications for five residential subdivisions, prepare development agreement for each project
- Continue making progress at Zoning Ordinance update by bringing forward additional amendments
- Continue discussions on rural development areas, with focus on larger lot standards and requirements
- Provide staff support for Lake Elmo Avenue, Manning Avenue and Gateway Corridor Projects
- Prepare Airport Zoning amendment
- Obtain required permits for new railroad crossing in Village

MAJOR 2015 OBJECTIVES

- Complete Zoning Ordinance amendment project by completing work on:
 - Specific development standards
 - General development standards
 - Lighting
 - Final district amendments (PF and rural districts)
 - Final perfecting amendments

- Provide support for Lake Elmo Avenue Streetscape Project
- Provide project oversight of residential and commercial development projects; ensure compliance with project conditions and development agreements
- Continue to process land use applications in a timely manner

DEPARTMENT BUDGET SUMMARY

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2014 <u>Projected</u>	2015 <u>Budget</u>	% <u>Change</u>
1910 - Planning & Zoning						
FT Salaries	91,970.19	153,836.82	159,874.00	139,361.75	135,853.65	2.52%
PT Salaries	0.00	0.00	0.00	3,600.00	3,600.00	0.00%
PERA Contributions	6,120.34	11,298.24	11,590.87	10,103.73	9,849.39	2.52%
FICA Contributions	5,372.71	9,164.52	9,912.19	8,863.63	8,646.13	2.45%
Medicare Contributions	1,256.49	2,143.57	2,318.17	2,072.95	2,022.08	2.45%
Health/Dental Insurance	10,170.91	27,488.00	34,814.00	32,136.00	32,047.75	-0.28%
Workers Compensation	425.64	751.34	800.00	800.00	800.00	0.00%
Office Supplies	493.19	2,782.63	2,000.00	0.00	1,800.00	-1800.00%
Printed Forms	414.00	2,333.85	750.00	0.00	750.00	-750.00%
Engineering Services	22,065.03	21,792.84	36,000.00	18,000.00	20,000.00	-11.11%
Contract Services	22,366.72	14,869.24	10,000.00	0.00	5,000.00	-5000.00%
Postage	0.00	73.62	200.00	400.00	200.00	50.00%
Mileage	173.16	0.00	200.00	0.00	250.00	-250.00%
Miscellaneous	3,174.60	1,021.56	500.00	100.00	500.00	-400.00%
Dues & Subscriptions	66.00	600.00	600.00	400.00	600.00	-50.00%
Books	164.85	481.37	300.00	300.00	300.00	0.00%
Conferences & Training	834.00	1,439.24	2,000.00	2,000.00	2,000.00	0.00%
Total Planning & Zoning	165,067.83	250,076.84	271,859.23	218,138.05	224,218.24	-2.79%

PERFORMANCE INDICATORS

	Target 2015
Number of general land use/planning inquiries and requests (phone and email).	100+
Percentage of inquiries addressed/completed in three business days.	75%
Average number of business days for land use application completeness reviews	10
Number of land use applications (subdivisions, variances, CUP's, PUD,s, and similar)	50
Percentage of planning/zoning reviews completed within 60 days	75%
Number of sign permits	10
Number of Certificates of Zoning Compliance	8
Number of Planning Commission meetings	24
Attendance at special neighborhood or community meetings	12

ENGINEERING

MISSION STATEMENT

To provide professional engineering services for the efficient and effective planning, design, construction and maintenance of the City's public infrastructure. The department administers all capital improvement projects and developer installed improvements for transportation, streets, drainage, storm water management, supply and distribution of potable water, and sanitary sewer conveyance including design, right-of-way, contracting, inspections and final acceptance of projects.

It is the mission of the Engineering Department to provide a secure and reliable infrastructure that is designed and built in accordance with City standards, state and federal regulations, and accepted engineering and construction practices; and serves all members of the community while continuing to find innovative ways to improve the cost and delivery of services and projects.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

GENERAL ENGINEERING SERVICES (GENERAL FUND-1930): The following Engineering tasks and events represent **annual** program tasks associated with department management and working as an extension of City staff to provide day-to-day operational municipal engineering services under an annualized program budget. General Services includes day-to-day tasks that cannot be directly attributed to a specific infrastructure planning or design project, a specific development project, or a dedicated enterprise account.

- Engineering is providing day-to-day operational tasks necessary to interact with and support other City departments, and to interact with, inform and assist taxpayers, developers and local businesses, including inquiries via meetings, phone, email or counter visits.
- Engineering attends City staff meetings and department meetings as requested and completes department management tasks as assigned.
- Engineering prepares agenda reports and Council presentations, and attends Council meetings at \$100 per meeting.
- Engineering prepares Workshop presentations and attends Workshops as requested.
- Engineering receives, processes and responds, when required, to federal, state, and local agency correspondence and inquiries.
- Engineering maintains the City Engineering Design Standards Manual and monitors construction best practices for public infrastructure. Annual revisions and updates are completed with a goal of continuous improvement. City Ordinances are updated, reviewed, and improved as necessary.
- Engineering maintains the City engineering mapping, files and records; and responds to many requests for maps, reports, record drawings, and other engineering related files.
- Engineering researched and implemented Beehive Asset Management Software for public infrastructure systems and assisted the City with purchase and deployment.
- Engineering serves as the City's Right-of-Way Manager and oversees all work in the public R/W including permit processing. Engineering costs and City staff costs are recouped through permit application fees.
- Engineering completed and maintained a Public Works/Engineering website to inform tax payers regarding infrastructure planning and construction activities.

CAPITAL IMPROVEMENT PROJECTS [Budgets are established as Projects are initiated and authorized and each project is managed on a Job-To-Completion basis]

Engineering is responsible for implementing Capital Projects in accordance with the City's capital improvement program and at the direction of the City Council. Engineering budgets, including both FOCUS Engineering and outside supporting consultants, are included and accounted for in the capital project costs listed in the Capital Improvement Plans. Each project is initiated through Council Resolution after the total project budget and schedule is presented for council consideration. Engineering manages each Project budget on a Job-To-Completion basis rather than a calendar year. Most capital projects/budgets extend across multiple calendar years and therefore cannot be annualized with the City's calendar budget. Budget status for both engineering costs and total project costs are reported on a monthly basis over the duration of each project.

From time to time the City receives taxpayer/developer petitions requesting public improvements or the City Council initiates a capital project not listed on the Capital Improvement Plan. These projects are brought forward for council consideration and must be authorized by the Council before work is expended on the project.

- Completed the construction and warranty review for the \$2.0 million Keats MSA Street and Trunk Watermain Improvements.
- Completed the construction of the \$4.5 million Lake Elmo Avenue Sewer and Lift Station Infrastructure Improvements: I94-30th Street.
- Completed the construction of the \$2.4 million Section 34 Water and Sewer Utility Extension and Lift Station Improvements.
- Oversaw the design and construction of the \$450,000 Production Well No. 4, the \$985,000 Pumphouse No. 4, and the \$600,000 Well No. 4 Connecting Watermain Improvements.

- Oversaw the planning, design and construction for the \$1.8 million 2014 Street Improvements consisting of the Packard Park neighborhood, Legion Avenue, Manning Trail, Deer Trail and Deer Court Ponds.
- Oversaw the planning, design and construction for the \$2.5 million Lake Elmo Avenue Trunk Watermain Improvements.
- Completed a fast tracked sewer extension project involving the \$1.25 million 39th Street: Street and Sanitary Sewer Improvements, the \$300,000 publically constructed Village East Trunk Sanitary Sewer Improvements, and review and oversight of the \$500,000 privately constructed Village East Trunk Watermain and Sanitary Sewer Improvements.
- Oversaw the planning, design and site acquisition for the \$3.4 million Inwood Booster Station and Trunk Watermain Improvements; ready for 2015 construction.
- Oversaw the planning, feasibility report and design for the \$2.9 million 2015 Street and Utility Improvements consisting of 36th Street, 37th Street, Irwin Avenue, 38th Street, 39th Street, Innsdale Avenue, and Kelvin Avenue; project ready for 2015 construction.
- Completed a Village area sanitary sewer phasing plan.
- Completed the planning, feasibility report and design for the Old Village Phase 1 Street and Utility Improvements; project ready for 2015 construction in conjunction with the City-County joint CSAH 17 Improvement project.
- Completed design guidelines and standards for the 5th Street and Village Parkway collector roadways.
- Oversaw the planning and preliminary design for a preferred access management plan and preliminary layout for the State Highway 36 South Frontage Road Study.
- Through County and MnDOT collaboration, provided Transportation and Traffic planning and improvements including the State highway 5 Traffic Signals and Turn Lanes; the installation of Cooperative Agreement Improvements.
- Collaborated with Washington County and City Planning staff to prepare a preliminary layout and final design documentation for the CSAH 17 (Lake Elmo Avenue) Corridor Improvement Project; ready for 2015 construction.
- Collaborated with Washington County and City Planning staff to prepare a preliminary layout CSAH 15 (Manning Avenue) Corridor Improvement Project.

DEVELOPMENT PROJECTS [Engineering costs are substantially recovered through the City's Development Agreements and Escrow Security Process. Budgets are established as Projects are initiated and they are managed on a Job-To-Completion basis]

Engineering is responsible for infrastructure planning, plan review, construction oversight, and recommending final acceptance of developer installed public improvements. Development projects are initiated and led by private property owners who control the scope and schedule of improvements to be completed. Engineering costs incurred by the City for review and oversight are substantially recovered from the developers through the City's Development Agreements and Escrow Security Process. Engineering manages each Project budget on a Job-To-Completion basis rather than a calendar year. Most development projects extend across multiple calendar years and therefore cannot be annualized with the City's calendar budget. Engineering costs are reported monthly to the Finance Director and coded by project number to enable cost recovery through the escrow.

- Provided review and oversight for concept plans, preliminary and final development plats and final construction plans; and when applicable provided construction observation and administration on private development projects. Development projects included Savona, Savona 2nd Addition, Boulder Ponds, Hammes West, Azur Properties, Hunters Crossing, Pratt Homes, Launch Properties 194 Business Park, Gonyea Parcel A, Gonyea Parcel B, Gonyea Parcel E, Easton Village, Wildflower at Lake Elmo, Eagle Point Medical Center, and Lakewood Crossing-Kwik Trip.

MAJOR 2015 OBJECTIVES

GENERAL ENGINEERING SERVICES (GENERAL FUND-1930): The following Engineering tasks and events represent **annual** program tasks associated with department management and working as an extension of City staff to provide day-to-day operational municipal engineering services under an annualized program budget. General Services includes day-to-day tasks that cannot be directly attributed to a specific infrastructure planning or design project, a specific development project, or a dedicated enterprise account.

- Provide day-to-day operational tasks necessary to interact with and support other City departments, and to interact with, inform and assist taxpayers, developers and local businesses, including inquiries via meetings, phone, email or counter visits.
- Attend City staff meetings and department meetings as requested and complete department management tasks as assigned.
- Prepare agenda reports and Council presentations, and attend Council meetings.
- Prepare Workshop presentations and attend Workshops as requested.
- Receive, process and respond, when required, to federal, state, and local agency correspondence and inquiries.
- Maintain the City Engineering Design Standards Manual and monitor construction best practices for public infrastructure. Complete annual revision and update with a goal of continuous improvement.
- Maintain the City engineering mapping, files and records; and respond to all requests for maps, reports, record drawings, and other engineering related files.
- Serve as the City's Right-of-Way Manager and oversee all work in the public R/W including permit processing. Engineering costs and City staff costs are recouped through permit application fees.
- Maintained the Engineering website to inform tax payers regarding infrastructure planning and construction activities.

CAPITAL IMPROVEMENT PROJECTS [Budgets are established as Projects are initiated and authorized and each project is managed on a Job-To-Completion basis]

Engineering is responsible for implementing Capital Projects in accordance with the City's capital improvement program and at the direction of the City Council. Engineering budgets, including both FOCUS Engineering and outside supporting consultants, are included and accounted for in the capital project costs listed in the Capital Improvement Plans. Each project is initiated through Council Resolution after the total project budget and schedule is presented for council consideration. Engineering manages each Project budget on a Job-To-Completion basis rather than a calendar year. Most capital projects/budgets extend across multiple calendar years and therefore cannot be annualized with the City's calendar budget. Budget status for both engineering costs and total project costs are reported on a monthly basis over the duration of each project.

From time to time the City receives taxpayer/developer petitions requesting public improvements or the City Council initiates a capital project not listed on the Capital Improvement Plan. These projects are brought forward for council consideration and must be authorized by the Council before work is expended on the project.

- Implement the 2015 Capital Improvement Projects as adopted by authorized by the City Council.
- Complete the \$1.25 million 39th Street: Street and Sanitary Sewer Improvements, the \$300,000 publically constructed Village East Trunk Sanitary Sewer Improvements, and the \$500,000 privately constructed Village East Trunk Watermain and Sanitary Sewer Improvements.
- Complete the \$3.4 million Inwood Booster Station and Trunk Watermain Improvements.
- Complete the \$2.9 million 2015 Street and Utility Improvements consisting of 36th Street, 37th Street, Irwin Avenue, 38th Street, 39th Street, Innsdale Avenue, and Kelvin Avenue.
- Complete the Old Village Phase 1 Street and Utility Improvements in conjunction with the City-County joint CSAH 17 Improvement project.
- Initiate feasibility reports for the 2016 Capital Improvement Projects.

DEVELOPMENT PROJECTS [Engineering costs are substantially recovered through the City's Development Agreements and Escrow Security Process. Budgets are established as Projects are initiated and they are managed on a Job-To-Completion basis]

Engineering is responsible for infrastructure planning, plan review, construction oversight, and recommending final acceptance of developer installed public improvements. Development projects are initiated and led by private property owners who control the scope and schedule of improvements to be completed. Engineering costs incurred by the City for review and oversight are substantially recovered from the developers through the City's Development Agreements and Escrow Security Process. Engineering manages each Project budget on a Job-To-Completion basis rather than a calendar year. Most development projects extend across multiple calendar years and therefore cannot be annualized with the City's calendar budget. Engineering costs are reported monthly to the Finance Director and coded by project number to enable cost recovery through the escrow.

- Provided review and oversight for concept plans, preliminary and final development plats and final construction plans; and when applicable provided construction observation and administration on all private development projects.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	Actual	Actual	Budget	Projected	Budget	Change
1930 - Engineering Services						
Engineering Services	69,864.04	34,500.71	48,000.00	53,000.00	54,800.00	-3.40%
Total Engineering Services	69,864.04	34,500.71	48,000.00	53,000.00	54,800.00	-3.40%

PERFORMANCE INDICATORS

1. Number of CIP projects bid before May 1.
2. % of Projects completed within Budget.
3. Number of working days for development/application plan reviews.

CITY HALL

MISSION STATEMENT

To provide a clean, safe, and welcoming facility for staff to achieve a high level of productivity and the public to receive excellent, efficient, and effective local government services

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- The City Hall Annex HVAC unit needed unexpected repair due to stress caused by cold winter. This effect is exacerbated by the fact that the mobile home trailer used by the City is not well insulated. The thermostat is also not programmable.
- The entire sidewalk surrounding City Hall had to be replaced for safety reasons due to the concrete completely failing. The decorative concrete previously installed suffered from severe spalling. Repair cost was as much as replacement.
- The ramp to the City Hall Annex has to be replaced for safety reasons due to it rusting out. If the building is no longer used, this repair is not needed.
- Cleaning service was replaced to a higher quality provider for minimal increase in cost.
- Plumbing services were used three times due to condition of septic system.
- Two Yale Mechanical service calls. One on HVAC for each building.

Primary Concentration for Remainder of year:

- Lease space for Administration/Finance/Communication departments in Brookman II property next door. This would prolong the ability to use the City Hall space for several more years and provide more sufficient room for city services.
- Eliminate the Annex due to age, condition, and inefficiencies. This alone would save utility/maintenance expenditures.

MAJOR 2015 OBJECTIVES

Replace City Hall roof due to deterioration.

Replace all thermostats with programmable thermostats.

Implement better energy saving practices such as controlling thermostat and shutting off electronics and lights when not in use.

Replace refuse hauler to recognize cost savings.

DEPARTMENT BUDGET SUMMARY

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2014 <u>Projected</u>	2015 <u>Budget</u>	% <u>Change</u>
1940 - City Hall						
Cleaning Supplies	206.17	7.48	25.00	25.00	50.00	-100.00%
Building Repair Supplies	369.80	61.53	200.00	200.00	300.00	-50.00%
Utilities	10,148.01	10,019.04	13,200.00	11,000.00	6,000.00	45.45%
Refuse	1,737.56	1,299.84	1,408.16	1,350.00	353.00	73.85%
Repairs/Maint Contractual Bldg	8,504.32	9,233.70	7,200.00	13,700.00	6,000.00	56.20%
Repairs/Maint Contractual Equip	3,934.77	5,503.57	2,400.00	2,400.00	7,700.00	-300.00%
Facility Lease	0.00	0.00	0.00	7,383.00	29,532.00	-2000.00%
Miscellaneous	1,426.29	158.01	300.00	260.00	300.00	-15.38%
Total City Hall	26,326.92	26,283.17	27,133.16	37,288.00	50,235.00	-34.72%

PERFORMANCE INDICATORS	
	Target 2015
Scheduled inspections	2
Service Calls	2
Facility cleanings	52

SHERIFF'S DEPARTMENT

MISSION STATEMENT

Mission

The mission of the Washington County Sheriff's Office is to work in partnership with the community to provide quality public safety services in a responsible manner through innovation, leadership and the cooperation of dedicated people.

Vision

The vision of the Washington County Sheriff's Office is to create the safest and most crime resistant community in the nation by providing superior public safety services.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- The Sheriff's Office continues to respond to several types of calls in the City. Each call could be considered significant to the person involved in the incident.
- The City of Lake Elmo, in cooperation with the Washington County Sheriff's Department, and the City of Landfall shared services that provided for 24/7 protection for Lake Elmo residents. The Washington County Sheriff's Departments provides policing services to the City of Lake Elmo at the lowest per capita rate in the East Metro (approx.. \$65 per capita). In the past two years, Sheriff's Department has concentrated on a zero tolerance traffic speed enforcement that has significantly lowered speed on Highway 5 and CSAH 17. In addition, the Sheriff's Department focus on community policing has reduced both Part 1 and Part 2 crimes over the last three years.
- The City of Lake Elmo continues to provide office space for the Sheriff's Department use in both the City Hall complex and Fire Station No. 2
- The City of Lake Elmo also partners with the Youth Service Bureau (\$5000) to work with at-risk families and teens on early intervention strategies to help build the community and the family.

MAJOR 2015 OBJECTIVES

- Improve Records Management System
- Implement Computer Aided Dispatch (CAD)
- Increase Efficiency Law Enforcement Records Management (RMS)
- Improve Fire Records Management (FireRMS)
- Enhance Case Management/Property & Evidence Tracking
- Emphasize State of the Art Law Enforcement Personnel/Training
- Utilize Bear Analytics (analytical software) for crime analysis and prevention
- Website Posting (community-viewing)

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
2100 - Police						
Law Enforcement Contract	492,911.43	495,758.76	500,000.00	500,634.22	512,799.40	-2.43%
Total Police	492,911.43	495,758.76	500,000.00	500,634.22	512,799.40	-2.43%

PERFORMANCE INDICATORS

# of ICRs	YTD 2014:	2319
# of Narcotics Cases and Arrest	YTD 2014:	3
# Part 1 Crimes	YTD 2014:	41
# Part 2 Crimes	YTD 2014:	192
# of Motor Vehicle Accidents	YTD 2014:	117
#DUI and other Traffic Arrest	YTD 2014:	15

FIRE DEPARTMENT

MISSION STATEMENT

It is the mission of the Lake Elmo Fire Department to serve its customers to the best of their abilities by minimizing loss of life and property for the City of Lake Elmo from fires, man made and natural disasters, possible life threatening situations, medical emergencies, haz-mat, and to assist other emergency agencies. Lake Elmo Fire Department members will perform these services in a safe, timely and courteous manner by maintaining effective fire prevention, emergency response, fire suppression and training, Haz-mat, Fire, Medical and Rescue.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Purchase of 78' Ladder Truck . This purchase process helped to lay the foundation in the development of a solid plan to deal with aging equipment. The development of this plan will allow for better financial projections, reduced maintenance costs and ensure the delivery of quality service and the safety of our Firefighters.
- Inspection/Preplan program is fully implemented and much more structured. Great strides have been made in building relationships with our business community through the process. It is also providing valuable data for not only the FD, but other depts. within the City as well.
- Restructured Officers, completed job descriptions and hired new positions. This reorganization should prove to be a more efficient, cost effective model as well as prepare personnel to be better officers in the future.
- Unforeseen major repairs to current ladder truck due to its age.
- The FD has assumed the duties of all building and grounds maintenance for both stations. Our goal is to improve preventative maintenance, better plan for major expenses and improve the overall appearance of these city facilities. This year's main focus was Station #2, with improvements to the failing wall, drainage issues and landscaping.
- Revaluated purchase of new SCBA's, extended life by 5 years. Through more in depth research, we were able to move this major purchase out 5 years to free up current CIP funding. While moving out the replacement of SCBA's, we replaced all of our current SCBA masks to ensure proper fitting and safer equipment for our FF's at a significant cost savings.
- Contracted with Century College to provide Firefighter CEU's to meet annual NFPA training standards as well as standardize training with neighboring departments. This program will ensure our personnel meet the CEU training requirements for recertification. It will also move toward standardizing training in the area, allow us the opportunity to train with our mutual aid partners and offer greater flexibility in our training schedule.
- Continued working with Public Safety Comm. to identify future needs of community, develop plan to deliver services and determine needs of FD to meet demands as it relates to staffing, equipment and infrastructure in the most cost effective way possible.

MAJOR 2015 OBJECTIVES

- Continue to develop future plans for FD to meet needs of community with the Public Safety Comm.
- Continue to improve relationships with neighboring departments to improve training and call response.
- Build on current accomplishments as it relates to development of a fiscally responsible and workable plan to address our aging fleet, facility needs, staffing and rising maintenance costs.
- Ongoing recruiting efforts to ensure proper staffing of the department.
- Continue to improve and build our Inspection/Preplans program. Create more efficiency of inspections, updating data and providing information to personnel as we move forward.
- Improve our Fire Prevention program through improved education of the community by partnering and reaching out to community/neighborhood groups.

DEPARTMENT BUDGET SUMMARY

- Add three Paid On Call Firefighters

SMALL TOOLS and EQUIPMENT

- Update and/or.replace small equipment as needed due to unsafe condition, not meeting the requirements to deliver service and provide for the safety of our personnel.
- Replace/update firefighting skid unit in Brush 1. Current skid unit is 25 years old and the reel and hose need to be replaced at a cost of \$2000.00. We have seen increased maintenance issues in the last several years. The new unit will allow for greater water capacity and foam capabilities.
- Replace 2 current gas monitors due to obsolescence. They are no longer supported by Scott.
- Purchase additional gas monitor for the overhaul phase of fires as we have recently learned of the toxic gases and carcinogens emitted from newer construction.

- Moved purchase of 1000' of 5" host from 2014 to 2015. This will coincide with delivery of new truck with 5" hose and replace the old 4" hose sold with old ladder truck.
- Replace current traffic safety vests, (non ANSI compliant) that are becoming worn out. New vests will better protect FF's on roadway incidents and are ANSI compliant.

RADIOS

- Purchase 6 new pagers to replace of current pagers due to obsolescence on a scheduled plan to allow for better fiscal control. Current pagers are no longer available or supported by Motorola and we have experienced significant issues with the pagers and chargers.

REPAIRS/MAINTENANCE BLDGS

- Increased costs due to FD taking this on in 2014. Major repairs and improvements at Station #2 due to years of neglect.

REPAIRS/MAINTENANCE EQUIPMENT

- Contract for hose testing services. This will ensure documented compliance with NFPA and allow for better utilization of limited training time.

CONFERENCES and TRAINING

- Addition of CPR due to odd year certification
- Addition of CEU program with Century College to ensure NFPA compliance and provide documentation for recertification's.
- No reimbursements have been taken into account as they are unknown at this time.
- Here are my proposed budgets for the last 4 years:
 2014 – \$18,043.60
 2013 - \$25,151.15
 2012 - \$27,091.80
 2011 - \$21,091.80

These numbers are inserted because of the various UNKNOWN'S:

- Availability of POC's to attend training
- Amount, if any of reimbursements
- Number of new hires

LEASING

- FYI: We are currently researching the possibility of leasing our smaller vehicles. In the event we move this direction, it could possibly move these items from CIP to Budget.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
2220 - Fire						
FT Salaries	68,090.25	73,590.58	74,119.04	74,264.00	68,614.00	7.61%
PT Salaries	94,810.60	112,026.61	109,455.98	123,120.80	123,120.80	0.00%
PERA Contributions	11,535.15	12,280.22	11,785.11	13,351.72	12,116.52	9.26%
FICA Contributions	5,214.80	6,317.94	11,381.65	5,509.66	7,633.60	-38.55%
Medicare Contributions	2,290.54	2,610.58	2,661.84	2,419.06	2,780.54	-14.93%
Health/Dental Insurance	14,647.03	13,704.00	15,990.00	13,704.00	14,243.00	-3.93%
Unemployment Benefits	0.00	0.00	0.00	0.00	0.00	0.00%
Workers Compensation	8,135.36	8,042.06	9,000.00	9,000.00	9,000.00	0.00%
Office Supplies	971.05	3,038.10	500.00	800.00	850.00	-6.25%
EMS Supplies	3,111.65	1,155.41	4,900.00	1,700.00	3,400.00	-100.00%
Fire Prevention	1,113.98	3,242.62	3,000.00	3,000.00	3,000.00	0.00%
Fuel, Oil & Fluids	12,581.13	13,536.74	14,000.00	12,000.00	13,000.00	-8.33%
Small Tools & Equip	19,610.48	19,406.26	22,500.00	22,500.00	20,892.30	7.15%

Physicals	7,684.29	2,161.95	6,900.00	4,000.00	3,181.00	20.48%
Radio	12,436.50	16,254.83	16,203.04	16,203.00	21,561.50	-33.07%
Mileage	0.00	149.44	350.00	150.00	250.00	-66.67%
Vehicle Insurance	6,256.90	5,237.00	5,237.00	5,000.00	8,307.00	-66.14%
Electric Utility	8,295.76	11,372.86	21,600.00	17,000.00	17,000.00	0.00%
Refuse	476.80	779.98	572.16	1,000.00	1,000.00	0.00%
Repair/Maint Bldg	5,465.90	14,336.83	12,000.00	12,000.00	2,000.00	83.33%
Repair/Maint Equip	35,038.39	24,161.79	41,000.00	41,000.00	33,260.00	18.88%
Uniforms	3,395.01	3,977.12	3,000.00	3,000.00	2,500.00	16.67%
Miscellaneous	907.95	1,201.51	900.00	1,250.00	1,500.00	-20.00%
Dues & Subscriptions	2,966.11	3,247.00	2,200.00	2,235.00	3,508.00	-56.96%
Books	0.00	480.94	200.00	102.00	220.00	-115.69%
Conferences & Training	11,755.87	13,850.11	6,000.00	11,500.00	12,375.00	-7.61%
Conferences & Training Reimb	0.00	0.00	0.00	0.00	0.00	0.00%
Total Fire	336,791.50	366,162.48	395,455.82	395,809.24	385,312.25	2.65%

PERFORMANCE INDICATORS

- Monitor and continue to strive to improve response times.
- Reduction in maintenance costs.
- Improved confidence and performance of personnel in the performance of their duties.

BUILDING INSPECTIONS

MISSION STATEMENT

The Department of Building Safety is directed to carry out and maintain, minimum requirements to safeguard the public health, safety, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to fire fighters and emergency responders during emergency operations.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

The following areas of work occurred or continue to be pursued in 2014 to serve the community.

- **Permit software.** Analyzed a variety of software intended to increase productivity, enhance required record keeping, and internal and external reporting. Selected Permit Works to use for Lake Elmo. Currently used by the City of Oakdale and in over 40 communities throughout the metro area. Support continues to be exceptional, timely, and professional. All applicable departments will continue to benefit from this investment by the City in serving a variety of areas. This system will also provide analysis of key indicators that can be used to measure various areas of performance.
- **New workbooks for single family & commercial construction.** New and existing workbooks were incorporated into the Cities web site. Providing this information which includes residential and commercial construction requirements, continues to pay dividends with cleaner submittals as many requirements are incorporated with the first submittal, saving both the applicant and the City valuable time.
- **Informational hand-outs.** Continues to be expanded on line. These handouts have proven to be valuable for residents and contractors by providing information regarding code requirements. This is an area of work that remains a priority and will continue to be developed.
- **Electrical permits.** Process moved from State jurisdiction to Local jurisdiction. The State share of revenue has moved to the municipality, service levels remain high and communication between the electrical inspectors and the Building Official are growing stronger. Opportunities to increase service and value are ongoing.
- **Certification.** Obtained special knowledge critical to life safety in the City's Commercial buildings. Fire Inspector 2 certification was completed through the International Code Council (throughout the metro area few Building Departments big or small have completed this level of skill). The department gained critical understanding of requirements in new, existing, and changes of use code applications
- **Interdepartmental Coordination.** Improved coordination between Building Inspections and the Fire Department. Both departments have embrace the concept that as a team we can provide education, collaboration, service and value in all building related areas.
- **Code Enforcement.** Completed a major overhaul of the City's code enforcement process which has led to a significant increase in cases being resolved. The process continues to be complaint driven. The building department has placed an emphasis on providing assistance to tax payers in order to find solutions that lead to compliance. Improved process and coordination with other departments on code enforcement matters.
- **Insurance service organization audit.** Preparation is underway for this audit which will be completed later this year.

PRIMARY FOCUS FOR REMAINDER OF 2014

- Continue to develop relationships with the residents and business owners by actively listening and evaluating merits of concerns, and providing solutions to achieve the mission of the department.
- The remainder of 2014 will include preparation and review by ISO, the Minnesota Department of Labor and industry, process refinement, and a continued emphasis of providing value to the community in all applicable department areas.

MAJOR 2015 OBJECTIVES

- **Maintain appropriate staffing levels.** Maintain an adequate level of service based on the number of permits being submitted for review. Follow a revenue/cost neutral model for staffing that adds additional staff only when necessary based on the current workload and when supported by an increase in departmental revenues.
- **Credit card payments.** A number of applicants continue to ask for this service. Explore options with finance to implement this service.
- **Remote inspections.** To provide an increase in communication, efficiency and service. This item is incorporated in the proposed 2015 budget.
- **Training/Education.** Intake staff is the first impression to our customers. Specific training will be completed that incorporates the ongoing tools to answer common building related questions accurately and effectively. The number of applicable codes related to building projects is complex, newly listed and labeled products continue to be incorporated into the codes, and the proposed adoption of the 2012 State Building Code in 2015 contains numerous changes to code requirements. In an effort to stay up to date, and provide special knowledge across a number of code areas staff training is critical in providing cost effective solutions to residents and

contractors. Code enforcement is also applicable to this area as many legal factors are present in day to day complaints and communication with the public.

- **Manage Growth.** The building department looks forward to administering, permitting, inspecting, and reviewing 4 to 5 times the current volume according to current pro forma. We will focus on providing great service, value to the customers, and refining processes. A number of new line items are in the proposed budget to assist this increase. Key building indicators will be monitored during this growth; this information will be utilized in determining proposed changes to staffing levels as approved by Council.
- **Escrow release.** Tracking building escrow payments and processing escrow returns is an area of work that is a priority for the department. Continue to monitor the status of each site and properly communicate the requirements to close out escrow accounts to applicants. The department's goal is to reduce the number of inspections to final a project.
- **Survey review.** The building department will be more involved in this process in 2015 with a goal to reduce the time spent and overall cost per site, while maintaining a minimum set of standards that meet the intent of the City Code requirements. This area will continue to receive support from the Engineering department while the building department takes a more active role in certain aspects of the review process.
- **Ongoing.** Continue to move all day to day processes forward including issuing permits, providing cross training in intake, survey review, and plan revision. Integrate additional staff when indicators such as service levels, valuation, number of inspections, revenue, correlate to such. Review/analyze the permit fee structure, and propose changes based on supporting data.

DEPARTMENT BUDGET SUMMARY

The proposed budget for the Department of Building Safety is generally based on the following components.

1. **Valuation.** The budget anticipates a significant increase in overall permit valuation relative to the number of permits, plan reviews, and inspections in 2015
2. **Number of dwelling units 163.** Based on the current pro-forma and recent subdivision approvals.
3. **Number of inspections.** Building related and site visits requested by residents that may be related to City code questions.
4. **Code enforcement.** New line item in the budget, will be used to facilitate code enforcement activities.
5. **Service/value levels.** This would include such things as time to turn over a permit application, timely inspections as requested by the permit applicants.
6. **Administration of the code.** The time spent on reporting, monitoring, implementing, and maintaining the various areas of responsibility is critical to achieve the vision of quality and efficiency, while maintaining a broad range of working relationships with a number of Authorities Having Jurisdiction. Some examples would include Met Council, Department of labor and Industry, MDH, Watershed Districts, and Washington County.
7. **Inspection personnel & support.** Expected growth in new home construction, revenue, staffing, and support services.

The additional contract services dollars added to the proposed budget will allow the City to be flexible in staffing, efficient with dollars, maintain service levels, and adjust to changing conditions. The above list is not all inclusive; however, these indicators will be utilized as a guide in estimating staffing proposals to City Council and may be modified as needed or directed. Many indicators provide the foundation for Lake Elmo to be a leader in quality construction in the east metro. In addition, commercial activity continues to increase. The Department of Building Safety looks forward to maintaining internal and external partnerships, welcoming new residents, and serving the vision of the City Council.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
2400 - Building Inspection						
FT Salaries	68,649.61	86,459.02	95,992.00	90,986.25	149,603.55	-64.43%
PT Salaries	0.00	0.00	0.00	0.00	0.00	0.00%
PERA Contributions	4,099.95	6,268.41	6,959.42	6,466.79	10,846.40	-67.72%
FICA Contributions	4,109.23	5,033.86	5,951.50	5,196.65	9,276.29	-78.49%
Medicare Contributions	961.03	1,177.22	1,391.88	1,215.22	2,169.71	-78.51%
Health/Dental Insurance	8,831.88	16,968.00	24,102.00	16,968.00	28,486.00	-67.88%
Unemployment Benefits	0.00	0.00	0.00	0.00	0.00	0.00%
Workers Compensation	1,777.25	397.88	397.88	500.00	1,000.00	-100.00%
Office Supplies	1,568.79	880.02	1,447.44	1,447.00	2,100.00	-45.13%

Printed Forms	0.00	146.61	146.61	147.00	700.00	-376.19%
Fuel, Oil & Fluids	0.00	267.67	465.56	466.00	5,500.00	-1080.26%
Engineering	13,453.87	11,644.73	10,000.00	8,000.00	9,000.00	-12.50%
Surcharge Pmts	0.00	0.00	0.00	0.00	0.00	0.00%
Inspector Contract Services	23,244.30	6,069.50	3,281.50	7,462.00	65,000.00	-771.08%
Mileage	2,259.41	1,103.68	600.00	600.00	7,700.00	-850.00%
Insurance	255.00	340.00	340.00	340.00	900.00	-164.71%
Repairs/Maint Equip	571.76	563.28	300.00	300.00	2,300.00	-666.67%
Uniforms	0.00	86.38	0.00	425.00	850.00	-100.00%
Miscellaneous	825.95	1,497.49	500.00	500.00	650.00	-30.00%
Dues & Subscriptions	175.00	0.00	0.00	0.00	700.00	-700.00%
Books	1,113.09	198.24	308.24	308.00	3,000.00	-874.03%
New Truck	0.00	0.00	0.00	0.00	23,000.00	23000.00%
Conferences & Training	695.00	837.40	690.00	690.00	2,775.00	-302.17%
Total Building Inspections	132,591.12	139,939.39	152,874.03	142,017.91	323,558.69	-127.83%

PERFORMANCE INDICATORS

1. Complete plan reviews with-in 5 days of complete submittal on new single family home construction.
2. Continue to operate revenue neutral and in compliance with all regulatory agencies as applicable.
3. Track site visits related to City code complaints.
4. Follow up on significant code complaints with-in 2 business days.

ANIMAL CONTROL

MISSION STATEMENT

To protect the health and safety of Lake Elmo residents, and to protect animals and promote their humane treatment.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Picked up/impounded over 22 at large cats and dogs through June 30, 2014.
- Issued 140 dog licenses.
- Amended City Code to allow livestock on parcels 5 acres or more and the keeping of chickens and bees on smaller residential lots. Issued 7 Bee Keeping permits & 4 Chicken Keeping permits in first year of new regulations.
- Held discussion with Animal Humane Society and Lake Elmo Public Safety Committee on the issue of feral cats.

Primary Concentration for Remainder of year:

- Continue to recover pick-up/impoundment fees.
- Continue to educate public of the benefits of proper animal care.
- Send reminder notices to all currently licensed dog owners for 2015 license renewals.
- Re-examine the dog license fee to ensure that Lake Elmo is appropriately charging its residents.

MAJOR 2015 OBJECTIVES

- Increase dog licensure compliance. Educate public, especially new developments on dog license requirements.
- Continue to partner with the Animal Control Officer, Animal Humane Society, and Washington County Sheriff's Office.
- Find solution to control the city's at-large cat occurrence.

DEPARTMENT BUDGET SUMMARY

	2102 Actual	2013 Actual	2014 Budget	2014 Projected	2015 Budget	% Change
2700 – Animal Control						
Printed Forms	0.00	0.00	0.00	0.00	0.00	0.00%
Contract Services	1319.02	11,209.93	5,842.08	7,000.00	6,000.00	14.29%
Miscellaneous	0.00	2,518.59	440.00	350.00	800.00	-128.57%
Total Animal Control	1,319.02	13,728.52	6,282.08	7,350.00	6,800.00	7.48%

PERFORMANCE INDICATORS

Target 2015

Pick-up/Impound At-Large Animals	35
Licensed Dogs Issued	150
Chicken/Bee Permits Issued	10

STREET MAINTENANCE

MISSION STATEMENT

To plan and implement a preventative maintenance and repair program to keep the streets of Lake Elmo in a safe and serviceable traffic condition.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- In an effort to comply with the City Council's wishes to improve the quality of the streets, the Department of Public Works increased the use of preventive maintenance of the City's newer pavements through crack sealing and seal coating; and engaged more extensive and updated pavement repairs using spray patching/pot hole patching and mill and overlays. In addition, the street improvement program was continued by completing street reclaims and reconstruction projects consistent with the planned capital projects for 2014. Overlays, reclaims and reconstruction projects were funded through capital borrowing and consistent with the City Engineer's analysis.
- Lake Elmo's street infrastructure currently requires approximately 200-240 tons of hot mix patching per year to create a functional drive-able environment. In addition Lake Elmo must apply preventative maintenance (crack sealing and seal coating) to approximately 6-8 miles of streets each year just to keep pace with needs. Areas seal coated included Hudson Boulevard, Tapestry Subdivision, Farms of Lake Elmo, and Tablyn Park. In 2013, the DPW used 247 tons of hot mix to repair roads and seal coated over 6 miles of road. In 2014, it is estimated that the DPW will use a little over 200 tons of hot mix and will seal coat over 8.2 miles. In addition, the City rented a spray patching machine to expedite street repair that did not need the detail of attention as conventional pothole patching.
- In terms of capital improvements, Deer Pond Trail (In the Tri-Lakes area) will be reconstructed, the Packard Park neighborhood will be reclaimed and Manning Trail will be reconstructed. A mill and overlay will be completed on 20th Street North in an effort to defer the complete reconstruction for 7-10 years. Finally, as part of the sanitary sewer project, it is anticipated that 39th Street (north of Highway 5) will be constructed.
- The DPW spends a portion of time (approx 10 %) on road signage and right of way maintenance to affect proper traffic flow and reduce obstructions in vision triangles.

MAJOR 2015 OBJECTIVES

- Per the City Council Retreat of 2013, the Department of Public Works is formalizing its crack filling & seal coating function by including a specific line item in its operational budget of \$211,000. This will secure that a sufficient effort is made each year to prioritize maintenance expenditures on preventive maintenance best practices as the City's newer pavements begin to age and the City's need to maximize the useful service life of each street. In addition, the staff of the DPW will begin to take on the responsibility of an annual road inspection program using PASER pavement rating system to insure that proper maintenance attention will be given to the roads that are in most need. Through a recommendation from the City's consulting engineers a new oil and rock consistency (first used in 2014) will be evaluated against past seal coating work to determine durability and efficacy.
- It is anticipated that at least 5 miles of new roads will be added in the community via new development (see the capital improvement portion of this budget for details). Two major roadways (5th Street and the Village Parkway) will commence construction and a remodel of 30th Street and Laverne Avenue will take place in concert with Washington County's reconstruction of Lake Elmo Avenue (CSAH 17).
- The DPW will also implement an infrastructure tracking software (BEEHIVE) to effectively manage all pertinent data related to street, utility, right of way, storm water, and other construction "as built" needed to properly maintain the fixed assets of the City of Lake Elmo at-large.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	Actual	Actual	Budget	Projected	Budget	Change
3120 - Streets						
Fuel, Oil & Fluids (Above!)	0.00	0.00	0.00	0.00	0.00	0.00%
Equipment Parts	1,575.24	4,125.66	1,200.00	1,000.00	3,000.00	-200.00%
Street Maintenance						
Materials	6,616.64	23,787.16	12,000.00	10,000.00	20,000.00	-100.00%
Seal Coating/Crack Filling	175,000.00	160,000.00	160,000.00	195,000.00	186,578.00	4.32%
Sign Repair Materials	0.00	1,479.16	0.00	2,000.00	2,500.00	-25.00%

Contract Services	6,483.62	11,728.05	1,200.00	1,500.00	8,000.00	-433.33%
Repairs/Maint Equipment	<u>685.05</u>	<u>3,295.86</u>	<u>2,400.00</u>	<u>2,000.00</u>	<u>2,500.00</u>	<u>-25.00%</u>
Total Streets	190,360.55	204,415.89	176,800.00	211,500.00	222,578.00	-5.23%

PERFORMANCE INDICATORS

Strategic Outcomes	FY 2014	Target 2015
#tons of hot mixed asphalt used	200	180
#miles of seal coating	8.2	10.0 (inc. Demontreville w/ County)
#miles of reconstruction	1.4	1.9
#miles of reclaims	1.2	0.0
#miles of overlay	0.9	.25
#miles of new construction	0.75	2.86 (inc. new development)

ICE & SNOW REMOVAL

MISSION STATEMENT

To create a safe traveling environment for motorists through the timely and efficient preparation, salting, and clearing of ice /snow during the winter months.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- The City of Lake Elmo effectively cleared its roadways of ice and snow achieving a composite performance average of 8.4 on a 10.0 scale (see attached rating sheet) over the course of 17 (2' or more snow / ice covered) measureable events.
- Due to efficient snow clearing there was no reportable motor vehicle accidents or major property damage reported due to DPW actions.
- The City improved clearance in contract service areas by the replacement of a previous contractor with a more knowledgeable service provider.
- The City stayed within budget parameters for the utilization for salt and plow blades, with equipment repairs focused only on normal wear and tear on vehicles due to use and exposure to the elements. Lake Elmo has approximately 2 ton of salt in reserve after the winter season and continues to utilize state contract pricing / sources to insure supply.

MAJOR 2015 OBJECTIVES

- The City of Lake Elmo Department of Public Works Department looks to improve on its 2014 – 2015 composite performance average by improving on mobilization process, better utilizing personnel in the clearance of dead ends and cul de sacs and eliminating a contract services by employing an additional plow truck (Purchased in 2014).
- Performance objectives include:
 - Maintain orderly traffic movement on all collectors and arterials streets during a storm
 - Plow all streets within 8 hours during a 2" snowstorm and removed accumulated snow from vision triangles
 - Review snow plow routes for the best staff fit by experience and training
 - Evaluate use of salt brine and pre-wetting agents for better now and ice control
 - Install back-up cameras for traffic safety
 - Develop demonstration (T & M) program for the clearance of critical multi model trails in anticipation of 5th Street and the Village parkway.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
3125 - Ice & Snow Removal						
Landscaping Material	130.06	103.38	0.00	0.00	0.00	0.00%
Sand/Salt	36,740.57	99,952.68	70,000.00	70,000.00	80,000.00	-14.29%
Contract Services	4,432.50	9,195.25	20,000.00	10,000.00	6,000.00	40.00%
Repairs/Maint Equipment	4,016.83	17,396.36	6,000.00	2,500.00	9,500.00	-280.00%
Total Ice & Snow Removal	45,319.96	126,647.67	96,000.00	82,500.00	95,000.00	-15.15%

PERFORMANCE INDICATORS

Taxpayer Service Impacts	Target 2015
# of Major Plow Events Scoring 8.0	8
# of Minor Plows / Salt Events Scoring 8.0	22
# of Mailboxes Replaced Due to Snow Removal	5
\$\$ of Property Damage Due to Snow Plowing	<\$1000

RECYCLING

MISSION STATEMENT

To protect the health and safety of Lake Elmo residents, and to promote recycling and renewable energy in the community.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Obtained \$15,500.00 in recycling grant money from Washington County.
- Updated and revamped recycling info on the City website.
- Purchased 500 Compact Fluorescent Light Bulbs to distribute to residents.
- Sent out recycling literature to promote and encourage recycling and energy consumption.
- Participated in City's "Breath of Fresh Air" campaign by sponsoring air fresheners with recycling info newsletter.
- Purchased 100% recycled office paper.
- Held Clean Up Day during summer.
- Moved to two-day garbage pickup in the City.

Primary Concentration for Remainder of year:

- Continue to educate the public and promote the benefits of recycling and energy consumption.

MAJOR 2015 OBJECTIVES

- Obtain same level of recycling grant funding for 2015.
- Continue to partner with Washington County on how best to promote and increase the recycling participation rate.
- Hold Lake Elmo Clean Up Day in June.
- Reduce amount of office paper used by increasing paperless government. Increase percentage of recycled paper purchased.
- Work with haulers and the public to increase residential recycling rate.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
3200 – Recycling						
Recycling Supplies	2,407.52	3,584.25	3,400.00	3,400.00	3,500.00	-2.94%
Newsletter	0.00	0.00	0.00	0.00	0.00	0.00%
Miscellaneous	10,368.72	4,000.00	4,000.00	2,000.00	6,000.00	-200.00%
Total Recycling	12,776.24	7,584.25	7,400.00	5,400.00	9,500.00	-75.93%

PERFORMANCE INDICATORS

Target 2015

Recycling Awareness/Promotion Events	4
Gross Weight Recycled	780 Tons
Residential recycling rate	75%
Community pounds per household	650

PARK OPERATIONS

MISSION STATEMENT

Park Operations serve as a sub-function of the Department of Public Works and primarily performs day to day maintenance duties for the Lake Elmo Park Commission. Duties include mowing, equipment maintenance and installation, field maintenance, right of way maintenance, rain garden maintenance, safety compliance, path mowing & grooming and other necessary upkeep tasks.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

In 2014, Park Operations installed new park signs in all of the major parks as part of a park awareness program. In addition, maintenance was completed on all parks with a particular attention to mowing & trimming – including tree pruning and brushing. New park equipment, with safety zones, was installed at Pebble Park and Sanctuary Park. Park Operations assisted in (3) special summer events, the Huff N Puff tournament, and Light Up Lake Elmo. In the Fall of 2014, staff hosted its first Volksmarkt in Sun Fish Lake Park and held snow sledding bonfires at the same. A security gate was constructed at Sunfish Lake for safety purposes. The purchase of new equipment allowed the City to groom trails in Sunfish Lake for the first time.

MAJOR 2015 OBJECTIVES

Major objectives in 2015 include:

- Installation of new equipment in (2) parks
- Reconfiguration of Tablyn Park Master Site
- Opening up Reid Park for visibility
- Establishing a Bee Safe IPM pesticide plan for weed control
- Emerald Ash Borer Surveillance Plan

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
5200 – Parks & Recreation						
FT Salaries	65,432	90,807	121,950	68,884	77,847	13.01%
PT Salaries	24,603	17,974	20,000	15,783	6,820	-56.79%
PERA Contributions	5,897	7,151	9,566	8,003	5,644	-29.47%
FICA Contributions	5,399	6,500	8,181	6,802	5,249	-22.83%
Medicare Contributions	1,263	1,520	1,913	1,591	1,228	-22.81%
Health/Dental Insurance	11,636	4,727	14,376	5,513	19,940	261.69%
Workers Compensation	2,545	4,106	4,500	4,000	4,000	0.00%
Shop Materials	258	924	0	400	500	25.00%
Chemicals	320	741	0	600	750	25.00%
Equipment Parts	2,081	2,322	24	5,000	2,000	-60.00%
Building Repair Supplies	0	11	0	2,500	500	-80.00%
Landscaping Materials	2,926	2,781	0	5,000	3,000	-40.00%
Small Tools & Minor Equipment	624	2,277	1,888	1,200	1,000	-16.67%
Mileage	0	0	0	0	0	0.00%
Insurance	3,364	3,683	6,683	3,200	3,200	0.00%
Electric Utility	6,686	8,089	9,840	8,000	8,500	6.25%
Refuse	2,117	2,494	2,500	2,500	2,500	0.00%
Repairs/Maint Bldg	340	335	1,724	2,500	1,000	-60.00%
Repairs/Maint Imp Not Bldgs	3,690	3,991	274	6,000	2,500	-58.33%

Repairs/Maint Eqpt	23	0	0	2,200	1,500	-31.82%
Rentals - Buildings	5,229	5,263	3,600	6,500	4,600	-29.23%
Miscellaneous	235	649	1,220	0	750	100.00%
Total Parks & Recreation	144,668	166,343	205,239	156,175	153,028	-2.02%

PERFORMANCE INDICATORS

New Park Equipment is Installed for Taxpayer Use
 Tablyn Park Re-configured by June
 Reid Park opened up and sign reinstalled by June
 Execution of Forest Maintenance Plan for Sunfish Lake Park

TECHNOLOGY SERVICES

MISSION STATEMENT

To provide and coordinate technology support for desktop, mobile, software applications, and communications hardware and software for all City Staff; to develop and implement Citywide IT policies and procedures; and recognize and recommend new developments and innovation in technology in order to improve service to the community.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

- Maintain membership in Metro-INET consortium to use shared services for IT support.
- Coordinated the replacement of seven workstation PCs that were still using Windows XP. Due to Microsoft ending support and security for this operating system, these machines had to be replaced.
- Coordinated the upgrade and replacement of SCADA system, including new radios.
- Coordinated the upgrade of Laserfiche United software to Laserfiche Rio.
- Replaced two failing analog phone lines at Fire Station #2 with less expensive IP phones lines thereby also adding them to the network.

Primary Concentration for Remainder of year:

- Monitor the Comcast franchise agreement negotiations to determine the future use of INET. If Comcast does not renew the inclusion of the free use of the INET fiber optic wires, the City will be forced to find an alternative solution. This is especially important to maintain the level of service provided to the public and for staff's ability to continue processing large data files.
- Implement electronic packets for the City Council. This will save hundreds of hours a year in staff time meeting preparation, as well as immensely reduce the paper use expense.
- Revise and implement email retention policy.
- Work with Metro-INET to establish IT services to new leased space to maintain current level of service to public.
- Implement new Beehive Infrastructure Asset management software.

MAJOR 2015 OBJECTIVES

- After successfully implementing electronic packets for the City Council, expand option to the Planning Commission and meeting staff.
- Implement the use of mobile tablet technology in the field.
- Replace two workstation PCs due to age and older operating systems. Add more flexible computing options for new staff based on job function.
- Add Code Enforcement and Planning modules to Permitworks software. Both of these modules will allow staff to better serve the public and deliver better tracking.
- Develop and follow five-year equipment replacement schedule for all hardware.
- Depending on the status of the Comcast Franchise Agreement, the City may have to contract directly with Comcast for the use of their fiber.
- Plan on how to achieve secure and stable connectivity for all City facilities.
- Increase use of smart phone devices and mobile technology to maximize employee productivity.
- Establish uniform and best practice IT policies.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
IT & Telephone - All						
IT-Hardware	0.00	0.00	0.00	9,500.00	25,100.00	-164.21%
IT-Software	0.00	0.00	0.00	17,742.16	16,000.00	9.82%
IT-Support Services	29,957.27	31,666.34	46,330.00	31,000.00	36,000.00	-16.13%
IT-Networking	0.00	0.00	0.00	16,000.00	7,800.00	51.25%

INET Contingency	0.00	0.00	0.00	0.00	0.00	0.00%
Telephone	19,296.42	21,249.03	24,411.31	24,411.31	24,660.00	-0.20%
Total IT & Telephone	49,253.69	52,915.37	70,741.31	98,653.47	109,560.00	-11.06%
PERFORMANCE INDICATORS						
	2014	Target 2015				
Number of PCs replaced	7	2				
Number of PCs supported	32	35				
Number of Exchange users	45	50				
Number of Supported Mobile Devices	12	37				

3 Special Revenue Funds

Special revenue funds (a type of governmental fund) are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes. The city presently has three active special revenue funds:

1. Development Fund
2. Event Fund
3. Library Fund

Annual appropriated budgets are adopted during the year for the city's special revenue funds.

BASIS OF ACCOUNTING & BUDGETING

The measurement focus for special revenue funds is on a current financial resources basis, where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The fund balance is considered a measure of expendable resources.

Special revenue funds use the modified accrual basis of accounting, under which revenues are not recognized until they are measurable and available, and expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

The basis of budgeting is consistent with accounting principles generally accepted in the United States of America.

DEVELOPMENT FUND (203)

In the past, a development special revenue fund was created in the City's financial records to account for major developer-related projects.

This fund will be used to account for costs associated with development related revenue and expenses.

EVENT FUND (204)

This fund was created to account for community event activities to bring together the residents of Lake Elmo. Events during 2014 included:

- Welcome Back Summer
- Lake Elmo Street Dance
- Battle of the Bands
- Lake Elmo Volksmarch
- Light Up Lake Elmo

REVENUES & OTHER FINANCING SOURCES

- Donations (36230) Public and private donations to be used in funding the costs of larger special events including Light Up Lake Elmo.

EXPENDITURES & OTHER FINANCING USES

- A variety of line items listing the projected expenditures needed in preparation for and during the various special events.

LIBRARY FUND (206)

BUDGETARY OBJECTIVE

This fund was created to account for activities of the local Lake Elmo library

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) An annual special property tax levy will be levied by the City for library activities at the direction of the City council.

EXPENDITURES & OTHER FINANCING USES

- A variety of line items listing the projected expenditures needed in preparation for and operations of the library.

LIBRARY FUNDS

MISSION STATEMENT						
To enrich both the individual and the larger Lake Elmo Community by assisting people in their access to and use of information, ideas, education and programming.						
DISCUSSION OF SIGNIFICANT 2014 EVENTS						
<ul style="list-style-type: none"> • Added access to e-books for all cardholders • Expanded usable library space to include a 600 sq. ft. children's room • Doubled library card holders in 12 month period (May 2013 to May 2014) • Added 5,007 items in 12 month period (May 2013 to May 2014) – art work, books, DVDs, CDs, magazines, etc. • Program attendance through May: 1,008 <p>Future plans for 2014:</p> <ul style="list-style-type: none"> • Continue expanding usable library space to allow for larger collection and to meet program space needs (Suite 190) • Expand e-book and physical library collection to meet the expanding expectations of our community • Hire new library director and part-time staff • Add e-resources (databases, e-magazines, streaming music, etc.) to meet the growing demands of our community • Make building repairs as needed (gutters, plumbing, cellar drainage) • Reconfigure circulation room to reduce congestion 						
MAJOR 2015 OBJECTIVES						
<ul style="list-style-type: none"> • ADA accessibility modifications: restroom, entryway, interior doors • Continue to provide valuable online resources (e-books, databases, etc.) • Provide high-quality programming to our community: adults and children • MELSA membership • Add library service hours: evenings and weekends 						
DEPARTMENT BUDGET SUMMARY						
	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
206 –Library Fund						
PT Salaries	0.00	0.00	23,000.00	0.00	16,000.00	-100.00%
FT Salaries	7,595.00	16,901.13	35,200.00	38,031.18	45,000.00	-18.32%
PERA Contributions	518.02	1,225.27	2,552.00	2,757.26	4,422.50	-60.39%
FICA Contributions	470.89	1,003.53	3,608.40	2,357.93	3,782.00	-60.39%
Medicare Contributions	110.13	234.71	843.60	551.45	884.50	-60.39%
Health/Dental Insurance	0.00	2,176.00	13,605.00	11,968.00	11,987.00	0.00%
Unemployment Benefits	0.00	0.00	0.00	0.00	0.00	0.00%
Workers Compensation	0.00	0.00	1,000.00	0.00	350.00	-100.00%
Library svcs supplies	1,109.79	0.00	0.00	0.00	1,100.00	-100.00%

Office Supplies	3,071.41	2,397.34	5,000.00	4,282.30	4,100.00	4.26%
Library Collection Maintenance	1,618.43	5,337.86	20,000.00	33,319.29	49,700.00	-49.16%
Engineering/Legal Services	3,503.00	3,240.50	500.00	851.00	2,000.00	-135.02%
Contract Services	21,100.00	4,199.95	4,000.00	1,680.00	3,000.00	-78.57%
Telephone	1,001.37	1,477.29	1,400.00	1,422.96	1,600.00	-12.44%
Internet	215.70	447.35	600.00	672.40	1,000.00	-48.72%
Information Technology	3,170.00	4,329.72	13,000.00	5,687.16	3,220.00	43.38%
Insurance	0.00	2,364.65	2,500.00	2,500.66	2,700.00	-7.97%
Utilities	2,589.38	7,655.67	7,000.00	7,126.70	7,550.00	-5.94%
Refuse	119.59	780.56	800.00	536.14	550.00	-2.59%
Repair/Maint Bldg	4,483.11	6,818.66	8,000.00	27,126.99	14,000.00	48.39%
Repair/Maint NOT Bldg	0.00	112.50	52,748.00	8,900.00	0.00	100.00%
Repair/Maint Equip (non-LH Impr)	1,130.08	1,136.98	2,500.00	0.00	0.00	0.00%
Library Card Reimbursements	0.00	31,780.22	39,000.00	24,514.95	24,000.00	2.10%
Miscellaneous	35,911.27	280.08	30,000.00	493.57	2,000.00	-2000.00%
Building Purchase Repmt	118,560.20	118,560.20	0.00	0.00	0.00	0.00%
Building-Property Tax	0.00	21,232.20	0.00	2,526.00	2,600.00	-2.93%
Subscriptions	45.00	1,370.88	0.00	2,061.55	0.00	100.00%
Conferences & Training	1,174.23	371.33	0.00	730.00	2,500.00	-242.47%
Programs	0.00	0.00	0.00	2,410.00	7,500.00	-211.20%
Interest Expense	2,874.33	2,354.85	0.00	0.00	0.00	0.00%
Internal charges	2,828.57	1,681.27	1,500.00	1,198.00	1,600.00	-33.56%
Total Library	213,199.50	239,470.70	268,357.00	183,705.50	213,146.00	-16.03%

PERFORMANCE INDICATORS

- Number of programs and attendance 10% growth
- Circulation and door count 10% growth
- Permanent building improvements completed
- Decrease in number of reimbursed paid cards

4 Debt Service Funds

Debt service funds (a type of governmental fund) are used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs. The city has eight debt service funds with outstanding long-term debt:

- 2006 G.O. Equipment Certificates of Indebtedness
- 2009A G.O. Refunding Bonds (2001)
- 2009B G.O. Improvement Bonds
- 2010A G.O. Improvement Bonds
- 2011A G.O. Improvement Bonds
- 2012A G.O. Refunding Bonds
- 2012B G.O. Improvement Bonds
- 2013A G.O. Improvement Bonds
- 2014A G.O. Improvement Bonds

Annual appropriated budgets are not adopted for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. However, debt service fund budgets are prepared by staff and reviewed by the city council to assist in the city's overall financial planning.

BASIS OF ACCOUNTING & BUDGETING

The measurement focus for debt service funds is on a current financial resources basis, where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The fund balance is considered a measure of expendable resources.

Debt service funds use the modified accrual basis of accounting, under which revenues are not recognized until they are measurable and available, and expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier). The basis of budgeting is consistent with accounting principles generally accepted in the United States of America.

Attachment 4-1 presents all current debt activity for the City of Lake Elmo. The actual payments due each year as well as the remaining outstanding debt at the end of each year are presented by fund.

2006 G.O. EQUIPMENT CERTIFICATES OF INDEBTEDNESS (314)

BUDGETARY OBJECTIVE

In order to finance the acquisition of capital equipment, including a fire truck, the 2006 G.O. Equipment Certificates of Indebtedness were issued in the amount of \$443,000, payable through 2015. To repay the debt, an annual property tax levy will be levied by the City with a final payment of \$52,000 due - 2015. This fund is responsible for the retirement of the general obligation equipment certificates.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$52,000	\$2,080
TOTAL:	\$52,000	\$2,080

REVENUES & OTHER FINANCING SOURCES

Current Ad Valorem Taxes (31010) To repay the equipment certificates, an annual property tax levy will be levied by the City through 2015, averaging approximately \$51,000.

2009A G.O. REFUNDING BONDS (2001) (315)

The \$535,000 2009 G.O. Refunding Bonds were issued in 2009 to refund \$525,000 of the 2001 G.O. State Aid and Improvement Bonds. The 2001 bonds were designated as state aid bonds in 2001. Annual appropriations of Municipal State Aid (MSA) are to be received by the City from the State of Minnesota in amounts necessary to make debt service payments on the bonds through 2016. This fund is responsible for the retirement of the general obligation refunding bonds.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$70,000	\$4,550
2016	\$70,000	\$2,100
TOTAL:	\$140,000	\$6,650

REVENUES & OTHER FINANCING SOURCES

- MSA Grant (33426) Municipal State Aid (MSA) appropriations are to be received by the City from the State of Minnesota in amounts necessary to make debt service payments on the bonds through 2016.

2009B G.O. IMPROVEMENT BONDS (316)

BUDGETARY OBJECTIVE

In order to finance 2009 street improvements and the Tablyn Park Entrance project, the 2009 G.O. Improvement Bonds were issued in the amount of \$575,000, payable through 2020. To repay the debt, an annual property tax levy will be levied by the City through 2019, averaging approximately \$50,000.

Additionally, special assessments of approximately 30% of the 2009 street improvements costs were levied against benefited property owners in 2010 for payments beginning in 2011.

This fund is responsible for the retirement of the general obligation bonds.

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) To repay the bonds, an annual property tax levy will be levied by the City through 2019, averaging approximately \$50,000.
- Special Assessments (36100) These assessments were levied against benefited property owners in 2010 for payments beginning in 2011.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$60,000	\$9,363
2016	\$60,000	\$8,163
2017	\$60,000	\$6,663
2018-2020	\$190,000	\$8,524
TOTAL:	\$470,000	\$32,713

2010A G.O. IMPROVEMENT BONDS (317)

BUDGETARY OBJECTIVE

In order to finance 2010 street improvements, the 2010 G.O. Improvement Bonds were issued in the amount of \$710,000, payable through 2021. To repay the debt, an annual property tax levy will be levied by the City through 2020, averaging approximately \$60,000.

Additionally, special assessments of approximately 30% of the 2010 street improvements costs were levied against benefited property owners in 2011 for payments beginning in 2012.

This fund is responsible for the retirement of the general obligation bonds.

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) To repay the bonds, an annual property tax levy will be levied by the City through 2020, averaging approximately \$60,000.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$70,000	\$10,653
2016	\$70,000	\$9,550
2017	\$70,000	\$8,255
2018-2021	\$295,000	\$16,066
TOTAL:	\$505,000	\$44,524

- Special Assessments (36100) These assessments were levied against benefited property owners in 2011 for payments beginning in 2012.

2010B G.O. CAPITAL IMPROVEMENT PLAN CROSSOVER REFUNDING BONDS (2004) (318)

BUDGETARY OBJECTIVE

The \$1,970,000 2010B G.O. Capital Improvement Plan Crossover Refunding Bonds were issued in 2010 to crossover refund the 2004 G.O. Capital Improvement Plan Bonds on February 1, 2013. By placing the 2010 refunding bond proceeds and \$1,000,000 of unspent 2004 bond proceeds into an escrow account in 2010, \$2,845,000 of the 2014 through 2025 maturities of the 2004 bonds were defeased in 2013 through the escrow account.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$150,000	\$44,208
2016	\$150,000	\$42,108
2017-2021	\$805,000	\$162,736
2022-2025	\$730,000	\$46,345
TOTAL:	\$1,835,000	\$295,397

This fund is responsible for the retirement of the general obligation bonds.

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) To repay the bonds, an annual property tax levy will be levied by the City from 2015 through 2024 (averaging approximately \$170,000).

2011A G.O. IMPROVEMENT BONDS (319)

BUDGETARY OBJECTIVE

In order to finance 2011 street improvements, the 2011 G.O. Improvement Bonds were issued in the amount of \$845,000, payable through 2022. To repay the debt, an annual property tax levy will be levied by the City through 2021, averaging approximately \$76,000.

Additionally, special assessments of approximately 30% of the 2011 street improvements costs are projected to be levied against benefited property owners in 2012 for payments beginning in 2013.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$80,000	\$14,720
2016	\$80,000	\$13,720
2017	\$435,000	\$42,899
2018-2021	\$95,000	\$1,449
TOTAL:	\$690,000	\$72,788

This fund is responsible for the retirement of the general obligation bonds.

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) To repay the bonds, an annual property tax levy will be levied by the City through 2021, averaging approximately \$76,000.
- Special Assessments (36100) These assessments are projected to be levied against benefited property owners in 2012 for payments beginning in 2013.

2012A Water G.O. REFUNDING BOND (2004A - 320)

BUDGETARY OBJECTIVE

During 2012 the interest rates went to a level where utilizing a crossover advance refunding bond resulted in a large interest savings. An advance refunding requires that the proceeds of the new refunding bonds be invested in government securities and held in escrow until the call date (2015). The funds in the escrow are then used to pay interest on the new refunding bonds until the call date and then prepay the principal of the old bonds.

Total net savings as a result of restructuring this bond were \$455k with a present value of \$366k.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$150,000	\$165,250
2016	\$195,000	\$86,044
2017	\$190,000	\$82,144
2018	\$215,000	\$78,344
2019-2030	\$3,435,000	\$539,290
TOTAL:	\$4,185,000	\$951,072

2012B G.O. IMPROVEMENT BONDS (321)

BUDGETARY OBJECTIVE

In order to finance 2011 street improvements, the 2011 G.O. Improvement Bonds were issued in the amount of \$865,000, payable through 2022. To repay the debt, an annual property tax levy will be levied by the City through 2021, averaging approximately \$85,000.

Additionally, special assessments of approximately 30% of the 2011 street improvements costs are projected to be levied against benefited property owners in 2012 for payments beginning in 2013.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$80,000	\$10,270
2016	\$85,000	\$9,751
2017	\$85,000	\$9,114
2018-2023	\$540,000	\$29,356
TOTAL:	\$790,000	\$58,491

This fund is responsible for the retirement of the general obligation bonds.

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) To repay the bonds, an annual property tax levy will be levied by the City through 2021, averaging approximately \$85,000.
- Special Assessments (36100) These assessments are projected to be levied against benefited property owners in 2012 for payments beginning in 2013.

2013A G.O. IMPROVEMENT BONDS (322)

To save bonding costs, all necessary 2013 bonding was done through one bonding release. As a result there are three very distinctive components of this bond.

SECTION 34 (100% ASSESSED)

BUDGETARY OBJECTIVE

In order to initiate the Section 34 development project, a bond had to be obtained to cover three key components of that project. G.O. Improvement bonds were issues in the amount of \$5,740,000 payable through 2033. The sewer and water funds will be recovered at the time the development occurs. 100% of the Water and Sewer infrastructure costs will be paid by developers through levied assessments in 2013 for payments beginning in 2014. This fund is responsible for the retirement of the general obligation bonds.

SECTION 34 DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$105,000	\$40,205
2016	\$105,000	\$38,105
2017	\$105,000	\$36,005
2018-2028	\$1,240,000	\$229,862
TOTAL:	\$1,555,000	\$344,175

REVENUES & OTHER FINANCING SOURCES

- Special Assessments (36100) - These assessments were levied against benefited property owners in 2013 for payments beginning in 2014. The assessments are considered a lien on the property with the County and will continue for 15 years or until the amount is paid in full (due in full if property is sold).

WATER

BUDGETARY OBJECTIVE

This debt was incurred to fund the remaining portion of the Keats Watermain Project and Well #4 and Pumhouse #4.

REVENUES & OTHER FINANCING SOURCES

- Special Assessments (36100) – A portion of this project will be assessed to the benefitting property owners. These assessments are projected to be levied against benefited property owners in 2013 for payments beginning in 2014 and will span 15 years.
- Water Sales (37100) and Water Connection fees (37150) – The balance of the loan payments will be funded through Water fund revenue.

WATER DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$50,000	\$28,203
2016	\$50,000	\$27,203
2017	\$50,000	\$26,203
2018-2028	\$815,000	\$241,301
TOTAL:	\$965,000	\$322,910

SEWER**BUDGETARY OBJECTIVE**

This debt was incurred to fund the Lake Elmo Avenue Sewer.

REVENUES & OTHER FINANCING SOURCES

- Special Assessments (36100) – A portion of this project will be assessed to the benefitting property owners. These assessments are projected to be levied against benefited property owners in 2013 for payments beginning in 2014 and will span 15 years.
- Sewer Sales (37200) and Sewer Connection fees (37250) – The balance of the loan payments will be funded through Sewer fund revenue.

SEWER DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$150,000	\$84,063
2016	\$155,000	\$81,063
2017	\$155,000	\$77,963
2018-2028	\$2,415,000	\$719,271
TOTAL:	\$2,875,000	\$962,360

2014A G.O. IMPROVEMENT BONDS (323)

To save bonding costs, all necessary 2014 bonding was done through one bonding release. As a result there are three very distinctive components of this bond.

GENERAL FUND**BUDGETARY OBJECTIVE**

In order to fund the 2014 street project (\$1,330k), the 39th Street project street and trail component (\$754k) and the purchase of a new fire truck (\$715k) a bond was obtained to cover the funding. G.O. Improvement bonds were issues in the total amount of \$6,235,000 payable through 2028. This fund is fund is responsible for the retirement of the general obligation bonds.

REVENUES & OTHER FINANCING SOURCES

- Current Ad Valorem Taxes (31010) To repay the bonds, an annual property tax levy will be levied by the City through 2028, averaging approximately \$230,000.
- Special Assessments (36100) These assessments are projected to be levied against benefited property owners in 2013 for payments beginning in 2014.

DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$0	\$70,413
2016	\$180,000	\$68,613
2017	\$210,000	\$64,713
2018-2028	\$2,510,000	\$421,943
TOTAL:	\$2,900,000	\$625,682

WATER**BUDGETARY OBJECTIVE**

This debt was incurred to fund the Lake Elmo Avenue Water Project.

REVENUES & OTHER FINANCING SOURCES

- Special Assessments (36100) – A portion of this project will be assessed to the benefitting property owners. These assessments are projected to be levied against benefited property owners in 2013 for payments beginning in 2014 and will span 15 years.
- Water Sales (37100) and Water Connection fees (37150) – The balance of the loan payments will be funded through Water fund revenue.

WATER DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$0	\$65,671
2016	\$130,000	\$64,371
2017	\$155,000	\$61,521
2018-2028	\$2,260,000	\$450,305
TOTAL:	\$2,545,000	\$641,868

SEWER

BUDGETARY OBJECTIVE

This debt was incurred to fund the Village Eastern Sewer Line Project and the 39th Street Sewer Project.

REVENUES & OTHER FINANCING SOURCES

- Special Assessments (36100) – A portion of this project will be assessed to the benefitting property owners. These assessments are projected to be levied against benefited property owners in 2013 for payments beginning in 2014 and will span 15 years.
- Sewer Sales (37200) and Sewer Connection fees (37250) – The balance of the loan payments will be funded through Sewer

SEWER DEBT PAYMENT SCHEDULE		
YEAR	PRINCIPAL	INTEREST
2015	\$0	\$21,649
2016	\$45,000	\$21,199
2017	\$50,000	\$20,249
2018-2030	\$745,000	\$147,980
TOTAL:	\$840,000	\$211,077

Fund	Original Bond	Pay 2015	Pay 2016	Pay 2017	Pay 2018	Pay 2019	Pay 2020	Pay 2021	Pay 2022	Pay 2023	Pay 2024	Pay 2025	Pay 2026	Pay 2027	Pay 2028	Pay 2029	Pay 2030	Pay 2031	Pay 2032	Pay 2033	Pay 2034	Total
EXISTING DEBT SERVICE																						
General Fund (Levy-101)	10 year avg	627,642	755,809	779,814	777,218	768,516	768,519	645,003	651,945	553,886	456,323	364,790	172,325	172,750	168,100	168,275	167,888	0	0	0	0	8,540,953
Water Fund (601)	15 year	500,142	593,042	604,699	626,206	617,063	609,382	595,261	667,429	666,185	648,371	660,072	651,222	661,749	667,338	616,747	594,826	56,200	54,200	57,200	0	10,552,736
Sewer Fund (602)	15 year	326,390	372,347	372,703	373,010	368,217	371,199	366,277	363,798	338,079	331,433	329,533	322,559	320,498	315,311	243,891	240,938	168,800	172,800	166,400	0	6,102,211
Storm Water Fund (603)	15 year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		<u>1,454,173</u>	<u>1,721,198</u>	<u>1,757,216</u>	<u>1,776,434</u>	<u>1,753,795</u>	<u>1,749,100</u>	<u>1,606,540</u>	<u>1,683,173</u>	<u>1,558,150</u>	<u>1,436,127</u>	<u>1,354,395</u>	<u>1,146,106</u>	<u>1,154,997</u>	<u>1,150,749</u>	<u>1,028,913</u>	<u>1,003,651</u>	<u>225,000</u>	<u>227,000</u>	<u>223,600</u>	<u>0</u>	<u>25,195,899</u>
POTENTIAL NEW DEBT SERVICE (2015-2019)																						
General Fund (Levy-101)	10 year avg	0	133,101	430,381	808,307	1,194,215	1,196,251	1,160,780	1,125,309	1,089,838	1,054,368	1,018,897	881,041	626,159	323,843	29,046	0	0	0	0	0	11,071,536
Water Fund (601)	15 year	0	114,045	264,540	322,163	400,048	759,831	740,066	720,302	700,537	680,773	661,009	641,244	625,070	605,306	585,541	565,777	467,361	347,369	293,822	230,597	9,725,400
Sewer Fund (602)	15 year	0	402,499	394,172	439,178	429,517	419,856	410,195	400,534	390,873	381,212	371,551	361,890	352,229	342,568	332,908	323,247	36,000	34,667	0	0	5,823,095
Storm Water Fund (603)	15 year	0	31,676	64,335	97,867	132,164	165,479	161,219	156,959	152,699	148,439	144,179	139,920	135,660	131,400	127,140	122,880	96,775	71,325	46,640	22,828	2,149,583
Total Debt Service		<u>0</u>	<u>681,321</u>	<u>1,153,427</u>	<u>1,667,515</u>	<u>2,155,945</u>	<u>2,541,416</u>	<u>2,472,260</u>	<u>2,403,104</u>	<u>2,333,948</u>	<u>2,264,792</u>	<u>2,195,636</u>	<u>2,024,095</u>	<u>1,739,118</u>	<u>1,403,117</u>	<u>1,074,635</u>	<u>1,011,904</u>	<u>600,136</u>	<u>453,361</u>	<u>340,462</u>	<u>253,425</u>	<u>28,516,188</u>
POTENTIAL TOTAL DEBT SERVICE																						
General Fund (Levy-101)	10 year avg	627,642	888,910	1,210,195	1,585,525	1,962,731	1,964,770	1,805,782	1,777,254	1,643,725	1,510,690	1,383,687	1,053,366	798,909	491,943	197,321	167,888	0	0	0	0	19,612,488
Water Fund (601)	15 year	500,142	707,087	869,239	948,369	1,017,111	1,369,213	1,335,327	1,387,731	1,366,722	1,329,144	1,321,080	1,292,466	1,286,820	1,272,644	1,202,288	1,160,603	523,561	401,569	351,022	230,597	20,278,135
Sewer Fund (602)	15 year	326,390	774,846	766,875	812,188	797,734	791,054	776,472	764,332	728,952	712,645	701,084	684,449	672,727	657,879	576,798	564,184	204,800	207,467	166,400	0	11,925,305
Storm Water Fund (603)	15 year	0	31,676	64,335	97,867	132,164	165,479	161,219	156,959	152,699	148,439	144,179	139,920	135,660	131,400	127,140	122,880	96,775	71,325	46,640	22,828	2,149,583
Total Debt Service		<u>1,454,173</u>	<u>2,402,519</u>	<u>2,910,643</u>	<u>3,443,949</u>	<u>3,909,740</u>	<u>4,290,515</u>	<u>4,078,800</u>	<u>4,086,276</u>	<u>3,892,097</u>	<u>3,700,918</u>	<u>3,550,031</u>	<u>3,170,201</u>	<u>2,894,115</u>	<u>2,553,866</u>	<u>2,103,547</u>	<u>2,015,555</u>	<u>825,136</u>	<u>680,361</u>	<u>564,062</u>	<u>253,425</u>	<u>53,712,087</u>

5 Capital Projects Funds

Capital projects funds (a type of governmental fund) are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those to be financed by proprietary funds and trust funds). The city presently has nine active capital projects funds:

1. Park Dedication
2. Infrastructure Reserve
3. Vehicle Replacement
4. City Facilities
5. Village
6. Manning Avenue/Highway 36
7. Street Improvements

Annual appropriated budgets are not adopted for capital projects funds because effective budgetary control is alternatively accomplished through the use of project controls. However, capital projects fund budgets along with a five-year capital improvement plan are prepared by staff and reviewed by the city council to assist in the city's overall financial planning.

BASIS OF ACCOUNTING & BUDGETING

The measurement focus for capital projects funds is on a current financial resources basis, where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The fund balance is considered a measure of expendable resources.

Capital projects funds use the modified accrual basis of accounting, under which revenues are not recognized until they are measurable and available, and expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

The basis of budgeting is consistent with accounting principles generally accepted in the United States of America.

PARKLAND DEDICATION

MISSION STATEMENT
To develop a comprehensive and fully accessible park, recreation and trail plan that provides use opportunities for all citizens.
DISCUSSION OF SIGNIFICANT 2014 EVENTS
<ul style="list-style-type: none"> • Acquisition of park space on the corner of 10th Street and Manning Avenue through a Joint Powers Agreement with Stillwater Public Schools • Planning and development of a neighborhood park in the Sanctuary development. • Improvements made in Pebble Park including a ZipKrooz, climbing structure, shelter, and volleyball court. • New park signs designed, fabricated, and installed • Developed route for the Lake Elmo Regional Trail system, and initiated feasibility study • Completed master plan with phase 2 improvements for Pebble Park • Participated in a joint workshop session with City Council on February 11, 2014 • Installed a gate at Sunfish Lake Park • Planned and executed first annual Volksmarch event

MAJOR 2015 OBJECTIVES

- Complete phase 2 improvements in Pebble Park
- Make entrance improvements to three community parks
- Achieve inclusion on Washington County Master Trail Plan for consideration by Met Council
- Seek and secure funding opportunities to support the initiation of the Lake Elmo Regional Trail
- Develop a master plan for Sunfish Lake Park

DEPARTMENT BUDGET SUMMARY

Park Fund	<u>Budget</u>
11 Foot Mower	50,000
Field Maintenance Equipment	30,000
Refurb and Update Current Parks	400,000
LERT Feasibility Study	30,000
Total Park Fund Budget	510,000

PERFORMANCE INDICATORS

- Complete Updated Comprehensive Park Plan
- Complete Comprehensive Trail Plan
- Develop Master Plan for Reid Park
- Develop Master Plan for Sunfish Lake Park
- Complete LERT Feasibility Study

City Bonding

State Bonding
100% Assessed
Partially Assessed

Project	Potential Future Bonding	General Fund (Levy)	Vehicle Fund	City Facilities Fund	State Grant Funds	Water Fund	Sewer Fund	SW Fund	Library Fund	Park Fund*	Resident Assessment	Developer Assessment	Total	Notes
12/31/14 Projected Balance			0	261,910										Vehicle fund to be spent down in 2014; City Facilities fund to be replenished in full
2015														
39th Street Project updates	X	606,661 x	29,020			239,775 (1)	163,786					174,080	606,661	Increased funding needs based on updated quotes and project scope changes
11 Foot Mower	Parks X	0 x								50,000			50,000	Per PW Director, smaller mowers may make more sense due to current prices
Field Maintenance Equipment	Parks X	0 x								30,000			30,000	
Refurb and update current parks	Parks X	0 x								400,000			400,000	
LERT Feasibility Study	Parks X	0 x								30,000			30,000	
Spray Patcher-Streets	Levy X	55,000 x	55,000										55,000	Propose purchasing new at \$65k vs used at \$52k
Replacement of CV1 (Tahoe #1)	Fire X	52,000 x	52,000										52,000	Replaces 2007 w/76,000 miles
ADA Bathroom	LIB X	0 x							35,000				35,000	
Pave Parking Lot	LIB X	0 x							35,000				35,000	
Inwood Booster Station	Water X	650,000 x			500,000	650,000							1,150,000	To be funded with MN Deed Funding (\$3.5M)
Inwood Trunk Watermain Impr	Water X	0 x			1,900,000								1,900,000	To be funded with MN Deed Funding (\$3.5M)
Inwood Water Tower (#4)	Water X	0 x			1,100,000								1,100,000	
LE Ave/Downtown Improvements	SPLIT X	1,635,511 x	837,831			290,000	0	327,680			180,000		1,635,511	SEE SPLIT DETAILS BELOW (Sewer component 100% assessible)
Warning sirens x2	Fire X	50,000	50,000										50,000	Replace Cimarron and add in No. center gap
Reconstruction of EP Blvd	UP/Bremer X	1,000,000									1,000,000		1,000,000	100% assessible; requested by United Properties and Bremer Bank
Projected 2015		4,049,172	1,023,851	0	0	3,500,000	1,179,775	163,786	327,680	70,000	510,000	1,180,000	174,080	8,129,172
2016														
1 Ton Truck/Dump Box	PW X	70,000	70,000										70,000	Replaces 2003 1 Ton with Plow; will be at year 13 of useful life
Lions Park Grading	Parks X	0								40,000			40,000	
New GL software	Finance X	60,000	60,000										60,000	Current software 10 years old and some components no longer supported
Stonegate & Kirkwood	Levy X	760,000 x	532,000								228,000		760,000	
Kelvin Avenue	Levy X	265,000 x	175,000								90,000		265,000	
Kelvin Avenue	Water X	151,000 x				38,800					112,200		151,000	
Sewer Assessment	LIB X	0							30,000				30,000	
Inwood Water Tower (#4)	Water X	1,100,000 x				1,100,000							1,100,000	Move forward from 2017 per DZ 8/19/14
Rescue Engine	Fire X	550,000 x	550,000										550,000	Replaces 1990 Engine with combination vehicle
LE Ave/Downtown Improvements	SPLIT X	1,635,511 x	837,831			290,000	0	327,680			180,000		1,635,511	SEE SPLIT DETAILS BELOW (Sewer component 100% assessible)
Pressure reduction station-Vlg E 12"	Water X	110,000 x				110,000							110,000	
Olson Lake Trail Sanitary Sewer Ph 2	Sewer X	180,000 x									180,000		180,000	
Pressure reduction station														
Hammes Estates - 12" bypass	X	120,000 x										120,000	120,000	Proposed to use excess funds included in initial Section 34 Assessment Fund
Village East Trunk Watermain - 12" bypass	X	110,000 x										110,000	110,000	
Projected 2016		5,111,511	2,224,831	0	0	1,538,800	0	327,680	30,000	40,000	790,200	230,000	5,181,511	
2017														
Dump Truck/Plow Wing/Sander	PW X	215,000	215,000										215,000	Replaces 1998 Plow Truck; will be in 17th year of useful life; limited suppliers
Replacement of CV2 (Tahoe #2)	Fire X	55,000 x	55,000										55,000	Replaces 2006; purchased used in 2010
Tri-Lakes Area	Levy X	1,830,000 x	1,281,000								549,000		1,830,000	
36th, 37th and Irwin	Levy X	561,000 x	388,200								172,800		561,000	
36th, 37th and Irwin	Water X	306,000 x				306,000							306,000	No water assessment
Hudson Blvd LS Replace & Upsize	Sewer X	500,000 x					500,000						500,000	
LE Ave/Downtown Improvements	SPLIT X	1,635,511 x	837,831			290,000	0	327,680			180,000		1,635,511	SEE SPLIT DETAILS BELOW (Sewer component 100% assessible)
Projected 2017		5,102,511	2,777,031	0	0	596,000	500,000	327,680	0	0	901,800	0	5,102,511	
2018														
Replacement of Tender 1	Fire X	450,000 x	450,000										450,000	Replaces 1987 Tender; refurbished in 2004
Mini excavator	PW X	50,000	50,000										50,000	Currently rent for \$4k per year
Add windows in blocked openings	LIB X	0							50,000				50,000	
38th, 39th and Innsdale	Levy X	1,020,000	705,100								314,900		1,020,000	
38th, 39th and Innsdale	Water X	598,000				175,000					423,000		598,000	
OV No of UP RR	Levy X	1,100,000 x	770,000								330,000		1,100,000	
OV No of RR watermain replacement	Water X	300,000 x				300,000							300,000	
OV lateral sewer ext No of RR	Sewer X	220,000 x					0				220,000		220,000	
LE Ave/Downtown Improvements	SPLIT X	1,635,511 x	837,831			290,000	0	327,680			180,000		1,635,511	SEE SPLIT DETAILS BELOW (Sewer component 100% assessible)
Projected 2018		5,373,511	2,812,931	0	0	765,000	0	327,680	50,000	0	1,467,900	0	5,423,511	
2019														
Replacement of U2	Fire X	75,000 x	75,000										75,000	Replaces 1994 F-350
Replacement SCBA's	Fire X	207,000 x	207,000										207,000	Per NFPA, max 15 year life; repairs done 9/14 to gain 5 yrs & extend life to max
OV So of UP RR	Levy X	1,900,000 x	1,330,000								570,000		1,900,000	
OV So of RR watermain replacement	Water X	710,000 x				710,000							710,000	
OV lateral sewer ext So of RR	Sewer X	1,120,000 x					0				1,120,000		1,120,000	
Elevated Storage Tank #3	Water X	2,200,000 x				2,200,000							2,200,000	
Pressure reduction station-12" tower #	Water X	110,000 x				110,000							110,000	
LE Ave/Downtown Improvements	SPLIT X	1,635,511 x	837,831			290,000	0	327,680			180,000		1,635,511	SEE SPLIT DETAILS BELOW (Sewer component 100% assessible)
Projected 2019		7,957,511	2,449,831	0	0	3,310,000	0	327,680	0	0	1,870,000	0	7,957,511	
Grand Total		27,594,217	11,288,474	0	0	3,500,000	7,389,575	663,786	1,638,402	150,000	550,000	6,209,900	404,080	31,794,217

(1) Includes oversizing change approved by City Council on 9/16/14 (\$118,975)

LE Ave/Downtown Improvement Project	2015	2016	Total	Annual
Streets	1,528,998	708,218	2,237,216	447,443
Sidewalks	138,653	118,841	257,494	51,499
Trails	0	16,500	16,500	3,300
Landscaping	169,400	569,800	739,200	147,840
Xcel underground	0	254,547	254,547	50,909
Comcast Underground	0	86,247	86,247	17,249
ROW	0	597,950	597,950	119,590
Total - GENERAL FUND	1,837,051	2,352,103	4,189,154	51.23%
Watermain - WATER FUND	483,333	966,667	1,450,000	17.73%
Sanitary Sewer - SEWER FUND (100% assessed)	300,000	600,000	900,000	11.01%
Regional Stormwater System - STORMWATER FUND	1,392,642	245,760	1,638,402	20.04%
PROJECT BY YEAR	4,013,026	4,164,530	8,177,556	100.00%
ANNUAL BONDING; WA CTY TO BOND; CITY TO REPAY			1,635,511	
OVER 5 YEARS; 0% INTEREST FROM WA CTY; CITY TO REPAY VIA ANNUAL BONDING				

6 Enterprise Funds

Enterprise funds (a type of proprietary fund) are used to report an activity for which a fee is charged to external users for goods or services. Enterprise funds account for operations financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges. For 2014, all enterprise funds have a positive cash flow. The city presently has three enterprise funds:

1. Water
2. Sewer
3. Surface Water

Annual appropriated budgets are not adopted for enterprise funds, but budgets are prepared by staff and reviewed by the city council to assist in the city's overall financial planning.

BASIS OF ACCOUNTING & BUDGETING

Enterprise funds are accounted for on the economic resources measurement focus, where the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets.

All assets and all liabilities (whether current or non-current) associated with an enterprise fund's activity are included on the balance sheet. Transactions that improve or diminish the economic position of the fund are reported as revenues or expenses. Depreciation, using the straight-line method, is charged against all exhaustible capital assets as an expense against operations.

Enterprise funds are accounted for using the accrual basis of accounting, which recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

The basis of budgeting is consistent with accounting principles generally accepted in the United States of America.

WATER

MISSION STATEMENT

Through the proper treatment and distribution, provide clean, potable water for the citizens of Lake Elmo.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

In 2014 the City of Lake Elmo expanded its water system by the installation of water main in the Section 34 (Lennar) portion of the City and by installing water main line from the downtown to the I-94 corridor via Lake Elmo Avenue. The Section 34 project was 100% assessed and the I-94 project was more than 50% funded by advance commitments for future water access charges. In addition, a new well, well house and distribution lines were installed at 50th Street and will be put on line late in 2014. In addition, the City contract engineering staff has completed a significant hydraulic analysis, in concert with new development that detailed the need for reducing valves in the Section 34 area and upsizing of pipe in the 39th Street project that will eliminate the need for a water tower. On a day to day level, staff dealt with 11 water main breaks, 12 significant freeze issues and efforts continue to replace old and failing water meters.

MAJOR 2015 OBJECTIVES

Major objectives for 2015 include:

- Construction of the Inwood Watermain (including pumping station) with \$3.5 million in state bonds;
- Assessment and replacement as needed of antiquated water main in the Old Village in conjunction with the Lake Elmo Avenue Street Reconstruction;
- Planning (including funding options) for the Inwood Avenue Water Tower;
- Successful installation of reducing valves in the Section 34 area of the community;
- Acquire via quit claim the land housing well #3 from the Carriage Station HOA;
- Create a master list of annual trouble spots for water main breaks and freezing.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
Operating Revenue	664,183	584,317	683,188	650,405	770,297	18.4%
Operating Expense	<u>744,573</u>	<u>729,761</u>	<u>891,225</u>	<u>728,990</u>	<u>964,225</u>	<u>32.3%</u>
Operating Income (Loss)	<u>(80,391)</u>	<u>(145,444)</u>	<u>(208,037)</u>	<u>(78,585)</u>	<u>(193,928)</u>	<u>-146.8%</u>
Non-Oper Income	145,347	155,992	2,991,000	781,000	1,287,000	64.8%
Non-Oper Expense	<u>197,123</u>	<u>189,130</u>	<u>200,948</u>	<u>202,690</u>	<u>270,481</u>	<u>33.4%</u>
Non-Oper Income (Loss)	<u>(51,776)</u>	<u>(33,138)</u>	<u>2,790,052</u>	<u>578,310</u>	<u>1,016,519</u>	<u>75.8%</u>
Change in Net Assets	<u>(132,167)</u>	<u>(178,582)</u>	<u>2,582,015</u>	<u>499,725</u>	<u>822,591</u>	<u>64.6%</u>

PERFORMANCE INDICATORS

Replace last cadre of water meters to insure proper operation and accurate recording
 Successful construction of the Inwood Water Main with pumping station under budget
 Reduce the number of water main breaks by 25% and water line freezes by 50%
 Successfully pass all state hygienic water reviews for potable water
 Flush (2X) per year in an effort to keep water lines fresh

SEWER

MISSION STATEMENT

To provide, to those residents served, a hygienic and sanitary waste water sewer system that connects with Metropolitan Council treatment systems in a manner that cash flows the City's infrastructure investment

DISCUSSION OF SIGNIFICANT 2014 EVENTS

In 2014, the City of Lake Elmo completed its first 3 sanitary sewer projects with the installation of the Lake Elmo Avenue force main to the Old Village, the installation of the Section 34 sewer to facilitate the Lennar et al subdivisions, and the completion of the Olsen Lake Trail sewer project connecting residents on the lake into the Oakdale system. These projects also included the installation of (2) major lift stations. The City continues to operate mini- 201 systems for isolated areas in the community, however, one system in the Lake Jane area needs to be rehabilitated. In addition, the City worked with the MPCA to create an agreement for the Hamlet at Sunfish Lakes neighborhood to hook up to City sewer in 2016-2017. The City also forged an agreement with Washington County to provide a grace period for residents that have faulty system but will soon be hooked up to City sewer.

MAJOR 2015 OBJECTIVES

Major objectives in 2015 include:

- Completion of 39th Street Sewer project (including future design of sewer for Hamlet at Sunfish Lakes)
- Review 201 Systems for viability and restoration (including proper assessment and billing)
- Create Lift Station Maintenance Plan and implement same
- Develop strategy for purchase of vacuum / cleaning equipment for sewer maintenance

DEPARTMENT BUDGET SUMMARY

	2012 <u>Actual</u>	2013 <u>Actual</u>	2014 <u>Budget</u>	2014 <u>Projected</u>	2015 <u>Budget</u>	% <u>Change</u>
Operating Revenue	54,710	54,882	76,500	209,481	200,884	-4.1%
Operating Expense	41,081	95,590	132,600	103,914	206,688	-156.1%
Operating Income (Loss)	(9,963)	(87,266)	(116,702)	105,566	(5,804)	105.5%
Non-Oper Income	10,814	9,395	2,939,100	541,700	1,415,100	161.2%
Non-Oper Expense	0	0	68,446	81,158	135,372	-66.8%
Non-Oper Income (Loss)	10,814	9,395	2,870,654	460,542	1,279,728	177.87%
Change in Net Assets	<u>851</u>	<u>(77,871)</u>	<u>2,753,952</u>	<u>566,108</u>	<u>1,273,924</u>	<u>96.8%</u>

PERFORMANCE INDICATORS

Successful start-up and implementation of (2) new lift stations
 Replacement / Refurbishment of Lake Jane 201 System
 Begin hookup of Old Village residents to City Sewer – Phase I
 Create sanitary sewer bill system including the proper billing of 201 systems that reflect 2015 costs

SURFACE WATER

MISSION STATEMENT

The City of Lake Elmo's surface water (aka storm water program) is purposed to provide orderly drainage of all surface water run off for all residents through the compliance with the federally mandated MS4 permit.

DISCUSSION OF SIGNIFICANT 2014 EVENTS

As the community develops, the proper management of both individual lot and regional drainage systems to mitigate the potential for regional flooding and to protect personal property. The surface water fund is meant to provide utility revenues to facilitate planning, property review & analysis and functional control projects to improve city wide drainage.

In 2014, the City of Lake Elmo, in cooperation with the VBWD, has spent considerable time planning for appropriate drainage in the following

areas:

- Study with Washington County on Old Village Drainage;
- VWBD Study on diverting water to Sunfish Lake and Goetschel Pond for northern Village development;
- 9 subdivisions (6 residential and 3 commercial) for drainage control per state and local guidance;
- Begin the rehabilitation of city –owned rain gardens and devise future rain garden use strategy;

The Surface Water Fund has been stabilized in the past two years by the collection of delinquent fees and no use of the fund for non surface water issues, which had been a practice in the past.

MAJOR 2015 OBJECTIVES

The major objectives for 2015 are:

- The acquisition of land (both north and south) for retention ponds to mitigate the localized downtown flooding consistent with the Lake Elmo Avenue reconstruction project;
- Complete Study of the Kramer Lake Basin for future development;
- Complete a survey and develop a strategy for pond maintenance under the City's control;
- Complete a detailed survey of the condition and maintenance needs of catch basins, culverts and ditch system for the conveyance of water and orderly drainage.

DEPARTMENT BUDGET SUMMARY

	2012	2013	2014	2014	2015	%
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Change</u>
Operating Revenue	171,229	211,255	215,000	205,000	220,000	7.3%
Operating Expense	105,227	116,275	156,134	123,771	177,714	-43.6%
Operating Income (Loss)	66,002	94,980	58,866	81,229	42,286	-47.9%
Non-Oper Income	638	1,098	17,500	1,100	1,100	0.0%
Non-Oper Expense	0	0	0	0	0	0.0%
Non-Oper Income (Loss)	638	1,098	17,500	1,100	1,100	0.0%
Change in Net Assets	<u>66,640</u>	<u>96,078</u>	<u>76,366</u>	<u>82,329</u>	<u>43,386</u>	<u>47.3%</u>

PERFORMANCE INDICATORS

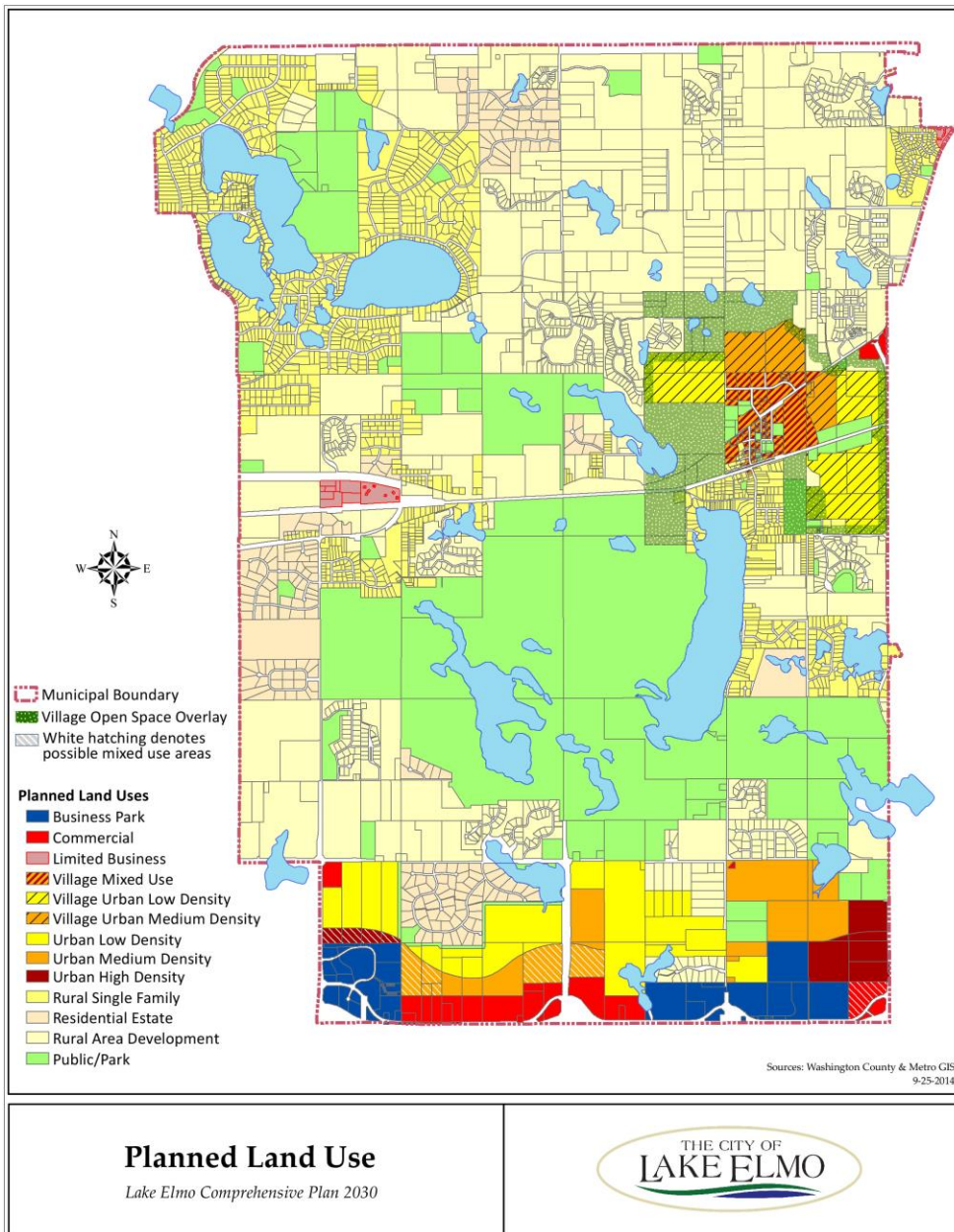
Surface Water System managed to a level that there is no localized flooding in traditionally susceptible areas
 Pond Survey and Maintenance Schedule Completed by 10-1-2015
 Catch Basin, Culvert and Ditch Assessment Completed by 10-1-2015
 Land acquired for downtown drainage strategy by 4-1-2015
 Goetschel Basin Study incorporated into northern Village developments
 Sunfish Lake Easements acquired for storm water management
 Kramer Basin Study completed prior to Phase #2 development beginning

7 Growth and Development

As part of the current growth initiative the Lake Elmo City Council has adopted the following growth philosophy:

- 100% Developer Paid Infrastructure Improvements
- Area Wide Assessments / 429 Projects;
- Irrevocable Letter of Credit with a total project cost face value / debt service draws;
- Comprehensive Escrow Agreements for 100% Cost Recovery;
- Thorough Credit Rating & Analysis of Developers;
- Strict Adherence to Comprehensive Plan / “No Poaching Strategy”

PLANNED LAND USE



City of Lake Elmo
Development Summary
Projected WACs
Updated 12/11/14 NMJ

Development	Units	WAC/SAC secured	Average Home Value	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Thereafter	Total
Section 34															
Lennar	310	>Approx 10 yr buildout; bi-annual phasing	350,000	111	0	60	0	60	0	60	0	19	0	0	310
Hammes	163	7 year buildout; annual phasing	350,000	0	57	40	0	40	0	26	0	0	0	0	163
Boulder Ponds	162	6 year buildout; annual phasing	350,000	0	35	35	64	28	0	0	0	0	0	0	162
Hans Hagen/Azure	539	10 year buildout; annual phasing	325,000	0	15	50	50	50	150	60	60	60	44	0	539
Azure Commercial	100	Based on approved Concept Plan	N/A	0	0	0	0	20	0	20	0	20	20	20	100
District 916 School	35	2016 build	N/A	0	0	35	0	0	0	0	0	0	0	0	35
Commercial*	55	Three commercial projects in the queue	N/A	35	20	0	0	0	0	0	0	0	0	0	55
Total	1364		343,750	146	127	220	114	198	150	166	60	99	64	20	1,364
Lake Elmo Ave															
Regan	92	LOC WAC Pre-Pay	TBD	0	30	31	31	0	0	0	0	0	0	0	92
Pratt	48	Pay all WACs at Final Plat	350,000	0	0	0	48	0	0	0	0	0	0	0	48
Ryland	51	4 year buildout; annual phasing	350,000	51	0	0	0	0	0	0	0	0	0	0	51
Emerson	166	LOC WAC Pre-Pay	N/A	0	0	0	20	20	20	20	20	20	20	26	166
Oakland Jr. High	80		N/A	0	0	0	80	0	0	0	0	0	0	0	80
Kee Lo	56	LOC WAC Pre-Pay	N/A	16	8	8	8	8	8	0	0	0	0	0	56
Commercial	43	LOC WAC Pre-Pay	N/A	0	0	0	0	15	15	13	0	0	0	0	43
Total	536		350,000	67	38	39	187	43	43	33	20	20	20	26	536
Old Village															
Gonyea S	100	5 year build out; annual phasing	350,000	0	35	35	0	30	0	0	0	0	0	0	100
Gonyea N	97	5 year build out; annual phasing	350,000	0	0	35	35	0	27	0	0	0	0	0	97
Gonyea W	180	9 year build out; annual phasing	350,000	0	0	35	35	0	35	0	40	0	35	0	180
Easton Village	217	9 year build out; annual phasing	350,000	0	71	0	50	0	50	0	46	0	0	0	217
Easton Village N	0	6 year build out; annual phasing	350,000	0	0	0	0	0	0	0	0	0	0	0	0
Engstrom	143	9 year build out; annual phasing	350,000	0	50	0	50	0	43	0	0	0	0	0	143
Schiltgen Comm	0	TBD	N/A	0	0	0	0	0	0	0	0	0	0	0	0
Redevelop	0	No plans yet received per Planning	N/A	0	0	0	0	0	0	0	0	0	0	0	0
Hamlet on Sunfish	0	Per MPCA agreement	N/A	0	0	0	0	0	0	0	0	0	0	0	0
LE Elementary	0	School has requested sewer ASAP	N/A	0	0	0	0	0	0	0	0	0	0	0	0
Commercial on 39th	0	6 year buildout; 6 vacant parcels	N/A	0	0	0	0	0	0	0	0	0	0	0	0
Total	737		350,000	0	156	105	170	30	155	0	86	0	35	0	737
Overall Total	2,637			213	321	364	471	271	348	199	166	119	119	46	2,637

WAC Rate			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Thereafter	Total
Projected WAC \$ Generated	3,000		639,000	963,000	1,092,000	1,413,000	813,000	1,044,000	597,000	498,000	357,000	357,000	138,000	7,911,000

*Three commercial projects in Section 34 include Kwik Trip (Hudson and Keats), Insurance Office Building and Neuro Medical Clinic (both in Eagle Point Business Park)

City of Lake Elmo
Development Summary
Projected SACs
Updated 12/11/14 NMJ

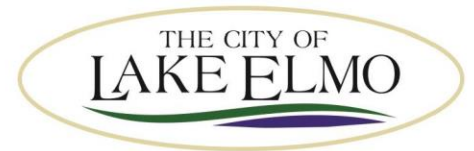
Development	Units	WAC/SAC secured	Average Home Value	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Thereafter	Total	
Section 34																
Lennar	310	>Approx 10 yr buildout; bi-annual phasing	350,000	111	0	60	0	60	0	60	0	19	0	0	310	
Hammes	163	7 year buildout; annual phasing	350,000	0	57	40	0	40	0	26	0	0	0	0	163	
Boulder Ponds	162	6 year buildout; annual phasing	350,000	0	35	35	64	28	0	0	0	0	0	0	162	
Hans Hagen/Azure	539	10 year buildout; annual phasing	325,000	0	15	50	50	50	150	60	60	60	44	0	539	
Azure Commercial	100	Based on approved Concept Plan		0	0	0	0	20	0	20	0	20	20	20	100	
District 916 School	35	2016 build		0	0	35	0	0	0	0	0	0	0	0	35	
Commercial*	55	Three commercial projects in the queue		35	20	0	0	0	0	0	0	0	0	0	55	
Total	1364		343,750	146	127	220	114	198	150	166	60	99	64	20	1,364	
Lake Elmo Ave																
Regan	92	LOC WAC Pre-Pay	TBD	0	0	0	0	0	0	0	0	0	0	0	92	
Pratt	48	Pay all WACs at Final Plat	350,000	0	0	0	25	23	0	0	0	0	0	0	48	
Ryland	51	4 year buildout; annual phasing	350,000	22	29	0	0	0	0	0	0	0	0	0	51	
Emerson	0	LOC WAC Pre-Pay	350,000	0	0	0	0	0	0	0	0	0	0	0	0	
Oakland Jr. High	80		350,000	0	0	0	80	0	0	0	0	0	0	0	80	
Kee Lo	0	LOC WAC Pre-Pay		0	0	0	0	0	0	0	0	0	0	0	0	
Commercial	43	LOC WAC Pre-Pay	350,000	0	0	0	0	0	0	0	0	0	0	0	43	
Total	314		350,000	22	29	0	105	23	0	0	0	0	0	0	314	
Old Village																
Gonyea S	100	5 year build out; annual phasing	350,000	0	35	35	0	30	0	0	0	0	0	0	100	
Gonyea N	97	5 year build out; annual phasing	350,000	0	0	35	35	0	27	0	0	0	0	0	97	
Gonyea W	180	9 year build out; annual phasing	350,000	0	0	35	35	0	35	0	40	0	35	0	180	
Easton Village	217	9 year build out; annual phasing	350,000	0	71	0	50	0	50	0	46	0	0	0	217	
Easton Village N	0	6 year build out; annual phasing	350,000	0	0	0	0	0	0	0	0	0	0	0	0	
Engstrom	143	9 year build out; annual phasing	350,000	0	50	0	50	0	43	0	0	0	0	0	143	
Schiltgen Comm	0	TBD	350,000	0	0	0	0	0	0	0	0	0	0	0	0	
Redevelop	0	No plans yet received per Planning	350,000	0	0	0	0	0	0	0	0	0	0	0	0	
Hamlet on Sunfish	41	Per MPCA agreement		0	0	41	0	0	0	0	0	0	0	0	41	
LE Elementary	35	School has requested sewer ASAP		0	35	0	0	0	0	0	0	0	0	0	35	
Commercial on 39th	120	6 year buildout; 6 vacant parcels		0	20	20	20	20	20	20	0	0	0	0	120	
Total	933		350,000	0	211	166	190	50	175	20	86	0	35	0	933	
Overall Total	2,611			168	367	386	409	271	325	186	146	99	99	20	2,611	
			SAC Rate													
			Projected SAC \$ Generated	3,000	504,000	1,101,000	1,158,000	1,227,000	813,000	975,000	558,000	438,000	297,000	297,000	60,000	7,428,000

*Three commercial projects in Section 34 include Kwik Trip (Hudson and Keats), Insurance Office Building and Neuro Medical Clinic (both in Eagle Point Business Park)

8 Appendix

PERSONNEL

CITY OF LAKE ELMO ORGANIZATIONAL CHART (2014)



2015 PERSONNEL COMPENSATION DISTRIBUTION

Updated 8/8/14

Position	HC	FTE	Administration 101-410-1320-41010	Electronics 101-410-1410-41010	Communications 101-410-1450-41010	Finance 101-410-1520-41010	Planning & Zoning 101-410-1910-41010	Fire 101-420-2220-41010	Building Inspection 101-420-2400-41010	Public Works 101-430-3100-41010	Parks & Recreation 101-450-5200-41010	Water 601-494-9400-41010	Sewer 602-495-9450-41010	Surface Water 603-496-9500-41010	Library 206-450-5300-41010	Total
City Administrator	1.00	1.00														100%
City Clerk	1.00	1.00	65%													100%
Deputy Clerk	1.00	1.00	100%													100%
Program Assistant	1.00	1.00	50%													100%
Project Assistant-Communication	1.00	1.00			70%				50%		30%	10%	0%	10%		100%
Finance Director	1.00	1.00				80%						10%	10%	15%		100%
Accounting Clerk	1.00	1.00				25%						50%	10%	15%		100%
Utility Billing Clerk	1.00	1.00				100%						60%	10%	30%		100%
Summer Intern	1.00	0.25														100%
Planning Director	1.00	1.00					85%		15%							100%
Planner	1.00	1.00					80%		20%	10%						100%
Planning Assistant	1.00	1.00					60%		30%							100%
Summer Intern	1.00	0.25					100%									100%
Fire Chief	1.00	1.00						100%								100%
FIRE/Water-UB	1.00	1.00						50%				50%				100%
POC FF's	23.00	2.30						100%								100%
Building Official/Code Enforcement	1.00	1.00							100%							100%
Building Inspector	1.00	1.00							100%							100%
Building Inspector	1.00	1.00														100%
Public Works Superintendent	1.00	1.00								40%	30%	10%	10%	10%		100%
Public Works Operator #1	1.00	1.00								60%	15%	10%	5%	10%		100%
Public Works Operator #2-Utilities	1.00	1.00								70%	15%	30%	70%	10%		100%
Public Works Operator #3	1.00	1.00								70%	15%	5%	5%	5%		100%
Public Works Operator #4-Utilities	1.00	1.00								100%		70%	30%			100%
Public Works Operator #5-Streets	1.00	1.00								100%		5%	5%			100%
Parks Maintainer	1.00	1.00								100%	80%	5%	5%			100%
Public Works Seasonal	1.00	0.25								100%	100%					100%
Parks Seasonal #1	1.00	0.75								100%						100%
Parks Seasonal #2	1.00	0.25								100%						100%
Parks Seasonal #3	1.00	0.25								100%						100%
Parks Seasonal #4	1.00	0.25								100%						100%
Library Director	1.00	1.00													100%	100%
PT Library Support Staff	1.00	0.50													100%	100%
Total FTE's	55.00	29.05	3.15	0.00	0.70	2.05	3.25	2.50	4.15	5.90	3.80	3.10	1.55	0.85	2.00	55

NOTE: Mayor & Council and Election Judges not included

GLOSSARY OF TERMS

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL BASIS OF ACCOUNTING: Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

AD VALOREM TAX: A tax based on value, such as the property tax.

AGENCY FUNDS: One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

APPROPRIATION: A legal authorization granted by a legislative body to make expenditures and incur obligations, limited by the amount and time in which it may be expended.

AUDIT: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in the financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

BASIS OF ACCOUNTING: Timing of recognition for financial reporting purposes (i.e., when the effects of transactions or events should be recognized in financial statements).

BUDGET: A financial operating plan showing proposed expenditures for a given period and the proposed means of financing them (also known as the Operating Budget).

BUDGET DOCUMENT: The official written statement prepared by the administration which presents the proposed budget to the legislative body.

BUSINESS-TYPE ACTIVITIES: One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

CAPITAL ASSETS: Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITAL IMPROVEMENT PROGRAM: A plan of proposed capital expenditures and the means of financing them. The capital budget is enacted as part of the complete annual budget.

CAPITAL PROJECTS FUNDS: Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those to be financed by proprietary funds and trust funds).

CHARGES FOR SERVICES: Charges for current services rendered.

CURRENT FINANCIAL RESOURCES

MEASUREMENT FOCUS: Measurement focus where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

GLOSSARY OF TERMS

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

DEBT SERVICE FUNDS: Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEPRECIATION: The portion of the cost of a capital asset charged as an expense during a particular period, prorated over the estimated useful life of the asset.

ECONOMIC RESOURCES MEASUREMENT

FOCUS: Measurement focus where the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets. The economic resources measurement focus is used for proprietary and trust funds, as well as for government-wide financial reporting. It is also used by business enterprises and nonprofit organizations in the private sector.

ENTERPRISE FUNDS: Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

EXPENDITURES: Under the current financial resources measurement focus, decreases in net financial resources not properly classified as other financing uses.

FIDUCIARY FUNDS: Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

FINES: Revenues from penalties imposed for violation of laws or regulations.

FISCAL DISPARITIES: A Minnesota law which provides for the pooling of 40 percent of all new commercial and industrial property valuation in the seven county metropolitan area which is then redistributed to taxing jurisdictions according to specific criteria.

FUND: Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: Difference between assets and liabilities reported in a governmental fund.

FUND FINANCIAL STATEMENTS: Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

FUND TYPE: One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

GENERAL FUND: One of five governmental fund types. The general fund typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS: When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (G.O.) bonds.

GLOSSARY OF TERMS

GENERALLY ACCEPTED ACCOUNTING

PRINCIPLES (GAAP): Conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

GENERALLY ACCEPTED AUDITING

STANDARDS (GAAS): Rules and procedures that govern the conduct of a financial audit.

GOVERNMENTAL ACCOUNTING STANDARDS

BOARD (GASB): Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA.

GOVERNMENTAL ACTIVITIES: Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds.

GOVERNMENTAL ENTITY: For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental units.

GOVERNMENTAL FUNDS: Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GOVERNMENT-WIDE FINANCIAL

STATEMENTS: Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities.

GRANT: A contribution of assets by one governmental unit or other organization to another. Grants are usually made for specified purposes.

INFRASTRUCTURE: Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTERFUND TRANSFERS: Flows of assets (such as cash or goods) between funds and blended component units of the primary government for a price approximating their external exchange value.

INTERGOVERNMENTAL REVENUES: Revenues from other governments in the form of grants, entitlements, or shared revenues.

INTERNAL SERVICE FUNDS: Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

LICENSES: Revenues received from the sale of business and non-business licenses.

LOCAL GOVERNMENT AID (LGA):

Intergovernmental revenue from the state to municipalities to help fund general expenditures.

MEASUREMENT FOCUS: Types of balances (and related changes) reported in a given set of financial statements (i.e., economic resources, current financial resources, assets and liabilities resulting from cash transactions).

MODIFIED ACCRUAL BASIS OF ACCOUNTING: Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways 1) revenues are not recognized until they are measurable and available, and 2) expenditures are recognized in the period in which

governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

NET ASSETS: The equity associated with general government assets and liabilities.

GLOSSARY OF TERMS

OTHER FINANCING SOURCES: Increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP (including general long-term debt proceeds, proceeds from the sale of capital assets, and operating transfers in).

OTHER FINANCING USES: Decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP (including operating transfers out).

PROPRIETARY FUNDS: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

RESERVED FUND BALANCE: Portion of a governmental fund's net assets that is not available for appropriation.

RESTRICTED NET ASSETS: Component of net assets calculated by reducing the carrying value of restricted assets by amounts repayable from those assets, excluding capital-related debt.

REVENUES: Under the current financial resources measurement focus, increases in net financial resources not properly classified as other financing sources.

SPECIAL ASSESSMENT: Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

SPECIAL REVENUE FUNDS: Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

TAX LEVY: The total amount to be raised by general property taxes for the purpose stated in the resolution certified to the county auditor.

UNRESTRICTED NET ASSETS: That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

** Source for some definitions: Governmental Accounting, Auditing, and Financial Reporting, Government Finance Officers Association, 2005.*