

**CITY COUNCIL WORK SESSION AGENDA
CITY OF LINO LAKES**

**Monday, June 7, 2021
Council Chambers
5:00 P.M.**

1. (5:00 pm) Final Report on Recreation and Aquatic Center Feasibility Study by Isaac Sports Group, Michael Grochala

****Following Agenda Item #1, the Council will convene in a Special Council Meeting to consider approval of a Special Event Permit.*

2. Review 2020 Annual Audit Report, Hannah Lynch
3. Electronic Municipal Payments, Hannah Lynch
4. Liquor License Fees, Julie Bartell
5. Water Treatment Plant Update, Michael Grochala, Rick DeGardner
6. Environmental Board Openings
7. Council Compensation, Sarah Cotton
8. Council Updates on Boards/Commissions, City Council
9. Adjourn

WORK SESSION STAFF REPORT
Work Session Item No. 1

Date: June 7, 2021

To: City Council

From: Michael Grochala, Community Development Director
Sarah Cotton, City Administrator

Re: Recreation and Aquatic Center Feasibility Study

Background

In July of 2020, the City was notified the YMCA would not be reopening the Lino Lakes Facility. In November of 2020, the City retained Isaac Sports Group (ISG) to evaluate potential facility operating options. Pursuant to a notice provided by the YMCA on January 4, 2021, and in accordance with the development agreement between the YMCA and the City, the YMCA transferred their property and building to the City on March 1, 2021.

ISG has completed their report and will present their findings to the City Council at the work session. The report examines programming options, three potential management models, and multiple fee structures. Financial operating budgets and projections were developed to evaluate the different options. The report also includes considerations for long term development and expansion, impact of the COVID-19 pandemic, along with a project timeline and next steps. Keys to success are also included as a resource to identify key operating best practices and needs necessary to make the facility a success.

Staff is proposing that the City Council accept the final report at the June 28, 2021 regular council meeting at which time an opportunity for public comment will be provided.

Requested Council Direction

Staff is requesting City Council direction to place report on the June 28, 2021 regular agenda to accept the report and provide an opportunity for public comment.

Attachments

1. Lino Lakes Recreation and Community Center Analysis



Lino Lakes Recreation and Community Center Analysis

**Facility, Opportunities, Program, Management, Financial, and Strategic
Analysis**

June 2, 2021



TABLE OF CONTENTS

Introduction	Page 4
Study Methodology	Page 5
Strategic Overview	Page 7
Evaluation of Current Facility	Page 11
Programming Analysis	Page 19
Aquatic Programming	Page 19
Fitness Programming	Page 29
Special Needs and Adaptive Programs	Page 31
Sport, Camp, and Youth Programs	Page 32
Facility Schedule Analysis	Page 34
Membership and User Programs	Page 36
Child Watch Program	Page 41
Facility Management and Staffing Models	Page 42
Management Models and Options	Page 42
Staffing Model	Page 44
Financial Budgets and Operating Projections	Page 47
Future Long Term Recreation Center Development and Expansion	Page 52
Potential Impact of COVID-19 Pandemic	Page 58
Project Timeline and Next Steps	Page 60
Keys to Success and Factors in Failure	Page 62
Conclusion	Page 70

APPENDIX INDEX

APPENDIX A:	Programming
#A1	Learn to Swim Market Analysis and Comparisons
#A2	Learn to Swim Program Projections
#A2a	City Managed Model
#A2b	Community Education Partner Model
#A3	Aquatic Facility Scheduling Matrix
APPENDIX B:	Membership
#B1	Membership Market Analysis
#B2	Membership Fee Structure, Scenarios, and Projections
APPENDIX C:	Budget/Operating Analysis
#C1	Profit and Loss Summaries
#C1a	City Managed P & L
#C1b	Hybrid Management Model P & L
#C1c	P & L Comparison
#C2	City Managed Model Budget Line Item Detail
#C2a	Facility Revenue
#C2b	Program Revenue
#C2c	Operational Expenses
#C2d	Program Expenses
#C2e	Program Profit Analysis
#C3	Hybrid Management Model Budget Line Item Detail
#C3a	Facility Revenue
#C3b	Program Revenue
#C3c	Operational Expenses
#C3d	Program Expenses
#C3e	Program Profit Analysis
APPENDIX D:	Pools Operational and Mechanical Systems

INTRODUCTION

The Chain of Lakes YMCA branch in Lino Lakes (the “YMCA”) suspended operations at the start of the COVID pandemic in spring of 2020. In early fall of 2020 the YMCA made the decision to close the YMCA permanently and return ownership of the YMCA building to the City of Lino Lakes (the “City”). On March 1, 2021 the ownership of the building formally reverted to the City.

The closing of the YMCA prompted the City to face hard decisions about the future of the former YMCA building. Key questions included:

- What is the City going to do with this building?
- Can the City reopen and manage the old Y as a City Recreation Center?
- What private or outside management options may work in managing the building as a Recreation Center?
- What would it cost to re-open?
- What changes or improvements are needed?
- What will it cost the City to run this facility?
- What strategic long term opportunities are there for a Recreation Center?
- Should the building be sold or repurposed?

These questions and the info and analysis needed to analyze these questions led the City to seek outside consulting expertise to answer these questions and develop strategic, tactical, and practical plans and recommendations for the future of the former YMCA.

The Isaac Sports Group, LLC. was retained in December 2020 to conduct this overall analysis of the potential and opportunities for the former YMCA building (the “Study”).

METHODOLOGY

Organization of Study and Report

This ISG Report is organized roughly in the order of progression through the Study. This progression and Study organization included the following:

- Evaluation of the existing YMCA building
- Review and analysis of the YMCA Programming and Membership model
- Review, analysis, and quantification of City resident program and recreation needs and opportunities
- Development of program model for a City Recreation Center
- Analysis and projections of the cost of re-opening the existing building as a new Recreation Center
- Exploration of Recreation Center management options and models
- Operating cost and revenue model and projections for the Recreation Center, including different management models
- Development of long term strategic opportunities and options for long term development of the Recreation Center and its overall site
- Development of a work-back timeline from re-opening of the Recreation Center

Study Elements

Key elements of Study research included but were not limited to the following:

- Review of the former YMCA
 - Onsite inspection of the existing building with YMCA Operation staff and City staff
 - Review of YMCA equipment and furniture inventory, including what the YMCA would be leaving for the City (virtually nothing)
 - Study of YMCA operating and program records as well as minutes of the meetings of the YMCA Steering Committee minutes on their process of re-imaging the YMCA
 - Evaluation of nearby YMCAs impacting the former Lino Lakes YMCA
- Market research
 - Area demographics
 - Research on area and regional public/municipal community Recreation Centers
 - Facilities, programs, fees, membership models, etc.
 - Best practice examples
 - Research on area and regional private fitness and recreation facilities currently drawing members and users from the Lino Lakes area
- Identification and engagement of potential area user groups and stakeholders
 - Meetings and interviews with potential stakeholders and user groups and groups utilizing the former YMCA
 - Identification of area stakeholders and program providers that may be potential management and/or program partners for the Recreation Center
- Detailed assessment of projected needs and costs for re-opening the facility
 - Work with City facility management, outside service providers, and equipment suppliers to develop cost projection
- Explore outside management entities and opportunities, including pros and cons

- Potential of a management contract with the YMCA
- Examples of management by fitness facility chains
- Hybrid options
- Operating Budget development
 - Detailed review of existing City management, staffing, maintenance, utility and other budget centers relevant to the operating budget of the Recreation Center
 - Comparison to operating budgets of the former YMCA and other comparable facilities
 - Specific analysis of operating costs during the facility closure prior to re-opening
 - Ongoing review of budget and backup projections and documents with City management and staff
- Stakeholder engagement to identify opportunities for future development
- Presentation of initial findings to City Council work session March 18, 2021

Using the Report

The report is forward looking, providing information to help support the key City Staff driven Next Steps in the development process. In addition to the analysis in the Study many sections include a Next Step box to provide suggestions on City next steps building on the Study analysis.

STRATEGIC OVERVIEW

The theme of the Strategic Overview focuses on several key elements:

1. How can the Recreation Center improve on the former YMCA in terms of providing greater access for Lino Lakes residents and enhance community programming and access for the entire community?
2. How can the Recreation Center be differentiated from YMCAs and other community recreation centers to enhance value to users and draw users and members from outside Lino Lakes to help support the financial sustainability of the Recreation Center?
 - a. Can the Recreation Center be a destination facility?
3. How best to position Recreation Center memberships, program, user, and rental fees in the Lino Lakes community to provide the most equitable and affordable access to residents while supporting long term financial sustainability?
4. What Recreation Center enhancements and/or expansion and new facilities make the most sense in terms of community programming and impact and return on investment and long term financial sustainability?
 - a. Are there strategic partners or partnerships that can support the Recreation Center and program enhancements and expansion?
5. How can phasing of facility enhancements and expansion be achieved?
6. What management model makes the most sense in achieving these strategic objectives?

The Strategic Overview has been developed through discussions with City Management and Leadership, engagement of stakeholders, review of the YMCA programs, budgets, and challenges that faced the YMCA, and a creative approach to differentiating the Lino Lakes Recreation Center. These strategic considerations will link the elements of the facility, program, management, and financial analysis of this Study and Report.

Role in the Community

Perhaps the single most important strategic element we identified was the incorporation of community programming and access into the existing facility and future expansion and updates. The YMCA had limited community classes, functions, and community organizational partners and the ones they had were decreasing, such as some sport classes through Centennial School District Community Education. Currently the City has limited space and resources for senior programming and special needs residents are underserved. There is also limited community accessible meeting and function spaces for use by organizations and outside community programs.

Although the current building has limited function space the potential exists to make this space more flexible and user friendly and add to increased availability of the small gymnasium and workout spaces for a wider range of community programming and access.

Communicating this community element will be very important to building membership and use of the Center and generating support for the long term enhancement and expansion of the Recreation. We feel it is important to “rebrand” the Recreation Center as the:

“Lino Lakes Recreation and Community Center”

Throughout the rest of this report we will refer to the Recreation Center as the “**Rec & Community Center**” to reinforce this theme or just the “Center.” This name can be tweaked but it will be important to emphasize both the Recreation and the Community elements of the re-opened Center. Hopefully a catchy name for the Center can be collectively developed.

Examples and suggestions for the increased role in the community are throughout this report in facilities, programming and partnerships.

Differentiating Theme(s)

Reviewing the former YMCA programs there were not real unique or specialty programs, facility features, or other elements that differentiated the Y from other YMCAs or recreation facilities in the area. Reviewing the needs and opportunities in the area plus shortages of key facilities suggests differentiating themes for the Rec and Community Center. These themes are discussed in the ***Future Long Term Recreation Center Development and Expansion*** Section of this Report.

Strategic Partnerships

Strategic partnerships will be an important part of both the re-opening and the future expansion of the Rec and Community Center. Strategic partnerships fall into several categories, all relevant to the Center. See specific partner details in the ***Facility Management and Staffing Models*** section of this Report. Additional strategic partnerships relevant in long term expansion are discussed in the ***Future Long Term Recreation Center Development and Expansion*** section of this Report.

- Program Partner
 - Provide programming at the Center under City branding
 - Specialized expertise and instructors
 - Specialized equipment partner brings to the programs
 - Reduce or absorb all of program costs to the City
 - Completely manage and run program at Center
 - Providing all staff and costs for programs
 - Revenue for City through facility lease or revenue sharing program
 - Examples
 - Outside fitness provider that could run all of the fitness programs at the Center
 - Providing management, staffing, equipment, and maintenance
 - Facility space lease payments and shared user revenue
- Capital Partnership
 - Provide funding for expansion or enhancement of Center facilities
 - Most often joint funding of an addition to the Center that would be managed or leased by the partner as a program partner
 - Examples
 - Development and funding partner for Court Sport Facility and Climbing
 - Likely partner would manage that facility or portion of its programming
- Community/Facility Partner
 - Potential partner that has its own facilities that complement the Rec and Community Center, allowing both the Community partner and the Center to jointly provide programs at both facilities that cannot be provided by each organization at their own or the City Rec and Community Center facilities.
 - Shared expenses, program management, and revenue/profit

- Examples
 - Jointly providing learn to swim program with Centennial School District Community Ed
 - See specifics on swim lesson partner program in *Aquatics Programming in the Programming Section* of this Report
- Key User Groups
 - User groups or anchor tenants that would lease spaces at the Center with long term and volume commitment
 - Often these anchor tenants provide a key marketing component to increasing regular facility memberships and program participation

Strategic Long Term Development and Phasing

The immediate priority of the City is to re-open the Center and start up programming, membership, and community access as soon as is practically and safely possible. The need to open quickly also reduces the costs of maintaining the Center in its closed dormant state prior to re-opening.

The long term opportunity for expanded and enhanced facility to provide new opportunities and plan for population, membership, and program growth is an important part of the initial decision making process of re-opening. The strategic development and phasing for long term growth of the Center includes the following considerations:

- Renewal extension of the existing City property tax levy originally approved to fund the building of the Center through taxes payable 2022.
- Prioritize initial low cost additions, enhancements, and partnerships that can shorten the ramp up time for Center programs and membership to achieve financial break even more quickly
 - Several program and community partners/user groups have expressed interest in launching program partnerships coordinated with re-opening
 - Prioritize these groups for initial discussions of partnership parameters
 - Prioritize outdoor enhancements that can be added at limited costs but can accelerate and grow membership and program elements participation and revenue
- Analyze and prioritize long term expansion projects based on several factors:
 - Overall cost
 - Partnership investment
 - Potential impact on Center membership and net revenue
 - Does any new additions or facility upgrades enhance the overall community benefits of the Center?
 - Overall return on investment
 - Opportunity for Sport Tourism and economic impact
 - Impact on business and residential development in Town Center area adjacent to Rec and Community Center
 - Contribution to differentiation of Center and creation of destination components of Center
- Identify efficiency creating elements of bundling additions, enhancements, or renovation of facilities
 - Bundling like or related elements to reduce building costs of each element independently

- Create management, maintenance, and operational efficiencies through efficient design and facility alignment

EVALUATION OF CURRENT FACILITY

The existing YMCA building is typical of YMCAs in the area opened in the early to mid-2000s. The spaces are relatively small compared to newer larger YMCAs opened in the last ten years, such as the YMCA in Forest Lake. The overall gross square footage of the existing facility is approximately 40,000+ sf with a footprint of approximately 32,000 square feet. The YMCA does have all of the key facility and amenity spaces to support a community Recreation Center. The YMCA has been very well maintained and the high level analysis of any maintenance issues or needs did not turn up any significant repair or replacement needs that would add cost to re-opening. The inspection also did not turn up any significant capital maintenance or replacement needs projected for the next five to eight years.

Key Recreation Center features include the following:

Aquatics

- Lap/Program Pool: Total square feet = 2,966 sf
 - 6 x 25 yard lap lanes of 6' width
 - Narrow for all but young team swimmers or 2-3 lap lanes
 - Depth: 3'6" to 5'
 - Suitable for community programming
 - Temperature: 83-84° F
 - Suitable for wide range of community programming
 - Warm for any high intensity training
 - Programming Capabilities
 - Lap lanes for low to mid-intensity fitness swimming
 - Ideally suited for the youngest age groups on competitive swim teams (potential for outside user groups)
 - Swim lessons: Older more advance lesson groups
 - Good depth and temperature for aquatic and senior fitness programs
 - Family friendly recreation and aquatic lifestyle activities
 - Special needs and adaptive PE programming

Lap Pool





- Leisure/Wellness Pool
 - Free Form: roughly 70' x 36' (total square footage = 2,900 sf)
 - Depth: Zero to 5'
 - Temperature: 87° F
 - Zero/Beach Entry (provides easy wheelchair access also)
 - Slide
 - Programming (see details and examples in the *Aquatic Programming subsection of the Programming Analysis* section of this Report)
 - Family leisure and recreation
 - Young child and senior friendly
 - Therapy/Rehab
 - Swim Lessons (younger children)

Leisure/Wellness Pool



- Pool Mechanical Systems and Structure
 - Filter Systems
 - The Pool mechanical rooms are clean, well maintained, and functional

- Both pools have high rate sand filters. The filters are in good shape and should not need replacing for another 6-8 years.
- New technology in pool filtration systems, water disinfection, and energy management present options for replacing these filters which can have a significant impact on reducing water consumption, waste water to sewer, reduced electrical and natural gas use, and pool chemical consumption.
 - Detailed discussion of new applicable pool mechanical technology is in *Appendix D: Pool Operational and Mechanical*

Current Pool Mechanical Room and Systems



- Structural Features
 - The pool tank is well maintained and not in need of any patching or re-grouting.
 - The pool decks are well maintained and are not in need of any immediate deck replacement.

Fitness and Sport Features

- Aerobics Studio spaces: 1,993 sf
 - Includes mirrors for classes
- Fitness/Cardio/Strength Space; 5,665 sf
 - Very open space allowing flexibility as exercise needs evolve

Fitness/Aerobic Studio



Cardio/Strength Area



- Gymnasium: 4,566 sf floor space (4,740 gross sq ft)
 - 80' x 59.25' including walls
 - Small Gym
 - NOTE: A full size high school basketball court is 84' x 50' (Total = 4,200 sf) not including the surrounding safety buffer space
 - This existing gym supports a smaller size full basketball court
 - Court lines are marked
 - Other gym configurations
 - Volleyball: 1 court (measures 78' 9" x 49' 2.5" for full court and free zone)
 - Pickleball Courts: 2 courts can be squeezed into the gym
 - Full court is 44' x 20' with dimensions of 64' x 34' for buffer area but can be squeezed into 2 spaces in gym measuring 64' x 29' each

Current Gymnasium

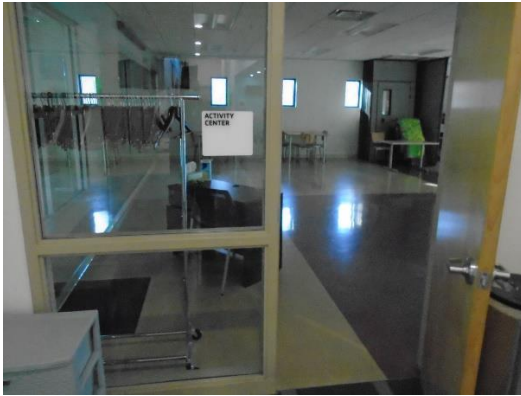


As indicated in the Strategic Overview adding additional larger gyms is the first priority for future expansion of the Recreation Center. A detailed discussion of a potential Sport Center including the enhanced Court Facility and additional amenities is discussed in the ***Future Long Term Recreation Center Development and Expansion*** section of this Report. Potential management partnership and funding of this Sports Center addition is discussed in the ***Facility Management and Staffing Models*** section.

Multi-Purpose Function Space

- Activity/Flex Function and Party Space: 1,479 sf
 - Layout and flexibility not well suited to classroom and meeting functions
 - Includes small warming/catering kitchenette to support functions
- Kid-Zone/Child Watch: 1,343 sf
- Small Meeting Room: 240 sf
- Current Spaces are limited for any broad expansion of community programming and meeting/function space. Expanding function/meeting space at the Recreation Center is the second most important long term priority after court space (***See Future Long Term Recreation Center Development and Expansion section of this of Report***).

Current Facilities



Common Spaces

- Locker and Changing Rooms: Total Square Footage = 3,194 sf
 - The facility has a good mix of general locker rooms and family changing rooms to support the facility and near future changes in locker room and changing room evolution.
 - Facility includes a laundry/towel service facility
 - No staff locker rooms are in the facility
 - ***Future expansion would need larger locker room space with increased gender neutral facilities, handicap specific changing rooms, and a small staff locker room to meet future growth and anticipated ongoing evolution in locker room and changing room design, codes, and best practices.***

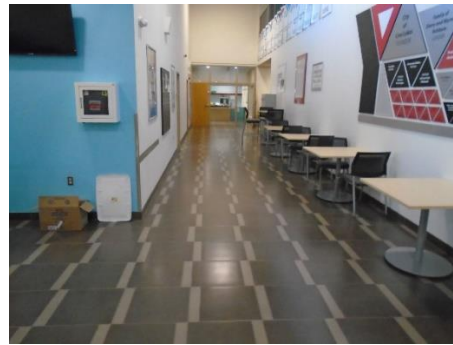
Family Changing Room Hallway



- Lobby: 1,186 sf
 - Includes front desk and access control
 - Good space to support size of current size of building and user load
- Reception area: 147 sf

- Restrooms: 800 sf
- Vending Area: 714 sf

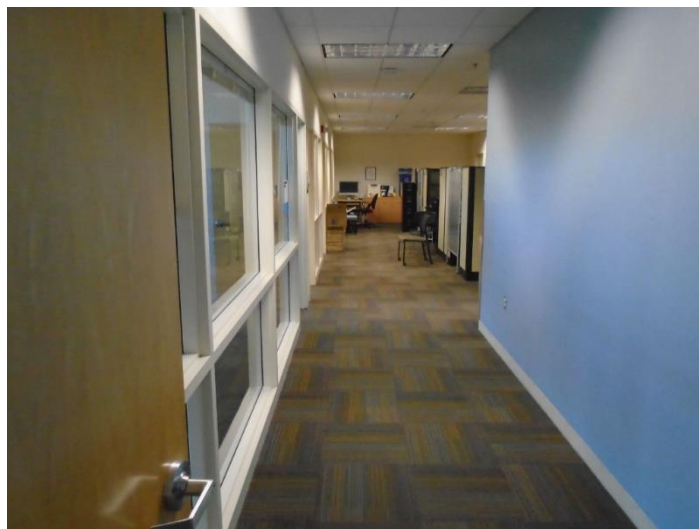
Front Desk and Lobby



Building Support Spaces

- Storage Spaces
 - Ample storage in most areas for programs and equipment
 - Aquatic storage is small to support expansion of aquatic programming
 - Creative solutions can be explored as aquatic programming expands
- Office Spaces
 - Admin Offices: 1,456 sf
 - Program Offices: 600 sf
 - The facility has ample support spaces for building management, administration, and workspaces for instructors and staff
 - Current office, administrative, workspace, and breakroom spaces support the management/staffing model in both the City Managed and Hybrid Management models for Recreation Center operation

Office Spaces



- Building Operations and Maintenance
 - Building Operations and Maintenance spaces are ample for the current size of the facility and well located and laid out in the design

Outdoor Spaces

- Small fenced in playground accessed through Child Water/Kid Zone in building

Current Playground Area



PROGRAMMING ANALYSIS

Current programming (up to the pandemic closing) can be classified as traditional YMCA programming. The programs included basic aquatic programs, standard fitness classes and programs with inclusion of some relatively new trends, and open facility time for member use. Quite a few new program and scheduling opportunities exist in a re-envisioned community based Recreation Center that can provide a wider range of programs, attract new users and members, and support enhancement and creation of new community wide classes and programs.

This study has identified the following opportunities for expanded programming utilizing the existing facilities.

Overall Programming Considerations

One of the most important elements of expanded and enhanced programming will be the ability to run concurrent programming. The pre-COVID YMCA schedule had single programs taking over specific spaces. Even though the gym and pools are relatively small, their configuration allows for multiple programs utilizing the spaces concurrently, expanding the availability and range of classes.

Analysis of the schedule also identified the need to a wider range of scheduled times for specific classes that support wider access to classes when working people and families can more easily access programs.

Overall, the YMCA programs were limited in supporting several user groups and underserved populations across the range of programs. These include:

- Senior and Older Adult programs
- Intergenerational programs
- Special needs and adaptive PE classes and programs
- Community programs
- Support for underserved segments of the population, including those unable to afford membership or programs at the YMCA

AQUATIC PROGRAMMING

Aquatic Fitness

- Y aquatic fitness programming is very traditional, focusing on seniors and traditional “aqua aerobics.” Virtually all classes offered were during the workday, reducing access to aquatic fitness for working people.
- Most of the Y aquatic fitness programs offered focused on low intensity programming, not taking advantage of the overall benefits of aquatic fitness for cross-training, personal training, and higher intensity programming.
- The current pools support a wider range of aquatic that will appeal to a much wider segment of the population, including active adults, athletes, and a much wider age and intensity range. Potential new programs can include:
 - Hydro spinning
 - In water yoga and balance
 - Personal training and cross training

- Sport Team Cross training
- Aqua Zumba
- Whatever “current fad” dry side program gets converted to the water
- The current facilities would not support deep water exercise or water running
- The revenue projections are based on a very conservative model of:
 - Classes average a fee of \$4/class for residents (\$5/class for non-residents)
 - NOTE: Classes are not included in membership (see discussion in ***Membership and User Program*** section of this Report)
 - 16 classes/week with 8 students/class at \$4.00/class for 50 weeks.
 - NOTE: The Schedule Model for the pools allow time for twice as many classes per week with space for up to 16 students/class.
- NOTE: The addition and expansion of aquatic fitness program can be phased in as the Recreation Center program and staff evolve.

***Aquatic Fitness Revenue Projections
City Managed and Hybrid Model
(Year 3)***

Category	Year 3 Revenue
Aquatic Fitness Classes	\$26,000
Personal Training-Aquatics	\$7,800
TOTAL REVENUE	\$33,800
TOTAL EXPENSES	\$14,520
NET REVENUE	\$19,280
Profit Margin	57%

Examples of Potential Enhanced Aquatic Fitness and Cross Training



Aqua Zumba



Floating Yoga



Hydro-Spinning



High School Sport Team Cross Training



Paddleboard Yoga/Aerobics



Traditional Aquatic Aerobics and Resistance Training

Swim Lesson Programs

- The YMCA has a basic swim lesson program. A new and more robust swim lesson program with new curriculum, lower student to staff ratios (targeting 4:1 compared to YMCA average of 6:1), and wider range of schedule availability can create a better swim lesson program for the Recreation Center
- The different depths and temperatures in the two pools support a range of lesson students from the younger parent and tot classes all the way up to adult lessons.
- Increase in the offerings of private and semi-private lessons
 - These lessons are the fastest category of swim lessons in today's market



Swim Lesson Class Fees

A Market Analysis of swim lesson programs in and around Lino Lakes and in the region was conducted. This Market Analysis included the YMCA of the North Chapter wide swim lesson rates as well as neighboring community aquatic facility programs. It also looked at private swim schools and the program fees and structure of the Centennial School District Community Education program. Since many of the programs have different numbers of classes in each session or different lengths of class times and billing models we use a pro-rated cost of the lessons per 30minutes of lesson times. This provides an “apples to apples” comparison regardless of the format.

The Market Analysis is included in Appendix A: Programming #A1

The YMCA group rates were \$7.86/30 minutes for YMCA members and \$15.57/30 minutes for non-members. Public facilities such as Shorewood, Brooklyn Center, and Brooklyn Park were in the range of \$10.15 to \$11.00 for residents and up to \$13.00 for non-residents. The non-resident premium averaged 10% to 22%. Centennial Community Education rates averaged \$9.38/30 minutes. The average student:teacher ratio for these public programs is 6:1.

Local for profit swim schools such as Foss Swim School and Goldfish Swim School usually have a student:teacher ratio of 4:1 and bill as a monthly membership which provides ongoing 1 lesson per week. These swim schools average \$22.00/30 minutes.

Based on the market research and the opportunities for two water temperature levels at the Rec and Community Center pools the suggested class fees used in the financial projections are the following:

Youth Group Lessons:	8 x 30 minute classes per session
Resident:	\$11.00/hour
Non-Resident	\$13.00/hour

Adult lessons are based on 6 x 45 minute classes per session but have the same 30/minutes equivalent.

Residents also have the opportunity to have priority early class registration prior to opening registration to non-residents.

Private and Semi-Private and specialty lessons are priced accordingly

Swim Lesson Participation and Revenue Projection

Based on these fees, history of lessons at the YMCA and Community Education the overall swim lesson revenue projects is as follows:

City Managed Swim Lesson Program Revenue

Lesson Category Revenue	Year 1	Year 2	Year 3	*Year 4	Year 5
Youth Group	\$113,280	\$152,928	\$175,867	\$206,033	\$216,335
Adult Group	\$10,620	\$14,337	\$16,488	\$19,316	\$20,281
+Private	\$21,504	\$29,030	\$33,385	\$39,704	\$41,689
Semi-Private	\$9,120	\$12,312	\$14,159	\$16,633	\$17,465
TOTAL REVENUE	\$154,524	\$208,607	\$239,899	\$281,686	\$295,770
&EXPENSES	\$69,101	\$89,886	\$102,042	\$117,988	\$123,412
NET REVENUE	\$85,423	\$118,721	\$137,857	\$163,698	\$172,358
Profit Margin	55%	57%	57%	58%	58%

NOTES:

- *The projections are based on a 60% resident/40% non-resident breakdown*
- **Projecting a rate increase of 9% in Year 4.*
- *+The YMCA and Community Ed do not offer a wide availability of private lessons and this projection for the Rec and Community Center is conservative. Private lessons will likely generate an upside over these conservative projections.*
- *&Expenses include staff, staff training, marketing, supplies, credit card/registration fees, etc. Instructor wages are average \$18/hour to ensure attracting and retaining instructor staff.*
- *Budget funds are included to support scholarships for those that cannot afford the cost of lessons*

The detail City Managed Lesson Projections are included in Appendix A: Programming #A2a.

Swim Lesson Program Partnership with Centennial School District Community Education

Centennial Community Ed runs a well-respected lesson program in the community but the program is limited by lack of pool space with all of the other uses of the Centennial High School Pool and the lack of child-friendly warm-water for lessons. The one pool at the high school is kept cooler (81-82°) based on the use by the high school and club swim teams. The pool also has limited shallow water space and cannot run lessons during the school day for school security purposes. The Community Ed program does have a good management and instructor team in place.

The Rec and Community Center has two pools with two different temperatures (84° and 87°) plus ample shallow water space. The Center also has the ability to offer pre-school and parent/tot lessons during the school day as well as in the prime after-school hours when the high school pools is used by the high school swim teams.

Significant synergies, growth and program enhancements can be generated through partnering with the Centennial School District Community Ed Swim Lesson Program (see Management Options Section in this Report). Exploratory discussions were held with Community Ed management and aquatic staff. Community Ed is very interested in further exploring the partnership. There are several advantages:

- Existing trained staff and management would create a faster ramp up and high quality lessons
- Combining programs would reduce “competition” in the market
- Community Ed marketing and information brochures and ability to reach families in the school district and the community would enhance Center and City marketing reach
- Although no specific discussions on the structure of this partnership have occurred, the partnership model could tentatively include the following:
 - Community Ed to manage and staff the program
 - Community Ed would cover virtually all program expenses
 - Resident rates would still apply, for both the City and Centennial School District residents
 - The Center would provide the pool time and related pool operating costs
 - City would receive a percentage of gross swim lesson revenue (used 25% in these projections). This would still give Community Ed the revenue needed to cover their costs and meet their budget model.
 - Community Ed would share in any scholarship costs for students that cannot pay the full class fee.

This conservative partnership model projects a lower net revenue for the City. These calculations included in this report can serve as a tool in developing a swim lesson partnership with Community Ed that would be a net zero impact on the City managed revenue model. There are other savings that the City Rec and Community Center would realize in a reduction in general management/administration costs that are not directly shown as swim lesson expenses.

Following is a summary of the swim lesson program in this Community Ed partnership model.

Community Ed City Partnership Swim Lesson Program Revenue

*Lesson Category Revenue	Year 1	Year 2	Year 3	*Year 4	Year 5
Youth Group	\$142,272	\$192,067	\$220,877	\$259,473	\$272,446
Adult Group	\$13,338	\$18,006	\$20,707	\$24,326	\$25,542
+Private	\$27,296	\$36,850	\$42,377	\$50,234	\$52,746
Semi-Private	\$11,648	\$15,725	\$18,084	\$21,274	\$22,338
TOTAL REVENUE	\$194,554	\$262,648	\$302,045	\$355,306	\$373,071
CITY NET REVENUE	\$48,639	\$65,662	\$75,511	\$88,827	\$93,268
Variance to City Managed Program	\$(36,784)	\$(53,059)	\$(62,346)	\$(74,871)	\$(79,090)

NOTES:

- Lesson projects use the same class fees and project an overall increase of 30% in lesson enrollment in this joint program
- The projections are based on a 80% resident/20% non-resident breakdown incorporating the full Centennial School District and the City of Lino Lakes as residents
- *Projecting a rate increase of 9% in Year 4.
- *Revenue represents total projected revenue
- +City Share used in this calculation is 25% of gross revenue. This is conservative and hopefully this percentage would be higher
- Drawing more participants for swim lessons through the Community Ed partnership should also help drive additional memberships, but this potential membership increase is not currently factored into the membership revenue.

The detail Community Education Partnership Lesson Projections are included in Appendix A Programming #A2b.

Aquatic Therapy and Rehab

- The warm water (87° F) and the depths and ease of access in the current Leisure/Wellness pool is well suited to some levels of Therapy/Rehab treatment and programs:
 - Cardio Rehab
 - Autism Spectrum (Aquatics is a growing component of programs across the Autism spectrum)
 - Movement
 - Arthritic and Pain relief
 - Orthopedic rehab

- And more
- These programs are provided by outside therapists or health care providers renting pool space, usually utilizing the pool during the quieter and less used times during the work/school day
- The initial revenue projection from outside therapist and therapy/rehab service providers is a very conservative \$5,000/year by Year 2.
 - This is calculated projecting 100 hours per year (only 2 hours/week for 50 weeks) @ \$50/hour rental rate for a portion of the Program/Leisure Pool.
 - Space and time in the Program/Leisure Pool schedule can allow five to eight times more therapy/rehab use in the Pool

Examples of Aquatic Therapy and Rehab



Cardiac Rehab



Movement Rehab



Injury Rehab



Special Needs Therapy

Aquatic Recreation

- The Leisure/Wellness pool has a slide and zero depth that is family friendly and provides some recreation/leisure amenities to use during open swim
- There is a much wider range of aquatic activities that can take place in the lap pool that attracts a much wider range of ages and users. These include fun activities that support popular activities in the area and can be taken in and out of the pool.
 - Kayak and paddle boarding

- Inflatable obstacle course for shallow water
- Log rolling
- Water Basketball (the YMCA did have this feature)
- Water Volleyball
- Birthday parties



Swim Team/Masters Swimming/Lap Swimming

- The lap pool is not suitable for any level of competitive swimming, except for the youngest age swimmers not utilizing starting blocks
- Youth swim team

- Interviews during the Study with area swim teams did identify a very strong commitment to rent pool space in the lap pool for use with the team's youngest entry level swimmers who prefer the shallow warmer water.
- There is potential for a summer recreation entry level swim team at the facility
- Lap Swimming
 - Increased lap lane availability is factored into the sample pool schedule
- We do not anticipate any significant masters swimming program based on the warm water in the lap pool



FITNESS PROGRAMMING

As with the aquatic programs, the fitness programs were relatively basic and personal training was not a significant portion of the overall fitness program. Even before the pandemic driven closer of the Lino Lakes YMCA the Y was losing fitness oriented members to fitness facilities and programs that offered more specialized training, more program options and the latest fitness trends appealing to a wider range of members and participants, often at a lower membership cost. The personal training options and opportunities are also a significant added benefit for the Rec and Community Center and can further help differentiate the Center. Expanded, enhanced, and new programs can include the following:

- Higher intensity specialty fitness systems and programs
- Increase in senior specific programs
- Increased personal training with varying level and package options
- Enhanced instructor expertise and quality
- Continuing updated programming and equipment and adding new programs
 - It is very important to not allow Rec Center fitness programs to get stale or not keep up with the latest fitness trends.

To achieve these enhanced fitness program goals it is worth exploring using more outside contract instructors with specialty expertise as well as explore partner program providers that can bring both expertise and training equipment and systems to the Center. (See Management and Partner Section of Report). Outside user groups or programs can also lease the exercise studios or workout spaces for programs not offered by the Rec and Community Center. These can include a wide range of programs such as martial arts, dance, fit boxing, mindful experience, and much more.

Larger classes can also be held in the current gym. Times when the gym is not fully programmed, rented, or utilized for open gym the space can be used for a wider range of programs that may be too big for the dedicated fitness spaces.

Samples of Enhanced and New Fitness Programs at the Center (Not currently offered or no space, trainers, or equipment to support)



Large Classes in the Gym



Spinning



Specialty Classes



Senior Chair Classes



Barre Classes



New Fitness/Strength Trends



Martial Arts

Fitness Program Component Financials

Fitness classes are not included in the membership model used in the financial projections. Not including basic classes as a membership benefit is designed to keep membership fees low and not charge members for services and programs they will not use. Class fees are relatively low with a lower rate for residents than non-residents. The Personal Training component represents a significant upside potential. This was not a strong program at the YMCA but can be much more robust at the Recreation Center, particularly with experienced instructors.

Following is the summary of projected Fitness Program revenues and expenses for Year 3.

Fitness Revenue Projections City Managed Model (Year 3)

Category	Year 3 Revenue
Fitness Classes	\$67,392
Personal Training-Aquatics	\$5,980
TOTAL REVENUE	\$73,372
TOTAL EXPENSES	\$34,751
NET REVENUE	\$38,621
Profit Margin	53%

SPECIAL NEEDS AND ADAPTIVE PE PROGRAMS

Special Needs and Adaptive PE Programs were underserved at the YMCA but represent important community programs for the Recreation and Community Center. These programs include a wide range of programs, classes, and even competitive programs for both mentally and physically handicapped of ages, even included veterans programs. These programs also include both aquatic and dry-side components.

Time and space is allocated in the Schedule Matrices included in this report and referenced in the ***Facility Schedule Analysis*** section as well as in ***Appendix A: Programming #A3***.

Examples of Special Needs and Adaptive PE Programs





SPORT, CAMP, and YOUTH PROGRAM

Sport Leagues and Programs

The small gym space restricted the extent and capacity of court based sport programs at the former YMCA. Centennial School District partnered with the YMCA on some introductory sport classes but this cooperation was winding down prior to the pandemic shutdown. The projections for the Rec and Community Center do not anticipate any in-house sports leagues. Most of these will continue to be run by outside groups utilizing school district gyms and facilities.

We anticipate some introductory sport classes for young children and an in-house pickleball program and league.

If a Sports Center or Court facility is built there will be extensive sport club and league programs, but these will likely be run through partnerships with any development partner for the Sport Court Center.

Total in-house sport programs are only projected to generate \$9,000 in gross revenue by Year 2 with net revenue of roughly \$4,500.

Youth Summer, Holiday, and Sport Camps

The YMCA did run robust youth camp programs. Interviews with individuals who were part of the YMCA camp program have expressed confidence that these programs can actually grow, both inside the Rec and Community Center facility and with programs cross the surrounding park systems. The potential to bring City Parks and Recreation resources to the camp program will help open the camp programs up to a larger portion of Lino Lakes youth.

Initial very conservative estimates project gross youth sport camp revenue of \$75,000 by Year 2 with net revenue of \$34,000. There is significant upsides to the camp program, especially as future expanded facilities with outdoor sport themed activities that can provide a wider range of experiences and activities than the former YMCA.

Youth Programs

Youth programs in aquatics and aquatic based recreation will grow at the Rec and Community Center as previously discussed in Aquatics. The potential also exists to provide more youth based fitness and activity programs but the limited gym space will continue to limit youth sports programs. Youth sports and programs will be a significant beneficiary of future development of the Sports Center and the outdoor sport features.

FACILITY SCHEDULE ANALYSIS

At first glance it is difficult to imagine the immediate growth of programs and access at the Rec and Community Center upon re-opening without any additional facility expansion. Detailed review of the YMCA pre-pandemic program, use, and facility schedules indicated that the scheduling of facilities and programs did not effectively optimize the use of the different venues in the building, especially in providing concurrent programs within each venue.

To understand how the variety of programs and schedule demands can be integrated in the existing ISG has developed a Schedule Model Matrix.

This Matrix lays out a full range of programming across all of the venues within the facility.

- Lap Pool
- Leisure/Wellness Pool
- Cardio/Strength Rooms
- Fitness/Exercise Spaces
- Gym
- Community Meeting/Function Spaces
- Child Watch

Programs and time use are broken out by the following general categories:

- Aquatics
- Fitness
- Gym and General Programming/Use
- Each category does include times and space available to rent by outside groups

There are six Schedule Matrices to capture the weekly and seasonal variances in programming and scheduling. These Matrices are:

- School Year: Weekdays
- School Year: Saturday
- School Year: Sunday
- Summer: Weekdays
- Summer: Saturday
- Summer: Sunday

The Schedule Matrix serves several important functions in the programming and analysis of the Rec and Community Center.

- Provides a comprehensive visual of time available for each stakeholder and user constituencies in the community to understand how and when they can use the Rec and Community Center
- Provides a basis for discussion with potential program or management partners
- Provides a quantitative structure to help project Center costs and revenue
 - Staffing needed for Center such as lifeguards
 - Instructors needed for programs

- Program time and capacity to calculate program revenue
- Support projections of rental revenues
- Support capacity calculations
- Identify time and space shortfalls in future demand to support projections for long term facility expansion

Scheduling Principles and Goals

Key principles and goals of stakeholders, user groups, and constituencies:

- Maximize availability of some Lap Swim lanes throughout as much of the day as possible (improving availability of lap lanes compared to former YMCA schedule)
- Maximize flexibility for concurrent programming and effective space and time sharing
- Adult and child program times that can be accessed by working parents and adults
- Mid-day, after-school, evening, and weekend hours available for swim lessons, including private and semi-private lessons and adult lessons
 - Lesson program times in both the Lap and the Leisure/Wellness Pools for different temperatures
- Early morning and evening aquatic fitness class times available in addition to mid-day lessons for working participants and greater course intensity options accessible to broader portion of community.
- Open after school and evening hours in the leisure pool plus after school availability in Program pool for youth access and after school programming
- Significant time for community open recreation and swim on Saturdays and Sundays, including opportunity for addition of recreational features to the Main and deep water pools (see Rectangular Recreation in the Program Section)
- Provide school day and after school time availability for non-competitive school district
- Create Masters Swimming times before and after work hours and during the lunch hour
- Access to the Leisure/Wellness Pool throughout the day for therapy/rehab treatment and programs
- Open Gym space that can be sub-divided to provide for large fitness classes and other flexible programming

It is important to note that these Schedule Matrices are examples of what can be done. It is unlikely that the actual schedule will perfectly match these Schedules, but we have programmed these Matrices based on best practice practices and comparable facility and program schedules, reflecting times requested by users.

Following is the Schedule Matrix for the School Year weekdays.

The full Schedule Matrix is included in Appendix A: Programming #A3.

School Year: Weekdays

NOTE: Stations in the warm-water Leisure/Wellness pool can be divided to accommodate different programs

NOTE: Spaces in Gym, workout rooms, and function spaces can be subdivided. Schedule shows options.

Program and Use Color Codes

Aquatic Programs							Fitness & Use Programs							General Programming/Use					
Masters Swimming/Triathlon			Aquatic Therapy/Rehab				Community Ed.			Summer Camp				Open Gym					
Swimming Club Team			Lap Lanes				Personal Training			Pickleball				Child Watch-Kids Program					
Pre-Team Program-Swim			Rec Programs/Classes				Rec Classes & Programs			Senior Program				Meeting Space					
Open Swim Time: Community			Aquatic Special Needs Programs				Exercise/Fitness Classes			Home School PE				Rental/Open Space					
Open Recreation Leisure-Swim			Aquatic Fitness				School District Program							Court Rental					
Swim Lessons			Aquatic Rec Programs/Classes				After School Programs							Open Exercise Time					
Pool Rentals			Rec Swim Team/Summer											Court Sport Outside Users					
	Lap Pool 25 yards Depth: 3'6" to 5'						Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6"						Cardio Fitness Room	Exercise Spaces	Gym	Community Meeting Function Space	Child Watch		
	1	2	3	4	5	6		1	2	3	4			Half Gyms 12	1	2			
5:00							5:00							Cardio					
5:30	Masters/			Lap			5:30							Fitness		Open			
6:00	Triathlon			Lanes			6:00	Aquatic						Open	Classes	Gym	Meeting		
6:30							6:30	Fitness						Time			Spaces		
7:00							7:00							and			Flexible		
7:30							7:30							Personal			Scheduling	Open	
8:00							8:00							Training			Classes &		
8:30	Aquatic			Fitness			8:30										More		
9:00	Home School			Program			9:00	Swim							Senior	Pickleball	Seniors		
9:30							9:30	Lessons							Program				
10:00							10:00								Home	Home			
10:30							10:30								School	School			
11:00	Swim			Lessons			11:00	Parents and Tots								Open Gym			
11:30							11:30	Water Lessons											
12:00							12:00	Aquatic											
12:30							12:30	Fitness											
1:00	Senior			Program			1:00								Seniors		Meeting		
1:30							1:30									Srs.	Spaces		
2:00							2:00	Special Needs									Flexible		
2:30							2:30	Adaptive PE									Scheduling		
3:00	After School			Programs			3:00	After School							After Sch	After School	Classes &		
3:30							3:30	Programs							Programs	More			
4:00							4:00	Special Needs											
4:30	Club Swim Team						4:30												
5:00	Outside Rental						5:00	Swim								Open Gym			
5:30							5:30	Lessons											
6:00							6:00									OR			
6:30	Aquatic Rec						6:30									Rec Programs			
7:00	Programs						7:00	Open Recreation								Pickleball			
7:30							7:30	Leisure Swim											
8:00	Masters/			Triathlon			8:00									Outside			
8:30							8:30									Court			
9:00							9:00									Users			
9:30							9:30									(Rentals)			
10:00							10:00												
10:30																			

MEMBERSHIP and USER PROGRAMS

The issue of membership and user fees has been brought up in virtually all stakeholder and user engagement meetings, interviews, and input. The key feedback included the following:

- The YMCA membership rates were too high
 - People leaving the Y or choosing not to join felt that the rates were too high, especially for those that only wanted to use a portion of the facility
 - No senior rates, although many seniors qualified for Silver Sneaker program subsidies through Medicare Advantage programs or insurance coverage
 - Many local public/municipal community recreation centers had much lower rates than the YMCA
- Need options for daily drop-in use, not just membership only
- If Lino Lakes is taking over the operation of the Recreation Center Lino Lakes residents should have a discounted rate
- Fitness only commercial facilities have grown in number in Lino Lakes and the surrounding area providing basic fitness and workout facilities at lower rates.

Membership Market Survey

ISG conducted a market survey of area and regional facility membership and usage fees to provide a market base to help develop membership/use fee scenarios for the Rec and Community Center. This market study included public, YMCA of the North, and private facilities. The market study also differentiated facilities with just fitness and those with comprehensive fitness, gym, and aquatic facilities. Resident and Non-Resident rates were identified when available at public facilities.

This market study is included in Appendix B: Membership #B1.

Membership Options

Based on stakeholder and constituent input and market research the membership and use scenarios included both a full facility membership and a fitness only membership option. This two tiered option creates a fitness membership option that more effectively competes with the private commercial fitness only facilities in the area as well as an option to for those only looking for the dry-side fitness facilities and programs. This also provides a cleaner delineation if the fitness programs and management are outsourced by a private partner.

Membership Benefits

Membership benefits include the following:

- Access to open swim, lap lanes, open gym and the cardio and strength workout areas
- Discounts on facility rentals, birthday parties, and other special event opportunities
- Priority program registrations (along with residents)

The proposed Membership Model used in this study do not include free access to fitness classes. During the Study we received input recommending lower membership rates without classes included. Many former YMCA members expressed concerns about paying for programs or classes in their membership that they would not use. Low rates and pay for programs you use was an important message.

In the future a “Premium” membership may be available which would include basic programs.

Membership Categories

A wider range of membership categories are also provided for great flexibility as well as providing incentives for annual full facility memberships. The following member and user categories are included:

- Adult
- Adult Couple (equivalent to 1.5 times a single adult membership)
- Senior
- Senior Couple (equivalent to 1.5 times a single senior membership)
- Child, Youth, Student (all the same)
- Family (4 members)
- Military Adult
- Military Family
- Corporate: No revenue factored into budget initially.
- Hotel Program to provide access for guests:

Membership Terms

The following membership terms were included:

- Monthly
- Seasonal
 - Based on a three month period
 - May be summer membership
 - Roughly equal to 2.5 months of the equivalent monthly rate
- Annual Lump Sum (in advance)
- Most annual membership are equivalent to 11 months of the monthly fee, providing approximately an 8% discount for the annual rate
- The family annual rate is slightly more to further incentivize the annual family membership

Resident versus Non-Resident

The Lino Lakes resident rate is used as the base rate.

Non-Resident rates represent an average of a 20% premium across most membership categories.

If any neighboring community provides financial support for the Rec and Community Center residents of this community may also qualify for resident rates pending negotiations and level of support.

Membership Fee Scenarios

To analyze various levels of fees ISG developed three different membership fee scenarios based on comparison to the current YMCA of the North fees.

ISG developed three different membership and user fee scenarios. These scenarios project resident rates as a percentage of the current YMCA rates. The three scenarios are the following:

- Full Facility Membership (resident)

- Scenario #1 75% of equivalent YMCA rate
- Scenario #2 60% of equivalent YMCA rate
- Scenario #3 50% of equivalent YMCA rate
- Fitness Only Membership (resident)
 - Scenario #1 63% of equivalent YMCA rate
 - Scenario #2 51% of equivalent YMCA rate
 - Scenario #3 42% of equivalent YMCA rate

Following is the Resident Membership Fee Breakdown by category for each scenario with the comparable YMCA rate.

Rate Scenarios: Full Rec Center Resident Monthly Rates

Membership Category	YMCA Rate	Public Rec Center Average*	Scenario #1	Scenario #2	Scenario #3
Adult	\$71	\$36-\$40	\$53	\$42	\$35
Adult Couple	\$121	\$60-\$71	\$86	\$63	\$53
Senior (65+)	NA	\$34	\$30	\$26	\$20
Senior Couple	NA	\$56-\$60	\$45	\$39	\$30
Child/Youth	\$40-\$50	\$34	\$30	\$26	\$20
Family	\$132	\$60-\$80	\$99	\$86	\$66
Daily Drop-In+	NA	\$6-\$10	\$6-\$8	\$5-\$7	\$5-\$7
10-Use Pass+	NA	\$70-\$90	\$50-\$68	\$42-\$60	\$42-\$60

*NOTE: Public Rec Center average range is based on data from the Market Analysis of area and regional public recreation centers with aquatic facilities. The Market Analysis is found in ***Appendix B: Membership #B1***.

+NOTE: Daily drop-in rates and 10-use pass rates range from youth to adult.

Daily Drop-in Passes and 10-Visit Passes

The need for drop-in and some type multiple user pass was strongly indicated in ISG's research and is typical of most community recreation centers. Drop-ins and multiple use passes only apply to individuals. They do not apply to families or couples. The categories include adults, seniors, and youth and includes the military adult category. The Fitness only membership has a daily drop-in fee but no multiple user pass option.

Punch pass rates also vary by scenario and by full facility or fitness only.

Membership and Revenue Projections, Including Daily and 10-Visit Passes

Following are the projections of membership numbers and revenue for each scenario in the City Managed Model. The Membership Units, Members, and Membership Revenue are for combined overall Rec Center Membership and Fitness Only Memberships. Note that drop-in and punch pass revenue is highest in Scenario #1 as more users opt for drop-ins instead of membership based on the higher membership fees.

Membership and Revenue Projections

Category	Scenario #1	Scenario #2	Scenario #3
Total Membership Units; Overall and Fitness Memberships	1,360	1,812	1,977
Total Members	4,737	6,399	7,018
Drop-In Users (per year)	6,775	6,835	6,835
10 Visit Passes	650	650	650
Membership Revenue	\$1,358,611	\$1,567,207	\$1,336,223
Drop-In Revenue	\$46,975	\$41,615	\$41,615
10 Visit Pass Revenue	\$40,740	\$34,960	\$34,960
TOTAL REVENUE	\$1,446,326	\$1,643,782	\$1,412,798

Based on comparable market rates ISG projected that the Scenario #2 would be the most effective balance in maximizing membership while balancing revenue.

- Scenario #1 was not enough of a discount to attract YMCA members, especially those that take advantage of using any Y in the YMCA of the North Chapter. The rates were also slightly higher than comparable public recreation facilities.
- Scenario #3: The added discount of Scenario #3 compared to Scenario #2 was not significant enough to drive much incremental membership and would generate less overall revenue
- Scenario #2 was the sweet spot in balancing fair and accessible membership fees with revenue necessary to improve operating net costs/revenue. Scenario #2 revenue projections are used in the financial budget analysis.

Hybrid Managed Model Membership and Usage Revenue Projections (Using Year 2 for comparison purposes)

Category	Scenario #2
Memberships	\$1,290,130
Daily Drop In	\$41,615
Multi-Visit Pass	\$34,960
TOTAL REVENUE	\$1,366,705

NOTES:

- *For the purposes of the Hybrid Management Model we focused the analysis on Scenario #2.*
- *The membership revenue is lower based on a large share of fitness membership revenue is paid to the Fitness Program Partner, but the overall expense savings still result in a higher total net revenue for the overall Rec and Community Center.*

The full breakdown of daily and multiple user pass rates by scenario and overall annual Year 2 projections is included in Appendix B: Membership #B2.

Membership and Use Scholarships or Need-Based Discounts

Scholarship or need based aid has been factored into the operating budget to enable those that cannot afford to use the Rec and Community Center and programs to fully access and participate in the Center and its programs.

CHILD WATCH PROGRAM

Childwatch Program

An important element of the Membership model as well as the programming at the Rec and Community Center is the inclusion of a Childwatch program. The Childwatch and Kid Stuff space is 1,340 square feet in the existing facility. The Childwatch program is designed to provide childcare for short periods of time (usually up to a maximum of one to two hours) while a parent or caregiver works out or uses the Center facilities. It is not designed to be a full daycare program. Use of the Childwatch program is planned to be a benefit of the family membership with the option to pay a drop in fee for non-family member users. The overall cost of the program is projected to be approximately \$70,000 per year with projected average drop-in fees of \$16,000/year.

Example of a Childwatch Space at a Fitness Center



FACILITY MANAGEMENT and STAFFING MODELS

MANAGEMENT MODELS AND OPTIONS

Center Management Options

The ISG Study explored three Center management options:

1. Total City Managed Facility
2. Total Outsourcing of Management and Operations by outside entity
 - a. Essentially the same as the former YMCA management model
3. Hybrid Option
 - a. City manages and operates the facility
 - b. Outside entities provide management and programming in specific areas

City Managed Model

The City Managed Model is very straight forward and is the model used by most municipal recreation centers in the area. In this model the City provides all management and operational staff and pays all operating expenses and maintenance costs. The City also retains all of the revenue. Some instructors may be independent outside contractors or providers, but for the purposes of this financial operating analysis all part-time instructors and trainers are assumed to be City employees.

Outsourced Management Model

The full Outsourced Management Model is often used for municipal facilities, especially golf courses and sometimes ice rinks or large sports complexes. Most outside management groups are for-profit businesses. In the case of recreation centers where many of the program and use elements are community service based there is less net operating to support the for-profit management groups. The City also loses some control over programming and membership models depending on the structure of the management agreement structure. In analyzing the City goals and objectives and the financial model, ISG determined that the full Outsourced Management Model was not a good model for the Center.

Hybrid Management Model

The Hybrid Management Model is designed to take advantage of the City's expertise in managing and maintaining facilities while bringing in outside providers or developing program partnerships in areas where City staff does not have the expertise or experience in house to run specific programs and management tasks. The Hybrid model also can generate cost reductions in several areas:

- Staffing
 - Reduce program specific instructors and trainers who are now provided by the outside entity
 - Reduce some facility staffing in the overall operations and program specific support staff
- Program equipment and supplies
 - Outside program providers often provide their own equipment which can generate significant capital and operational cost savings, especially in the category of fitness programs

The successful Hybrid model can also help accelerate the ramping up of membership, programming and revenue generation from opening through Year 2 and Year 3. This acceleration is driven by several factors:

- If program provider relocates their entire program to the Rec and Community Center they will bring an established membership and participant base to the Center.
- The program provider will have an established name and credibility in the market plus an established marketing platform that can help accelerate the ramp up at the Center.
- The Hybrid also shortens the time to develop and train key program staff, especially trainers, instructors, and coaches.

There are several revenue/fee models associated with outside program providers or management.

- Revenue
 - Program provider can retain all of the revenue generated by their specific programs
 - Program provider can retain a portion of overall facility membership that reasonably attributed to their programs and the membership they brought from their existing programs
 - The Center and the Provider can develop a revenue sharing plan
- Fees paid to the Center
 - The provider can pay a direct lease payment to the Center for the space they use for their programs
 - The provider can pay a rights fee for the ability to run the specific program they are providing

Ultimately most hybrid type partnerships include some combination of these revenue and fee structures.

In meetings and research ISG identified two areas that would achieve the goals of a hybrid program partner/manager and enhance the net revenue projections for the Rec and Community Center. During the course of the Study ISG spoke with several potential providers or partners in these areas to understand the potential for these partnerships or outside program providers.

Fitness Program Provider and Management

The fitness program at the Rec and Community Center is the prime example of the advantages of an outside program provider. The advantages include:

- An outside provider with an established program would bring a strong existing membership base to the Rec and Community Center
- Experienced trainers and instructors, many with established following in the local market
- Wider range of fitness programming, classes, and new trends than offered in the former YMCA and in most YMCAs and public recreation centers
- Faster membership, program, and revenue ramp up upon re-opening

A Fitness Program Provider Partnership could potentially bring the following value and benefits to the Rec Center.

- Close their existing fitness facility and move existing programs and operation to the Rec Center

- Fitness Provider would provide all necessary fitness, strength, cardio, specialty flooring, and other program equipment, significantly reducing or virtually eliminating City equipment costs or lease expenses
- Maintain all fitness and exercise equipment
- Provide, train, pay, and manage all fitness program staff, instructors, monitors
 - Experienced trainers and instructors, many with established following in the local market
- Provide front desk/access control staff to support overall Rec Center front desk staffing needs
 - Reducing City staffing and payroll
- An outside provider with an established program would bring a strong existing membership base to the Rec and Community Center
 - Strong likelihood that many Fitness Members would upgrade to full Rec Center Memberships, driving additional overall membership
- Pre-established marketing and social media platforms

The potential financial model with a Fitness Program Provider/Partner could include the following financial considerations. These would all be part of negotiations with a potential Fitness Program Partner.

- Lease payments to Rec Center
- Fitness provider to receive Fitness Memberships
 - Potential fitness program revenue sharing with Rec Center
 - Fitness provider to receive incentive for Fitness Members upgraded to overall Memberships
- City to share in cost of moving and setting up equipment in Rec Center.
- Fitness Partner would provide Lino Lakes resident discounts for programs as well as priority program registration for residents.

Swim Lesson Program Provider

Partnering with Centennial School District Community Ed in the swim lesson program would be a successful program partnership benefitting both the Rec Center and Community Ed. The details, advantages, and financial analysis of this partnership is discussed in Aquatic Programming in the overall *Programming Analysis* section of this Report.

STAFFING MODEL

Professional, experienced, and well-trained management, staff, instructors, and trainers are critical to the success of the Recreation and Community Center (See the *Keys to Success and Factors in Failure* section in this Report). During the process of developing this management and staffing model ISG worked closely with City management and staff to coordinate the development of the management options and the staffing needed to support each option. The budget projections include all staff salaries, wages, payroll taxes, employee benefits, training, travel, professional development.

The Staffing Analysis utilizes the following assumptions and information.

- Part-time wages assume a future \$15/hour minimum wage

- Annual staff wages and salaries assume an annual 4% increase to accommodate cost of living adjustments and merit and retention raises.
- Salary levels fall within the City salary and position guidelines and ranges.
- The City Human Resources management have provided the appropriate City calculations of benefits, payroll taxes and other related additional staffing costs
- Increased City staff responsibilities for existing staff are incorporated into the annual City administration cost allocation included in the operating budget

Key staff positions in the City Managed Model include the following. Positions highlighted in yellow are positions that may be eliminated or reduced in the Hybrid Management Model with the use of the Partner management and staff provided. The budget includes the costs of hiring and starting these positions at appropriate lead times prior to re-opening of the Rec Center.

- Full Time Positions
 - Facility Director
 - Program Manger
 - Aquatic Supervisor
 - Fitness Supervisor
 - Maintenance/Operations Manager
 - Membership/Customer Service Manager
 - Administrative/Accounting/HR Supervisor
 - Front Desk Coordinator
 - Custodial and Building Maintenance Staff
- Part Time Positions-Operations
 - Head Lifeguard
 - Lifeguards
 - Front Desk/Access Control Staff
 - Fitness Attendants
 - Custodial/Maintenance Part-time staff
 - Child Watch staff
- Part Time Positions-Program Staff
 - Instructors
 - Trainers
 - Coaches

Following is summary of overall staff costs for both the City Managed and Hybrid Management Model assuming both the Fitness Provider partner and a swim lesson partnerships with Centennial Community Education.

Summary of Total Recreation and Community Center Staff Costs
Year Three of Operation

Category	City Managed Option	Hybrid Management Option
Full-Time Staff	\$671,974	\$545,186
Part-Time Staff (non-program)	\$504,504	\$384,111
Benefits & Payroll Taxes	\$369,690	\$294,897
Other Staff Costs (training, etc.)	\$9,981	\$4,990
Aquatic Program Instructors & Staff	\$97,144	\$12,168
Dry-side Program Instructors & Staff	\$64,662	\$34,772
TOTAL STAFF COSTS	\$1,717,955	\$1,276,124
*TOTAL OPERATING COSTS	\$2,407,608	\$1,922,472
Staff Percent of Total	71%	66%

NOTE: Salary Costs include salaries, wages, employment taxes, and benefits. These costs were provided by City staff

***NOTE:** Total Operating Costs do not include the Long Term Capital Replacement and Maintenance annual allocation.

The full detail of full-time and part-time staff positions, salary and wages, benefits, and budget projections are included in the Operational and Program Expenses in the Budget Line Item Detail in ***Appendix C: Budget/Operating Analysis #C2 and #C3.***

FINANCIAL BUDGETS and OPERATING PROJECTIONS

The Financial Budget and Operating Projections are based on the following methodology and assumptions.

Expenses

- Utility Expenses factor in a 2.5% annual increase.
 - Actual utility costs utilize actual City utility rates and costs.
 - Total utility costs are slightly higher than the historic rates at the former YMCA reflecting escalation and increased use.
- Maintenance expenses factor in a 2.5% annual increase except where otherwise noted as some equipment and maintenance expenses increase as warranties expire and the building ages.
- Staffing expenses project increases of 4% per year based on cost of living and merit and retention raises.
- Lease payments to Rec Center
- Budgets include all projected expenses plus a budget expense contingency. Line items include:
 - Credit Card and online registration fees (assumes 100% of all membership and registration revenue processed by credit cards)
 - Marketing, advertising, website, and IT expenses
 - Staff training, development, and travel
 - Outside services
 - Staff outfitting
 - Certifications, membership, subscriptions, dues
 - Scholarship subsidies or financial aid for City residents unable to afford the membership or program fees
 - Insurance
- Annual City Administrative Allocation
 - Rec Center share of the following
 - Allocation to existing City staff responsibilities for Rec Center
 - Human Resources
 - Additional in-house administrative, clerical, and accounting services
 - Marketing
 - Current City maintenance and grounds keeping staff
 - Other utilization of existing City support services and staff
 - City Administrative Allocation is \$150,000 in Year 1
 - Future years allocation increases by 5% annually

Revenue

- Revenue projections are supported by the back-up worksheets for Membership and Daily Use included in ***Appendix B***
- Swim Lesson projections are supported by the back-up worksheets in ***Appendix A***.
- Revenue is also shown for the following areas:
 - Vending machines and front desk sale kiosk
 - All facility rentals

- No sponsorship or advertising revenue is included in the revenue projections, although the opportunity will exist for some revenue in these areas.
- No grant funds are shown in support of user financial aid, but the opportunity will exist for some support of the financial aid programs.

Year Zero

Year Zero in the Budget is the period following the City taking control of the facility up to the re-opening of the Recreation and Community Center. These expenses include the following

- Pre-opening expenses
 - Staff costs pre-opening
 - Marketing
 - Cleaning and Building prep
 - Re-branding of Recreation Center, including new signage
 - Equipment purchases
 - Pool start-up
 - Other start-up expenses
- Building Expenses
 - Utilities
 - Maintenance and grounds keeping
 - Security
 - Miscellaneous expenses

Currently all City Year Zero Building expenses are covered by the State of Minnesota leasing of the building as a COVID vaccination site through June 30.

Long Term Capital Replacement and Maintenance Fund

It is very important that the City budget for projected long term facility capital replacement and maintenance. The annual maintenance staffing and budget should support best practice annual maintenance and upkeep, reducing the potential for premature long term replacement and maintenance. ISG has included an annual budget line item for allocation to a Long Term Capital Replacement and Maintenance Reserve Fund. This annual allocation to this Fund begins in Year 3 at \$60,000 and ramps up to \$80,000 in Year 4 and then increases by 3% annually. Total Reserve Fund accrual over the first twenty years of operation is as follows:

- Year Five: \$ 292,400
- Year Ten: \$ 742,997
- Year Fifteen: \$1,265,362
- Year Twenty: \$1,870,927

Annual Profit and Loss Statements

The P & L budget summaries provide a summary of Years Zero to Five for both Management options. These P & L Statements breakdown the revenue and expenses as follows with detailed categories within each:

- Facility Revenue
- Program Revenue
- Operational Expenses
- Program Expenses
- City Administration Allocation
- Annual allocation to Long Term Capital Replacement Reserve

The P & L Statements calculate the annual Net Revenue (Deficit) and the percentage Cost Recovery for both Management options. The Net Revenue (Deficit) calculations calculate the following Net Revenue scenarios:

- Net Operating Expenses
- Net Operating Expenses with City Administration Allocation included
- Net Operating Expenses with City Admin Allocation plus annual Capital Reserve Fund allocation

Following is a summary of the Profit and Loss Summary for Year Two.

Year Two P & L Comparison

Budget Category	City Managed Option	Hybrid Management Option	Variance
Facility Revenue	\$1,767,017	\$1,561,440	\$(205,577)
Program Revenue	\$406,157	\$186,162	\$(219,995)
TOTAL REVENUE	\$2,173,174	\$1,747,602	\$(425,572)
Operational Expenses	\$1,952,592	\$1,617,475	\$335,117
Program Expenses	\$191,529	\$67,550	\$123,979
City Admin Share Allocation	\$157,500	\$157,500	\$0
*TOTAL EXPENSES	\$2,301,621	\$1,842,525	\$459,096
NET REVENUE (DEFICIT)	\$(128,447)	\$(94,923)	\$33,524
Cost Recovery	94%	95%	

*NOTE: Total Expenses do not include annual Long Term Reserve Allocation.

Accrued Net Operating Revenue (Deficit)

The P & L Statements also show the accrued Deficit for the Rec Center from Year Zero through Year Five. The accrued Deficit is where the biggest variance between the City Managed and Hybrid Management Model exists. The accrued Deficit for the Hybrid Management Model is significantly less than the City Management Model based on the much lower up front re-opening costs and the faster ramp up of membership and program revenue.

Following is a summary of the accrued operating Deficits for each option through the first five years of Rec Center operation.

***Accrued Operating Deficits through Year Five
(With City Administration Allocation but without Capital Reserve Fund Allocation)***

Year	City Managed Accrued Deficit	Hybrid Management Accrued Deficit	Variance
Year Zero	\$515,905	\$437,255	\$78,650
Year One	\$1,035,587	\$709,945	\$325,642
Year Two	\$1,164,034	\$804,868	\$359,166
Year Three	\$1,272,687	\$892,465	\$380,221
Year Four	\$1,353,860	\$969,878	\$383,982
Year Five	\$1,436,084	\$1,055,473	\$380,612

Bottom Line

After Year Three, the net deficit variance between the two Management Options level off and are roughly equivalent. Although the projections show this variance leveling off, we feel that the potential net operating revenue has a higher upside in the Hybrid Management Model based on continuing updating of programs and enhanced program opportunities.

These P & L Summaries do not include the potential additional operating revenue and expenses for future expansions. These are dealt with at a very high level in the ***Future Long Term Recreation Center Development and Expansion*** section of this Report.

The detailed P & L Summary with all revenue and expense categories for both Management options is included in the next nine pages. These P & L Summaries also include the annual growth in both Revenue and Expenses.

	A	B	C	G	H	I	J	K	L
1	Lino Lakes Recreation and Community Center								
2	Existing Facility City Managed								
3	Profit & Loss Summary								
4	Membership Scenario #2								
5	May 10, 2021								
6	NOTES: *Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
7	Initially assumes management by City with many programs outsourced.								
8	Net Operating Revenue (Deficit) Categories			Net Operating Revenue	With City Admin Alloca. Incl.		With Reserve Included		
9				Rec and Community Center Projections					
10	REVENUE			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
11	FACILITY REVENUE			\$ -	\$ 1,342,698	\$ 1,767,017	\$ 1,853,709	\$ 1,944,063	\$ 2,039,660
12	Educational, Classes, Camps and Clinics Rentals			0	0	0	0	0	0
13	Gym/Court Rentals			0	20,000	30,000	31,500	33,075	34,729
14	Pool Rentals			0	36,412	39,773	40,806	42,082	43,398
15	Competitive Event Rentals			0	0	0	0	0	0
16	Special Events & Function Space Rentals			0	21,000	28,000	28,840	29,911	31,065
17	Therapy, Rehab, Health Use			0	0	0	0	0	0
18	Memberships & Daily Use Fees			0	1,260,286	1,662,094	1,745,199	1,831,409	1,922,655
19	Retail and Vending Revenue			0	5,000	7,150	7,365	7,585	7,813
21	Facility Sponsorships/Advertising/Contributions			0	0	0	0	0	0
22	School District and Partners			0	0	0	0	0	0
23	Miscellaneous			0	0	0	0	0	0
24									
25	PROGRAM REVENUE			\$ -	\$ 296,024	\$ 406,157	\$ 445,246	\$ 495,247	\$ 517,873
26	Education and Community Programming			0	5,500	10,500	10,815	11,248	11,698
27	Aquatic Training, Fitness and Therapy			0	20,000	32,500	33,800	35,152	36,558
28	Dry-Side Fitness & Training			0	65,000	70,550	73,372	76,307	79,359
29	Learn to Swim			0	154,524	208,607	239,899	281,686	295,770
30	Camps and Clinics			0	45,000	75,000	78,000	81,120	84,365
31	Aquatic Team Programs			0	0	0	0	0	0
32	Sport Team Programs			0	6,000	9,000	9,360	9,734	10,124
35	Program Sponsorships/Advertising/Contributions			0	0	0	0	0	0
36	Miscellaneous			0	0	0	0	0	0
37									
38	TOTAL REVENUE			\$ -	\$ 1,638,722	\$ 2,173,174	\$ 2,298,955	\$ 2,439,310	\$ 2,557,533
39	Projected Revenue Growth Rate					33%	6%	6%	5%

	A	B	C	G	H	I	J	K	L
40									
41			EXPENSES	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
42			OPERATIONAL EXPENSES	\$ 515,905	\$ 1,859,962	\$ 1,952,592	\$ 2,035,846	\$ 2,120,662	\$ 2,221,809
43			Utilities	9,000	140,631	144,850	149,195	153,671	158,281
44			Maintenance	19,000	44,000	45,320	46,680	48,080	56,522
45			Equipment and Supplies	239,514	139,000	144,010	146,170	148,395	150,687
46			Staff Wages & Salary & Benefits						
47			Full Time Staff	137,708	609,500	639,975	671,974	705,572	740,851
48			Part Time Staff	15,500	457,600	480,480	504,504	529,729	556,216
49			Benefits and Payroll Taxes	58,183	335,320	352,086	369,690	388,175	407,584
50			Staff-Other Costs	3,000	9,500	9,738	9,981	10,230	10,486
51			Outside Services	15,000	16,000	11,150	11,335	6,525	6,720
52			General Office	11,500	88,411	107,184	110,708	114,356	118,206
53			Insurance	5,000	10,000	10,300	10,609	10,927	11,255
54			Miscellaneous Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000
55									
56			PROGRAM EXPENSES	\$ -	\$ 148,441	\$ 191,529	\$ 206,387	\$ 226,177	\$ 235,623
57			Community and Educational Programs	0	2,700	4,700	4,826	4,999	5,179
58			Aquatic Training, Fitness, and Therapy	0	9,000	14,000	14,520	15,061	15,623
59			Dry-Side Fitness & Training	0	30,900	33,453	34,751	36,101	37,505
60			Learn to Swim	0	69,101	89,886	102,042	117,988	123,412
61			Camps and Clinics	0	21,080	34,100	35,556	37,003	38,509
62			Aquatic Team Programs	0	0	0	0	0	0
63			Sport Team Programs	0	3,160	4,390	4,692	5,025	5,394
65			Program Staff-Miscellaneous	0	0	0	0	0	0
66			Scholarships & Student Support	0	5,000	5,000	5,000	5,000	5,000
67			Miscellaneous Expense Contingency	0	7,500	6,000	5,000	5,000	5,000
68									
69			TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,008,403	\$ 2,144,121	\$ 2,242,233	\$ 2,346,839	\$ 2,457,432
70			Projected Expense Growth Rate			7%	5%	5%	5%
71									
72			CITY SHARED ADMINISTRATIVE EXPENSES	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
73									
74			GROSS TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,158,403	\$ 2,301,621	\$ 2,407,608	\$ 2,520,483	\$ 2,639,758

	A	B	C	G	H	I	J	K	L
75									
76				Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
77	NET OPERATING REVENUE (DEFICIT)			\$ (515,905)	\$ (369,682)	\$ 29,053	\$ 56,722	\$ 92,471	\$ 100,102
78	Not Including City Administrative Allocation								
79	COST RECOVERY (Direct Revenue & Expenses Only)			0%	82%	101%	103%	104%	104%
80									
81	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (515,905)	\$ (885,587)	\$ (856,534)	\$ (799,812)	\$ (707,341)	\$ (607,240)
82									
83	NET GROSS OPERATING REVENUE (DEFICIT)			\$ (515,905)	\$ (519,682)	\$ (128,447)	\$ (108,653)	\$ (81,173)	\$ (82,224)
84	Including City Administrative Allocation								
85	COST RECOVERY (Direct Revenue & Expenses Only)			0%	76%	94%	95%	97%	97%
86									
87	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (515,905)	\$ (1,035,587)	\$ (1,164,034)	\$ (1,272,687)	\$ (1,353,860)	\$ (1,436,084)
88									
89	NON-OPERATING EXPENSES								
90									
91	Long Term Capital Replacement & Maintenance Reserve			0	0	60,000	70,000	80,000	82,400
92	Capital Reserve Accumulation Years 1-5								292,400
93	Years 6-10				84,872	87,418	90,041	92,742	95,524
94	Years 11-15				98,390	101,342	104,382	107,513	110,739
95	Years 16-20				114,061	117,483	121,007	124,637	128,377
96									
97	Capital Accumulation Year 10								742,997
98	Capital Accumulation Year 15								1,265,362
99	Capital Accumulation year 20				0				1,870,927
100	NON-OPERATING EXPENSES			\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
101									
104	GRAND TOTAL ALL EXPENSES (Including Reserve)			\$ 515,905	\$ 2,158,403	\$ 2,361,621	\$ 2,477,608	\$ 2,600,483	\$ 2,722,158
105									
106	GRAND TOTAL REVENUE (DEFICIT)			\$ (515,905)	\$ (519,682)	\$ (188,447)	\$ (178,653)	\$ (161,173)	\$ (164,624)
107	COST RECOVERY			0%	76%	92%	93%	94%	94%
108	CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)			\$ (515,905)	\$ (1,035,587)	\$ (1,224,034)	\$ (1,402,687)	\$ (1,563,860)	\$ (1,728,484)

	A	B	C	G	H	I	J	K	L
1	Lino Lakes Recreation and Community Center								
2	Existing Facility Hybrid Management Model								
3	Profit & Loss Summary								
4	Membership Scenario #2								
5	May 10, 2021								
6	NOTES:	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership							
7		*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility							
8		Net Operating Revenue (Deficit) Categories			Net Operating Revenue	With City Admin Alloca. Incl.	With Reserve Included		
9		Rec and Community Center Projections							
10	REVENUE			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
11	FACILITY REVENUE			\$ -	\$ 1,336,903	\$ 1,561,440	\$ 1,634,173	\$ 1,709,872	\$ 1,790,042
12		Educational, Classes, Camps and Clinics Rentals		0	0	0	0	0	0
13		Gym/Court Rentals		0	20,000	30,000	31,500	33,075	34,729
14		Pool Rentals		0	36,412	39,773	40,806	42,082	43,398
15		Competitive Event Rentals		0	0	0	0	0	0
16		Special Events & Function Space Rentals		0	18,000	24,000	24,720	25,668	26,652
17		Therapy, Rehab, Health Use		0	0	0	0	0	0
18		Memberships & Daily Use Fees		0	1,181,491	1,385,017	1,454,268	1,525,932	1,601,904
19		Retail and Vending Revenue		0	6,000	7,650	7,880	8,116	8,359
21		Facility Sponsorships/Advertising/Contributions		0	0	0	0	0	0
22		School District and Partners		0	75,000	75,000	75,000	75,000	75,000
23		Miscellaneous		0	0	0	0	0	0
24									
25									
26	PROGRAM REVENUE			\$ -	\$ 120,639	\$ 186,162	\$ 200,701	\$ 219,024	\$ 228,673
27		Education and Community Programming		0	7,000	13,000	13,390	13,926	14,483
28		Aquatic Training, Fitness and Therapy		0	20,000	32,500	33,800	35,152	36,558
29		Dry-Side Fitness & Training		0	0	0	0	0	0
30		Learn to Swim		0	48,639	65,662	75,511	88,827	93,268
31		Camps and Clinics		0	45,000	75,000	78,000	81,120	84,365
32		Aquatic Team Programs		0	0	0	0	0	0
33		Sport Team Programs		0	0	0	0	0	0
36		Program Sponsorships/Advertising/Contributions		0	0	0	0	0	0
37		Miscellaneous		0	0	0	0	0	0
38									
39	TOTAL REVENUE			\$ -	\$ 1,457,541	\$ 1,747,602	\$ 1,834,874	\$ 1,928,896	\$ 2,018,715
40	Projected Revenue Growth Rate					20%	5%	5%	5%
41									

	A	B	C	G	H	I	J	K	L
42	EXPENSES			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
43	OPERATIONAL EXPENSES			\$ 437,255	\$ 1,532,351	\$ 1,617,475	\$ 1,687,915	\$ 1,761,280	\$ 1,848,308
44		Utilities		9,000	140,631	144,850	149,195	153,671	158,281
45		Maintenance		19,000	43,000	44,290	45,619	46,987	55,397
46		Equipment and Supplies		210,514	67,000	72,010	74,170	76,395	78,687
47		Staff Wages & Salary & Benefits							
48		Full Time Staff		108,958	494,500	519,225	545,186	572,446	601,068
49		Part Time Staff		13,500	348,400	365,820	384,111	403,317	423,482
50		Benefits and Payroll Taxes		46,283	267,480	280,854	294,897	309,642	325,124
51		Staff-Other Costs		2,000	4,750	4,869	4,990	5,115	5,243
52		Outside Services		11,000	64,831	73,656	77,066	77,643	81,395
53		General Office		9,500	81,760	94,101	97,071	100,137	103,376
54		Insurance		5,000	10,000	10,300	10,609	10,927	11,255
55		Miscellaneous Expense Contingency		2,500	10,000	7,500	5,000	5,000	5,000
56									
57	PROGRAM EXPENSES			\$ -	\$ 47,880	\$ 67,550	\$ 69,182	\$ 71,384	\$ 73,676
58		Community and Educational Programs		0	3,300	5,700	5,856	6,070	6,293
59		Aquatic Training, Fitness, and Therapy		0	9,000	14,000	14,520	15,061	15,623
60		Dry-Side Fitness & Training		0	1,000	1,000	1,000	1,000	1,000
61		Learn to Swim		0	4,750	4,750	4,750	4,750	4,750
62		Camps and Clinics		0	21,080	34,100	35,556	37,003	38,509
63		Aquatic Team Programs		0	0	0	0	0	0
64		Sport Team Programs		0	0	0	0	0	0
66		Program Staff-Miscellaneous		0	0	0	0	0	0
67		Scholarships & Student Support		0	5,000	5,000	5,000	5,000	5,000
68		Miscellaneous Expense Contingency		0	3,750	3,000	2,500	2,500	2,500
69									
70	TOTAL OPERATING EXPENSES			\$ 437,255	\$ 1,580,231	\$ 1,685,025	\$ 1,757,097	\$ 1,832,664	\$ 1,921,984
71	Projected Expense Growth Rate					7%	4%	4%	5%
72									
73	CITY SHARED ADMINISTRATIVE EXPENSES			\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
74									
75	GROSS OPERATING EXPENSES			\$ 437,255	\$ 1,730,231	\$ 1,842,525	\$ 1,922,472	\$ 2,006,308	\$ 2,104,310

	A	B	C	G	H	I	J	K	L
76									
77									
78	NET OPERATING REVENUE (DEFICIT)			\$ (437,255)	\$ (122,690)	\$ 62,577	\$ 77,777	\$ 96,232	\$ 96,731
79	Not Including City Administrative Allocation								
80	COST RECOVERY (Direct Revenue & Expenses Only)			0%	92%	104%	104%	105%	105%
81									
82	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (437,255)	\$ (559,945)	\$ (497,368)	\$ (419,590)	\$ (323,359)	\$ (226,628)
83									
84	NET GROSS OPERATING REVENUE (DEFICIT)			\$ (437,255)	\$ (272,690)	\$ (94,923)	\$ (87,598)	\$ (77,412)	\$ (85,595)
85	Including City Administrative Allocation								
86	COST RECOVERY (Direct Revenue & Expenses Only)			0%	84%	95%	95%	96%	96%
87									
88	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (437,255)	\$ (709,945)	\$ (804,868)	\$ (892,465)	\$ (969,878)	\$ (1,055,473)
89									
90	NON-OPERATING EXPENSES								
91									
92	Long Term Capital Replacement & Maintenance Reserve			0	0	60,000	70,000	80,000	82,400
93	Capital Reserve Accumulation Years 1-5								292,400
94	Years 6-10				84,872	87,418	90,041	92,742	95,524
95	Years 11-15				98,390	101,342	104,382	107,513	110,739
96	Years 16-20				114,061	117,483	121,007	124,637	128,377
97									
98	Capital Accumulation Year 10								742,997
99	Capital Accumulation Year 15								1,265,362
100	Capital Accumulation year 20				0				1,870,927
101	NON-OPERATING EXPENSES			\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
102									
105	GRAND TOTAL ALL EXPENSES (Including Reserve)			\$ 437,255	\$ 1,730,231	\$ 1,902,525	\$ 1,992,472	\$ 2,086,308	\$ 2,186,710
106									
107	GRAND TOTAL REVENUE (DEFICIT)			\$ (437,255)	\$ (272,690)	\$ (154,923)	\$ (157,598)	\$ (157,412)	\$ (167,995)
108	COST RECOVERY			0%	84%	92%	92%	92%	92%
109	CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)			\$ (437,255)	\$ (709,945)	\$ (864,868)	\$ (1,022,465)	\$ (1,179,878)	\$ (1,347,873)

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
1	Lino Lakes Recreation and Community Center														
2	Comparison: City Managed versus Hybrid Management Model														
3	Profit & Loss Summary														
4	Membership Scenario #2														
5	May 10, 2021														
6	NOTES: *Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility														
7	Initially assumes management by City with many programs outsourced.														
8	Net Operating Revenue (Deficit) Categories			Net Operating Revenue		With City Admin Alloca. Incl.		With Reserve Included		Net Operating Revenue		With City Admin Alloca. Incl.		With Reserve Included	
9				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
10	REVENUE			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
11	FACILITY REVENUE			\$ -	\$ 1,342,698	\$ 1,767,017	\$ 1,853,709	\$ 1,944,063	\$ 2,039,660	\$ -	\$ 1,336,903	\$ 1,561,440	\$ 1,634,173	\$ 1,709,872	\$ 1,790,042
12	Educational, Classes, Camps and Clinics Rentals			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Gym/Court Rentals			0	20,000	30,000	31,500	33,075	34,729	\$ -	\$ 20,000	\$ 30,000	\$ 31,500	\$ 33,075	\$ 34,729
14	Pool Rentals			0	36,412	39,773	40,806	42,082	43,398	\$ -	\$ 36,412	\$ 39,773	\$ 40,806	\$ 42,082	\$ 43,398
15	Competitive Event Rentals			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Special Events & Function Space Rentals			0	21,000	28,000	28,840	29,911	31,065	\$ -	\$ 18,000	\$ 24,000	\$ 24,720	\$ 25,668	\$ 26,652
17	Therapy, Rehab, Health Use			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Memberships & Daily Use Fees			0	1,260,286	1,662,094	1,745,199	1,831,409	1,922,655	\$ -	\$ 1,181,491	\$ 1,385,017	\$ 1,454,268	\$ 1,525,932	\$ 1,601,904
19	Retail and Vending Revenue			0	5,000	7,150	7,365	7,585	7,813	\$ -	\$ 6,000	\$ 7,650	\$ 7,880	\$ 8,116	\$ 8,359
21	Facility Sponsorships/Advertising/Contributions			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	School District and Partners			0	0	0	0	0	0	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
23	Miscellaneous			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24															
25															
26	PROGRAM REVENUE			\$ -	\$ 296,024	\$ 406,157	\$ 445,246	\$ 495,247	\$ 517,873	\$ -	\$ 120,639	\$ 186,162	\$ 200,701	\$ 219,024	\$ 228,673
27	Education and Community Programming			0	5,500	10,500	10,815	11,248	11,698	0	7,000	13,000	13,390	13,926	14,483
28	Aquatic Training, Fitness and Therapy			0	20,000	32,500	33,800	35,152	36,558	0	20,000	32,500	33,800	35,152	36,558
29	Dry-Side Fitness & Training			0	65,000	70,550	73,372	76,307	79,359	0	0	0	0	0	0
30	Learn to Swim			0	154,524	208,607	239,899	281,686	295,770	0	48,639	65,662	75,511	88,827	93,268
31	Camps and Clinics			0	45,000	75,000	78,000	81,120	84,365	0	45,000	75,000	78,000	81,120	84,365
32	Aquatic Team Programs			0	0	0	0	0	0	0	0	0	0	0	0
33	Sport Team Programs			0	6,000	9,000	9,360	9,734	10,124	0	0	0	0	0	0
36	Program Sponsorships/Advertising/Contributions			0	0	0	0	0	0	0	0	0	0	0	0
37	Miscellaneous			0	0	0	0	0	0	0	0	0	0	0	0
38															
39	TOTAL REVENUE			\$ -	\$ 1,638,722	\$ 2,173,174	\$ 2,298,955	\$ 2,439,310	\$ 2,557,533	\$ -	\$ 1,457,541	\$ 1,747,602	\$ 1,834,874	\$ 1,928,896	\$ 2,018,715
40	Projected Revenue Growth Rate					33%	6%	6%	5%	\$ -		20%	5%	5%	5%
41	Variance of Hybrid Model vs. City Managed										\$ (181,180)	\$ (425,572)	\$ (464,081)	\$ (510,414)	\$ (538,819)
42															

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
43				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
44			EXPENSES	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
45			OPERATIONAL EXPENSES	\$ 515,905	\$ 1,859,962	\$ 1,952,592	\$ 2,035,846	\$ 2,120,662	\$ 2,221,809	\$ 437,255	\$ 1,532,351	\$ 1,617,475	\$ 1,687,915	\$ 1,761,280	\$ 1,848,308
46			Utilities	9,000	140,631	144,850	149,195	153,671	158,281	9,000	140,631	144,850	149,195	153,671	158,281
47			Maintenance	19,000	44,000	45,320	46,680	48,080	56,522	19,000	43,000	44,290	45,619	46,987	55,397
48			Equipment and Supplies	239,514	139,000	144,010	146,170	148,395	150,687	210,514	67,000	72,010	74,170	76,395	78,687
49			Staff Wages & Salary & Benefits												
50			Full Time Staff	137,708	609,500	639,975	671,974	705,572	740,851	108,958	494,500	519,225	545,186	572,446	601,068
51			Part Time Staff	15,500	457,600	480,480	504,504	529,729	556,216	13,500	348,400	365,820	384,111	403,317	423,482
52			Benefits and Payroll Taxes	58,183	335,320	352,086	369,690	388,175	407,584	46,283	267,480	280,854	294,897	309,642	325,124
53			Staff-Other Costs	3,000	9,500	9,738	9,981	10,230	10,486	2,000	4,750	4,869	4,990	5,115	5,243
54			Outside Services	15,000	16,000	11,150	11,335	6,525	6,720	11,000	64,831	73,656	77,066	77,643	81,395
55			General Office	11,500	88,411	107,184	110,708	114,356	118,206	9,500	81,760	94,101	97,071	100,137	103,376
56			Insurance	5,000	10,000	10,300	10,609	10,927	11,255	5,000	10,000	10,300	10,609	10,927	11,255
57			Miscellaneous Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000	2,500	10,000	7,500	5,000	5,000	5,000
58															
59			PROGRAM EXPENSES	\$ -	\$ 148,441	\$ 191,529	\$ 206,387	\$ 226,177	\$ 235,623	\$ -	\$ 47,880	\$ 67,550	\$ 69,182	\$ 71,384	\$ 73,676
60			Community and Educational Programs	0	2,700	4,700	4,826	4,999	5,179	0	3,300	5,700	5,856	6,070	6,293
61			Aquatic Training, Fitness, and Therapy	0	9,000	14,000	14,520	15,061	15,623	0	9,000	14,000	14,520	15,061	15,623
62			Dry-Side Fitness & Training	0	30,900	33,453	34,751	36,101	37,505	0	1,000	1,000	1,000	1,000	1,000
63			Learn to Swim	0	69,101	89,886	102,042	117,988	123,412	0	4,750	4,750	4,750	4,750	4,750
64			Camps and Clinics	0	21,080	34,100	35,556	37,003	38,509	0	21,080	34,100	35,556	37,003	38,509
65			Aquatic Team Programs	0	0	0	0	0	0	0	0	0	0	0	0
66			Sport Team Programs	0	3,160	4,390	4,692	5,025	5,394	0	0	0	0	0	0
68			Program Staff-Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
69			Scholarships & Student Support	0	5,000	5,000	5,000	5,000	5,000	0	5,000	5,000	5,000	5,000	5,000
70			Miscellaneous Expense Contingency	0	7,500	6,000	5,000	5,000	5,000	0	3,750	3,000	2,500	2,500	2,500
71															
72			TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,008,403	\$ 2,144,121	\$ 2,242,233	\$ 2,346,839	\$ 2,457,432	\$ 437,255	\$ 1,580,231	\$ 1,685,025	\$ 1,757,097	\$ 1,832,664	\$ 1,921,984
73			Projected Expense Growth Rate			7%	5%	5%	5%			7%	4%	4%	5%
74			Variance of Hybrid Model vs. City Managed							\$ (78,650)	\$ (428,172)	\$ (459,097)	\$ (485,136)	\$ (514,175)	\$ (535,448)
75															
76			CITY SHARED ADMINISTRATIVE EXPENSES	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
77															
78			GROSS TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,158,403	\$ 2,301,621	\$ 2,407,608	\$ 2,520,483	\$ 2,639,758	\$ 437,255	\$ 1,730,231	\$ 1,842,525	\$ 1,922,472	\$ 2,006,308	\$ 2,104,310
79			Variance of Hybrid Model vs. City Managed							\$ (78,650)	\$ (428,172)	\$ (459,097)	\$ (485,136)	\$ (514,175)	\$ (535,448)
80															

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
81				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
82				Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5						
83			NET OPERATING REVENUE (DEFICIT)	\$ (515,905)	\$ (369,682)	\$ 29,053	\$ 56,722	\$ 92,471	\$ 100,102	\$ (437,255)	\$ (122,690)	\$ 62,577	\$ 77,777	\$ 96,232	\$ 96,731
84			Not Including City Administrative Allocation												
85			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 246,992	\$ 33,524	\$ 21,055	\$ 3,761	\$ (3,371)
86			COST RECOVERY (Direct Revenue & Expenses Only)	0%	82%	101%	103%	104%	104%	0%	92%	104%	104%	105%	105%
87															
88			CUMMULATIVE OPERATING NET REVENUE (DEFICIT)	\$ (515,905)	\$ (885,587)	\$ (856,534)	\$ (799,812)	\$ (707,341)	\$ (607,240)	\$ (437,255)	\$ (559,945)	\$ (497,368)	\$ (419,590)	\$ (323,359)	\$ (226,628)
89			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 325,642	\$ 359,166	\$ 380,221	\$ 383,982	\$ 380,612
90															
91			NET GROSS OPERATING REVENUE (DEFICIT)	\$ (515,905)	\$ (519,682)	\$ (128,447)	\$ (108,653)	\$ (81,173)	\$ (82,224)	\$ (437,255)	\$ (272,690)	\$ (94,923)	\$ (87,598)	\$ (77,412)	\$ (85,595)
92			Including City Administrative Allocation												
93			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 246,992	\$ 33,524	\$ 21,055	\$ 3,761	\$ (3,371)
94			COST RECOVERY (Direct Revenue & Expenses Only)	0%	76%	94%	95%	97%	97%	0%	84%	95%	95%	96%	96%
95															
96			CUMMULATIVE OPERATING NET REVENUE (DEFICIT)	\$ (515,905)	\$ (1,035,587)	\$ (1,164,034)	\$ (1,272,687)	\$ (1,353,860)	\$ (1,436,084)	\$ (437,255)	\$ (709,945)	\$ (804,868)	\$ (892,465)	\$ (969,878)	\$ (1,055,473)
97			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 325,642	\$ 359,166	\$ 380,221	\$ 383,982	\$ 380,612
98															
99			NON-OPERATING EXPENSES												
100															
101			Long Term Capital Replacement & Maintenance Reserve	0	0	60,000	70,000	80,000	82,400	0	0	60,000	70,000	80,000	82,400
102			Capital Reserve Accumulation Years 1-5						292,400						292,400
103			Years 6-10		84,872	87,418	90,041	92,742	95,524		84,872	87,418	90,041	92,742	95,524
104			Years 11-15		98,390	101,342	104,382	107,513	110,739		98,390	101,342	104,382	107,513	110,739
105			Years 16-20		114,061	117,483	121,007	124,637	128,377		114,061	117,483	121,007	124,637	128,377
106															
107			Capital Accumulation Year 10						742,997						742,997
108			Capital Accumulation Year 15						1,265,362						1,265,362
109			Capital Accumulation year 20		0				1,870,927		0				1,870,927
110			NON-OPERATING EXPENSES	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
111															
114			GRAND TOTAL ALL EXPENSES (Including Reserve)	\$ 515,905	\$ 2,158,403	\$ 2,361,621	\$ 2,477,608	\$ 2,600,483	\$ 2,722,158	\$ 437,255	\$ 1,730,231	\$ 1,902,525	\$ 1,992,472	\$ 2,086,308	\$ 2,186,710
115															
116			GRAND TOTAL REVENUE (DEFICIT)	\$ (515,905)	\$ (519,682)	\$ (188,447)	\$ (178,653)	\$ (161,173)	\$ (164,624)	\$ (437,255)	\$ (272,690)	\$ (154,923)	\$ (157,598)	\$ (157,412)	\$ (167,995)
117			COST RECOVERY	0%	76%	92%	93%	94%	94%	0%	84%	92%	92%	92%	92%
118			CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)	\$ (515,905)	\$ (1,035,587)	\$ (1,224,034)	\$ (1,402,687)	\$ (1,563,860)	\$ (1,728,484)	\$ (437,255)	\$ (709,945)	\$ (864,868)	\$ (1,022,465)	\$ (1,179,878)	\$ (1,347,873)

Budget Line Item Detail

Supporting the P & L Summaries the detailed Budget Line Item Detail spreadsheets are included in Appendix C. These cost and revenue center budget worksheets include pre-opening expenses prior to the re-opening of the Recreation Center in Year Zero. For budgeting purposes Year One begins with the re-opening of the facility and subsequent years correspond to the year in operation. These years do not correspond to the City Fiscal Year or a calendar year. The budgets can be updated to correspond with the City Fiscal Year when an opening date is determined.

The budget worksheets also include a comment column providing detailed comments for specific line items. These worksheets also include color highlights of specific line items identifying the following:

- Items to Review in the Next Steps phase
- Potential for reduced costs
- Potential for increased costs
- Potential for increased revenue

The full budget detail supporting the P & L Summary for the two Management options are included in Appendix C as follows:

APPENDIX C:	Budget/Operating Analysis
#C2	<i>City Managed Model Budget Line Item Detail</i>
#C2a	<i>Facility Revenue</i>
#C2b	<i>Program Revenue</i>
#C2c	<i>Operational Expenses</i>
#C2d	<i>Program Expenses</i>
#C2e	<i>Program Profit Analysis</i>
#C3	<i>Hybrid Management Model Budget Line Item Detail</i>
#C3a	<i>Facility Revenue</i>
#C3b	<i>Program Revenue</i>
#C3c	<i>Operational Expenses</i>
#C3d	<i>Program Expenses</i>
#C3e	<i>Program Profit Analysis</i>

FUTURE LONG TERM RECREATION CENTER DEVELOPMENT AND EXPANSION

Future Long Term Development and Expansion of the Recreation and Community Center focus on several key areas. See the *Strategic Overview* section of this Report for discussion of the underlying strategy.

- Plan for future growth in City and regional population
- Plan for future program, membership, and use growth
- Address current needs identified
 - Court Space
 - Community function and meeting space
- Provide support for differentiating themes for the Recreation and Community Center
 - Outdoor Sports and Activities
 - Sport Center (court complex)

The expansion of the Outdoor Sports and Activities and the Sport Center lend themselves to partnership development, outside investment, and outside program providers.

Outdoor Sport Center

The existing facility has a small playground attached to the building. Space exists on the City owned site to not only support expansion of the building but to provide for the utilization of additional space to create outdoor sport activities that are unique to the City and the area. These can also link to classes and activities inside the current and future Rec and Community Center. An “Outdoor Sports Center” can include the following:

- Expanded child and youth playground
- Outdoor fitness course
- Ropes course
- Trail link to nearby park areas
- Dog Park

The Outdoor theme can be connected to indoor activities that teach and support outdoor sport and lifestyle activities, such as:

- Kayak, Paddleboard classes in the lap pool
- Climbing Wall/Gym included in expansion of facility
- Outdoor recreation activities built into year round youth camps and community classes

The Outdoor Sport and Activity theme can be a cost effective way to enhance the differentiating elements of the Lino Lakes Recreation and Community Center as well as enhancing the financial sustainability of the Center and creating unique programming for the City and its residents.

The cost projections vary greatly for each potential component of these outdoor facilities, depending on design and elements. Costs can be in the \$50,000 to \$150,000 for outdoor fitness courses and the compact ropes courses can range from \$100,000 and up much higher. The Ropes Course could link to the climbing wall partner linked to the Sports Center.

Examples of Potential Outdoor Opportunities



Outdoor Fitness Stations: Can Connect To Trails



Compact Rope Courses and Team Building (Youth and Adults)



Sand Volleyball



Dog Park

Sport Center Court Complex

The analysis of the existing facility as well as facilities in Lino Lakes and the wider area have identified a significant lack of good centralized and flexible court sport facilities; including basketball, volleyball, and pickleball in particular. The local School Districts have a large number of gyms and courts but they are spread throughout the schools and often are limited use joint facilities such as school cafeterias and function spaces that double as courts as needed. There is no facility in the area that can support tournaments and training for these sports as well as provide an engine for sports tourism and economic impact.

Most importantly, a court sport center can provide the facility framework for outdoor sport facilities and the addition of critical community fitness facilities at the Rec and Community Center. These elements all combine a strong revenue stream that can actually create a profit center for the overall

Recommended features include the following:

- Recommend 6 x full size basketball courts
 - Can accommodate:
 - 10 volleyball courts
 - Large number of pickleball courts
 - Sub-dividable to create sport specific area court spaces
- Support amenities for training and tournaments
 - Can expand training areas pending increasing capacity needs in overall facility workout, fitness, and training spaces
 - Expanded and enhanced meeting and flexible function spaces that can not only support events and use in the Court Center but can provide additional flexible community meeting and function spaces as the community element of the Center continue to expand
- Features supporting the *Outdoor Sport Center* and overall fitness facilities
 - Indoor walking/running track
 - One of the most requested fitness features that the existing facility lacks is an indoor walking track
 - Building a court facility like this provides the structure for inclusion of a large second level walking track surrounding the courts.
 - Adding a walking track to the existing building or as a separate new facility is cost prohibitive.
 - Adding the walking track to a new court addition is very cost effective with the space, height and structure in place as part of the new Court Sport addition
 - Climbing Wall or Gym
 - A large climbing wall with appropriate height is very costly to build on its own. Incorporation into a new Court Sport addition provides the height and structural framework to create a much more cost effective climbing wall addition than a standalone structure.

Further enhancing the potential for this differentiating element is the potential of a private investment interest in the north suburbs looking to partner with a community to develop such a facility.

Estimated Cost Projections

- Estimated Costs of the Sport Center addition (2021 dollars)
 - Court complex: \$9,000,000 to \$12,000,000
 - Depends on a large number of variables in design, materials, and supporting spaces
 - Indoor Walking Track: \$500,000 to \$750,000
 - When combined with Sport Center construction
 - Climbing Wall: \$500,000 to \$750,000
 - When combined with Sport Center construction

Examples of Sport Center or Court Sport Center (Basketball, Volleyball, Pickleball)



Additional Differentiating Features in Sport Center



Elevated Walking Track around Gym



Climbing Wall Incorporated into Sports Center

Additional Meeting and Function Space

As part of the Sport Center Expansion there is an option to include some additional meeting and function space for the overall Recreation and Community Center. Additional space can help meet current and future needs plus community program expansion and enhancements.

Enhancements as part of Additions and Future Upgrades



POTENTIAL IMPACT OF COVID-19 PANDEMIC

The current COVID pandemic has had a very significant and undoubtedly a lasting impact on aquatic and recreational facilities. The majority of current focus to date is on how to most safely open existing facilities and how to begin operations and programming in a safe and healthy fashion during the course of the pandemic. The aquatic and overall recreation and sport industry is also trying to identify and develop facility, operation, and management long term changes that will be part of a “New Normal” in the future. The future New Normal may include code updates and requirements as well as non-code best practices. These New Normal elements will be in design, operations, and programming elements, touching most aspects of new and existing facilities.

ISG has identified some of the most likely potential accommodations to address, prevent, and mitigate future health challenges and crises. Keep in mind that these are not yet requirements but that best practices may suggest some or all of these initiatives. We have tried to take into account some added budget to support potential additional operating costs. These included the following.

Operational Elements

These are most relevant to the re-opening Lino Lakes Rec and Community Center

- Increase staff and outside services costs
 - Added custodial staff and time for enhanced cleaning and disinfecting
 - Added outside services for potential staff, user, and facility testing and cleaning
 - Potential added front desk/access point control and staffing for potential screening and monitoring
- Staff training and safety costs
 - Additional staff and management training on handling and management of health emergencies (beyond current First Aid, CPR, AED) and new standard practices
 - Additional Personal Protective Equipment (PPE) for use by staff as needed
- System Operations
 - Enhanced air handling and HVAC systems, including addition of HEPA filters and other air quality controls
 - Increase requirements for outside replacement air exchange in system
 - NOTE: Source capture exhaust system discussed in this report would be a major advantage in this process
 - Potential increase in pool water turnover rate (although COVID does not live in chlorinated water, this may be a broader concession to future health crises)
 - NOTE: The projected design and costing in the report include all the state of the art water mechanical and purification systems that currently exist and are recommended for optimum health conditions.
- Develop inside traffic and circulation patterns that encourage social distancing and eliminating bottle necks
- Development of updated emergency action plans to address future contagious health issues and threats
- Change in overall code bather and user capacity load calculations

Design Elements

These elements are not relevant currently to the Center, but will be in the future for any expansion or addition.

- Potential increase in code space requirements concerning deck, changing rooms, locker rooms and other common spaces based on lower user capacities/square meter.
- Increased design and cost for increased separation or partitioning in common areas, particularly locker rooms, changing areas, and restrooms
- Incorporate more robust and higher capacity HVAC and dehumidification systems
 - See operational note above
 - Potentially include new UV and Bipolar Ionization air purification systems
 - In July the ASHRE (the American Society of Heating, Refrigerating and Air Conditioning Engineers) Epidemic Task Force has issued new air purification and HVAC safety recommendations to address the current and minimize future contagious illness and pathogen circulation in indoor air systems
- New products for facility safety and cleanliness are already coming to market. It will be important to continue to be aware of new technologies relevant to existing and new aquatic, sport, and recreational facilities.

Renovation

Renovation considerations are relevant to the Center as systems replacement or other renovation take place over the next several years.

- Consider upgrading pool water mechanical systems at existing pools earlier than dictated by projected life expectancy
 - Added advantage of achieving operational cost savings and increased efficiency in addition to the higher levels of water quality and cleanliness
 - Relevant to the BAC/Odle analysis and renovation plan
- Review current HVAC system to identify potential upgrades and inclusion of air purification systems
- When reviewing potential renovation of locker rooms, changing rooms, and common lobby space take spacing and partitions into account based on the latest recommendations at the time of renovation

PROJECT TIMELINE and NEXT STEPS

Re-Opening Timeline

The potential re-opening date for the Recreation and Community Center is still to be determined. Following is a timeline working back from the re-opening date. This timeline includes key staff hiring, marketing, program development, development and negotiations with key program and management partners/providers, physical facility needs, and other action items.

Six Months Prior to Opening

- Approval to move forward with re-opening
- Identification of and initial discussions with potential program providers/partners or management entities
 - Identify key milestone dates for potential partners
- Develop Org Chart for facility management model
- Start search for Facility Manager

Five Months Prior to Opening

- Hiring of Facility Manager
- Negotiations with potential program providers/partners
- Initial media campaign
- Determine any facility maintenance needs or “sprucing up” options

Four Months Prior to Opening

- Finalize program providers/partners or management entities as appropriate
- Begin purchasing of equipment, furniture, etc. needed for opening
- Hiring of Membership/Customer Service Manager
- Develop Membership model and fees
- Development of Recreation and Community Center marketing materials
- Begin planning for Grand Opening

Three Months Prior to Opening

- Launch Membership Campaign
- Hiring of Facility Operations/Maintenance Manager
- Begin recruiting part-time staff
- Develop all necessary Emergency Action Plans, operations, management documents, procedures and manuals

Two Months Prior to Opening

- Hiring all employees (actual employee start dates closer to opening)
- Pool fill and start-up
 - Allowing time to identify any operational issues
- Building full functional
- Community Open Houses and Rec Center tours and promotion
 - Link to membership drive

One Month Prior to Opening

- Facility and Program Staff training
- Rehearsals and dry-runs of all programming and procedures
- Can select specific areas of building for pre-opening programming or use as appropriate
 - Can pull earlier if building is ready
- Potential for soft early opening

Opening

- Soft Opening
- Grand Opening (usually 3-4 weeks following soft opening)

Factors Affecting Timeline

- Any unexpected facility surprises
- Timeline in developing partner and program providers
 - Any specific key milestones for their programs, marketing, or business
- Suitability of actual opening date
 - Coordinated with key community/school timelines
 - Other considerations
- Difficulty in finding staff
- Other?

Next Steps

Next Steps will be developed in conjunction with City Leadership and Management. Key decisions include:

- Determination of Membership Model
- Determining of Management Model
- Ongoing review and refinement of Budget Model
- Funding model for pre-opening costs
- Funding model for annual operating deficit
- Identification of target opening date
- Fine tune workback schedule based on target opening date

KEYS TO SUCCESS AND FACTORS IN FAILURE

The common perception of pools is that they always lose money and cannot operate in a reasonable financially sustainable model within public budgets without excessive costs or subsidies from public entities, taxpayers, or outside entities. Throughout this Report there have been many references to best practices, enhanced revenue opportunities, and operational cost savings opportunities. To further understand how a new Lino Lakes Rec and Community Center can succeed, it is important to understand the best practices of facilities that succeed and the reasons behind failed or underperforming pools. This Section of the Report builds on the elements of previous Sections to present a summary of Keys to Success and Factors in Failure. The Risks of Failure are general obstacles facing all facilities and are not specific concerns for the City of Lino Lakes. These factors are broken down into several key areas:

- Management
- Programming
- Design
- Financial Management

DEFINITION OF SUCCESS and SUSTAINABILITY

The definition of success and financial sustainability is different for each facility and community, depending on the public and partner goals of the facility. An important element for the planning process of a new Lino Lakes Rec and Community Center and understanding what success means to the City of Lino Lakes and any partners. Throughout this report ISG has identified needs and opportunities for all the elements of the community and discussed best practices to optimize programming and the financial model. The financial operating analysis in this report and project operating deficits and cost recovery. To help define success and related goals and objectives for the Rec and Community Center it will be important for Lino Lakes Staff and Financial Staff to identify an acceptable cost recovery target to maintain the Rec and Community Center and successfully meet budget goals. This City process will need to include balancing cost recovery with City mission to provide affordable facilities, access, and programs for all residents of Lino Lakes. These Keys to Success and Factors in Failure include both general and specific elements relevant to the proposed Rec and Community Center.

MANAGEMENT

The management of the facility is the single most important key element in the success of a Rec and Community Center. The management must be proactive in its programming and marketing approach and adopt an entrepreneurial approach to the business of the Rec and Community Center. The ISG Study assume that the City of Lino Lakes would be managing the Rec and Community Center but the Keys to Success and Factors in Failure apply to all potential Rec and Community Center management and operational models.

Lino Lakes Rec and Community Center Facility Manager Position
Keys to Success

- In the case of Lino Lakes ISG recommends the Facility Director Position oversee all the facility programming in the Lino Lakes Rec and Community Center.
- Critical to have significant experience in this position in running facilities that have a full range of programming for both the dry side and the wet side with specific financial and operating goals and metrics
 - Expertise in developing, marketing and executing a wide range of programs
 - Experience in developing and managing overall facility budgets
 - Network and membership in key facility safety, fitness, and management professional organizations and regular attendance at conventions and camps to maintain up to date knowledge of new trends in Rec and Community facility and program management
 - Experience in marketing, sponsorship, advertising as it relates to generating support for the Rec and Community Center and its programs
 - Ability to work closely with the community, civic entities, interest groups, and the philanthropic community to generate maximum support for the operations and programming of the Rec and Community Center
 - Experience in operating and maintaining a significant Rec and Community facility
- The Facility Manager position should ideally begin six to twelve months in advance of the opening of the center.
 - Build new programs
 - Expand and enhance existing programs
 - Obtain commitments and contracts from users and partners
 - Identify thresholds for initial year and beyond for programs and user/partner agreements
 - Launch marketing of the Center programs
 - Build staff structure and develop training program for staff prior to opening
 - Funding for this is part of the Year Zero or Project Capital expenses
 - Develop job descriptions, identify quality candidates, and begin to staff the Center

Risks for Failure

- Traditional experience in subsidized community parks and recreation facilities where marketing and entrepreneurial initiatives are not encouraged or rewarded
- Lack of strong programming, facility, and activity experience
- Limited business management background
- Lack of clear and measureable facility program, use, and revenue goal, objectives, and metrics
- Lack of clear management accountability linked to the goal metrics
- Lack of strong community engagement, partnerships and establishment of ongoing community opportunities

Rec and Community Center Plan

- The Feasibility Study includes funding and support for the Facility Manager, with the Director responsible for all Rec and Community programs and facilities.
 - Salary level is robust enough to attract top regional level qualified candidates
- Travel budget is included to allow key management to attend conferences and for continuing professional development

- Hires six to nine months in advance

Program Management (Coordinators and Supervisors)

Keys to Success

- Very important to have a strong and experienced program management team on board.
- Also important to include experience and responsibilities for marketing the programs-it is not just build it and they will come!!
- Adaptability to new programming opportunities and regular evaluation of existing programs
- Network and membership in key aquatic safety, fitness, and management professional organizations and regular attendance at conventions and camps to maintain up to date knowledge of new trends in Rec and Community facility and program development, trends, and management
- If funding allows these positions should be filled three to four months prior to opening, but this role is often filled by the overall Facility Director initially. Bringing new program management on board can be coordinated with the growth and expansion of existing Lino Lakes programming at the Rec and Community Center
 - Allows the coordinators and supervisors to have role in hiring and developing program staff
- Important to have experience in training and certifying part-time instructor, lifeguarding, Fitness and other program staff
- It may be more effective to have specific program coordinators part time linked to key programs like learn to swim, aquatic fitness, fitness, camps, etc.
 - May be head instructor with a an additional stipend for management responsibilities

Risks for Failure

- Inexperience in starting up programs or growing programs
- Lack of involvement in the Recreational professional world and not remaining current in trends and developments in programming
- Lack of personal hands on experience in actually running and teaching in programs
- Lack of quantifiable and subjective goals and accountability in building and marketing the programs
- Lack of funding and support for ongoing professional development and training
- Insufficient resources to support programming

Marketing and Membership

Keys to Success

- Experience in marketing and promoting all aspects of facility
 - Programs
 - Membership
 - Sponsorship and Advertising
 - Supporting and promoting competitive and special events
 - Community relations
 - Donor relations (usually led by Facility Director)
- Experience in Customer Service-understanding the importance of Customer Service
- Ability to train part-time front desk and customer service staff
- Resources to support marketing efforts

- Ability to coordinate with overall City, School District, and other partners' marketing and informational platforms and community outreach programs
- Entrepreneurial approach to marketing and membership
- Establishment and accountability for quantifiable goals

Risks for Failure

- Assuming that "If you build it they will come!"
- Lack of staff and resources focused on marketing, membership, and customer service
- Absence of clearly defined goals for program participation and membership and ongoing tracking of metrics
- Staff inexperience in facility, program, and membership marketing and sponsorship/advertising solicitation

Rec and Community Center Plan

- Center budget includes the following positions
 - Marketing and Membership Coordinator
 - Customer Service Coordinator
- Marketing and advertising budget for facility and programs included in budget analysis

Facility Maintenance Staff

Keys to Success

- Specific maintenance team along with cross training from other City staff positions for Rec and Community Center
 - Full-time positions increase accountability for the successful operation and maintenance of a facility
 - Cross training in a smaller Rec and Community Center offers opportunities to be sure everything can be maintained and serviced properly when a particular staff member needs time off or goes on vacation
 - Limiting need for outside services with no vested interest in facility
- Maintenance team with some Rec facility experience
- Certified pool operators to cover both pools throughout the week, weekends and during when a particular CPO is not available
- Regular preventative and pre-emptive maintenance
- Dedicated custodial team for Rec and Community Center
- Learning from other comparable facilities' best practices; participation in and investment in education and latest maintenance trends

Risks for Failure

- Over reliance on outsourced services
- Lack of Rec and Community specific facility maintenance experience
- Cost cutting on maintenance staff and routine preventative maintenance
- Failure to develop long term Capital maintenance and replacement reserve fund

Rec and Community Center Plan

- Robust in-house maintenance staff
 - Maintenance Foreman: Hired 3 months in advance of opening

- Aquatic Certified Pool Operator: Hired 1 month in advance of opening
 - Full-time custodial and maintenance staff
- Annual budget set aside for long term Capital Maintenance and Replacement Fund

Instructors and Support Staff

Keys to Success

- Instructors, teachers, front desk/reception staff, building supervisors and other key staff that interface with the public should be well trained and compensated.
- Important to have training and retention programs to attract and keep well trained fitness, recreation, learn to swim, aquatic fitness, and other instructors
 - Don't necessarily expect to pay minimum wage!!!
 - Collaborate with School District to create programs that attract students or program graduates to become instructors and other staff
- Understanding of their importance to the overall success of the facility
 - Understanding and adopting the basics of customer service and communication
 - In most cases, these individuals are the most important "face" of the facility that will interface and engage with the Lino Lakes Rec and Community users and customers

Risks for Failure

- Lack of potential staff pool to draw from
- High turn-over rate/lack of retention
- Inadequate training in their specific jobs and in overall facility procedures and customer service
 - It is very important that all staff understand overall facility goals and operations, not just their specific area
- Lack of understanding of their impact on the success of the overall facility

Rec and Community Center Plan

- Budget includes very competitive hourly wages for all part-time positions, especially the key public facing positions such as fitness, instructors, lifeguards, and front desk staff.
 - Provides flexibility in wages to attract staff for difficult day hours, aid recruitment, and reward retention
- Staff development and training funding included in budget
- Potential to provide training and certification classes and programs in conjunction with local school curricula

Overall Management Elements

Keys to Success

- Professional outfitting and branding of all staff (in and out of the activity areas)
- Clearly defined goals and objectives
 - Program participation
 - Use
 - Revenue
 - Expenses
 - Accountability
- Clearly developed safety, emergency, operational, and maintenance procedures and manuals

- Includes education and rehearsal of all staff in these elements
- Development and incorporation of health crises/pandemic response and procedures into new emergency and operating procedures and manuals
- Regular management and staff meetings
 - Program and schedule
- Key user group interaction and input
- Cleanliness and well maintained common areas
- Continuing education and training
- Management and Staff accountability

Risks for Failure

- Failure to execute all of the above

Rec and Community Center Plan

- Budgeting for staff outfitting and recognition
 - Includes promotion of staff certifications, memberships, and training in a visible manner.
- Travel and Staff Development budgeting
- Incremental marketing budget beyond just existing Parks and Recreation website and brochures. Utilize social media and new communication platforms to reach all demographics.
- Focus on low income and community segments that do not have access for staffing, programming opportunities and awareness.

PROGRAMMING

Keys to Success

- Full range of programs for the entire community
- Introduction of new programs and trends as regular updates of existing program curriculum
- Focus on low income or demographics with no Rec experience or access
- Development of program partners including school district, community groups, healthcare providers, and outside program providers as appropriate
- Scheduling to allows for all potential program participants and target demographics
 - Early morning before work
 - During the school day
 - Lunch hour specific programs
 - After school programs
 - After work programs
 - Evening after family dinner or “kids are settled”
- Progressive programs
 - Clear and smooth transitions from one program to the next level
 - Fitness
 - Exercise
 - Learn to Swim
 - Pre-Team
 - Masters
 - Aquatic fitness

- Full range of intensities, abilities, and transition programs
 - Cross training
 - Therapy/Rehab transitioning to mainstream regular fitness classes
 - Etc.
- Development of program partners
- Concurrent programming
 - Access to different programs throughout the day
 - Program access during prime time
 - Programs that serve both youth and adult for optimized family usage
- Marketing of programs

Risks for Failure

- Weak or poorly trained instructors
- Lack of program integration and progression
- Inappropriate times for different user groups
- Lack of concurrent program scheduling
- Lack of responding to the demands or needs of user groups or developing programs that attract new user groups

Rec and Community Center Plan

- Feasibility Study identifies a wide range of new program and recreational opportunities
- Potential schedule matrix allocates programs across all facilities to best use the strengths of each facility
- Schedule matrix opens up significant time for use across multiple programs at peak times during the day
 - Classes before, during and after the work and school day for all
 - Significantly increase open recreation and family time for pool and facility use
- Schedule matrix maximizes opportunity for concurrent programming

FINANCIAL MANAGEMENT

Keys to Success

- Business oriented management practices and financial management
- Budget development based on facility management and best practices
 - Budget tracking to enable analysis of all costs of all specific programs
 - Increased visibility of all program related costs and revenue for better program development and accountability
 - Requires tracking revenue, participation, trends, and expenses for each specific program
- Develop program fees, usage fees, and rental rates to best combine goals of City:
 - Accessible and affordable to all residents and users
 - Help support local youth, adult, and disabled sport and activity programs
 - Provide revenue to help offset Rec facility and program operating costs and improve Cost Recovery
 - Investment in programming and staffing that targets underserved constituencies and addresses past inequities in programming

- Identifying, developing, and optimizing program and facility funding options and potential
 - Grants
 - Corporate support
 - Partnership funding opportunities
 - Advertising and Sponsorship
 - Cash and financial support
 - Product and services Value-in-Kind (VIK) donations
 - Community support
 - Private philanthropy as needed
- Develop a budgeting plan or reserve fund for long term capital replacement and maintenance for future repairs, component replacement, and other unexpected financial costs.

Risks for Failure

- Failure to build sufficient cash reserve or long term replacement fund or plan for future equipment replacement or capital facility repair
- Failure to develop fee structure appropriate for market and meeting overall facility financial and program objectives
 - Market rates
 - Appropriate discounts for residents, members, etc.
 - Analysis of revenue needs
- Failure to invest sufficiently in key success factors
 - Marketing
 - Key management positions
 - Staff training and development
 - Air handling and Water handling technology and system

Rec and Community Center Plan

- The initial framework for these Financial Keys to Success have been incorporated in the ISG Study.

CONCLUSION

The Lino Lakes Recreation and Community Center Analysis identified strong potential and opportunity for the re-opening of the former YMCA as a Line Lakes Recreation and Community Center. The new Rec and Community Center can provide expanded community programming as well as meeting the City resident recreation and fitness needs and creating new opportunities better than the former YMCA. The Rec Center can provide greater access for residents at more reasonable membership, use, and program costs than the former YMCA.

The Study also identified key areas of opportunity for future expansion of both the indoor and outdoor facilities and components of the existing facility.

Following are key conclusions of the Study.

Strategic Opportunities

- The Rec Center is well positioned to meet current City needs and growth for the next five to ten years.
- The Rec Center further has the opportunity to expand its facilities and programs, with the following strategic goals
 - Meet long term population and user growth well beyond ten years
 - Create unique facilities in the market that make the Rec Center a destination in select areas to support the long term financial sustainability of the Rec Center
 - Develop specific themes related to the creating of the destination facility

Analysis of Existing Facility

The current facility was very well maintained by the YMCA and there are no readily apparent significant maintenance issues that create an expensive barrier to re-opening.

There are several energy savings upgrades to new technology for the pool mechanical system that can be made in the next several years to significantly reduce the operating costs of the pools.

Programming Analysis

The programming at the former YMCA was a very traditional YMCA model. A re-opened Rec Center will have opportunities to enhance and expand programming in several key areas:

- Aquatics
 - Enhanced swim lesson programs with better student:teacher ratios and more class scheduling options
 - Expanded aquatic fitness programs addressing a wider range of age and intensity offerings throughout the day and evening
 - Increased aquatic therapy and rehab opportunities through outside program providers
 - Increased lap swim time
 - Greater use of concurrent programming in the pools, making better use of time and space
- Fitness programs

- Expand fitness options with broader range of programs and specialty classes, including incorporation of highly trained outside instructors
- Use of gym space for larger fitness classes and events
- Future expansion should include an indoor walking track as part of a Sport Court facility addition
- Special Needs and Adaptive PE
 - Expand community based aquatic and dry-side special needs and adaptive PE programming and support services
- Sport Programs
 - The small gym size will continue to limit the potential for youth and adult team and league programs
 - Increased court space in a multi-court addition is a major need for future expansion
- Community Programs
 - The potential exists for expanded community programming through the City and community organizations, utilizing the current meeting space at the Rec Center
 - Programs can include:
 - Senior Programming
 - Educational and Activity classes
 - Expanded community meeting spaces is a strong need for future expansion

Membership Analysis

The Study reviewed several membership scenarios. The best membership model scenario targeted membership rates for residents at approximately 60% of the equivalent rates for the area YMCAs. This lower cost results in a larger number of overall members. The membership model also included daily drop in and multi-visit passes as well as a wide range of membership options. The membership model also included a 20% premium for non-residents of Lino Lakes.

Facility Management Models

The Study explored three Rec Center management options:

- Entirely City managed
- Hybrid Management Model
 - Outside management and program providers for selected components of the Rec Center
- Fully managed by outside management group

Both the City managed and the Hybrid Model are feasible. The fully outside group management model would not be feasible or successful in meeting City goals of financially accessible membership and use models or overall revenue generation.

The Hybrid Model as several key advantages of the City Managed Model.

- Much lower start-up costs
- Faster ramp-up at opening and initial revenue and membership generation
- Existing readymade membership base with existing program following
- Wider range of programming options and expertise

The two areas where partner program providers and management would be beneficial are:

- Fitness Programming and Management of fitness facility
- Swim Lesson program partnership with Centennial School District Community Education

The Hybrid Model will reduce overall operating deficits by approximately \$380,000 over the first five years.

Financial Operating Budget Analysis

ISG used very conservative projections for revenue and expenses in developing the operating budget projections. The Study detail identifies several areas where expenses can be further reduced and revenue enhanced.

Even with the conservative nature of the projections the Recreation and Community Center achieve a cost recovery of 92% of total expenses by Year Three in both management models. Beginning in Year Three the average annual operating deficit averages between \$150,000 for the Hybrid Option to \$170,000 for the City Managed Option. These expenses include an annual City Administrative Allocation of over \$150,000 for City support services. The expenses also include an annual allocation to a Long Term Capital Replacement and Maintenance Reserve Fund to support projected future facility maintenance and upkeep. This annual allocation begins at \$60,000 in Year Two and increases to over \$80,000 by Year Four. Over the first twenty years of operation the Reserve Fund accrues over \$1,800,000 for Capital maintenance needs.

Future Rec Center Enhancement and Expansion

The Study identified several main areas for strategic Rec Center expansion and enhancement. These include:

- Sports Center
 - Court Sport Center with 6 basketball courts that can configure to 10 volleyball courts, multiple pickle ball courts and be sub-divided for great programming flexibility
 - Can also attract sport tournaments and generate economic impact
 - Can be positive net revenue generator for the Rec Center
 - Potential for outside investor/managing partner for the project
 - Climbing Wall/gym space
 - Indoor walking track
- Community meeting and function space
 - Expansion of meeting and function space to support community programming or organizational use
- Outdoor Components
 - Take advantage of available space on site for additional outdoor elements that support and complement the indoor facilities of the Rec Center
 - Outdoor fitness course/stations
 - Ropes Course
 - Sand volleyball court
 - Dog park

Timeline

From the time that re-opening of the Recreation Center is approved and funded it will reasonably take six months to prepare for re-opening. Key milestones in this timeline are the following:

- Hiring management and staff
- Developing program providers/management in the Hybrid Option
- Prepare the Rec Center for opening
- Marketing the new Rec Center
- Launch membership campaign
- Bring the facility systems to operational status
- Train staff
- Prepare for opening

Overall, the Lino Lakes Recreation and Community Center can be a significant City asset providing recreation, fitness, leisure, and community activities to a much wider range of City residents that ever utilized the former YMCA.



Lino Lakes Recreation and Community Center Analysis

APPENDIX INDEX

APPENDIX A:	Programming
#A1	Learn to Swim Market Analysis and Comparisons
#A2	Learn to Swim Program Projections
#A2a	City Managed Model
#A2b	Community Education Partner Model
#A3	Aquatic Facility Scheduling Matrix
APPENDIX B:	Membership
#B1	Membership Market Analysis
#B2	Membership Fee Structure, Scenarios, and Projections
APPENDIX C:	Budget/Operating Analysis
#C1	Profit and Loss Summaries
#C1a	City Managed P & L
#C1b	Hybrid Management Model P & L
#C1c	P & L Comparison
#C2	City Managed Model Budget Line Item Detail
#C2a	Facility Revenue
#C2b	Program Revenue
#C2c	Operational Expenses
#C2d	Program Expenses
#C2e	Program Profit Analysis
#C3	Hybrid Management Model Budget Line Item Detail
#C3a	Facility Revenue
#C3b	Program Revenue
#C3c	Operational Expenses
#C3d	Program Expenses
#C3e	Program Profit Analysis
APPENDIX D:	Pools Operational and Mechanical Systems

APPENDIX A1--Swim Lesson Market Analysis

<p align="center">Lino Lakes Recreation Center MARKET COMPARISON OF SWIM LESSON PROGRAMS</p>									
April 20, 2021									
PROGRAM PROVIDER	LOCATION	CLASS SESSION	COST	COST per 30 min.	RATIO	YEAR SCHEDULE SESSIONS	FACILITY	WATER TEMP	COMMENTS
YMCA of the North	Lino Lakes YMCA	Group Lessons	\$39/Family member or Full member	\$6.50	5 or 6 to 1	Year Round		Ave. = 84 Ranged depends on Y	Standard lesson rates throughout system
	Forest Lakes YMCA	7 x 30 min classes Member Non-Member	\$ 55.00 \$ 109.00	\$ 7.86 \$ 15.57					Per YMCA 2020 info
Centennial School District	Centennial High School	8 x 30 minute lessons	\$ 75	\$ 9.38	5-6 to 1	Year Round		81-82°	
Shoreview Rec Center		6 x 40 minute Lessons Resident Non-Resident	\$ 81 \$ 89	\$ 10.13 \$ 11.13				86°	
		Private: 6 x 30min Resident Non-Resident	\$ 126 \$ 139	\$ 21.00 \$ 23.17					
Brooklyn Center	Community Rec Center	6 x 30 minute Lessons Resident Non-Resident	\$ 60 \$ 60	\$ 10.00 \$ 10.00				84-85°	No resident discount
		Private: 6 x 35min Resident Non-Resident	\$ 120 \$ 120	\$ 20.00 \$ 20.00					
Brooklyn Park	High School Pool	6 x 30 minute Lessons Resident Non-Resident	\$ 63 \$ 77	\$ 10.50 \$ 12.83				81-82°	Older kids increase to 40 min/lesson
		Private: 6 x 35min Resident	\$ 133	\$ 22.17					

APPENDIX A1--Swim Lesson Market Analysis

PROGRAM PROVIDER	LOCATION	CLASS SESSION	COST	COST per 30 min.	RATIO	YEAR SCHEDULE SESSIONS	FACILITY	WATER TEMP	COMMENTS
		Non-Resident	\$ 133	\$ 22.17					
Foss Swim School	Blaine, MN: 5+Miles 10-12 minutes	1 Class per week Private Lessons: 1 x 30 minute class/week Semi-Private: 1 x 30 min class/week	\$84/month \$300 \$160	\$ 22.00 \$ 75.00 \$ 40.00		Year Round	Small-warm-water shallow pool	90°	One of several locations in Twin Cities Perpetual Monthly Billing
Anoka-Hennepin School District	Roosevelt Middle School, Blaine.	8 x 35 minute lessons	\$ 80	\$ 8.57	6 to 1	Year Round		81-82	Red Cross Lesson Program: average 300 kids in program at any one time. Year round focusing on weekends in school year
Gold Fish Swim School	National Franchise First location opened in MN in Oakdale: 25 miles/26-45 minutes National Franchise locally owned	Lesson-Group Includes 1 30 min lesson/week Lesson-Mini Group Lesson-Semi-Private Lesson-Private	\$84/month \$78.12 for 2nd child \$72.24 for 3rd child \$110/month \$127/month \$188/month	\$21 \$28 \$32 \$47	4 to 1 3 to 1 2 to 1 1 to 1	Year Round	Small-warm-water shallow pool	90-92°	Includes a one-time \$25 registration for an individual or \$45 one-time fee maximum per family. Perpetual membership program. 1 x 30 minute lesson per week, billed monthly NOTE: Some months will have 5 lessons/month: averages here are calculated at 4 lessons/month

	A	B	C	D	E	F	G	
1	Lino Lakes Recreation Center SWIM LESSON ANNUAL PROJECTIONS: Billing by Class							
2								
3								
4	CITY MANAGED PROGRAM	Items to Review			Potential for upside growth			
5	May 10, 2021	NOTE: Resident is Lino-Lakes resident. May include surrounding communities or School Districts with added operational support.						
6		Year 1	Year 2	Year 3	Year 4	Year 5	Comments	
7	Percent Growth Rate Used in Calculations		35%	15%	8%	5%		
8	Group Lessons-Youth, Children, Tots						Assume 8 classes/session just for calculation purposes	
9	Session: 8 x 30 minute classes/session							
10	Resident	720	972	1,118	1,207	1,268	Estimate at 60% of total lessons	
11	Non-Resident	480	648	745	805	845	Estimate at 40% of total lessons	
12	Member						Potential to add this category in future-driving memberships through additional discount benefit.	
13	Fee per Session						NOTE: Fee increase in Year 4.	
14	Resident	\$ 88	\$ 88	\$ 88	\$ 96	\$ 96		
15	Non-Resident	\$ 104	\$ 104	\$ 104	\$ 112	\$ 112		
16	Member							
17	Average cost per 30 minutes							
18	Resident	\$ 11.00	\$ 11.00	\$ 11.00	\$ 12.00	\$ 12.00		
19	Non-Resident	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 14.00		
20	Member	\$ -	\$ -	\$ -	\$ -	\$ -		
21								
22	Youth Group Lesson Subtotal	\$ 113,280	\$ 152,928	\$ 175,867	\$ 206,033	\$ 216,335		
23							6 x 45 minute classes per session	
24	Annual Group Lessons-Adult							
25	Resident	60	81	93	101	106		
26	Non-Resident	40	54	62	67	70		
27	Member							
28	Fee per Session							
29	Resident	\$ 99	\$ 99	\$ 99	\$ 108	\$ 108		
30	Non-Resident	\$ 117	\$ 117	\$ 117	\$ 126	\$ 126		
31	Member							
32	Average cost per 30 minutes							
33	Resident	\$ 11.00	\$ 11.00	\$ 11.00	\$ 12.00	\$ 12.00		
34	Non-Resident	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 14.00		
35	Member	\$ -	\$ -	\$ -	\$ -	\$ -		
36	Adult Group Lesson Subtotal	\$ 10,620	\$ 14,337	\$ 16,488	\$ 19,316	\$ 20,281		
37							Calculated as 4 x 30 minute private lessons for session for calculation purposes. Can also do singles or a package of 8 lessons. Rates for all ages.	
38	Private Lessons							
39	Resident	96	130	149	161	169		
40	Non-Resident	64	86	99	107	113		
41	Member						Calculated on 30 minute lessons. Also offer 60 minute sessions depending on age and skill level	
42	Fee per Session (4 x 30 min private lesson)							
43	Resident	\$ 128	\$ 128	\$ 128	\$ 140	\$ 140		Local market private lessons rates are low for regional and national markets. Most public facilities are now in \$35 to \$40 for resident/member private lessons.
44	Non-Resident	\$ 144	\$ 144	\$ 144	\$ 160	\$ 160		
45	Member							
46	Average cost per 30 minutes							
47	Resident	\$ 32.00	\$ 32.00	\$ 32.00	\$ 35.00	\$ 35.00		
48	Non-Resident	\$ 36.00	\$ 36.00	\$ 36.00	\$ 40.00	\$ 40.00		
49	Member							

APPENDIX A2a--Swim Lesson Projections: City Managed Facility

	A	B	C	D	E	F	G
6		Year 1	Year 2	Year 3	Year 4	Year 5	Comments
50	Private Lesson Subtotals	\$ 21,504	\$ 29,030	\$ 33,385	\$ 39,704	\$ 41,689	
51	Semi-Private Lessons						Calculated as 4 x 30 minute private lessons for session for calculation purposes. Can also do singles or a package of 8 lessons.
52							
53	Resident	60	81	93	101	106	
54	Non-Resident	40	54	62	67	70	
55	Member						
56	Fee per Session (4 x 30 min private lesson)						
57	Resident	\$ 88	\$ 88	\$ 88	\$ 96	\$ 96	
58	Non-Resident	\$ 96	\$ 96	\$ 96	\$ 104	\$ 104	
59	Member						
60	Average cost per 30 minutes						
61	Resident	\$ 22.00	\$ 22.00	\$ 22.00	\$ 24.00	\$ 24.00	
62	Non-Resident	\$ 24.00	\$ 24.00	\$ 24.00	\$ 26.00	\$ 26.00	
63	Member						
64	Semi-Private Lesson Subtotals	\$ 9,120	\$ 12,312	\$ 14,159	\$ 16,633	\$ 17,465	
65							
66	Family Lessons & Specily Lessons						May offer family and special lesson groups. Not readily available in the market but a differentiating program for the future. Not factored in initially. Special Needs lessons are included in group lessons for now.
67	Resident						
68	Non-Resident						
69	Member						
70	Fee per Session						
71	Resident						
72	Non-Resident						
73	Member						
74	Average cost per 30 minutes						
75	Resident	\$ -	\$ -	\$ -	\$ -	\$ -	
76	Non-Resident	\$ -	\$ -	\$ -	\$ -	\$ -	
77	Member						
78	Family Lesson Subtotals	\$ -	\$ -	\$ -	\$ -	\$ -	
79							
80	TOTAL SWIM LESSON REVENUE	\$ 154,524	\$ 208,607	\$ 239,899	\$ 281,686	\$ 295,770	
81							
82	TOTAL Youth Group Swim Lesson Sessions	1,200	1,620	1,863	2,012	2,113	Including Adults
83	TOTAL Estimated Unique Students in Youth Group Lessons	480	648	745	805	845	Each student averages 2.5 sessions per year
84							
85	TOTAL Lino Lakes Resident Youth Group Lessons	720	972	1,118	1,207	1,268	
86	TOTAL Lino Lakes unique students in Youth Group Lessons	288	389	447	483	507	
87							
88							
89			Percent	Population	Uses Year Three for Market Penetration		
90	Analysis of Lino Lakes Market Penetration						
91	Lino Lakes Population (2020 Projection)			22,500			
92	Percent of population under 10 years of age		18.0%	4,050			
93	Percent of population under 18 years of age		28.8%	6,480			
94							
95	Number of Unique Lino Lakes students in lessons			447	Assume all students under 10 years old which is conservative. There will be some older kids, but not many.		
96							
97	Percent of Lino Lakes population under 10 years old taking lessons			11.0%	Percentage is actually lower since there will be some > 9 yrs old		

	A	B	C	D	E	F	G
1	Lino Lakes Recreation Center						
2	SWIM LESSON ANNUAL PROJECTIONS: Billing by Class						
3							
4	CENTENNIAL COMMUNITY ED PARTNERSHIP	Items to Review			Potential for upside growth		
5	May 10, 2021	NOTE: Residency in partnership model include both Lino Lakes and Centennial School District residents.					
6		Year 1	Year 2	Year 3	Year 4	Year 5	Comments
7	Percent Growth Rate Used in Calculations		35%	15%	8%	5%	
8	Group Lessons-Youth, Children, Tots						Assume 8 classes/session just for calculation purposes Assume 30% increase in total lessons when combined with existing Community Ed Swim lesson program.
9	Session: 8 x 30 minute classes/session						
10							
11	Resident	1,248	1,685	1,938	2,093	2,197	Estimate at 80% of total lessons: Increased % resident when including residents of Centennial School District.
12	Non-Resident	312	421	484	523	549	
13	Member						Estimate at 20% of total lessons Potential to add this category in future-driving memberships through additional discount benefit.
14	Fee per Session						NOTE: Fee increase in Year 4. Rates are increased from current \$75 Community Ed Rate.
15	Resident	\$ 88	\$ 88	\$ 88	\$ 96	\$ 96	
16	Non-Resident	\$ 104	\$ 104	\$ 104	\$ 112	\$ 112	
17	Member						
18	Average cost per 30 minutes						
19	Resident	\$ 11.00	\$ 11.00	\$ 11.00	\$ 12.00	\$ 12.00	
20	Non-Resident	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 14.00	
21	Member	\$ -	\$ -	\$ -	\$ -	\$ -	
22							
23	Youth Group Lesson Subtotal	\$ 142,272	\$ 192,067	\$ 220,877	\$ 259,473	\$ 272,446	
24							
25	Annual Group Lessons-Adult						6 x 45 minute classes per session
26	Resident	104	140	161	174	183	
27	Non-Resident	26	35	40	44	46	
28	Member						
29	Fee per Session						
30	Resident	\$ 99	\$ 99	\$ 99	\$ 108	\$ 108	
31	Non-Resident	\$ 117	\$ 117	\$ 117	\$ 126	\$ 126	
32	Member						
33	Average cost per 30 minutes						
34	Resident	\$ 11.00	\$ 11.00	\$ 11.00	\$ 12.00	\$ 12.00	
35	Non-Resident	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 14.00	
36	Member	\$ -	\$ -	\$ -	\$ -	\$ -	
37	Adult Group Lesson Subtotal	\$ 13,338	\$ 18,006	\$ 20,707	\$ 24,326	\$ 25,542	
38							
39	Private Lessons						Calculated as 4 x 30 minute private lessons for session for calculation purposes. Can also do singles or a package of 8 lessons. Rates for all ages.
40	Resident	166	224	258	278	292	
41	Non-Resident	42	57	65	70	74	
42	Member						
43	Fee per Session (4 x 30 min private lesson)						Calculated on 30 minute lessons. Also offer 60 minute sessions depending on age and skill level

APPENDIX A2b--Learn to Swim Projections Hybrid Management Model

	A	B	C	D	E	F	G
44	Resident	\$ 128	\$ 128	\$ 128	\$ 140	\$ 140	Local market private lessons rates are low for regional and national markets. Most public facilities are now in \$35 to \$40 for resident/member private lessons.
45	Non-Resident	\$ 144	\$ 144	\$ 144	\$ 160	\$ 160	
46	Member						
47	Average cost per 30 minutes						
48	Resident	\$ 32.00	\$ 32.00	\$ 32.00	\$ 35.00	\$ 35.00	
49	Non-Resident	\$ 36.00	\$ 36.00	\$ 36.00	\$ 40.00	\$ 40.00	
50	Member						
51	Private Lesson Subtotals	\$ 27,296	\$ 36,850	\$ 42,377	\$ 50,234	\$ 52,746	
52	Semi-Private Lessons						Calculated as 4 x 30 minute private lessons for session for calculation purposes. Can also do singles or a package of 8 lessons.
53							
54	Resident	104	140	161	174	183	
55	Non-Resident	26	35	40	44	46	
56	Member						
57	Fee per Session (4 x 30 min private lesson)						
58	Resident	\$ 88	\$ 88	\$ 88	\$ 96	\$ 96	
59	Non-Resident	\$ 96	\$ 96	\$ 96	\$ 104	\$ 104	
60	Member						
61	Average cost per 30 minutes						
62	Resident	\$ 22.00	\$ 22.00	\$ 22.00	\$ 24.00	\$ 24.00	
63	Non-Resident	\$ 24.00	\$ 24.00	\$ 24.00	\$ 26.00	\$ 26.00	
64	Member						
65	Semi-Private Lesson Subtotals	\$ 11,648	\$ 15,725	\$ 18,084	\$ 21,274	\$ 22,338	
66							
67	Family Lessons & Specily Lessons						May offer family and special lesson groups. Not readily available in the market but a differentiating program for the future. Not factored in initially. Special Needs lessons are included in group lessons for now.
68	Resident						
69	Non-Resident						
70	Member						
71	Fee per Session						
72	Resident						
73	Non-Resident						
74	Member						
75	Average cost per 30 minutes						
76	Resident	\$ -	\$ -	\$ -	\$ -	\$ -	
77	Non-Resident	\$ -	\$ -	\$ -	\$ -	\$ -	
78	Member						
79	Family Lesson Subtotals	\$ -	\$ -	\$ -	\$ -	\$ -	
80							
81	TOTAL SWIM LESSON REVENUE	\$ 194,554	\$ 262,648	\$ 302,045	\$ 355,306	\$ 373,071	
82							
83	TOTAL Youth Group Swim Lesson Sessions	1,560	2,106	2,422	2,616	2,746	Including Adults
84	TOTAL Estimated Unique Students in Youth Group Lessons	624	842	969	1,046	1,099	Each student averages 2.5 sessions per year
85							
86	TOTAL Lino Lakes & Centennial Resident Youth Group Lessons	1,248	1,685	1,938	2,093	2,197	
87	TOTAL Lino Lakes & Centennial unique students in Youth Group Lessons	499	674	775	837	879	
88							
89							

Aquatic Programs							Fitness & Use Programs							General Programming/Use																				
Masters Swimming/Triathlon							Aquatic Therapy/Rehab							Community Ed.				Summer Camp				Open Gym												
Swimming Club Team							Lap Lanes							Personal Training				Pickleball				Child Watch-Kids Program												
Pre-Team Program-Swim							Rec Programs/Classes							Rec Classes & Programs				Senior Program				Meeting Space												
Open Swim Time: Community							Aquatic Special Needs Programs							Exercise/Fitness Classes				Home School PE				Rental/Open Space												
Open Recreation Leisure-Swim							Aquatic Fitness							School District Program								Court Rental												
Swim Lessons							Aquatic Rec Programs/Classes							After School Programs								Open Exercise Time												
Pool Rentals							Rec Swim Team/Summer															Court Sport Outside Users												
		Lap Pool 25 yards Depth: 3'6" to 5'							Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6"							Cardio Fitness Room					Exercise Spaces					Gym					Community Meeting		Child Watch	
									Stations or Recreation Features												Half Gyms					Sub-Dividable								
		123456							1234												12					12								
5:00							5:00							Cardio Fitness																				
5:30		Masters/ Triathlon					Lap Lanes					5:30		Aquatic Fitness					Open Time		Classes			Gym		Meeting Spaces								
6:00							6:00							6:00							and Personal							Flexible Scheduling			Open			
6:30							6:30							6:30							Training							Classes & More						
7:00							7:00							7:00									Senior Program			Pickleball		Seniors						
7:30							7:30							7:30									Home School			Home School								
8:00		Aquatic Fitness										8:00									Senior Program			Pickleball										
8:30							8:30							8:30									Home School			Home School								
9:00		Home School Program										9:00		Swim Lessons							Senior Program			Pickleball										
9:30							9:30							9:30									Home School			Home School								
10:00							10:00							10:00									Home School			Home School								
10:30							10:30							10:30									Home School			Home School								
11:00		Swim Lessons										11:00		Parents and Tots Water Lessons										Open Gym										
11:30							11:30							11:30																				
12:00							12:00							12:00																				
12:30							12:30							12:30																				
1:00		Senior Program										1:00									Seniors					Meeting Spaces								
1:30							1:30							1:30									Srs.					Flexible Scheduling						
2:00							2:00							2:00																				
2:30							2:30							2:30																				
3:00		After School Programs										3:00		After School Programs							After Sch Programs			After School Programs		Classes & More								
3:30							3:30							3:30																				
4:00							4:00							4:00																				
4:30		Club Swim Team										4:30																						
5:00		Outside Rental										5:00												Open Gym										
5:30							5:30							5:30																				
6:00							6:00							6:00												OR Rec Programs								
6:30		Aquatic Rec Programs										6:30												Pickleball										
7:00							7:00							7:00												Outside Court								
7:30							7:30							7:30												Users (Rentals)								
8:00		Masters/ Triathlon										8:00																						
8:30							8:30							8:30																				
9:00							9:00							9:00																				
9:30							9:30							9:30																				
10:00							10:00							10:00																				
10:30							10:30							10:30																				

NOTE: Stations in the warm-water Leisure/Wellness pool can be divided to accommodate different programs

NOTE: Spaces in Gym, workout rooms, and function spaces can be subdivided. Schedule shows options.

Aquatic Programs							Fitness & Use Programs							General Programming/Use																						
Masters Swimming/Triathlon							Aquatic Therapy/Rehab							Community Ed.				Summer Camp				Open Gym														
Swimming Club Team							Lap Lanes							Personal Training				Pickleball				Child Watch-Kids Program														
Pre-Team Program-Swim							Rec Programs/Classes							Rec Classes & Programs				Senior Program				Meeting Space														
Open Swim Time: Community							Aquatic Special Needs Programs							Exercise/Fitness Classes				Home School PE				Rental/Open Space														
Open Recreation Leisure-Swim							Aquatic Fitness							School District Program								Court Rental														
Swim Lessons							Aquatic Rec Programs/Classes							After School Programs								Open Exercise Time														
Pool Rentals																						Court Sport Outside Users														
		Lap Pool 25 yards Depth: 3'6" to 5'							Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6"							Cardio Fitness Room					Exercise Spaces					Gym			Community Meeting				Child Watch			
									Stations or Recreation												Half Gyms					Sub-Dividable										
		1	2	3	4	5	6			1	2	3	4								1			2			1			2						
5:00							Lap	5:00																												
5:30		Masters/					Lanes	5:30																												
6:00		Triathlon						6:00							Cardio		Open			Open		Meeting														
6:30								6:30							Fitness		Exercise			Gym		Spaces														
7:00								7:00							Open		Time					Flexible														
7:30		Aquatic						7:30		Aquatic					Time		Classes			Classes		Scheduling														
8:00		Fitness						8:00		Fitness					and		Classes			Classes		Classes														
8:30								8:30							Personal																					
9:00		Swim						9:00		Swim					Training																	Open				
9:30		Lessons						9:30		Lessons																										
10:00								10:00														Court														
10:30								10:30														Rentals														
11:00								11:00									Senior																			
11:30								11:30									Programs																			
12:00		Open						12:00		Open							Open																			
12:30		Recreation						12:30		Recreation							Time																			
1:00		Leisure Swim						1:00		Leisure							Classes																			
1:30								1:30		Swim																										
2:00								2:00																												
2:30								2:30																												
3:00								3:00																												
3:30								3:30																												
4:00								4:00									Open			Open																
4:30								4:30									Exercise			Gym																
5:00								5:00									Time																			
5:30								5:30																												
6:00								6:00																												
6:30																																				

Lino Lakes Recreation and Community Center

School Year: Sunday

May 17, 2021

NOTE: Stations in the warm-water Leisure/Wellness pool can be divided to accommodate different programs

NOTE: Spaces in Gym, workout rooms, and function spaces can be subdivided. Schedule shows options.

Program and Use Color Codes

Aquatic Programs										Fitness & Use Programs										General Programming/Use				
Masters Swimming/Triathlon							Aquatic Therapy/Rehab			Community Ed.					Summer Camp					Open Gym				
Swimming Club Team							Lap Lanes			Personal Training					Pickleball					Child Watch-Kids Program				
Pre-Team Program-Swim							Rec Programs/Classes			Rec Classes & Programs					Senior Program					Meeting Space				
Open Swim Time: Community							Aquatic Special Needs Programs			Exercise/Fitness Classes					Home School PE					Rental/Open Space				
Open Recreation Leisure-Swim							Aquatic Fitness			School District Program										Court Rental				
Swim Lessons							Aquatic Rec Programs/Classes			After School Programs										Open Exercise Time				
Pool Rentals																				Court Sport Outside Users				
	Lap Pool 25 yards Depth: 3'6" to 5'										Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6"				Cardio Fitness Room		Exercise Spaces		Gym		Community Meeting			
							Stations or Recreation										Half Gyms		Sub-Dividable					
	1	2	3	4	5	6		1	2	3	4						1	2	1	2				
5:00							5:00																	
5:30							5:30																	
6:00	Lap						6:00					Cardio Fitness	Open Exercise											
6:30	Lanes						6:30																	
7:00							7:00	Rentals				Open	Time	Open Gym		Open Space								
7:30							7:30					and		Rentals		Rentals								
8:00							8:00					Personal Training		Parties		Classes								
8:30							8:30									Court		Birthday						
9:00							9:00	Birthday and					Classes	Rentals		Parties								
9:30							9:30																	
10:00							10:00	Other								Open								
10:30							10:30	Parties								Open								
11:00							11:00									Open								
11:30							11:30									Sport								
12:00	Open						12:00	Open						Classes		Open					Open			
12:30	Recreation						12:30	Recreation																
1:00	Leisure						1:00	Leisure																
1:30	Swim						1:30	Swim																
2:00							2:00									Open								
2:30							2:30									Gym								
3:00							3:00																	
3:30							3:30																	
4:00							4:00	Open																
4:30							4:30	Recreation																
5:00							5:00	Rentals								Court								
5:30							5:30	Birthday								Rentals								
6:00							6:00	Parties																
6:30							6:30																	
7:00							7:00																	
7:30							7:30																	
8:00							8:00	Open																
8:30							8:30	Recreation																
9:00							9:00																	
9:30							9:30																	
10:00							10:00																	
10:30																								

NOTE: Stations in the warm-water Leisure/Wellness pool can be divided to accommodate different programs

NOTE: Spaces in Gym, workout rooms, and function spaces can be subdivided. Schedule shows options.

Aquatic Programs										Fitness & Use Programs										General Programming/Use								
Masters Swimming/Triathlon							Aquatic Therapy/Rehab			Community Ed.					Summer Camp					Open Gym								
Swimming Club Team							Lap Lanes			Personal Training					Pickleball					Child Watch-Kids Program								
Pre-Team Program-Swim							Rec Programs/Classes			Rec Classes & Programs					Senior Program					Meeting Space								
Open Swim Time: Community							Aquatic Special Needs Programs			Exercise/Fitness Classes					Home School PE					Rental/Open Space								
Open Recreation Leisure-Swim							Aquatic Fitness			School District Program										Court Rental								
Swim Lessons							Aquatic Rec Programs/Classes			After School Programs										Open Exercise Time								
Pool Rentals							Rec Swim Team/Summer													Court Sport Outside Users								
		Lap Pool 25 yards Depth: 3'6" to 5'							Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6"						Cardio Fitness Room				Exercise Spaces				Gym		Community Meeting Function Space		Child Watch	
									Stations or Recreation												Half Gyms		Sub-Dividable					
		1 2 3 4 5 6							1 2 3 4												1 2		1 2					
5:00							5:00						Cardio Fitness															
5:30		Master/ Lap					5:30						Open Time		Classes		Open Gym											
6:00		Triathlon Lanes					6:00		Aquatic Fitness				Personal Training				Court Rentals		Camps									
6:30							6:30																					
7:00		Aquatic Fitness					7:00																					
7:30							7:30		Special Needs																			
8:00		Summer					8:00		Swim Lessons						Senior Program		Pickle Ball		Camps									
8:30		Rec Team					8:30																					
9:00							9:00																					
9:30							9:30																					
10:00		Swim Lessons					10:00										Camps											
10:30							10:30																					
11:00							11:00																					
11:30		Senior Programs					11:30		Senior Programs																			
12:00		Aquatic Fitness					12:00																					
12:30							12:30		Swim Lessons						Seniors		Seniors		Camps									
1:00		Open Rec					1:00																					
1:30		Camps					1:30								Classes		Camps											
2:00							2:00																					
2:30							2:30																					
3:00							3:00																					
3:30							3:30																					
4:00		Club Swim Team					4:00		Open Recreation								Open Gym											
4:30		Outside Rental					4:30										Court Rentals											
5:00							5:00																					
5:30							5:30																					
6:00		Open Recreation					6:00																					
6:30							6:30																					
7:00							7:00								Open													
7:30							7:30																					
8:00		Master/ Triathlon					8:00																					
8:30							8:30																					
9:00							9:00																					
9:30							9:30																					
10:00							10:00																					
10:30																												

Lino Lakes Recreation and Community Center

Summer: Saturday

May 17, 2021

NOTE: Stations in the warm-water Leisure/Wellness pool can be divided to accommodate different programs

NOTE: Spaces in Gym, workout rooms, and function spaces can be subdivided. Schedule shows options.

Program and Use Color Codes

Aquatic Programs							Fitness & Use Programs							General Programming/Use		
Masters Swimming/Triathlon							Community Ed.							Open Gym		
Swimming Club Team							Personal Training							Child Watch-Kids Program		
Pre-Team Program-Swim							Rec Classes & Programs							Meeting Space		
Open Swim Time: Community							Exercise/Fitness Classes							Rental/Open Space		
Open Recreation Leisure-Swim							School District Program							Court Rental		
Swim Lessons							After School Programs							Open Exercise Time		
Pool Rentals														Court Sport Outside Users		
Lap Pool 25 yards Depth: 3'6" to 5'							Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6" Stations or Recreation							Cardio Fitness Room		
														Exercise Spaces		
														Gym Half Gyms		
														Community Meeting Function Space Sub-Dividable		
														Child Watch		
5:00							5:00									
5:30	Masters/						5:30									
6:00	Triathlon						6:00									
6:30	Lap Lanes						6:30									
7:00							7:00	Aquatic								
7:30							7:30	Fitness								
8:00	Summer Rec Swim Team						8:00									
8:30							8:30									
9:00							9:00	Swim Lessons								
9:30							9:30								Open	
10:00	Swim Lessons						10:00									
10:30	Fitness						10:30									
11:00							11:00									
11:30							11:30									
12:00	Open Recreation						12:00	Open Recreation								
12:30							12:30									
1:00	Leisure Swim						1:00	Leisure Swim								
1:30							1:30									
2:00							2:00									
2:30							2:30									
3:00							3:00									
3:30							3:30									
4:00							4:00									
4:30							4:30									
5:00							5:00									
5:30							5:30									
6:00							6:00									
6:30							6:30									
7:00							7:00									
7:30							7:30									
8:00							8:00									
8:30							8:30									
9:00							9:00									
9:30							9:30									
10:00							10:00									
10:30							10:30									

NOTE: Stations in the warm-water Leisure/Wellness pool can be divided to accommodate different programs

NOTE: Spaces in Gym, workout rooms, and function spaces can be subdivided. Schedule shows options.

Aquatic Programs										Fitness & Use Programs										General Programming/Use							
Masters Swimming/Triathlon						Aquatic Therapy/Rehab				Community Ed.					Summer Camp					Open Gym							
Swimming Club Team						Lap Lanes				Personal Training					Pickleball					Child Watch-Kids Program							
Pre-Team Program-Swim						Rec Programs/Classes				Rec Classes & Programs					Senior Program					Meeting Space							
Open Swim Time: Community						Aquatic Special Needs Programs				Exercise/Fitness Classes					Home School PE					Rental/Open Space							
Open Recreation Leisure-Swim						Aquatic Fitness				School District Program										Court Rental							
Swim Lessons						Aquatic Rec Programs/Classes				After School Programs										Open Exercise Time							
Pool Rentals						Rec Swim Team/Summer														Court Sport Outside Users							
		Lap Pool 25 yards						Leisure/Wellness Pool Warm-Water						Cardio Fitness				Exercise Spaces				Gym		Community Meeting		Child Watch	
		Depth: 3'6" to 5'						Depth: 0 to 4'6"						Room						Half Gyms		Function Space					
		1	2	3	4	5	6			1	2	3	4							1		2	1		2		
5:00								5:00																			
5:30								5:30																			
6:00		Rentals				Lap Lanes		6:00						Cardio Fitness		Open Exercise											
6:30								6:30																			
7:00								7:00		Rentals				Open Time		Time		Open Gym		Open Space							
7:30								7:30						and				Rentals		Rentals							
8:00								8:00						Personal				Parites		Classes							
8:30								8:30						Training						Birthday Parties							
9:00		Birthday Parties						9:00		Birthday Parties																	
9:30								9:30																			
10:00		and Other						10:00		and Other																	
10:30		Parties						10:30		Parties																	
11:00								11:00																			
11:30								11:30																			
12:00		Open Recreation						12:00		Open Recreation																Open	
12:30								12:30																			
1:00		Leisure Swim						1:00		Leisure Swim																	
1:30								1:30																			
2:00								2:00																			
2:30								2:30																			
3:00								3:00																			
3:30								3:30																			
4:00		Open Recreation						4:00		Open Recreation																	
4:30								4:30																			
5:00		Rentals						5:00		Rentals																	
5:30		Birthday Parties						5:30		Birthday Parties																	
6:00								6:00																			
6:30								6:30																			
7:00								7:00																			
7:30								7:30																			
8:00								8:00																			
8:30								8:30																			
9:00								9:00																			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	U	V	W	X	Y	Z	AA	AB
1	LINO LAKES RECREATION CENTER Regional Market Membership and User Fee Analysis																					
2																						
3																						
4	Projections based on Year One																					
5	City Managed Facility																					
6	Category of Membership	YMCA of the North	Shoreview Rec Center	Maple Grove Community Center Overall Bldg.	Maple Grove Community Center Pool Only	New Brighton Community Center	Brooklyn Center Rec Center	Lifetime Fitness (Maple Grove)	LA Fitness (Brooklyn Center)	Egan Community Fitness Center	Planet Fitness (Blaine)	Endurance Fitness with some Classes (Circle Pines)	Endurance Fitness w/o classes (Circle Pines)	Anytime Fitness (Lino Lakes)	Lino Lakes Rec Center: Membership Scenarios							
7															Scenario #1	Scenario #2	Scenario #3	Comments				
8															Overall Building	Fitness Only	Overall Building	Fitness Only	Overall Building	Fitness Only	Resident Average % less than YMCA Rates	
9	One Time Registration Fee	\$50 No Resident Discounts				\$30		??	\$ 49		\$ 39	\$ 10	\$ 10	\$ 39	75%		60%		50%		Do not anticipate any one-time or annual registration fee.	
18	Member Benefits		30% discount off of classes																		Discount on classes	
19	Child Care Facility: Drop In		\$1/child	\$ 6.50	\$ 6.50																	
20	Resident Fees (if applicable)		Approx 18% to 22% Discount																		Additional municipalities may be added to resident status based on support of Rec Center	
21																						
22																						
23																						
24																						
25																						
26																						
27																						
28	Multiple Use Passes																				Combine youth and child category	
29	Adult-10 Visit Pass		\$ 90.00	\$ 70.00																		
30	Senior-10 Visit Pass																					
31	Youth-10 Visit Pass																					
32	Family																					
33	15-visit pass																					
34	7-visit pass																					
35																						
36	Monthly		Annual Billed Monthly	NA	NA																Assume average monthly membership over 12 months	
37	Adult		\$ 40.00			\$ 28.00	\$ 36.00			\$ 40.00												
38	Adult Couple		\$ 60.00			\$ 41.00	\$ 45.00			\$ 71.00												
39	Young Adult																					
40	Senior		\$ 34.00			\$ 20.00	\$ 29.00			\$ 56.00												
41	Senior Couple						\$ 38.00															
42	Youth <13		\$ 34.00			\$ 18.00																
43	Youth 13-18		\$ 34.00			\$ 18.00																
44	Family (4 members)		\$ 68.00			\$ 43.00	\$ 51.00			\$ 89.00												
45	Military (Adult)																					
46	Military Family																					
47	Corporate																					
48	Annual		Approx 13% to 15% annual pre-pay discount																		Average is between equivalent of 10 to 11 of monthly payments. Utilizing 11 months for suggested rates.	
49	Adult		\$ 410.00	\$ 220.00	\$ 185.00	\$ 290.00				\$ 435.00												
50	Adult Couple		\$ 625.00			\$ 414.00				\$ 774.00												
51	Young Adult																					
52	Senior		\$ 350.00	\$ 200.00	\$ 160.00	\$ 209.00				\$ 360.00												
53	Senior Couple																					
54	Senior Family																					
55	Youth <13		\$ 350.00	\$ 200.00	\$ 160.00	\$ 186.00																
56	Youth 13-18		\$ 350.00	\$ 200.00	\$ 160.00	\$ 186.00																
57	Family (4 members)		\$ 700.00	\$ 440.00	\$ 390.00	\$ 441.00				\$ 973.00												
58	Military (Adult)			\$ 190.00	\$ 160.00																Family annual is equivalent of 10 months to incentivize	
59	Military Family			\$ 380.00	\$ 340.00																	
60	Corporate-Individual																					

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	U	V	W	X	Y	Z	AA	AB
6	Category of Membership	YMCA of the North	Shoreview Rec Center	Maple Grove Community Center Overall Bldg.	Maple Grove Community Center Pool Only	New Brighton Community Center	Brooklyn Center Rec Center	Lifetime Fitness (Maple Grove)	LA Fitness (Brooklyn Center)	Egan Community Fitness Center	Planet Fitness (Blaine)	Endurance Fitness with some Classes (Circle Pines)	Endurance Fitness w/o classes (Circle Pines)	Anytime Fitness (Lino Lakes)		Scenario #1		Scenario #2		Scenario #3		Comments
61	Corporate Family																					
62																						
63																						
64	Seasonal Membership (3 contiguous months)		3 Consecutive Months				3 Consecutive Months															
65	Adult		\$ 175.00				\$ 96.00										\$ 143	\$ 122	\$ 113	\$ 97	\$ 95	\$ 81
66	Adult Couple		\$ 247.00				\$ 121.00										\$ 232	\$ 197	\$ 170	\$ 146	\$ 143	\$ 122
67	Young Adult																\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	Senior		\$ 145.00				\$ 78.00										\$ 81	\$ 70	\$ 70	\$ 59	\$ 54	\$ 46
69	Senior Couple						\$ 102.00										\$ 122	\$ 103	\$ 105	\$ 89	\$ 81	\$ 70
70	Senior Family																\$ 81	\$ 70	\$ 70	\$ 59	\$ 54	\$ 46
71	Youth <13		\$ 145.00														\$ 81	\$ 70	\$ 70	\$ 59	\$ 54	\$ 46
72	Youth 13-18		\$ 145.00														\$ 267	\$ 227	\$ 232	\$ 197	\$ 178	\$ 151
73	Family (4 members)		\$ 267.00				\$ 138.00										\$ 122	\$ 103	\$ 97	\$ 84	\$ 81	\$ 70
74	Military																\$ 227	\$ 192	\$ 197	\$ 167	\$ 151	\$ 130
75																						
76																						
77	Non-Resident Fees						NA										89%		69%		58%	
78	Drop In	NA																				Non-Resident Average % less than YMCA Rates
79	Adult		\$ 11.25	\$ 10.50	\$ 8.50												\$ 9	\$ 8	\$ 8	\$ 7	\$ 8	\$ 7
80	Senior		\$ 10.25														\$ 7	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
81	Youth 5-12		\$ 10.25														\$ 7	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
82	Youth 13-15		\$ 10.25														\$ 7	\$ 6	\$ 6	\$ 6	\$ 6	\$ 6
83	Family (4 members)		\$ 43.00	\$ 40.00	\$ 32.00												\$ 16	N/A	\$ 14	N/A	\$ 14	N/A
84	Multiple Use Passes X10	NA	X 10	X 10																		Do not recommend punch passes. Drive to memberships
85	Adult		\$ 90.00	\$ 70.00													\$ 82	\$ 70	\$ 72	\$ 61	\$ 72	\$ 61
86	Senior																\$ 60	\$ 51	\$ 50	\$ 42	\$ 50	\$ 42
87	Youth																\$ 60	\$ 51	\$ 50	\$ 42	\$ 50	\$ 42
88	Family (4 members)																					
89	Monthly			NA	NA																	Assume average monthly membership over 12 months
90	Adult	\$ 71.00	\$ 49.00					\$ 69.00	\$ 23.00	\$ 45.00	\$23/\$10	\$ 55.00	\$ 45.00	\$ 37.50			\$ 64	\$ 54	\$ 50	\$ 43	\$ 42	\$ 36
91	Adult Couple (Dual)	\$ 121.00	\$ 69.00							\$ 81.00							\$ 103	\$ 88	\$ 75	\$ 64	\$ 63	\$ 54
92	Senior	NA	\$ 43.00							\$ 63.00		\$ 40.00	\$ 35.00				\$ 36	\$ 31	\$ 31	\$ 26	\$ 24	\$ 20
93	Senior Couple	NA										\$ 65.00	\$ 55.00				\$ 54	\$ 46	\$ 43	\$ 37	\$ 36	\$ 30
94	Youth	\$ 40.00	\$ 43.00									\$ 30.00	\$ 25.00				\$ 36	\$ 31	\$ 31	\$ 26	\$ 24	\$ 20
95	Student	\$ 50.00	\$ 43.00									\$ 30.00	\$ 25.00				\$ 36	\$ 31	\$ 31	\$ 26	\$ 24	\$ 20
96	Family (4 members)	\$ 132.00	\$ 81.00							\$ 101.00		\$ 80.00	\$ 65.00				\$ 120	\$ 102	\$ 103	\$ 88	\$ 79	\$ 67
97	Military (Adult)																\$ 54	\$ 46	\$ 43	\$ 37	\$ 36	\$ 30
98	Military Family																\$ 100	\$ 85	\$ 87	\$ 74	\$ 67	\$ 57
99	Corporate																					
100	Annual	No Discount	Approx 13% to 15% annual pre-pay discount																			
101	Adult	\$ 852.00	\$ 525.00	\$ 260.00	\$ 210.00					\$ 490.00				\$ 450.00			\$ 704	\$ 598	\$ 550	\$ 468	\$ 462	\$ 393
102	Adult Couple	\$ 1,452.00	\$ 760.00							\$ 882.00							\$ 1,133	\$ 963	\$ 825	\$ 701	\$ 693	\$ 589
103	Senior	NA	\$ 425.00	\$ 220.00	\$ 185.00					\$ 403.00							\$ 396	\$ 337	\$ 341	\$ 290	\$ 264	\$ 224
104	Senior Couple	NA															\$ 594	\$ 505	\$ 473	\$ 402	\$ 396	\$ 337
105	Youth	\$ 480.00	\$ 425.00	\$ 220.00	\$ 185.00												\$ 396	\$ 337	\$ 341	\$ 290	\$ 264	\$ 224
106	Student	\$ 600.00	\$ 425.00														\$ 396	\$ 337	\$ 341	\$ 290	\$ 264	\$ 224
107	Family (4 members)	\$ 1,584.00	\$ 880.00	\$ 540.00	\$ 440.00					\$ 1,103.00							\$ 1,320	\$ 1,122	\$ 1,133	\$ 963	\$ 869	\$ 739
108	Military (Adult)			\$ 190.00	\$ 160.00												\$ 594	\$ 505	\$ 473	\$ 402	\$ 396	\$ 337
109	Military Family			\$ 380.00	\$ 340.00												\$ 1,100	\$ 935	\$ 957	\$ 813	\$ 737	\$ 626
110	Corporate-Individual	NA																				
111	Corporate-Family	NA																				Explore corporate fitness partnerships-nothing included now.
112																						
113	Seasonal Membership	NA	3 Consecutive Months																			
114	Adult		\$ 225.00											\$270/6 months			\$ 173	\$ 146	\$ 135	\$ 116	\$ 113	\$ 97
115	Adult Couple		\$ 315.00														\$ 278	\$ 238	\$ 203	\$ 173	\$ 170	\$ 146
116	Young Adult																					
117	Senior		\$ 175.00														\$ 97	\$ 84	\$ 84	\$ 70	\$ 65	\$ 54

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	U	V	W	X	Y	Z	AA	AB
6	Category of Membership	YMCA of the North	Shoreview Rec Center	Maple Grove Community Center Overall Bldg.	Maple Grove Community Center Pool Only	New Brighton Community Center	Brooklyn Center Rec Center	Lifetime Fitness (Maple Grove)	LA Fitness (Brooklyn Center)	Egan Community Fitness Center	Planet Fitness (Blaine)	Endurance Fitness with some Classes (Circle Pines)	Endurance Fitness w/o classes (Circle Pines)	Anytime Fitness (Lino Lakes)		Scenario #1		Scenario #2		Scenario #3		Comments
118	Senior Couple		\$ 175.00													\$ 146	\$ 124	\$ 116	\$ 100	\$ 97	\$ 81	
119	Senior Family																					
120	Youth <13															\$ 97	\$ 84	\$ 84	\$ 70	\$ 65	\$ 54	
121	Youth 13-18															\$ 97	\$ 84	\$ 84	\$ 70	\$ 65	\$ 54	
122	Family (4 members)															\$ 324	\$ 275	\$ 278	\$ 238	\$ 213	\$ 181	
123	Military (Adult)															\$ 146	\$ 124	\$ 116	\$ 100	\$ 97	\$ 81	
124	Military Family															\$ 270	\$ 230	\$ 235	\$ 200	\$ 181	\$ 154	
125																						
126	Hotel/Condo Rental User																					
127	Programs																					
128	Use Purchases for guests																					
129	Rental by Owner guests																					
130																						
131																						
132																						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U			
1	LINO LAKES RECREATION CENTER																							
2	Membership and Usage Projections																							
3	City Managed Facility																							
4	Projections based on Year Two																							
5	May 10, 2021		Lino Lakes Rec Center: Membership Scenarios																					
6	Category of Membership		Scenario #1						Scenario #2						Scenario #3						Comments			
7			Overall Building			Fitness Only			Overall Building			Fitness Only			Overall Building			Fitness Only						
8			Rate	# of Members	Total Revenue	Rate	# of Members	Total Revenue	Rate	# of Members	Total Revenue	Rate	# of Members	Total Revenue	Rate	# of Members	Total Revenue	Rate	# of Members	Total Revenue				
9	One Time Registration Fee		N/A			N/A			N/A			N/A			N/A			N/A			Do not anticipate any one-time or annual registration fee.			
18	Member Benefits																				Discount on classes			
19	Child Care Facility: Drop In																							
20	Resident Fees																				Additional municipalities may be added to resident status based on support of Rec Center			
21	Resident Rate Average as percent of YMCA membership		75%			63%			60%			51%			50%			42%						
22	Drop In																							
23	Adult		\$ 8	700	\$ 5,600	\$ 7	250	\$ 1,750	\$ 7	700	\$ 4,900	\$ 6	250	\$ 1,500	\$ 7	700	\$ 4,900	\$ 6	250	\$ 1,500	Scenario #2: Ave 2/day			
24	Senior		\$ 6	525	\$ 3,150	\$ 5	125	\$ 625	\$ 5	525	\$ 2,625	\$ 5	125	\$ 625	\$ 5	525	\$ 2,625	\$ 5	125	\$ 625	Scenario #2: Ave 1.5/day			
25	Child & Youth		\$ 6	1,750	\$ 10,500	\$ 5	300	\$ 1,500	\$ 5	1,750	\$ 8,750	\$ 5	300	\$ 1,500	\$ 5	1,750	\$ 8,750	\$ 5	300	\$ 1,500	Scenario #2: Ave 5/day taking into account summer and weekends.			
27	Military		\$ 7	50	\$ 350	\$ 6	25	\$ 150	\$ 6	50	\$ 300	\$ 5	25	\$ 125	\$ 6	50	\$ 300	\$ 5	25	\$ 125				
28	Family		\$ 14	100	\$ 1,400	N/A			\$ 12	100	\$ 1,200	N/A			\$ 12	100	\$ 1,200	N/A						
29	Multiple Use Passes																				May choose not to offer multi-visit cards to push membership			
30	Adult-10 Visit Pass		\$ 68	150	\$ 10,200	N/A			\$ 60	150	\$ 9,000	N/A			\$ 60	150	\$ 9,000	N/A						
31	Senior-10 Visit Pass		\$ 50	150	\$ 7,500	N/A			\$ 42	150	\$ 6,300	N/A			\$ 42	150	\$ 6,300	N/A						
32	Youth-10 Visit Pass		\$ 50	60	\$ 3,000	N/A			\$ 42	60	\$ 2,520	N/A			\$ 42	60	\$ 2,520	N/A						
33	Family		N/A			N/A			N/A			N/A			N/A			N/A						
36																								
37	Monthly																				Assume average monthly membership over 12 months			
38	Adult		\$ 53	36	\$ 22,896	\$ 45	13	\$ 7,020	\$ 42	45	\$ 22,680	\$ 36	18	\$ 7,776	\$ 35	47	\$ 19,740	\$ 30	19	\$ 6,840				
39	Adult Couple		\$ 86	8	\$ 8,256	\$ 73	2	\$ 1,752	\$ 63	12	\$ 9,072	\$ 54	3	\$ 1,944	\$ 53	13	\$ 8,268	\$ 45	4	\$ 2,160				
41	Senior		\$ 30	32	\$ 11,520	\$ 26	10	\$ 3,120	\$ 26	35	\$ 10,920	\$ 22	12	\$ 3,168	\$ 20	35	\$ 8,400	\$ 17	13	\$ 2,652				
42	Senior Couple		\$ 45	12	\$ 6,480	\$ 38	3	\$ 1,368	\$ 39	15	\$ 7,020	\$ 33	4	\$ 1,584	\$ 30	16	\$ 5,760	\$ 26	5	\$ 1,560				
43	Child & Youth		\$ 30	17	\$ 6,120	\$ 26	2	\$ 624	\$ 26	19	\$ 5,928	\$ 22	2	\$ 528	\$ 20	21	\$ 5,040	\$ 17	2	\$ 408				
45	Family (4 members)		\$ 99	60	\$ 71,280	\$ 84	22	\$ 22,176	\$ 86	70	\$ 72,240	\$ 73	30	\$ 26,280	\$ 66	74	\$ 58,608	\$ 56	32	\$ 21,504				
46	Military (Adult)		\$ 45	4	\$ 2,160	\$ 38	3	\$ 1,368	\$ 36	6	\$ 2,592	\$ 31	4	\$ 1,488	\$ 30	6	\$ 2,160	\$ 26	4	\$ 1,248				
47	Military Family		\$ 84	2	\$ 2,016	\$ 71	1	\$ 852	\$ 73	4	\$ 3,504	\$ 62	1	\$ 744	\$ 56	6	\$ 4,032	\$ 48	2	\$ 1,152				
48	Corporate																						Explore corporate fitness partnerships-include \$\$ placeholder.	
49	Annual																				Annual is approximately 11 months equivalent.			
50	Adult		\$ 585	60	\$ 35,100	\$ 497	24	\$ 11,928	\$ 462	75	\$ 34,650	\$ 393	32	\$ 12,576	\$ 385	79	\$ 30,415	\$ 327	34	\$ 11,118				
51	Adult Couple		\$ 946	22	\$ 20,812	\$ 804	10	\$ 8,040	\$ 695	30	\$ 20,850	\$ 590	14	\$ 8,260	\$ 583	32	\$ 18,656	\$ 495	15	\$ 7,425				
53	Senior		\$ 330	50	\$ 16,500	\$ 280	16	\$ 4,480	\$ 285	60	\$ 17,100	\$ 242	20	\$ 4,840	\$ 220	64	\$ 14,080	\$ 187	22	\$ 4,114				
54	Senior Couple		\$ 495	16	\$ 7,920	\$ 421	6	\$ 2,526	\$ 430	24	\$ 10,320	\$ 365	8	\$ 2,920	\$ 330	25	\$ 8,250	\$ 280	9	\$ 2,520				
56	Child & Youth		\$ 330	25	\$ 8,250	\$ 280	2	\$ 560	\$ 285	35	\$ 9,975	\$ 242	4	\$ 968	\$ 220	37	\$ 8,140	\$ 187	5	\$ 935				
58	Family (4 members)		\$ 1,090	330	\$ 359,700	\$ 926	90	\$ 83,340	\$ 945	425	\$ 401,625	\$ 803	125	\$ 100,375	\$ 725	467	\$ 338,575	\$ 616	131	\$ 80,696				
59	Military (Adult)		\$ 495	3	\$ 1,485	\$ 420	1	\$ 420	\$ 395	5	\$ 1,975	\$ 335	2	\$ 670	\$ 330	6	\$ 1,980	\$ 280	3	\$ 840				
60	Military Family		\$ 924	2	\$ 1,848	\$ 785	1	\$ 785	\$ 800	3	\$ 2,400	\$ 680	1	\$ 680	\$ 615	5	\$ 3,075	\$ 523	1	\$ 523				
61	Corporate-Individual																						Family annual is equivalent of 10 months to incentivize	
62	Corporate Family																							
63																								

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
5	May 10, 2021		Lino Lakes Rec Center: Membership Scenarios																		
6	Category of Membership		Scenario #1						Scenario #2						Scenario #3						Comments
7			Overall Building			Fitness Only			Overall Building			Fitness Only			Overall Building			Fitness Only			
8			# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	
64	Seasonal Membership (3 contiguous months)																				
65	Adult		\$ 143	10	\$ 1,431	\$ 122	3	\$ 365	\$ 113	13	\$ 1,474	\$ 97	4	\$ 389	\$ 95	14	\$ 1,323	\$ 81	5	\$ 405	
66	Adult Couple		\$ 232	2	\$ 464	\$ 197	0	\$ -	\$ 170	4	\$ 680	\$ 146	1	\$ 146	\$ 143	5	\$ 716	\$ 122	2	\$ 243	
68	Senior		\$ 81	10	\$ 810	\$ 70	2	\$ 140	\$ 70	13	\$ 913	\$ 59	4	\$ 238	\$ 54	15	\$ 810	\$ 46	5	\$ 230	
69	Senior Couple		\$ 122	3	\$ 365	\$ 103	1	\$ 103	\$ 105	5	\$ 527	\$ 89	1	\$ 89	\$ 81	6	\$ 486	\$ 70	2	\$ 140	
71	Child & Youth		\$ 81	35	\$ 2,835	\$ 70	10	\$ 702	\$ 70	40	\$ 2,808	\$ 59	14	\$ 832	\$ 54	44	\$ 2,376	\$ 46	15	\$ 689	
73	Family (4 members)		\$ 267	70	\$ 18,711	\$ 227	15	\$ 3,402	\$ 232	75	\$ 17,415	\$ 197	18	\$ 3,548	\$ 178	79	\$ 14,078	\$ 151	19	\$ 2,873	Family summer memberships.
74	Military (Adult)		\$ 122	2	\$ 243	\$ 103	1	\$ 103	\$ 97	3	\$ 292	\$ 84	1	\$ 84	\$ 81	4	\$ 324	\$ 70	2	\$ 140	
75	Military Family		\$ 227	2	\$ 454	\$ 192	1	\$ 192	\$ 197	3	\$ 591	\$ 167	1	\$ 167	\$ 151	4	\$ 605	\$ 130	1	\$ 130	
76																					
77																					
78	Non-Resident Fees																				Non-Resident Average % less than YMCA Rates
79	Non-Resident Rate Average as percent of YMCA membership		89%			76%			69%			60%			58%			50%			
80	Drop In																				
81	Adult		\$ 9	650	\$ 5,850	\$ 8	250	\$ 2,000	\$ 8	650	\$ 5,200	\$ 7	250	\$ 1,750	\$ 8	650	\$ 5,200	\$ 7	250	\$ 1,750	Ave 2/day
82	Senior		\$ 7	400	\$ 2,800	\$ 6	100	\$ 600	\$ 6	400	\$ 2,400	\$ 6	100	\$ 600	\$ 6	400	\$ 2,400	\$ 6	100	\$ 600	
83	Child & Youth		\$ 7	1,400	\$ 9,800	\$ 6	150	\$ 900	\$ 6	1,400	\$ 8,400	\$ 6	150	\$ 900	\$ 6	1,400	\$ 8,400	\$ 6	150	\$ 900	Combine all Youth 18 and under
84	Youth 13-15		\$ 7		\$ -	\$ 6		\$ -	\$ 6		\$ -			\$ -	\$ 6		\$ -			\$ -	
85	Family (4 members)		\$ 16		\$ -	N/A		\$ -	\$ 14	60	\$ 840	N/A		\$ -	\$ 14	60	\$ 840			\$ -	
86	Multiple Use Passes X10				\$ -			\$ -			\$ -			\$ -			\$ -			\$ -	Do not recommend punch passes. Drive to memberships
87	Adult		\$ 82	120	\$ 9,840	N/A		\$ -	\$ 72	120	\$ 8,640	N/A		\$ -	\$ 72	120	\$ 8,640	N/A		\$ -	
88	Senior		\$ 60	120	\$ 7,200	N/A		\$ -	\$ 50	120	\$ 6,000	N/A		\$ -	\$ 50	120	\$ 6,000	N/A		\$ -	
89	Youth		\$ 60	50	\$ 3,000	N/A		\$ -	\$ 50	50	\$ 2,500	N/A		\$ -	\$ 50	50	\$ 2,500	N/A		\$ -	
90	Family (4 members)				\$ -	N/A		\$ -	N/A		\$ -	N/A		\$ -			\$ -	N/A		\$ -	
91	Monthly																				Assume average monthly membership over 12 months
92	Adult		\$ 64	26	\$ 19,968	\$ 54	14	\$ 9,072	\$ 50	44	\$ 26,400	\$ 43	20	\$ 10,320	\$ 42	48	\$ 24,192	\$ 36	22	\$ 9,504	
93	Adult Couple (Dual)		\$ 103	8	\$ 9,888	\$ 88	1	\$ 1,056	\$ 75	15	\$ 13,500	\$ 64	3	\$ 2,304	\$ 63	17	\$ 12,852	\$ 54	4	\$ 2,592	
94	Senior		\$ 36	23	\$ 9,936	\$ 31	6	\$ 2,232	\$ 31	30	\$ 11,160	\$ 26	9	\$ 2,808	\$ 24	33	\$ 9,504	\$ 20	11	\$ 2,640	
95	Senior Couple		\$ 54	6	\$ 3,888	\$ 46	2	\$ 1,104	\$ 43	9	\$ 4,644	\$ 37	3	\$ 1,332	\$ 36	10	\$ 4,320	\$ 30	4	\$ 1,440	
96	Child & Youth		\$ 36	14	\$ 6,048	\$ 31	2	\$ 744	\$ 31	16	\$ 5,952	\$ 26	2	\$ 624	\$ 24	17	\$ 4,896	\$ 20	2	\$ 480	
98	Family (4 members)		\$ 120	55	\$ 79,200	\$ 102	12	\$ 14,688	\$ 103	70	\$ 86,520	\$ 88	15	\$ 15,840	\$ 79	77	\$ 72,996	\$ 67	17	\$ 13,668	
99	Military (Adult)		\$ 54	2	\$ 1,296	\$ 46	1	\$ 552	\$ 43	2	\$ 1,032	\$ 37	1	\$ 444	\$ 36	3	\$ 1,296	\$ 30	1	\$ 360	
100	Military Family		\$ 100	2	\$ 2,400	\$ 85	1	\$ 1,020	\$ 87	2	\$ 2,088	\$ 74	1	\$ 888	\$ 67	3	\$ 2,412	\$ 57	2	\$ 1,368	
101	Corporate				\$ -			\$ -			\$ -			\$ -			\$ -			\$ -	
102	Annual																				
103	Adult		\$ 704	43	\$ 30,272	\$ 598	18	\$ 10,764	\$ 550	68	\$ 37,400	\$ 468	22	\$ 10,296	\$ 462	71	\$ 32,802	\$ 393	23	\$ 9,039	
104	Adult Couple		\$ 1,133	15	\$ 16,995	\$ 963	6	\$ 5,778	\$ 825	24	\$ 19,800	\$ 701	6	\$ 4,206	\$ 693	25	\$ 17,325	\$ 589	7	\$ 4,123	
105	Senior		\$ 396	35	\$ 13,860	\$ 337	7	\$ 2,359	\$ 341	45	\$ 15,345	\$ 290	9	\$ 2,610	\$ 264	50	\$ 13,200	\$ 224	11	\$ 2,464	
106	Senior Couple		\$ 594	10	\$ 5,940	\$ 505	3	\$ 1,515	\$ 473	16	\$ 7,568	\$ 402	6	\$ 2,412	\$ 396	18	\$ 7,128	\$ 337	7	\$ 2,359	
107	Child & Youth		\$ 396	25	\$ 9,900	\$ 337	3	\$ 1,011	\$ 341	39	\$ 13,299	\$ 290	4	\$ 1,160	\$ 264	44	\$ 11,616	\$ 224	5	\$ 1,120	
109	Family (4 members)		\$ 1,320	185	\$ 244,200	\$ 1,122	60	\$ 67,320	\$ 1,133	275	\$ 311,575	\$ 963	90	\$ 86,670	\$ 869	300	\$ 260,700	\$ 739	100	\$ 73,900	
110	Military (Adult)		\$ 594	1	\$ 594	\$ 505	1	\$ 505	\$ 473	2	\$ 946	\$ 402	2	\$ 804	\$ 396	3	\$ 1,188	\$ 337	3	\$ 1,011	
111	Military Family		\$ 1,100	1	\$ 1,100	\$ 935	1	\$ 935	\$ 957	2	\$ 1,914	\$ 813	1	\$ 813	\$ 737	3	\$ 2,211	\$ 626	2	\$ 1,252	
112	Corporate-Individual																				
113	Corporate-Family																				
114																					

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
5	May 10, 2021		Lino Lakes Rec Center: Membership Scenarios																		
6	Category of Membership		Scenario #1						Scenario #2						Scenario #3						Comments
7			Overall Building			Fitness Only			Overall Building			Fitness Only			Overall Building			Fitness Only			
8			# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	# of Rate	Total Members	Revenue	
115	Seasonal Membership																				
116	Adult		\$ 173	9	\$ 1,555	\$ 146		\$ -	\$ 135	11	\$ 1,485	\$ 116	3	\$ 348	\$ 113	12	\$ 1,361	\$ 97	4	\$ 389	
117	Adult Couple		\$ 278	2	\$ 556	\$ 238		\$ -	\$ 203	3	\$ 608	\$ 173	4	\$ 691	\$ 170	4	\$ 680	\$ 146	4	\$ 583	
119	Senior		\$ 97	8	\$ 778	\$ 84		\$ -	\$ 84	11	\$ 921	\$ 70	4	\$ 281	\$ 65	12	\$ 778	\$ 54	5	\$ 270	
120	Senior Couple		\$ 146	2	\$ 292	\$ 124		\$ -	\$ 116	4	\$ 464	\$ 100	1	\$ 100	\$ 97	5	\$ 486	\$ 81	2	\$ 162	
122	Child & Youth		\$ 97	36	\$ 3,499	\$ 84		\$ -	\$ 84	50	\$ 4,185	\$ 70	5	\$ 351	\$ 65	55	\$ 3,564	\$ 54	6	\$ 324	
124	Family (4 members)		\$ 324	33	\$ 10,692	\$ 275		\$ -	\$ 278	48	\$ 13,349	\$ 238	8	\$ 1,901	\$ 213	54	\$ 11,518	\$ 181	9	\$ 1,628	Family summer memberships
125	Military (Adult)		\$ 146	2	\$ 292	\$ 124	2	\$ 248	\$ 116	2	\$ 232	\$ 100	2	\$ 200	\$ 97	3	\$ 292	\$ 81	3	\$ 243	
126	Military Family		\$ 270	4	\$ 1,080	\$ 230	2	\$ 459	\$ 235	5	\$ 1,175	\$ 200	2	\$ 400	\$ 181	6	\$ 1,085	\$ 154	3	\$ 462	
127																					
128	Hotel/Condo Rental User																				
129	Programs																				
130	Use Purchases for guests																				
131	Rental by Owner guests																				
132																					
133																					
134																					
135	TOTAL: REVENUE BY SCENARIO			\$1,162,074			\$ 284,252			\$ 1,308,687			\$ 335,095			\$1,123,873			\$ 288,925		
137	TOTAL: COMBINED REVENUE ALL TYPES			\$1,446,326						\$ 1,643,782						\$1,412,798					
138																					
139	TOTAL: MEMBERSHIP REVENUE BY CATEGORY			\$1,081,884			\$ 276,727			\$ 1,239,112			\$ 328,095			\$1,054,298			\$ 281,925		
140	TOTAL: MEMBERSHIP REVENUE COMBINED OVERALL + FITNESS			\$1,358,611						\$ 1,567,207						\$1,336,223					
141																					
142	TOTAL: MEMBERSHIP UNITS			1,360			381			1,812			547			1,977			609		
143	Combined			1,741						2,359						2,586					
144	Resident			813			239			1,019			324			1,104			352		
145	Non-resident			547			142			793			223			873			257		
146	Percentage Residents			60%			63%			56%			59%			56%			58%		
147	Percent by Overall/Fitness			78%			22%			77%			23%			76%			24%		
149																					
150	MEMBERSHIP BREAKDOWN																				
151	Adult			184	14%		72	19%		256	14%		99	18%		271	14%		107	18%	
152	Adult Couple			57	4%		19	5%		88	5%		31	6%		96	5%		36	6%	
153	Senior			158	12%		41	11%		194	11%		58	11%		209	11%		67	11%	
154	Senior Couple			49	4%		15	4%		73	4%		23	4%		80	4%		29	5%	
155	Child/Youth			152	11%		19	5%		199	11%		31	6%		218	11%		35	6%	
156	Family			733	54%		199	52%		963	53%		286	52%		1,051	53%		308	51%	
157	Military Adult			14	1%		9	2%		20	1%		12	2%		25	1%		16	3%	
158	Military Family			13	1%		7	2%		19	1%		7	1%		27	1%		11	2%	
161																					
162	CATEGORY BREAKDOWN																				
163	Monthly			307	23%		95	25%		394	22%		128	23%		426	22%		144	24%	
164	Annual			823	61%		249	65%		1,128	62%		346	63%		1,229	62%		378	62%	
165	Seasonal			230	17%		37	10%		290	16%		73	13%		322	16%		87	14%	
166																					

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
5	May 10, 2021		Lino Lakes Rec Center: Membership Scenarios																		
6	Category of Membership		Scenario #1						Scenario #2						Scenario #3						Comments
7			Overall Building			Fitness Only			Overall Building			Fitness Only			Overall Building			Fitness Only			
8			# of Rate	Members	Total Revenue	# of Rate	Members	Total Revenue	# of Rate	Members	Total Revenue	# of Rate	Members	Total Revenue	# of Rate	Members	Total Revenue	# of Rate	Members	Total Revenue	
167	TOTAL: MEMBERS		3,704			1,033			4,919			1,480			5,387			1,631			
168	Combined		4,737			6,399			7,018			7,018			7,018			7,018			
169	Members/Membeship Unit		2.72			2.71			2.71			2.71			2.71			2.71			
172																					
173	TOTAL: DAY/DROP-IN REVENUE		5,575 \$ 39,450			1,200 \$ 7,525			5,635 \$ 34,615			1,200 \$ 7,000			5,635 \$ 34,615			1,200 \$ 7,000			
174	Combined		6,775 \$ 46,975			6,835			6,835 \$ 41,615			6,835			6,835 \$ 41,615			1,200			
175	Resident		3,125			700			3,125			700			3,125			700			
176	Non-resident		2,450			500			2,510			500			2,510			500			
177	Percentage Residents		46%			58%			55%			58%			55%			58%			
178	Percent by Overall/Fitness		82%			18%			82%			18%			82%			18%			
179																					
180	TOTAL: PUNCH CARD REVENUE		650 \$ 40,740			\$ -			650 \$ 34,960			0 \$ -			650 \$ 34,960			0 \$ -			
181	Combined		650 \$ 40,740						650 \$ 34,960						650 \$ 34,960						
182	Resident		360						360						360						
183	Non-resident		290						290						290						
184	Percentage Residents		55%						55%						55%						
185																					
186																					

	A	B	C	G	H	I	J	K	L
1	Lino Lakes Recreation and Community Center								
2	Existing Facility City Managed								
3	Profit & Loss Summary								
4	Membership Scenario #2								
5	May 10, 2021								
6	NOTES: *Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
7	Initially assumes management by City with many programs outsourced.								
8	Net Operating Revenue (Deficit) Categories			Net Operating Revenue	With City Admin Alloca. Incl.			With Reserve Included	
9				Rec and Community Center Projections					
10	REVENUE			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
11	FACILITY REVENUE			\$ -	\$ 1,342,698	\$ 1,767,017	\$ 1,853,709	\$ 1,944,063	\$ 2,039,660
12	Educational, Classes, Camps and Clinics Rentals			0	0	0	0	0	0
13	Gym/Court Rentals			0	20,000	30,000	31,500	33,075	34,729
14	Pool Rentals			0	36,412	39,773	40,806	42,082	43,398
15	Competitive Event Rentals			0	0	0	0	0	0
16	Special Events & Function Space Rentals			0	21,000	28,000	28,840	29,911	31,065
17	Therapy, Rehab, Health Use			0	0	0	0	0	0
18	Memberships & Daily Use Fees			0	1,260,286	1,662,094	1,745,199	1,831,409	1,922,655
19	Retail and Vending Revenue			0	5,000	7,150	7,365	7,585	7,813
21	Facility Sponsorships/Advertising/Contributions			0	0	0	0	0	0
22	School District and Partners			0	0	0	0	0	0
23	Miscellaneous			0	0	0	0	0	0
24									
25	PROGRAM REVENUE			\$ -	\$ 296,024	\$ 406,157	\$ 445,246	\$ 495,247	\$ 517,873
26	Education and Community Programming			0	5,500	10,500	10,815	11,248	11,698
27	Aquatic Training, Fitness and Therapy			0	20,000	32,500	33,800	35,152	36,558
28	Dry-Side Fitness & Training			0	65,000	70,550	73,372	76,307	79,359
29	Learn to Swim			0	154,524	208,607	239,899	281,686	295,770
30	Camps and Clinics			0	45,000	75,000	78,000	81,120	84,365
31	Aquatic Team Programs			0	0	0	0	0	0
32	Sport Team Programs			0	6,000	9,000	9,360	9,734	10,124
35	Program Sponsorships/Advertising/Contributions			0	0	0	0	0	0
36	Miscellaneous			0	0	0	0	0	0
37									
38	TOTAL REVENUE			\$ -	\$ 1,638,722	\$ 2,173,174	\$ 2,298,955	\$ 2,439,310	\$ 2,557,533
39	Projected Revenue Growth Rate					33%	6%	6%	5%

APPENDIX C1a-- P L City Managed Model

	A	B	C	G	H	I	J	K	L
40									
41			EXPENSES	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
42			OPERATIONAL EXPENSES	\$ 515,905	\$ 1,859,962	\$ 1,952,592	\$ 2,035,846	\$ 2,120,662	\$ 2,221,809
43			Utilities	9,000	140,631	144,850	149,195	153,671	158,281
44			Maintenance	19,000	44,000	45,320	46,680	48,080	56,522
45			Equipment and Supplies	239,514	139,000	144,010	146,170	148,395	150,687
46			Staff Wages & Salary & Benefits						
47			Full Time Staff	137,708	609,500	639,975	671,974	705,572	740,851
48			Part Time Staff	15,500	457,600	480,480	504,504	529,729	556,216
49			Benefits and Payroll Taxes	58,183	335,320	352,086	369,690	388,175	407,584
50			Staff-Other Costs	3,000	9,500	9,738	9,981	10,230	10,486
51			Outside Services	15,000	16,000	11,150	11,335	6,525	6,720
52			General Office	11,500	88,411	107,184	110,708	114,356	118,206
53			Insurance	5,000	10,000	10,300	10,609	10,927	11,255
54			Miscellaneous Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000
55									
56			PROGRAM EXPENSES	\$ -	\$ 148,441	\$ 191,529	\$ 206,387	\$ 226,177	\$ 235,623
57			Community and Educational Programs	0	2,700	4,700	4,826	4,999	5,179
58			Aquatic Training, Fitness, and Therapy	0	9,000	14,000	14,520	15,061	15,623
59			Dry-Side Fitness & Training	0	30,900	33,453	34,751	36,101	37,505
60			Learn to Swim	0	69,101	89,886	102,042	117,988	123,412
61			Camps and Clinics	0	21,080	34,100	35,556	37,003	38,509
62			Aquatic Team Programs	0	0	0	0	0	0
63			Sport Team Programs	0	3,160	4,390	4,692	5,025	5,394
65			Program Staff-Miscellaneous	0	0	0	0	0	0
66			Scholarships & Student Support	0	5,000	5,000	5,000	5,000	5,000
67			Miscellaneous Expense Contingency	0	7,500	6,000	5,000	5,000	5,000
68									
69			TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,008,403	\$ 2,144,121	\$ 2,242,233	\$ 2,346,839	\$ 2,457,432
70			Projected Expense Growth Rate			7%	5%	5%	5%
71									
72			CITY SHARED ADMINISTRATIVE EXPENSES	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
73									
74			GROSS TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,158,403	\$ 2,301,621	\$ 2,407,608	\$ 2,520,483	\$ 2,639,758

APPENDIX C1a-- P L City Managed Model

	A	B	C	G	H	I	J	K	L
75									
76				Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
77	NET OPERATING REVENUE (DEFICIT)			\$ (515,905)	\$ (369,682)	\$ 29,053	\$ 56,722	\$ 92,471	\$ 100,102
78	Not Including City Administrative Allocation								
79	COST RECOVERY (Direct Revenue & Expenses Only)			0%	82%	101%	103%	104%	104%
80									
81	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (515,905)	\$ (885,587)	\$ (856,534)	\$ (799,812)	\$ (707,341)	\$ (607,240)
82									
83	NET GROSS OPERATING REVENUE (DEFICIT)			\$ (515,905)	\$ (519,682)	\$ (128,447)	\$ (108,653)	\$ (81,173)	\$ (82,224)
84	Including City Administrative Allocation								
85	COST RECOVERY (Direct Revenue & Expenses Only)			0%	76%	94%	95%	97%	97%
86									
87	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (515,905)	\$ (1,035,587)	\$ (1,164,034)	\$ (1,272,687)	\$ (1,353,860)	\$ (1,436,084)
88									
89	NON-OPERATING EXPENSES								
90									
91	Long Term Capital Replacement & Maintenance Reserve			0	0	60,000	70,000	80,000	82,400
92	Capital Reserve Accumulation Years 1-5								292,400
93	Years 6-10				84,872	87,418	90,041	92,742	95,524
94	Years 11-15				98,390	101,342	104,382	107,513	110,739
95	Years 16-20				114,061	117,483	121,007	124,637	128,377
96									
97	Capital Accumulation Year 10								742,997
98	Capital Accumulation Year 15								1,265,362
99	Capital Accumulation year 20				0				1,870,927
100	NON-OPERATING EXPENSES			\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
101									
104	GRAND TOTAL ALL EXPENSES (Including Reserve)			\$ 515,905	\$ 2,158,403	\$ 2,361,621	\$ 2,477,608	\$ 2,600,483	\$ 2,722,158
105									
106	GRAND TOTAL REVENUE (DEFICIT)			\$ (515,905)	\$ (519,682)	\$ (188,447)	\$ (178,653)	\$ (161,173)	\$ (164,624)
107	COST RECOVERY			0%	76%	92%	93%	94%	94%
108	CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)			\$ (515,905)	\$ (1,035,587)	\$ (1,224,034)	\$ (1,402,687)	\$ (1,563,860)	\$ (1,728,484)

	A	B	C	G	H	I	J	K	L
1	Lino Lakes Recreation and Community Center								
2	Existing Facility Hybrid Management Model								
3	Profit & Loss Summary								
4	Membership Scenario #2								
5	May 10, 2021								
6	NOTES:	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership							
7		*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility							
8		Net Operating Revenue (Deficit) Categories			Net Operating Revenue	With City Admin Alloca. Incl.	With Reserve Included		
9			Rec and Community Center Projections						
10	REVENUE			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
11	FACILITY REVENUE			\$ -	\$ 1,336,903	\$ 1,561,440	\$ 1,634,173	\$ 1,709,872	\$ 1,790,042
12		Educational, Classes, Camps and Clinics Rentals		0	0	0	0	0	0
13		Gym/Court Rentals		0	20,000	30,000	31,500	33,075	34,729
14		Pool Rentals		0	36,412	39,773	40,806	42,082	43,398
15		Competitive Event Rentals		0	0	0	0	0	0
16		Special Events & Function Space Rentals		0	18,000	24,000	24,720	25,668	26,652
17		Therapy, Rehab, Health Use		0	0	0	0	0	0
18		Memberships & Daily Use Fees		0	1,181,491	1,385,017	1,454,268	1,525,932	1,601,904
19		Retail and Vending Revenue		0	6,000	7,650	7,880	8,116	8,359
21		Facility Sponsorships/Advertising/Contributions		0	0	0	0	0	0
22		School District and Partners		0	75,000	75,000	75,000	75,000	75,000
23		Miscellaneous		0	0	0	0	0	0
24									
25									
26	PROGRAM REVENUE			\$ -	\$ 120,639	\$ 186,162	\$ 200,701	\$ 219,024	\$ 228,673
27		Education and Community Programming		0	7,000	13,000	13,390	13,926	14,483
28		Aquatic Training, Fitness and Therapy		0	20,000	32,500	33,800	35,152	36,558
29		Dry-Side Fitness & Training		0	0	0	0	0	0
30		Learn to Swim		0	48,639	65,662	75,511	88,827	93,268
31		Camps and Clinics		0	45,000	75,000	78,000	81,120	84,365
32		Aquatic Team Programs		0	0	0	0	0	0
33		Sport Team Programs		0	0	0	0	0	0
36		Program Sponsorships/Advertising/Contributions		0	0	0	0	0	0
37		Miscellaneous		0	0	0	0	0	0
38									
39	TOTAL REVENUE			\$ -	\$ 1,457,541	\$ 1,747,602	\$ 1,834,874	\$ 1,928,896	\$ 2,018,715
40	Projected Revenue Growth Rate					20%	5%	5%	5%
41									

APPENDIX C1b--P L Summary Hybrid Model

	A	B	C	G	H	I	J	K	L
42	EXPENSES			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
43	OPERATIONAL EXPENSES			\$ 437,255	\$ 1,532,351	\$ 1,617,475	\$ 1,687,915	\$ 1,761,280	\$ 1,848,308
44		Utilities		9,000	140,631	144,850	149,195	153,671	158,281
45		Maintenance		19,000	43,000	44,290	45,619	46,987	55,397
46		Equipment and Supplies		210,514	67,000	72,010	74,170	76,395	78,687
47		Staff Wages & Salary & Benefits							
48		Full Time Staff		108,958	494,500	519,225	545,186	572,446	601,068
49		Part Time Staff		13,500	348,400	365,820	384,111	403,317	423,482
50		Benefits and Payroll Taxes		46,283	267,480	280,854	294,897	309,642	325,124
51		Staff-Other Costs		2,000	4,750	4,869	4,990	5,115	5,243
52		Outside Services		11,000	64,831	73,656	77,066	77,643	81,395
53		General Office		9,500	81,760	94,101	97,071	100,137	103,376
54		Insurance		5,000	10,000	10,300	10,609	10,927	11,255
55		Miscellaneous Expense Contingency		2,500	10,000	7,500	5,000	5,000	5,000
56									
57	PROGRAM EXPENSES			\$ -	\$ 47,880	\$ 67,550	\$ 69,182	\$ 71,384	\$ 73,676
58		Community and Educational Programs		0	3,300	5,700	5,856	6,070	6,293
59		Aquatic Training, Fitness, and Therapy		0	9,000	14,000	14,520	15,061	15,623
60		Dry-Side Fitness & Training		0	1,000	1,000	1,000	1,000	1,000
61		Learn to Swim		0	4,750	4,750	4,750	4,750	4,750
62		Camps and Clinics		0	21,080	34,100	35,556	37,003	38,509
63		Aquatic Team Programs		0	0	0	0	0	0
64		Sport Team Programs		0	0	0	0	0	0
66		Program Staff-Miscellaneous		0	0	0	0	0	0
67		Scholarships & Student Support		0	5,000	5,000	5,000	5,000	5,000
68		Miscellaneous Expense Contingency		0	3,750	3,000	2,500	2,500	2,500
69									
70	TOTAL OPERATING EXPENSES			\$ 437,255	\$ 1,580,231	\$ 1,685,025	\$ 1,757,097	\$ 1,832,664	\$ 1,921,984
71	Projected Expense Growth Rate					7%	4%	4%	5%
72									
73	CITY SHARED ADMINISTRATIVE EXPENSES			\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
74									
75	GROSS OPERATING EXPENSES			\$ 437,255	\$ 1,730,231	\$ 1,842,525	\$ 1,922,472	\$ 2,006,308	\$ 2,104,310

APPENDIX C1b--P L Summary Hybrid Model

	A	B	C	G	H	I	J	K	L
76									
77									
78	NET OPERATING REVENUE (DEFICIT)			\$ (437,255)	\$ (122,690)	\$ 62,577	\$ 77,777	\$ 96,232	\$ 96,731
79	Not Including City Administrative Allocation								
80	COST RECOVERY (Direct Revenue & Expenses Only)			0%	92%	104%	104%	105%	105%
81									
82	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (437,255)	\$ (559,945)	\$ (497,368)	\$ (419,590)	\$ (323,359)	\$ (226,628)
83									
84	NET GROSS OPERATING REVENUE (DEFICIT)			\$ (437,255)	\$ (272,690)	\$ (94,923)	\$ (87,598)	\$ (77,412)	\$ (85,595)
85	Including City Administrative Allocation								
86	COST RECOVERY (Direct Revenue & Expenses Only)			0%	84%	95%	95%	96%	96%
87									
88	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (437,255)	\$ (709,945)	\$ (804,868)	\$ (892,465)	\$ (969,878)	\$ (1,055,473)
89									
90	NON-OPERATING EXPENSES								
91									
92	Long Term Capital Replacement & Maintenance Reserve			0	0	60,000	70,000	80,000	82,400
93	Capital Reserve Accumulation Years 1-5								292,400
94	Years 6-10				84,872	87,418	90,041	92,742	95,524
95	Years 11-15				98,390	101,342	104,382	107,513	110,739
96	Years 16-20				114,061	117,483	121,007	124,637	128,377
97									
98	Capital Accumulation Year 10								742,997
99	Capital Accumulation Year 15								1,265,362
100	Capital Accumulation year 20				0				1,870,927
101	NON-OPERATING EXPENSES			\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
102									
105	GRAND TOTAL ALL EXPENSES (Including Reserve)			\$ 437,255	\$ 1,730,231	\$ 1,902,525	\$ 1,992,472	\$ 2,086,308	\$ 2,186,710
106									
107	GRAND TOTAL REVENUE (DEFICIT)			\$ (437,255)	\$ (272,690)	\$ (154,923)	\$ (157,598)	\$ (157,412)	\$ (167,995)
108	COST RECOVERY			0%	84%	92%	92%	92%	92%
109	CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)			\$ (437,255)	\$ (709,945)	\$ (864,868)	\$ (1,022,465)	\$ (1,179,878)	\$ (1,347,873)

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
1	Lino Lakes Recreation and Community Center														
2	Comparison: City Managed versus Hybrid Management Model														
3	Profit & Loss Summary														
4	Membership Scenario #2														
5	May 10, 2021														
6	NOTES: *Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility														
7	Initially assumes management by City with many programs outsourced.														
8	Net Operating Revenue (Deficit) Categories			Net Operating Revenue	With City Admin Alloca. Incl.		With Reserve Included		Net Operating Revenue		With City Admin Alloca. Incl.		With Reserve Included		
9				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
10	REVENUE			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
11	FACILITY REVENUE			\$ -	\$ 1,342,698	\$ 1,767,017	\$ 1,853,709	\$ 1,944,063	\$ 2,039,660	\$ -	\$ 1,336,903	\$ 1,561,440	\$ 1,634,173	\$ 1,709,872	\$ 1,790,042
12	Educational, Classes, Camps and Clinics Rentals			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Gym/Court Rentals			0	20,000	30,000	31,500	33,075	34,729	\$ -	\$ 20,000	\$ 30,000	\$ 31,500	\$ 33,075	\$ 34,729
14	Pool Rentals			0	36,412	39,773	40,806	42,082	43,398	\$ -	\$ 36,412	\$ 39,773	\$ 40,806	\$ 42,082	\$ 43,398
15	Competitive Event Rentals			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Special Events & Function Space Rentals			0	21,000	28,000	28,840	29,911	31,065	\$ -	\$ 18,000	\$ 24,000	\$ 24,720	\$ 25,668	\$ 26,652
17	Therapy, Rehab, Health Use			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Memberships & Daily Use Fees			0	1,260,286	1,662,094	1,745,199	1,831,409	1,922,655	\$ -	\$ 1,181,491	\$ 1,385,017	\$ 1,454,268	\$ 1,525,932	\$ 1,601,904
19	Retail and Vending Revenue			0	5,000	7,150	7,365	7,585	7,813	\$ -	\$ 6,000	\$ 7,650	\$ 7,880	\$ 8,116	\$ 8,359
21	Facility Sponsorships/Advertising/Contributions			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	School District and Partners			0	0	0	0	0	0	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
23	Miscellaneous			0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24															
25															
26	PROGRAM REVENUE			\$ -	\$ 296,024	\$ 406,157	\$ 445,246	\$ 495,247	\$ 517,873	\$ -	\$ 120,639	\$ 186,162	\$ 200,701	\$ 219,024	\$ 228,673
27	Education and Community Programming			0	5,500	10,500	10,815	11,248	11,698	0	7,000	13,000	13,390	13,926	14,483
28	Aquatic Training, Fitness and Therapy			0	20,000	32,500	33,800	35,152	36,558	0	20,000	32,500	33,800	35,152	36,558
29	Dry-Side Fitness & Training			0	65,000	70,550	73,372	76,307	79,359	0	0	0	0	0	0
30	Learn to Swim			0	154,524	208,607	239,899	281,686	295,770	0	48,639	65,662	75,511	88,827	93,268
31	Camps and Clinics			0	45,000	75,000	78,000	81,120	84,365	0	45,000	75,000	78,000	81,120	84,365
32	Aquatic Team Programs			0	0	0	0	0	0	0	0	0	0	0	0
33	Sport Team Programs			0	6,000	9,000	9,360	9,734	10,124	0	0	0	0	0	0
36	Program Sponsorships/Advertising/Contributions			0	0	0	0	0	0	0	0	0	0	0	0
37	Miscellaneous			0	0	0	0	0	0	0	0	0	0	0	0
38															
39	TOTAL REVENUE			\$ -	\$ 1,638,722	\$ 2,173,174	\$ 2,298,955	\$ 2,439,310	\$ 2,557,533	\$ -	\$ 1,457,541	\$ 1,747,602	\$ 1,834,874	\$ 1,928,896	\$ 2,018,715
40	Projected Revenue Growth Rate					33%	6%	6%	5%	\$ -		20%	5%	5%	5%
41	Variance of Hybrid Model vs. City Managed										\$ (181,180)	\$ (425,572)	\$ (464,081)	\$ (510,414)	\$ (538,819)
42															

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
43				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
44			EXPENSES	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
45			OPERATIONAL EXPENSES	\$ 515,905	\$ 1,859,962	\$ 1,952,592	\$ 2,035,846	\$ 2,120,662	\$ 2,221,809	\$ 437,255	\$ 1,532,351	\$ 1,617,475	\$ 1,687,915	\$ 1,761,280	\$ 1,848,308
46			Utilities	9,000	140,631	144,850	149,195	153,671	158,281	9,000	140,631	144,850	149,195	153,671	158,281
47			Maintenance	19,000	44,000	45,320	46,680	48,080	56,522	19,000	43,000	44,290	45,619	46,987	55,397
48			Equipment and Supplies	239,514	139,000	144,010	146,170	148,395	150,687	210,514	67,000	72,010	74,170	76,395	78,687
49			Staff Wages & Salary & Benefits												
50			Full Time Staff	137,708	609,500	639,975	671,974	705,572	740,851	108,958	494,500	519,225	545,186	572,446	601,068
51			Part Time Staff	15,500	457,600	480,480	504,504	529,729	556,216	13,500	348,400	365,820	384,111	403,317	423,482
52			Benefits and Payroll Taxes	58,183	335,320	352,086	369,690	388,175	407,584	46,283	267,480	280,854	294,897	309,642	325,124
53			Staff-Other Costs	3,000	9,500	9,738	9,981	10,230	10,486	2,000	4,750	4,869	4,990	5,115	5,243
54			Outside Services	15,000	16,000	11,150	11,335	6,525	6,720	11,000	64,831	73,656	77,066	77,643	81,395
55			General Office	11,500	88,411	107,184	110,708	114,356	118,206	9,500	81,760	94,101	97,071	100,137	103,376
56			Insurance	5,000	10,000	10,300	10,609	10,927	11,255	5,000	10,000	10,300	10,609	10,927	11,255
57			Miscellaneous Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000	2,500	10,000	7,500	5,000	5,000	5,000
58															
59			PROGRAM EXPENSES	\$ -	\$ 148,441	\$ 191,529	\$ 206,387	\$ 226,177	\$ 235,623	\$ -	\$ 47,880	\$ 67,550	\$ 69,182	\$ 71,384	\$ 73,676
60			Community and Educational Programs	0	2,700	4,700	4,826	4,999	5,179	0	3,300	5,700	5,856	6,070	6,293
61			Aquatic Training, Fitness, and Therapy	0	9,000	14,000	14,520	15,061	15,623	0	9,000	14,000	14,520	15,061	15,623
62			Dry-Side Fitness & Training	0	30,900	33,453	34,751	36,101	37,505	0	1,000	1,000	1,000	1,000	1,000
63			Learn to Swim	0	69,101	89,886	102,042	117,988	123,412	0	4,750	4,750	4,750	4,750	4,750
64			Camps and Clinics	0	21,080	34,100	35,556	37,003	38,509	0	21,080	34,100	35,556	37,003	38,509
65			Aquatic Team Programs	0	0	0	0	0	0	0	0	0	0	0	0
66			Sport Team Programs	0	3,160	4,390	4,692	5,025	5,394	0	0	0	0	0	0
68			Program Staff-Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
69			Scholarships & Student Support	0	5,000	5,000	5,000	5,000	5,000	0	5,000	5,000	5,000	5,000	5,000
70			Miscellaneous Expense Contingency	0	7,500	6,000	5,000	5,000	5,000	0	3,750	3,000	2,500	2,500	2,500
71															
72			TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,008,403	\$ 2,144,121	\$ 2,242,233	\$ 2,346,839	\$ 2,457,432	\$ 437,255	\$ 1,580,231	\$ 1,685,025	\$ 1,757,097	\$ 1,832,664	\$ 1,921,984
73			Projected Expense Growth Rate			7%	5%	5%	5%			7%	4%	4%	5%
74			Variance of Hybrid Model vs. City Managed							\$ (78,650)	\$ (428,172)	\$ (459,097)	\$ (485,136)	\$ (514,175)	\$ (535,448)
75															
76			CITY SHARED ADMINISTRATIVE EXPENSES	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
77															
78			GROSS TOTAL OPERATING EXPENSES	\$ 515,905	\$ 2,158,403	\$ 2,301,621	\$ 2,407,608	\$ 2,520,483	\$ 2,639,758	\$ 437,255	\$ 1,730,231	\$ 1,842,525	\$ 1,922,472	\$ 2,006,308	\$ 2,104,310
79			Variance of Hybrid Model vs. City Managed							\$ (78,650)	\$ (428,172)	\$ (459,097)	\$ (485,136)	\$ (514,175)	\$ (535,448)
80															

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
81				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
82				Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5						
83			NET OPERATING REVENUE (DEFICIT)	\$ (515,905)	\$ (369,682)	\$ 29,053	\$ 56,722	\$ 92,471	\$ 100,102	\$ (437,255)	\$ (122,690)	\$ 62,577	\$ 77,777	\$ 96,232	\$ 96,731
84			Not Including City Administrative Allocation												
85			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 246,992	\$ 33,524	\$ 21,055	\$ 3,761	\$ (3,371)
86			COST RECOVERY (Direct Revenue & Expenses Only)	0%	82%	101%	103%	104%	104%	0%	92%	104%	104%	105%	105%
87															
88			CUMMULATIVE OPERATING NET REVENUE (DEFICIT)	\$ (515,905)	\$ (885,587)	\$ (856,534)	\$ (799,812)	\$ (707,341)	\$ (607,240)	\$ (437,255)	\$ (559,945)	\$ (497,368)	\$ (419,590)	\$ (323,359)	\$ (226,628)
89			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 325,642	\$ 359,166	\$ 380,221	\$ 383,982	\$ 380,612
90															
91			NET GROSS OPERATING REVENUE (DEFICIT)	\$ (515,905)	\$ (519,682)	\$ (128,447)	\$ (108,653)	\$ (81,173)	\$ (82,224)	\$ (437,255)	\$ (272,690)	\$ (94,923)	\$ (87,598)	\$ (77,412)	\$ (85,595)
92			Including City Administrative Allocation												
93			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 246,992	\$ 33,524	\$ 21,055	\$ 3,761	\$ (3,371)
94			COST RECOVERY (Direct Revenue & Expenses Only)	0%	76%	94%	95%	97%	97%	0%	84%	95%	95%	96%	96%
95															
96			CUMMULATIVE OPERATING NET REVENUE (DEFICIT)	\$ (515,905)	\$ (1,035,587)	\$ (1,164,034)	\$ (1,272,687)	\$ (1,353,860)	\$ (1,436,084)	\$ (437,255)	\$ (709,945)	\$ (804,868)	\$ (892,465)	\$ (969,878)	\$ (1,055,473)
97			Variance of Hybrid Model vs. City Managed							\$ 78,650	\$ 325,642	\$ 359,166	\$ 380,221	\$ 383,982	\$ 380,612
98															
99			NON-OPERATING EXPENSES												
100															
101			Long Term Capital Replacement & Maintenance Reserve	0	0	60,000	70,000	80,000	82,400	0	0	60,000	70,000	80,000	82,400
102			Capital Reserve Accumulation Years 1-5						292,400						292,400
103			Years 6-10		84,872	87,418	90,041	92,742	95,524		84,872	87,418	90,041	92,742	95,524
104			Years 11-15		98,390	101,342	104,382	107,513	110,739		98,390	101,342	104,382	107,513	110,739
105			Years 16-20		114,061	117,483	121,007	124,637	128,377		114,061	117,483	121,007	124,637	128,377
106															
107			Capital Accumulation Year 10						742,997						742,997
108			Capital Accumulation Year 15						1,265,362						1,265,362
109			Capital Accumulation year 20		0				1,870,927		0				1,870,927
110			NON-OPERATING EXPENSES	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
111															
114			GRAND TOTAL ALL EXPENSES (Including Reserve)	\$ 515,905	\$ 2,158,403	\$ 2,361,621	\$ 2,477,608	\$ 2,600,483	\$ 2,722,158	\$ 437,255	\$ 1,730,231	\$ 1,902,525	\$ 1,992,472	\$ 2,086,308	\$ 2,186,710
115															
116			GRAND TOTAL REVENUE (DEFICIT)	\$ (515,905)	\$ (519,682)	\$ (188,447)	\$ (178,653)	\$ (161,173)	\$ (164,624)	\$ (437,255)	\$ (272,690)	\$ (154,923)	\$ (157,598)	\$ (157,412)	\$ (167,995)
117			COST RECOVERY	0%	76%	92%	93%	94%	94%	0%	84%	92%	92%	92%	92%
118			CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)	\$ (515,905)	\$ (1,035,587)	\$ (1,224,034)	\$ (1,402,687)	\$ (1,563,860)	\$ (1,728,484)	\$ (437,255)	\$ (709,945)	\$ (864,868)	\$ (1,022,465)	\$ (1,179,878)	\$ (1,347,873)

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility		City Managed		Membership Scenario #2			
5	NOTES:								
6	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
7	Initially assumes management by City with many programs outsourced.								
8									
9	May 10, 2021								
10	Facility Revenue								
11	Issues to Review								
12	Potential for Increased Revenue								
13	Potential for Pre-Opening Revenue								
14	Potential for Loss of Revenue								
15		Rec and Community Center Projections							
16	Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments	
17	Educational, Class, Camp and Clinic Rentals								
18									
19	Youth Camps		0	0	0	0	0	Any outside groups renting space for camp programs. In	
20	Sport Camps							house camps/clinics are in program revenue	
	Recreational and Educational Classes and				0	0	0	Outside sport group camp rentals	
21	Programming by outside providers							Kayak, canoe, martial arts, dance for example:	
22	Community/Youth organizations							Outsourced programming-could bring in house as developed	
23								Outside organizations renting space for programs.	
24	EDUC, REC, CLASS, CAMP RENTALS	0	0	0	0	0	0		
25									
26	Gym/Court Space Rentals								
27								Hourly Gym Rentals = \$60/full court/hour;	
28	Basketball Programs							\$35/half court/hour.	
29	AAU Program								
30	Centennial Basketball Assoc.								
31	General Rental		20,000	30,000	31,500	33,075	34,729	10 hours/week @ \$60/hour for 50 weeks in Year 2.	
32									
33	Volleyball								
34	Pickle ball								
35	Other Sport Program								
36	Non-sport Rentals								
37									
38									

APPENDIX C2a--Facility Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
15			Rec and Community Center Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
39		GYM/COURT RENTALS SUBTOTAL	0	20,000	30,000	31,500	33,075	34,729	
40		Pool Rentals							Rental revenue based on Schedule Matrix time allocated. Local Club team has expressed immediate interest in renting lane space. Tentative Lane Rental Rates: 25 yard-\$12.50/lane/hour
41									
42									
43		Club Team Lane Rental							
		Great Wolf Swim Club		30,912	32,148	32,952	33,941	34,959	Club has expressed interest in renting as soon as facility opens. Rent approximately 14 hours/week for 4 lanes at \$12/lane/hour for 46 weeks/year.
44									
45		Other Groups/Clubs			0	0	0	0	
46		25 Yd. Pool Rentals (Non-competitive)			0	0	0	0	
47		Program/Leisure Pool Rentals		2,500	2,625	2,704	2,785	2,868	Lesson Program or Community Ed Aquatic Programs
		Therapy/Rehab		3,000	5,000	5,150	5,356	5,570	Rental rate for space in Program/Leisure Pool @ \$50/hour. Year 2 = 100 hours per year, roughly 2 hours/week. Very conservative. Likely to be able to get some advance commitments.
48									
49									
50		POOL RENTALS SUBTOTAL	0	36,412	39,773	40,806	42,082	43,398	
51									
52		Competitive Event Rentals							Not Applicable in existing facility
62									
63		COMPETITIVE EVENTS REVENUE SUBTOTAL	0	0	0	0	0	0	
64									
65		Special Rentals and Functions							
66									
67		Birthday Parties and other parties		16,000	20,000	20,600	21,424	22,281	Average Fee of \$200 for party-anticipate 100/year initially.-covers wide range of party functions.
		Meeting/Function Spaces		2,000	4,000	4,120	4,244	4,371	Potential for rentals of meeting spaces. Approximate meeting space rental of \$50/hour plus set up fee. Year 2 estimate is 80 hours per year; roughly 1.6 hours/week.
68									
		Fitness Studios or Workout space rentals		3,000	4,000	4,120	4,244	4,413	Potential for outside organizations and programs to rent workout spaces and studio spaces when available. Includes outside program providers of classes such as martial arts, outside fitness classes, dance groups, etc.
69									
70		Other rentals							
71									
72		SPECIAL EVENTS, FUNCTIONS, RENTALS	0	21,000	28,000	28,840	29,911	31,065	
73									
74		Therapy, Rehab and Health Care Programming							Outsourced rental to health care provider/partner
75		Therapy time rental	0		0	0	0	0	Showing in Pool rental

APPENDIX C2a--Facility Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
15			Rec and Community Center Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
76		Corporate health care programs							
77									
78		THERAPY, REHAB, HEALTH SUBTOTAL	0	0	0	0	0	0	
84		Public Memberships/Daily Usage							See Membership Worksheet. Utilized Membership Scenario #2.
85									
86									Plan on advance membership drive in Year Zero to help offset Year Zero costs. Launch approximately 3 months prior to opening.
87									
88		Daily Admission Residents	39,534	41,615	43,696	45,881	48,175	0	See membership worksheet for breakdown of passes
89					0	0	0	0	Anticipate high start up for drop-in admissions in Year 1 as people try out the "new" Rec Center.
90		Non-residents			0	0	0	0	
91		12-Punch Pass	29,716	34,960	36,708	37,809	39,700	0	
92		Residents	0		0	0	0	0	
93		Non-residents	0		0	0	0	0	
		Membership Fees							See Membership/Use Market analysis and projection worksheet. Want to review our assumptions, rates, and calculations. Potential for pre-opening advance membership sales. Year 1 is 75% of Year 2 projections based on membership model. Growth Year 2 to 3 is 5% and Year 3 on at 3%. Used Scenario #2.
94									
95		Overall Facility Membership	929,334	1,239,112	1,301,068	1,366,121	1,434,427	0	Anticipate membership fee increase in Year 4 or sooner.
96		Fitness Only Membership Residents	246,071	328,095	344,500	361,725	379,811	0	
97									Anticipate attracting more residents compared to Y but losing some non-residents who may continue at Forest Lake Y. We have the breakdown of the Y members by resident to compare.
98		Non-residents							
		Child Watch Membership Add-On	12,750	15,000	15,750	16,223	16,709	0	100 drop-ins per week at 50 weeks @\$3/drop-in. Will revisit the business plan for this based on area facilities and develop a membership add on option. Market range is \$1 to \$6.50 for drop in.
99									
100		Corporate Membership Programs							Explore Opportunities-May depend on accessibility of location to businesses.
101		Combined Group/Organizational membership partnerships							
		Hotel Guest Membership Program	2,880	3,312	3,478	3,651	3,834	0	Explore Opportunities with Hampton Inn. Project average of 40 day passes/month @ \$6/pass for the Hotel. May be drop in passes purchased by the hotel. May link to some sponsorship program.
102									
103									

APPENDIX C2a--Facility Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
15			Rec and Community Center Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
104									
105		MEMBERSHIP/DAILY USAGE SUBTOTAL	0	1,260,286	1,662,094	1,745,199	1,831,409	1,922,655	
106									
107		Retail and Vending:							
108		Vending Machine Revenue		1,000	1,150	1,185	1,220	1,257	Vending machines at facility-share of proceeds to facility revenue-focus on healthy vending systems (see examples) No food concession in current facility.
109		Food concession							
		Pro shop/Kiosk sales at front desk		4,000	6,000	6,180	6,365	6,556	
110									Swim/workout accessories, bottled water/sports drinks, energy bars, and other items sold as a service to members through front desk kiosk. Line items shows net profit. No added staff to support. Average \$500/month profit in Year 2.
111									
112		RETAIL & VENDING SUBTOTAL	0	5,000	7,150	7,365	7,585	7,813	
113									
114		Retail Lease Revenue							No outside lease revenue in current facility.
115									
116		Food Concessions							
117		Other outsourced sales or space lease							
118									
119		RETAIL LEASE REVENUE SUBTOTAL	0	0	0	0	0	0	
120									
121		Facility Sponsorships and Contributions							
122									Includes cost relieving in-kind donations (VIK)
123		Sponsorships		0	0	0	0	0	We have not included any "soft" dollars. Potential exists for some sponsorship revenue within City guidelines and policies.
124		Advertising		0	0	0	0	0	
125		Annual Fundraising Partnerships							Opportunity for corporate health programs/program funding and other partnerships
126		Grant Support							
127									Potential program for membership scholarships or financial aid to support financial aid to those that cannot afford the full cost of membership or programs. Nothing factored in but potential exists.
128									
129		SPONSORSHIP/CONTRIBUTIONS SUBTOTAL	0	0	0	0	0	0	
130									
131		Municipal, School District and Other Partnerships							To be developed.
132									
133		School District Annual Use							
134		Neighboring Municipalities							
135		Health Care Provider							Operating subsidy in exchange of resident rates, etc.

APPENDIX C2a--Facility Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
15			Rec and Community Center Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
136		Other							
137									
138									
139		SCHOOL DISTRICT & OTHER	0	0	0	0	0	0	No partnership or rental use included in this business model
140									
141		Miscellaneous Income							
142		Other							
143									
144		MISCELLANEOUS INCOME	0	0	0	0	0	0	
145									
146									
147		GRAND TOTAL-FACILITY REVENUE	0	1,342,698	1,767,017	1,853,709	1,944,063	2,039,660	

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility				City Managed		Membership Scenario #2	
5	NOTES:								
6	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
7	Initially assumes management by City with many programs outsourced.								
8									
9	May 10, 2021								
10	Program Revenue								
11	Revenue from In-house programs				Issues to Review				
12	Potential for Pre-Opening Revenue				Potential for Increased Revenue				
13					Potential for Loss of Revenue				
14			ISG Projections						
15	Category		Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
16									
17	Education and Community Programming								
18	Lifesaving/Water Safety/Instructor Courses and Certification.					0	0	0	Facility not ideal for lifeguard training but could be joint program with Community Ed using this facility and function room and high school for deep water certification.
19	First Aid/CPR/AED			1,500	2,500	2,575	2,678	2,785	Provide classes for outside groups also.
20	Community Classes			2,000	4,000	4,120	4,285	4,456	Examples: Computer, Art, Nutrition, Etc.
21	Sport/Rec Intro Classes			2,000	4,000	4,120	4,285	4,456	
22	Miscellaneous			0		0	0	0	
23	Classes and other programs linked to Health care providers			0	0	0	0	0	
24									
25	COMMUNITY AND EDUCATIONAL PROGRAMMING SUBTOTAL		0	5,500	10,500	10,815	11,248	11,698	
26									
27	Aquatics Training, Fitness and Therapy Programs								
28	Aquatic Fitness Classes			15,000	25,000	26,000	27,040	28,122	
29									
30	Personal Training-Aquatics			5,000	7,500	7,800	8,112	8,436	Personal training and cross training are rapidly increasing in aquatics. This is upside potential.
31									
32									

APPENDIX C2b--Program Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
33		Senior Programs-independent of membership		0	0	0	0	0	Significant opportunities with senior living centers and supported by facility meeting space. May want to engage organizations at next step in the development process.
34		Aquatic Therapy/Rehab							Outsources-showing in facility revenue as rental income
36		AQUATIC FITNESS SUBTOTAL	0	20,000	32,500	33,800	35,152	36,558	
38		Dry-Side Fitness & Training Programs							
40		Dry-Land Fitness Classes		60,000	64,800	67,392	70,088	72,891	
41		Personal Training-Dry-side		5,000	5,750	5,980	6,219	6,468	Personal Training is trending higher today. Upside potential.
42		Senior Programs-independent of membership							Significant opportunities with senior living centers and supported by facility meeting space. May want to engage organizations at next step in the development process. Nothing factored in at this point. Can also be outsourced as rental space for senior living centers or other community senior programs.
45		DRY-SIDE FITNESS SUBTOTAL	0	65,000	70,550	73,372	76,307	79,359	
47		Learn to Swim Program							Includes all group lessons, kids and adults, private and semi-private lessons, swim lessons for triathletes, or private stroke lessons, etc. See Market Analysis and Projection worksheets Can explore partnership with School District existing Community Ed program or explore potential outside provider partnership.
50		Registration Fees-Swim Lesson Program		154,524	208,607	239,899	281,686	295,770	Assumes in-house program.
51		Group Lessons				0	0	0	
52		Private Lessons				0	0	0	Private Lessons are trending up
53		Semi-Private Lessons				0	0	0	
56		Other Revenue (Grants, Sponsorships)							Grant programs supporting community and disadvantaged learn to swim programs, scholarships and community programs.

APPENDIX C2b--Program Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
58		School or Community Ed Partnership Program							Potential for swim lesson partnership with school district-would require some outside grant funding and transportation. Nothing included at this point in time. Example: Swim lessons for all 2nd graders.
59									
60		LEARN TO SWIM PROGRAM SUBTOTAL	0	154,524	208,607	239,899	281,686	295,770	
61									
62		Camp and Clinic Programs							
63									
64		Kids summer day camps/all sport activities		45,000	75,000	78,000	81,120	84,365	
65		Dive in Movies				0	0	0	
66		Sport Specific Camps				0	0	0	
67		Other Programs							
68									
69		CAMP/CLINIC PROGRAMS SUBTOTAL	0	45,000	75,000	78,000	81,120	84,365	
70									
71		Aquatic Team Programs							
72									
73		USA Swimming In House Club		0	0	0	0	0	No in-house team. Outside clubs renting time.
74		Summer Rec Swim Team		0	0	0	0	0	XX kids @\$XXX/summer 6 week season in summer league. Explore Option-No revenue initially planned. Should explore in Year 2.
75		Masters							Masters projected as outside group renting pool space. May consider an in-house masters or adult organized lap swimming program at some point in time.
76									
77									
78		AQUATIC TEAMS SUBTOTAL	0	0	0	0	0	0	
79									
80		Sport & Team Programs and Classes							Any in-house programs To be determined
81									
82		Youth Team Programs							Most likely to be outside programs, renting some space
83		Adult Team Programs							
84		Pickle Ball		4,000	6,000	6,240	6,490	6,749	In-House Program: Small scale with current size of gym. If program grows the Rec Center may consider renting outside court spac for its program demand.
85		Introductory Sport Classes		2,000	3,000	3,120	3,245	3,375	May coordinate with Community Ed.
86		Other							
87									

APPENDIX C2b--Program Revenue City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
88									
89		SPORT TEAM PROGRAM SUBTOTAL	0	6,000	9,000	9,360	9,734	10,124	
90									
105									
106		Program Specific Sponsorships and Contributions							No "Soft" revenue factored in at this point, but anticipate some revenue, especially in grant support for outreach and program user subsidies and scholarships.
107		Sponsorships							In support of Specific Programs
108		Advertising							In support of Specific Programs
109		Annual Fundraising Partnerships							Annual Fundraising in support of specific programs.
110									Opportunity for corporate health programs/program funding and other partnerships
111		Grant Support							Scholarship Programs and other grant support for programs
112									
113		SPONSORSHIP/CONTRIBUTIONS SUBTOTAL	0	0	0	0	0	0	
114									
115		Miscellaneous Income							
116		Other							
117									
118		MISCELLANEOUS INCOME	0	0	0	0	0	0	
119									
120									
121		GRAND TOTAL-PROGRAM REVENUE	0	296,024	406,157	445,246	495,247	517,873	

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center Financial Forecast Pre-Opening Year Through Year 5								
2									
3									
4	OPTION	Existing Facility			City Managed			Membership Scenario #2	
5	NOTES:								
6	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
7	Initially assumes management by City with some programs possibly outsourced.								
8									
9	May 10, 2021								
10	Operational Expenses								
11									
12									
13									
14									
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APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
55									
56		Common and Support Spaces							11,661 sf @\$3.00/sf = \$34,983
57		Electric		20,000	20,600	21,218	21,855	22,510	Includes Locker rooms, Lobby, Offices, etc.
58		Water/Sewer		3,983	4,102	4,226	4,352	4,483	
59		Gas (Heat/Cool)		15,500	15,965	16,444	16,937	17,445	
60									
61									
62		Gym Space							4,566 sf @\$2.50/sf = \$11,415
63		Electric		5,500	5,665	5,835	6,010	6,190	
64		Water/Sewer		415	427	440	453	467	
65		Gas (Heat/Cool)		5,500	5,665	5,835	6,010	6,190	
66									
67									
68		Fitness Center Spaces							Includes all fitness workout and supporting spaces. 7,658 sf @ \$3.00/square foot. = \$22,974
69		Electric		15,000	15,450	15,914	16,391	16,883	
70		Water/Sewer		474	488	503	518	533	
71		Gas (Heat/Cool)		11,250	11,588	11,935	12,293	12,662	
72					0	0	0	0	
73					0	0	0	0	
86		Building Mechanicals and Operations							1,887 sq. ft.-average cost approx. \$2.50 = \$4,717
87		Electric		2,000	2,060	2,122	2,185	2,251	
88		Water/Sewer		717	739	761	783	807	
89		Gas (Heat/Cool)		2,000	2,060	2,122	2,185	2,251	
90					0	0	0	0	
91					0	0	0	0	
98		UTILITIES SUBTOTAL	9,000	140,631	144,850	149,195	153,671	158,281	Approximately \$3.35/sf. Current Y is \$3.30/sf. Year Zero is total of estimated monthly costs while closed: roughly \$3,139/month assuming 4 months prior to full opening with expenses for 3 months of use as COVID Vaccination center factored out. This cost may increase as other costs are factored in. Expenses through June 30, 2021 are covered by State of Minnesota for use as COVID Vaccine site. Lower energy use in warmer months when closed.
99									
100		Maintenance							Some of these services can be outside contracted services
101									
102		Pool Maintenance				0	0	0	Anticipate Maintenance costs increasing as equipment ages
103		S&E Pool Mechanical		4,000	4,120	4,244	4,371	4,502	

APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
104		UV System Maintenance and Bulb Replacement				0	0	0	
105		25 yard Lap Pool		5,000	5,150	5,305	5,464	5,628	
107		Program Pool		3,000	3,090	3,183	3,278	3,377	
110		Building Repairs & Maintenance		10,000	10,300	10,609	10,927	11,255	
111		Building Grounds, Maint, Plowing		20,000	20,600	21,218	21,855	22,510	Provided by City Maintenance team, but additional costs factored into Rec Center Budget Showing in gross expenses below.
112		Replacement and Maintenance Accrual Fund							
113		Equipment Repairs		2,000	2,060	2,122	2,185	2,251	
114		Pre-Opening: Pool	6,000						First Floor cleaned by State as part of Vaccination Center rental. Contingency
115		Pre-Opening: Cleaning	6,000						
116		Pre-Opening: Maintenance	3,000						
117		Pool Refill-Water and chemicals	4,000					7,000	Both Pools-On a 5-year drain and fill cycle
118									
119		MAINTENANCE SUBTOTAL	19,000	44,000	45,320	46,680	48,080	56,522	
120		Equipment & Supplies							Includes start up supplies and any equipment not included in Capital Costs and FF&E (Furniture, Fixtures, & Equipment). Specific program equipment showing in Program Expenses.
121									
122		Office Supplies		3,000	3,090	3,183	3,278	3,377	
123		First Aid/Safety		2,000	2,060	2,122	2,185	2,251	
124		Maintenance/Repair/Materials		3,000	3,090	3,183	3,278	3,377	
125		Custodial Supplies		30,000	30,900	31,827	32,782	33,765	YMCA was on the high side on this. Anticipate some savings with overall City purchase contracts.
126		Pool Chemicals			0	0	0	0	
127		Lap Pool		5,000	5,150	5,305	5,464	5,628	
128		Program/Leisure Pool		2,000	2,060	2,122	2,185	2,251	
132		Pre-Opening Re-branded Building Signage	16,000						
133		Pre-Opening Pool Equipment	26,149						
134		Pool Equipment		2,000	2,060	2,122	2,185	2,251	Includes equipment needed for opening and then annual replacements
135		Pre-Opening Sport Equipment	7,940						Includes equipment needed for opening and then annual replacements. Includes Gym Equipment
136		Sport Equipment		2,000	2,060	2,122	2,185	2,251	Includes equipment needed for opening and then annual replacements. Includes Gym Equipment
137		Pre-Opening Fitness Equipment Purchases	50,000						\$15,000 in equipment already purchased. Already purchased from Y by City.

APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
138		Fitness Equipment Purchases		0	3,000	3,090	3,183	3,278	Assumes Leasing majority of equipment at average of \$6,000/month. Start 6 weeks prior to opening.
139		Fitness Equipment Leasing	9,000	72,000	72,000	72,000	72,000	72,000	
140		Move and Set up Fitness Equipment, Flooring, etc.							
141		Recreational Supplies		2,000	2,060	2,122	2,185	2,251	May be offset by equipment/apparel sponsorships
142		Uniforms		3,000	3,090	3,183	3,278	3,377	
143		Printing & Postage		1,000	1,030	1,061	1,093	1,126	
144		Pre-Opening General Supplies and Equipment	48,000						Includes Start Up for Camp Equipment, Child Watch/Kids Stuff Equipment
145		General Supplies and Equipment	0	5,000	5,150	5,305	5,464	5,628	Includes Start Up for Custodial Equipment, Copier, Printers, Camp Equipment, Child Watch/Kids Stuff Equipment
146		Pre-Opening Building General Supplies, Equipment and FF&E Contingency	65,425						
147		Building General Supplies, Equipment and FF&E Contingency		5,000	5,150	5,305	5,464	5,628	
148									
149		Pre-Opening Management Program Equipment	17,000						Includes Card Access/Membership System Management Equipment and Software
150		Management Program Equipment		2,000	2,060	2,122	2,185	2,251	Updates, maintenance, and upgrades to systems
151									
152									
153		EQUIPMENT & SUPPLIES SUBTOTAL	239,514	139,000	144,010	146,170	148,395	150,687	
154		Staff Costs: Salaries & Wages							Year Zero includes staffing needed prior to opening of facility and not included in project capital costs and training of part-time staff. Using 5% annual escalation to account for COLA and step increases.
155									
156									
157		Full-Time Staff							Need to review proper job title hierarchy with the City structure. City HR Director reviewing positions, grades, and titles.
158		Facility Director	37,500	90,000	94,500	99,225	104,186	109,396	
159		Program Manager	16,250	65,000	68,250	71,663	75,246	79,008	
160		Aquatic Supervisor	15,000	60,000	63,000	66,150	69,458	72,930	1.0 FTE May not be needed if working with Lease Agreement-Start 3 months prior to opening.
161		Membership/Customer Service Manager	13,750	55,000	57,750	60,638	63,669	66,853	1.0 FTE Start 3 months prior to opening.
162		Front Desk Coordinator	3,333	40,000	42,000	44,100	46,305	48,620	1.0 FTE Start 1 months prior to opening. May just be part-time

APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
163		Fitness Supervisor	13,750	55,000	57,750	60,638	63,669	66,853	May not need if working with Lease Agreement-Start 3 months prior to opening.
164		Maintenance/Operations Manager	19,250	77,000	80,850	84,893	89,137	93,594	1.0 FTE Start 3 months prior to opening.
		Administrative, Accounting, HR	9,500	55,000	57,750	60,638	63,669	66,853	1.0 FTE Start 3-4 months prior to opening. -Reviewing with City HR and operations to determine need or add on costs for existing City Staff. Is this covered in the City Admin share costs?
165		Custodial & Bldg. Maint. Staff	9,375	112,500	118,125	124,031	130,233	136,744	2.5 FTE Start 1 Months prior to opening following deep cleaning. Should this be in part-time? What should the base annual salary/rate be for these positions? We used \$45,000 in this model.
166									
167									
168									
169									
170		FULL-TIME STAFF SUBTOTAL	137,708	609,500	639,975	671,974	705,572	740,851	
171									
172		Part-Time Staff							Currently using 4% as annual escalation. All Part-Time positions are <30 hours/week. Assuming \$15 minimum hourly wage in near future.
173									
174		Front Desk/Access Control	3,000	78,000	81,900	85,995	90,295	94,809	2.5 FTE, 100 hrs./week @ \$15.00/hr. - \$78,000
175		Fitness Attendants	2,000	78,000	81,900	85,995	90,295	94,809	2.5 FTE, 100 hrs./week @ \$15.00/hr. - \$78,000
		Gym Monitors	2,000	31,200	32,760	34,398	36,118	37,924	1 FTE, 40 hrs./week @ \$15.00/hr.- \$31,200. Includes safety monitor and manage proper use of equipment ("lifeguard" for the weight and workout spaces)
176									
		Head Lifeguard	2,000	18,720	19,656	20,639	21,671	22,754	.5 FTE, 20 hrs./week @ \$18.00/hr. - \$18,720. Should be CPO certified.
177									
178		Lifeguards	2,000	93,600	98,280	103,194	108,354	113,771	3 FTE, 120 hrs./week @ \$15.00/hr.- \$93,600
		Custodial/Maintenance Part-Time	2,500	95,680	100,464	105,487	110,762	116,300	2 FTE for part-time custodial @\$23/hour. Is this an hourly wage in line with current City custodial part-time staff?
179									
		Child watch	2,000	62,400	65,520	68,796	72,236	75,848	2 FTE, 80 hrs./week @ \$15.00/hr.- \$62,400. Revenue does not come close to supporting costs of program, but it is an important membership benefit/service. Year Zero is training.
180									
181		Program Instructors and Staff							In program Expenses
182									
183		Camp Staff							In program Expenses
184		Other							
185									
186		Clerical/Administrative Support							In Full Time Staff

APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
187		Event Staff costs							All extraordinary event staff costs are paid separately by event renter/host or included in event expenses as a pass through.
188									
189									
190		PART-TIME STAFF SUBTOTAL	15,500	457,600	480,480	504,504	529,729	556,216	
191									
192		Staff Benefits and Payroll Taxes							Confirm benefit & payroll tax calculations. HR reviewing.
193									
194		Full Time							
195		Benefits & Payroll Taxes	55,083	243,800	255,990	268,790	282,229	296,340	Roughly average 40%-will need to calculate exactly.
197									
198		Part Time							
200		Benefits & Payroll Taxes	3,100	91,520	96,096	100,901	105,946	111,243	Calculated at 20% to cover FICA, PERA, Workers Comp, etc.
201									
202		BENEFITS & PAYROLL TAXES SUBTOTAL	58,183	335,320	352,086	369,690	388,175	407,584	
203									
204									
205		STAFF SALARIES, WAGES & BENEFITS GRAND TOTAL	211,391	1,402,420	1,472,541	1,546,168	1,623,476	1,704,650	
206									
207		Staff Costs: Other							NOTE: Outside services linked to funding, fundraising, design, etc. included in capital costs, not operating budget.
208									
209		Staff Development and Training	2,000	2,500	2,563	2,627	2,692	2,760	Can be managed by management staff
210		Conferences		2,000	2,050	2,101	2,154	2,208	
211		Staff Certifications & Licenses	500	2,000	2,050	2,101	2,154	2,208	
212		Staff Travel		2,000	2,050	2,101	2,154	2,208	
213		Dues/Subscriptions	500	1,000	1,025	1,051	1,077	1,104	
214									
215									
216		STAFF COSTS-OTHER	3,000	9,500	9,738	9,981	10,230	10,486	
217									
218		Outside (contract) Services							
219									
220		Accounting Services							Included in Full Time Staff
221		PR/Media							Initially combined with Marketing.

APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
222		Marketing	10,000	10,000	5,000	5,000			Includes consultant fees. Can reduce after Year One and phase out.
223		Building Rebranding Development	4,000						Consulting on branding of Rec/Community Center. Can be combined with marketing and PR services also.
224		IT/Computer Support							Included in City Admin Cost/Services Allocation line item.
225		Human Resources							Handle in-house
226		Testing Services							TBD
227		Custodial Outsourcing							Currently showing in staff costs
228		Maintenance Outsourcing							Currently showing in staff costs
229		Landscape Maintenance							In Maintenance
230									
231		Operations/Mgmt. Consultant							N/A
232		Other							
233		Trash Service	1,000	6,000	6,150	6,335	6,525	6,720	
234		Contract Services				0	0	0	TBD
235									
236		OUTSIDE SERVICES SUBTOTAL	15,000	16,000	11,150	11,335	6,525	6,720	
237									
238		General Office Costs							
239		Phone/Media Service	0	3,000	3,100	3,200	3,300	3,400	
240		Technology/IT Support		3,000	3,100	3,200	3,300	3,400	
		Scholarship and Membership		15,000	20,000	20,000	20,000	20,000	Allocation to support financial aid for residents not able to afford full cost of facility use and programs. Likely part of this expense can be offset by grant funding. At this point no grant support or other charitable support of financial aid is factored in to budget.
		Financial Aid							
241									
242		Postage	1,500	1,500	1,500	1,500	1,500	1,500	General marketing mailing
		Marketing and Promo Materials	10,000	7,500	5,000	5,000	5,000	5,000	Marketing support for overall facility. Includes brochure, post cards, and other collateral materials. Additional marketing funds are also included in specific programs under program expenses. Important to incorporate into advance marketing. Some program specific marketing is listed in Program Expenses line items for the specific program.
243									
244		Advertising	0	3,000	3,000	3,000	3,000	3,000	
		Fees-Registration/CC/On-Line		50,411	66,484	69,808	73,256	76,906	Calculated at 4% of 100% of membership revenue using on-line registration and credit card processing. Program Registration & CC Fees show in Program Expenses. This is Maximum projected expenses and some savings are likely.
245									
246		Bank Charges							Are there any other bank charges

APPENDIX C2c--Operational Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
14			ISG Projections						
15		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
247		Legal Fees		5,000	5,000	5,000	5,000	5,000	Budgeted retainer.
248									
249		GENERAL OFFICE SUBTOTAL	11,500	88,411	107,184	110,708	114,356	118,206	
250									
251		Insurance							
252									
253		Insurance:	5,000	10,000	10,300	10,609	10,927	11,255	
254		Insurance: Property							
255		Insurance: Liability							
256		Insurance: Other							
257									
258		INSURANCE SUBTOTAL	5,000	10,000	10,300	10,609	10,927	11,255	
259									
260		Miscellaneous							
261									
262		Other Expenses							
263		Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000	Contingency decreases as history provides better budgeting info.
264									
265		MISCELLANEOUS SUBTOTAL	2,500	10,000	7,500	5,000	5,000	5,000	
266									
267		TOTAL-OPERATING EXPENSES	515,905	1,859,962	1,952,592	2,035,846	2,120,662	2,221,809	
268									
269		GROSS OPERATING EXPENSES-Additional							Support long term capital replacement, maintenance, and growth. Target is \$440,000 by Year 10 and \$1,000,000 by Year 20.
270									How do you want to show or account for this.
271		Facility Reserve							
272		Initial Funding of Reserve							
		Annual Reserve Replacement Funding	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400	Capital Replacement and Maintenance Reserve Fund. See cumulative calculations in P & L Statement. After Year 3 reserve increases by 3% annually.
273									
274									
275									
276		City Charge Backs (Administrative Overhead)							
		City Support/Admin Charge Backs		150,000	157,500	165,375	173,644	182,326	The share of City Overhead charged to Rec Center. Increasing 5%/year per City.
277									
278									
279		Additional Gross Operating Expenses	0	150,000	217,500	235,375	253,644	264,726	
280									
281		TOTAL GROSS EXPENSES	515,905	2,009,962	2,170,092	2,271,221	2,374,306	2,486,535	

APPENDIX C2d:--Program Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility				City Managed			Membership Scenario #2
5	NOTES:								
6	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
7	Initially assumes management by City with many programs outsourced.								
8									
9	May 10, 2021								
10	Program Expenses								
11	Program related expenses not included in annual operating pool staff and expenses								
12									
13									
14	<div>Potential for Increased Costs</div> <div>Potential to Reduce Costs</div>								
15									
16	Category		ISG Projections					Comments	
17	Community Educational Programming		Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	
18	Program Director			0	0	0	0	0	Program management and supervision in full-time staff in Operational Expenses.
19	Instructors			1,650	3,150	3,245	3,374	3,509	Hourly-Instructor fees increase at rate equal to increase in program gross revenue-Instructor wages average 30% of gross program fees.
20	Payroll Expenses/benefits/taxes		0	330	630	649	675	702	Assume part-time instructors. Calculated at 20% of wages to cover PERA, FICA, Workman's comp, etc.
21	Travel, Staff Development								Staff development and Training in Operational Expenses.
22	Marketing and Promo Materials								
23	Other Program Expenses			500	500	500	500	500	
24	Postage								
25	Fees-Registration/CC/On-Line			220	420	433	450	468	Showing in Operational Expenses-Bank Charges
26									

APPENDIX C2d:--Program Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
27		COMMUNITY EDUCATIONAL SUBTOTAL	0	2,700	4,700	4,826	4,999	5,179	
28									
29		Aquatic Training, Fitness and Therapy Programs							
30		Fitness Program Director			0	0	0	0	Program management and supervision in full-time staff in Operational Expenses. Hourly Wages calculated as 30% of class fee revenue Assume part-time instructors Staff development and Training
31		Instructors for Classes		6,000	9,750	10,140	10,546	10,967	
33		Payroll Expenses/benefits/taxes		1,200	1,950	2,028	2,109	2,193	
34		Travel, Staff Development							
35		Marketing and Promo Materials							
36		Other Program Expenses		1,000	1,000	1,000	1,000	1,000	
37		Postage							
38		Fees-Registration/CC/On-Line		800	1,300	1,352	1,406	1,462	Showing in Operational Expenses-Bank Charges
39									
40		AQUATIC FITNESS SUBTOTAL	0	9,000	14,000	14,520	15,061	15,623	
41									
42		Dry-Side Fitness							
43		Fitness Program Director							Program management and supervision in full-time staff in Operational Expenses. Hourly Wages calculated as 35% of class fee revenue Hourly Wages calculated as 35% of class fee revenue. Personal Training is growing. Assume part-time instructors: Both City employees and independent contractors. Staff development and Training
44		Instructors		21,000	22,680	23,587	24,531	25,512	
45		Personal Training Instructors		1,750	2,013	2,093	2,177	2,264	
46		Payroll Expenses/benefits/taxes	0	4,550	4,939	5,136	5,341	5,555	
47		Travel, Staff Development							
48		Marketing and Promo Materials							
49		Other Program Expenses		1,000	1,000	1,000	1,000	1,000	
50		Postage							
51		Fees-Registration/CC/On-Line		2,600	2,822	2,935	3,052	3,174	
52									
53		DRY-SIDE FITNESS SUBTOTAL	0	30,900	33,453	34,751	36,101	37,505	

APPENDIX C2d:--Program Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
54									
55		Learn to Swim Program Costs							
56		Learn to Swim Program Director		0	0	0	0	0	Program management and supervision in full-time staff in Operational Expenses. May want to have dedicated program director based on size of program. May be lead instructor.
57		Learn to Swim Instructors		43,267	58,410	67,172	78,872	82,816	
58		Payroll Expenses/benefits/taxes	0	8,653	11,682	13,434	15,774	16,563	Hourly, \$18/hr.-Year 0 is training. Instructors = approximately 28% of gross lesson revenue.
59		Travel, Staff Development		1,000	1,000	1,000	1,000	1,000	Assume part-time instructors
60		Marketing and Promo Materials		1,000	1,000	1,000	1,000	1,000	Staff development and Training
61		Other Program Expenses		1,500	1,950	2,340	2,574	2,703	
62		Postage							
63		Fees-Registration/CC/On-Line		6,181	8,344	9,596	11,267	11,831	Showing in Operational Expenses-Bank Charges
64		Scholarships		7,500	7,500	7,500	7,500	7,500	
65									
66		LEARN TO SWIM PROGRAM SUBTOTAL	0	69,101	89,886	102,042	117,988	123,412	
67									
68		Camp and Clinic Programs							
69		Camp Director		0	0	0	0	0	Program management and supervision in full-time staff in Operational Expenses.
70		All Camp Staff		14,400	24,000	24,960	25,958	26,997	
71									Wages calculated at 32% of gross revenue
72		Payroll Expenses/benefits/taxes	0	2,880	4,800	4,992	5,192	5,399	May include some advertising and direct mail campaign
73		Marketing and Promo Materials							
74		Other Program Expenses							
75		Postage							
76		Fees-Registration/CC/On-Line		1,800	3,000	3,120	3,245	3,375	Showing in Operational Expenses-Bank Charges

APPENDIX C2d:--Program Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
77		Other Camp Expenses		2,000	2,300	2,484	2,608	2,739	Outfitting/Specific Equipment/Audio visual, etc.
78									
79									
80									
80		CAMP and CLINIC SUBTOTAL	0	21,080	34,100	35,556	37,003	38,509	
81		Aquatic Team Programs US Masters Swimming Team Coach Travel and Entertainment Other Swim Team Expenses Fees-Registration/CC/On-Line Marketing and Promo Materials Payroll Expenses/benefits/taxes							Exploring as in-house or outsourced rental program.
82									
83									
84									
85									
86									
87									
88									
89									
90									
91		Masters Team Subtotal	0	0	0	0	0	0	
92		Summer Recreation Swim Team Coaches Payroll Coach Travel and Entertainment Other Swim Team Expenses Fees-Registration/CC/On-Line Marketing and Promo Materials Payroll Expenses/benefits/taxes							Potential for summer rec team as program grows-nothing factored in at this point. Part time coaches-wage based on XX% of total team revenue. Showing in Operational Expenses-Bank Charges No benefits
93									
94				0	0	0	0	0	
95									
96					0	0	0	0	
97									
98									
99			0	0	0	0	0	0	
100			0	0	0	0	0	0	
101									
102		AQUATIC TEAMS SUBTOTAL	0	0	0	0	0	0	
155									
156		Sport Team Programs							
157									

APPENDIX C2d:--Program Expenses City Managed Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
158		Coaches/Instructors Payroll		1,800	2,700	2,808	2,920	3,037	Part time coaches-wage based on 30% of total team revenue.
159		Coach Travel and Entertainment							
160		Other Sport Program Expenses		1,000	1,150	1,323	1,521	1,749	Showing in Operational Expenses-Bank Charges
161		Fees-Registration/CC/On-Line							
162		Marketing and Promo Materials							In overall marketing
163		Payroll Expenses/benefits/taxes	0	360	540	562	584	607	No benefits
164									
165									
166		SPORT TEAMS SUBTOTAL	0	3,160	4,390	4,692	5,025	5,394	
167									
179									
180		Scholarship and Student Support							
181		Expenses related to all programs		5,000	5,000	5,000	5,000	5,000	All Programs except learn to swim which has its own financial aid budget.
182									
183									
184		SCHOLARSHIP & SUPPORT SUBTOTAL	0	5,000	5,000	5,000	5,000	5,000	
185									
186		Miscellaneous							
187									
		Expense Contingency		7,500	6,000	5,000	5,000	5,000	Expense Contingency. ISG like to include a miscellaneous contingency. Contingency decreases each year as history better guides budgeting.
188									
189									
190		MISCELLANEOUS SUBTOTAL	0	7,500	6,000	5,000	5,000	5,000	
191									
192		TOTAL-PROGRAM EXPENSES	0	148,441	191,529	206,387	226,177	235,623	
193									
194		Program Staff Wages & Benefits Subtotal	0	105,680	144,003	157,436	174,549	182,478	

	A	B	G	H	I	J	K	M
1	Lino Lakes Recreation and Community Center Financial Forecast Pre-Opening Year Through Year 5							
2								
3								
4	OPTION	Existing Facility	City Managed	Membership Scenario #2				
5	NOTES:							
6	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility							
7	Initially assumes management by City with many programs outsourced.							
8								
9	May 10, 2021							
10	<div>Issues to Review</div> <div>Potential for Increased Revenue</div> <div>Potential for Loss of Revenue</div>							
11								
12								
13								
14			ISG Projections					
15	Category		Year 1`	Year 2	Year 3	Year 4	Year 5	Comments
16	PROGRAM EXPENSES		148,441	191,529	206,387	226,177	235,623	
17								
18	PROGRAM INCOME		296,024	406,157	445,246	495,247	517,873	
19								
20	NET PROGRAM REVENUE (DEFICIT)		147,583	214,628	238,859	269,070	282,251	Year 2
21								
22	PROGRAM BREAKDOWN							
23	Community Education Programming							
24	Expenses		2,700	4,700	4,826	4,999	5,179	
25	Revenue		5,500	10,500	10,815	11,248	11,698	
26	Net Revenue (Deficit)		2,800	5,800	5,989	6,249	6,519	
27	Profit Margin		51%	55%	55%	56%	56%	
28	Aquatic Fitness and Training Programs							
29	Expenses		9,000	14,000	14,520	15,061	15,623	
30	Revenue		20,000	32,500	33,800	35,152	36,558	
31	Net Revenue (Deficit)		11,000	18,500	19,280	20,091	20,935	
32	Profit Margin		55%	57%	57%	57%	57%	
33	Dry-Side Fitness and Therapy Programs							

APPENDIX C2e--Program Net Revenue City Managed Model

	A	B	G	H	I	J	K	M
14			ISG Projections					
15		Category	Year 1`	Year 2	Year 3	Year 4	Year 5	Comments
34		Expenses	30,900	33,453	34,751	36,101	37,505	
35		Revenue	65,000	70,550	73,372	76,307	79,359	
36		Net Revenue (Deficit)	34,100	37,097	38,621	40,206	41,854	
37		Profit Margin	52%	53%	53%	53%	53%	
38		Learn to Swim Programs						
39		Expenses	69,101	89,886	102,042	117,988	123,412	Includes funding of scholarships
40		Revenue	154,524	208,607	239,899	281,686	295,770	Includes grant for scholarships
41		Net Revenue (Deficit)	85,423	118,721	137,857	163,698	172,358	
42		Profit Margin	55%	57%	57%	58%	58%	
43		Camp and Clinic Programs						
44		Expenses	21,080	34,100	35,556	37,003	38,509	
45		Revenue	45,000	75,000	78,000	81,120	84,365	
46		Net Revenue (Deficit)	23,920	40,900	42,444	44,117	45,856	
47		Profit Margin	53%	55%	54%	54%	54%	
48		Summer Rec Swim Team						
49		Expenses	0	0	0	0	0	
50		Revenue	0	0	0	0	0	
51		Net Revenue (Deficit)	0	0	0	0	0	
52		Profit Margin	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
73		Sport/Team Programs						
74		Expenses	3,160	4,390	4,692	5,025	5,394	
75		Revenue	6,000	9,000	9,360	9,734	10,124	
76		Net Revenue (Deficit)	2,840	4,610	4,668	4,709	4,730	
77		Profit Margin	47%	51%	50%	48%	47%	

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility	Hybrid Management Model			Membership Scenario #2			
5	NOTES:								
6	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership								
7	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
8	Initially assumes management by City with many programs outsourced.								
9									
10	May 10, 2021								
11	Facility Revenue								
12			Issues to Review						
13	Partnership: Decreased Revenue		Potential for Increased Revenue						
14	Partnership: Decreased Expenses		Potential for Pre-Opening Revenue						
15	Partnership: Increased Revenue		Potential for Loss of Revenue						
16		Rec and Community Center Projections							
17	Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments	
18	Educational, Class, Camp and Clinic Rentals								
19									
20	Youth Camps		0	0	0	0	0	Any outside groups renting space for camp programs. In	
21	Sport Camps							house camps/clinics are in program revenue	
22	Recreational and Educational Classes and Programming by outside providers				0	0	0	Outside sport group camp rentals	
23	Community/Youth organizations							Kayak, canoe, martial arts, dance for example: Outsourced programming-could bring in house as developed	
24								Outside organizations renting space for programs.	
25	EDUC, REC, CLASS, CAMP RENTALS	0	0	0	0	0	0		
26									
27	Gym/Court Space Rentals								
28								Hourly Gym Rentals = \$60/full court/hour; \$35/half court/hour.	
29	Basketball Programs								
30	AAU Program								
31	Centennial Basketball Assoc.								
32	General Rental		20,000	30,000	31,500	33,075	34,729	10 hours/week @ \$60/hour for 50 weeks in Year 2.	
33									
34	Volleyball								
35	Pickleball								
36	Other Sport Program								
37	Non-sport Rentals								
38									

APPENDIX C3a Facility Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			Rec and Community Center Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
39									
40		GYM/COURT RENTALS SUBTOTAL	0	20,000	30,000	31,500	33,075	34,729	
41		Pool Rentals							Rental revenue based on Schedule Matrix time allocated. Local Club team has expressed immediate interest in renting lane space. Tentative Lane Rental Rates: 25 yard-\$12.50/lane/hour
42									
43									
44		Club Team Lane Rental							
		Great Wolf Swim Club		30,912	32,148	32,952	33,941	34,959	Club has expressed interest in renting as soon as facility opens. Rent approximately 14 hours/week for 4 lanes at \$12/lane/hour for 46 weeks/year.
45									
46		Other Groups/Clubs			0	0	0	0	
47		25 Yd Pool Rentals (Non-competitive)			0	0	0	0	
48		Program/Leisure Pool Rentals		2,500	2,625	2,704	2,785	2,868	Lesson Program or Community Ed Aquatic Programs other than the swim lesson program.
		Therapy/Rehab		3,000	5,000	5,150	5,356	5,570	Rental rate for space in Program/Leisure Pool @ \$50/hour. Year 2 = 100 hours per year, roughly 2 hours/week. Very conservative. Likely to be able to get some advance commitments.
49									
50									
51		POOL RENTALS SUBTOTAL	0	36,412	39,773	40,806	42,082	43,398	
52									
53		Competitive Event Rentals							Not Applicable in existing facility
63									
64		COMPETITIVE EVENTS REVENUE SUBTOTAL	0	0	0	0	0	0	
65									
66		Special Rentals and Functions							
67									
68		Birthday Parties and other parties		16,000	20,000	20,600	21,424	22,281	Average Fee of \$200 for party-anticipate 100/year initially.-covers wide range of party functions.
		Meeting/Function Spaces		2,000	4,000	4,120	4,244	4,371	Potential for rentals of meeting spaces. Approximate meeting space rental of \$50/hour plus set up fee. Year 2 estimate is 80 hours per year; roughly 1.6 hours/week.
69									
		Fitness Studios or Workout space rentals		0	0	0	0	0	Control and outside rental of fitness spaces will be controlled by Fitness Partner except in mutually agreed upon one-off opportunities. Revenue zeroed out. Potential for outside organizations and programs to rent workout spaces and studio spaces when available. Includes outside program providers of classes such as martial arts, outside fitness classes, dance groups, etc.
70									
71		Other rentals							

APPENDIX C3a Facility Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			Rec and Community Center Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
72									
73		SPECIAL EVENTS, FUNCTIONS, RENTALS	0	18,000	24,000	24,720	25,668	26,652	
74									
75		Therapy, Rehab and Health Care Programming							Outsourced rental to health care provider/partner
76		Therapy time rental	0		0	0	0	0	Showing in Pool rental
77		Corporate health care programs							
78									
79		THERAPY, REHAB, HEALTH SUBTOTAL	0	0	0	0	0	0	
85									
86		Public Memberships/Daily Usage							See Membership Worksheet
									Plan on advance membership drive in Year Zero to help offset Year Zero costs. Launch approximately 3 months prior to opening.
87									
88									
89		Daily Admission		39,534	41,615	43,696	45,881	48,175	See membership worksheet for breakdown of passes. Do not anticipate any change in daily admission passes.
90		Residents				0	0	0	Anticipate high start up for drop-in admissions in Year 1 as people try out the "new" Rec Center.
91		Non-residents				0	0	0	
92		12-Punch Pass		29,716	34,960	36,708	37,809	39,700	Punch passes are not offered for fitness only. Do not anticipate any drop in this revenue.
93		Residents		0		0	0	0	
94		Non-residents		0		0	0	0	
		Membership Fees							See Membership/Use Market analysis and projection worksheet. Want to review our assumptions, rates, and calculations. Potential for pre-opening advance membership sales. Year 1 is 75% of Year 2 projections based on membership model. Growth Year 2 to 3 is 5% and Year 3 on at 3%.
95									
		Overall Facility Membership		1,096,610	1,290,130	1,354,636	1,422,368	1,493,486	Year 1 increases to 85% of Year 2 based on Fitness Partner existing members. Also anticipate additional incremental growth of membership in Year 2 by 5% based on Fitness Partner.
96									
									Anticipate membership fee increase in Year 4 or sooner. FITNESS PARTNER ASSUMPTIONS: Membership in Year 1 accelerated. Anticipate some share of overall membership driven by Fitness Partner. Also anticipate Fitness partner will enhance value of membership-attracting increased membership overall (particularly considering the membership they were able to pull from YMCA).
97									

APPENDIX C3a Facility Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			Rec and Community Center Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
98		Fitness Only Membership		0	0	0	0	0	Fitness partner would accelerate year one membership, bringing in their existing membership immediately. <u>FITNESS PARTNER ASSUMPTIONS:</u> Fitness Partner would bring over half the anticipated total membership units to the Rec Center from their existing membership, accelerating membership revenue in Year 1. Fitness Partner would retain the equivalent membership revenue of all members they bring to the Rec Center. Rec Center & Fitness Partner would have revenue sharing for new fitness members as well as incentive to Fitness Partner for upgrades of Fitness members to Overall Facility memberships. To be negotiated as part of Joint Use Agreement (JUA).
99		Residents							Anticipate attracting more residents compared to Y but losing some non-residents who may continue at Forest Lake Y. We have the breakdown of the Y members by resident to compare.
100		Non-residents							
101		Child Watch Membership Add-On		12,750	15,000	15,750	16,223	16,709	100 drop-ins per week at 50 weeks @\$3/drop-in. Will revisit the business plan for this based on area facilities and develop a membership add on option. Market range is \$1 to \$6.50 for drop in. May consider including Child Watch as part of Family Membership.
102		Corporate Membership Programs							Explore Opportunities-May depend on accessibility of location to businesses.
103		Combined Group/Organizational membership partnerships							
104		Hotel Guest Membership Program		2,880	3,312	3,478	3,651	3,834	Explore Opportunities with Hampton Inn. Project average of 40 day passes/month @ \$6/pass for the Hotel. May be drop in passes purchased by the hotel. May link to some sponsorship program.
105									
106									
107		MEMBERSHIP/DAILY USAGE SUBTOTAL	0	1,181,491	1,385,017	1,454,268	1,525,932	1,601,904	
108									
109		Retail and Vending:							
110		Vending Machine Revenue		1,000	1,150	1,185	1,220	1,257	Vending machines at facility-share of proceeds to facility revenue-focus on healthy vending systems (see examples)
111		Food concession							No food concession in current facility.
112		Pro shop/Kiosk sales at front desk		5,000	6,500	6,695	6,896	7,103	Swim/workout accessories, bottled water/sports drinks, energy bars, and other items sold as a service to members through front desk kiosk. Line items shows net profit. No added staff to support. Average \$500/month profit in Year 2.
113									

APPENDIX C3a Facility Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			Rec and Community Center Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
114		RETAIL & VENDING SUBTOTAL	0	6,000	7,650	7,880	8,116	8,359	
115		Retail Lease Revenue							No outside lease revenue in current facility. Does not include Fitness Partner lease. See this in Partnership revenue center.
116									
117									
118		Food Concessions							
119		Other outsourced sales or space lease							
120									
121		RETAIL LEASE REVENUE SUBTOTAL	0	0	0	0	0	0	
122									
123		Facility Sponsorships and Contributions							Includes cost relieving in-kind donations (VIK) We have not included any "soft" dollars. Potential exists for some sponsorship revenue within City guidelines and policies. Fitness Partner may bring some sponsorships to the program/facility.
124									
125		Sponsorships		0	0	0	0	0	
126		Advertising		0	0	0	0	0	
127		Annual Fundraising Partnerships							
128									Opportunity for corporate health programs/program funding and other partnerships
129		Grant Support							Potential program for membership scholarships or financial aid to support financial aid to those that cannot afford the full cost of membership or programs. Nothing factored in but potential exists.
130									
131		SPONSORSHIP/CONTRIBUTIONS SUBTOTAL	0	0	0	0	0	0	
132									
133		Municipal, School District and Other Partnerships							To be developed.
134									
135		School District Annual Use							Potential Operating subsidy in exchange of resident rates, etc.
136		Neighboring Municipalities							Potential Operating subsidy in exchange of resident rates, etc.
137		Health Care Provider							
138									
139		Fitness Partner Lease Payments		75,000	75,000	75,000	75,000	75,000	Lease of Fitness spaces: Will be factored in with membership and program revenue sharing program to be determined. Considerably below market rate, but good to have some lease payment guaranteed as part of overall JUA.
140									
141		Other							Other potential program partners as facility evolves and grows.
142									
143									

APPENDIX C3a Facility Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			Rec and Community Center Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
144		SCHOOL DISTRICT & OTHER PARTNERSHIPS	0	75,000	75,000	75,000	75,000	75,000	No partnership or rental use included in this business model
145									
146		Miscellaneous Income							
147		Other							
148									
149		MISCELLANEOUS INCOME	0	0	0	0	0	0	
150									
151									
152		GRAND TOTAL-FACILITY REVENUE	0	1,336,903	1,561,440	1,634,173	1,709,872	1,790,042	

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility	Hybrid Management Model Membership Scenario #2						
5	NOTES:								
6	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership								
7	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
8	Initially assumes management by City with many programs outsourced.								
9									
10	May 10, 2021								
11	Program Revenue		Potential for Pre-Opening Revenue						
12	Partnership: Decreased Revenue		Issues to Review						
13	Partnership: Decreased Expenses		Potential for Increased Revenue						
14	Partnership: Increased Revenue		Potential for Loss of Revenue				Revenue from In-house programs		
15			ISG Projections						
16	Category		Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
17	Education and Community Programming								
18	Lifesaving/Water Safety/Instructor Courses and Certification.			1,500	2,500	2,575	2,678	2,785	Facility not ideal for lifeguard training but could be joint program with Community Ed using this facility and function room and high school pool for deep water certification. Adds another program for Rec Center.
19	First Aid/CPR/AED			1,500	2,500	2,575	2,678	2,785	Provide classes for outside groups also.
20	Community Classes			2,000	4,000	4,120	4,285	4,456	Examples: Computer, Art, Nutrition, Etc.
21	Sport/Rec Intro Classes			2,000	4,000	4,120	4,285	4,456	May also provide space as needed for Community Ed Classes
22	Miscellaneous			0		0	0	0	
23	Classes and other programs linked to Health care providers			0	0	0	0	0	Explore health care program partners within City management or hybrid models.
24									
25	COMMUNITY AND EDUCATIONAL PROGRAMMING SUBTOTAL		0	7,000	13,000	13,390	13,926	14,483	
26									
27	Aquatics Training, Fitness and Therapy Programs								
28	Aquatic Fitness Classes			15,000	25,000	26,000	27,040	28,122	Potential for coordination with Fitness Partner dry-side programs and community Ed to expand reach of aquatic fitness.
29									
30	Personal Training-Aquatics			5,000	7,500	7,800	8,112	8,436	Personal training and cross training are rapidly increasing in aquatics. This is upside potential.
31									

APPENDIX C3b--Program Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
32									
33									
		Senior Programs-independent of membership		0	0	0	0	0	Significant opportunities with senior living centers and supported by facility meeting space. May want to engage organizations at next step in the development process. Coordinate as part of expansion of existing City Senior Programs.
34									
35		Aquatic Therapy/Rehab							Outsources-showing in facility revenue as rental income
36									
37		AQUATIC FITNESS SUBTOTAL	0	20,000	32,500	33,800	35,152	36,558	
38									
		Dry-Side Fitness & Training Programs							Fitness Partner retains all class and training program revenue.
39									
40									
41		Dry-Land Fitness Classes		0	0	0	0	0	
42		Personal Training-Dry-side		0	0	0	0	0	Personal Training is trending higher today. Upside potential.
		Senior Programs-independent of membership							Significant opportunities with senior living centers and supported by facility meeting space. May want to engage organizations at next step in the development process. Nothing factored in at this point. Can also be outsourced as rental space for senior living centers or other community senior programs.
43									
44									
45									
46		DRY-SIDE FITNESS SUBTOTAL	0	0	0	0	0	0	
47									
		Learn to Swim Program							Includes all group lessons, kids and adults, private and semi-private lessons, swim lessons for triathletes, or private stroke lessons, etc.
48									
49									See Market Analysis and Projection worksheets-Hybrid Program Partnership.
									Projections are for Community Ed swim lesson partnership but could also develop swim lesson program with another outside partner.
50									
		Registration Fees-Swim Lesson Program		48,639	65,662	75,511	88,827	93,268	Program partnership assumptions: Increase total participants by 30%. Shift to 80% residences as residency includes both Lino Lakes and Centennial School District. City/Rec Center retains 25% of gross revenue.
51									
52		Group Lessons				0	0	0	
53		Private Lessons				0	0	0	Private Lessons are trending up

APPENDIX C3b--Program Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
54		Semi-Private Lessons				0	0	0	
55									
56									
		Other Revenue (Grants, Sponsorships)							Grant programs supporting community and disadvantaged learn to swim programs, scholarships and community programs.
57									
58									
		School or Community Ed Partnership Program							Potential for swim lesson partnership with school district-would require some outside grant funding and transportation. Nothing included at this point in time. Example: Swim lessons for all 2nd graders.
59									
60									
61		LEARN TO SWIM PROGRAM SUBTOTAL	0	48,639	65,662	75,511	88,827	93,268	
62									
63		Camp and Clinic Programs							
64									
		Kids summer day camps/all sport activities		45,000	75,000	78,000	81,120	84,365	
65									
66		Dive in Movies				0	0	0	
67		Sport Specific Camps				0	0	0	
68		Other Programs							
69									
70		CAMP/CLINIC PROGRAMS SUBTOTAL	0	45,000	75,000	78,000	81,120	84,365	
71									
72		Aquatic Team Programs							
73									
74		USA Swimming In House Club		0	0	0	0	0	No in-house team. Outside clubs renting time.
		Summer Rec Swim Team			0	0	0	0	XX kids @\$XXX/summer 6 week season in summer league. Explore Option-No revenue initially planned.
75									
		Masters							Masters projected as outside group renting pool space. May consider an in-house masters or adult organized lap swimming program at some point in time.
76									
77									
78									
79		AQUATIC TEAMS SUBTOTAL	0	0	0	0	0	0	
80									
81		Sport & Team Programs and Classes							Any in-house programs to be determined.
82									
		Youth Team Programs							Most likely to be outside programs, renting some space. No team programs factored in, but potential exists.
83									

APPENDIX C3b--Program Revenue Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
84		Adult Team Programs							
85		Pickle Ball		4,000	6,000	6,240	6,490	6,749	In-House Program: Small scale with current size of gym.
86		Introductory Sport Classes		2,000	3,000	3,120	3,245	3,375	May coordinate with Community Ed.
87		Other							
88									
89									
90		SPORT TEAM PROGRAM SUBTOTAL	0	6,000	9,000	9,360	9,734	10,124	
91									
106									
107		Program Specific Sponsorships and Contributions							No "Soft" revenue factored in at this point, but anticipate some revenue, especially in grant support for outreach and program user subsidies and scholarships. Anticipate that Fitness Program partner may have some sponsorship to bring to the Rec Center.
108		Sponsorships							In support of Specific Programs
109		Advertising							In support of Specific Programs
110		Annual Fundraising Partnerships							Annual Fundraising in support of specific programs. Opportunity for corporate health programs/program funding and other partnerships
111									
112		Grant Support							Scholarship Programs and other grant support for programs
113									
114		SPONSORSHIP/CONTRIBUTIONS SUBTOTAL	0	0	0	0	0	0	
115									
116		Miscellaneous Income							
117		Other							
118									
119		MISCELLANEOUS INCOME	0	0	0	0	0	0	
120									
121									
122		GRAND TOTAL-PROGRAM REVENUE	0	126,639	195,162	210,061	228,759	238,797	

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility	Hybrid Management Model				Membership Scenario #2		
5	NOTES:								
6	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership								
7	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
8	Initially assumes management by City with some programs possibly outsourced.								
9									
10	May 10, 2021								
11	Operational Expenses							Factored in potential future \$15/hour state minimum wage.	
12	Partnership: Decreased Revenue			Issues to Review				Annual Utility and Misc. Expenses increases at 3%	
13	Partnership: Decreased Expenses			Partnership: Increased Expenses		Potential for Increased Costs		Salary and Wages increase at 5% annually	
14	Partnership: Increased Revenue			Potential to Reduce Costs				Specific Pre-Opening One Time Costs	
15			ISG Projections						
16	Category		Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
17	Utilities								
	25 yard lap pool (75' x 36') 2,700 Square Feet								Based on 104,000 Gallons-3'5" deep to 5" deep. 6 hour turnover rate. Flow Rate = 288 GPM. These estimates are for the existing sand filters and equipment as is.
18									
19		Electric		6,000	6,180	6,365	6,556	6,753	Just pool water circulation
20		Water/Sewer		3,500	3,605	3,713	3,825	3,939	Does not include initial pool fill.
21		Gas (Heat/Cool)		6,000	6,180	6,365	6,556	6,753	Just Pool
22		Chemicals			0	0	0	0	In Equipment and Supplies
		UV Light			0	0	0	0	Annual Maintenance and Bulb Replacement in Pool
23									Maintenance
24	Program/Leisure Pool (60' x 36') 2,160 Square Feet								Based on 29,000 Gallons-Zero depth to 4' deep. 6 hour turnover rate. Flow Rate = 241. These estimates are for the existing Sand Filters.
25									
26		Electric		5,000	5,150	5,305	5,464	5,628	Just the pool water circulation
27		Water/Sewer		3,000	3,090	3,183	3,278	3,377	Does not include initial pool fill.
28		Gas (Heat/Cool)		4,000	4,120	4,244	4,371	4,502	Just the pool
29		Chemicals			0	0	0	0	In Equipment and Supplies
		UV Light			0	0	0	0	Annual Maintenance and Bulb Replacement in Pool
30									Maintenance.
51	Pool Room Space								Pool Room Space: 8,859 sq ft. @ \$3.25/sq ft =\$28,792
52		Electric		16,000	16,480	16,974	17,484	18,008	All Pool Room Space included.
53		Water/Sewer		792	816	840	865	891	
54		Gas (Heat/Cool)		14,000	14,420	14,853	15,298	15,757	

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
55									
56									
57		Common and Support Spaces							11,661 sf @\$3.00/sf = \$34,983
58		Electric		20,000	20,600	21,218	21,855	22,510	Includes Locker rooms, Lobby, Offices, etc.
59		Water/Sewer		3,983	4,102	4,226	4,352	4,483	
60		Gas (Heat/Cool)		15,500	15,965	16,444	16,937	17,445	
61									
62									
63		Gym Space							4,566 sf @\$2.50/sf = \$11,415
64		Electric		5,500	5,665	5,835	6,010	6,190	
65		Water/Sewer		415	427	440	453	467	
66		Gas (Heat/Cool)		5,500	5,665	5,835	6,010	6,190	
67									
68									
69		Fitness Center Spaces							Includes all fitness workout and supporting spaces. 7,658 sf @ \$3.00/square foot. = \$22,974
70		Electric		15,000	15,450	15,914	16,391	16,883	
71		Water/Sewer		474	488	503	518	533	
72		Gas (Heat/Cool)		11,250	11,588	11,935	12,293	12,662	
73					0	0	0	0	
74					0	0	0	0	
87		Building Mechanicals and Operations							1,887 sq ft-average cost approx. \$2.50 = \$4,717
88		Electric		2,000	2,060	2,122	2,185	2,251	
89		Water/Sewer		717	739	761	783	807	
90		Gas (Heat/Cool)		2,000	2,060	2,122	2,185	2,251	
91					0	0	0	0	
92					0	0	0	0	
99		UTILITIES SUBTOTAL	9,000	140,631	144,850	149,195	153,671	158,281	Approximately \$3.35/sf. Current Y is \$3.30/sf. Year Zero is total of estimated monthly costs while closed: roughly \$3,139/month assuming 4 months prior to full opening with expenses for 3 months of use as COVID Vaccination center factored out. This cost may increase as other costs are factored in. Expenses through June 30, 2021 are covered by State of Minnesota for use as COVID Vaccine site. Lower energy use in warmer months when closed.
100		Maintenance							Some of these services can be outside contracted services
101									
102									
103		Pool Maintenance				0	0	0	Anticipate Maintenance costs increasing as equipment ages

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
104		S&E Pool Mechanical		4,000	4,120	4,244	4,371	4,502	
105		UV System Maintenance and Bulb Replacement				0	0	0	
106		25 yard Lap Pool		5,000	5,150	5,305	5,464	5,628	
108		Program Pool		3,000	3,090	3,183	3,278	3,377	
111		Building Repairs & Maintenance		10,000	10,300	10,609	10,927	11,255	
112		Building Grounds, Maint, Plowing		20,000	20,600	21,218	21,855	22,510	Provided by City Maintenance team, but additional costs factored into Rec Center Budget
113		Replacement and Maintenance Accrual Fund							Showing in gross expenses below.
114		Equipment Repairs		1,000	1,030	1,061	1,093	1,126	Includes fitness equipment repair. Decrease based on Fitness Partner maintaining fitness equipment
115		Pre-Opening: Pool	6,000						
116		Pre-Opening: Cleaning	6,000						First Floor cleaned by State as part of Vaccination Center rental.
117		Pre-Opening: Maintenance	3,000						Contingency
118		Pool Refill-Water and chemicals	4,000					7,000	Both Pools-On a 5-year drain and fill cycle
119									
120		MAINTENANCE SUBTOTAL	19,000	43,000	44,290	45,619	46,987	55,397	
121		Equipment & Supplies							Includes start up supplies and any equipment not included in Capital Costs and FF&E (Furniture, Fixtures, & Equipment). Specific program equipment showing in Program Expenses.
122									
123		Office Supplies		3,000	3,090	3,183	3,278	3,377	
124		First Aid/Safety		2,000	2,060	2,122	2,185	2,251	
125		Maintenance/Repair/Materials		3,000	3,090	3,183	3,278	3,377	
126		Custodial Supplies		30,000	30,900	31,827	32,782	33,765	YMCA was on the high side on this. Anticipate some savings with overall City purchase contracts.
127		Pool Chemicals			0	0	0	0	
128		Lap Pool		5,000	5,150	5,305	5,464	5,628	
129		Program/Leisure Pool		2,000	2,060	2,122	2,185	2,251	
133		Pre-Opening Re-branded Building Signage	16,000						
134		Pre-Opening Pool Equipment	26,149						
135		Pool Equipment		2,000	2,060	2,122	2,185	2,251	Includes equipment needed for opening and then annual replacements
136		Pre-Opening Sport Equipment	7,940						Includes equipment needed for opening and then annual replacements. Includes Gym Equipment
137		Sport Equipment		2,000	2,060	2,122	2,185	2,251	Includes equipment needed for opening and then annual replacements. Includes Gym Equipment

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
138		Pre-Opening Fitness Equipment Purchases	15,000						\$15,000 in equipment already purchased. Already purchased from Y by City. Fitness Partner brings all their own equipment reducing cost to City.
139		Fitness Equipment Purchases		0	3,000	3,090	3,183	3,278	
140		Fitness Equipment Leasing	0	0	0	0	0	0	Fitness Partner assumes all expenses for equipment.
141		Move and Set up Fitness Equipment, Flooring, etc.	15,000						Moving and set up of Fitness Partner Equipment-shared costs.
142		Recreational Supplies		2,000	2,060	2,122	2,185	2,251	
143		Uniforms		3,000	3,090	3,183	3,278	3,377	May be offset by equipment/apparel sponsorships
144		Printing & Postage		1,000	1,030	1,061	1,093	1,126	
145		Pre-Opening General Supplies and Equipment	48,000						Includes Start Up for Camp Equipment, Child Watch/Kids Stuff Equipment
146		General Supplies and Equipment	0	5,000	5,150	5,305	5,464	5,628	
147		Pre-Opening Building General Supplies, Equipment and FF&E Contingency	65,425						Includes Start Up for Custodial Equipment, Copier, Printers, Camp Equipment, Child Watch/Kids Stuff Equipment
148		Building General Supplies, Equipment and FF&E Contingency		5,000	5,150	5,305	5,464	5,628	
149									
150		Pre-Opening Management Program Equipment	17,000						Includes Card Access/Membership System Management Equipment and Software
151		Management Program Equipment		2,000	2,060	2,122	2,185	2,251	Updates, maintenance, and upgrades to systems
152									
153									
154		EQUIPMENT & SUPPLIES SUBTOTAL	210,514	67,000	72,010	74,170	76,395	78,687	
155									
156		Staff Costs: Salaries & Wages							Year Zero includes staffing needed prior to opening of facility and not included in project capital costs and training of part-time staff. Using 5% annual escalation to account for COLA and step increases.
157									
158		Full-Time Staff							Need to review proper job title hierarchy with the City structure. City HR Director reviewing positions, grades, and titles.
159		Facility Director	37,500	90,000	94,500	99,225	104,186	109,396	1.0 FTE Start position 5 months prior to opening. Review based on market rate and City grade levels.
160		Program Manager	16,250	65,000	68,250	71,663	75,246	79,008	1/0 FTE Start position 3 months prior to opening.
161		Aquatic Supervisor	0	0	0	0	0	0	This position can be combined with Program Manager position since Community Ed would provide management of the Swim Lesson program.
162		Membership/Customer Service Manager	13,750	55,000	57,750	60,638	63,669	66,853	1.0 FTE Start 3 months prior to opening.

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
163		Front Desk Coordinator	3,333	40,000	42,000	44,100	46,305	48,620	1.0 FTE Start 1 months prior to opening. May just be part-time. Fitness Partner will provide front desk part-time staff but City will have the overall front desk supervisory responsibilities.
164		Fitness Supervisor	0	0	0	0	0	0	Fitness Partner provides this position.
165		Maintenance/Operations Manager	19,250	77,000	80,850	84,893	89,137	93,594	1.0 FTE Start 3 months prior to opening. CPO trained and certified.
166		Administrative, Accounting, HR	9,500	55,000	57,750	60,638	63,669	66,853	1.0 FTE Start 3-4 months prior to opening. -Reviewing with City HR and operations to determine need or add on costs for existing City Staff. Is this covered in the City Admin share costs? May be able to reduce this position since Fitness Partner and Community Ed will manage all of their instructors and staff.
167		Custodial & Bldg. Maint. Staff	9,375	112,500	118,125	124,031	130,233	136,744	2.5 FTE Start 1 Months prior to opening following deep cleaning. Should this be in part-time? What should the base annual salary/rate be for these positions? We used \$45,000 in this model.
168									
169									
170									
171		FULL-TIME STAFF SUBTOTAL	108,958	494,500	519,225	545,186	572,446	601,068	
172									
173		Part-Time Staff							Currently using 4% as annual escalation. All Part-Time positions are <30 hours/week. Assuming \$15 minimum hourly wage in near future.
174									
175		Front Desk/Access Control	3,000	46,800	49,140	51,597	54,177	56,886	1.5 FTE, 60 hrs./week @ \$15.00/hr. - \$46,800
176		Fitness Attendants	0	0	0	0	0	0	Fitness Partner covers these positions.
177		Gym Monitors	2,000	31,200	32,760	34,398	36,118	37,924	1 FTE, 40 hrs./week @ \$15.00/ hr.- \$31,200
178		Head Lifeguard	2,000	18,720	19,656	20,639	21,671	22,754	.5 FTE, 20 hrs./week @ \$18.00/hr. - \$18,720. Should be CPO certified.
179		Lifeguards	2,000	93,600	98,280	103,194	108,354	113,771	3 FTE, 120 hrs./week @ \$15.00/hr.- \$93,600
180		Custodial Part-Time	2,500	95,680	100,464	105,487	110,762	116,300	2 FTE for part-time custodial @\$23/hour. Is this an hourly wage in line with current City custodial part-time staff?
181		Child watch	2,000	62,400	65,520	68,796	72,236	75,848	2 FTE, 80 hrs./week @ \$15.00/hr.- \$62,400. Revenue does not come close to supporting costs of program, but it is an important membership benefit/service. Year Zero is training.
182		Program Instructors and Staff							In program Expenses
183									
184		Camp Staff							In program Expenses

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
185		Other							In Full Time Staff All extraordinary event staff costs are paid separately by event renter/host or included in event expenses as a pass through.
186									
187		Clerical/Administrative Support							
188		Event Staff costs							
189									
190									
191		PART-TIME STAFF SUBTOTAL	13,500	348,400	365,820	384,111	403,317	423,482	
192		Staff Benefits and Payroll Taxes							Confirm benefit & payroll tax calculations. HR reviewing.
193									
194									
195		Full Time							
196		Benefits & Payroll Taxes	43,583	197,800	207,690	218,075	228,978	240,427	
198									Roughly average 40%-will need to calculate exactly.
199		Part Time							
201		Benefits & Payroll Taxes	2,700	69,680	73,164	76,822	80,663	84,696	
202									Calculated at 20% to cover FICA, PERA, Workers Comp, etc.
203		BENEFITS & PAYROLL TAXES SUBTOTAL	46,283	267,480	280,854	294,897	309,642	325,124	
204									
205									
206		STAFF SALARIES, WAGES & BENEFITS GRAND TOTAL	168,741	1,110,380	1,165,899	1,224,194	1,285,404	1,349,674	
207		Staff Costs: Other							NOTE: Outside services linked to funding, fundraising, design, etc. included in capital costs, not operating budget.
208									
209									
210		Staff Development and Training	1,000	1,250	1,281	1,313	1,346	1,380	
211		Conferences		1,000	1,025	1,051	1,077	1,104	
212		Staff Certifications & Licenses	500	1,000	1,025	1,051	1,077	1,104	Can be managed by management staff. Program partners fund staff training. Reducing costs by 50%.
213		Staff Travel		1,000	1,025	1,051	1,077	1,104	
214		Dues/Subscriptions	500	500	513	525	538	552	
215									
216									
217		STAFF COSTS-OTHER	2,000	4,750	4,869	4,990	5,115	5,243	
218									
219		Outside (contract) Services							

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
220		Accounting Services							Included in Full Time Staff
221		PR/Media							Initially combined with Marketing.
222		Marketing	6,000	4,000	3,000	3,000			Includes consultant fees. Can reduce after Year One and phase out. Marketing costs reduced based on existing marketing and new marketing provided by program partners.
223		Building Rebranding Development	4,000						Consulting on branding of Rec/Community Center. Can be combined with marketing and PR services also.
224		IT/Computer Support							Included in City Admin allocated expenses.
225		Human Resources							Anticipate handling in-house. Partners to handle HR for their staff and instructors.
226		Testing Services							TBD
227		Custodial Outsourcing							Currently showing in staff costs
228		Maintenance Outsourcing							Currently showing in staff costs
229		Landscape Maintenance							In Maintenance
230		Operations/Mgmt. Consultant							N/A
231		Other							
232		Trash Service	1,000	6,000	6,150	6,335	6,525	6,720	
233		Membership Upgrade Incentive to Fitness Partner		54,831	64,506	67,732	71,118	74,674	Based on incentive for conversion of Fitness Members to Overall Members and increased memberships driven to Rec Center. Would develop specific metrics as part of JUA. This line item is an initial estimate. Estimated at 5% of Overall Facility membership revenue.
234		Contract Services				0	0	0	TBD
235									
236									
237									
238									
239									
240		OUTSIDE SERVICES SUBTOTAL	11,000	64,831	73,656	77,066	77,643	81,395	
241									
242		General Office Costs							
243		Phone/Media Service	0	3,000	3,100	3,200	3,300	3,400	
244		Technology/IT Support		3,000	3,100	3,200	3,300	3,400	
245		Scholarship and Membership Financial Aid		15,000	20,000	20,000	20,000	20,000	Allocation to support financial aid for residents not able to afford full cost of facility use and programs. Likely part of this expense can be offset by grant funding. At this point no grant support or other charitable support of financial aid is factored in to budget. Partners to also include some scholarship program in programs they run as part of their commitment.
246		Postage	1,500	1,500	1,500	1,500	1,500	1,500	General marketing mailing

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
247		Marketing and Promo Materials	6,000	5,000	4,000	4,000	4,000	4,000	Marketing support for overall facility. Includes brochure, post cards, and other collateral materials. Additional marketing funds are also included in specific programs under program expenses. Important to incorporate into advance marketing. Some program specific marketing is listed in Program Expenses line items for the specific program. Some reduction in this line item based on marketing materials provided by Program Partners.
248		Advertising	2,000	2,000	2,000	2,000	2,000	2,000	Slight reduction in expenses more than made up by Program Partner advertising.
249		Fees-Registration/CC/On-Line		47,260	55,401	58,171	61,037	64,076	Calculated at 4% of 100% of membership revenue using on-line registration and credit card processing. Program Registration & CC Fees show in Program Expenses. This is Maximum projected expenses and some savings are likely. May be some decrease depending integration of membership registration systems.
250		Bank Charges							Are there any other bank charges
251		Legal Fees		5,000	5,000	5,000	5,000	5,000	Budgeted retainer.
252									
253		GENERAL OFFICE SUBTOTAL	9,500	81,760	94,101	97,071	100,137	103,376	
254									
255		Insurance							
256									
257		Insurance:	5,000	10,000	10,300	10,609	10,927	11,255	City working on getting insurance quote.
258		Insurance: Property							Do you want the insurance broken down by category?
259		Insurance: Liability							
260		Insurance: Other							
261									
262		INSURANCE SUBTOTAL	5,000	10,000	10,300	10,609	10,927	11,255	
263									
264		Miscellaneous							
265									
266		Other Expenses							
267		Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000	Contingency decreases as history provides better budgeting info.
268									
269		MISCELLANEOUS SUBTOTAL	2,500	10,000	7,500	5,000	5,000	5,000	
270									
271		TOTAL-OPERATING EXPENSES	437,255	1,532,351	1,617,475	1,687,915	1,761,280	1,848,308	
272									

APPENDIX C3c Operational Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
15			ISG Projections						
16		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
273		GROSS OPERATING EXPENSES-Additional							Support long term capital replacement, maintenance, and growth. Target is \$440,000 by Year 10 and \$1,000,000 by Year 20. How do you want to show or account for this.
274									
275		Facility Reserve							
276		Initial Funding of Reserve							
		Annual Reserve Replacement Funding	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400	
277									Capital Replacement and Maintenance Reserve Fund. See cumulative calculations in P & L Statement. After Year 3 reserve increases by 3% annually.
278									
279									
280		City Charge Backs (Administrative Overhead)							
		City Support/Admin Charge Backs		150,000	157,500	165,375	173,644	182,326	
281									The share of City Overhead charged to Rec Center. Increasing 5%/year per City. Potential reduce administration allocation based on fewer employees a reduced management load.
282									
283		Additional Gross Operating Expenses	0	150,000	217,500	235,375	253,644	264,726	
284									
285		TOTAL GROSS EXPENSES	437,255	1,682,351	1,834,975	1,923,290	2,014,924	2,113,034	

APPENDIX C3d Program Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
1	Lino Lakes Recreation and Community Center								
2	Financial Forecast Pre-Opening Year Through Year 5								
3									
4	OPTION	Existing Facility	Hybrid Management Model				Membership Scenario #2		
5	NOTES:								
6	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership								
7	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility								
8	Initially assumes management by City with many programs outsourced.								
9									
10	May 10, 2021								
11	Program Expenses								
12	Program related expenses not included in annual operating pool staff and expenses								
13	Partnership: Decreased Revenue				Issues to Review				
14	Partnership: Decresed Expenses				Potential for Increased Costs				Program Expenses increase by 3% after Year 2.
15	Partnership: Increaed Revenue				Potential to Reduce Costs				
16			ISG Projections						
17	Category		Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
18	Education and Community Programming								
19	Program Director			0	0	0	0	0	Program management and supervision in full-time staff in Operational Expenses.
	Instructors			2,100	3,900	4,017	4,178	4,345	Hourly-Instructor fees increase at rate equal to increase in program gross revenue-Instructor wages average 30% of gross program fees.
20	Payroll Expenses/benefits/taxes		0	420	780	803	836	869	Assume part-time instructors. Calculated at 20% of wages to cover PERA, FICA, Workman's comp, etc.
21	Travel, Staff Development								Staff development and Training in Operational Expenses.
22	Marketing and Promo Materials								
23	Other Program Expenses			500	500	500	500	500	
24	Postage								
25	Fees-Registration/CC/On-Line			280	520	536	557	579	Showing in Operational Expenses-Bank Charges
26									

APPENDIX C3d Program Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			ISG Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
27									
28		COMMUNITY EDUCATIONAL SUBTOTAL	0	3,300	5,700	5,856	6,070	6,293	
29									
30		Aquatic Training, Fitness and Therapy Programs							Will coordinate some aquatic fitness with Fitness Partner and Aquatic Partner. Savings TBD
31		Fitness Program Director			0	0	0	0	Program management and supervision in full-time staff in Operational Expenses.
32		Instructors-Classes		6,000	9,750	10,140	10,546	10,967	Hourly Wages calculated as 30% of class fee revenue
34		Payroll Expenses/benefits/taxes		1,200	1,950	2,028	2,109	2,193	Assume part-time instructors
35		Travel, Staff Development							Staff development and Training
36		Marketing and Promo Materials							
37		Other Program Expenses		1,000	1,000	1,000	1,000	1,000	
38		Postage							
39		Fees-Registration/CC/On-Line		800	1,300	1,352	1,406	1,462	Showing in Operational Expenses-Bank Charges
40									
41		AQUATIC FITNESS SUBTOTAL	0	9,000	14,000	14,520	15,061	15,623	
42									
43		Dry-Side Fitness							Fitness Costs and Staff covered by Fitness Partner.
44		Fitness Program Director							Program management and supervision in full-time staff in Operational Expenses.
45		Instructors		0	0	0	0	0	Hourly Wages calculated as 35% of class fee revenue
46		Personal Training Instructors		0	0	0	0	0	Hourly Wages calculated as 35% of class fee revenue. Personal Training is growing.
47		Payroll Expenses/benefits/taxes	0	0	0	0	0	0	Assume part-time instructors: Both City employees and independent contractors.
48		Travel, Staff Development							Staff development and Training
49		Marketing and Promo Materials							
50		Other Program Expenses		1,000	1,000	1,000	1,000	1,000	Miscellaneous Expense

APPENDIX C3d Program Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			ISG Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
51		Postage							
52		Fees-Registration/CC/On-Line		0	0	0	0	0	
53									
54		DRY-SIDE FITNESS SUBTOTAL	0	1,000	1,000	1,000	1,000	1,000	
55									
56		Learn to Swim Program Costs							Aquatic Partner to cover all Learn to Swim Program Expenses and Staff.
57		Learn to Swim Program Director		0	0	0	0	0	Hourly, \$18/hr.-Year 0 is training. Instructors = approximately 28% of gross lesson revenue.
58		Learn to Swim Instructors							
59		Payroll Expenses/benefits/taxes	0	0	0	0	0	0	
60		Travel, Staff Development							Assume part-time instructors
61		Marketing and Promo Materials		1,000	1,000	1,000	1,000	1,000	Staff development and Training
62		Other Program Expenses		0	0	0	0	0	Still include some Rec Center marketing and promo materials.
63		Postage							
64		Fees-Registration/CC/On-Line							Anticipate registration through Aquatic Partner.
65		Scholarships		3,750	3,750	3,750	3,750	3,750	Split between City and Aquatic Partner. This line item reflects 50% of total budget.
66									
67		LEARN TO SWIM PROGRAM SUBTOTAL	0	4,750	4,750	4,750	4,750	4,750	
68									
69		Camp and Clinic Programs							
70		Camp Director		0	0	0	0	0	Program management and supervision in full-time staff in Operational Expenses.
71		All Camp Staff		14,400	24,000	24,960	25,958	26,997	Wages calculated at 32% of gross revenue
72									
73		Payroll Expenses/benefits/taxes	0	2,880	4,800	4,992	5,192	5,399	May include some advertising and direct mail campaign
74		Marketing and Promo Materials							
75		Other Program Expenses							

APPENDIX C3d Program Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			ISG Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
76		Postage							
77		Fees-Registration/CC/On-Line		1,800	3,000	3,120	3,245	3,375	Showing in Operational Expenses-Bank Charges
78		Other Camp Expenses		2,000	2,300	2,484	2,608	2,739	Outfitting/Specific Equipment/Audio visual, etc.
79									
80									
81		CAMP and CLINIC SUBTOTAL	0	21,080	34,100	35,556	37,003	38,509	
82									
83		Aquatic Team Programs							
84		US Masters Swimming Team							Exploring as in-house or outsourced rental program.
85									
86									
87		Coach Travel and Entertainment							
88		Other Swim Team Expenses							
89		Fees-Registration/CC/On-Line							
90		Marketing and Promo Materials							
91		Payroll Expenses/benefits/taxes							
92		Masters Team Subtotal	0	0	0	0	0	0	
93									
94		Summer Recreation Swim Team							Potential for summer rec team as program grows-nothing factored in at this point.
95		Coaches Payroll		0	0	0	0	0	Part time coaches-wage based on XX% of total team revenue.
96		Coach Travel and Entertainment							
97		Other Swim Team Expenses			0	0	0	0	
98		Fees-Registration/CC/On-Line							Showing in Operational Expenses-Bank Charges
99		Marketing and Promo Materials							
100		Payroll Expenses/benefits/taxes	0	0	0	0	0	0	No benefits
101		Summer Rec Team Subtotal	0	0	0	0	0	0	
102									
103		AQUATIC TEAMS SUBTOTAL	0	0	0	0	0	0	

APPENDIX C3d Program Expenses Hybrid Management Model

	A	B	G	H	I	J	K	L	M
16			ISG Projections						
17		Category	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
156		Scholarship and Student Support Expenses related to all programs							All Programs except learn to swim which has its own financial aid budget.
168									
169									
170				5,000	5,000	5,000	5,000	5,000	
171									
172									
173		SCHOLARSHIP & SUPPORT SUBTOTAL	0	5,000	5,000	5,000	5,000	5,000	
174		Miscellaneous Expense Contingency							Expense Contingency. ISG like to include a miscellaneous contingency. Contingency decreases each year as history better guides budgeting. Partnerships reduce expense contingency. Reduced by 50%.
175									
176									
177				3,750	3,000	2,500	2,500	2,500	
178									
179									
180		MISCELLANEOUS SUBTOTAL	0	3,750	3,000	2,500	2,500	2,500	
181									
182		TOTAL-PROGRAM EXPENSES	0	47,880	67,550	69,182	71,384	73,676	
183									
184		Program Staff Wages & Benefits Subtotal	0	27,000	45,180	46,940	48,818	50,771	

	A	B	G	H	I	J	K	M
1	Lino Lakes Recreation and Community Center							
2	Financial Forecast Pre-Opening Year Through Year 5							
3								
4	OPTION	Existing Facility	Hybrid Management Model	Membership Scenario #2				
5	NOTES:							
6	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership							
7	*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility							
8	Initially assumes management by City with many programs outsourced.							
9								
10	May 10, 2021							
11	Net Program Revenue							
12	Partnership: Decreased Revenue		Issues to Review					
13	Partnership: Decreased Expenses		Potential for Increased Revenue					
14	Partnership: Increased Revenue		Potential for Loss of Revenue					
15			ISG Projections					
16	Category		Year 1	Year 2	Year 3	Year 4	Year 5	Comments
17	PROGRAM EXPENSES		47,880	67,550	69,182	71,384	73,676	
18								
19	PROGRAM INCOME		126,639	195,162	210,061	228,759	238,797	
20								
21	NET PROGRAM REVENUE (DEFICIT)		78,759	127,612	140,879	157,374	165,121	
22								
23	PROGRAM BREAKDOWN							
24	Community Education Programming							
25	Expenses		3,300	5,700	5,856	6,070	6,293	
26	Revenue		7,000	13,000	13,390	13,926	14,483	
27	Net Revenue (Deficit)		3,700	7,300	7,534	7,855	8,190	
28	Profit Margin		53%	56%	56%	56%	57%	
29	Aquatic Fitness and Training Programs							
30	Expenses		9,000	14,000	14,520	15,061	15,623	
31	Revenue		20,000	32,500	33,800	35,152	36,558	
32	Net Revenue (Deficit)		11,000	18,500	19,280	20,091	20,935	
33	Profit Margin		55%	57%	57%	57%	57%	

APPENDIX C3e--Program Net Revenue Hybrid Management Model

	A	B	G	H	I	J	K	M
15			ISG Projections					
16		Category	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
34		Dry-Side Fitness and Therapy Programs						Managed by Outside Fitness Partner
35		Expenses	1,000	1,000	1,000	1,000	1,000	
36		Revenue	0	0	0	0	0	
37		Net Revenue (Deficit)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	
38		Profit Margin	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
39		Learn to Swim Programs						
40		Expenses	4,750	4,750	4,750	4,750	4,750	Includes funding of scholarships
41		Revenue	48,639	65,662	75,511	88,827	93,268	Includes grant for scholarships
42		Net Revenue (Deficit)	43,889	60,912	70,761	84,077	88,518	
43		Profit Margin	90%	93%	94%	95%	95%	
44		Camp and Clinic Programs						
45		Expenses	21,080	34,100	35,556	37,003	38,509	
46		Revenue	45,000	75,000	78,000	81,120	84,365	
47		Net Revenue (Deficit)	23,920	40,900	42,444	44,117	45,856	
48		Profit Margin	53%	55%	54%	54%	54%	
49		Summer Rec Swim Team						
50		Expenses	0	0	0	0	0	
51		Revenue	0	0	0	0	0	
52		Net Revenue (Deficit)	0	0	0	0	0	
53		Profit Margin	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
74								
75								
76								
77								
78								

APPENDIX D

POOLS OPERATIONAL and MECHANICAL SYSTEMS

This ISG Study Report for Lino Lakes includes some operational and mechanical considerations below for the City. Below you will see the operational systems that should be considered at some point in this entire process.

The state of the art equipment and systems considerations are based on the following criteria:

- Energy efficiency
- Low annual operation costs
 - Savings on electric, natural gas, chemicals, and water
 - Less staff operational time
- Low long term maintenance
- Short payback period for premium equipment costs
- Extended lifespan
- Minimal water usage
- Minimize environmental impact
- Minimal impact on programming and pool down time due to regular maintenance

This technology includes:

- **Regenerative Media Filters:**
 - Reducing water consumption and waste water by through significantly reduced need to backwash filters and add for replacement water.
 - Approximately a 80% to 90% savings in water use related to traditional backwashing with high rate sand filters
 - Reducing electrical, natural gas, and chemical use through 80% to 90% less replacement water to heat and treat.
 - Filters down to particles one micron in size compared to 15 to 30 microns in traditional high rate sand filters in the existing pool facilities
 - Reduces space needed in pool pump room for filter systems by approximately 30%
 - Reduces time needed by staff to operate and maintain
 - The cost of replacement of the existing Sand Filters is estimated at \$85,000 to \$95,000
 - The estimated operational cost savings of the Regenerative Media Filers for both pools together is:
 - Electric: \$7,000/year
 - Water: \$5,000/year
 - Gas: \$2000/year
 - Chemicals \$1,000/year
- **UV water purification system**
 - The existing YMCA Aquatic Facility is equipped with the UV water purification system

- **Variable Frequency Drives (VFDs)**
 - Controls the pump output power and electrical draw based on filter and circulation needs and demand
 - Reduces pump electrical use by 20% to 25%
 - NOTE: Some Utility companies are providing grants or incentive credits for installing VFDs.
- **State of the art chemical and pool controllers** (linked via web access for off-site monitoring and smart control)
 - Provides more consistent and accurate control of pool systems, chemical levels, water levels, and temperatures
 - Provides direct alerts to pool operators and management of any problems in order to identify and address problems in a more timely fashion
 - The existing Lino Lakes Pool Facilities does have currently good Pool Controllers, although the Pool Controller technology does improve each year
- **High efficiency pool heaters**
- **HVAC Technology**
- **LED lighting**
 - Including zone and intensity controls to manage light levels based on time of day, usage, and specific event needs
 - NOTE: Grants sometimes are available for converting buildings to LED lights.

At this time in the ISG facility analysis, ISG is not recommending any changes to the Aquatic Facility operating equipment since the existing equipment is in good shape and has been well cared for. ISG is only recommending that the City understand the various options that would exist for the Aquatic Facility in the future as the existing equipment grows older, out of date or falters in any way. The cost savings for new upgraded modern technology is significant, however, at this time in the process the pay back period would be too long to make it reasonable. When the systems reach the end of their life cycle, then the pay back would make it reasonable to consider the new technology options available.

Examples of State of the Art Pool Mechanical Systems



***Regenerative Media Filters
(Neptune Benson Defenders)***



UV Purification System



Variable Frequency Drives



Web-based Chemical/Pool Controller



YMCA/Recreation Center Analysis

Report Summary

June 7, 2021



The Study Team

- **Project Leader: Duane Proell** ISG
 - Programming, Management and Operations
 - Evaluation of Existing YMCA Facility
 - Opening and Operating Cost Analysis
- **Stu Isaac, President, ISG**
 - Program Business Model
 - Market Research
 - Business Development and Revenue Models



Study Process and Methodology

- Regular Meetings with City Staff
- Individual interviews with City Council
- Walk through inspection of current YMCA facility
- Review and analysis of YMCA program, operating budget, membership data and equipment and furnishings
- Review and market analysis of programs, facilities, membership and program fees at comparable public and private facilities in the area
- Interviews with key stakeholders, potential partners, program providers, Centennial School District, YMCA “Reimagining” committee, outside user groups
- Exploration and interviews with service, equipment, and program providers
- Staffing, Budgeting, and Management Reviews with City Management

Goals & Opportunities for the Rec Center

- How can the Rec Center develop expanded community programming that integrate and enhance existing City and local organization community programming?
- How can a Lino Lakes Rec Center better serve the residents of Lino Lakes?
- How can the Rec Center differentiate itself from the old Y and other YMCAs and facilities in the area?
- What can the Rec Center do or provide what the YMCA could not?
- How can the Rec Center create unique or “signature” programs and enhancements not readily available in the market?
- Support future economic development in Lino Lakes: Enhancing lifestyle benefits and encouraging local business and residential growth

Vision

Lino Lakes Recreation & Community Center

- ***Provide community classes, activities, and services to augment the recreation, sport, and leisure activities of the Rec Center***
- A facility that is relevant to all Lino Lakes constituencies: ***A Community Hub***
- A community friendly membership model
- Enhanced community classes and programs, linked to existing City programs and creating new and enhanced programs
 - Immediate opportunities
 - Future potential for expanded opportunities
- Senior Programming
 - Wide range of fitness programs, intensity levels, and classes
 - Part-time employment and volunteerism
 - Partnerships or joint programs with neighboring senior living centers
 - Intergenerational opportunities
- Re-visit potential community partners
 - School Districts and Community Education
 - Area Health Care providers: Wellness, Fitness, Aquatic Therapy/Rehab, etc.
 - Other?

Programming

Rec & Community Center Programming

Immediate Program Initiatives

- Introduction in new and enhanced programming in Fitness and Aquatics
- Expanded senior and older adult programs
 - Coordinate with existing City programs
- Optimize schedule options and flexibility: Concurrent Programming
- Expand Special Needs and Adaptive PE/Recreation programs
- Increase cooperative or partnership programming resources
- Programming opportunities in current spaces

Long Term Growth and Expansion

- Sports Center: Court Facility
- “Outdoor” Activity Center
- Expanded Community meeting, function and program space

Older Active Adults & Seniors



Fitness



Aquatics



Therapy, Rehab, and Special Needs Programming



Learn to Swim

Water Safety



Rec Center Schedule Model

Program and Use Color Codes

Aquatic Programs							Fitness & Use Programs							General Programming/Use											
Masters Swimming/Triathlon							Aquatic Therapy/Rehab							Community Ed.				Summer Camp		Open Gym					
Swimming Club Team							Lap Lanes							Personal Training				Pickleball		Child Watch-Kids Program					
Pre-Team Program-Swim							Rec Programs/Classes							Rec Classes & Programs				Senior Program		Meeting Space					
Open Swim Time: Community							Aquatic Special Needs Programs							Exercise/Fitness Classes				Home School PE		Rental/Open Space					
Open Recreation Leisure-Swim							Aquatic Fitness							School District Program						Court Rental					
Swim Lessons							Aquatic Rec Programs/Classes							After School Programs						Open Exercise Time					
Pool Rentals							Rec Swim Team/Summer													Court Sport Outside Users					
	Lap Pool 25 yards Depth: 3'6" to 5'							Leisure/Wellness Pool Warm-Water Depth: 0 to 4'6"							Cardio Fitness Room		Exercise Spaces		Gym		Community Meeting Function Space		Child Watch		
																		Half Gyms		Sub-Dividable					
		1	2	3	4	5	6			1	2	3	4					1	2	1	2				
5:00							5:00							Cardio Fitness				Open							
5:30	Masters/ Lap						5:30							Open Time	Classes			Gym			Meeting Spaces				
6:00	Triathlon Lanes						6:00	Aquatic Fitness						and Personal Training						Flexible Scheduling			Open		
6:30							6:30														Classes & More				
7:00							7:00														Seniors				
7:30							7:30																		
8:00	Aquatic						8:00																		
8:30	Fitness						8:30																		
9:00	Home School						9:00	Swim Lessons								Senior Program		Pickleball							
9:30	Program						9:30											Home School							
10:00							10:00											Open Gym							
10:30							10:30																		
11:00	Swim						11:00	Parents and Tots																	
11:30	Lessons						11:30	Water Lessons																	
12:00							12:00	Aquatic																	
12:30							12:30	Fitness																	
1:00	Senior						1:00									Seniors					Meeting Spaces				
1:30	Program						1:30											Srs.			Flexible Scheduling				
2:00							2:00	Special Needs																	
2:30							2:30	Adaptive PE																	
3:00	After School						3:00	After School								After Sch		After School			Classes & More				
3:30	Programs						3:30	Programs								Programs		Programs							
4:00							4:00	Special Needs																	
4:30	Club Swim Team						4:30																		
5:00	Outside Rental						5:00	Swim										Open Gym							
5:30							5:30	Lessons																	
6:00							6:00																		
6:30	Aquatic Rec						6:30											OR							
7:00	Programs						7:00	Open Recreation										Rec Programs							
7:30							7:30	Leisure Swim										Pickleball							
8:00	Masters/						8:00																		
8:30	Triathlon						8:30													Outside Court Users (Rentals)					
9:00							9:00																		
9:30							9:30																		
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Potential Program Outsourcing

- Finding the right program partners
 - Identify program providers that captured former YMCA users when Y closed?
 - Providers that offer more robust and diverse program offerings than Y
 - Market service area:
 - Do they already draw from Lino Lakes population?
 - Can they expand the market service area of the existing Y?
 - Rates and Fees in line with City membership and use affordability goals
 - Can provide resident discount
 - Consolidate potential program competition in local market

Outsourced Programming-Opportunities

Swim Lesson Program with Centennial School District Community Ed

- Instructor/management/marketing structure in place
 - Community Ed to provide instructors and management
- Optimize the swim lesson friendly Rec Center pools
- Existing Student base
- Minimize competition

Fitness Program Provider

- Introduction in new and enhanced programming in Fitness and Aquatics
- Provide all fitness equipment, flooring, etc.
- Provide Instructors, management, and monitoring staff
- Existing membership and user base: Accelerate revenue and growth
- Existing marketing platforms
- Significant upfront and start-up cost savings

Membership Model

- Analyzed three resident membership rate scenarios compared to YMCA rates
 - 75% of Y rates
 - 60% of Y rates
 - 50% of Y rates
- Recommended Resident rates
 - 60% of equivalent YMCA Membership rates
 - Non-resident rates is approximately a 20% premium
 - Comparable to area and regional community recreation center facilities
 - “Sweet Spot” balancing affordability and revenue generation
- Overall Facility and Fitness Only membership categories
 - “I don’t want to pay for what I won’t be using”
- Drop-in day and multiple visit pass use options
- Wider range of membership categories: Seniors, couples, military
- Discount for annual membership (approximately 11 month equivalent)

Recommended Membership and User Fees

(Resident Rates-60% of YMCA Rates)

Membership Category	Monthly Overall/Fitness Only	Annual	Drop-In Daily	10-Visit Pass
Adult	\$42/\$36	\$462/\$393	\$7	\$60
Adult Couple	\$63/\$54	\$695/\$590	NA	NA
Senior	\$26/\$22	\$285/\$242	\$5	\$42
Senior Couple	\$39/\$33	\$430/\$365	NA	NA
Youth	\$26/\$22	\$285/\$242	\$5	\$5
Family	\$86/\$73	\$945/\$803	\$12	NA
Military Adult	\$36/\$31	\$395/\$335	\$6	\$6
Military Family	\$73/\$62	\$800/\$680	NA	NA

Management

Opening Costs

Financial Operating Analysis

Options and Opportunities

Operating and Financial Goals

- A financially sustainable facility
 - Revenue to balance operating expenses
- Minimize costs for re-opening
- Explore management options for optimum efficiency
- Identify funding model for future long term expansion and growth
- Explore opportunities for enhanced financial performance
 - Reducing operating and long term expenses
 - Enhancing revenue streams
 - Partner opportunities

Management Models

- City Managed
- Total outsourced management organization
- Hybrid options

City Managed Facility

- Key elements
 - City provides all management and staff
 - City provides all programming and program staff
 - Some exceptions for specific outsourced programs
 - City responsible for all facility and programming costs but retains all revenue
- Pros
 - Ensures control of all elements of Rec & Community Center
 - Optimum coordination with other City based community programming
 - Total control of all membership and program fees
- Cons
 - Need for broad expansion of City employees with program expertise, experience, and skill sets not currently available within City staff
 - Likely to incur higher opening costs
 - Likely ramp up model in first two years
 - Greater risk for City if facility does not meet initial or ongoing financial goals and projections

Outsourced Total Facility Management

- Key elements
 - Turn-Key management team runs all membership, usage, programs, scheduling, and staffing
 - Management company pays all staff, utilities, regular cleaning and handles marketing and other normal operating costs
 - May include all annual and long term maintenance and replacement
 - May require City paid management fee based on profit model for Management Company
- Pros
 - Can be faster start up than City managed facility
 - May reduce City start up costs if equipment and other costs included in management contract
 - Reduces City annual operating deficit risk
 - No significant increase in City staff or expenses
- Cons
 - Adds another layer of cost to support profit margin that may add City cost
 - City may have less control of membership and usage fees
 - May reduce accessibility to community groups and other non-revenue generating City program goals
 - For profit management group may not share City vision and goals
 - Requires very detailed agreement and understanding of City requirements

Hybrid Management Model

- Key elements

- City manages facility operations, maintenance, cleaning
- City manages membership program and back office financial operations
- Some programs provided internally
- Some programs provided and managed by outside providers
 - Partnership model will vary by program
- Key program partners
 - Aquatics
 - Fitness
 - Most instructors and program staff are independent contract employees
- Potential Combination of lease and profit share agreements

- Pros

- Can be fastest start up scenario
- Most of necessary staff is already in place, reducing any challenges in finding staff
- Program providers have established user base: Help jump start programs and revenue
- May reduce City start up costs if equipment and other costs included in management contract
- Programs, access, and fee models can be shaped to meet City goals and objectives

- Cons

- Multiple program providers can require strong management organization

Re-Opening and Start-Up Costs (City Management Option)

- Staffing
 - Management
 - Operations and Management
 - Membership/Customer Service
 - Part-time staff hiring and training (Lifeguards, instructors, front desk, etc.)
- Program Development
- Facility Cleaning
- Equipment and Furnishings
- Rebranding and Signage
- Pool Start-Up
- Membership/Access/IT Systems
- Membership Drive and Marketing



Cost Category	Projected Cost	Comments
Full-Time Management	\$195,000	Includes benefits & Taxes. See Timeline
Part-time Staff	\$19,000	Includes training
Facility Cleaning	\$6,000	To be researched by City Staff
Equipment		
Aquatics	\$26,000	Lane lines, training, safety, cleaning equip
Fitness Purchase	\$50,000	Includes equipment already purchased
Fitness Lease	\$9,000	
Gym	\$8,000	
Overall Programming	\$48,000	Child watch, camps, other
Furniture, office and Building	\$66,000	
Marketing & Membership Drive	\$11,000	Pre-opening drive-help fund start-up
Start-Up (Pools)	\$6,000	Budget estimate from area provider
Management/IT/Access Systems	\$17,000	Membership, Wi-Fi, update security, etc.
Re-Branding and Signage	\$16,000	Signage, way signs, etc.
Other	\$38,000	Maintenance, Insurance, Office, etc.
GRAND TOTAL	\$516,000	Details to be further reviews with Staff

Financial Operating Analysis (City Management & Hybrid Option)

- Membership and Use Fees scenarios
 - Market Analysis, Projections
- Swim Lesson Program
 - Market Analysis, Projections
- Facility Revenue
- Program Revenue
- Facility Expenses
 - Includes City Administrative Allocation
- Program Expenses
- Profit and Loss Summary
- Long Term Capital Replacement and Maintenance projections

P & L Summaries and all Budget Line Item Detail included in Study Report

Year 3: City Managed vs. Hybrid Model

Budget Category	City Managed	Hybrid Model
Revenue		
Facility Revenue	\$1,854,000	\$1,634,000
Program Revenue	\$445,000	\$201,000
REVENUE SUBTOTAL	\$2,299,000	\$1,835,000
Expenses		
Operational Expenses	\$2,036,000	\$1,688,000
Program Expenses	\$206,000	\$69,000
EXPENSES SUBTOTAL	\$2,242,000	\$1,757,000
OPERATING NET REVENUE (DEFICIT)	\$57,000	\$78,000
Cost Recovery	103%	104%
City Administrative Allocation	\$165,000	\$165,000
EXPENSE SUBTOTAL with City Admin Allocation	\$2,407,000	\$1,922,000
OVERALL NET REVENUE (Deficit)	\$(108,000)	\$(87,000)
Cost Recovery	95%	95%

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	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
43				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
44	EXPENSES			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
45	OPERATIONAL EXPENSES			\$ 515,905	\$ 1,859,962	\$ 1,952,592	\$ 2,035,846	\$ 2,120,662	\$ 2,221,809	\$ 437,255	\$ 1,532,351	\$ 1,617,475	\$ 1,687,915	\$ 1,761,280	\$ 1,848,308
46			Utilities	9,000	140,631	144,850	149,195	153,671	158,281	9,000	140,631	144,850	149,195	153,671	158,281
47			Maintenance	19,000	44,000	45,320	46,680	48,080	56,522	19,000	43,000	44,290	45,619	46,987	55,397
48			Equipment and Supplies	239,514	139,000	144,010	146,170	148,395	150,687	210,514	67,000	72,010	74,170	76,395	78,687
49			Staff Wages & Salary & Benefits												
50			Full Time Staff	137,708	609,500	639,975	671,974	705,572	740,851	108,958	494,500	519,225	545,186	572,446	601,068
51			Part Time Staff	15,500	457,600	480,480	504,504	529,729	556,216	13,500	348,400	365,820	384,111	403,317	423,482
52			Benefits and Payroll Taxes	58,183	335,320	352,086	369,690	388,175	407,584	46,283	267,480	280,854	294,897	309,642	325,124
53			Staff-Other Costs	3,000	9,500	9,738	9,981	10,230	10,486	2,000	4,750	4,869	4,990	5,115	5,243
54			Outside Services	15,000	16,000	11,150	11,335	6,525	6,720	11,000	64,831	73,656	77,066	77,643	81,395
55			General Office	11,500	88,411	107,184	110,708	114,356	118,206	9,500	81,750	94,101	97,071	100,137	103,376
56			Insurance	5,000	10,000	10,300	10,609	10,927	11,255	5,000	10,000	10,300	10,609	10,927	11,255
57			Miscellaneous Expense Contingency	2,500	10,000	7,500	5,000	5,000	5,000	2,500	10,000	7,500	5,000	5,000	5,000
58															
59	PROGRAM EXPENSES			\$ -	\$ 148,441	\$ 191,529	\$ 206,387	\$ 226,177	\$ 235,623	\$ -	\$ 47,880	\$ 67,550	\$ 69,182	\$ 71,384	\$ 73,676
60			Community and Educational Programs	0	2,700	4,700	4,826	4,999	5,179	0	3,300	5,700	5,856	6,070	6,293
61			Aquatic Training, Fitness, and Therapy	0	9,000	14,000	14,520	15,061	15,623	0	9,000	14,000	14,520	15,061	15,623
62			Dry-Side Fitness & Training	0	30,900	33,453	34,751	36,101	37,505	0	1,000	1,000	1,000	1,000	1,000
63			Learn to Swim	0	69,101	89,886	102,042	117,988	123,412	0	4,750	4,750	4,750	4,750	4,750
64			Camps and Clinics	0	21,080	34,100	35,556	37,003	38,509	0	21,080	34,100	35,556	37,003	38,509
65			Aquatic Team Programs	0	0	0	0	0	0	0	0	0	0	0	0
66			Sport Team Programs	0	3,160	4,390	4,692	5,025	5,394	0	0	0	0	0	0
68			Program Staff-Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
69			Scholarships & Student Support	0	5,000	5,000	5,000	5,000	5,000	0	5,000	5,000	5,000	5,000	5,000
70			Miscellaneous Expense Contingency	0	7,500	6,000	5,000	5,000	5,000	0	3,750	3,000	2,500	2,500	2,500
71															
72	TOTAL OPERATING EXPENSES			\$ 515,905	\$ 2,008,403	\$ 2,144,121	\$ 2,242,233	\$ 2,346,839	\$ 2,457,432	\$ 437,255	\$ 1,580,231	\$ 1,685,025	\$ 1,757,097	\$ 1,832,664	\$ 1,921,984
73	Projected Expense Growth Rate					7%	5%	5%	5%			7%	4%	4%	5%
74	Variance of Hybrid Model vs. City Managed									\$ (78,650)	\$ (428,172)	\$ (459,097)	\$ (485,136)	\$ (514,175)	\$ (535,448)
75															
76	CITY SHARED ADMINISTRATIVE EXPENSES			\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326	\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
77															
78	GROSS TOTAL OPERATING EXPENSES			\$ 515,905	\$ 2,158,403	\$ 2,301,621	\$ 2,407,608	\$ 2,520,483	\$ 2,639,758	\$ 437,255	\$ 1,730,231	\$ 1,842,525	\$ 1,922,472	\$ 2,006,308	\$ 2,104,310
79	Variance of Hybrid Model vs. City Managed									\$ (78,650)	\$ (428,172)	\$ (459,097)	\$ (485,136)	\$ (514,175)	\$ (535,448)
80															

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R
81				City Managed Rec and Community Center Projections						Hybrid Management Model: Rec and Community Center Projections					
82				Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5						
83	NET OPERATING REVENUE (DEFICIT)			\$ (515,905)	\$ (369,682)	\$ 29,053	\$ 56,722	\$ 92,471	\$ 100,102	\$ (437,255)	\$ (122,690)	\$ 62,577	\$ 77,777	\$ 96,232	\$ 96,731
84	Not Including City Administrative Allocation														
85	Variance of Hybrid Model vs. City Managed									\$ 78,650	\$ 246,992	\$ 33,524	\$ 21,055	\$ 3,761	\$ (3,371)
86	COST RECOVERY (Direct Revenue & Expenses Only)			0%	82%	101%	103%	104%	104%	0%	92%	104%	104%	105%	105%
87															
88	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (515,905)	\$ (885,587)	\$ (856,534)	\$ (799,812)	\$ (707,341)	\$ (607,240)	\$ (437,255)	\$ (559,945)	\$ (497,368)	\$ (419,590)	\$ (323,359)	\$ (226,628)
89	Variance of Hybrid Model vs. City Managed									\$ 78,650	\$ 325,642	\$ 359,166	\$ 380,221	\$ 383,982	\$ 380,612
90															
91	NET GROSS OPERATING REVENUE (DEFICIT)			\$ (515,905)	\$ (519,682)	\$ (128,447)	\$ (108,653)	\$ (81,173)	\$ (82,224)	\$ (437,255)	\$ (272,690)	\$ (94,923)	\$ (87,598)	\$ (77,412)	\$ (85,595)
92	Including City Administrative Allocation														
93	Variance of Hybrid Model vs. City Managed									\$ 78,650	\$ 246,992	\$ 33,524	\$ 21,055	\$ 3,761	\$ (3,371)
94	COST RECOVERY (Direct Revenue & Expenses Only)			0%	76%	94%	95%	97%	97%	0%	84%	95%	95%	96%	96%
95															
96	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (515,905)	\$ (1,035,587)	\$ (1,164,034)	\$ (1,272,687)	\$ (1,353,860)	\$ (1,436,084)	\$ (437,255)	\$ (709,945)	\$ (804,868)	\$ (892,465)	\$ (969,878)	\$ (1,055,473)
97	Variance of Hybrid Model vs. City Managed									\$ 78,650	\$ 325,642	\$ 359,166	\$ 380,221	\$ 383,982	\$ 380,612
98															
99	NON-OPERATING EXPENSES														
100															
101	Long Term Capital Replacement & Maintenance Reserve			0	0	60,000	70,000	80,000	82,400	0	0	60,000	70,000	80,000	82,400
102	Capital Reserve Accumulation Years 1-5								292,400						292,400
103	Years 6-10				84,872	87,418	90,041	92,742	95,524		84,872	87,418	90,041	92,742	95,524
104	Years 11-15				98,390	101,342	104,382	107,513	110,739		98,390	101,342	104,382	107,513	110,739
105	Years 16-20				114,061	117,483	121,007	124,637	128,377		114,061	117,483	121,007	124,637	128,377
106															
107	Capital Accumulation Year 10								742,997						742,997
108	Capital Accumulation Year 15								1,265,362						1,265,362
109	Capital Accumulation year 20				0				1,870,927		0				1,870,927
110	NON-OPERATING EXPENSES			\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
111															
114	GRAND TOTAL ALL EXPENSES (Including Reserve)			\$ 515,905	\$ 2,158,403	\$ 2,361,621	\$ 2,477,608	\$ 2,600,483	\$ 2,722,158	\$ 437,255	\$ 1,730,231	\$ 1,902,525	\$ 1,992,472	\$ 2,086,308	\$ 2,186,710
115															
116	GRAND TOTAL REVENUE (DEFICIT)			\$ (515,905)	\$ (519,682)	\$ (188,447)	\$ (178,653)	\$ (161,173)	\$ (164,624)	\$ (437,255)	\$ (272,690)	\$ (154,923)	\$ (157,598)	\$ (157,412)	\$ (167,995)
117	COST RECOVERY			0%	76%	92%	93%	94%	94%	0%	84%	92%	92%	92%	92%
118	CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)			\$ (515,905)	\$ (1,035,587)	\$ (1,224,034)	\$ (1,402,687)	\$ (1,563,860)	\$ (1,728,484)	\$ (437,255)	\$ (709,945)	\$ (864,868)	\$ (1,022,465)	\$ (1,179,878)	\$ (1,347,873)

Financial Operating Analysis

Main Sources of Revenue (Year Three)

Revenue Center	City Managed	Hybrid Model
Membership and Daily Use	\$1,745,000	\$1,454,000
Swim Lessons	\$240,000	\$76,000
Youth Camps	\$78,000	\$78,000
Lease Revenue (Program Partner)	\$0	\$75,000
Dry-side Fitness	\$73,000	\$0
Pool Rentals	\$41,000	\$41,000
Aquatic Fitness	\$34,000	\$31,000
Court/Gym Rentals	\$32,000	\$32,000
Special Events/Functions	\$28,000	\$25,000
Retail Kiosk	\$7,000	\$8,000
Sponsorship & Advertising	\$0	\$0

Financial Operating Analysis

Main Cost/Expense Centers (Year Three)

Cost Center	City Managed	Hybrid Model	Includes
Personnel Services: TOTAL	\$1,557,000	\$1,229,000	
Full-time Staff	\$672,000	\$545,000	10.5 FTE vs 8.5 FTE
Part-time Staff	\$505,000	\$384,000	
Benefits and Other Staff Costs	\$380,000	\$300,000	
Other Services and Charges	\$260,000	246,000	Utilities, General Office,
Supplies	\$193,000	\$120,000	Maintenance, Equipment, Supplies
Contractual Services	\$11,000	77,000	
Program Expenses	\$206,000	\$69,000	
City Administration Share Allocation	\$165,000	\$165,000	
Capital Outlay	\$70,000	\$70,000	

Long Term Accrued Deficit

Cumulative Opening/Operational Deficit	City Managed	Hybrid Model	Variance
Year Zero	\$516,000	\$437,000	\$79,000
Year 1	\$886,000	\$560,000	\$326,000
Year 5	\$607,000	\$227,000	\$380,000
Cumulative Opening/Operational Deficit (with City Admin. Allocation)	City Managed	Hybrid Model	Variance
*Year Zero (Includes Start-Up Costs)	\$516,000	\$437,000	\$79,000
Year 1	\$1,036,000	\$710,000	\$326,000
Year 5	\$1,436,000	\$1,055,000	\$381,000

- Hybrid reduces start up expenses
- Hybrid model accelerates start up with current membership
- Hybrid has greater potential upside for growth
- After Year 5 annual operating deficits continue to reduce slightly from \$80,000 down

Capital Outlay

Long Term Replacement & Maintenance Accrual

(Same in both Management Models)

Year	Accrued Capital Outlay
Year 1	\$0
Year 5	\$292,000
Year 10	\$743,000
Year 15	\$1,265,000
Year 20	\$1,871,000

Financial Impact of Hybrid Model

- Potential Start-up Cost Savings
 - Reducing need for staff hiring and training
 - Reduce equipment costs
 - Fitness equipment start-up costs could be reduced by \$200,000 to \$250,000
 - Reduce marketing expenses leveraging outside providers existing marketing
- Ramp-up timing
 - Higher initial membership levels drawing from programs already in place
 - Built in base of former YMCA members and program participants
- Net financial impact
 - Less gross revenue for overall facility
 - Balanced by significantly lower expenses
 - Improved bottom line
 - Smaller reduced accrued start up and operating deficit

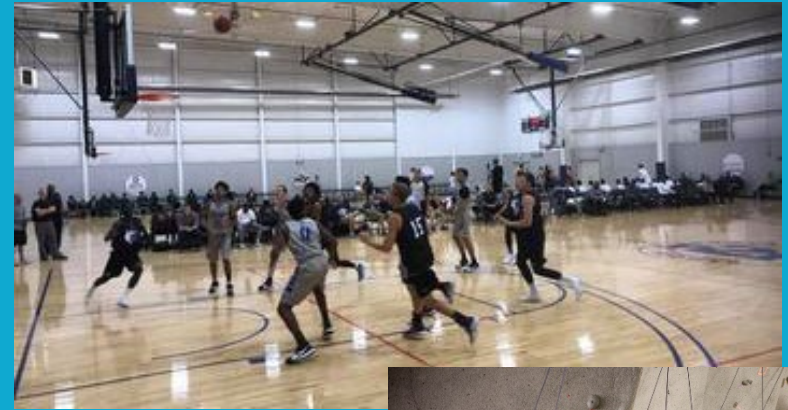
Future & Long Term Opportunities

Goals

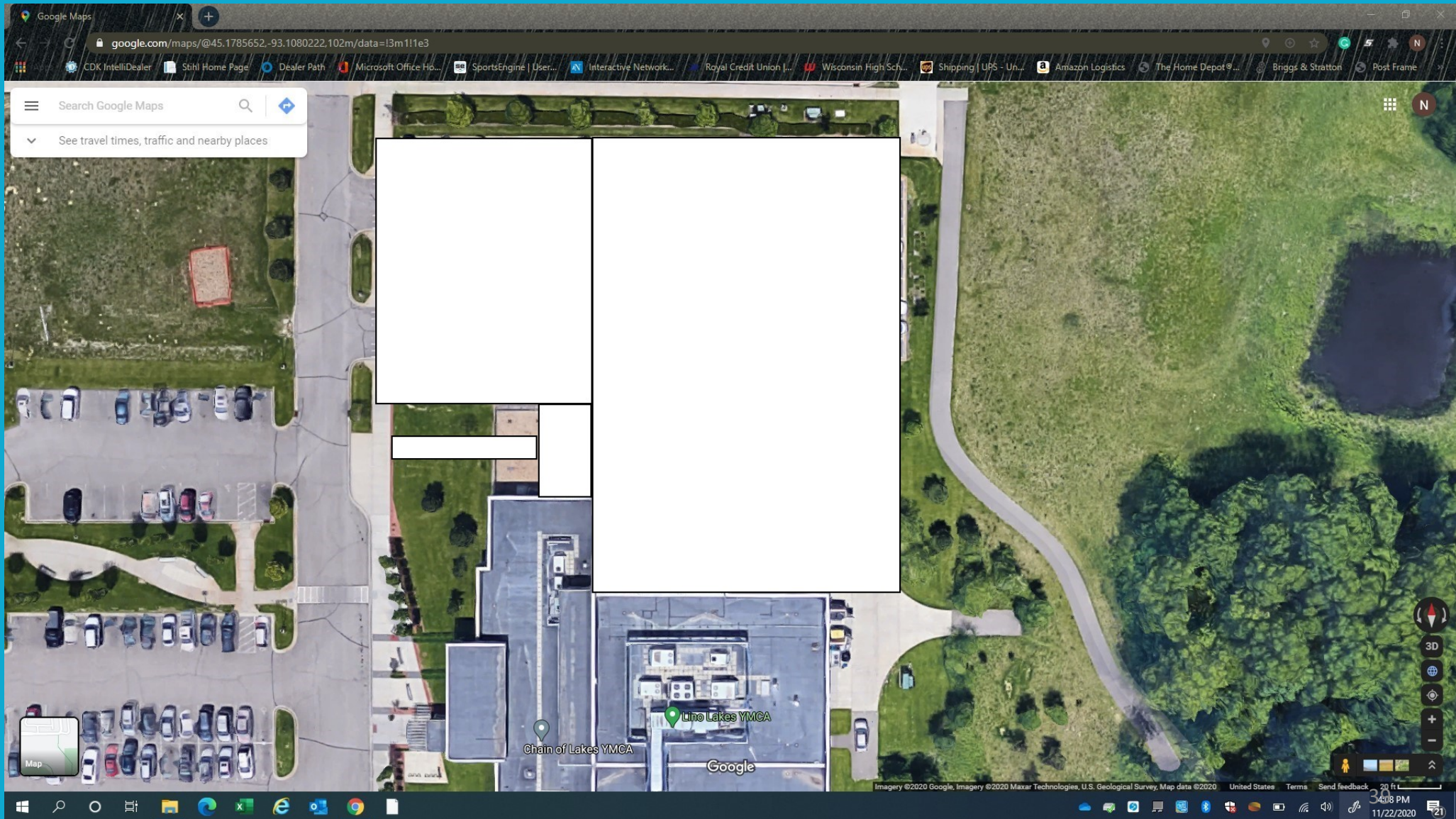
- Expand facilities to provide space for enhanced and existing programs and use
- Provide facilities for new programming
- Expansion to support expansion of community programming
- Create unique “signature” features and amenities to become a destination
- Identify and develop partners to support expansion
- Identify new spaces and programs with positive financial impact
 - Increased revenue supporting overall Rec Center sustainability
 - Support increased economic development
- Synergies with existing Rec & Community Center facilities to grow all programs
- Can future expansion be supported by renewal of existing millage

Sports Center

- Court Facilities
 - Basketball, volleyball, pickleball, and more
 - Recommend 6 x regulation basketball courts (8+ volleyball)
 - Leagues, development programs, tournaments
- Indoor walking track
 - Costly to retro-fit existing facility
 - Very cost effective if combined with expanded court facility
- Climbing Center
 - Climbing wall
 - Very cost effective if combined with expanded court facility
- Partner Opportunities
 - Investor interest
 - Sports Center management interest
- Financial Analysis: Profit Center with Partners



Sport Center (courts)



Outdoor Activity Center

- Expanded family friendly play area
- Outdoor fitness stations/course
- Compact ropes/leadership course
- Sand volleyball court(s)
- Dog Park



Community Function Space



Long Term Expansion Costs

- Sports Center Costs (2021 dollars): 53,000 to 55,000 square feet
 - Court Complex: \$9,000,000 to \$12,000,000
 - Indoor walking Track: \$500,000 to \$750,000
 - Climbing Gym: \$500,000 to \$750,000
- Outdoor Activity Center
 - Fitness Stations: \$50,000 to \$150,000
 - Ropes Course: \$100,000 and up
 - Dog Park: Variable
- Function and Meeting Space: Approximately \$450/square foot

Timelines

Workback Schedule from Re-Opening

- 6 Months out from opening
 - Approval to move forward with re-opening
 - Identification of and initial negotiation with potential program providers/partners or management group
 - Identify key milestone dates for potential partners
 - Develop Org Chart for facility based on management model
 - Start search for Facility Manager
- 5 Months out from opening
 - Hiring of Facility Manager (City)
 - Negotiations with potential program providers/partners or management group
 - Initial media campaign
 - Determine any facility maintenance needs or “sprucing up” options

Workback Schedule from Re-Opening

- 4 Months out from opening

- Finalize program providers/partners or management group as appropriate
- Begin purchasing equipment, furniture, etc.
- Hiring of Membership/Customer Service Manager
- Develop Program Model and tentative schedules
- Develop Membership Model
- Develop of Rec Center marketing materials
- Begin Planning for Grand Opening

- 3 Months out from opening

- Launch Membership Campaign
- Hiring of Facility Operations/Maintenance Manager
- Begin recruiting part-time staff
- Develop all necessary Emergency Action Plan, operations, management documents and procedures

Workback Schedule from Re-Opening

- 2 Months out from opening
 - Hiring all employees (actual start date closer to opening)
 - Pool fill and start-up
 - Building maintenance and sprucing up
 - Building fully functional
 - Community Open Houses and Rec Center tours and promotion
 - Link to membership drive
- 1 Months out from opening
 - Facility and program staff training
 - Rehearsals and dry-runs of all programming and procedures
 - Select initial pre-opening use of specific areas or portions of building as appropriate
 - Potential for early soft opening
- Opening
 - Soft Opening
 - Grand Opening (usually 3-4 weeks following soft opening)

Factors Affecting Timeline

- Any unexpected facility surprises
- Timeline in developing program partners or management group
- Any specific timelines or milestones for partners
- Suitability of actual opening target date
 - Coordinated with key community/school timelines
 - Other considerations
 - Good and bad times to open
- Any difficulty in finding staff
- Other?

Next Steps

- Develop Membership Model
- Development of Management Model
- Ongoing review and refinement of Budget/Business Model
- Funding model for pre-opening costs
- Funding model for annual operating deficit
- Identify target opening date
- Fine tune workback schedule based on target opening date

QUESTIONS and DISCUSSION

WORK SESSION STAFF REPORT
Work Session Item No. 2

Date: June 7, 2021
To: City Council
From: Hannah Lynch, Finance Director
Re: 2020 Annual Audit Report

Background

Andy Hering of Redpath and Company will be in attendance to provide an overview of the City's 2020 Annual Financial Report, present the auditor's management analysis and answer any questions you may have with regard to the financial condition of the City.

The 2020 annual audit was undertaken earlier this year, with field work being completed in late April/early May. The auditors review all financial transactions and the financial reports of the City over the previous year for their fairness in presentation and for full disclosure of all material aspects of the City's financial condition. This review is conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The auditors concluded that the City's financial statements for 2020 presented fairly, in all material respects, the financial position of the City as of December 31, 2020. The auditors also issue their reports on the City's legal compliance with certain laws, regulations, contracts, etc., our internal control structure, and management issues.

It should be noted that the City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its 2019 Comprehensive Annual Financial Report. The city has received this award each year since 1995. We believe that the report issued for 2020 continues to uphold the high standards of reporting excellence that this prestigious award represents.

The presentation at the work session will be comprehensive and is intended to provide the opportunity for council members to ask any questions or make comments about the audit report and the state of city finances. The Council will be asked to accept the 2020 Annual Audit Report at the June 14, 2021, regular City Council meeting.

Requested Council Direction

None

Attachments

2020 Comprehensive Annual Financial Report

2020 Other Audit Reports

Redpath and Company Audit Presentation Slides

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF LINO LAKES, MINNESOTA**

**FOR THE YEAR ENDED
December 31, 2020**

**Prepared By: Finance Department
Hannah Lynch, Director of Finance**

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CITY OF LINO LAKES, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Letter of Transmittal		3
Certificate of Achievement for Excellence in Financial Reporting		7
Organization Chart		8
Principal City Officials		9
FINANCIAL SECTION		
Independent Auditor's Report		13
Management's Discussion and Analysis		17
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	31
Statement of Activities	Statement 2	32
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	34
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	Statement 4	37
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 5	38
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities	Statement 6	40
Statement of Net Position - Proprietary Funds	Statement 7	41
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 8	42
Statement of Cash Flows - Proprietary Funds	Statement 9	43
Notes to Financial Statements		45
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 10	84
Schedule of Changes in the Total OPEB Liability and Related Ratios	Statement 11	90
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 12	91
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 13	92

CITY OF LINO LAKES, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Schedule of Proportionate Share of Net Pension Liability - Public Employees Police and Fire Fund	Statement 14	93
Schedule of Pension Contributions - Public Employees Police and Fire Fund	Statement 15	94
Schedule of Changes in the Net Pension Liability and Related Ratios - Lino Lakes Public Safety Department - Fire Division	Statement 16	95
Schedule of Contributions - Lino Lakes Public Safety Department - Fire Division	Statement 17	96
Notes to RSI		97
Combining and Individual Nonmajor Fund Financial Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 18	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	Statement 19	105
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 20	108
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	Statement 21	110
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 22	114
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Service Funds	Statement 23	116
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 24	121
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds	Statement 25	124
Special Revenue Fund - Program Recreation Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	Statement 26	127

CITY OF LINO LAKES, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
STATISTICAL SECTION (UNAUDITED)		
Financial Trends:		
Net Position by Component	Table 1	132
Changes in Net Position	Table 2	134
Fund Balances, Governmental Funds	Table 3	138
Changes in Fund Balances, Governmental Funds	Table 4	140
Revenue Capacity:		
Assessed and Actual Value of Taxable Property	Table 5	142
Direct and Overlapping Property Tax Capacity Rates	Table 6	143
Principal Property Taxpayers	Table 7	145
Property Tax Levies and Collections	Table 8	146
Debt Capacity:		
Ratios of Outstanding Debt by Type	Table 9	148
Ratios of Net General Bonded Debt	Table 10	150
Direct and Overlapping Governmental Activities Debt	Table 11	152
Legal Debt Margin Information	Table 12	153
Demographic and Economic Information:		
Demographic and Economic Statistics	Table 13	154
Principal Employers	Table 14	155
Operating Information:		
Full-Time Equivalent City Government Employees By Function/Program	Table 15	156
Operating Indicators by Function/Program	Table 16	158
Capital Asset Statistics by Function/Program	Table 17	160

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INTRODUCTORY SECTION

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May 28, 2021

Honorable Mayor
Members of the City Council
Citizens of the City of Lino Lakes, Minnesota

Minnesota State law requires that cities over 2,500 population publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and submit them to the state auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Lino Lakes, Minnesota for the fiscal year ended December 31, 2020.

This report consists of management's representations concerning the finances of the City of Lino Lakes. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Lino Lakes has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Lino Lakes' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Lino Lakes' financial statements have been audited by Redpath and Company, Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Lino Lakes' MD&A can be found immediately following the report of the independent auditors.

**600 Town Center Parkway, Lino Lakes, MN 55014
Phone: 651-982-2400 • Fax: 651-982-2499**

Profile of the Government

The City of Lino Lakes, incorporated in 1955, is a growing community in the southeast corner of the County of Anoka. It covers an area of 33 square miles and has a population of approximately 22,410. The population has more than doubled from the 1990 census figure of 8,807 and has grown by 33.6% since 2000. Within the City's borders lies the 2,550 acre Rice Creek Chain of Lakes Regional Park. Access to St. Paul and Minneapolis is provided by I-35W and I-35E.

The City Charter, as amended, establishes a mayor-council form of government and grants the city council full policy-making and legislative authority to the mayor and four council members. The City council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring a City administrator. The City administrator has the responsibility of carrying out the policies and ordinances of the City council and for overseeing the day-to-day operations of the city. The City council is elected at-large on a non-partisan basis, with council members serving four-year terms and the mayor serving a two-year term. Elections are held every two years with two council seats and the mayor being up for election each election cycle.

The City provides a full range of municipal services. These services include: general government, public safety (police, fire and building inspections), public services (streets, fleet, parks and recreation), conservation of natural resources (forestry, environmental and solid waste abatement), community development, public improvements, providing and maintaining sanitary and storm sewer, water infrastructure, and two enterprise funds, the water and sewer funds.

The annual budget is the foundation for the City of Lino Lakes' financial planning and control. All divisions are required to submit appropriations requests to the City administrator for review and consolidation into a proposed budget. The City administrator is responsible for submitting the proposed annual budget to the City Council in August of each year. The city council is required to hold a public hearing on the proposed budget and to adopt by resolution a final budget and certify it no later than December 30. The budget amounts cannot increase beyond the estimated receipts except to the extent that actual receipts exceed the estimate. Division directors may make transfers of appropriations within a department, but transfers of appropriations between departments require council approval. Budget-to-actual comparisons for the general fund and the recreation program fund, the only funds for which an annual budget has been adopted, are provided in Statements 10 and 26, respectively.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Lino Lakes operates.

Local economy. Infrastructure investments made by the City in the late 2000's and early 2010's in anticipation of a strengthening economy, are leading to continued residential, commercial and industrial growth. Completion of the 35E/CSAH 14 interchange has spurred residential, commercial and industrial development along this corridor. The City's largest residential development, the 864 lot Watermark project, is currently under construction in the northeast quadrant. The City's largest industrial user, Distribution Alternatives, expanded into a 402,000 square foot building in 2016. Commercial interest continues to grow with the expansion of the Main Street Shoppes and the new Otter Crossing development in the northeast quadrant.

The 35E corridor also gained additional attention through a partnership with Anoka and Washington County's, neighboring cities and Connexus Energy, the Minnesota Technology Corridor. Over a 1,000

Factors Affecting Financial Condition (Continued)

acres are available along the corridor with strong transportation, fiber and utility infrastructure to serve the growing data and tech fields.

Citywide development activities continued to increase in 2020. Residential permit activity for new home construction surpassed 100 for the fifth consecutive year. Overall construction activity exceeded \$50 million in new valuation. This trend is expected to continue as national builder, Lennar Homes, continues construction in Watermark. Additionally, a 200-unit senior living community is planned for construction in 2021.

Long-term financial planning. The City's current five-year capital plan identifies street and utility improvements totaling \$60,374,692 over the five-year period. These improvements are anticipated to be funded through a number of funding sources, including special assessments, municipal state aid road funds, the area and unit trunk fund, the stormwater management fund, water and sewer operating funds, and general fund tax levies. This plan is in the process of being revised to reflect the anticipated activity through the year 2025. In addition, the city's five-year financial plan includes funding projections for operations and operating impacts for a five-year period.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for excellence in financial reporting to cities that meet certain criteria. The City of Lino Lakes received this award for its comprehensive annual financial report for the year ended December 31, 2019. This marks the twenty-fifth consecutive year the City has received this prestigious award. A governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program requirements. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City is submitting the 2020 report to GFOA for consideration of the Certificate of Achievement for Excellence in Financial Reporting. We believe our current report continues to conform to the high standards of the Certificate program.

The timely preparation of this report could not have been accomplished without the dedicated services of the Finance Department, auditors and other city staff. I want to express my appreciation to the Mayor and City Council for their support for maintaining the highest standard of professionalism in the management of the financial operation of the City.

Respectfully submitted,



Hannah Lynch
Director of Finance

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lino Lakes
Minnesota**

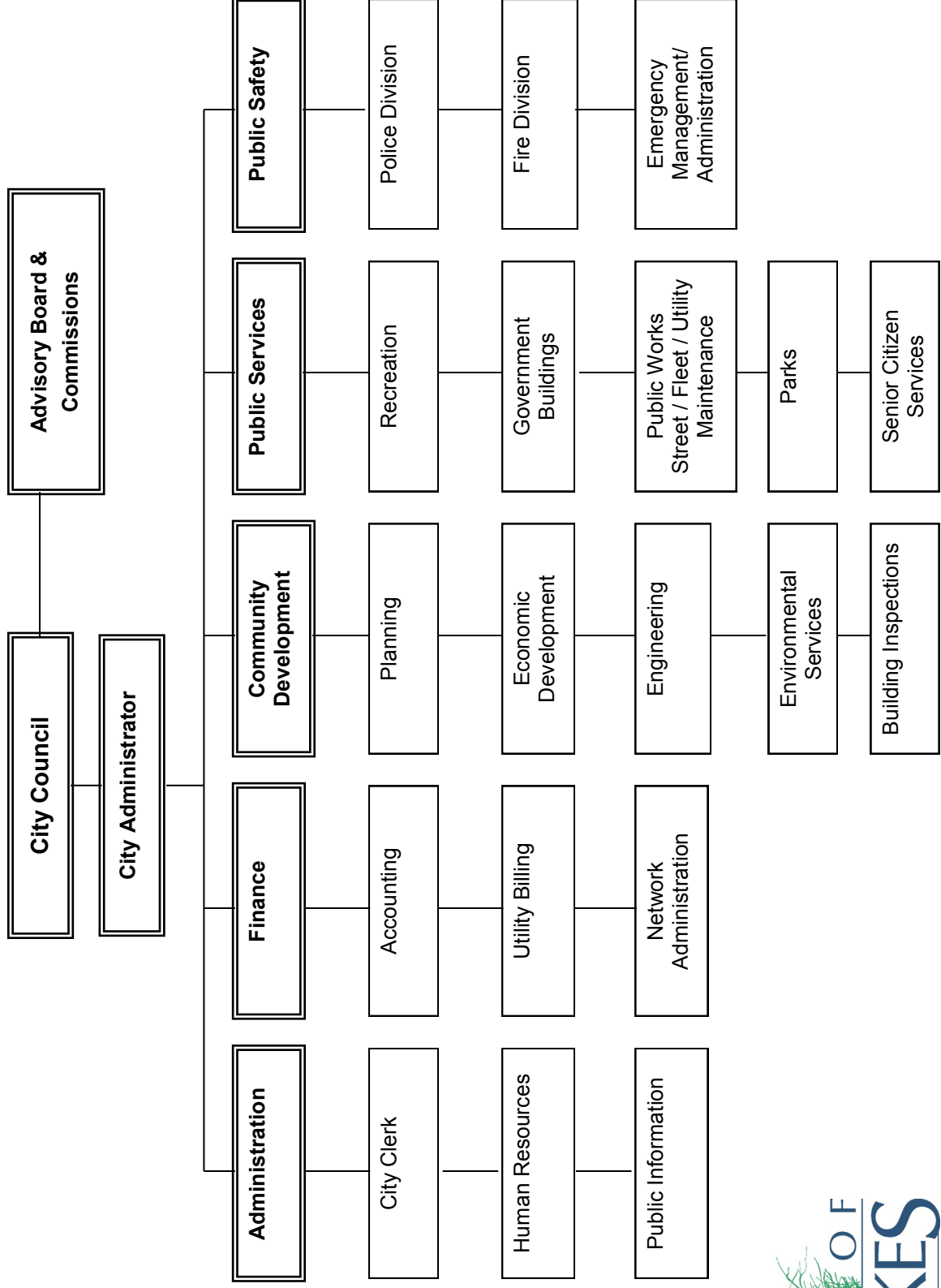
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

City of Lino Lakes Organizational Chart



CITY OF LINO LAKES, MINNESOTA**PRINCIPAL CITY OFFICIALS**

December 31, 2020

		<u>Term Expires</u>
Mayor:	Rob Rafferty	December 31, 2021
Councilmembers:	Dale Stoesz	December 31, 2021
	Tony Cavegn	December 31, 2021
	Chris Lyden	December 31, 2023
	Michael Ruhland	December 31, 2023
City Administrator:	Sarah Cotton	Appointed
Directors:		
Community Development	Michael Grochala	Appointed
Finance	Hannah Lynch	Appointed
Public Safety	John Swenson	Appointed
Public Services	Richard DeGardner	Appointed

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Lino Lakes, Minnesota's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, and the schedules of OPEB and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lino Lakes, Minnesota's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2021, on our consideration of the City of Lino Lakes, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lino Lakes, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 28, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lino Lakes, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$123,513,590 (net position). Of this amount, \$34,740,882 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

The City's total net position increased by \$12,422,023.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,120,124, an increase of \$1,896,595. Of this amount, \$8,206,540 is restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions.

At the end of the current fiscal year, the general fund balance was \$7,527,722. Unassigned fund balance for the general fund was \$6,787,498, or 66% of total general fund expenditures and other financing uses.

Total outstanding debt decreased by \$1,769,235 during 2020. General Obligation Bonds and Certificates of Indebtedness totaling \$4,624,235 were issued, while regularly scheduled principal payments were made during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Management's Discussion and Analysis

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public services, conservation of natural resources and community development. The business-type activities of the City include a water utility and sewer utility.

The government-wide financial statements are statements 1 and 2 of this report.

Fund Financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and

Management's Discussion and Analysis

governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the following major funds:

- General Fund
- G.O. Improvement Note of 2009A – Debt Service Fund
- G.O. Improvement Bonds of 2016B – Debt Service Fund
- Area and Unit Charge – Capital Project Fund
- MSA Construction – Capital Project Fund
- 2018 Street Reconstruction – Capital Project Fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and its Program Recreation special revenue fund. Budgetary comparison schedules are presented as statements 10 and 26.

The basic governmental fund financial statements are statements 3 through 6 of this report.

Proprietary funds. The City maintains two enterprise funds as a part of its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utilities.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer funds, which are considered to be major funds of the City. The basic proprietary fund financial statements are statements 7 through 9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following statement 9.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented as statements 18 through 25.

Management's Discussion and Analysis

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$123,513,590 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$75,326,505, or 61%) reflects its net investment in capital assets (e.g. land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Lino Lakes' Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$44,476,092	\$42,013,231	\$16,571,768	\$16,667,696	\$61,047,860	\$58,680,927
Capital assets	55,151,912	49,859,684	43,366,197	36,390,820	98,518,109	86,250,504
Total assets	<u>\$99,628,004</u>	<u>\$91,872,915</u>	<u>\$59,937,965</u>	<u>\$53,058,516</u>	<u>\$159,565,969</u>	<u>\$144,931,431</u>
Deferred outflows of resources	<u>\$1,995,741</u>	<u>\$3,084,049</u>	<u>\$31,725</u>	<u>\$36,994</u>	<u>\$2,027,466</u>	<u>\$3,121,043</u>
Liabilities:						
Long-term liabilities outstanding	\$30,637,047	\$27,963,093	\$398,988	\$327,294	\$31,036,035	\$28,290,387
Other liabilities	3,722,743	3,560,168	123,285	74,596	3,846,028	3,634,764
Total liabilities	<u>\$34,359,790</u>	<u>\$31,523,261</u>	<u>\$522,273</u>	<u>\$401,890</u>	<u>\$34,882,063</u>	<u>\$31,925,151</u>
Deferred inflows of resources	<u>\$3,170,706</u>	<u>\$4,970,184</u>	<u>\$27,076</u>	<u>\$65,572</u>	<u>\$3,197,782</u>	<u>\$5,035,756</u>
Net position:						
Net investment in capital assets	\$31,960,308	\$28,433,053	\$43,366,197	\$36,390,820	\$75,326,505	\$64,823,873
Restricted	13,446,203	12,390,431	-	-	13,446,203	12,390,431
Unrestricted	18,686,738	17,640,035	16,054,144	16,237,228	34,740,882	33,877,263
Total net position	<u>\$64,093,249</u>	<u>\$58,463,519</u>	<u>\$59,420,341</u>	<u>\$52,628,048</u>	<u>\$123,513,590</u>	<u>\$111,091,567</u>

\$13,446,203 of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$34,740,882) may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Management's Discussion and Analysis

The City's net position increased by \$12,422,023 during 2020. Key elements of this increase are as follows:

City of Lino Lakes' Changes in Net Position

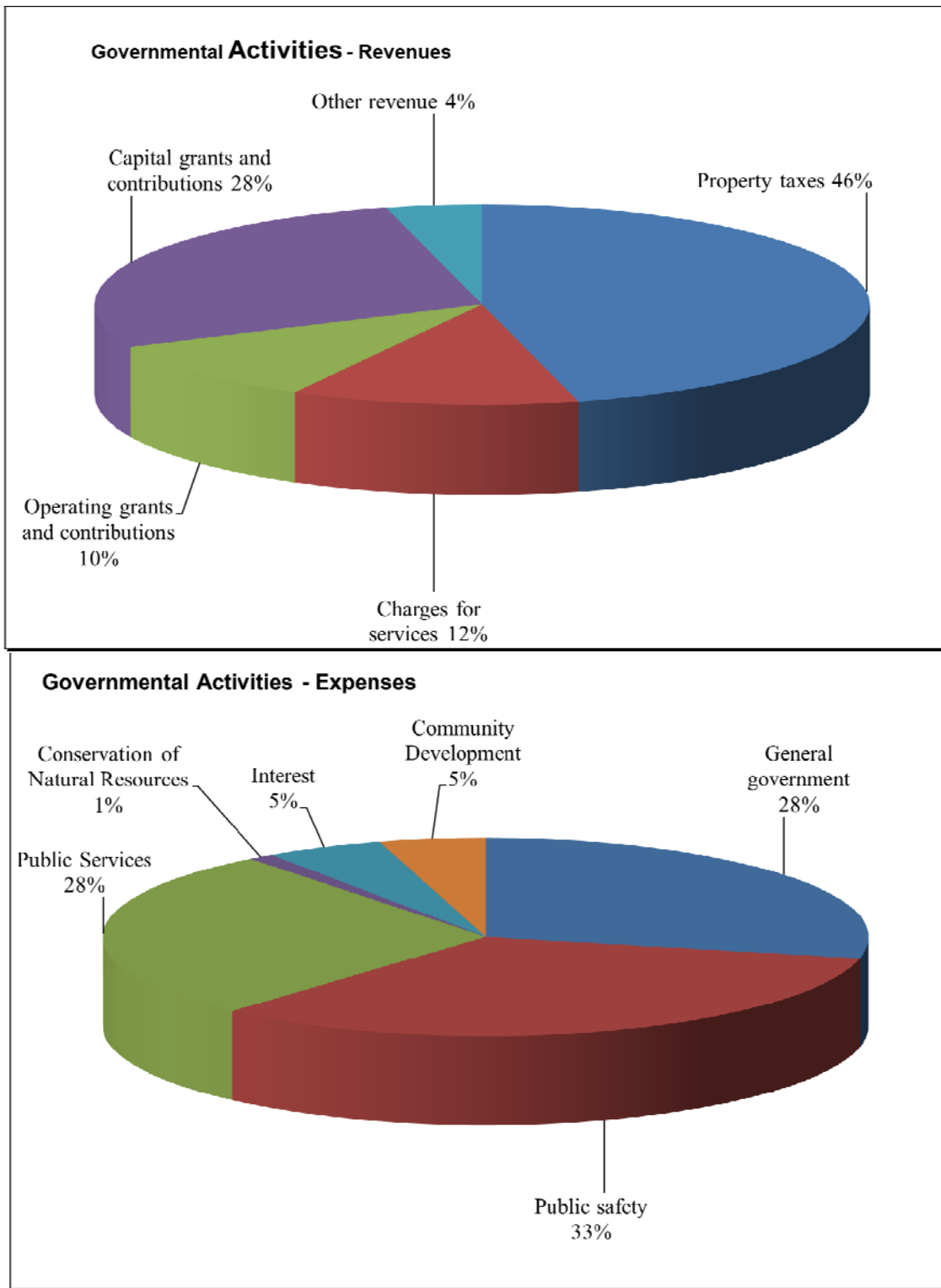
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$2,929,965	\$3,141,500	\$3,144,790	\$2,943,723	\$6,074,755	\$6,085,223
Operating grants and contributions	2,470,024	870,532	42,152	-	2,512,176	870,532
Capital grants and contributions	6,894,207	6,820,419	2,887,266	2,894,794	9,781,473	9,715,213
General revenues:						
General property taxes	10,492,131	10,035,681	-	-	10,492,131	10,035,681
Tax increment	766,912	671,296	-	-	766,912	671,296
Grants and contributions not restricted to specific programs	47,188	38,926	-	-	47,188	38,926
Unrestricted investment earnings	684,384	1,029,944	383,963	523,554	1,068,347	1,553,498
Gain on disposal of capital assets	150,041	68,472	-	-	150,041	68,472
Total revenues	24,434,852	22,676,770	6,458,171	6,362,071	30,893,023	29,038,841
Expenses:						
General government	4,197,819	2,466,130	-	-	4,197,819	2,466,130
Public safety	4,867,134	5,053,511	-	-	4,867,134	5,053,511
Public services	4,118,477	5,810,919	-	-	4,118,477	5,810,919
Conservation of natural resources	161,556	183,982	-	-	161,556	183,982
Community development	660,660	686,421	-	-	660,660	686,421
Interest and fees on long-term debt	733,207	498,587	-	-	733,207	498,587
Water	-	-	1,532,282	1,322,811	1,532,282	1,322,811
Sewer	-	-	2,199,865	2,002,711	2,199,865	2,002,711
Total expenses	14,738,853	14,699,550	3,732,147	3,325,522	18,471,000	18,025,072
Increase in net position before transfers	9,695,999	7,977,220	2,726,024	3,036,549	12,422,023	11,013,769
Transfers	(4,066,269)	(1,311,593)	4,066,269	1,311,593	-	-
Change in net position	5,629,730	6,665,627	6,792,293	4,348,142	12,422,023	11,013,769
Net position - January 1	58,463,519	51,797,892	52,628,048	48,279,906	111,091,567	100,077,798
Net position - December 31	\$64,093,249	\$58,463,519	\$59,420,341	\$52,628,048	\$123,513,590	\$111,091,567

Governmental Activities

Governmental activities increased the City's net position by \$5,629,730 during 2020. Contributions of capital assets from private sources, coronavirus relief grant funds, and property taxes levied to reduce debt all contributed to the increase in 2020. This increase was partially offset by transfers out to business-type activities of \$4,066,269.

Management's Discussion and Analysis

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:

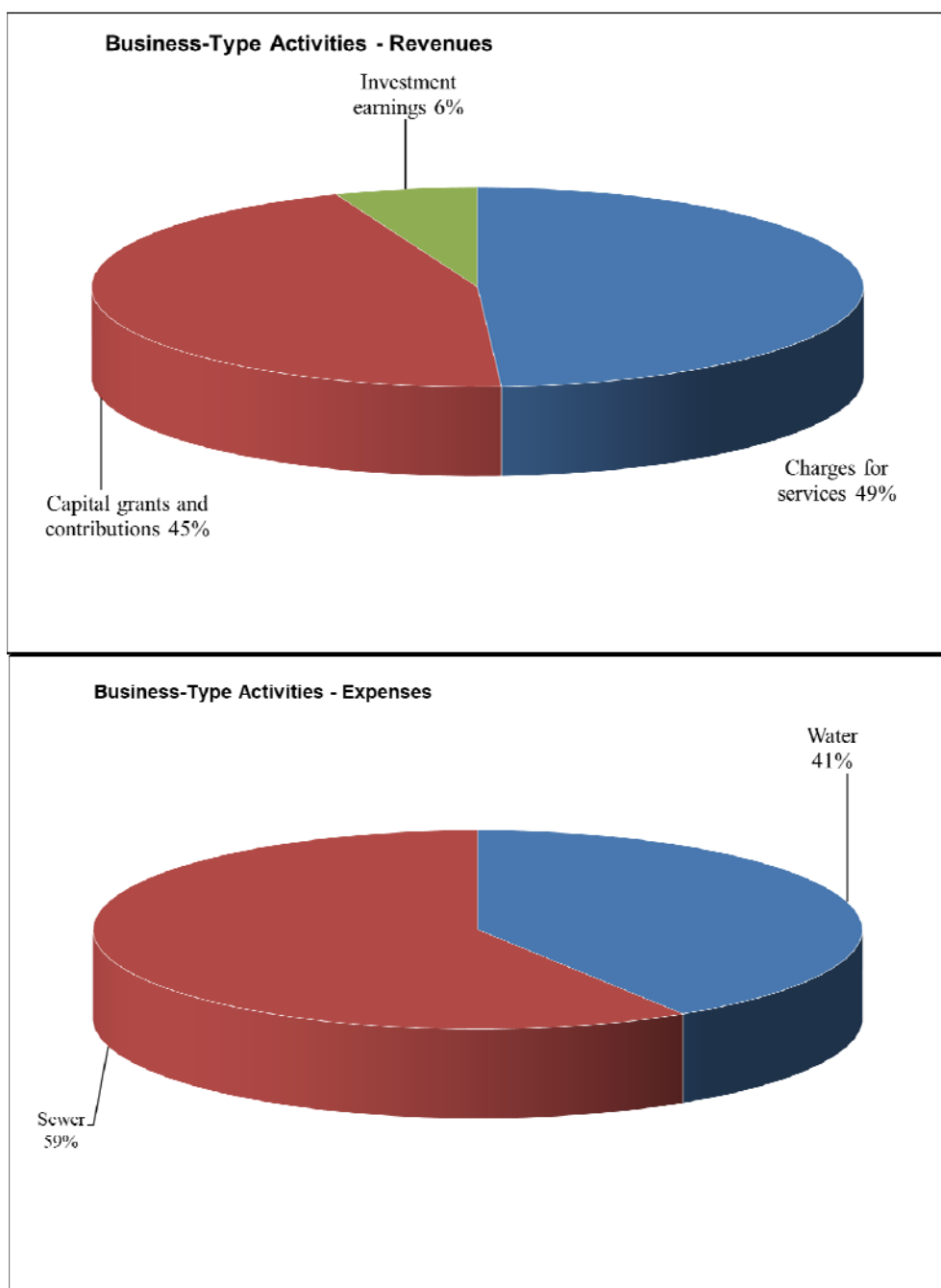


Management's Discussion and Analysis

Business-Type Activities

Business-type activities increased the City's net position by \$6,792,293 during 2020. The increase was due to contributions of capital assets from private sources and a transfer in from governmental activities of \$4,066,269.

Below are specific graphs which provide comparisons of the business-type activities revenues and expenses:



Management's Discussion and Analysis

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,120,124. Approximately 26% of this total amount (\$8,206,540) constitutes fund balance restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions. \$417,300 of fund balance is not in a spendable form, \$895,047 has been committed, \$18,943,415 has been assigned, and \$3,657,822 is unassigned.

The fund balance of the General Fund increased by \$734,527 in 2020, while the City anticipated the use of \$200,000 of the general fund balance. Strong investment earnings and increased license and permit revenues resulted in favorable General Fund revenues for the year. Reduced expenditures, primarily for personal services through position vacancies, and favorable professional and contractual services spending helped to increase the year end fund balance.

The G.O. Improvement Note of 2009A fund was established to service the debt issued by Anoka County as the City's financial commitment for the I-35E interchange project. The City prepaid the remaining balance of the note in 2017 using MSA funds. As deferred special assessments are received, MSA funds will be replenished. The fund began and ended the year with a fund balance of \$0, and transferred \$37,355 to the MSA Construction fund.

The G.O. Improvement Bonds of 2016B fund decreased by \$41,983. The 2016B series bonds were issued to refund the 2005A series bonds and fund the Legacy at Woods Edge improvements. Future tax increment and land sale proceeds are expected to cover debt service and the interfund loan payable.

The Area and Unit Charge fund has a total fund balance of \$9,659,265, all of which is assigned for financing capital improvements. The fund balance during the current year increased by \$1,351,871 due primarily to strong investment earnings and the issuance of General Obligation Bonds to fund the construction of Water Tower #3. Construction will be completed in 2021.

The MSA Construction fund has a total fund balance of \$3,083,911, all of which is assigned to capital improvements for City MSA designated roadways. The fund balance during the current year decreased by \$649,606 primarily due to transfers out for debt service payments and street and trail improvement projects.

Management's Discussion and Analysis

The 2018 Street Reconstruction fund has a total fund balance of \$0. The fund balance decreased during the year by \$1,010,945 due to the completion of the West Shadow Lake Drive and LaMotte Area Street Reconstruction project.

The combined fund balance of other governmental funds increased by \$1,512,731 during 2020. Primary reasons for the increase include West Shadow Lake Drive and LaMotte Area Street Reconstruction funds available at the end of the project for debt service payments on the 2018A bonds and increased development activities resulting in increased developer fee revenues (park dedication, seal coating, surface water management).

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water fund has total net position at year-end of \$30,858,612, of which \$5,810,154 is unrestricted. The increase in net position of \$5,331,048 was primarily due to capital contributions and strong investment earnings, partially offset by a net operating loss and a transfer to the Pavement Management Fund for watermain system repairs associated with the 2020 Street Rehabilitation project.

The sewer fund has total net position at year-end of \$28,561,729 of which \$10,243,990 is unrestricted. The increase in net position of \$1,461,245 was primarily due to capital contributions and strong investments earnings, partially offset by a net operating loss.

Budgetary Highlights

General Fund

There were amendments to the original budget in 2020. The revenue budget was decreased by \$174,758 to total \$10,440,412, and the expenditure budget was decreased by \$543,258 to total \$9,723,912. Other financing uses were increased \$3,500 to total \$551,500. Net changes to the budget resulted in a budgeted surplus of \$165,000.

Revenues were \$156,727 over budget for the year. General property taxes and fines and forfeits were \$69,382 under budget; however, this variance was more than offset by greater than anticipated license and permit revenues, intergovernmental revenue, charges for services, and investment earnings.

Expenditures came in under budget by \$413,420 primarily due to vacant positions and favorable professional and contracted service activity. Fuel costs were also much lower than anticipated due to the decrease in the average fuel price.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounted to \$98,518,109 (net of accumulated depreciation), an increase of \$12,267,605 from the prior year. This investment in capital assets includes land, wetland credits, construction in progress, buildings, equipment, vehicles, and infrastructure.

The City completed Phase II of the controls automation upgrade at the Civic Complex, Woods Edge Park improvements, street and utility improvements in the West Shadow Lake Drive and LaMotte areas, Pheasant Hills watermain improvements, Cedar Street Reconstruction improvements, and the build-out of two public safety vehicles. The City has continued to work to complete trunk utility improvements at 49&J, drainage improvements in the NE Area of the City, Water Tower #3, and Well House #1 Rehabilitation improvements. In addition, the City started Birth Street Watermain improvements and 2021 Street Reconstruction.

Developer lead infrastructure improvements at various stages of completion include St Clair Estates, NorthPointe 6th and 7th Additions, Saddle Club 3rd Addition, Century Farms 7th Addition, Chavez Estates, Eastside Villas, Watermark 1st, 2nd, and 3rd additions, and Naduea Acres.

City of Lino Lakes' Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$3,532,930	\$3,532,930	\$ -	\$ -	\$3,532,930	\$3,532,930
Wetland credits	93,876	170,421	-	-	93,876	170,421
Construction in progress	8,036,003	10,094,933	10,336,586	6,123,837	18,372,589	16,218,770
Buildings	7,619,238	6,983,477	-	-	7,619,238	6,983,477
Office equipment and furniture	312,288	233,176	-	-	312,288	233,176
Vehicles	1,961,862	1,842,573	-	-	1,961,862	1,842,573
Machinery and shop equipment	1,070,655	1,087,529	257,047	139,603	1,327,702	1,227,132
Other equipment	1,002,034	835,192	-	-	1,002,034	835,192
Infrastructure	31,523,026	25,079,453	32,772,564	30,127,380	64,295,590	55,206,833
Total	<u>\$55,151,912</u>	<u>\$49,859,684</u>	<u>\$43,366,197</u>	<u>\$36,390,820</u>	<u>\$98,518,109</u>	<u>\$86,250,504</u>

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$24,132,152. Of this amount, \$21,341,770 comprises tax supported debt and \$1,805,000 is special assessment debt. All outstanding debt carries the general obligation backing for which the City is liable in the event of default by the property owners subject to the specific taxes, special assessments or revenues pledged to the retirement of the debt. In addition, the City has a note payable to the City of Circle Pines for its share of the cost of capital equipment to be used by the North Metro Telecommunications Commission in the operation of a cable communications system in the amount of \$136,950.

City of Lino Lakes' Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$21,478,720	\$18,659,485	\$ -	\$ -	\$21,478,720	\$18,659,485
G.O. special assessment bonds	1,805,000	2,855,000	-	-	1,805,000	2,855,000
Bond premium	848,432	462,829	-	-	848,432	462,829
Total	<u>\$24,132,152</u>	<u>\$21,977,314</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,132,152</u>	<u>\$21,977,314</u>

The City of Lino Lakes' total bonded debt increased by \$1,769,235 during the current fiscal year. The issuance of General Obligation Bonds and Certificates of Indebtedness totaling \$4,624,235 to finance the construction of Water Tower #3 and capital equipment purchases combined with the scheduled principal payments of \$2,855,000 accounted for this change.

Additional information on the City's long-term debt can be found in Note 6.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Lino Lakes, 600 Town Center Parkway, Lino Lakes, Minnesota, 55014.

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BASIC FINANCIAL STATEMENTS

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CITY OF LINO LAKES, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2020

Statement 1

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets:			
Cash and investments	\$35,151,477	\$15,505,153	\$50,656,630
Accrued interest receivable	167,976	-	167,976
Due from other governmental units	76,002	32,485	108,487
Accounts receivable - net	61,140	336,717	397,857
Prepaid items	317,300	117,440	434,740
Internal balances	(559,110)	559,110	-
Inventory	-	20,863	20,863
Taxes receivable	457,579	-	457,579
Special assessments receivable	8,244,181	-	8,244,181
Net pension asset	559,547	-	559,547
Capital assets - nondepreciable	11,662,809	10,336,586	21,999,395
Capital assets - net of accumulated depreciation	43,489,103	33,029,611	76,518,714
Total assets	99,628,004	59,937,965	159,565,969
Deferred outflows of resources:			
Pension related	1,985,052	31,725	2,016,777
OPEB related	10,689	-	10,689
Total deferred outflows of resources	1,995,741	31,725	2,027,466
Liabilities:			
Accounts payable and other current liabilities	1,263,656	123,285	1,386,941
Deposits payable	2,172,668	-	2,172,668
Accrued interest payable	286,419	-	286,419
Other post employment benefits:			
Due in more than one year	606,506	6,968	613,474
Long-term liabilities:			
Due within one year	3,594,132	31,072	3,625,204
Due in more than one year	21,357,275	10,766	21,368,041
Net pension liability:			
Due in more than one year	5,079,134	350,182	5,429,316
Total liabilities	34,359,790	522,273	34,882,063
Deferred inflows of resources:			
Pension related	2,917,755	27,076	2,944,831
OPEB related	252,951	-	252,951
Total deferred inflows of resources	3,170,706	27,076	3,197,782
Net position:			
Net investment in capital assets	31,960,308	43,366,197	75,326,505
Restricted for:			
Debt service	10,510,225	-	10,510,225
Tax increment purposes	740,979	-	740,979
Park improvements	1,327,036	-	1,327,036
Other purposes	867,963	-	867,963
Unrestricted	18,686,738	16,054,144	34,740,882
Total net position	\$64,093,249	\$59,420,341	\$123,513,590

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA**STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$4,197,819	\$587,888
Public safety	4,867,134	1,235,829
Public services	4,118,477	1,106,248
Conservation of natural resources	161,556	-
Community development	660,660	-
Interest and fees on long-term debt	733,207	-
Total governmental activities	<u>14,738,853</u>	<u>2,929,965</u>
Business-type activities:		
Water	1,532,282	1,341,559
Sewer	2,199,865	1,803,231
Total business-type activities	<u>3,732,147</u>	<u>3,144,790</u>
Total primary government	<u><u>\$18,471,000</u></u>	<u><u>\$6,074,755</u></u>

The accompanying notes are an integral part of these financial statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-Type Activities	Total
\$1,625,816	\$ -	(\$1,984,115)	\$ -	(\$1,984,115)
482,885	-	(3,148,420)	-	(3,148,420)
274,021	6,894,207	4,155,999	-	4,155,999
71,302	-	(90,254)	-	(90,254)
16,000	-	(644,660)	-	(644,660)
-	-	(733,207)	-	(733,207)
2,470,024	6,894,207	(2,444,657)	0	(2,444,657)
42,152	1,516,637	-	1,368,066	1,368,066
-	1,370,629	-	973,995	973,995
42,152	2,887,266	0	2,342,061	2,342,061
\$2,512,176	\$9,781,473	(2,444,657)	2,342,061	(102,596)
General revenues:				
General property taxes		10,492,131	-	10,492,131
Tax increment		766,912	-	766,912
Grants and contributions not restricted to specific programs		47,188	-	47,188
Unrestricted investment earnings		684,384	383,963	1,068,347
Gain on disposal of capital assets		150,041	-	150,041
Transfers		(4,066,269)	4,066,269	-
Total general revenues and transfers		8,074,387	4,450,232	12,524,619
Change in net position		5,629,730	6,792,293	12,422,023
Net position - January 1		58,463,519	52,628,048	111,091,567
Net position - December 31		\$64,093,249	\$59,420,341	\$123,513,590

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2020

	General Fund	333 G.O. Improvement Note of 2009A
Assets		
Cash and investments	\$9,496,886	\$ -
Accrued interest receivable	167,976	-
Due from other governmental units	59,417	-
Accounts receivable - net	37,606	-
Prepaid items	315,224	-
Advances to other funds	-	-
Taxes receivable:		
Due from county	290,917	-
Delinquent	131,631	-
Special assessments receivable:		
Due from county	-	-
Delinquent	-	280
Deferred	169	2,164,522
Interfund loan receivable	-	-
Total assets	\$10,499,826	\$2,164,802
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	\$313,147	\$ -
Salaries payable	290,014	-
Due to other governmental units	64,475	-
Advances from other funds	-	-
Retainage payable	-	-
Deposits payable	2,172,668	-
Interfund loan payable	-	-
Total liabilities	2,840,304	0
Deferred inflows of resources:		
Unavailable revenue	131,800	2,164,802
Fund balance:		
Nonspendable	315,224	-
Restricted	-	-
Committed	425,000	-
Assigned	-	-
Unassigned	6,787,498	-
Total fund balance	7,527,722	0
Total liabilities, deferred inflows of resources, and fund balance	\$10,499,826	\$2,164,802

The accompanying notes are an integral part of these financial statements.

Statement 3

342 G.O. Improvement Bonds of 2016B	406 Area and Unit Charge	420 MSA Construction	Other Governmental Funds	Total Governmental Funds
\$395,982	\$9,996,253	\$3,084,523	\$12,177,833	\$35,151,477
-	-	-	-	167,976
-	-	-	16,585	76,002
-	18,595	-	4,939	61,140
-	-	-	2,076	317,300
156,310	-	-	683,093	839,403
-	-	-	35,031	325,948
-	-	-	-	131,631
-	9,986	-	5,729	15,715
-	15,957	-	7,736	23,973
2,994,379	2,161,029	-	884,394	8,204,493
-	-	-	2,317,533	2,317,533
<u>\$3,546,671</u>	<u>\$12,201,820</u>	<u>\$3,084,523</u>	<u>\$16,134,949</u>	<u>\$47,632,591</u>
\$318	\$180,281	\$612	\$228,677	\$723,035
-	-	-	-	290,014
-	-	-	-	64,475
-	-	-	839,403	839,403
-	185,288	-	844	186,132
-	-	-	-	2,172,668
2,876,643	-	-	-	2,876,643
<u>2,876,961</u>	<u>365,569</u>	<u>612</u>	<u>1,068,924</u>	<u>7,152,370</u>
<u>2,994,379</u>	<u>2,176,986</u>	<u>-</u>	<u>892,130</u>	<u>8,360,097</u>
-	-	-	102,076	417,300
-	803,598	-	7,402,942	8,206,540
-	-	-	470,047	895,047
-	8,855,667	3,083,911	7,003,837	18,943,415
(2,324,669)	-	-	(805,007)	3,657,822
<u>(2,324,669)</u>	<u>9,659,265</u>	<u>3,083,911</u>	<u>14,173,895</u>	<u>32,120,124</u>
<u>\$3,546,671</u>	<u>\$12,201,820</u>	<u>\$3,084,523</u>	<u>\$16,134,949</u>	<u>\$47,632,591</u>

The accompanying notes are an integral part of these financial statements.

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CITY OF LINO LAKES, MINNESOTA**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2020****Statement 4**

Fund balance - total governmental funds (Statement 3)	\$32,120,124
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Net position reported for governmental activities in the Statement of Net Position is different because:

Certain assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Capital assets	55,151,912
Net pension asset	559,547

Other long-term assets are not available to pay for current-period expenditures and therefore, are reported as unavailable revenue in the funds:

Delinquent taxes receivable	131,631
Delinquent special assessments receivable	23,973
Deferred special assessments receivable	8,204,493

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Bonds and notes payable	(23,283,720)
Unamortized bond premiums	(859,061)
Unamortized bond discounts	10,629
Accrued interest payable	(286,419)
Compensated absences payable	(819,255)
Other post employment benefits	(606,506)
Net pension liability	(5,079,134)

Deferred outflows and inflows of resources related to pensions and OPEB are associated with long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. Balances at year end are:

Deferred outflows of resources	1,995,741
Deferred inflows of resources	(3,170,706)

Net position of governmental activities (Statement 1)	<u><u>\$64,093,249</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2020

	General Fund	333 G.O. Improvement Note of 2009A	342 G.O. Improvement Bonds of 2016B
Revenues:			
General property taxes	\$8,342,663	\$ -	\$ -
Tax increment	-	-	-
Licenses and permits	972,450	-	-
Special assessments	-	37,355	-
Intergovernmental	642,220	-	-
Charges for services	248,882	-	-
Fines and forfeits	76,811	-	-
Investment earnings	122,482	-	3,801
Miscellaneous	191,631	-	-
Total revenues	10,597,139	37,355	3,801
Expenditures:			
Current:			
General government	2,100,186	-	-
Public safety	4,722,890	-	-
Public services	1,907,420	-	-
Conservation of natural resources	160,884	-	-
Community development	401,523	-	-
Capital outlay:			
General government	-	-	-
Public safety	14,199	-	-
Public services	4,010	-	-
Debt service:			
Principal	-	-	495,000
Interest and fiscal charges	-	-	11,186
Total expenditures	9,311,112	0	506,186
Revenues over (under) expenditures	1,286,027	37,355	(502,385)
Other financing sources (uses):			
Transfers in	380,000	-	460,402
Transfers out	(931,500)	(37,355)	-
Issuance of debt	-	-	-
Premium on issuance of debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	(551,500)	(37,355)	460,402
Net change in fund balance	734,527	0	(41,983)
Fund balance - January 1	6,793,195	-	(2,282,686)
Fund balance - December 31	\$7,527,722	\$0	(\$2,324,669)

The accompanying notes are an integral part of these financial statements.

406 Area and Unit Charge	420 MSA Construction	485 2018 Street Reconstruction	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$2,122,799	\$10,465,462
-	-	-	766,912	766,912
-	-	-	-	972,450
760,536	-	-	189,162	987,053
-	-	87,000	1,868,524	2,597,744
338,526	-	-	1,022,219	1,609,627
-	-	-	83,468	160,279
214,257	84,789	-	259,055	684,384
-	-	-	54,968	246,599
1,313,319	84,789	87,000	6,367,107	18,490,510
-	-	-	1,312,414	3,412,600
-	-	-	21,283	4,744,173
155,979	8,912	-	1,011,055	3,083,366
-	-	-	-	160,884
-	-	-	263,882	665,405
-	-	-	405,310	405,310
-	-	-	136,291	150,490
3,988,609	-	438,853	1,400,169	5,831,641
-	-	-	2,360,000	2,855,000
-	-	-	618,096	629,282
4,144,588	8,912	438,853	7,528,500	21,938,151
(2,831,269)	75,877	(351,853)	(1,161,393)	(3,447,641)
15,295	37,355	-	3,229,737	4,122,789
(597,778)	(762,838)	(659,092)	(1,090,690)	(4,079,253)
4,330,000	-	-	294,235	4,624,235
435,623	-	-	-	435,623
-	-	-	240,842	240,842
4,183,140	(725,483)	(659,092)	2,674,124	5,344,236
1,351,871	(649,606)	(1,010,945)	1,512,731	1,896,595
8,307,394	3,733,517	1,010,945	12,661,164	30,223,529
\$9,659,265	\$3,083,911	\$0	\$14,173,895	\$32,120,124

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2020**
Statement 6

Net change in fund balance - total governmental funds (Statement 5)	\$1,896,595
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Current expenditures capitalized	921,489
Capital outlay	6,387,441
Depreciation	(3,114,147)

Various other transactions involving capital assets increase (decrease) net position on the Statement of Activities, but are not reported in governmental funds because they do not provide (or use) current financial resources:

Contributions of infrastructure from private sources	5,298,050
Contributions of infrastructure to business-type activities	(4,109,805)
Miscellaneous other differences related to capital assets	(90,800)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in delinquent taxes receivable	26,669
Change in delinquent special assessments receivable	(17,293)
Change in deferred special assessments receivable	306,382

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of bond premiums and discounts when the debt is first issued, whereas amounts are deferred and amortized over the life of the debt in the Statement of Activities.

Bonds and notes issued, including bond premium	(5,059,858)
Repayment of principal	2,855,000
Amortization of bond premiums and discounts	50,020

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the Statement of Activities include the effects of the changes in these expense accruals as follows:

Change in accrued interest payable	(153,945)
Change in compensated absences payable	(18,073)
Change in OPEB liability and related deferred outflows and inflows of resources	(27,210)

Pension expense in governmental funds is measured by current year employee contributions. Pension expense in the Statement of Activities is measured by the change in the net pension liability and related deferred inflows and outflows of resources. This is the amount by which pension expense (\$148,170) differed from pension contributions (\$627,385).

479,215

Change in net position of governmental activities (Statement 2)

5\$5,629,730

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

Statement 7

	Business-Type Activities - Enterprise Funds		
	601 Water	602 Sewer	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$5,895,566	\$9,609,587	\$15,505,153
Due from other governmental units	29,991	2,494	32,485
Accounts receivable - net	138,452	198,265	336,717
Prepaid items	12,839	104,601	117,440
Inventory	20,863	-	20,863
Total current assets	6,097,711	9,914,947	16,012,658
Noncurrent assets:			
Interfund loan receivable	-	559,110	559,110
Capital assets:			
Construction in progress	7,453,016	2,883,570	10,336,586
Equipment	103,896	446,657	550,553
Water and sewer systems	27,940,244	25,908,535	53,848,779
Total capital assets	35,497,156	29,238,762	64,735,918
Less: Allowance for depreciation	(10,448,698)	(10,921,023)	(21,369,721)
Net capital assets	25,048,458	18,317,739	43,366,197
Total assets	31,146,169	28,791,796	59,937,965
Deferred outflows of resources related to pensions	15,756	15,969	31,725
Liabilities:			
Current liabilities:			
Accounts payable	33,089	17,504	50,593
Salaries payable	10,301	10,301	20,602
Due to other governments	13,301	3,253	16,554
Other accrued liabilities	34,856	680	35,536
Compensated absences payable - current portion	15,536	15,536	31,072
Total current liabilities	107,083	47,274	154,357
Noncurrent liabilities:			
Compensated absences payable - noncurrent portion	5,383	5,383	10,766
Other post employment benefits - noncurrent portion	3,484	3,484	6,968
Net pension liability	173,916	176,266	350,182
Total noncurrent liabilities	182,783	185,133	367,916
Total liabilities	289,866	232,407	522,273
Deferred inflows of resources related to pensions	13,447	13,629	27,076
Net position:			
Investment in capital assets	25,048,458	18,317,739	43,366,197
Unrestricted	5,810,154	10,243,990	16,054,144
Total net position	\$30,858,612	\$28,561,729	\$59,420,341

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2020

Statement 8

	Business-Type Activities - Enterprise Funds		
	601 Water	602 Sewer	Totals
Operating revenues:			
Charges for services	\$1,225,474	\$1,768,044	\$2,993,518
Hook-up charges	43,260	35,187	78,447
Water meter sales	72,825	-	72,825
Total operating revenues	1,341,559	1,803,231	3,144,790
Operating expenses:			
Personal services	307,712	316,088	623,800
Materials and supplies	290,275	33,244	323,519
Contractual services	210,109	230,420	440,529
MCES sewer charges	-	1,035,391	1,035,391
Depreciation	616,893	512,771	1,129,664
Utilities	85,248	47,168	132,416
Other	22,045	24,783	46,828
Total operating expenses	1,532,282	2,199,865	3,732,147
Operating income (loss)	(190,723)	(396,634)	(587,357)
Nonoperating revenues (expenses):			
Investment earnings	149,623	234,340	383,963
Intergovernmental revenue	42,152	-	42,152
Total nonoperating revenues (expenses)	191,775	234,340	426,115
Income before contributions and transfers	1,052	(162,294)	(161,242)
Contributions and transfers:			
Capital contributions from private sources	1,516,637	1,370,629	2,887,266
Capital contributions from governmental activities	3,940,716	169,089	4,109,805
Transfer in	-	83,821	83,821
Transfer out	(127,357)	-	(127,357)
Total contributions and transfers	5,329,996	1,623,539	6,953,535
Change in net position	5,331,048	1,461,245	6,792,293
Net position - January 1	25,527,564	27,100,484	52,628,048
Net position - December 31	\$30,858,612	\$28,561,729	\$59,420,341
		Capital Contributions	Transfers - Net
Amounts reported above		\$6,997,071	(\$43,536)
Amounts reported for business-type activities in the statement of activities are different because:			
Transfer in of capital assets from governmental activities		(4,109,805)	4,109,805
Amounts reported on the statement of activities		\$2,887,266	\$4,066,269

The accompanying notes are an integral part of these financial statements.

CITY OF LINO LAKES, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2020

Statement 9

	Business-Type Activities - Enterprise Funds		
	601 Water	602 Sewer	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$1,324,219	\$1,808,593	\$3,132,812
Payment to suppliers	(567,189)	(1,441,515)	(2,008,704)
Payment to employees	(289,638)	(295,695)	(585,333)
Net cash flows provided by operating activities	467,392	71,383	538,775
Cash flows from noncapital financing activities:			
Intergovernmental revenue	12,161	-	12,161
Transfers in	-	83,821	83,821
Transfers out	(127,357)	-	(127,357)
Net cash flows provided by noncapital financing activities	(115,196)	83,821	(31,375)
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(778,045)	(329,925)	(1,107,970)
Cash flows from investing activities:			
Investment earnings	149,623	234,340	383,963
Net increase in cash and cash equivalents	(276,226)	59,619	(216,607)
Cash and cash equivalents - January 1	6,171,792	9,549,968	15,721,760
Cash and cash equivalents - December 31	\$5,895,566	\$9,609,587	\$15,505,153
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	(\$190,723)	(\$396,634)	(\$587,357)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	616,893	512,771	1,129,664
Changes in assets and liabilities:			
Decrease (increase) in due from other governmental units	-	(256)	(256)
Decrease (increase) in accounts receivable - net	(17,340)	5,618	(11,722)
Decrease (increase) in prepaid items	1,195	(81,538)	(80,343)
Decrease (increase) in inventory	1,633	-	1,633
Decrease (increase) in deferred outflows of resources	2,741	2,528	5,269
Increase (decrease) in payables	16,376	11,684	28,060
Increase (decrease) in other accrued liabilities	21,284	(655)	20,629
Increase (decrease) in compensated absences	1,285	1,285	2,570
Increase (decrease) in other post employment benefits	300	300	600
Increase (decrease) in net pension liability	33,087	35,437	68,524
Increase (decrease) in deferred inflows of resources	(19,339)	(19,157)	(38,496)
Total adjustments	658,115	468,017	1,126,132
Net cash provided by operating activities	\$467,392	\$71,383	\$538,775
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$5,457,353	\$1,539,718	\$6,997,071

The accompanying notes are an integral part of these financial statements.

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lino Lakes, Minnesota (the City) is a public corporation formed under Minnesota Statute 410. As such, the City is under home rule charter regulations and applicable statutory guidelines.

The basic financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of significant accounting policies:

A. FINANCIAL REPORTING ENTITY

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component units have been included in the financial report as blended component units.

The Economic Development Authority (EDA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the EDA is reported as if it were a part of the City's operation because the governing body is substantially the same as the governing body of the City and a financial benefit or burden relationship exists between the City and the EDA. The EDA does not issue separate financial statements. The Housing and Development Authority (HRA) of Lino Lakes is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as commission members and a financial benefit or burden relationship exists between the City and the HRA. The HRA has not yet incurred any financial activity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

The fund financial statements are provided for governmental and proprietary funds. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The City reports the following major governmental funds:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Obligation Improvement Note of 2009A Fund accounts for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt. The note was used to finance improvement projects at the I-35E and County Road 14 interchange.

General Obligation Improvement Bonds of 2016B Fund accounts for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt.

Area and Unit Charge Fund accounts for the collection of water and sewer unit charges to be used for debt payments and construction of governmental infrastructure.

MSA Construction Fund accounts for the financing of future reconstruction of state aid eligible streets.

2018 Street Reconstruction Fund accounts for street and utility improvements within the West Shadow Lake Drive and LaMotte neighborhoods.

The City reports the following major proprietary funds:

The *Water Fund* accounts for customer water service charges which are used to finance water system operating expenses.

The *Sewer Fund* accounts for customer sewer service charges which are used to finance sanitary sewer system operating expenses.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as

expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund and the Program Recreation Special Revenue Fund. Budgeted expenditure appropriations lapse at year-end. Budgeted amounts are reported as originally adopted and as amended by the City Council.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget (including the General Fund and Program Recreation Special Revenue Fund) for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis and can expended by each department based upon detailed budget estimates for individual expenditure accounts.

4. The City Administrator is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed periodically by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the department level unless approved by the City Council. Therefore, the legal level of budgetary control is at the department level (i.e. administration, community development, public safety, public services, and other).
9. The City Council may authorize transfers of budgeted amounts between City funds.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Interest earnings are accrued at year-end.

For purposes of the Statement of Cash Flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types is considered cash equivalents.

Permanently restricted cash and investments represents the principal and earnings portion of resources received that must be retained in a permanent fund. Only earnings from these funds may be used for purposes that support environmental maintenance and improvements.

G. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Within the government-wide financial statements, the City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

Within the governmental fund financial statements, the City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July, December, and the following January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) are classified as due from county. Taxes not collected by the county by December 31 are classified as delinquent taxes receivable. Delinquent taxes receivable are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per State Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971.

H. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

Within the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Within the fund financial statements, the revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments are collected by the County and remitted by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

I. INVENTORY

For governmental funds, the original cost of materials and supplies are recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories.

Inventories of the proprietary funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) method.

J. PREPAID ITEMS

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

K. INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures / expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund. Such advances are classified as “advances to/from other funds.” Long-term interfund loans are classified as “interfund loan receivable/payable.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All other interfund transactions are reported as transfers.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. All existing City infrastructure has been capitalized regardless of date placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for City purposes, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 30 years for buildings, office furniture and equipment, vehicles, machine shop and equipment and other assets, and 15 to 50 years for infrastructure.

M. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation, PTO (Personal Time Off), extended leave and sick pay benefits. All vacation pay and PTO and the portion of sick pay allowable as severance is accrued in the government-wide and proprietary fund financial statements. The current portion is calculated based on historical trends.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. DEFINED BENEFIT PENSION PLANS

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until that time. The City has two items that qualify for reporting in this category. Pension related deferred outflows of resources are reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. OPEB related deferred outflows of resources are only reported in the governmental activities column of the government-wide Statement of Net Position as amounts applicable to business-type activities are immaterial.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. Pension related deferred inflows of resources are reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. OPEB related deferred inflows of resources are only reported in the governmental activities column of the government-wide Statement of Net Position as amounts applicable to business-type activities are immaterial. The City also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the following sources: property taxes and special assessments not collected within 60 days from year-end.

Q. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items and corpus of any permanent fund.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by a resolution approved by the City Council, and committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.

Assigned - consists of internally imposed constraints for the specific purpose of the City's intended use. These constraints are established by the City Council and/or management. The City Council passed a resolution authorizing the Finance Director to assign fund balances and their intended uses.

Unassigned - is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

The City formally adopted a fund balances policy for the general fund. The policy establishes an unassigned fund balance range of 40% - 50% of general fund operating expenditures.

R. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. Minnesota Statue 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no additional deposit policies addressing custodial credit risk.

At December 31, 2020, the bank balance of the City's deposits with financial institutions was \$5,357,631 and the carrying amount was \$4,978,958. All deposits were covered by federal depository insurance or by collateral pledge and held in the City's name.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the City to invest in United States securities, state and local securities, commercial paper, time deposits, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trusts and guaranteed investment contracts.

At December 31, 2020, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1	1 - 3	3 - 6
Brokered certificates of deposit	Not rated	\$19,875,392	\$7,390,586	\$8,981,633	\$3,503,173
Municipal bonds	*	13,545,411	4,103,061	4,921,394	4,520,956
Federal Agency Securities	AA+	2,249,988	-	1,750,098	499,890
4M fund	Not rated	9,499,944	9,499,944	-	-
First American Gov't Obligation fund	AAAm	505,997	505,997	-	-
Total		<u>\$45,676,732</u>	<u>\$21,499,588</u>	<u>\$15,653,125</u>	<u>\$8,524,019</u>
* AAA \$2,853,030; AA+ \$2,464,096			Total investments		\$45,676,732
AA1 \$485,516; AA2 \$746,304			Deposits		4,978,958
AA3 \$488,021; AA \$4,044,333			Petty cash		940
AA- \$1,236,968; A+ \$616,055			Total cash and investments		<u>\$50,656,630</u>
A \$611,088					

Ratings per Moody's or S&P

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements at December 31, 2020:

Investment Type	12/31/2020	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	\$19,875,392	\$ -	\$19,875,392	\$ -
Municipal bonds	13,545,411	-	13,545,411	-
Federal Home Loan Mortgage Corp.	2,249,988	-	2,249,988	-
		<u>\$0</u>	<u>\$35,670,791</u>	<u>\$0</u>
Investments not categorized:				
4M fund	9,499,944			
First American Gov't Obligation fund	505,997			
Total investments	\$45,676,732			

The 4M fund is an external investment pool investment which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. It is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio

weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of \$1 per share. The pool measures its investments at amortized cost in accordance with GASB Statement No. 79. The 4M Plus fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to penalty equal to 7 days interest on the amount withdrawn.

The First American Government Obligation money market fund is an external investment pool. The fund seeks to maintain a constant net asset value (NAV) of \$1 per share. The securities held by the fund are valued on the basis of amortized cost. Shares may be redeemed without penalty on any business day.

C. INVESTMENT RISKS

Custodial Credit Risk – Investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy requires its brokers be licensed with the appropriate federal and state agencies. A minimum capital requirement of \$5,000,000 and at least five years of operation is mandatory. Investments in securities are held by the City's broker-dealers. The securities at each broker-dealer are insured \$500,000 through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy to minimize interest rate risk includes investing primarily in short-term securities and structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's policy to minimize credit risk includes limiting investing funds to those allowable under Minnesota Statute 118A, annually appointing all financial institutions where investments are held, and diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount it may invest in any one issuer. At December 31, 2020, no individual investments exceeded 5% of the City's total investment portfolio.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 3 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2020 are as follows:

	Property Taxes Receivable	Special Assessments Receivable	Total
Major Funds:			
General Fund	\$53,000	\$ -	\$53,000
G.O. Improvement Note of 2009A	-	2,138,400	2,138,400
G.O. Improvement Bonds of 2016B	-	2,994,400	2,994,400
Area and Unit Charge	-	2,055,000	2,055,000
Nonmajor Funds	-	811,900	811,900
Total	<u>\$53,000</u>	<u>\$7,999,700</u>	<u>\$8,052,700</u>

Note 4 UNAVAILABLE REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds are as follows:

	Property Taxes Receivable	Special Assessments Receivable	Total
Major Funds:			
General Fund	\$131,631	\$169	\$131,800
G.O. Improvement Note of 2009A	-	2,164,802	2,164,802
G.O. Improvement Bonds of 2016B	-	2,994,379	2,994,379
Area and Unit Charge	-	2,176,986	2,176,986
Nonmajor Funds	-	892,130	892,130
Total	<u>\$131,631</u>	<u>\$8,228,466</u>	<u>\$8,360,097</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$3,532,930	\$ -	\$ -	\$ -	\$3,532,930
Wetland credits	170,421	-	(76,545)	-	93,876
Construction in progress	10,094,933	6,257,268	(4,206,393)	(4,109,805)	8,036,003
Total capital assets, not being depreciated	13,798,284	6,257,268	(4,282,938)	(4,109,805)	11,662,809
Capital assets, being depreciated:					
Buildings	12,335,828	1,127,365	-	-	13,463,193
Office equipment and furniture	713,850	143,325	(27,004)	-	830,171
Vehicles	4,617,444	440,743	(147,864)	-	4,910,323
Machinery and shop equipment	2,568,859	252,534	(66,813)	-	2,754,580
Other equipment	1,555,397	226,733	-	-	1,782,130
Infrastructure	88,241,098	8,430,785	(397,991)	-	96,273,892
Total capital assets, being depreciated	110,032,476	10,621,485	(639,672)	0	120,014,289
Less accumulated depreciation for:					
Buildings	5,352,351	491,604	-	-	5,843,955
Office equipment and furniture	480,674	51,616	(14,407)	-	517,883
Vehicles	2,774,871	316,575	(142,985)	-	2,948,461
Machinery and shop equipment	1,481,330	207,249	(4,654)	-	1,683,925
Other equipment	720,205	59,891	-	-	780,096
Infrastructure	63,161,645	1,987,212	(397,991)	-	64,750,866
Total accumulated depreciation	73,971,076	3,114,147	(560,037)	0	76,525,186
Total capital assets being depreciated - net	36,061,400	7,507,338	(79,635)	0	43,489,103
Governmental activities capital assets - net	\$49,859,684	\$13,764,606	(\$4,362,573)	(\$4,109,805)	\$55,151,912
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Construction in progress	\$6,123,837	\$3,498,369	(\$3,324,633)	\$4,039,013	\$10,336,586
Capital assets, being depreciated:					
Machinery and shop equipment	392,536	165,016	(6,999)	-	550,553
Water and sewer systems	50,120,778	3,657,209	-	70,792	53,848,779
Total capital assets, being depreciated	50,513,314	3,822,225	(6,999)	70,792	54,399,332
Accumulated depreciation for:					
Machinery and shop equipment	252,933	46,848	(6,274)	-	293,507
Water and sewer systems	19,993,398	1,082,816	-	-	21,076,214
Total accumulated depreciation	20,246,331	1,129,664	(6,274)	0	21,369,721
Total capital assets being depreciated - net	30,266,983	2,692,561	(725)	70,792	33,029,611
Business-type activities capital assets - net	\$36,390,820	\$6,190,930	(\$3,325,358)	\$4,109,805	\$43,366,197

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$520,292
Public safety	288,272
Public services	2,304,733
Conservation of natural resources	850
Total depreciation expense - governmental activities	<u>\$3,114,147</u>
Business-type activities:	
Water	\$616,893
Sewer	512,771
Total depreciation expense - business-type activities	<u>\$1,129,664</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 6 LONG-TERM DEBT

The City issues general obligation bonds and certificates of indebtedness to provide funds for the acquisition and construction of major capital facilities and equipment. City indebtedness at December 31, 2020 consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Payable 12/31/2020
Governmental activities:					
General Obligation Bonds:					
G.O. TIF Bonds, Series 2007A	07/15/07	02/01/24	4.00% - 4.125%	\$4,215,000	\$1,020,000
G.O. Refunding Bonds, Series 2012A	11/15/12	02/01/24	1.00% - 2.00%	2,015,000	650,000
G.O. Bonds, Series 2015A	08/01/15	02/01/31	2.00% - 3.00%	3,095,000	2,310,000
EDA Lease Revenue Bonds, Series 2015B	10/01/15	04/01/36	2.00% - 3.00%	4,350,000	3,665,000
G.O. Utility Revenue Bonds, Series 2016A	11/23/16	02/01/27	2.00%	1,420,000	1,015,000
G.O. Tax Abatement Refunding Bonds, Series 2016C	11/23/16	02/01/23	1.00% - 1.50%	1,600,000	870,000
G.O. Bonds, Series 2018A	12/19/18	02/01/34	3.00% - 5.00%	6,915,000	6,825,000
G.O. Utility Revenue Bonds, Series 2020A	07/08/20	02/01/35	2.00% - 4.00%	4,330,000	4,330,000
Total General Obligation Bonds				<u>27,940,000</u>	<u>20,685,000</u>
Special Assessment Bonds:					
G.O. Improvement Bonds, Series, 2013A	07/15/13	02/01/24	1.25% - 4.00%	615,000	255,000
G.O. Improvement Bonds, Series 2014A	11/20/14	02/01/26	0.40% - 2.30%	2,645,000	1,040,000
G.O. Improvement Refunding Bonds, Series 2016B	11/23/16	02/01/21	0.875% - 1.50%	1,975,000	510,000
Total Special Assessment Bonds				<u>5,235,000</u>	<u>1,805,000</u>
Direct Borrowings:					
G.O. Certificates of Indebtedness, Series 2018	02/01/18	12/31/21	1.00%	303,900	100,000
G.O. Certificates of Indebtedness, Series 2019	02/01/19	12/31/22	1.00%	388,535	262,535
G.O. Capital Note, Series 2016A	04/14/16	02/01/26	2.00%	294,525	136,950
G.O. Certificates of Indebtness 2020A	01/01/20	12/31/23	1.00%	294,235	294,235
Total Direct Borrowings				<u>1,281,195</u>	<u>793,720</u>
Unamortized bond premiums				1,010,812	859,061
Unamortized bond discounts				(38,362)	(10,629)
Compensated absences payable				N/A	819,255
Total Government Activities				<u>\$35,428,645</u>	<u>\$24,951,407</u>
Business-Type Activities:					
Compensated absences payable				N/A	\$41,838

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

CHANGES IN LONG-TERM DEBT

The following is a schedule of changes in City indebtedness for the year ended December 31, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$17,595,000	\$4,330,000	\$1,240,000	\$20,685,000	\$1,830,000
Special assessment bonds	2,855,000	-	1,050,000	1,805,000	960,000
Direct borrowings	1,064,485	294,235	565,000	793,720	359,000
Total bonds and notes payable	21,514,485	4,624,235	2,855,000	23,283,720	3,149,000
Unamortized bond premiums	476,139	435,623	52,701	859,061	-
Unamortized bond discounts	(13,310)	-	(2,681)	(10,629)	-
Compensated absences payable	801,182	491,322	473,249	819,255	445,132
Total governmental activities	<u>\$22,778,496</u>	<u>\$5,551,180</u>	<u>\$3,378,269</u>	<u>\$24,951,407</u>	<u>\$3,594,132</u>
Business-Type Activities:					
Compensated absences payable	<u>\$39,268</u>	<u>\$33,331</u>	<u>\$30,761</u>	<u>\$41,838</u>	<u>\$31,072</u>

DESCRIPTIONS OF LONG-TERM DEBT

General Obligation Bonds – The bonds were issued for improvements or projects which benefited the City as a whole and, therefore, are repaid from ad valorem levies.

Special Assessment Bonds – The bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. However, some issues are partly financed by ad valorem levies.

Utility Revenue Bonds – These bonds were issued to finance various improvements in the water fund and will be repaid primarily from pledged revenues derived from the constructed assets.

Certificates of Indebtedness – the certificates were issued to finance capital purchases in accordance with the City's Capital Equipment Replacement Schedule and will be repaid from ad valorem levies.

Capital Note – This note was issued to fund the cost of the acquisition of capital equipment to be used by the North Metro Telecommunications Commission in the operation of a cable communications system. The note will be repaid from franchise fee revenue.

The City's agreements related to direct borrowings do not contain any significant events of default or termination events with finance-related consequences, other than a commitment to pledge future property tax and franchise fee revenues.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

DEBT SERVICE REQUIREMENTS

Future principal and interest payments required to retire long-term debt are as follows:

<u>Years Ending December 31</u>	<u>Bonded Debt</u>		<u>Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$2,790,000	\$678,447	\$359,000	\$12,250
2022	2,060,000	602,276	264,360	5,387
2023	2,140,000	537,772	134,885	2,405
2024	1,910,000	472,100	35,475	710
2025	1,445,000	417,895	-	-
2026-2030	6,450,000	1,386,009	-	-
2031-2035	5,405,000	430,350	-	-
2036-2040	290,000	5,800	-	-
Total	<u>\$22,490,000</u>	<u>\$4,530,649</u>	<u>\$793,720</u>	<u>\$20,751</u>

It is not practicable to determine the specific year for payment of long-term compensated absences payable. For governmental activities, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Funds.

DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT

All long-term bonded indebtedness is backed by the full faith and credit of the City, including special assessment and revenue bond issues. General Obligation bond issues are financed by ad valorem tax levies and special assessment bond issues are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the County Auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged		Remaining Principal and Interest	Current Year	
		Type	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
Certificates of Indebtedness	Equipment purchases	Ad valorem taxes	2017 - 2023	\$670,591	\$545,512	\$572,788
2007A G.O. TIF Bonds	Infrastructure improvements	Tax increment, MSA funding via transfers	2008 - 2024	\$1,107,421	\$261,026	\$261,844
2010A Improvement and Utility Revenue Bonds	General and water infrastructure improvements	Special assessments, trunk utility charges	2011 - 2020	\$ -	\$116,725	\$120,180
2012A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, special assessments	2013 - 2024	\$670,323	\$170,520	\$178,080
2013A Improvement Bonds	Infrastructure improvements	Special assessments	2014 - 2024	\$275,700	\$71,100	\$39,000
2014A Improvement Bonds	Infrastructure improvements	Special assessments	2015 - 2026	\$1,086,924	\$401,788	\$346
2015A G.O. Bonds	Infrastructure improvements	Ad valorem taxes	2016 - 2031	\$2,624,469	\$255,313	\$271,228
2015B EDA Lease Revenue Bonds	Construction of a fire station	Ad valorem taxes	2016 - 2036	\$4,785,694	\$298,938	\$317,297
2016A Capital Note	Cable communications equipment	Franchise fees	2016 - 2024	\$143,880	\$36,399	\$38,219
2016A Utility Revenue Bonds	Water infrastructure improvements	Trunk utility charges via transfers	2017 - 2027	\$1,087,050	\$161,700	\$163,100
2016B Improvement Bonds	Infrastructure improvements	Special assessments, tax increment	2017 - 2020	\$513,825	\$505,868	\$460,402
2016C G.O. Tax Abatement Bonds	Infrastructure improvements	Ad valorem taxes	2017 - 2023	\$889,315	\$273,770	\$308,570
2018A G.O. Bonds	Infrastructure improvements	Ad valorem taxes, trunk utility charges, special assessments	2019-2034	\$8,726,767	\$367,788	\$1,321,860
2020A G.O. Utility Revenue Bonds	Infrastructure improvements	Trunk utility charges via transfers	2021-2036	\$5,253,161	\$ -	\$ -

Note 7 DEFINED BENEFIT PENSION PLANS – PERA

A. PLAN DESCRIPTION

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for

individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERS Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERS for the year ended December 31, 2020 were \$206,802. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The City's contributions to the PEPFF for the year ended December 31, 2020 were \$451,396. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

1. GERS Pension Costs

At December 31, 2020, the City reported a liability of \$2,350,219 for its proportionate share of GERS's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$72,457. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0392% at the end of the measurement period and 0.0398% for the beginning of the period.

For the year ended December 31, 2020, the City recognized pension expense of \$102,103 for its proportionate share of the GERP's pension expense. In addition, the City recognized an additional \$6,306 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

At December 31, 2020, the City reported its proportionate share of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$21,421	\$8,892
Changes in actuarial assumptions	-	86,935
Net collective between projected and actual investment earnings	41,155	-
Changes in proportion	50,094	85,889
Contributions paid to PERA subsequent to the measurement date	100,249	-
Total	<u>\$212,919</u>	<u>\$181,716</u>

The \$100,249 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense
2021	(177,080)
2022	14,825
2023	36,427
2024	56,782
2025	-
Thereafter	-
	<u>(\$69,046)</u>

2. PEPFF Pension Costs

At December 31, 2020, the City reported a liability of \$3,079,098 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2336% at the end of the measurement period and 0.2547% for the beginning of the period.

The State of Minnesota also contributed \$13.5 million to PEPFF during the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$261,457 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$22,317 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$21,024 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$134,107	\$129,208
Changes in actuarial assumptions	911,794	1,834,535
Net collective between projected and actual investment earnings	118,257	-
Changes in proportion	382,320	648,287
Contributions paid to PERA subsequent to the measurement date	229,475	-
Total	<u>\$1,775,953</u>	<u>\$2,612,030</u>

The \$229,475 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Year Ended December 31,	Pension Expense
2021	(276,783)
2022	(826,720)
2023	(40,472)
2024	113,360
2025	(34,937)
Thereafter	-
	<u>(\$1,065,552)</u>

The net pension liability will be liquidated by the general, water and sewer funds.

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for GERP and 1.0% per year for PEPFF.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for GERP was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- The base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100%

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Totals	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on that assumption, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Proportionate share of the GERF net pension liability	\$3,766,586	\$2,350,219	\$1,181,830
Proportionate share of the PEPFF net pension liability	\$6,137,085	\$3,079,098	\$549,149

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2020 is as follows:

GERF	\$108,409
PEPFF	283,774
Fire Pension Plan (Note 8)	<u>2,592</u>
Total	<u>\$394,775</u>

Note 8 DEFINED BENEFIT PENSION PLAN – FIRE DIVISION

A. PLAN DESCRIPTION

The Lino Lakes Public Safety Department – Fire Division participates in the Statewide Volunteer Firefighter Retirement Plan (SVF), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The SVF plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. At December 31, 2020 (measurement date), the plan covered 20 active firefighters and zero vested terminated fire fighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota Statutes, Chapter 353G.

B. BENEFITS PROVIDED

The SVF provides lump-sum retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level per year of service approved by the City of Lino Lakes. Members are eligible for a lump-sum retirement

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40% through 20 years at 100%.

C. CONTRIBUTIONS

The SVF is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes, and voluntary City contributions. The State of Minnesota contributed \$130,846 in fire state aid to the plan for the year ended December 31, 2020. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the SVF plan for the year ended December 31, 2020 were \$0. The City's contributions were equal to the required contributions as set by state statute, if applicable.

D. PENSION COSTS

At December 31, 2020, the City reported a net pension asset of \$559,547 for the SVF plan. The net pension asset was measured as of December 31, 2020. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension liability during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance December 31, 2019	\$270,650	\$588,319	(\$317,669)
Changes for the year:			
Service cost	46,865	-	46,865
Interest on pension liability	19,051	-	19,051
Actuarial experience (gains) / losses	(81,734)	-	(81,734)
Projected investment earnings	-	35,299	(35,299)
Contributions - employer	-	-	-
Contributions - State of MN	-	130,846	(130,846)
Asset (gain) / loss	-	60,661	(60,661)
Benefit payouts	-	-	-
PERA administrative fee	-	(746)	746
Net changes	(15,818)	226,060	(241,878)
Balance end of year December 31, 2020	\$254,832	\$814,379	(\$559,547)

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2020, the City recognized pension expense of \$2,592.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

At December 31, 2020, the City reported deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual investment earnings	\$ -	\$69,754
Differences between expected and actual economic experience	<u>27,904</u>	<u>81,331</u>
Total	<u>\$27,904</u>	<u>\$151,085</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2021	(27,188)
2022	(23,558)
2023	(43,956)
2024	(28,479)
2025	-
Thereafter	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability at December 31, 2020, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 6.0%
- Inflation rate of 3.0%

There were no changes in actuarial assumptions in 2020

F. DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that contributions to the SVF plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's net pension asset for the SVF plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension asset would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

	1% Decrease in Discount Rate (5.0%)	Discount Rate (6.0%)	1% Increase in Discount Rate (7.0%)
Net pension asset	\$540,430	\$559,547	\$577,643

H. PLAN INVESTMENTS

1. Investment Policy

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the Governor (who is designated as chair of the Board), State Auditor, Secretary of State and State Attorney General.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in *Minnesota Statutes*, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policies for all funds under its control. These investment policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

2. Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the SVF that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35%	5.10%
International Stocks	15%	5.30%
Bonds	45%	0.75%
Cash	5%	0.00%
	<u>100%</u>	

The 6% long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

3. Description of Significant Investment Policy Changes During the Year

The SBI made no significant changes to their investment policy during fiscal year 2020 for the Volunteer Firefighter Fund.

I. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the SVF plan's fiduciary net position at June 30, 2020 is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

Note 9 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Notes 7 and 8, the City provides post-employment health care benefits, as defined in paragraph B, through its group health insurance plan (the plan). The plan is a single-employer defined benefit OPEB plan administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

B. BENEFITS PROVIDED

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Active employees, who retire from the City when over age 50 and with 20 years of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program until age 65.

The City provides health coverage for peace officers or firefighters disabled or killed in the line of duty in accordance with Minnesota Statute 299A.465. The amount of coverage provided is equal to the employer portion of health insurance premiums that would have otherwise been paid if the officer or firefighter was an active employee.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65, Medicare becomes the primary insurer and the City's plan becomes secondary.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

C. PARTICIPANTS

As of the January 1, 2019 actuarial valuation, participants of the plan consisted of:

Active employees	42
Inactive employees or beneficiaries currently receiving benefits	4
Total	<u>46</u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$613,474 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2019. Changes in the total OPEB liability during 2020 were:

Balance - beginning of year	\$560,631
Changes for the year:	
Service cost	63,577
Interest	12,256
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>(22,990)</u>
Net changes	<u>52,843</u>
Balance - end of year	<u>\$613,474</u>

The OPEB liability will be liquidated by the general, water and sewer funds.

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.00%
Investment rate of return	2.00%
Healthcare cost trend rates	7% for 2020, decreasing 1% per year to an ultimate rate of 3% for 2024 and beyond
Retirees' share of benefit-related costs	100%

The previous actuarial valuation included a liability for benefits provided to the beneficiary of a deceased employee. As of the most recent actuarial valuation date, the beneficiary was not enrolled in the City's plan, but has been assigned a 20% probability of returning to the plan.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on the 20 year AA rated municipal bond rate as of January 14, 2020, obtained from www.fmsbonds.com/market-yields.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality tables with Scale MP-2019. Based on past experience of the plan, 90% of future retirees are assumed to continue medical coverage until age 65. 25% of future police/fire retirees are assumed to select spousal coverage. No spousal coverage is assumed for other future retirees. 50% of police/fire employees are assumed to retire at age 55, the balance at age 65. 50% of other City employees are assumed to retire at age 62, the balance at age 65.

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1%) or 1% higher (3%) than the current discount rate:

	1% Decrease 1%	Discount Rate 2%	1% Increase 3%
Total OPEB liability	\$647,908	\$613,474	\$579,420

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6% decreasing to 2%) or 1% higher (8% decreasing to 4%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 2%)	Healthcare Cost Trend Rates (7% decreasing to 3%)	1% Increase (8% decreasing to 4%)
Total OPEB liability	\$552,251	\$613,474	\$686,802

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2020, the City recognized \$50,800 of OPEB expense. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$10,689	\$252,951

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2021	(25,033)
2022	(25,033)
2023	(25,033)
2024	(25,033)
2025	(25,033)
Thereafter	(117,097)
	<u>(\$242,262)</u>

Note 10 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

The City has deficit fund balances at December 31, 2020 as follows:

	Fund Balance Deficit
Major Funds:	
G.O. Improvement Bonds of 2016B	(\$2,324,669)
Nonmajor Funds:	
G.O. Utility Revenue Bonds of 2020A	(318)
Tax Increment Financing 1-11	(804,689)

The City intends to fund these deficits through future tax levies, special assessment collections, tax increments, transfers from other funds, and various other sources.

B. EXPENDITURES IN EXCESS OF BUDGET

The following is a listing of departments within the General Fund that exceeded budget appropriations:

	Final Budget	Actual	Overage
General government:			
Elections	\$53,950	\$54,003	\$53
Public safety:			
Building inspection	343,560	348,427	4,867

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 11 INTERFUND RECEIVABLES AND PAYABLES

Short-term advances to funds that have insufficient cash balances are classified as advances to/from other funds. Long-term interfund loans are classified as interfund loan receivable/payable. A summary of interfund receivables and payables at December 31, 2020 is as follows:

	<u>Receivable</u>	<u>Payable</u>
Short-term advances:		
Major Funds:		
G.O. Improvement Bonds of 2016B	\$156,310	\$ -
Nonmajor Funds:		
Closed Bond Fund	683,093	-
Tax Increment Financing 1-11	-	839,403
	<u>\$839,403</u>	<u>\$839,403</u>
Long-term interfund loans:		
Major Funds:		
G.O. Improvement Bonds of 2016B	\$ -	\$2,876,643
Sewer Fund	559,110	-
Nonmajor Funds:		
Building and Facilities	2,317,533	-
	<u>\$2,876,643</u>	<u>\$2,876,643</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 12 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2020 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General Fund	\$380,000	\$931,500
G.O. Improvement Note of 2009A	-	37,355
G.O. Improvement Bonds of 2016B	460,402	-
Area and Unit Charge	15,295	597,778
MSA Construction	37,355	762,838
2018 Street Construction	-	659,092
Water Fund	-	127,357
Sewer Fund	83,821	-
Nonmajor governmental funds	<u>3,229,737</u>	<u>1,090,690</u>
Total	<u>\$4,206,610</u>	<u>\$4,206,610</u>

During 2020, transfers were made to provide funding for capital improvement projects and capital outlay in accordance with the City's capital improvement plan. Transfers were also made to provide resources for debt service payments, to close debt service and capital project funds, and to allocate financial resources to funds that received benefit from services provided by another fund. These transfers are routine and consistent with past practices.

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 13 FUND BALANCE

At December 31, 2020, a summary of the governmental fund balance classifications is as follows:

	General Fund	G.O. Improvement Bonds of 2016B	Area and Unit Charge	MSA Construction	Other Governmental Funds	Total
Nonspendable:						
Prepaid items	\$315,224	\$ -	\$ -	\$ -	\$2,076	\$317,300
Corpus of permanent fund	-	-	-	-	100,000	100,000
Total nonspendable	<u>315,224</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,076</u>	<u>417,300</u>
Restricted for:						
Debt service	-	-	-	-	5,003,330	5,003,330
Capital improvements	-	-	803,598	-	1,327,036	2,130,634
Blue Heron Days	-	-	-	-	13,171	13,171
Narcotics and forfeiture funds	-	-	-	-	248,347	248,347
K-9 Unit purposes	-	-	-	-	22,110	22,110
Tax increment purposes	-	-	-	-	740,979	740,979
Environmental purposes	-	-	-	-	47,969	47,969
Total restricted	<u>0</u>	<u>0</u>	<u>803,598</u>	<u>0</u>	<u>7,402,942</u>	<u>8,206,540</u>
Committed for:						
Future projects	425,000	-	-	-	-	425,000
Economic development	-	-	-	-	238,500	238,500
Cable TV purposes	-	-	-	-	209,070	209,070
Recreation purposes	-	-	-	-	22,477	22,477
Total committed	<u>425,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>470,047</u>	<u>895,047</u>
Assigned for:						
Capital improvements	-	-	8,855,667	3,083,911	7,003,837	18,943,415
Unassigned	<u>6,787,498</u>	<u>(2,324,669)</u>	<u>-</u>	<u>-</u>	<u>(805,007)</u>	<u>3,657,822</u>
Total fund balance	<u>\$7,527,722</u>	<u>(\$2,324,669)</u>	<u>\$9,659,265</u>	<u>\$3,083,911</u>	<u>\$14,173,895</u>	<u>\$32,120,124</u>

Note 14 PROPERTY UNDER LEASE AGREEMENT

The City entered into an agreement to lease space within its City Hall Complex, which at year end had a cost of \$4,744,742 and a net book value of \$1,330,693, to New Creations Child Care and Learning Center, LLC. The lease expires June 30, 2029, although the City has the option to terminate the lease with no less than 12 months notice any time after the 61st month of the lease. Approximate future minimum lease payments receivable under the operating lease are as follows:

Year Ending December 31,	Amount
2021	85,120
2022	87,679
2023	90,329
2024	93,025
2025	95,812
Thereafter	<u>358,210</u>
	<u>\$810,175</u>

CITY OF LINO LAKES, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 15 TAX INCREMENT DISTRICTS

The City is the administrating authority for four tax increment districts. The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which could have a material effect on the financial statements.

The following table reflects values at December 31, 2020:

	TIF 1-5 Cottage Homesteads	TIF 1-10 Panattoni	TIF 1-11 Woods Edge	TIF 1-12 Clearwater Creek
	M.S. 469	M.S. 469	M.S. 469	M.S. 469
Authorizing law				
Year established	1994	2004	2005	2017
Final year of district	2022	2023	2031	2026
Net tax capacity:				
Original	\$128	\$15,869	\$21,032	\$21,416
Current (payable 2019)*	40,398	243,818	224,749	371,626
Captured - retained	<u>\$40,270</u>	<u>\$227,949</u>	<u>\$203,717</u>	<u>\$350,210</u>

*Numbers for pay-year 2020 are not available

The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low to moderate income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

TIF District 1-12 has an outstanding pay-as-you-go revenue note. Tax Increment Revenue Note Series 2017 was issued in the principal sum of \$1,200,000. The note is not a general obligation of the City and is payable solely from available tax increments. Accordingly, the note is not reflected in the financial statements of the City. Principal payments are due August 1st and February 1st and are equal to 80% of the Tax Increment revenues collected in the preceding six months. Current year payments on the note totaled \$204,186 and the outstanding balance at December 31, 2020 was \$781,637.

Note 16 COMMITMENTS AND CONTINGENCIES

A. LITIGATION

Existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance, of an immaterial amount, or, in the judgment of the City's management, remotely recoverable by plaintiffs.

B. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2020.

C. COMMITTED CONTRACTS

At December 31, 2020, the City had commitments of \$1,477,019 for uncompleted construction contracts.

Note 17 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 18 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 87 *Leases*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 91 *Conduit Debt Obligations*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92 *Omnibus 2020*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 93 *Replacement of Interbank Offered Rates*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2020.

Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 *Subscription – Based Information Technology Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

Note 19 SUBSEQUENT EVENTS

On January 4, 2021 the Lino Lakes YMCA notified the City that they are unable to develop a sustainable operating model that abides by the terms of their Development Agreement. The YMCA's development agreement requires that if the YMCA facility is not operated as a recreational facility, the title of the facility will revert back to the City. This clause resulted in the YMCA's conveyance of its Lino Lakes facility to the City of Lino Lakes effective March 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020

Statement 10
Page 1 of 6

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes:				
Current and delinquent	\$8,403,756	\$8,403,756	\$8,342,085	(\$61,671)
Penalties and interest	4,000	4,000	578	(3,422)
Total general property taxes	8,407,756	8,407,756	8,342,663	(65,093)
Licenses and permits:				
Business	144,233	99,233	94,758	(4,475)
Non-business	788,113	788,113	877,692	89,579
Total licenses and permits	932,346	887,346	972,450	85,104
Intergovernmental:				
State:				
Police state aid	255,000	263,500	263,430	(70)
OTS grant	-	-	24,403	24,403
MSA maintenance	255,000	272,000	272,021	21
Other	28,000	18,000	19,864	1,864
County solid waste grant	78,459	59,459	62,502	3,043
Total intergovernmental	616,459	612,959	642,220	29,261
Charges for services:				
General government	20,788	20,788	37,457	16,669
Engineering and planning fees	28,999	28,999	33,354	4,355
Public safety	190,800	120,800	114,438	(6,362)
Public services	10,750	10,750	13,633	2,883
Investment management charge to other funds	50,000	50,000	50,000	-
Total charges for services	301,337	231,337	248,882	17,545
Fines and forfeits	116,100	81,100	76,811	(4,289)
Investment earnings	30,000	30,000	122,482	92,482
Miscellaneous:				
Gas franchise fees	55,000	55,000	50,142	(4,858)
Building lease revenue	110,090	110,090	110,384	294
Refunds and reimbursements	42,082	20,824	29,501	8,677
Donations	500	500	-	(500)
Other	3,500	3,500	1,604	(1,896)
Total miscellaneous	211,172	189,914	191,631	1,717
Total revenues	10,615,170	10,440,412	10,597,139	156,727

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020

Statement 10
Page 2 of 6

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures:				
General government:				
Mayor and city council:				
Current:				
Personal services	49,098	49,098	45,569	3,529
Other services and charges	18,700	18,700	16,703	1,997
Contractual services	23,000	23,000	20,299	2,701
Total mayor and city council	90,798	90,798	82,571	8,227
Elections:				
Current:				
Personal services	43,250	46,750	46,691	59
Supplies	1,600	1,600	1,104	496
Other services and charges	800	800	483	317
Contractual services	-	-	1,048	(1,048)
Capital outlay	4,800	4,800	4,677	123
Total elections	50,450	53,950	54,003	(53)
Administration:				
Current:				
Personal services	509,894	545,894	533,573	12,321
Supplies	-	-	24	(24)
Other services and charges	25,860	70,860	77,992	(7,132)
Contractual services	10,539	10,539	13,891	(3,352)
Total administration	546,293	627,293	625,480	1,813
Finance:				
Current:				
Personal services	330,468	272,468	269,674	2,794
Supplies	1,000	1,000	467	533
Other services and charges	240,955	253,955	250,198	3,757
Contractual services	106,167	106,167	109,851	(3,684)
Total finance	678,590	633,590	630,190	3,400
Cable TV:				
Current:				
Personal services	2,658	2,658	649	2,009
Contractual services	-	-	620	(620)
Total cable tv	2,658	2,658	1,269	1,389
Legal consultants:				
Current:				
Contractual services	130,000	130,000	119,360	10,640
Engineering/planning:				
Current:				
Contractual services	111,160	111,160	110,152	1,008

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020

Statement 10
Page 3 of 6

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
General government: (continued)				
Charter commission:				
Current:				
Other services and charges	2,500	2,500	148	2,352
Government buildings:				
Current:				
Personal services	2,511	2,511	2,813	(302)
Supplies	42,400	42,400	45,202	(2,802)
Other services and charges	361,609	361,609	348,626	12,983
Contractual services	71,200	71,200	80,372	(9,172)
Total government buildings	477,720	477,720	477,013	707
Total general government	2,090,169	2,129,669	2,100,186	30,103
Public safety:				
Police:				
Current:				
Personal services	3,882,523	3,698,523	3,648,356	50,167
Supplies	39,125	39,125	33,249	5,876
Other services and charges	142,819	142,819	133,542	9,277
Contractual services	45,713	45,713	44,751	962
Capital outlay	32,317	32,317	14,199	18,118
Total police	4,142,497	3,958,497	3,874,097	84,400
Fire protection:				
Current:				
Personal services	516,907	440,407	418,996	21,411
Supplies	26,200	26,200	17,710	8,490
Other services and charges	52,980	52,980	41,371	11,609
Contractual services	44,030	44,030	36,488	7,542
Total fire protection	640,117	563,617	514,565	49,052
Building inspection:				
Current:				
Personal services	334,345	315,269	324,427	(9,158)
Supplies	3,650	3,650	3,701	(51)
Other services and charges	11,240	11,240	9,293	1,947
Contractual services	3,325	13,401	11,006	2,395
Total building inspection	352,560	343,560	348,427	(4,867)
Total public safety	5,135,174	4,865,674	4,737,089	128,585

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020

Statement 10
Page 4 of 6

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Public services:				
Streets:				
Current:				
Personal services	632,990	632,990	566,310	66,680
Supplies	140,000	125,000	118,259	6,741
Other services and charges	110,600	110,600	95,152	15,448
Contractual services	84,500	84,500	67,907	16,593
Total streets	968,090	953,090	847,628	105,462
Fleet:				
Current:				
Personal services	131,227	131,227	133,243	(2,016)
Supplies	183,000	183,000	133,108	49,892
Other services and charges	84,273	64,273	58,080	6,193
Contractual services	67,000	47,000	52,027	(5,027)
Capital outlay	5,000	5,000	4,010	990
Total fleet	470,500	430,500	380,468	50,032
Parks:				
Current:				
Personal services	524,687	489,621	465,633	23,988
Supplies	33,000	23,000	16,204	6,796
Other services and charges	45,550	65,550	58,881	6,669
Contractual services	43,700	43,700	41,461	2,239
Total parks	646,937	621,871	582,179	39,692
Recreation:				
Current:				
Personal services	155,938	102,093	96,560	5,533
Supplies	2,500	-	-	-
Other services and charges	16,800	5,050	4,295	755
Contractual services	300	300	300	-
Total recreation	175,538	107,443	101,155	6,288
Total public services	2,261,065	2,112,904	1,911,430	201,474

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020

Statement 10
Page 5 of 6

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Conservation of natural resources:				
Forestry:				
Current:				
Personal services	37,802	37,802	34,887	2,915
Supplies	2,950	2,950	3,230	(280)
Other services and charges	380	380	229	151
Contractual services	20,000	20,000	20,307	(307)
Total forestry	61,132	61,132	58,653	2,479
Environmental:				
Current:				
Personal services	51,729	44,732	41,167	3,565
Supplies	1,000	1,000	1,046	(46)
Other services and charges	9,430	9,430	3,882	5,548
Contractual services	1,100	1,100	1,044	56
Total environmental	63,259	56,262	47,139	9,123
Solid waste abatement:				
Current:				
Personal services	47,439	37,739	34,606	3,133
Supplies	1,100	1,100	628	472
Other services and charges	7,220	7,220	5,298	1,922
Contractual services	22,700	13,400	14,560	(1,160)
Total solid waste abatement	78,459	59,459	55,092	4,367
Total conservation of natural resources	202,850	176,853	160,884	15,969
Community development:				
Community development:				
Current:				
Personal services	220,948	220,948	198,808	22,140
Supplies	100	100	48	52
Other services and charges	7,900	7,900	3,646	4,254
Contractual services	925	925	702	223
Total community development	229,873	229,873	203,204	26,669
Economic development:				
Current:				
Personal services	21,219	11,219	9,948	1,271
Other services and charges	14,040	21,040	20,519	521
Contractual services	73,225	37,125	36,777	348
Total economic development	108,484	69,384	67,244	2,140

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2020

Statement 10
Page 6 of 6

	Budgeted Amounts		2020 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Expenditures: (continued)				
Planning and zoning commission:				
Current:				
Personal services	110,105	110,105	111,058	(953)
Supplies	200	200	-	200
Other services and charges	16,250	16,250	10,361	5,889
Contractual services	38,000	13,000	9,656	3,344
Total planning and zoning commission	164,555	139,555	131,075	8,480
Total community development	502,912	438,812	401,523	37,289
Other:				
Contingency	75,000	-	-	-
Total expenditures	10,267,170	9,723,912	9,311,112	413,420
Revenues over (under) expenditures	348,000	716,500	1,286,027	570,147
Other financing sources (uses):				
Transfers in	380,000	380,000	380,000	-
Transfers out	(928,000)	(931,500)	(931,500)	-
Total other financing sources (uses)	(548,000)	(551,500)	(551,500)	0
Net change in fund balance	(\$200,000)	\$165,000	734,527	\$570,147
Fund balance - January 1			6,793,195	
Fund balance - December 31			\$7,527,722	

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

For The Last Ten Years

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$63,577	\$53,789	\$16,547	\$16,990
Interest	12,256	10,893	21,355	22,542
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(245,168)	-	(51,083)
Changes in assumptions	-	-	-	-
Benefit payments	(22,990)	(15,527)	(27,798)	(31,536)
Net change in total OPEB liability	52,843	(196,013)	10,104	(43,087)
Total OPEB liability - beginning	560,631	756,644	746,540	789,627
Total OPEB liability - ending	<u>\$613,474</u>	<u>\$560,631</u>	<u>\$756,644</u>	<u>\$746,540</u>
Covered-employee payroll	\$3,496,085	\$3,379,110	\$3,240,932	\$3,499,836
Total OPEB liability as a percentage of covered-employee payroll	17.5%	16.6%	23.3%	21.3%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2017 and is intended to show a ten year trend. Additional years will be added as they become available.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 12

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -

GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

Measurement Date June 30,	Fiscal Year Ending December 31,	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0410%	\$2,124,883	\$ -	\$2,124,883	\$2,407,426	88.3%	78.2%
2016	2016	0.0387%	3,142,248	41,033	3,183,281	2,401,546	132.6%	68.9%
2017	2017	0.0414%	2,642,949	33,230	2,676,179	2,666,880	100.3%	75.9%
2018	2018	0.0381%	2,113,632	69,419	2,183,051	2,563,053	85.2%	79.5%
2019	2019	0.0398%	2,200,453	68,330	2,268,783	2,814,860	80.6%	80.2%
2020	2020	0.0392%	2,350,219	72,457	2,422,676	2,797,444	86.6%	79.1%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 13****SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$182,102	\$182,102	\$ -	\$2,428,027	7.5%
2016	193,684	193,684	-	2,582,452	7.5%
2017	192,510	192,510	-	2,566,800	7.5%
2018	202,526	202,526	-	2,700,347	7.5%
2019	208,807	208,807	-	2,784,089	7.5%
2020	206,802	206,802	-	2,757,351	7.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 14****SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND**

For The Last Ten Years

Measurement Date June 30,	Fiscal Year Ending December 31,	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.2490%	\$2,829,223	\$2,284,973	123.8%	86.6%
2016	2016	0.2590%	10,394,121	2,495,778	416.5%	63.9%
2017	2017	0.2570%	3,469,806	2,643,314	131.3%	85.4%
2018	2018	0.2426%	2,585,866	2,556,951	101.1%	88.8%
2019	2019	0.2547%	2,711,539	2,689,536	100.8%	89.3%
2020	2020	0.2336%	3,079,098	2,638,619	116.7%	87.2%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 15****SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND**

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$393,551	\$393,551	\$ -	\$2,429,327	16.20%
2016	424,970	424,970	-	2,623,271	16.20%
2017	416,665	416,665	-	2,572,006	16.20%
2018	420,821	420,821	-	2,597,660	16.20%
2019	452,731	452,731	-	2,670,979	16.95%
2020	444,711	444,711	-	2,512,491	17.70%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF LINO LAKES, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 16

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -

LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION

For The Last Ten Years

Fiscal year ending and measurement date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total pension liability:				
Service cost	\$46,865	\$52,320	\$48,182	\$47,952
Interest on pension liability	19,051	16,603	8,754	6,191
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(81,734)	(22,680)	69,760	(11,672)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Net change in total pension liability	(15,818)	46,243	126,696	42,471
Total pension liability - beginning	270,650	224,407	97,711	55,240
Total pension liability - ending (a)	<u>\$254,832</u>	<u>\$270,650</u>	<u>\$224,407</u>	<u>\$97,711</u>
Plan fiduciary net position:				
Contributions - employer	\$ -	\$ -	\$ -	\$ -
Contributions - State of Minnesota	130,846	121,630	118,144	113,797
Contributions - other	-	-	64,869	58,800
Net investment income	95,960	78,063	(18,696)	9,153
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	(746)	(694)	(702)	(572)
Net change in plan fiduciary net position	226,060	198,999	163,615	181,178
Plan fiduciary net position - beginning	588,319	389,320	225,705	44,527
Plan fiduciary net position - ending (b)	<u>\$814,379</u>	<u>\$588,319</u>	<u>\$389,320</u>	<u>\$225,705</u>
Net pension liability/(asset) - ending (a) - (b)	<u>(\$559,547)</u>	<u>(\$317,669)</u>	<u>(\$164,913)</u>	<u>(\$127,994)</u>
Plan fiduciary net position as a percentage of the total pension liability	320%	217%	173%	231%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

N/A - the Lino Lakes Fire Department is comprised of paid on-call firefighters, whose pay does not meet the definition of covered payroll.

The City created its own fire department in 2016. Therefore, information prior to 2016 is not available. Additional years will be reported as they become available.

CITY OF LINO LAKES, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION****Statement 17****SCHEDULE OF CONTRIBUTIONS - LINO LAKES PUBLIC SAFETY DEPARTMENT - FIRE DIVISION**

For The Last Ten Years

Fiscal Year Ending December 31,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
2016	\$ -	\$44,394	(\$44,394)	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A

N/A - the Lino Lakes Fire Department is comprised of paid on-call firefighters, whose pay does not meet the definition of covered payroll.

The City created its own fire department in 2016. Therefore, information prior to 2016 is not available. available
Additional years will be reported as they become

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2019

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund.

Note B OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The previous actuarial valuation included a liability for benefits provided to the beneficiary of a deceased employee. As of the most recent actuarial valuation date, the beneficiary was not enrolled in the City's plan, but has been assigned a 20% probability of returning to the plan.

Note C PENSION INFORMATION

PERA – General Employees Retirement Fund

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- The base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in the Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2019

- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

PERA – Public Employees Police and Fire Fund

2020 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2017 Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.

CITY OF LINO LAKES, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2019

- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Single Employer – Fire Division

There are no factors that affect trends in the amounts reported, such as change of benefit terms or assumptions. With only three years reported in the RSI, there is no additional information to include in the notes.

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**COMBINING AND INDIVIDUAL NONMAJOR
FUND FINANCIAL STATEMENTS AND SCHEDULES**

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal and related costs on general long-term debt.

CAPITAL PROJECT FUNDS

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

PERMANENT FUNDS

Permanent Funds account for financial resources that are legally restricted to the extent that only earnings, and not the principal, may be used for purposes that support the City's programs.

The City maintains one permanent fund – the Environment and Stewardship Fund. This fund accounts for the use of funds received for environmental maintenance and improvements in the Foxborough area, as well as funds received for the Preserve area.

CITY OF LINO LAKES, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

Statement 18

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$750,910	\$5,003,913	\$6,264,591	\$158,419	\$12,177,833
Due from other governments	-	-	16,585	-	16,585
Accounts receivable - net	3,084	-	1,855	-	4,939
Prepaid items	2,076	-	-	-	2,076
Advances to other funds	-	-	683,093	-	683,093
Taxes receivable:					
Due from county	-	-	35,031	-	35,031
Special assessments receivable:					
Due from county	-	2,279	3,450	-	5,729
Delinquent	-	-	7,736	-	7,736
Deferred	-	634,133	250,261	-	884,394
Interfund loan receivable	-	-	2,317,533	-	2,317,533
Total assets	\$756,070	\$5,640,325	\$9,580,135	\$158,419	\$16,134,949
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$319	\$3,180	\$214,728	\$10,450	\$228,677
Advances from other funds	-	-	839,403	-	839,403
Retainage payable	-	-	844	-	844
Total liabilities	319	3,180	1,054,975	10,450	1,068,924
Deferred inflows of resources:					
Unavailable revenue	-	634,133	257,997	-	892,130
Fund balance:					
Nonspendable	2,076	-	-	100,000	102,076
Restricted	283,628	5,003,330	2,068,015	47,969	7,402,942
Committed	470,047	-	-	-	470,047
Assigned	-	-	7,003,837	-	7,003,837
Unassigned	-	(318)	(804,689)	-	(805,007)
Total fund balance	755,751	5,003,012	8,267,163	147,969	14,173,895
Total liabilities, deferred inflows of resources, and fund balance	\$756,070	\$5,640,325	\$9,580,135	\$158,419	\$16,134,949

CITY OF LINO LAKES, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2020

Statement 19

	Special Revenue	Debt Service	Capital Project	Permanent Fund Environment & Stewardship Fund	Total Nonmajor Governmental Funds
Revenues:					
General property taxes	\$ -	\$2,122,799	\$ -	\$ -	\$2,122,799
Tax increment	-	-	766,912	-	766,912
Special assessments	-	119,630	69,532	-	189,162
Intergovernmental	1,619,509	-	249,015	-	1,868,524
Charges for services	65,831	-	956,388	-	1,022,219
Fines and forfeits	83,468	-	-	-	83,468
Investment earnings	16,530	75,200	163,576	3,749	259,055
Miscellaneous	7,747	38,219	202	8,800	54,968
Total revenues	<u>1,793,085</u>	<u>2,355,848</u>	<u>2,205,625</u>	<u>12,549</u>	<u>6,367,107</u>
Expenditures:					
Current:					
General government	1,260,698	-	51,716	-	1,312,414
Public safety	21,283	-	-	-	21,283
Public services	6,969	-	993,636	10,450	1,011,055
Community development	-	-	263,882	-	263,882
Capital outlay:					
General government	358,811	-	46,499	-	405,310
Public safety	28,272	-	108,019	-	136,291
Public services	-	-	1,400,169	-	1,400,169
Debt service:					
Principal	-	2,360,000	-	-	2,360,000
Interest and fiscal charges	-	618,096	-	-	618,096
Total expenditures	<u>1,676,033</u>	<u>2,978,096</u>	<u>2,863,921</u>	<u>10,450</u>	<u>7,528,500</u>
Revenues over (under) expenditures	<u>117,052</u>	<u>(622,248)</u>	<u>(658,296)</u>	<u>2,099</u>	<u>(1,161,393)</u>
Other financing sources (uses):					
Transfers in	-	1,437,681	1,792,056	-	3,229,737
Transfers out	-	-	(1,090,690)	-	(1,090,690)
Issuance of debt	-	-	294,235	-	294,235
Proceeds from sale of capital assets	-	-	240,842	-	240,842
Total other financing sources (uses)	<u>0</u>	<u>1,437,681</u>	<u>1,236,443</u>	<u>0</u>	<u>2,674,124</u>
Net change in fund balance	117,052	815,433	578,147	2,099	1,512,731
Fund balance - January 1	638,699	4,187,579	7,689,016	145,870	12,661,164
Fund balance - December 31	<u>\$755,751</u>	<u>\$5,003,012</u>	<u>\$8,267,163</u>	<u>\$147,969</u>	<u>\$14,173,895</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. The City maintained the following nonmajor Special Revenue Funds during the year.

Program Recreation – established to account for various self-supporting recreational programs.

Economic Development Authority – established to account for the receipt and uses of funds for economic development purposes.

Cable TV and Communications Fund – established to account for activities relating to Cable TV and Communications.

Blue Heron Days – established to account for the activities associated with the Blue Heron Days festival.

Federal Forfeitures - Justice – established to account for activities associated with the receipt and use of equitable sharing paid from the U.S. Department of Justice Asset Forfeiture Fund.

State Narcotics Forfeitures – established to account for activities associated with the receipt and use of state narcotics forfeitures.

DUI Forfeitures – established to account for activities associated with the receipt and use of DUI forfeitures.

Other Forfeitures – established to account for activities associated with the receipt and use of other forfeitures.

Federal Forfeitures - Treasury – established to account for activities associated with the receipt and use of equitable sharing paid from the U.S. Department of Treasury Forfeiture Fund.

K-9 Unit – accounts for donations received by the City which are restricted for K-9 Unit purposes.

Coronavirus Relief Funds – accounts for CARES funds received by the City.

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2020

	201 Program Recreation	203 Economic Development Authority	204 Cable TV and Communications Fund	205 Blue Heron Days
Assets				
Cash and investments	\$19,935	\$238,500	\$209,070	\$12,729
Accounts receivable - net	2,642	-	-	442
Prepaid items	1,778	-	-	298
Total assets	<u>\$24,355</u>	<u>\$238,500</u>	<u>\$209,070</u>	<u>\$13,469</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$100	\$ -	\$ -	\$ -
Total liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Nonspendable	1,778	-	-	298
Restricted	-	-	-	13,171
Committed	22,477	238,500	209,070	-
Total fund balance	<u>24,255</u>	<u>238,500</u>	<u>209,070</u>	<u>13,469</u>
Total liabilities and fund balance	<u>\$24,355</u>	<u>\$238,500</u>	<u>\$209,070</u>	<u>\$13,469</u>

206 Federal Forfeitures - Justice	207 State Narcotics Forfeitures	208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	Total Nonmajor Special Revenue Funds
\$14,073	\$75,698	\$68,479	\$1,568	\$88,529	\$22,329	\$750,910
-	-	-	-	-	-	3,084
-	-	-	-	-	-	2,076
<u>\$14,073</u>	<u>\$75,698</u>	<u>\$68,479</u>	<u>\$1,568</u>	<u>\$88,529</u>	<u>\$22,329</u>	<u>\$756,070</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$219	\$319
-	-	-	-	-	219	319
-	-	-	-	-	-	2,076
14,073	75,698	68,479	1,568	88,529	22,110	283,628
-	-	-	-	-	-	470,047
<u>14,073</u>	<u>75,698</u>	<u>68,479</u>	<u>1,568</u>	<u>88,529</u>	<u>22,110</u>	<u>755,751</u>
<u>\$14,073</u>	<u>\$75,698</u>	<u>\$68,479</u>	<u>\$1,568</u>	<u>\$88,529</u>	<u>\$22,329</u>	<u>\$756,070</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2020

	201 Program Recreation	203 Economic Development Authority	204 Cable TV and Communications Fund	205 Blue Heron Days
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	1,672	-	64,159	-
Fines and forfeits	-	-	-	-
Investment earnings	806	3,786	4,878	515
Miscellaneous	-	-	-	2,000
Total revenues	<u>2,478</u>	<u>3,786</u>	<u>69,037</u>	<u>2,515</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public services	6,508	-	-	461
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Total expenditures	<u>6,508</u>	<u>0</u>	<u>0</u>	<u>461</u>
Revenues over (under) expenditures	(4,030)	3,786	69,037	2,054
Fund balance - January 1	<u>28,285</u>	<u>234,714</u>	<u>140,033</u>	<u>11,415</u>
Fund balance - December 31	<u><u>\$24,255</u></u>	<u><u>\$238,500</u></u>	<u><u>\$209,070</u></u>	<u><u>\$13,469</u></u>

206 Federal Forfeitures - Justice	207 State Narcotics Forfeitures	208 DUI Forfeitures	209 Other Forfeitures	210 Federal Forfeitures - Treasury	211 K-9 Unit	212 Coronavirus Relief Funds	Total Nonmajor Special Revenue Funds
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,619,509	\$1,619,509
-	-	-	-	-	-	-	65,831
11,338	59,115	12,550	465	-	-	-	83,468
286	1,813	1,698	41	2,152	555	-	16,530
-	-	-	-	-	5,747	-	7,747
11,624	60,928	14,248	506	2,152	6,302	1,619,509	1,793,085
-	-	-	-	-	-	1,260,698	1,260,698
1,944	15,013	2,637	502	-	1,187	-	21,283
-	-	-	-	-	-	-	6,969
-	-	-	-	-	-	358,811	358,811
15,198	-	10,465	-	-	2,609	-	28,272
17,142	15,013	13,102	502	0	3,796	1,619,509	1,676,033
(5,518)	45,915	1,146	4	2,152	2,506	0	117,052
19,591	29,783	67,333	1,564	86,377	19,604	-	638,699
\$14,073	\$75,698	\$68,479	\$1,568	\$88,529	\$22,110	\$0	\$755,751

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DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, interest, principal and related costs on general long-term debt. The City's Debt Service Funds account for four types of bonded indebtedness:

General Debt Bonds – are repaid primarily from property taxes.

Improvement Bonds and Notes – are repaid primarily from special assessments.

Public Facility Lease Revenue Bonds – are repaid primarily from lease revenues received from the EDA leasing the buildings to the City of Lino Lakes and other tenants.

Revenue Bonds – these bonds were issued to finance various improvements and will be repaid primarily from pledged revenues derived from the constructed assets.

Capital Note – this note was issued to finance cable communications equipment and will be repaid from revenues derived from franchise fees.

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2020

	315 Certificates of Indebtedness	332 G.O. TIF Bonds of 2007A	335 G.O. Bonds of 2012A	336 G.O. Improvement Bonds of 2013A	337 G.O. Improvement Bonds of 2014A
Assets					
Cash and investments	\$291,473	\$150,014	\$214,199	\$394,144	\$673,531
Special assessments receivable:					
Due from county	-	-	-	-	-
Deferred	-	-	-	197,951	-
Total assets	<u>\$291,473</u>	<u>\$150,014</u>	<u>\$214,199</u>	<u>\$592,095</u>	<u>\$673,531</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$318	\$318	\$318	\$318
Deferred inflows of resources:					
Unavailable revenue	-	-	-	197,951	-
Fund balance:					
Restricted	291,473	149,696	213,881	393,826	673,213
Unassigned	-	-	-	-	-
Total fund balance	<u>291,473</u>	<u>149,696</u>	<u>213,881</u>	<u>393,826</u>	<u>673,213</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$291,473</u>	<u>\$150,014</u>	<u>\$214,199</u>	<u>\$592,095</u>	<u>\$673,531</u>

338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	343 G.O. Tax Abatement Bonds of 2016C	344 G.O. Bonds of 2018A	345 G.O. Utility Revenue Bonds of 2020A	Total Nonmajor Debt Service Funds
\$644,885	\$321,054	\$1,600	\$270,474	\$410,362	\$1,632,177	\$ -	\$5,003,913
-	-	-	-	-	2,279	-	2,279
-	-	-	-	-	436,182	-	634,133
<u>\$644,885</u>	<u>\$321,054</u>	<u>\$1,600</u>	<u>\$270,474</u>	<u>\$410,362</u>	<u>\$2,070,638</u>	<u>\$0</u>	<u>\$5,640,325</u>
<u>\$318</u>	<u>\$318</u>	<u>\$ -</u>	<u>\$318</u>	<u>\$318</u>	<u>\$318</u>	<u>\$318</u>	<u>\$3,180</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,182</u>	<u>-</u>	<u>634,133</u>
644,567	320,736	1,600	270,156	410,044	1,634,138	-	5,003,330
-	-	-	-	-	-	(318)	(318)
<u>644,567</u>	<u>320,736</u>	<u>1,600</u>	<u>270,156</u>	<u>410,044</u>	<u>1,634,138</u>	<u>(318)</u>	<u>5,003,012</u>
<u>\$644,885</u>	<u>\$321,054</u>	<u>\$1,600</u>	<u>\$270,474</u>	<u>\$410,362</u>	<u>\$2,070,638</u>	<u>\$0</u>	<u>\$5,640,325</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2020

	315 Certificates of Indebtedness	332 G.O. TIF Bonds of 2007A	334 G.O. Improvement and Utility Bonds of 2010A	335 G.O. Bonds of 2012A	336 G.O. Improvement Bonds of 2013A	337 G.O. Improvement Bonds of 2014A
Revenues:						
General property taxes	\$572,788	\$ -	\$ -	\$178,080	\$ -	\$ -
Special assessments	-	-	-	-	39,000	346
Investment earnings	9,261	-	-	2,369	9,051	14,025
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>582,049</u>	<u>0</u>	<u>0</u>	<u>180,449</u>	<u>48,051</u>	<u>14,371</u>
Expenditures:						
Debt service:						
Principal	532,000	215,000	115,000	160,000	60,000	380,000
Interest and fiscal charges	13,512	46,844	4,825	11,338	11,918	22,606
Total expenditures	<u>545,512</u>	<u>261,844</u>	<u>119,825</u>	<u>171,338</u>	<u>71,918</u>	<u>402,606</u>
Revenues over (under) expenditures	<u>36,537</u>	<u>(261,844)</u>	<u>(119,825)</u>	<u>9,111</u>	<u>(23,867)</u>	<u>(388,235)</u>
Other financing sources (uses):						
Transfers in	-	261,844	120,180	-	-	132,817
Total other financing sources (uses)	<u>0</u>	<u>261,844</u>	<u>120,180</u>	<u>0</u>	<u>0</u>	<u>132,817</u>
Net change in fund balance	36,537	0	355	9,111	(23,867)	(255,418)
Fund balance - January 1	<u>254,936</u>	<u>149,696</u>	<u>(355)</u>	<u>204,770</u>	<u>417,693</u>	<u>928,631</u>
Fund balance - December 31	<u>\$291,473</u>	<u>\$149,696</u>	<u>\$0</u>	<u>\$213,881</u>	<u>\$393,826</u>	<u>\$673,213</u>

338 G.O. Bonds of 2015A	339 EDA Lease Revenue Bonds of 2015B	340 G.O. Capital Note of 2016A	341 G.O. Utility Revenue Bonds of 2016A	343 G.O. Tax Abatement Bonds of 2016C	344 G.O. Bonds of 2018A	345 G.O. Bonds of 2020A	Total Nonmajor Debt Service Funds
\$271,228	\$317,297	\$ -	\$ -	\$301,570	\$481,836	\$ -	\$2,122,799
-	-	-	-	-	80,284	-	119,630
11,608	5,105	406	3,245	5,108	15,022	-	75,200
-	-	38,219	-	-	-	-	38,219
282,836	322,402	38,625	3,245	306,678	577,142	0	2,355,848
200,000	175,000	33,000	140,000	260,000	90,000	-	2,360,000
59,498	127,806	5,219	22,018	14,088	278,106	318	618,096
259,498	302,806	38,219	162,018	274,088	368,106	318	2,978,096
23,338	19,596	406	(158,773)	32,590	209,036	(318)	(622,248)
-	-	-	163,100	-	759,740	-	1,437,681
0	0	0	163,100	0	759,740	0	1,437,681
23,338	19,596	406	4,327	32,590	968,776	(318)	815,433
621,229	301,140	1,194	265,829	377,454	665,362	-	4,187,579
\$644,567	\$320,736	\$1,600	\$270,156	\$410,044	\$1,634,138	(\$318)	\$5,003,012

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CAPITAL PROJECT FUNDS

Capital Project Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds. The City maintained the following nonmajor Capital Project Funds during the year:

Closed Bond Fund – to account for excess funds from matured bond issues.

Building and Facilities – to account for the activities associated with the maintenance and replacement of municipal buildings and facilities.

Capital Equipment Revolving – to account for proceeds from Equipment Certificates and funds held to purchase capital equipment.

Office Equipment Revolving – to account for the receipt and use of funds for office equipment purchases.

Dedicated Parks – to account for the receipts and use of monies collected from park dedication fees.

Tax Increment Financing Funds – to account for development projects financed with tax increments.

Pavement Management – to account for money received from levies, assessments, and developer charges for future street maintenance projects.

Surface Water Management – to account for the financing of surface water management and storm water improvements.

Street Reconstruction – to account for the financing of future reconstruction of City streets.

Surface Water Maintenance – to account for surface water maintenance activities.

Park and Trail Improvements – to account for park and trail improvement activities.

2040 Comp Plan Update – this fund accounts for the financing sources received and expenditures incurred to update the City's 2040 Comprehensive Plan.

Cedar Street Reconstruction – this fund accounts for the activities relating to the construction of roadway improvements on East Cedar Street & Elmcrest Avenue North.

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CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2020

Statement 24
Page 1 of 2

	301 Closed Bond Fund	401 Building and Facilities	402 Capital Equipment Revolving	403 Office Equipment Revolving	405 Dedicated Parks
Assets					
Cash and investments	\$ -	\$217,039	\$613,188	\$58,860	\$1,327,880
Due from other governments	-	-	-	-	-
Accounts receivable - net	-	1,855	-	-	-
Advances to other funds	683,093	-	-	-	-
Taxes receivable:					
Due from county	-	-	-	-	-
Special assessments receivable:					
Due from county	1,369	-	-	-	-
Delinquent	4,801	-	-	-	-
Deferred	7,309	-	-	-	-
Interfund loan receivable	-	2,317,533	-	-	-
Total assets	\$696,572	\$2,536,427	\$613,188	\$58,860	\$1,327,880
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$2,500	\$32,532	\$ -	\$ -
Advances from other funds	-	-	-	-	-
Retainage payable	-	-	-	-	844
Total liabilities	0	2,500	32,532	0	844
Deferred inflows of resources:					
Unavailable revenue	12,110	-	-	-	-
Fund balance:					
Restricted	-	-	-	-	1,327,036
Assigned	684,462	2,533,927	580,656	58,860	-
Unassigned	-	-	-	-	-
Total fund balance	684,462	2,533,927	580,656	58,860	1,327,036
Total liabilities, deferred inflows of resources, and fund balance	\$696,572	\$2,536,427	\$613,188	\$58,860	\$1,327,880

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2020

	411 Tax Increment Financing 1-5	417 Tax Increment Financing 1-10	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	421 Pavement Management
Assets					
Cash and investments	\$405,626	\$201,829	\$ -	\$235,110	\$541,085
Due from other governments	-	-	-	-	-
Accounts receivable - net	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Taxes receivable:					
Due from county	-	-	34,970	61	-
Special assessments receivable:					
Due from county	-	-	-	-	-
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Total assets	\$405,626	\$201,829	\$34,970	\$235,171	\$541,085
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$256	\$101,647	\$42,680
Advances from other funds	-	-	839,403	-	-
Contracts payable	-	-	-	-	-
Total liabilities	0	0	839,659	101,647	42,680
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Fund balance:					
Restricted	405,626	201,829	-	133,524	-
Assigned	-	-	-	-	498,405
Unassigned	-	-	(804,689)	-	-
Total fund balance	405,626	201,829	(804,689)	133,524	498,405
Total liabilities, deferred inflows of resources, and fund balance	\$405,626	\$201,829	\$34,970	\$235,171	\$541,085

422 Surface Water Management	423 Street Reconstruction	424 Surface Water Maintenance	425 Park and Trail Improvements	484 Comp Plan Update	486 Cedar Street Reconstruction	Total Nonmajor Capital Project Funds
\$1,550,300	\$557,958	\$259,489	\$269,604	\$23,369	\$3,254	\$6,264,591
-	-	-	-	16,000	585	16,585
-	-	-	-	-	-	1,855
-	-	-	-	-	-	683,093
-	-	-	-	-	-	35,031
1,659	422	-	-	-	-	3,450
2,935	-	-	-	-	-	7,736
192,038	50,914	-	-	-	-	250,261
-	-	-	-	-	-	2,317,533
<u>\$1,746,932</u>	<u>\$609,294</u>	<u>\$259,489</u>	<u>\$269,604</u>	<u>\$39,369</u>	<u>\$3,839</u>	<u>\$9,580,135</u>
\$4,227	\$ -	\$27,026	\$ -	\$21	\$3,839	\$214,728
-	-	-	-	-	-	839,403
-	-	-	-	-	-	844
<u>4,227</u>	<u>0</u>	<u>27,026</u>	<u>0</u>	<u>21</u>	<u>3,839</u>	<u>1,054,975</u>
<u>194,973</u>	<u>50,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,997</u>
-	-	-	-	-	-	2,068,015
1,547,732	558,380	232,463	269,604	39,348	-	7,003,837
-	-	-	-	-	-	(804,689)
<u>1,547,732</u>	<u>558,380</u>	<u>232,463</u>	<u>269,604</u>	<u>39,348</u>	<u>0</u>	<u>8,267,163</u>
<u>\$1,746,932</u>	<u>\$609,294</u>	<u>\$259,489</u>	<u>\$269,604</u>	<u>\$39,369</u>	<u>\$3,839</u>	<u>\$9,580,135</u>

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2020

	301 Closed Bond Fund	401 Building and Facilities	402 Capital Equipment Revolving	403 Office Equipment Revolving	405 Dedicated Parks
Revenues:					
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	12,620	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	204,173	-	-	557,500
Investment earnings	15,863	3,636	19,056	1,582	25,046
Miscellaneous	-	-	-	-	202
Total revenues	<u>28,483</u>	<u>207,809</u>	<u>19,056</u>	<u>1,582</u>	<u>582,748</u>
Expenditures:					
Current:					
General government	3,903	34,945	-	12,868	-
Public services	-	-	-	-	13,570
Community development	-	-	-	-	-
Capital outlay:					
General government	-	46,499	-	-	-
Public safety	-	-	104,903	3,116	-
Public services	-	-	261,688	-	142,468
Total expenditures	<u>3,903</u>	<u>81,444</u>	<u>366,591</u>	<u>15,984</u>	<u>156,038</u>
Revenues over (under) expenditures	<u>24,580</u>	<u>126,365</u>	<u>(347,535)</u>	<u>(14,402)</u>	<u>426,710</u>
Other financing sources (uses):					
Transfers in	-	-	-	25,000	-
Transfers out	(382,789)	-	-	-	-
Issuance of debt	-	-	294,235	-	-
Proceeds from sale of capital assets	-	-	15,365	-	-
Total other financing sources (uses)	<u>(382,789)</u>	<u>0</u>	<u>309,600</u>	<u>25,000</u>	<u>0</u>
Net change in fund balance	(358,209)	126,365	(37,935)	10,598	426,710
Fund balance - January 1	<u>1,042,671</u>	<u>2,407,562</u>	<u>618,591</u>	<u>48,262</u>	<u>900,326</u>
Fund balance - December 31	<u>\$684,462</u>	<u>\$2,533,927</u>	<u>\$580,656</u>	<u>\$58,860</u>	<u>\$1,327,036</u>

411 Tax Increment Financing 1-5	417 Tax Increment Financing 1-10	418 Tax Increment Financing 1-11	419 Tax Increment Financing 1-12	421 Pavement Management	422 Surface Water Management	423 Street Reconstruction
\$51,006	\$170,339	\$290,062	\$255,505	\$ -	\$ -	\$ -
-	-	-	-	-	44,478	12,434
-	-	-	-	-	-	-
-	-	-	-	36,630	158,085	-
9,822	5,821	-	3,076	17,674	31,229	14,632
-	-	-	-	-	-	-
60,828	176,160	290,062	258,581	54,304	233,792	27,066
-	-	-	-	-	-	-
-	-	-	-	846,047	9,076	-
52,732	1,590	4,403	205,157	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	51,863	24,360	-
52,732	1,590	4,403	205,157	897,910	33,436	0
8,096	174,570	285,659	53,424	(843,606)	200,356	27,066
-	-	-	-	870,563	-	-
-	(170,339)	(290,062)	-	-	-	(247,500)
-	-	-	-	-	-	-
-	-	-	-	-	225,477	-
0	(170,339)	(290,062)	0	870,563	225,477	(247,500)
8,096	4,231	(4,403)	53,424	26,957	425,833	(220,434)
397,530	197,598	(800,286)	80,100	471,448	1,121,899	778,814
\$405,626	\$201,829	(\$804,689)	\$133,524	\$498,405	\$1,547,732	\$558,380

CITY OF LINO LAKES, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2020

Statement 25
Page 2 of 2

	424 Surface Water Maintenance	425 Park and Trail Improvements	484 2040 Comp Plan Update	486 Cedar Street Reconstruction	Total Nonmajor Capital Project Funds
Revenues:					
Tax increment	\$ -	\$ -	\$ -	\$ -	\$766,912
Special assessments	-	-	-	-	69,532
Intergovernmental	-	-	16,000	233,015	249,015
Charges for services	-	-	-	-	956,388
Investment earnings	7,001	9,012	126	-	163,576
Miscellaneous	-	-	-	-	202
Total revenues	<u>7,001</u>	<u>9,012</u>	<u>16,126</u>	<u>233,015</u>	<u>2,205,625</u>
Expenditures:					
Current:					
General government	-	-	-	-	51,716
Public services	84,556	30,000	10,387	-	993,636
Community development	-	-	-	-	263,882
Capital outlay:					
General government	-	-	-	-	46,499
Public safety	-	-	-	-	108,019
Public services	-	148,116	-	771,674	1,400,169
Total expenditures	<u>84,556</u>	<u>178,116</u>	<u>10,387</u>	<u>771,674</u>	<u>2,863,921</u>
Revenues over (under) expenditures	<u>(77,555)</u>	<u>(169,104)</u>	<u>5,739</u>	<u>(538,659)</u>	<u>(658,296)</u>
Other financing sources (uses):					
Transfers in	130,000	115,000	25,000	626,493	1,792,056
Transfers out	-	-	-	-	(1,090,690)
Issuance of debt	-	-	-	-	294,235
Proceeds from sale of capital assets	-	-	-	-	240,842
Total other financing sources (uses)	<u>130,000</u>	<u>115,000</u>	<u>25,000</u>	<u>626,493</u>	<u>1,236,443</u>
Net change in fund balance	52,445	(54,104)	30,739	87,834	578,147
Fund balance - January 1	<u>180,018</u>	<u>323,708</u>	<u>8,609</u>	<u>(87,834)</u>	<u>7,689,016</u>
Fund balance - December 31	<u>\$232,463</u>	<u>\$269,604</u>	<u>\$39,348</u>	<u>\$0</u>	<u>\$8,267,163</u>

CITY OF LINO LAKES, MINNESOTA**SPECIAL REVENUE FUND - PROGRAM RECREATION****Statement 26****SCHEDULE OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For The Year Ended December 31, 2020

	Budgeted Amounts		2020 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$77,690	\$77,690	\$1,672	(\$76,018)
Investment earnings	-	-	806	806
Total revenues	<u>77,690</u>	<u>77,690</u>	<u>2,478</u>	<u>(75,212)</u>
Expenditures:				
Public services:				
Current:				
Personal services	52,653	52,653	1,072	51,581
Supplies	17,170	17,170	4,873	12,297
Contractual services	12,656	12,656	563	12,093
Total expenditures	<u>82,479</u>	<u>82,479</u>	<u>6,508</u>	<u>75,971</u>
Revenues over (under) expenditures	<u>(4,789)</u>	<u>(4,789)</u>	<u>(4,030)</u>	<u>759</u>
Other financing sources (uses):				
Transfers in	<u>11,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$6,711</u>	<u>(\$4,789)</u>	<u>(4,030)</u>	<u>\$759</u>
Fund balance - January 1			<u>28,285</u>	
Fund balance - December 31			<u>\$24,255</u>	

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STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Lino Lakes, Minnesota's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Table Number
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	Tables 1-4
Revenue Capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	Tables 5-8
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	Tables 9-12
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	Tables 13-14
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	Tables 15-17

CITY OF LINO LAKES, MINNESOTA**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$24,600,103	\$22,166,342	\$22,241,821	\$19,540,807
Restricted	11,598,803	11,595,112	11,000,033	8,666,357
Unrestricted	13,463,210	17,639,038	16,849,636	20,527,704
Total governmental activities net position	<u>\$49,662,116</u>	<u>\$51,400,492</u>	<u>\$50,091,490</u>	<u>\$48,734,868</u>
Business-type activities:				
Net investment in capital assets	\$29,216,866	\$28,798,095	\$28,423,284	\$27,556,022
Unrestricted	11,201,362	12,102,013	12,999,182	13,888,278
Total business-type activities net position	<u>\$40,418,228</u>	<u>\$40,900,108</u>	<u>\$41,422,466</u>	<u>\$41,444,300</u>
Primary government:				
Net investment in capital assets	\$53,816,969	\$50,964,437	\$50,665,105	\$47,096,829
Restricted	11,598,803	11,595,112	11,000,033	8,666,357
Unrestricted	24,664,572	29,741,051	29,848,818	34,415,982
Total primary government net position	<u>\$90,080,344</u>	<u>\$92,300,600</u>	<u>\$91,513,956</u>	<u>\$90,179,168</u>

GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources. Net position for years prior to 2014 was not restated.

GASB 75 was implemented in 2017. Net position was restated for 2016 to reflect the reporting of the OPEB liability and OPEB related deferred inflows of resources. Net position for years prior to 2016 was not restated.

Table 1

2015	2016	2017	2018	2019	2020
\$18,230,746	\$18,597,344	\$22,868,259	\$24,640,555	\$28,433,053	\$31,960,308
8,635,293	13,342,852	11,730,147	10,579,817	12,390,431	13,446,203
13,888,120	10,187,254	12,017,212	16,577,520	17,640,035	18,686,238
<u>\$40,754,159</u>	<u>\$42,127,450</u>	<u>\$46,615,618</u>	<u>\$51,797,892</u>	<u>\$58,463,519</u>	<u>\$64,092,749</u>
\$29,127,829	\$31,860,610	\$31,831,950	\$32,709,079	\$36,390,820	\$43,366,197
14,672,630	13,863,447	14,846,045	15,570,827	16,237,228	16,054,144
<u>\$43,800,459</u>	<u>\$45,724,057</u>	<u>\$46,677,995</u>	<u>\$48,279,906</u>	<u>\$52,628,048</u>	<u>\$59,420,341</u>
\$47,358,575	\$50,457,954	\$54,700,209	\$57,349,634	\$64,823,873	\$75,326,505
8,635,293	13,342,852	11,730,147	10,579,817	12,390,431	13,446,203
28,560,750	24,050,701	26,863,257	32,148,347	33,877,263	34,740,382
<u>\$84,554,618</u>	<u>\$87,851,507</u>	<u>\$93,293,613</u>	<u>\$100,077,798</u>	<u>\$111,091,567</u>	<u>\$123,513,090</u>

CITY OF LINO LAKES, MINNESOTA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$1,990,137	\$1,883,961	\$1,566,388	\$2,036,550
Public safety	4,019,101	4,046,415	3,950,197	4,107,759
Public services	9,329,451	6,795,150	5,376,671	5,880,030
Conservation of natural resources	139,544	184,051	141,204	159,649
Community development	617,747	430,121	404,726	407,448
Interest and fees on long-term debt	927,535	837,755	951,842	618,680
Total governmental activities expenses	<u>17,023,515</u>	<u>14,177,453</u>	<u>12,391,028</u>	<u>13,210,116</u>
Business-type activities:				
Water	966,643	949,121	927,800	965,641
Sewer	1,638,063	1,527,637	1,584,395	1,628,258
Total business-type activities expenses	<u>2,604,706</u>	<u>2,476,758</u>	<u>2,512,195</u>	<u>2,593,899</u>
Total primary government expenses	<u>\$19,628,221</u>	<u>\$16,654,211</u>	<u>\$14,903,223</u>	<u>\$15,804,015</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$103,687	\$129,151	\$93,118	\$103,072
Public safety	713,985	642,745	697,584	763,470
Public services	593,263	668,128	632,002	621,221
Conservation of natural resources	4,392	19,297	1,347	1,882
Community development	5,138	16,940	28,118	39,395
Operating grants and contributions	593,798	450,179	527,368	840,676
Capital grants and contributions	7,347,613	5,125,693	941,960	335,733
Total governmental activities program revenues	<u>9,361,876</u>	<u>7,052,133</u>	<u>2,921,497</u>	<u>2,705,449</u>
Business-type activities:				
Charges for services:				
Water	1,090,104	1,371,809	1,208,742	965,425
Sewer	1,494,188	1,505,781	1,516,397	1,564,099
Operating grants and contributions	-	-	-	263,024
Capital grants and contributions	1,462	20,018	883	1,035
Total business-type activities	<u>2,585,754</u>	<u>2,897,608</u>	<u>2,726,022</u>	<u>2,793,583</u>
Total primary government program revenues	<u>\$11,947,630</u>	<u>\$9,949,741</u>	<u>\$5,647,519</u>	<u>\$5,499,032</u>

Table 2
Page 1 of 2

2015	2016	2017	2018	2019	2020
\$2,016,351	\$2,456,864	\$2,395,633	\$2,345,386	\$2,466,130	\$4,197,819
5,135,865	6,567,523	5,166,538	4,749,394	5,053,511	4,867,134
7,971,712	6,228,893	5,492,395	5,384,522	5,810,919	4,118,477
186,111	216,905	200,016	201,590	183,982	161,556
432,268	454,144	459,455	576,794	686,421	660,660
632,876	831,529	518,897	414,607	498,587	733,207
16,375,183	16,755,858	14,232,934	13,672,293	14,699,550	14,738,853
1,394,897	1,367,693	1,245,249	1,332,755	1,322,811	1,532,282
2,089,842	1,850,962	1,901,821	1,964,471	2,002,711	2,199,865
3,484,739	3,218,655	3,147,070	3,297,226	3,325,522	3,732,147
\$19,859,922	\$19,974,513	\$17,380,004	\$16,969,519	\$18,025,072	\$18,471,000
\$818,468	\$520,231	\$550,117	\$562,816	\$612,237	\$587,888
199,498	1,359,426	2,249,152	1,591,658	1,255,363	1,235,829
603,866	865,327	801,633	448,009	1,273,900	1,106,248
-	-	-	-	-	-
-	-	-	-	-	-
526,107	722,858	1,106,014	861,429	870,532	2,470,024
1,176,732	5,046,307	4,141,383	5,187,023	6,820,419	6,894,207
3,324,671	8,514,149	8,848,299	8,650,935	10,832,451	12,294,196
1,014,836	1,094,897	1,150,834	1,217,589	1,172,580	1,341,559
1,621,633	1,659,322	1,698,963	1,753,712	1,771,143	1,803,231
263,024	-	-	-	-	42,152
3,035,031	1,543,947	836,029	1,242,032	2,894,794	2,887,266
5,934,524	4,298,166	3,685,826	4,213,333	5,838,517	6,074,208
\$9,259,195	\$12,812,315	\$12,534,125	\$12,864,268	\$16,670,968	\$18,368,404

CITY OF LINO LAKES, MINNESOTA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014
Net (expense) revenue:				
Governmental activities	(\$7,661,639)	(\$7,125,320)	(\$9,469,531)	(\$10,504,667)
Business-type activities	(18,952)	420,850	213,827	199,684
Total primary government, net	(7,680,591)	(6,704,470)	(9,255,704)	(10,304,983)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	8,768,805	8,610,709	8,563,595	8,806,886
Unrestricted grants and contributions	4,072	4,941	4,442	4,443
Unrestricted investment earnings	251,250	202,828	(54,204)	265,695
Gain on disposal of capital assets	37,579	4,175	-	1,727
Special item - withdrawal from fire district	-	-	-	-
Transfers	66,122	41,043	(353,304)	69,294
Total governmental activities	9,127,828	8,863,696	8,160,529	9,148,045
Business-type activities:				
Unrestricted investment earnings	126,215	102,073	(44,773)	154,468
Transfers	(66,122)	(41,043)	353,304	(69,294)
Total business-type activities	60,093	61,030	308,531	85,174
Total primary government	\$9,187,921	\$8,924,726	\$8,469,060	\$9,233,219
Change in net position:				
Governmental activities	\$1,466,189	\$1,738,376	(\$1,309,002)	(\$1,356,622)
Business-type activities	41,141	481,880	522,358	284,858
Total primary government change in net position	\$1,507,330	\$2,220,256	(\$786,644)	(\$1,071,764)

GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

GASB 75 was implemented in 2017. OPEB expense for years prior to 2017 was not restated.

Table 2
Page 2 of 2

2015	2016	2017	2018	2019	2020
(\$13,050,512)	(\$8,241,709)	(\$5,384,635)	(\$5,021,358)	(\$3,867,099)	(\$2,444,657)
2,449,785	1,079,511	538,756	916,107	2,512,995	2,342,061
(10,600,727)	(7,162,198)	(4,845,879)	(4,105,251)	(1,354,104)	(102,596)
9,243,236	9,343,500	9,753,971	10,229,691	10,706,977	11,259,043
5,363	91,385	181,712	59,508	38,926	47,188
112,961	210,142	207,792	369,485	1,029,944	684,384
17,836	66,255	38,022	17,318	68,472	150,041
-	1,333,166	-	-	-	-
66,834	(914,414)	(308,694)	(472,370)	(1,311,593)	(4,066,269)
9,446,230	10,130,034	9,872,803	10,203,632	10,532,726	8,074,387
51,167	107,119	106,488	213,434	523,554	383,963
(66,834)	914,414	308,694	472,370	1,311,593	4,066,269
(15,667)	1,021,533	415,182	685,804	1,835,147	4,450,232
\$9,430,563	\$11,151,567	\$10,287,985	\$10,889,436	\$12,367,873	\$12,524,619
(\$3,604,282)	\$1,888,325	\$4,488,168	\$5,182,274	\$6,665,627	\$5,629,730
2,434,118	2,101,044	953,938	1,601,911	4,348,142	6,792,293
(\$1,170,164)	\$3,989,369	\$5,442,106	\$6,784,185	\$11,013,769	\$12,422,023

CITY OF LINO LAKES, MINNESOTA
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
General Fund:				
Nonspendable	\$165,079	\$180,786	\$176,797	\$253,471
Committed	-	-	-	-
Unassigned	5,440,101	5,053,031	5,209,286	5,053,064
Total general fund	<u>\$5,605,180</u>	<u>\$5,233,817</u>	<u>\$5,386,083</u>	<u>\$5,306,535</u>
All other governmental funds:				
Nonspendable	906,010	823,113	101,710	101,302
Restricted	2,658,010	3,041,524	3,651,550	2,830,526
Committed	110,568	115,196	121,075	152,078
Assigned	10,808,268	15,573,179	15,710,702	18,027,773
Unassigned	(3,154,496)	(3,262,728)	(3,393,547)	(375,851)
Total all other governmental funds	<u>\$11,328,360</u>	<u>\$16,290,284</u>	<u>\$16,191,490</u>	<u>\$20,735,828</u>
Total all funds	<u>\$16,933,540</u>	<u>\$21,524,101</u>	<u>\$21,577,573</u>	<u>\$26,042,363</u>

The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2011. Information for years prior to 2011 is presented in accordance with fund balance classifications in effect at that time.

Table 3

2015	2016	2017	2018	2019	2020
\$220,677	\$225,114	\$243,317	\$286,186	\$296,907	\$315,224
-	-	-	-	443,900	425,000
5,725,736	6,031,077	6,573,608	6,599,956	6,052,388	6,787,498
\$5,946,413	\$6,256,191	\$6,816,925	\$6,886,142	\$6,793,195	\$7,527,722
101,177	101,220	101,659	101,998	102,842	102,076
2,637,638	6,502,424	5,289,641	9,824,255	6,650,462	8,206,540
163,239	170,950	175,401	182,613	175,485	470,047
15,022,852	15,778,480	14,581,669	19,195,652	19,672,706	18,943,415
(3,815,304)	(978,496)	(2,909,173)	(2,935,459)	(3,171,161)	(3,129,676)
\$14,109,602	\$21,574,578	\$17,239,197	\$26,369,059	\$23,430,334	\$24,592,402
\$20,056,015	\$27,830,769	\$24,056,122	\$33,255,201	\$30,223,529	\$32,120,124

CITY OF LINO LAKES, MINNESOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2011	2012	2013	2014
Revenues:				
Property taxes	\$8,655,971	\$8,560,340	\$8,475,214	\$8,612,011
Licenses and permits	322,030	319,172	431,654	407,681
Intergovernmental	1,331,914	5,267,570	500,963	823,025
Special assessments	904,522	816,998	2,130,519	1,278,202
Charges for services	812,604	744,633	717,300	731,640
Fines and forfeits	154,020	155,956	119,079	149,653
Investment earnings	251,244	202,825	(53,466)	265,794
Miscellaneous	460,710	414,088	384,749	767,477
Total revenues	<u>12,893,015</u>	<u>16,481,582</u>	<u>12,706,012</u>	<u>13,035,483</u>
Expenditures:				
Current:				
General government	1,773,515	1,619,215	1,569,722	1,692,175
Public safety	3,791,329	3,861,265	3,744,957	3,845,732
Public services	3,251,923	4,396,406	3,956,766	4,156,497
Conservation of natural resources	134,122	176,318	134,127	149,292
Community development	624,286	435,154	418,533	402,750
Capital outlay	4,209,593	616,931	291,135	674,488
Debt service:				
Principal	2,030,000	2,145,000	2,214,000	3,664,000
Interest and fiscal charges	983,129	831,875	774,172	696,780
Bond issuance costs	-	47,054	17,137	-
Total expenditures	<u>16,797,897</u>	<u>14,129,218</u>	<u>13,120,549</u>	<u>15,281,714</u>
Excess (deficiency) of revenues over expenditures	<u>(3,904,882)</u>	<u>2,352,364</u>	<u>(414,537)</u>	<u>(2,246,231)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	50,953	4,175	16,727	1,727
Insurance recovery	-	-	-	-
Issuance of debt	120,000	2,165,000	808,000	3,140,000
Premium on bonds issued	-	-	6,558	-
Payment to refunded bond escrow agent	-	-	(435,000)	-
Loan payable reapportionment	(565,000)	-	-	-
Transfers in	2,971,715	1,979,457	1,722,541	2,608,534
Transfers out	(2,905,593)	(1,910,435)	(1,650,817)	(2,539,240)
Total other financing sources (uses)	<u>(327,925)</u>	<u>2,238,197</u>	<u>468,009</u>	<u>3,211,021</u>
Special item - withdrawal from fire district	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(\$4,232,807)</u>	<u>\$4,590,561</u>	<u>\$53,472</u>	<u>\$964,790</u>
Debt service as a percentage of noncapital expenditures	23.9%	22.0%	23.3%	29.9%
Debt service as a percentage of total expenditures	17.9%	21.1%	22.8%	28.5%

Table 4

2015	2016	2017	2018	2019	2020
\$8,950,507	\$9,369,090	\$9,772,741	\$10,215,761	\$10,685,592	\$11,232,374
551,202	895,581	1,447,571	1,260,046	941,569	972,450
679,627	706,944	1,080,953	3,453,300	688,389	2,597,744
703,141	4,400,635	2,283,974	2,005,970	1,935,178	987,053
696,501	1,293,556	1,327,781	1,003,896	1,862,803	1,609,627
127,803	251,653	613,593	137,940	131,936	160,279
112,915	210,142	207,792	369,485	1,029,944	684,384
766,072	417,448	410,640	323,379	265,130	246,599
12,587,768	17,545,049	17,145,045	18,769,777	17,540,541	18,490,510
1,643,966	1,845,667	1,952,669	1,948,909	2,007,741	3,412,600
11,895,482	4,333,080	4,360,517	4,575,957	4,720,122	4,744,173
4,779,696	3,203,837	3,414,412	3,148,058	3,538,624	3,083,366
191,038	201,635	183,392	199,026	207,919	160,884
422,935	425,402	433,144	572,910	680,419	665,405
1,566,057	3,044,615	2,152,848	3,469,208	7,444,939	6,387,441
2,802,511	2,769,525	8,058,525	3,130,600	2,815,075	2,855,000
542,166	816,362	640,029	437,659	562,471	629,282
62,831	98,906	-	-	-	-
23,906,682	16,739,029	21,195,536	17,482,327	21,977,310	21,938,151
(11,318,914)	806,020	(4,050,491)	1,287,450	(4,436,769)	(3,447,641)
54,522	72,182	103,328	49,391	77,986	240,842
-	-	-	-	711,854	-
8,606,250	5,464,000	311,000	7,218,900	388,535	4,624,235
114,960	41,497	-	401,193	-	435,623
-	-	-	-	-	-
-	-	-	-	-	-
3,392,971	3,521,180	6,984,443	4,266,440	2,777,663	4,122,789
(3,336,137)	(3,241,959)	(7,122,927)	(4,024,295)	(2,550,941)	(4,079,253)
8,832,566	5,856,900	275,844	7,911,629	1,405,097	5,344,236
-	1,111,834	-	-	-	-
(\$2,486,348)	\$7,774,754	(\$3,774,647)	\$9,199,079	(\$3,031,672)	\$1,896,595
15.0%	26.2%	45.4%	25.5%	23.2%	23.8%
14.0%	21.4%	41.0%	20.4%	15.4%	15.9%

CITY OF LINO LAKES, MINNESOTA
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 5

Payable Year	Residential Property	Commercial/ Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Taxable Market Value
2011	\$16,214,698	\$3,223,901	\$303,964	\$19,742,563	42.04	\$1,804,121,500
2012	14,743,557	2,945,026	310,870	17,999,453	42.89	1,640,455,854
2013	13,693,905	2,571,769	336,047	16,601,721	46.77	1,519,857,242
2014	13,646,798	2,450,473	341,974	16,439,245	46.68	1,509,921,169
2015	15,455,516	2,536,783	347,316	18,339,615	43.77	1,694,366,064
2016	15,472,329	2,609,482	359,006	18,440,817	46.02	1,699,288,883
2017	16,480,328	2,767,099	396,378	19,643,805	45.14	1,808,417,118
2018	17,879,879	2,966,548	442,867	21,289,294	42.83	1,959,826,108
2019	18,920,892	3,294,449	471,895	22,687,236	41.82	2,082,803,803
2020	20,781,383	3,686,997	419,457	24,887,837	39.87	2,294,753,477

The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.

Source: Anoka County, Minnesota Assessors' Office

CITY OF LINO LAKES, MINNESOTA**DIRECT AND OVERLAPPING PROPERTY TAX CAPACITY RATES****Table 6**

Last Ten Fiscal Years

(rate per \$100 of Tax Capacity)

Fiscal Year	City Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Centennial School District ISD # 12	Anoka County	Other Taxing Districts	Total Overlapping	
2011	37.425	4.616	42.041	43.695	39.952	6.278	89.925	131.966
2012	37.501	5.393	42.894	40.010	41.146	6.691	87.847	130.741
2013	40.964	5.810	46.774	43.681	44.411	6.940	95.032	141.806
2014	39.784	6.899	46.683	46.186	43.239	6.712	96.137	142.820
2015	37.819	5.951	43.770	36.562	38.123	6.021	80.706	124.476
2016	35.025	10.994	46.019	36.426	38.894	6.405	81.725	127.744
2017	35.105	10.035	45.140	29.097	36.841	5.810	71.748	116.888
2018	36.168	6.658	42.826	34.970	35.334	5.658	75.962	118.788
2019	33.875	7.942	41.817	35.984	34.473	5.300	75.757	117.574
2020	31.803	8.067	39.870	34.059	33.078	5.048	72.185	112.055

The majority of the City is serviced by School District 12. Rates for debt service are based on each year's requirements

Source: Anoka County Property Records and Tax Division

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CITY OF LINO LAKES, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 7

Taxpayer	2020			2011		
	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity	Taxable Net Tax Capacity	Rank	Percentage of Total City Taxable Net Tax Capacity
AX Lino Lakes LP	\$398,754	1	1.60%	\$ -	-	-
Biynah MN WI LLC	349,912	2	1.41%	-	-	-
US Home Corporation	243,725	3	0.98%	-	-	-
Target Corporation	239,248	4	0.96%	241,894	1	1.23%
Northern States Power Co	231,476	5	0.93%	-	-	-
Minnegasco Inc	176,296	6	0.71%	-	-	-
Lino Lakes Assisted Living LLC	167,796	7	0.67%	-	-	-
LLAH Limited Partnership	144,733	8	0.58%	-	-	-
Gargaro Properties LLC	123,474	9	0.50%	97,920	7	0.50%
Tomas Commercial Real Estate Holdings LLC	104,240	10	0.42%	-	-	-
Lino Lakes Realty LLC	-		-	227,648	2	1.15%
Xcel Energy	-		-	152,398	3	0.77%
Moline Concrete Products	-		-	140,306	4	0.71%
Kohl's Department Store	-		-	130,194	5	0.66%
Taylor Corporation	-		-	111,778	6	0.57%
EOC Lino Lakes LLC	-		-	96,246	8	0.49%
Marmon/Keystone Corp	-		-	89,250	9	0.45%
Royal Oaks Realty Inc	-		-	79,789	10	0.40%
Total	<u>\$2,179,654</u>		<u>8.76%</u>	<u>\$1,367,423</u>		<u>6.93%</u>

Source: Anoka County

CITY OF LINO LAKES, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy	
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy
2011	\$7,719,240	\$940,760	\$8,660,000	\$8,486,845	98.0%
2012	7,192,818	1,034,441	8,227,259	8,095,502	98.4%
2013	7,190,538	1,025,090	8,215,628	8,094,911	98.5%
2014	7,098,922	1,197,122	8,296,044	8,229,986	99.2%
2015	7,490,578	1,195,494	8,686,072	8,630,830	99.4%
2016	7,018,572	2,039,856	9,058,428	9,022,964	99.6%
2017	7,360,431	2,131,424	9,491,855	9,439,688	99.5%
2018	8,165,859	1,610,873	9,776,732	9,729,472	99.5%
2019	8,193,124	1,862,292	10,055,416	9,981,243	99.3%
2020	8,368,756	2,122,762	10,491,518	10,415,622	99.3%

Current year levies and collections include State levy related credits, but do not include tax increment levies and collections.

Table 8

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Amount	Percentage of Levy		
\$127,296	\$8,614,141	99.5%	\$45,859	0.5%
78,631	8,174,133	99.4%	53,126	0.6%
70,352	8,165,263	99.4%	50,365	0.6%
42,365	8,272,351	99.7%	23,693	0.3%
26,865	8,657,695	99.7%	28,377	0.3%
10,021	9,032,985	99.7%	25,443	0.3%
15,974	9,455,662	99.6%	36,193	0.4%
33,231	9,762,703	99.9%	14,029	0.1%
45,842	10,027,085	99.7%	28,331	0.3%
-	10,415,622	99.3%	75,896	0.7%

CITY OF LINO LAKES, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities
	General Obligation Bonds	Special Assessments Payable	Other Long-Term Debt	General Obligation Revenue Bonds
2011	\$9,421,000	\$7,985,000	\$3,695,000	\$405,000
2012	10,331,000	7,095,000	3,695,000	-
2013	9,610,000	5,975,000	3,695,000	-
2014	9,036,000	7,640,000	2,080,000	-
2015	16,377,291	6,620,000	1,720,000	-
2016	18,337,081	7,795,000	1,609,000	-
2017	14,837,768	4,905,000	233,475	-
2018	20,360,713	3,890,000	202,125	-
2019	18,952,364	2,855,000	169,950	-
2020	22,190,202	1,805,000	136,950	-

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the *Demographic and Economic Statistics* schedule for personal income and population data.

(1) Personal income information is not yet available for 2020 from the Bureau of Economic Analysis Report

Table 9

Total Primary Government	Percentage of Assessed Market Value	Percentage of Personal Income	Per Capita
\$21,506,000	1.19%	0.16%	1,049
21,121,000	1.29%	0.15%	1,024
19,280,000	1.27%	0.13%	925
18,756,000	1.24%	0.12%	888
24,717,291	1.46%	0.15%	1,205
27,741,081	1.63%	0.17%	1,334
19,976,243	1.10%	0.12%	946
24,452,838	1.25%	0.14%	1,145
21,977,314	1.03%	0.12%	994
24,132,152	1.05%	(1)	1,077

CITY OF LINO LAKES, MINNESOTA
RATIOS OF NET GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government
	General Obligation Bonds	Special Assessments Payable	
2011	\$9,421,000	\$7,985,000	\$17,406,000
2012	10,331,000	7,095,000	17,426,000
2013	9,610,000	5,975,000	15,585,000
2014	9,036,000	7,640,000	16,676,000
2015	16,377,291	6,620,000	22,997,291
2016	18,337,081	7,795,000	26,132,081
2017	14,837,768	4,905,000	19,742,768
2018	20,360,713	3,890,000	24,250,713
2019	18,952,364	2,855,000	21,807,364
2020	22,190,202	1,805,000	23,995,202

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the *Demographic and Economic Statistics* schedule for population data.

Table 10

Per Capita (Total)	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Assessed Market Value	Per Capita (Net)
\$849	\$2,638,129	\$14,767,871	0.82%	\$720
845	3,035,557	14,390,443	0.88%	698
748	3,357,196	12,227,804	0.80%	587
789	2,501,738	14,174,262	0.94%	671
1,121	2,813,226	20,184,065	1.19%	984
1,256	8,420,263	17,711,818	1.04%	851
935	5,171,905	14,570,863	0.81%	690
1,102	4,456,461	19,794,252	1.01%	900
986	4,772,799	17,034,565	0.80%	765
1,071	5,399,895	18,595,307	0.81%	830

CITY OF LINO LAKES, MINNESOTA**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2020

Table 11

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Overlapping debt:			
Anoka County	\$61,405,000	6.1%	\$3,764,510
ISD 12	88,547,738	43.1%	38,189,664
ISD 624	324,205,000	3.1%	10,028,252
ISD 831	161,160,000	7.1%	11,363,427
Metropolitan Council	1,688,625,662	0.6%	9,611,081
Anoka County Railroad Authority	20,280,000	6.1%	1,243,291
Total overlapping			74,200,225
City of Lino Lakes direct debt	24,132,152	100%	24,132,152
Total direct and overlapping debt			\$98,332,377

*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Sources: taxable value data used to estimate applicable percentages provided by the County Property Appraiser. Debt outstanding data provided by each governmental unit.

CITY OF LINO LAKES, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2020

Market value	\$2,384,497,900
Applicable percentage	3%
Debt limit	<u>71,534,937</u>
Debt applicable to limit:	
Total bonded debt	24,132,152
Less:	
Special assessment bonds	(1,805,000)
Tax abatement bonds	(870,000)
Tax increment bonds	(1,020,000)
Utility revenue bonds	<u>(7,220,000)</u>
	<u>13,217,152</u>
Legal debt margin	<u><u>\$58,317,785</u></u>

Legal Debt Margin Calculation for Fiscal Years 2011 Through 2020

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Debt Applicable to Limit Per Capita
2011	20,505	54,123,645	2,961,000	51,162,645	5.47%	144
2012	20,625	49,213,676	4,591,000	44,622,676	9.33%	223
2013	20,833	45,595,717	4,280,000	41,315,717	9.39%	205
2014	21,129	45,297,635	4,191,000	41,106,635	9.25%	198
2015	20,519	50,830,982	11,941,250	38,889,732	23.49%	582
2016	20,803	50,978,666	10,122,081	40,856,585	19.86%	487
2017	21,117	54,252,514	10,426,243	43,826,271	19.22%	494
2018	22,000	58,794,783	14,497,838	44,296,945	24.66%	659
2019	21,650	65,496,045	13,637,314	51,858,731	20.82%	630
2020	22,410	71,534,937	13,217,152	58,317,785	18.48%	590

CITY OF LINO LAKES, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 13

Fiscal Year	(1) Population	(2) Personal Income <i>(thousands of dollars)</i>	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2011	20,505	\$831,170	\$40,535	6,426	5.9%
2012	20,625	857,753	41,588	6,421	5.6%
2013	20,833	879,903	42,236	6,392	4.5%
2014	21,129	917,252	43,412	6,410	3.4%
2015	20,519	934,764	45,556	6,371	3.3%
2016	20,803	975,682	46,901	6,473	3.9%
2017	21,117	1,028,123	48,687	6,500	3.1%
2018	22,000	1,094,205	51,258	6,558	3.9%
2019	21,650	1,131,213	52,250	6,641	3.2%
2020	22,410	Not available	Not available	6,654	4.8%

Sources:

- (1) Estimates from Metropolitan Council, except for 2010 which is per the U.S. Census and 2016 which is a city estimate.
- (2) Information from Bureau of Economic Analysis Report. Anoka County statistics used as local information is unavailable.
- (3) Information from ISD # 12 website (audit report).
- (4) Information from MN Department of Employment and Economic Development. Anoka County statistics used as local information is unavailable.

CITY OF LINO LAKES, MINNESOTA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 14

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽¹⁾
State of Minnesota Corrections	478	1	26.1%	432	1	24.0%
ISD 12 - Centennial Schools	391	2	21.4%	362	2	20.1%
Target Corporation	200	3	10.9%	260	3	14.4%
Molin Concrete Products	130	4	7.1%	120	6	6.7%
Rehbein Transit, Inc.	130	5	7.1%	100	8	5.6%
Anoka County Juvenile Center	130	6	7.1%	86	9	4.8%
Kohls	123	7	6.7%	121	5	6.7%
Distribution Alternatives	120	8	6.6%	-	-	-
City of Lino Lakes	67	9	3.7%	-	-	-
Northern Wholesale	61	10	3.3%	-	-	-
Curtis 1000 (AdGraphics/Taylor Corp)	-	-	-	130	4	7.2%
YMCA	-	-	-	120	7	6.7%
Nol-Tech Systems, Inc.	-	-	-	70	10	3.9%
Total	<u>1,830</u>			<u>1,801</u>		

⁽¹⁾The statistic for total City employment is not available, therefore the percentage represents the percentage of the top ten listed.

Source: City of Lino Lakes Official Statements and employer surveys

CITY OF LINO LAKES, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

	Full-Time-Equivalent Employees as of December 31,			
	2011	2012	2013	2014
General Government:				
Administration	3.50	3.50	3.50	3.50
Seniors	-	-	-	-
Finance	3.00	3.00	3.00	3.00
Economic Development	1.00	1.00	-	-
Planning	1.00	1.00	1.00	1.00
Community Development	2.00	2.00	2.00	2.00
Building	-	-	-	-
Other	0.70	0.70	0.70	0.70
Total General Government	11.20	11.20	10.20	10.20
Public Safety:				
Sworn Officers	25.00	25.00	25.00	25.00
Civilians	4.00	3.00	3.00	4.00
Fire	-	-	-	1.00
Building Inspection	2.50	2.50	2.50	2.00
Total Public Safety	31.50	30.50	30.50	32.00
Public Works:				
Streets	7.00	7.00	7.00	7.00
Other	1.00	1.00	1.00	1.00
Total Public Works	8.00	8.00	8.00	8.00
Parks, Recreation and Forestry	9.00	9.00	8.70	8.70
Water	2.15	2.15	2.30	2.30
Sewer	2.15	2.15	2.30	2.30
Total	64.00	63.00	62.00	63.50

Source: City Finance Office

Table 15

Full-Time-Equivalent Employees as of December 31,					
2015	2016	2017	2018	2019	2020
3.50	4.00	4.00	4.00	4.00	4.00
-	-	-	-	-	-
3.00	3.50	3.50	3.50	3.50	3.10
-	-	-	-	-	-
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
-	-	-	-	-	-
0.70	0.65	0.65	0.65	0.65	0.625
10.20	11.15	11.15	11.15	11.15	10.73
26.00	27.00	27.00	27.00	27.00	27.00
4.00	4.50	4.50	4.00	4.00	4.00
1.00	1.50	1.50	1.50	1.50	1.50
2.00	2.50	2.50	2.50	3.50	3.50
33.00	35.50	35.50	35.00	36.00	36.00
7.00	6.50	6.65	6.65	6.65	6.50
1.00	1.50	1.50	1.50	1.50	1.50
8.00	8.00	8.15	8.15	8.15	8.00
8.70	7.75	7.90	6.90	6.90	5.78
2.30	2.30	2.70	3.20	3.20	3.25
2.30	2.30	2.70	3.20	3.20	3.25
64.50	67.00	68.10	67.60	68.60	67.00

CITY OF LINO LAKES, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2011	2012	2013	2014
General Government:				
Elections	1	2	1	2
Registered voters	11,705	13,478	12,020	12,610
Number of votes cast	4,314	11,546	1,575	7,854
Voter participation (registered)	36.9%	85.7%	13.1%	62.3%
Public Safety:				
Police:				
Calls for Service	6,384	6,344	6,210	6,281
Traffic Citations & Warnings	2,604	2,694	2,597	2,296
Part I Crime Rate	1,117	983	918	631
Part II Crime Rate	2,911	2,396	2,144	1,836
Police:				
Case Numbers Generated				
Avg Response Time (Emergency & Non-Emergency)				
Part I Crime Offenses				
Part II Crime Offenses				
Group A				
Group B				
Clearance Rate				
Fire:				
Fire Call Load				
Fire Property Loss				
Fire Property Saved				
Fire Inspections				
Inspections:				
Building Permits (1) (2)	452	459	490	431
Value of Building Permits	\$11,192,264	\$10,751,626	\$17,683,665	\$13,535,514
Other Permits				
Public Works:				
General Maintenance (hours)	7,416	6,939	3,994	5,200
Street Maintenance (hours)	4,352	5,926	5,740	3,840
Fleet Maintenance (hours)	4,214	3,945	4,548	4,746
Snow Plowing/Sanding (hours)	1,534	594	1,639	2,141
Culture and Recreation:				
Parks				
Park Maintenance (hours)	9,813	9,739	8,480	8,537
Utilities:				
Water Maintenance (hours)	3,568	3,585	3,119	3,189
Sanitary Sewer Maintenance (hours)	3,557	3,517	3,109	3,178

- (1) 4,337 and 581 repair permits issued in 2008 - 2009, respectively, due to storm damage.
(2) Increase in permits issued - June 2017 storm damage.
(3) The Public Safety Department modified the metrics maintained for business purposes in 2016.
Those changes are reflected in the 2016-2018 Operating Indicators.
(4) Transition to FBI Uniform Crime Reporting NIBRS (National Incident Based Reporting System) in 2019.
January -July 2019 SRS, August-Dec 2019 NIBRS.

Source: Various City Departments

Table 16

2015	2016	2017	2018	2019	2020
1	2	1	2	1	4
12,143	13,636	12,624	12,860	13,312	14,964
4,085	11,562	2,165	10,738	3,075	13,505
33.6%	84.8%	17.1%	83.5%	23.1%	90.2%
6,210	6,210	(3)	(3)	(3)	(3)
2,199	2,199	(3)	(3)	(3)	(3)
1,226	1,091	(3)	(3)	(3)	(3)
2,395	3,635	(3)	(3)	(3)	(3)
	16,321	18,199	14,487	13,973	13,214
	5:26 minutes	4:42 minutes	5:16 minutes	5:53 minutes	6:41 minutes
	224	176	195	93 (4)	(4)
	746	808	587	304 (4)	(4)
				266 (4)	778
				98 (4)	217
	73%	82%	69%	60%	48%
	269	316	356	379	371
	\$694,000	\$325,100	\$205,200	\$246,600	\$241,450
	\$10,511,300	\$6,342,100	\$1,791,500	\$7,548,100	\$13,682,450
	53	117	107	98	60
654	761	5,422	3,281	1,107	882
\$26,570,593	\$53,390,619	\$50,984,047	\$50,990,945	\$41,766,531	\$51,686,278
	880	985	1,023	1,183	1,254
7,839	5,534	6,313	420	7,420	5,407
3,347	4,053	3,765	12,418	4,328	4,317
4,322	4,437	3,986	2,648	3,504	3,390
754	960	928	2,117	2,130	1,232
8,332	9,698	8,576	9,027	9,610	8,113
3,240	3,539	3,278	4,080	3,944	3,645
3,240	3,539	3,278	4,080	3,944	3,645

CITY OF LINO LAKES, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Table 17

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	12	12	12	12	12	12	12	12	12
Fire:										
Stations	1	1	1	1	2	2	2	2	2	2
Fire Trucks	5	5	5	5	7	7	8	8	8	8
Public Works:										
Lights	673	673	673	673	673	815	838	854	859	859
Vehicles	29	29	29	29	29	39	39	39	39	39
City Streets (miles)	100.7	100.7	100.7	100.7	100.7	100.7	100.7	106.9	108.2	104.6 (1)
Culture & Recreation:										
Parks:										
Parks	18	18	18	18	18	17	18	19	19	19
Park Acres	141	141	141	141	141	139.6	147	152	152	152
Asphalt Trails (miles)	26	26	26	26	26	29.75	30	30	30	28 (2)
Concrete Trails (miles)	-	-	-	-	-	-	-	-	-	7 (2)
Boardwalk (miles)	-	-	-	-	-	-	-	-	-	0 (2)
Park Shelters	6	6	6	6	6	6	6	7	7	7
Basketball Courts	6	6	6	6	6	6	6	7	7	7
Fishing Pier	1	1	1	1	1	1	-	-	-	-
Skating Rinks	4	4	4	4	4	4	3	3	3	3
Soccer Fields	8	8	8	8	8	6	4	4	4	4
Baseball/Softball Fields	20	20	20	20	20	8	8	8	8	8
Tennis Courts	2	2	2	2	2	2	-	-	1	1
Playgrounds	16	16	16	16	16	15	16	17	17	17
Water:										
Distribution System (miles)	74.7	74.7	74.7	74.7	74.7	85.6	99.4	89.0	89.5	91.8
Water Connections	4,424	4,452	4,484	4,520	4,542	4,649	4,738	4,919	4,990	5,175
Gallons Pumped (millions)	492	609	536	536	449	452	494	508	493	547
Number of Fire Hydrants	538	538	538	538	1,024	1,024	1,028	942	937	1,013
Water Tower Capacity (millions gallons)	2	2	2	2	2	2	2	2	2	2
Sanitary Sewer:										
Collection System (miles)	69.8	69.8	69.8	69.8	77.9	77.9	87.0	79.5	80.1	80.1
Sewer Connections	4,567	4,567	4,624	4,685	4,685	4,817	4,976	5,102	5,276	5,439
Storm Sewer:										
Pipe (miles)	41.4	41.4	41.4	41.4	41.4	53.7	54.1	55.0	55.6	49.86 (1)

Source: Various City Departments

(1) Decrease due to reclassification of ownership.

(2) In 2020, trails were broken out between asphalt trail, concrete sidewalk, and boardwalk.



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lino Lakes, Minnesota (the City) for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were the discount rate used to measure the net pension liability and management's estimate relating to the collectability of Legacy at Woods Edge receivables (see page 3). The discount rate is based on actuarial studies and the collectability of receivables is based on anticipated development. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive are Note 6 – Long-Term Debt, Note 10A – Deficit Fund Balances and Note 19 – Subsequent Events.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. There were no corrected misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 28, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Receivables related to the Legacy at Woods Edge Development

At December 31, 2020, the balance of receivables related to the Legacy at Woods Edge Development was \$6,710,425. The receivables are presented in the financial statements as special assessments receivable (\$2,994,379) and interfund loans receivable (\$3,716,046). Collection of these amounts is dependent upon receiving sufficient proceeds from land sales and tax increment. Management believes all amounts are collectible.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the budgetary comparison information, and the schedules of OPEB and pension information, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City of Lino Lakes, Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 28, 2021



MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Lino Lakes, Minnesota failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 28, 2021

CITY OF LINO LAKES, MINNESOTA

SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND
INDEPENDENT AUDITOR'S REPORTS

For The Year Ended December 31, 2020

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CITY OF LINO LAKES, MINNESOTA
TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To The Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Lino Lakes, Minnesota's basic financial statements, and have issued our report thereon dated May 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lino Lakes, Minnesota's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lino Lakes, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lino Lakes, Minnesota's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 28, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
UNIFORM GUIDANCE

To The Honorable Mayor and
Members of the City Council
City of Lino Lakes, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the City of Lino Lakes, Minnesota's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City of Lino Lakes, Minnesota's major federal program for the year ended December 31, 2020. The City of Lino Lakes, Minnesota's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Lino Lakes, Minnesota's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lino Lakes, Minnesota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Lino Lakes, Minnesota's compliance

Opinion on the Major Federal Program

In our opinion, the City of Lino Lakes, Minnesota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City of Lino Lakes, Minnesota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Lino Lakes, Minnesota's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lino Lakes, Minnesota's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lino Lakes, Minnesota as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Lino Lakes, Minnesota's basic financial statements. We have issued our report thereon dated May 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 28, 2021

CITY OF LINO LAKES, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2020

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Treasury			
Passed through State of Minnesota Department of Revenue:			
COVID-19 - Coronavirus Relief Fund	21.019	None provided	\$ 1,608,289
Passed through Anoka County:			
COVID-19 - Coronavirus Relief Fund	21.019	None provided	11,220
Total U.S. Department of Treasury			<u>1,619,509</u>
U.S. Department of Justice			
Direct:			
Equitable Sharing Fund	21.016	n/a	<u>17,142</u>
Total U.S. Department of Justice			<u>17,142</u>
Total Federal Expenditures			<u>\$ 1,636,651</u>

Notes to the Schedule of Expenditures of Federal Awards:

Note 1 Basis of Presentation and Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs expended by the City of Lino Lakes, Minnesota under programs of the federal government for the year ended December 31, 2020. The Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Lino Lakes, Minnesota, it is not intended to and does not present the financial positions, or change in financial position of the City of Lino Lakes, Minnesota. The expenditures on this Schedule are on the modified accrual basis of accounting. Pass-through entity identifying numbers are presented where available.

Note 2 Indirect Cost Rate

The City of Lino Lakes, Minnesota has not charged any indirect costs to any of the federal programs. Therefore, the election of the de minimus cost rate is not applicable.

CITY OF LINO LAKES, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

- | | | | | |
|--|------------|--------------|---------------|--|
| A. Type of auditors' report issued: | Unmodified | | | |
| B. Internal control over financial reporting: | | | | |
| • Material weakness(es) identified? | _____ Yes | <u> X </u> | No | |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ Yes | <u> X </u> | None reported | |
| C. Noncompliance material to financial statements noted? | _____ Yes | <u> X </u> | No | |

Federal Awards

- | | | | | |
|---|------------|--------------|---------------|--|
| D. Internal control over major programs: | | | | |
| • Material weakness(es) identified? | _____ Yes | <u> X </u> | No | |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ Yes | <u> X </u> | None reported | |
| E. Type of auditors' report issued on compliance for major programs: | Unmodified | | | |
| F. Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> ? | _____ Yes | <u> X </u> | None reported | |
| G. Identification of major programs: | | | | |

<u>Name of Federal Program</u>	<u>CFDA Number</u>
COVID-19 – Coronavirus Relief Fund	21.019

- | | |
|---|---------------------------|
| H. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| I. Auditee qualified as a low-risk auditee: | _____ Yes <u> X </u> No |

CITY OF LINO LAKES, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS
--

There were no financial statement findings for 2020.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
--

There were no federal award findings or questioned costs for 2020.

SECTION IV – PRIOR YEAR FINDINGS

There were no financial statement findings for 2019.

No prior year single audit was performed, therefore, there were no prior year findings.

City of Lino Lakes, Minnesota

2020 Audit
June 7, 2021

Andy Hering, CPA

Phone: 651-407-5877

Email: ahering@redpathcpas.com

Reports Issued by Auditor

- Opinion on the Fair Presentation of the Financial Statements
- Report on Minnesota Legal Compliance
- Report on Internal Controls over Financial Reporting
- Report on Compliance for Each Major Program and on Internal Control over Compliance – aka the “Single Audit”
- Communication to Those Charged with Governance

Results

- Opinion on the Fair Presentation of the Financial Statements
 - Unmodified audit opinion
- Minnesota Legal Compliance Report
 - No findings
- Report on Internal Controls over Financial Reporting
 - No findings
- Report on Compliance for Each Major Program and on Internal Control Over Compliance
 - No findings
- Communication With Those Charged with Governance
 - Standard communications from auditor to governing body

Opinion on Financial Statements – Audit Process

- December 2020 and January 2021
 - Planning and preliminary testing
- January – March 2021
 - City staff accumulate data, record year-end accruals, prepare audit workpapers, and close the books on 2020
- April 2021
 - Auditor receives trial balance and workpapers; audit planning is finalized
 - Audit fieldwork began April 26
- May 2021
 - Financial statements are drafted by the auditor, reviewed by finance staff. Transmittal letter and MD&A are prepared.
 - Final audit reports issued May 28

Opinion on Financial Statements – Audit Process

- Audit Fieldwork – auditor performs tests to verify:
 - Occurrence: recorded transactions and events occurred and pertain to the City
 - Completeness: all transactions and events that should have been recorded have been recorded
 - Accuracy, Cutoff, Classification: amounts are accurately recorded in the correct year and in the correct accounts

- Data mining techniques
 - Journal entries
 - Disbursement register

Report on Minnesota Legal Compliance

■ What did we do?

- Followed the audit guide published by the Office of the State Auditor. The guide consists of seven sections:
 - Depositories of public funds and investments
 - Conflicts of interest
 - Public indebtedness
 - Contracting bid laws
 - Claims and disbursements
 - Tax increment
 - Miscellaneous provisions

■ How did we do it?

- Select sample of transactions to test for compliance with statutory provisions.

■ What is the result?

- No legal compliance findings.

Report on Internal Controls over Financial Reporting

- What did we do?
 - We gained an understanding of internal controls in place and their effectiveness in order to design our audit procedures.
- How did we do it?
 - Obtain understanding of controls on each major class of transaction and account balance.
 - Select a sample of transactions and perform detailed tests to determine adherence to controls in place and effectiveness.
- What is the result?
 - No internal control findings.

Report on Compliance for Each Major Program and on Internal Control over Compliance (Single Audit)

- What did we do?
 - Tested the City's internal controls related to compliance
 - Tested the City's compliance with federal programs
- How did we do it?
 - Verified the City's written policies and procedures relating to compliance were in place and effectively operating
 - Determined that the City adhered to the compliance requirements in the OMB Compliance Supplement
- What is the result?
 - No findings

The Single Audit

- Required to be performed when an entity expends \$750,000+ of federal dollars
- Major Programs are determined and tested
- City had one major program: Coronavirus Relief Fund
- \$1,619,509 was received and expended during 2020
- Depending on the major program, different compliance requirements are required to be tested
- A Data Collection Form along with the City's financial statements are filed with the Federal Audit Clearinghouse

The Single Audit

Compliance Requirements tested include:

- Activities allowed or unallowed
- Allowable costs
- Period of performance

American Rescue Plan Act

- The American Rescue Plan will deliver \$350 billion for eligible state, local, territorial and Tribal governments
- Included in this amount is \$130 billion in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
- Based on initial estimates, the City's share of the CSLFRF funds is approximately \$2.3 million
- Coverage period: March 3, 2021 – December 31, 2024*
 - * If contractually obligated by 12/31/24, need to expend by 12/31/26

American Rescue Plan Act

Eligible uses include:

- Support public health response
- Address negative economic impacts
- Replace public sector revenue loss
- Premium pay for essential workers
- Water and sewer infrastructure
- Broadband infrastructure

Communication to Those Charged with Governance

- No new accounting policies or standards for 2020
- Accounting estimates in the financial statements
 - The discount rate used to measure the net pension liability
 - Receivable collections related to Legacy at Woods Edge
- No difficulties encountered or disagreements with management
- Corrected and Uncorrected Misstatements
- Other Matters
 - Legacy at Woods Edge receivables (\$6,710,000)
 - Property tax collection rate – 99.75% for 2020.

Summary of Financial Activity

Fund Type	Revenue	Expenditures	Debt Issued	Transfers	Change in Fund Balance	Fund Balance 12/31/2020	Cash Balance 12/31/2020
General Fund	\$10,597,000	\$9,311,000	\$ -	(\$551,000)	\$735,000	\$7,528,000	\$9,497,000
Special Revenue Funds	1,793,000	1,676,000	-	-	117,000	756,000	751,000
Debt Service Funds	2,397,000	3,484,000	-	1,861,000	774,000	2,678,000	5,400,000
Capital Project Funds	3,932,000	7,457,000	5,060,000	(1,267,000)	268,000	21,010,000	19,346,000
Permanent Funds	12,000	10,000	-	-	2,000	148,000	158,000
Enterprise Funds	10,568,000	3,732,000	-	(43,000)	6,793,000	59,420,000	15,505,000
Total	<u>\$29,299,000</u>	<u>\$25,670,000</u>	<u>\$5,060,000</u>	<u>\$ -</u>	<u>\$8,689,000</u>	<u>\$91,540,000</u>	<u>\$50,657,000</u>

Notes:

- \$659,000 of excess funds from the 2018 Street Reconstruction project were transferred to the 2018 bond fund
- Enterprise funds – unrestricted fund balance decreased \$183,000 to \$16.1M

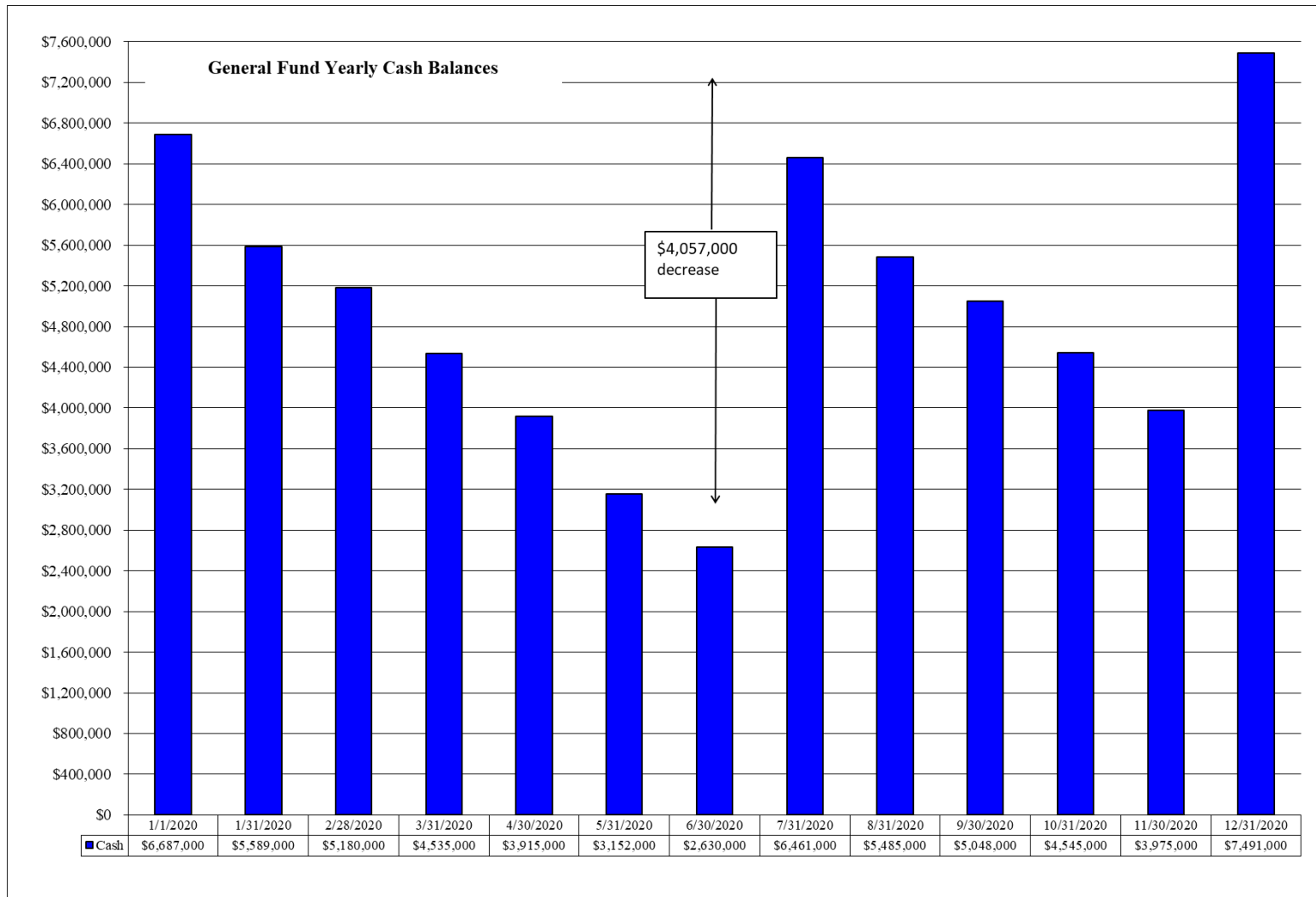
General Fund Summary

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues	\$10,440,000	\$10,597,000	\$157,000
Expenditures	9,724,000	9,311,000	413,000
Revenues over expenditures	716,000	1,286,000	570,000
Other financing sources (uses):			
Transfers - net	(551,000)	(551,000)	-
Net change in fund balance	<u>\$165,000</u>	<u>\$735,000</u>	<u>\$570,000</u>

General Fund 5 Year History

	Revenues	Expenditures	Interfund Transfers (Net)	Increase (Decrease)	Ending Fund Balance	Fund Balance as a Percent of Expenditures & Transfers Out
2020	\$10,597,000	\$9,311,000	(\$551,000)	\$735,000	\$7,528,000	73%
2019	11,231,000	10,637,000	(687,000)	(93,000)	6,793,000	63%
2018	10,770,000	9,407,000	(1,294,000)	69,000	6,886,000	64%
2017	10,245,000	9,244,000	(440,000)	561,000	6,817,000	67%
2016	9,417,000	8,904,000	(203,000)	310,000	6,256,000	65%

General Fund Monthly Cash Balances



Enterprise Funds – Cash Flow

	2020 Water Fund	2019 Water Fund	2020 Sewer Fund	2019 Sewer Fund
Cash flows from:				
Operating activities	\$479,000	\$517,000	\$71,000	\$259,000
Investment income	150,000	210,000	234,000	314,000
Transfers	(127,000)	(227,000)	84,000	-
Acquisition of capital assets	(778,000)	(350,000)	(330,000)	-
Increase in cash	(276,000)	150,000	59,000	573,000
Cash - January 1	6,172,000	6,022,000	9,550,000	8,977,000
Cash - December 31	<u>\$5,896,000</u>	<u>\$6,172,000</u>	<u>\$9,609,000</u>	<u>\$9,550,000</u>

WORK SESSION STAFF REPORT
Work Session Item No. 3

Date: June 7, 2021
To: City Council
From: Hannah Lynch, Finance Director
Re: Electronic Municipal Payments

Background

The city's financial software has recently expanded their cashless payment system to include payments for licenses and fees such as land use application fees, sign permit, park shelter reservation, dog licenses, police report copies, liquor licenses, burning permit, special event permit, etc. Implementing electronic municipal payments for these licenses and fees is already included and integrated with the financial software at no additional cost. The decision that needs to be made is whether the city will cover the credit card transaction fees or if those will be passed through to the customer.

Credit card payments are currently accepted for utility bills and building permits. The city pays the credit card fees for utility billing transactions, but passes the fees along to the customer for building permit transactions.

Utility billing credit card processing is integrated with the financial software. Each card processed has a \$1.00 per transaction fee as well as a fee charged by Visa or Mastercard which is typically \$0.65 or \$0.75 per transaction.

Building permit credit card processing is not integrated with the financial software, but is integrated with the building permit software. The fee passed through to the customer is 3.5% per transaction plus an additional \$0.75 if the payment is less than \$100.00. There is also an option to process an eChecking or eSavings payment at a flat fee of \$1.00 per transaction.

Similar to utility billing credit card processing, each card processed for these other municipal payments would have a \$0.50 per transaction fee as well as a fee charged by Visa or Mastercard which is typically \$0.65 or \$0.75 per transaction. It should be noted that Visa and Mastercard dictate that only up to 4% of the transaction can be passed along to the customer in fees so, in order to fully recoup all fees, credit cards payments could only be accepted for municipal payments over \$30.00. That would leave transactions such as police and park fees with only the ability to pay by cash or check.

Staff recommends that the city pay the transaction fees for these municipal payments since the exposure with the fixed fees is minimal. If needed, staff can look at increases to the fee schedule in the future to recoup some of the transaction fees.

Requested Council Direction

Consider accepting electronic municipal payments with the transaction fees covered by the city.

Attachments

None

WORK SESSION STAFF REPORT
Work Session Item No. 4

Date: June 7, 2021

To: City Council

From: Julie Bartell, City Clerk
Lisa Hogstad-Osterhues, Deputy City Clerk

Re: Liquor License Fees

Background

The City issues licenses for on-sale intoxicating beverage sales on an annual basis, with the license period running from July 1 through June 30. City staff is in the process of receiving renewal applications for the upcoming license period.

City staff has been looking at measures that could provide relief to impacted liquor license holders for the coming license period. Many cities have approved or are considering license fee waivers for the year ahead.

Restaurants and bars in the City that hold these licenses have, for the past year, been impacted by Governor Walz's emergency mandates related to the COVID 19 virus. From ordered closure to mandates requiring smaller operations, these establishments have been economically impacted.

In an effort to provide support to these Lino Lakes' businesses, the council previously authorized the refund of four months of license fees as liquor license holders were unable to be open to the public. At this point, license holders have received a two month refund. The additional two month credit is approved to be applied on the 2021-2022 renewals.

The City Council is being asked to consider a waiver of an additional 10 months for the 2021-2022 annual license period. The refund would apply only to On-Sale Liquor, On-Sale Wine, On-Sale Beer, On-Sale Club, On-Sale Taproom and Sunday Sales licenses. Investigation fees are not included.

Under recent guidance provided on the American Rescue Plan, it is expected that loss of revenue (such as license fees) will be reimbursable through the Plan.

Attachments

List of Business/License Fees

Requested Council Direction

Staff requests the council's direction on the waiver of certain liquor license fees for the upcoming renewal period. If authorized, staff would request action at a future council meeting.

License Type	Business Name	Type of License	12 Month Fee for License	
Liquor	American Legion	On-Sale Club/Sunday	\$300/\$200	\$500.00
Liquor	The Tavern on Main	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Liquor	Trapper's Bar & Grill	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Liquor	Chomonix Golf Course	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Liquor	Fiesta Cancun	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Liquor	Don Julio	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Liquor	El Zocala Grill	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Liquor	Hammerheart	TR On-Sale/Sunday	\$500/\$200	\$700.00
Liquor	Chili Sushi & Thai	Beer/Wine	\$300/\$500	\$800.00
Liquor	Campanelle	On-Sale/Sunday	\$4,500/\$200	\$4,700.00
Total 2021 American Rescue Plan Proposed Reimbursement				34900

WORK SESSION STAFF REPORT
Work Session Item No. 5

Date: June 7, 2020

To: City Council

From: Rick DeGardner, Public Services Director
Michael Grochala, Community Development Director

Re: Water Treatment Plant Feasibility Study

Background

The Minnesota Department of Health recently tested the City's manganese levels in each of the City's wells as part of the EPA Unregulated Contaminant Monitoring Rule 4 (UCMR4). The water quality testing data from MDH indicates that five of the City's six wells exceed the maximum recommended manganese level for infants, and three of the wells exceeds the maximum recommend level for adults and children.

On March 9, 2020, the City Council authorized the preparation of a Water Treatment Plant feasibility study to evaluate future water treatment options. This study was completed and presented to the City Council on July 6, 2020. The report recommended construction of a conventional gravity filtration system with an initial capacity of 6,000 gallons per minute (gpm).

The next steps identified included completion of the utility rate study and a water treatment pilot study. The Utility Rate Study was completed by Baker Tilly and accepted by the City Council on May 10, 2021.

Staff is now proposing to move forward with the water treatment pilot study. This study is the first step to verify the effectiveness of the full scale treatment process. The purpose of the study is to provide the City with critical information that is required to design and size a water treatment plant to address the high manganese iron levels in its drinking water. If authorized, the study would be completed by the end of the year.

WSB has provided a proposal with a not to exceed cost of \$26,400. Funding will be provided from the Trunk Utility Area and Unit Fund.

Requested Council Direction

Staff is requesting City Council direction to place the WSB proposal for consideration at the June 14, 2021 City Council meeting.

Attachments

1. WSB Pilot Study Proposal



June 2, 2021

Mr. Rick DeGardner
Public Services Director
City of Lino Lakes
600 Town Center Parkway
Lino Lakes, MN 55014

Re: Proposal for Water Treatment Plant Pilot Study
City of Lino Lakes, MN

Dear Mr. DeGardner,

WSB & Associates, Inc. (WSB) is pleased to submit this proposal to provide professional engineering services for completing a Biological Filtration Water Treatment Pilot Study for the City of Lino Lakes, Minnesota. A water treatment pilot study is conducted as the first step to verify the effectiveness of a full scale conventional filtration process with biological filtration to reduce manganese and iron in the City's well water. The Minnesota Department of Health considers biological filtration to be an efficient and effective treatment method for treating manganese, iron, and other contaminants in public drinking water supplies. In addition, a conventional gravity filtration plant with biological filtration could potentially save the City hundreds of thousands of dollars in chemical costs in the long-term. The purpose of the pilot study is to provide the City with critical information that is required to design and size a water treatment plant if the City decides to proceed with this option to address the high manganese and iron levels in its drinking water.

WSB will perform the following scope of services to assist City staff in completing a biological filtration water treatment pilot study. WSB owns a skid-mounted biological filtration water treatment pilot plant and a laboratory trailer that will be mobilized to the City well with the highest combined level of manganese and iron. The pilot plant equipment will be set-up and calibrated by WSB staff. WSB staff will also train utility staff to assist in the operation of the pilot plant for the duration of the study. The primary assistance required by City staff will be backwashing the filter columns about once every four to seven days, sampling and analyzing water quality samples on site with a water quality analyzer provided by WSB, and checking that the pilot plant is operating each day.

Pilot Testing Processes

WSB will prepare a pilot protocol and submit it to the Minnesota Department of Health for their review and approval prior to starting the pilot study. The pilot study will be conducted to assess the efficiency and reliability of the treatment processes tested and to select the process determined best suited for the treatment of the water supply.

Pilot Duration

The estimated time frame for the study is 10 to 16 weeks depending on the amount of time it requires the filters to become fully acclimated for biological treatment of manganese and iron.

Equipment

WSB will mobilize its laboratory trailer and set-up the following skid-mounted pilot equipment at the well to be piloted:

- Biological contact aerator column with air diffuser
- Biological filter column with granular activated carbon media
- Manganese filter column with greensand media covered by anthracite
- Air compressor for supplying air to the contact aerator column
- An orthophosphate feed system if needed to provide a nutrient for the biological process
- A sodium permanganate feed system for oxidizing manganese prior to the greensand filter if needed
- Miscellaneous components including a skid support, booster pump, valves, piping, tubing, sample taps, and appurtenances as necessary for operation of the pilot equipment.

The City will be responsible for ordering and purchasing orthophosphate and sodium permanganate from its local chemical supplier and provide the necessary storage and containment for these chemicals.

Manpower and Field Testing

Prior to the start-up of the testing period, WSB staff will be on site for one to two days to set-up and start-up the equipment and train utility staff to assist in the operation and monitor the pilot plant for the duration of the pilot study. Utility staff will assist in the operation, monitor the pilot equipment, and conduct water sampling and field testing as needed for the duration of the pilot study. WSB will visit the plant about once every one to two weeks to observe and monitor the pilot study equipment and water quality testing.

Daily on-site monitoring will be provided by utility staff to read and record the pilot plant flow rate (gpm) and air flow rate (SCFM). Utility staff will also need to monitor the operation of the chemical feed systems daily. We estimate that these tasks will require approximately 20 to 30 minutes per day by staff.

Weekly on-site field sampling and analysis will be provided by utility staff for the following water quality parameters. We estimate that the following on-site analysis will require approximately 1.5 to 2 hours per week by utility staff. The utility will provide all water quality analysis equipment and reagents that are required to test each of these parameters.

Sampling Point	Weekly Field Sampling and On-Site Analysis Required
Raw water at pilot plant entry point	Iron, manganese, ammonia, nitrite, nitrate, temperature, pH and flow rate (gpm)
Biological contactor aerator column effluent	Iron, manganese, ammonia, nitrate, nitrite, dissolved oxygen, and air flow rate (SCFM)
Biological filter column effluent	Iron, manganese, ammonia, nitrate, nitrite, dissolved oxygen, air flow rate (SCFM), and pH
Manganese filter column effluent	Iron, manganese, ammonia, nitrate, nitrite, dissolved oxygen, and air flow rate (SCFM)

Sampling and analysis by an independent certified laboratory will be coordinated and provided by the utility bi-monthly (every-other week) intervals for the following water quality parameters. We estimate that the following sampling will require approximately 1 hour every-other week by Utility staff. The Utility will pay for the shipping costs for the water sample bottles and all water quality analysis to be provided by the independent laboratory.

Sampling Point	Bi-Monthly Sampling and Independent Laboratory Analysis Required
Raw water at pilot plant entry point	Ammonia, total phosphorus, alkalinity, and total organic carbon (TOC can be tested monthly)
Biological contactor aerator column effluent	Ammonia, total phosphorus, and heterotrophic plate count
Biological filter column effluent	Ammonia, total phosphorus, and heterotrophic plate count, alkalinity
Manganese filter column effluent	Ammonia, total phosphorus, heterotrophic plate count, iron, and manganese

The biological filter and manganese filter columns will need to be backwashed once every 4 to 7 days, or as needed, by utility staff. We estimate that this task will require about 20 to 30 minutes every 4 to 7 days.

Pilot Report

Upon completion of the pilot study and receipt of utility's on-site water quality analysis data and the independent laboratory's water quality reports, WSB will provide a comprehensive pilot study report with a summary of the test results and recommendations. The report will be prepared by a WSB water process engineer.

Additional Notes:

1. A ¾-inch hose bib connection and hose will need to be installed in the well influent water line by utilities staff to supply water for the pilot plant.
2. 115V power from the City's well house will be needed for the pilot plant.

Estimated Fees

WSB will complete the proposed Water Treatment Pilot Study for an hourly, not-to-exceed cost of \$26,400.00. This letter represents our understanding of the Water Treatment Pilot Study. If you are in agreement with the scope of services and proposed fee, please sign in the appropriate space below and return one copy to us.

If you have any questions about this proposal, please feel free to call me at (612) 209-0140.

Sincerely,

WSB



Greg F. Johnson, PE
Director of Water/Wastewater

Cc: Michael Grochala, City of Lino Lakes
Justin Williams, City of Lino Lakes
Diane Hankee, PE, WSB

Mr. Rick DeGardner
June 2, 2021
Page 4

ACCEPTED BY:

City of Lino Lakes

Name _____

WORK SESSION STAFF REPORT
Work Session Item No. 6

STAFF ORIGINATOR: Lisa Hogstad-Osterhues, Deputy Clerk
MEETING DATE: June 7, 2021
TOPIC: Advisory Board Appointment
VOTE REQUIRED: 3/5

BACKGROUND

The Environmental Board has received two resignations. Eric Flower submitted his resignation in May effective immediately and Wendy Nelson has submitted her resignation effective after the last meeting in July.

One of the member's term ends December, 2021 and the other member's term ends December, 2022.

The council interviewed 5 applicants earlier this year for the Environmental Board. At that time, there were only two openings.

REQUESTED COUNCIL DIRECTION

Would the council like to continue advertising for board vacancies or fill the current vacancies with the existing pool of candidates?

Past candidates interviewed in 2021 are:

1. Paula Andrzejewski
3. Kortney Jendro
4. Jonathan Parsons

WORK SESSION STAFF REPORT
Work Session Item No. 7

Date: June 7, 2021
To: City Council
From: Sarah Cotton, City Administrator
Re: Council Compensation

Background

Pursuant to M.S. § 415.11, the compensation of the Mayor and Councilmembers shall be set by ordinance and the change in salary shall take effect after the next succeeding municipal election.

Staff is recommending that the Council adopt an ordinance that would increase Council salaries. The Mayor and Councilmembers last received a raise on January 1, 2020. The salary of the Mayor is currently \$10,112 and the salary of each Councilmember is \$8,500.

Per City Code Chapter 203, the Council will consider whether a salary adjustment is warranted every two years.

Staff is recommending a 5.3% increase in the salary of the Mayor and Councilmembers. The salary of the Mayor would increase to \$10,650 and the salary of each Councilmember would increase to \$8,952. This increase is consistent with the total wage adjustment for City employees from 2020-2021.

The proposed ordinance would become effective January 1, 2022 and would continue to be reviewed every two years per City Code.

Requested Council Direction

Staff is recommending that an Ordinance adjusting Council Compensation be placed on the June 14, 2021, Council agenda for consideration of the first reading.

Attachments

Chapter 203: Council Compensation

CHAPTER 203: COUNCIL COMPENSATION

Section

203.01 Compensation of Mayor and Council members

203.02 Worker's compensation

§ 203.01 COMPENSATION OF MAYOR AND COUNCIL MEMBERS.

(1) *Salaries.* The compensation of the Mayor and each Council member shall be established from time to time by City Council ordinance pursuant to M.S. § 415.11. Effective January 1, 2020, the salary of the Mayor shall be \$10,112, and the salary of each Council member shall be \$8,500. Thereafter, every two years the City Council will consider whether a salary adjustment is warranted. This salary is intended to cover all meetings that may be attended by the Mayor or Council members except as expressly provided in this section.

(Ord. 07-97, passed 4-28-1997; Am. Ord. 17-01, passed 9-24-2001; Am. Ord. 10-05, passed 10-24-2005; Am. Res. 06-13, passed 2-13-2006)

(2) *Payment.* The salaries established hereby are to be paid monthly.

(3) *Economic Development Authority (EDA) meetings.* The City Council will be compensated for attendance at EDA meetings at the rate of \$40 per meeting.

(Prior Code, § 203.01) (Am. Ord. 07-97, passed 4-28-1997; Am. Ord. 08-18, passed 11-26-2018; Am. Ord. 17-18, passed 11-26-2018)

§ 203.02 WORKER'S COMPENSATION.

Pursuant to M.S. § 176.011, Subd. 5, as it may be amended from time to time, all of the City Council members shall be covered by worker's compensation.

(Prior Code, § 203.02) (Am. Ord. 08-18, passed 11-26-2018)