

**ANNUAL CITY BUDGET**

**2021**

PREPARED BY:

City Administrator's Office

City Administrator  
Jennifer Bergman

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# MEMO

**TO:** Citizens/Taxpayers of the City of Brainerd  
**FROM:** City Administrator Jennifer Bergman  
**DATE:** December 28, 2020

Following you will find the adopted 2021 Budget for the City of Brainerd. The budget document is the culmination of several months of work by the City Council, Department Heads, as well as the staff in the administrative office. The budget includes various Departments of the City, excluding those managed by the Public Utilities Commission. The City Council approved the budget on December 21, 2020.

The budget document serves as the primary financial planning tool for the City. It is a vehicle through which the Council can obtain estimates of the expected revenues for the upcoming year, and with this information, plan City spending. Once the Council has allocated available money for the various City services, the budget can help control expenditures. Because budget preparation involves necessary decisions about the use of the money, it facilitates and coordinates important decision making. At the conclusion of the budget year, the document can help the City Council evaluate the level and quality of services that the City provided during the year. Also, by measuring the level and quality of service citizens receive for each dollar the City spends, the City Council can measure the efficiency of providing the services. In this way, the budget can provide an overall check on governmental operations.

In the budgeting process, every effort is made to conservatively and realistically estimate both revenues and expenditures expected to occur during the year. This is done by reviewing budget figures over the past two years as well as the current year-to-date financial reports and comparing those figures with the cost of providing an adequate level of service during the upcoming year. The major revenue sources within the budget are from Local Government Aid (LGA) from the State of Minnesota and property taxes. The major expenditure source is for personnel. Simply put, the document attempts to include those programs and services that the City normally provides to its taxpayers, as well as those programs and services that have come up over the past year to be included in the 2021 budget.

I hope that the document is understandable. If not, please feel free to contact me or the Finance Director and either of us would be happy to answer your questions related to the attached document or the budgeting process.

/clh

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# 2021 Levy Overview

## 2021 Levy:

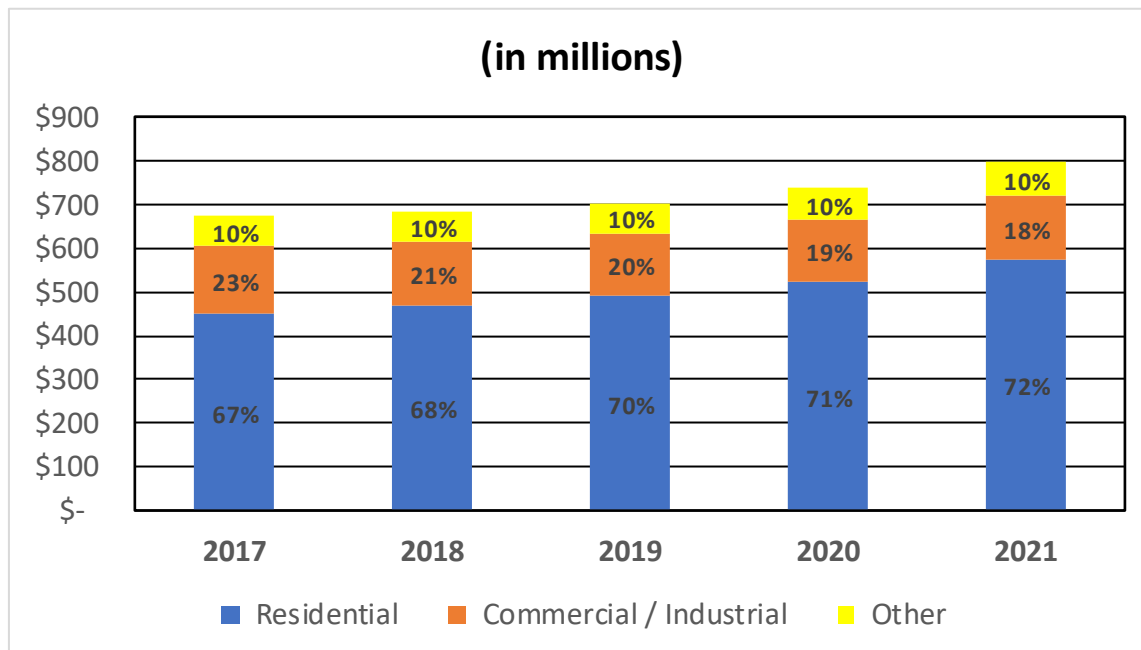
The 2021 Levy was adopted at the December 21, 2020 council meeting in the amount of \$6,133,163. This is a \$60,724 or 1.00% increase over the 2020 levy. The table below summarizes how the levy dollars are allocated.

| <u>Fund/Purpose</u>    | <u>2020 Budget</u>  | <u>2020 Budget</u>  | <u>\$ Change</u> |
|------------------------|---------------------|---------------------|------------------|
| General Operations *** | \$ 2,817,275        | \$ 2,665,201        | \$ (152,074)     |
| Capital Equipment      | 1,155,927           | 1,266,281           | 110,354          |
| Library                | 154,123             | 146,851             | (7,272)          |
| Permanent Improvement  | 368,564             | 403,532             | 34,968           |
| Hydrant Rent & E.C.    | 184,282             | 605,298             | 421,016          |
| EDA                    | 127,817             | 133,789             | 5,972            |
| Debt                   | 1,264,451           | 912,211             | (352,240)        |
| <b>Total</b>           | <b>\$ 6,072,439</b> | <b>\$ 6,133,163</b> | <b>\$ 60,724</b> |

\*\*\* Includes the General Fund, Public Safety, Parks, and Streets Operations

## Estimated Market Values

The amount of taxes that a property owner pays is dependent upon the classification and the estimated market value of the property. The bar graph below shows the makeup of the estimated market values of the City of Brainerd by major classifications:



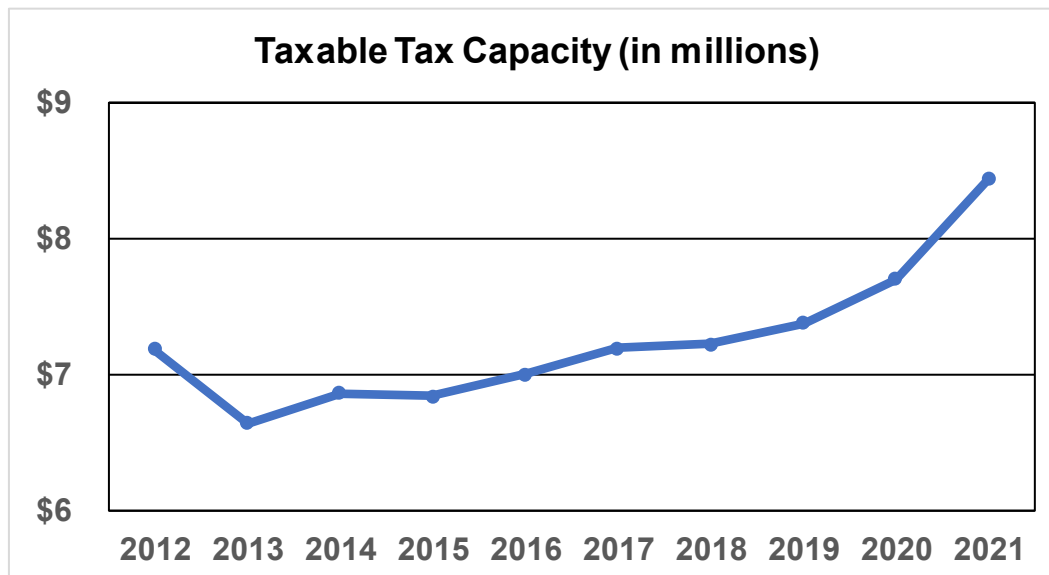
# 2021 Levy Overview (Continued)

## City Tax Capacity and Tax Rate:

The Citywide tax capacity represents the taxable property value within the City. It is determined by applying the State-wide property tax formula to the estimated market value of each parcel, and then adding each parcel's tax capacity. The citywide tax capacity is then applied to the proposed levy to determine the local tax rate.

|                             | <u>Pay Year<br/>2020</u> | <u>Pay Year<br/>2021 <sup>*^*</sup></u> | <u>\$ Change</u>  |
|-----------------------------|--------------------------|---|-------------------|
| Initial Tax Capacity        | \$ 7,976,857             | \$ 8,708,048                            | \$ 731,191        |
| Less TIF Value              | (268,269)                | (265,346)                               | \$ 2,923          |
| <b>Taxable Tax Capacity</b> | <b>\$ 7,708,588</b>      | <b>\$ 8,442,702</b>                     | <b>\$ 734,114</b> |

\*^\* The estimated tax capacity for pay year 2021 is based on estimated figures from Crow Wing County as of November 1, 2020. The figures are subject to change until the final figures are certified after year end, including potential legislative impacts.



The City's **estimated tax rate**, with **a levy of \$6,133,163**, and a citywide estimated **Tax Capacity of \$8,442,702**, is **73.212%**. This is an estimated decrease of 6.120% from the 2020 City Tax rate.

## 2021 Levy Overview (Continued)

### City Tax Capacity and Tax Rate (Continued):

The following table below summarizes the estimated tax impact on a residential homestead property, assuming no increase in property valuation:

| <b>Residential Homestead</b>  |                                       |                                |                                |                               |                              |
|-------------------------------|---------------------------------------|--------------------------------|--------------------------------|-------------------------------|------------------------------|
| <b>Estimated Market Value</b> | <b>Estimated Taxable Tax Capacity</b> | <b>2019 Estimated City Tax</b> | <b>2020 Estimated City Tax</b> | <b>\$ Increase (Decrease)</b> | <b>% Increase (Decrease)</b> |
| 70,000                        | 420                                   | 333.19                         | 307.49                         | (25.70)                       | -7.71%                       |
| 85,000                        | 554                                   | 439.50                         | 405.59                         | (33.90)                       | -7.71%                       |
| 120,000                       | 936                                   | 742.23                         | 684.97                         | (57.26)                       | -7.71%                       |
| 150,000                       | 1,263                                 | 1,001.96                       | 924.67                         | (77.30)                       | -7.71%                       |
| 200,000                       | 1,808                                 | 1,434.32                       | 1,323.67                       | (110.65)                      | -7.71%                       |

The above shows that the median valued home of \$120,000 would see an estimated decrease of \$57 or 7.71% holding all other factors constant.

The following table below summarizes the estimated income of a Commercial/Industrial property, assuming no increase in property valuation:

| <b>Commercial/Industrial</b>  |                                       |                                |                                |                               |                              |
|-------------------------------|---------------------------------------|--------------------------------|--------------------------------|-------------------------------|------------------------------|
| <b>Estimated Market Value</b> | <b>Estimated Taxable Tax Capacity</b> | <b>2019 Estimated City Tax</b> | <b>2020 Estimated City Tax</b> | <b>\$ Increase (Decrease)</b> | <b>% Increase (Decrease)</b> |
| 150,000                       | 2,250                                 | 1,784.97                       | 1,647.27                       | (137.70)                      | -7.71%                       |
| 200,000                       | 3,250                                 | 2,578.29                       | 2,379.39                       | (198.90)                      | -7.71%                       |
| 363,500                       | 6,520                                 | 5,172.45                       | 4,773.42                       | (399.02)                      | -7.71%                       |
| 500,000                       | 9,250                                 | 7,338.21                       | 6,772.11                       | (566.10)                      | -7.71%                       |
| 750,000                       | 14,250                                | 11,304.81                      | 10,432.71                      | (872.10)                      | -7.71%                       |

The above shows that a median valued commercial property of \$363,500 would see an estimated decrease of approximately \$399 or 7.71% in the city tax liability holding all other factors constant.

# 2021 Levy Overview (Continued)

## City Tax Capacity and Tax Rate (Continued):

It is not realistic to assume that the estimated market values of a property will stay constant from year to year. The tables below summarize the impact of the 2021 levy on a median residential homestead and a commercial property with various changes to the estimated market values.

### Residential Homestead

|                     | Estimated Market Value | Tax Capacity | Annual City Tax Liability | Estimated Annual Change |
|---------------------|------------------------|--------------|---------------------------|-------------------------|
| <b>2018</b>         | \$ 120,000             | 936          | 742.55                    | -                       |
| <b>No Change</b>    | 120,000                | 936          | 685.26                    | (57.28)                 |
| <b>1% Increase</b>  | 121,200                | 949          | 694.55                    | (48.00)                 |
| <b>2% Increase</b>  | 122,400                | 962          | 704.12                    | (38.42)                 |
| <b>3% Increase</b>  | 123,600                | 975          | 713.70                    | (28.85)                 |
| <b>4% Increase</b>  | 124,800                | 988          | 723.28                    | (19.27)                 |
| <b>5% Increase</b>  | 126,000                | 1,001        | 732.85                    | (9.70)                  |
| <b>6% Increase</b>  | 127,200                | 1,014        | 742.43                    | (0.12)                  |
| <b>10% Increase</b> | 132,000                | 1,066        | 780.73                    | 38.19                   |
| <b>15% Increase</b> | 138,000                | 1,132        | 828.61                    | 86.07                   |
| <b>20% Increase</b> | 144,000                | 1,197        | 876.49                    | 133.95                  |

### Commercial

|                     | Estimated Market Value | Tax Capacity    | Annual City Tax Liability | Estimated Annual Change |
|---------------------|------------------------|-----------------|---------------------------|-------------------------|
| <b>2018</b>         | \$ 363,500             | 6,520           | 5,172.45                  | -                       |
| <b>No Change</b>    | 363,500                | 6,520           | 4,773.42                  | (399.02)                |
| <b>1% Increase</b>  | 367,135                | 6,593           | 4,826.65                  | (345.80)                |
| <b>2% Increase</b>  | 370,770                | 6,665           | 4,879.87                  | (292.57)                |
| <b>3% Increase</b>  | 374,405                | 6,738           | 4,933.10                  | (239.35)                |
| <b>4% Increase</b>  | 378,040                | 6,811           | 4,986.32                  | (186.12)                |
| <b>5% Increase</b>  | 381,675                | 6,884           | 5,039.55                  | (132.90)                |
| <b>10% Increase</b> | 399,850                | 7,247           | 5,305.67                  | 133.23                  |
| <b>15% Increase</b> | 418,025                | 7,611           | 5,571.80                  | 399.35                  |
| <b>20% Increase</b> | 436,200                | 7,974           | 5,837.92                  | 665.48                  |
| <b>2% Decrease</b>  | <b>356,230.00</b>      | <b>6,374.60</b> | <b>4,666.97</b>           | <b>(505.47)</b>         |

# 2021 Budget

## Overview of Financial Structure

Like most governmental units, the City of Brainerd operates under a financial structure that segregates programs and services within funds or functional units. This segregation is made to ensure that legally restricted funds are used in the manner in which they're prescribed, and to account for programs whose financial activities are tracked separately for management purposes.

The table below outlines the financial relationship between the City's primary programs and services in which the City officially adopts a budget.

| Program or Service             | Type of Fund | Fund Name             |
|--------------------------------|--------------|-----------------------|
| City Council                   | Governmental | General               |
| Administration                 | Governmental | General               |
| Elections                      | Governmental | General               |
| Civil Attorney                 | Governmental | General               |
| Engineering                    | Governmental | General               |
| IT/GIS                         | Governmental | General               |
| Community Development          | Governmental | General               |
| City Hall                      | Governmental | General               |
| Unallocated                    | Governmental | General               |
| Police                         | Governmental | Public Safety         |
| Fire                           | Governmental | Public Safety         |
| Misdemeanor Prosecutor         | Governmental | Public Safety         |
| Animal Control                 | Governmental | Public Safety         |
| Parks - all programs           | Governmental | Parks & Recreation    |
| Street and Sewer               | Governmental | Streets               |
| Traffic Control                | Governmental | Streets               |
| Snow Removal                   | Governmental | Streets               |
| Capital Equipment & Facilities | Governmental | Capital Projects      |
| Transit                        | Governmental | Transit               |
| Library                        | Governmental | Library               |
| Recycling                      | Governmental | Recycling             |
| Parking Lots                   | Governmental | City Parking Lot Fund |
| Permanent Improvement          | Governmental | Permanent Improvement |
| Mayor Contingency              | Governmental | Mayor Contingency     |
| Hydrant Rent & E.C             | Governmental | Hydrant Rent & E.C    |
| EDA                            | Governmental | EDA                   |
| Sanitary Sewer                 | Proprietary  | Sanitary Sewer        |
| Storm Sewer                    | Proprietary  | Storm Sewer           |

The **Governmental fund types** use a modified accrual basis of accounting for budgeting whereas the **Proprietary fund types** use the accrual bases of accounting.



# 2021 Budget (Continued)

## General Operating Funds

The general operating funds of the City are the General, Public Safety, Parks and Recreation, and Streets Funds. The City of Brainerd is a Charter City. The City has separate funds for Public Safety, Parks & Recreation and Streets as established by the Charter. The activities of those funds are primarily supported by Local Government Aid (LGA) and Property Tax Revenues. For budget purposes, to determine the amount of levy for operations, it is best to look at the funds together.

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

**Public Safety Fund** - The Public Safety Fund, a special revenue fund, accounts for local government aid/property tax levy, fines and forfeitures, and charges for services that are committed for the operation and maintenance of the fire, police, and other public safety functions of the City.

**Parks and Recreation Fund** - The Parks and Recreation Fund, a special revenue fund, accounts for the local government aid/property tax revenue fines and forfeitures, and charges for services that are committed for the acquisition and maintenance of public parks and public recreation activities.

**Streets Fund** – The Street Fund, a special revenue fund, accounts for local government aid/property tax levy, and reimbursement for utility expenses that are committed to be used for all expenses of cleaning and repairing of streets and alleys.

# 2021 Budget (Continued)

## General Operating Funds (Continued)

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the General Operating Funds of the City which includes the General, Public Safety, Parks and Recreation, and Streets funds.

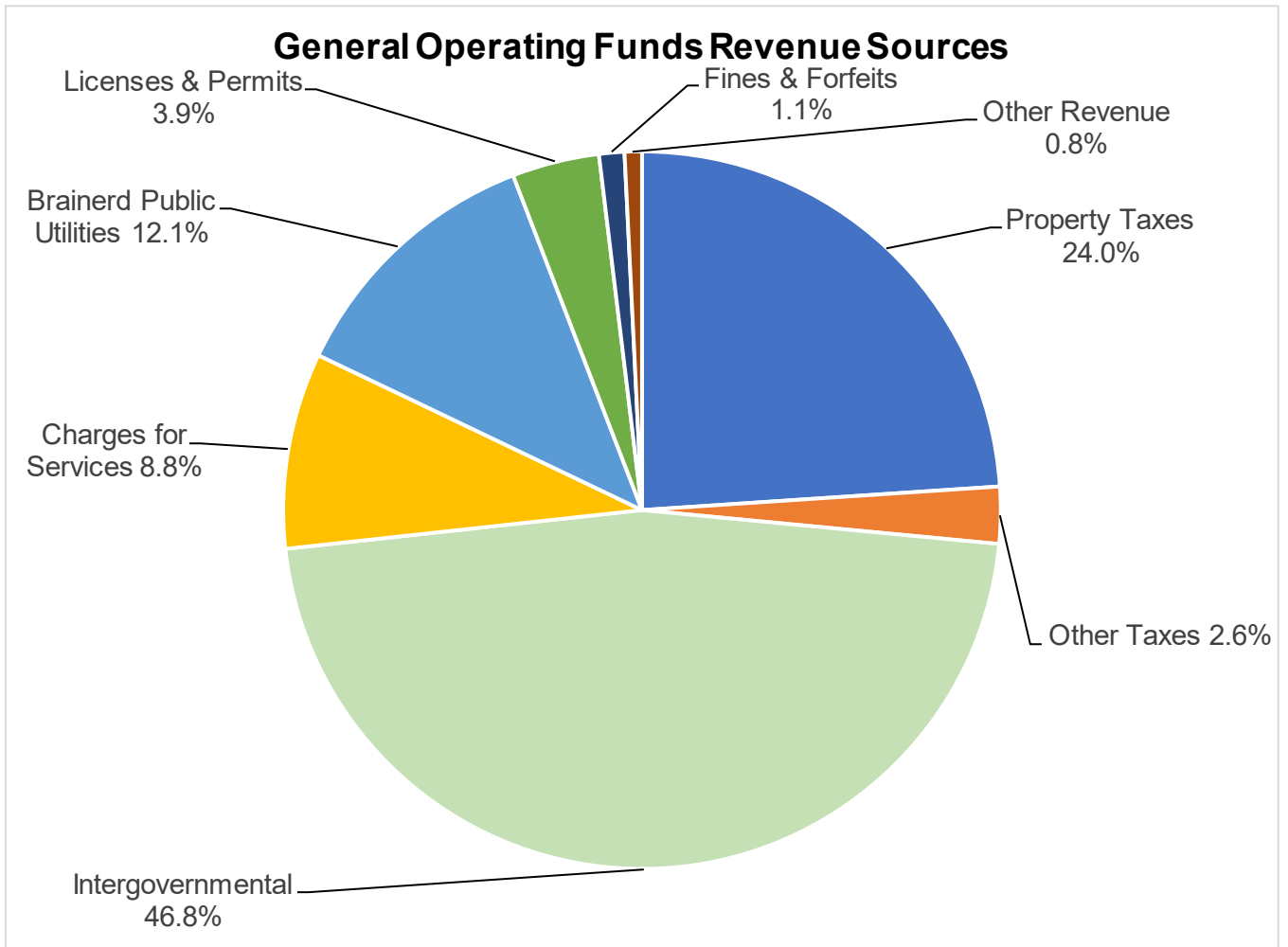
|   | <u>2019 Actual</u>       | <u>2020 Budget</u>       | <u>2021 Budget</u>       |
|---|--------------------------|--------------------------|--------------------------|
| <b>Revenues</b>   |                          |                          |                          |
| Property Taxes  | 2,515,730                | 2,817,275                | 2,665,201                |
| Other Taxes   | 337,868                  | 279,000                  | 285,000                  |
| Intergovernmental   | 4,951,840                | 5,104,310                | 5,204,834                |
| Charges for Services  | 923,020                  | 1,034,912                | 982,508                  |
| Licenses & Permits  | 732,706                  | 552,390                  | 437,845                  |
| Fines & Forfeits  | 138,484                  | 138,000                  | 127,000                  |
| Special Assessments   | 93,869                   | 50,000                   | 50,000                   |
| Interest  | 230,528                  | 10,000                   | 10,000                   |
| Other Revenue   | 982,237                  | 958,082                  | 1,355,877                |
| <b>Total Revenues</b>   | <b><u>10,906,282</u></b> | <b><u>10,943,969</u></b> | <b><u>11,118,265</u></b> |
| <b>Expenditures</b>   |                          |                          |                          |
| General Government  | 2,523,730                | 2,655,174                | 2,744,631                |
| Police  | 3,699,190                | 4,140,052                | 4,050,998                |
| Fire  | 1,051,601                | 1,047,827                | 1,095,129                |
| Misdemeanor Prosecutor  | 191,524                  | 196,208                  | 193,579                  |
| Animal Control  | 51,958                   | 76,460                   | 67,960                   |
| Parks - all programs  | 1,127,983                | 1,175,776                | 1,083,253                |
| Streets   | 1,307,187                | 1,081,129                | 1,232,534                |
| <b>Total Expenditures</b>   | <b><u>9,953,173</u></b>  | <b><u>10,372,626</u></b> | <b><u>10,468,084</u></b> |
| <b>Other Sources (Uses)</b>   |                          |                          |                          |
| Transfer In (Out)   | (565,670)                | (484,343)                | (578,181)                |
| Other Sources (Uses)  | -                        | -                        | -                        |
| Change in Assigned for Future Operations                                    | -                        | (102,000)                | (57,000)                 |
| <b>Total Other Sources (Uses)</b>   | <b><u>(565,670)</u></b>  | <b><u>(586,343)</u></b>  | <b><u>(635,181)</u></b>  |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <b><u>387,439</u></b>    | <b><u>(15,000)</u></b>   | <b><u>15,000</u></b>     |
| Fund Balance - Jan 1st  | 4,033,686                | 4,421,125                | 4,406,125                |
| Fund Balance - Dec 31st   | 4,421,125                | 4,406,125                | 4,421,124                |

# 2021 Budget (Continued)

## General Operating Funds (Continued)

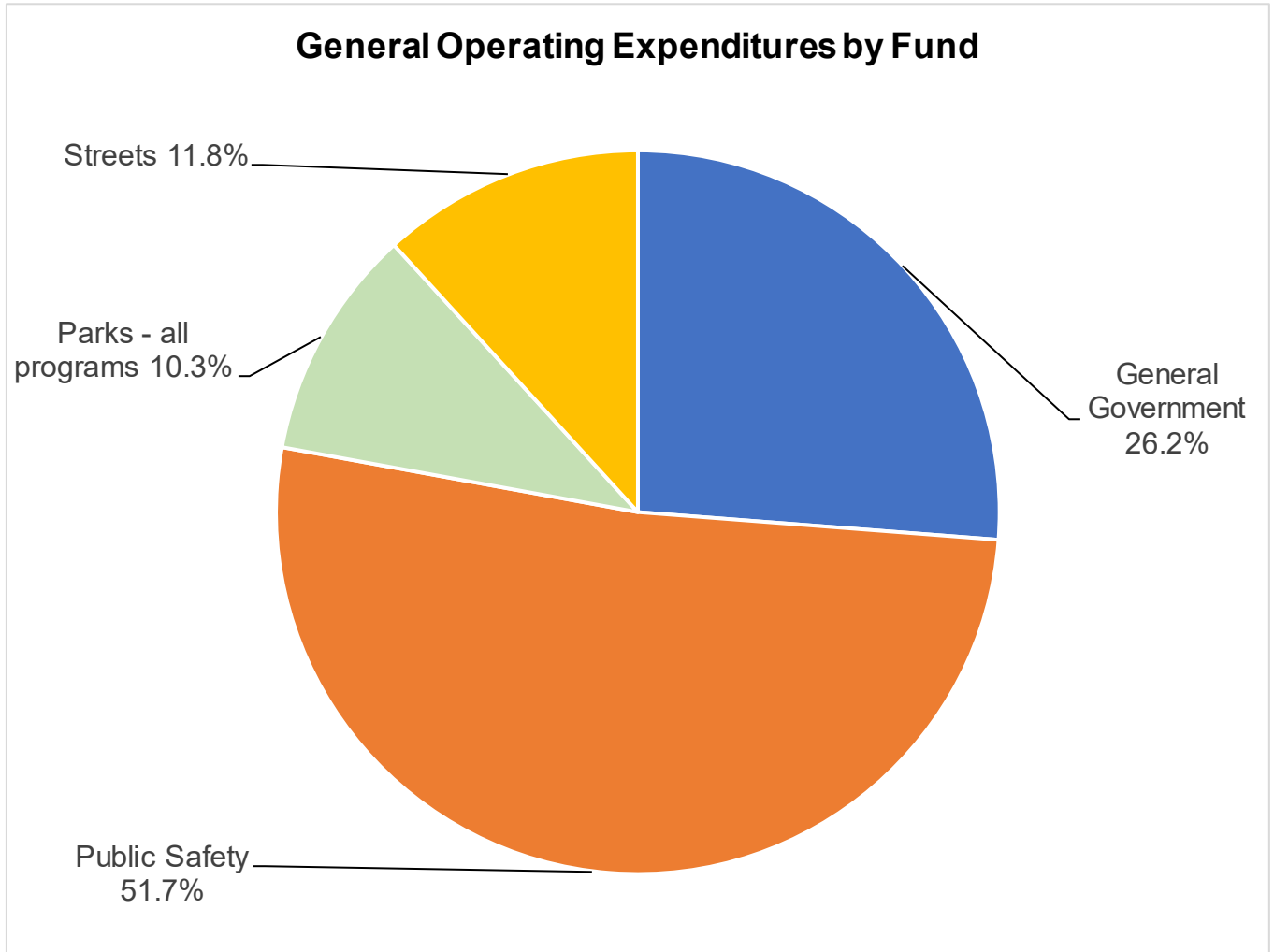
The table below shows the Total Uses by type rather than function.

|                           | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---------------------------|--------------------|--------------------|--------------------|
| <b>Expenditures</b>       |                    |                    |                    |
| Personnel Services        | 6,734,103          | 7,086,778          | 7,122,384          |
| Supplies                  | 486,396            | 473,000            | 511,550            |
| Services                  | 2,274,596          | 2,339,425          | 2,324,501          |
| Other                     | 458,078            | 473,423            | 509,649            |
| <b>Total Expenditures</b> | <b>9,953,173</b>   | <b>10,372,626</b>  | <b>10,468,084</b>  |



# 2021 Budget (Continued)

## General Operating Funds (Continued)



## 2021 Budget (Continued)

### Capital Equipment & Facilities Budget

The City budgets for capital equipment and the facilities for the General Operating funds in its own fund rather than it being part of the operating budgets. The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Capital Equipment & Facilities Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | 1,246,187          | 1,155,927          | 1,266,281          |
| Other Taxes   | 15,498             | -                  | -                  |
| Other Revenue   | 117,023            | -                  | -                  |
| <b>Total Revenues</b>   | <u>1,378,708</u>   | <u>1,155,927</u>   | <u>1,266,281</u>   |
| <b>Expenditures</b>   |                    |                    |                    |
| Capital   | 1,182,308          | 4,169,463          | 1,634,909          |
| <b>Total Expenditures</b>   | <u>1,182,308</u>   | <u>4,169,463</u>   | <u>1,634,909</u>   |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Bond Proceeds   | -                  | 1,760,000          | -                  |
| Bond Issuance Costs   | -                  | -                  | -                  |
| Transfer In (Out)   | 213,226            | 20,000             | 39,600             |
| Other Sources (Uses)  | 97,130             | 49,000             | 173,000            |
| <b>Total Other Sources (Uses)</b>   | <u>310,357</u>     | <u>1,829,000</u>   | <u>212,600</u>     |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>506,756</u>     | <u>(1,184,536)</u> | <u>(156,028)</u>   |
| Fund Balance - Jan 1st  | 1,726,710          | 2,233,466          | 1,048,930          |
| Fund Balance - Dec 31st   | 2,233,466          | 1,048,930          | 892,902            |

# 2021 Budget (Continued)

## Capital Equipment & Facilities Budget (Continued)

The table below shows the 2021 capital budget by department.

### City Hall

|                                    |         |
|------------------------------------|---------|
| Office Furniture                   | 5,000   |
| Facilities - Garage/Parking lots   | 688,109 |
| Parking Lot - Laurel Pay Portion   | 30,000  |
| Cubicles and desks for engineering | 25,400  |

### Finance

### Engineering

|                         |        |
|-------------------------|--------|
| Trimble Robotic Station | 37,000 |
|-------------------------|--------|

### IT

|                              |        |
|------------------------------|--------|
| Server Replacement           | 15,000 |
| Tablets for Council          | 9,600  |
| Tablets for Department Heads | 10,800 |
| Phone Server and Phones      | 15,000 |
| Rewire/Network Fire Station  | 5,000  |
| Replace Network Switches     | 10,000 |
| Surfaces for Inspections     | 3,500  |

### Police

|                           |         |
|---------------------------|---------|
| Leased Squads Build Up    | 67,000  |
| Office Furniture          | 3,000   |
| 800 MHz Radio Replacement | 135,000 |

### Community Development

|                              |        |
|------------------------------|--------|
| Zoning Code Update (Part II) | 50,000 |
|------------------------------|--------|

### Fire Facility/Civil Defense

|                     |        |
|---------------------|--------|
| Civil Defense Siren | 25,000 |
|---------------------|--------|

### Parks

|                                    |         |
|------------------------------------|---------|
| Trailer                            | 15,000  |
| Mower                              | 22,000  |
| Buster Park Gazebo                 | 7,000   |
| Beach House Shingles               | 7,000   |
| Triangle Park Playground           | 30,000  |
| Gregory Park Basketball Overlay    | 8,000   |
| Stump Grinder                      | 15,000  |
| Cab for Snowblower                 | 6,000   |
| Security Camera- College Dr Bridge | 2,500   |
| Memorial Park Phase I Completion   | 260,000 |
| <i>Splash Pad Match</i>            | 100,000 |

### Streets

|                  |        |
|------------------|--------|
| Tree Replacement | 25,000 |
| Welder           | 3,000  |

|                    |                  |
|--------------------|------------------|
| <b>GRAND TOTAL</b> | <b>1,634,909</b> |
|--------------------|------------------|

## 2021 Budget (Continued)

### Transit Fund

The Transit Fund accounts for government grant revenues which are restricted for the expenditures of the City's dial-a-ride transportation system operation.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the Transit Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | -                  | -                  | -                  |
| Grants & Aids   | 1,144,794          | 1,101,473          | 1,219,397          |
| Intergovernmental   | 18,016             | 17,000             | 14,400             |
| Charges for Services  | 143,642            | 179,377            | 175,588            |
| Other Revenue   | 7,305              | 3,000              | 5,000              |
| <b>Total Revenues</b>   | <u>1,313,757</u>   | <u>1,300,850</u>   | <u>1,414,385</u>   |
| <b>Expenditures</b>   |                    |                    |                    |
| Personnel Services  | 128,933            | 194,863            | 189,588            |
| Supplies  | 98,276             | 113,589            | 117,778            |
| Services  | 908,627            | 907,398            | 929,219            |
| Capital   | 84,208             | 85,000             | 187,000            |
| <b>Total Expenditures</b>   | <u>1,220,043</u>   | <u>1,300,850</u>   | <u>1,423,585</u>   |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | -                  | -                  | -                  |
| Other Sources (Uses)  | -                  | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>93,714</u>      | <u>-</u>           | <u>(9,200)</u>     |
| Fund Balance - Jan 1st  | 163,306            | 257,020            | 257,020            |
| Fund Balance - Dec 31st   | 257,020            | 257,020            | 247,820            |

## 2021 Budget (Continued)

### Library Fund

The Library Fund accounts for the tax levy revenue requested by the Library from the City and to track the City's cost of maintaining the building.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the Library Fund.

|   | <u>2019 Actual</u>    | <u>2020 Budget</u>    | <u>2021 Budget</u>    |
|---|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>   |                       |                       |                       |
| Property Taxes  | 147,709               | 154,123               | 146,851               |
| Other Taxes   | 1,927                 | 1,503                 | -                     |
| Interest  | 4,060                 | -                     | -                     |
| Contributions & Donations   | 104,179               | -                     | -                     |
| Other Revenue   | 5,410                 | -                     | -                     |
| <b>Total Revenues</b>   | <b><u>263,284</u></b> | <b><u>155,626</u></b> | <b><u>146,851</u></b> |
| <b>Expenditures</b>   |                       |                       |                       |
| Supplies  | 5,279                 | 6,596                 | 16,400                |
| Services  | 146,329               | 143,030               | 122,451               |
| Capital   | 1,398                 | 6,000                 | 8,000                 |
| <b>Total Expenditures</b>   | <b><u>153,006</u></b> | <b><u>155,626</u></b> | <b><u>146,851</u></b> |
| <b>Other Sources (Uses)</b>   |                       |                       |                       |
| Transfer In (Out)   | -                     | -                     | -                     |
| Other Sources (Uses)  | -                     | -                     | -                     |
| <b>Total Other Sources (Uses)</b>   | <b><u>-</u></b>       | <b><u>-</u></b>       | <b><u>-</u></b>       |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <b><u>110,278</u></b> | <b><u>-</u></b>       | <b><u>-</u></b>       |
| Fund Balance - Jan 1st  | 230,838               | 341,116               | 341,116               |
| Fund Balance - Dec 31st   | 341,116               | 341,116               | 341,116               |



# 2021 Budget (Continued)

## Recycling Fund

The Recycling Fund accounts for revenue from Crow Wing County's SCORE funds that are restricted for the City's recycling program.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the Recycling Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | -                  | -                  | -                  |
| Intergovernmental   | 16,000             | -                  | -                  |
| Used Oil Revenue  | 471                | 600                | 600                |
| Other Revenue   | 61                 | -                  | 5                  |
| <b>Total Revenues</b>   | <u>16,532</u>      | <u>600</u>         | <u>605</u>         |
| <b>Expenditures</b>   |                    |                    |                    |
| Services  | 13,768             | -                  | -                  |
| Used Oil Expenditures   | 1,096              | 1,000              | 1,100              |
| Other   | 697                | 700                | 700                |
| <b>Total Expenditures</b>   | <u>15,561</u>      | <u>1,700</u>       | <u>1,800</u>       |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | -                  | -                  | 1,500              |
| Other Sources (Uses)  | -                  | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <u>-</u>           | <u>-</u>           | <u>1,500</u>       |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>971</u>         | <u>(1,100)</u>     | <u>305</u>         |
| Fund Balance - Jan 1st  | 107                | 1,078              | (22)               |
| Fund Balance - Dec 31st   | 1,078              | (22)               | 283                |

## 2021 Budget (Continued)

### City Parking Lots Fund

The City Parking Lots Fund accounts for all charges for services from parking lot rentals which are committed to maintaining the City parking lots.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the City Parking Lots Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | -                  | -                  | -                  |
| Charges for Services  | 34,406             | 44,000             | 44,000             |
| Other Revenue   | 2                  | -                  | -                  |
| <b>Total Revenues</b>   | <u>34,408</u>      | <u>44,000</u>      | <u>44,000</u>      |
| <b>Expenditures</b>   |                    |                    |                    |
| Personnel Services  | 41                 | 4,055              | -                  |
| Supplies  | 174                | 100                | 100                |
| Services  | 15,116             | 17,292             | 16,457             |
| Capital   | -                  | -                  | -                  |
| <b>Total Expenditures</b>   | <u>15,331</u>      | <u>21,447</u>      | <u>16,557</u>      |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | (34,221)           | (22,000)           | (22,000)           |
| Other Sources (Uses)  | -                  | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <u>(34,221)</u>    | <u>(22,000)</u>    | <u>(22,000)</u>    |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>(15,144)</u>    | <u>553</u>         | <u>5,443</u>       |
| Fund Balance - Jan 1st  | 479                | (14,665)           | (14,112)           |
| Fund Balance - Dec 31st   | (14,665)           | (14,112)           | (8,669)            |

# 2021 Budget (Continued)

## Permanent Improvement Fund

The Permanent Improvement Fund was established by authority of the City Charter to account for the property tax levy which is committed for paying the portion of the cost for improving streets and alleys assessed upon the City.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the Permanent Improvement Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | 344,504            | 368,564            | 403,532            |
| Other Taxes   | 4,376              | -                  | -                  |
| <b>Total Revenues</b>   | <u>348,879</u>     | <u>368,564</u>     | <u>403,532</u>     |
| <b>Expenditures</b>   |                    |                    |                    |
| Personnel Services  | -                  | -                  | -                  |
| Supplies  | -                  | -                  | -                  |
| Services  | -                  | -                  | -                  |
| Capital   | -                  | -                  | -                  |
| <b>Total Expenditures</b>   | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | (348,955)          | (368,564)          | (403,532)          |
| Other Sources (Uses)  | -                  | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <u>(348,955)</u>   | <u>(368,564)</u>   | <u>(403,532)</u>   |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>(75)</u>        | <u>-</u>           | <u>-</u>           |
| Fund Balance - Jan 1st  | 5,150              | 5,075              | 5,075              |
| Fund Balance - Dec 31st   | 5,075              | 5,075              | 5,075              |

## 2021 Budget (Continued)

### Mayor's Contingency Fund

The Mayor's Contingency Fund was established by authority of the City Charter to account for local government aid which is committed for the use of the Mayor in paying expenditures incurred by the Mayor in promoting the best interest of the City.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the Mayor's Contingency Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | -                  | -                  | -                  |
| Other Taxes   | -                  | -                  | -                  |
| <b>Total Revenues</b>   | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <b>Expenditures</b>   |                    |                    |                    |
| Personnel Services  | -                  | -                  | -                  |
| Supplies  | -                  | -                  | -                  |
| Services  | 244                | 2,500              | 2,500              |
| Capital   | -                  | -                  | -                  |
| <b>Total Expenditures</b>   | <u>244</u>         | <u>2,500</u>       | <u>2,500</u>       |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | 2,500              | 2,500              | 2,500              |
| Other Sources (Uses)  | (2,256)            | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <u>244</u>         | <u>2,500</u>       | <u>2,500</u>       |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| Fund Balance - Jan 1st  | -                  | -                  | -                  |
| Fund Balance - Dec 31st   | -                  | -                  | -                  |

# 2021 Budget (Continued)

## Hydrant Rental & Electric Current Fund

The Hydrant Rental and Electric Current Fund was established by authority of the City Charter to account for the property tax levy; which is committed to provide payment for rent for water drawn from hydrants for the needs and use of the City and for rates for the lighting of the streets and electric power for City use to Brainerd Public Utilities.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the Hydrant Rental & Electric Current Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | 170,233            | 184,282            | 605,298            |
| Other Taxes   | 2,289              | -                  | -                  |
| Brainerd Public Utilities Sale Allocation                                   | 757,394            | 762,300            | 735,404            |
| <b>Total Revenues</b>   | <u>929,916</u>     | <u>946,582</u>     | <u>1,340,702</u>   |
| <b>Expenditures</b>   |                    |                    |                    |
| Personnel Services  | -                  | -                  | -                  |
| Supplies  | -                  | -                  | -                  |
| Services  | -                  | -                  | -                  |
| Capital   | -                  | -                  | -                  |
| <b>Total Expenditures</b>   | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | (929,954)          | (946,582)          | (1,340,702)        |
| Other Sources (Uses)  | -                  | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <u>(929,954)</u>   | <u>(946,582)</u>   | <u>(1,340,702)</u> |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <u>(38)</u>        | <u>-</u>           | <u>-</u>           |
| Fund Balance - Jan 1st  | 2,575              | 2,537              | 2,537              |
| Fund Balance - Dec 31st   | 2,537              | 2,537              | 2,537              |

## 2021 Budget (Continued)

### Economic Development Authority Fund (EDA)

The Economic Development Authority Fund, a special revenue fund, was established by the bylaws of the Economic Development Authority and accounts for property tax levy revenues which are committed for the activities of the Economic Development Authority.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in fund balance for the EDA Fund.

|   | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|---|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                    |                    |                    |
| Property Taxes  | 122,178            | 127,817            | 133,789            |
| Other Taxes   | 1,598              | -                  | -                  |
| Interest  | 643                | 250                | 400                |
| Other Revenues  | -                  | -                  | -                  |
| <b>Total Revenues</b>   | <b>124,419</b>     | <b>128,067</b>     | <b>134,189</b>     |
| <b>Expenditures</b>   |                    |                    |                    |
| Personnel Services  | 31,905             | -                  | -                  |
| Supplies  | -                  | -                  | -                  |
| Services  | 86,899             | 126,950            | 136,000            |
| <b>Total Expenditures</b>   | <b>118,804</b>     | <b>126,950</b>     | <b>136,000</b>     |
| <b>Other Sources (Uses)</b>   |                    |                    |                    |
| Transfer In (Out)   | -                  | -                  | -                  |
| Other Sources (Uses)  | -                  | -                  | -                  |
| <b>Total Other Sources (Uses)</b>   | <b>-</b>           | <b>-</b>           | <b>-</b>           |
| <b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b> | <b>5,615</b>       | <b>1,117</b>       | <b>(1,811)</b>     |
| Fund Balance - Jan 1st  | 33,988             | 39,602             | 40,719             |
| Fund Balance - Dec 31st   | 39,602             | 40,719             | 38,908             |

## 2021 Budget (Continued)

### Sanitary Sewer Collection Fund

The Sanitary Sewer Collection Fund is a proprietary fund. A proprietary fund is a business-like fund of a local government and uses the full accrual method of accounting. The Sanitary Sewer Collection Fund provides for the operation and maintenance of the wastewater collections. The fund charges user fees to those served by the system.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in net position for the Sanitary Sewer Collection Fund.

|  | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|--|--------------------|--------------------|--------------------|
| <b>Operating Revenues</b>                      |                    |                    |                    |
| Charges for Services                           | 850,582            | 700,000            | 850,000            |
| <b>Total Revenues</b>                          | <u>850,582</u>     | <u>700,000</u>     | <u>850,000</u>     |
| <b>Operating Expenditures</b>                  |                    |                    |                    |
| Salaries and Benefits                          | 115,842            | 164,241            | 172,428            |
| Professional Services                          | 22,761             | 5,500              | 75,500             |
| Repairs and Maintenance                        | 79,704             | 46,000             | 90,000             |
| Insurance                                      | 5,035              | 5,276              | 4,956              |
| Lease Payments                                 | -                  | -                  | -                  |
| Depreciation                                   | 476,739            | 405,000            | 480,000            |
| Materials and Supplies                         | 5,473              | 6,800              | 9,400              |
| Miscellaneous                                  | 2,250              | 2,000              | 7,100              |
| <b>Total Operating Expenses</b>                | <u>707,804</u>     | <u>634,817</u>     | <u>839,384</u>     |
| <b>Operating Income (Loss)</b>                 | <u>142,778</u>     | <u>65,183</u>      | <u>10,616</u>      |
| <b>Nonoperating Revenues (Expenses)</b>        |                    |                    |                    |
| Intergovernmental                              | 202,165            | 226,000            | 200,000            |
| Gain (Loss) on Disposal of Asset               | -                  | 1,000              | -                  |
| Interest Income                                | -                  | -                  | -                  |
| Interest Expense and Fiscal Charges            | (114,322)          | (134,545)          | (80,373)           |
| Contributed Capital                            | -                  | -                  | -                  |
| <b>Total Nonoperating Revenue (Exp.)</b>       | <u>87,843</u>      | <u>92,455</u>      | <u>119,627</u>     |
| <b>Change in Net Position Before Transfers</b> | <u>230,621</u>     | <u>157,638</u>     | <u>130,243</u>     |
| Transfers In (Out)                             | 130,161            | -                  | -                  |
| <b>Change in Net Position</b>                  | <u>360,782</u>     | <u>157,638</u>     | <u>130,243</u>     |
| Net Position- Beginning of Year                | 7,470,541          | 7,831,323          | 7,988,961          |
| Net Position - End of Year                     | 7,831,323          | 7,988,961          | 8,119,204          |

## 2020 Budget (Continued)

### Storm Sewer Fund

The Storm Sewer Fund is a proprietary fund. A proprietary fund is a business-like fund of a local government and uses the full accrual method of accounting. The Storm Sewer Fund provides for the maintenance of the City's storm sewer system. The fund charges user fees to those served by the system.

The table below shows a 3-year comparison of the revenues, expenditures, and changes in net position for the Storm Sewer Fund.

|  | <u>2019 Actual</u> | <u>2020 Budget</u> | <u>2021 Budget</u> |
|--|--------------------|--------------------|--------------------|
| <b>Operating Revenues</b>                      |                    |                    |                    |
| Charges for Services                           | 469,058            | 425,000            | 460,000            |
| <b>Total Revenues</b>                          | <b>469,058</b>     | <b>425,000</b>     | <b>460,000</b>     |
| <b>Operating Expenditures</b>                  |                    |                    |                    |
| Salaries and Benefits                          | 40,196             | 65,462             | 44,516             |
| Professional Services                          | 31,403             | 91,000             | 158,000            |
| Repairs and Maintenance                        | 53,275             | 64,700             | 96,000             |
| Insurance                                      | 2,518              | 2,638              | 2,478              |
| Depreciation                                   | 249,013            | 250,000            | 250,000            |
| Materials and Supplies                         | -                  | -                  | -                  |
| Miscellaneous                                  | 1,927              | 1,500              | 1,800              |
| <b>Total Operating Expenses</b>                | <b>378,332</b>     | <b>475,300</b>     | <b>552,794</b>     |
| <b>Operating Income (Loss)</b>                 | <b>90,726</b>      | <b>(50,300)</b>    | <b>(92,794)</b>    |
| <b>Nonoperating Revenues (Expenses)</b>        |                    |                    |                    |
| Intergovernmental                              | 788,051            | 16,000             | 112,000            |
| Interest Income                                | -                  | -                  | -                  |
| Interest Expense and Fiscal Charges            | (5,333)            | (7,400)            | (546)              |
| <b>Total Nonoperating Revenue (Exp.)</b>       | <b>782,718</b>     | <b>8,600</b>       | <b>111,454</b>     |
| <b>Change in Net Position Before Transfers</b> | <b>873,444</b>     | <b>(41,700)</b>    | <b>18,660</b>      |
| Transfers In (Out)                             | -                  | -                  | (1,500)            |
| <b>Change in Net Position</b>                  | <b>873,444</b>     | <b>(41,700)</b>    | <b>17,160</b>      |
| Net Position- Beginning of Year                | 5,826,078          | 6,699,522          | 6,657,822          |
| Net Position - End of Year                     | 6,699,522          | 6,657,822          | 6,674,982          |