

ANNUAL CITY BUDGET

2018

PREPARED BY:

City Administrator's Office

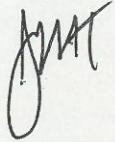
Administrator
Jim Thoreen

Finance Director
Connie L. Hillman

MEMO



www.ci.brainerd.mn.us

TO: Citizens/Taxpayers of the City of Brainerd
FROM: City Administrator Jim Thoreen 
DATE: December 27, 2017

Following you will find the adopted 2018 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 18, 2017.

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 2018 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 relative to the attached document or the budgeting process.

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2018 Levy Overview

2018 Levy:

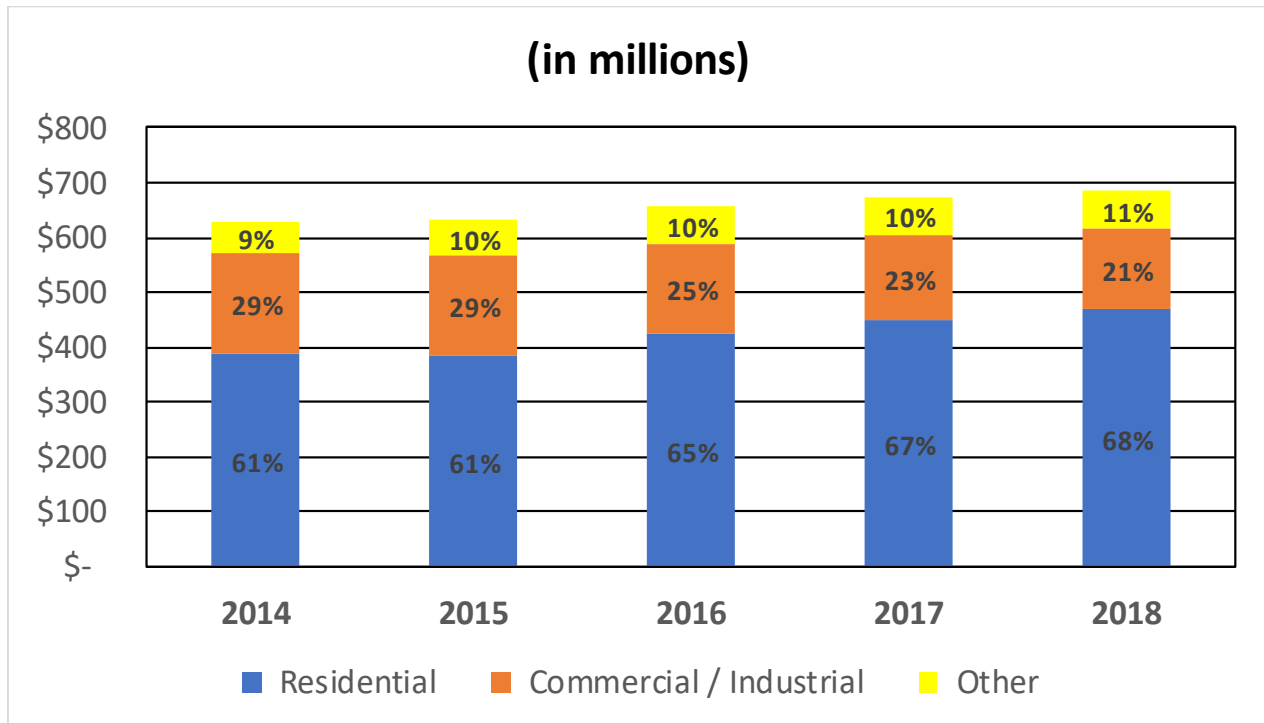
The 2018 Levy was adopted at the December 18, 2017 council meeting in the amount of \$5,561,860. This is a \$188,082 or 3.50% increase over the 2017 levy. The table below summarizes how the levy dollars are allocated.

<u>Fund/Purpose</u>	<u>2017 Budget</u>	<u>2018 Budget</u>	<u>\$ Change</u>
General Operations ***	\$ 2,106,388	\$ 2,332,944	\$ 226,556
Capital Equipment	428,919	847,134	418,215
Library	143,820	147,416	3,596
Permanent Improvement	333,170	340,838	7,668
Hydrant Rent & E.C.	166,585	170,419	3,834
EDA	118,980	122,223	3,243
Debt	2,075,916	1,600,886	(475,030)
Total	\$ 5,373,778	\$ 5,561,860	\$ 188,082

*** 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:



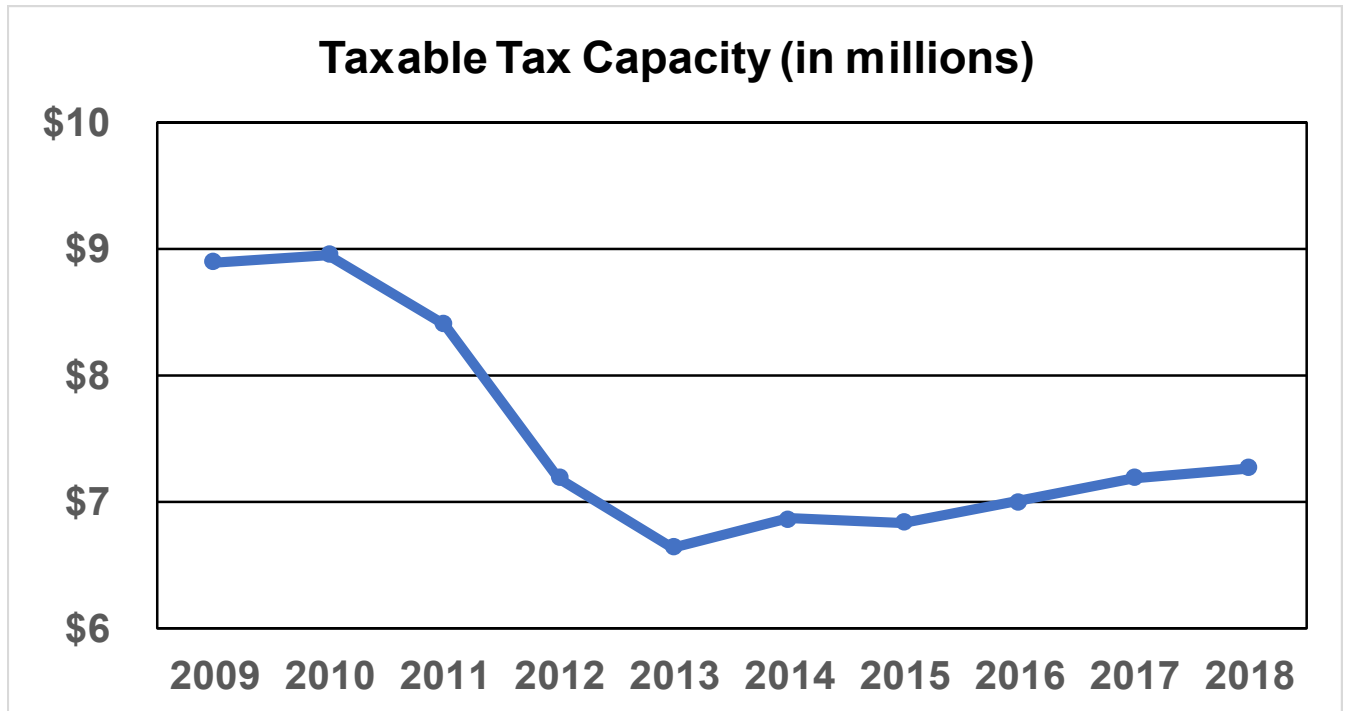
2018 Levy Overview (Continued)

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.

	Pay Year 2017	Pay Year 2018 ^{*A*}	\$ Change
Initial Tax Capacity	\$ 7,468,176	\$ 7,553,731	\$ 85,555
Less TIF Value	(269,765)	(276,394)	\$ (6,629)
Taxable Tax Capacity	\$ 7,198,411	\$ 7,277,337	\$ 78,926

A The estimated tax capacity for pay year 2018 is based on estimated figures from Crow Wing County as of November 9, 2017. 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 \$5,561,860**, and a citywide estimated **Tax Capacity of \$7,277,337**, is **76.943%**. This is an increase of 1.885% over the 2017 City Tax rate.

2018 Levy Overview (Continued)

City Tax Capacity and Tax Rate (Continued):

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

Residential Homestead					
Estimated Market Value	Estimated Taxable Tax Capacity	2017 Estimated City Tax	2018 Estimated City Tax	\$ Increase (Decrease)	% Increase (Decrease)
70,000	420	315.24	323.16	7.92	2.51%
85,000	554	415.82	426.26	10.44	2.51%
106,500	788	591.46	606.31	14.85	2.51%
150,000	1,263	947.98	971.79	23.81	2.51%
200,000	1,808	1,357.05	1,391.13	34.08	2.51%

The above shows that the median valued home of \$106,500 would see an estimated increase of \$15 or 2.51% holding all other factors constant.

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

Commercial/Industrial					
Estimated Market Value	Estimated Taxable Tax Capacity	2017 Estimated City Tax	2018 Estimated City Tax	\$ Increase (Decrease)	% Increase (Decrease)
150,000	2,250	1,688.81	1,731.22	42.41	2.51%
200,000	3,250	2,439.39	2,500.65	61.26	2.51%
363,500	6,520	4,893.78	5,016.68	122.90	2.51%
500,000	9,250	6,942.87	7,117.23	174.36	2.51%
750,000	14,250	10,695.77	10,964.38	268.61	2.51%

The above shows that a median valued commercial property of \$363,500 would see an estimated increase of approximately \$123 or 2.51% in the city tax liability holding all other factors constant.

2018 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 2018 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
2016	\$ 106,500	788	591.46	-
No Change	106,500	788	606.31	14.85
1% Increase	107,565	800	615.59	24.13
2% Increase	108,630	812	624.52	33.06
3% Increase	109,695	823	633.45	42.00
4% Increase	110,760	835	642.38	50.93
5% Increase	111,825	846	651.32	59.86
6% Increase	112,890	858	660.25	68.79
10% Increase	117,150	905	695.98	104.52
15% Increase	122,475	963	740.64	149.18
20% Increase	127,800	1,021	785.30	193.84

Commercial

	Estimated Market Value	Tax Capacity	Annual City Tax Liability	Estimated Annual Change
2016	\$ 363,500	6,520	4,893.78	-
No Change	363,500	6,520	5,016.68	122.90
1% Increase	367,135	6,593	5,072.62	178.84
2% Increase	370,770	6,665	5,128.56	234.78
3% Increase	374,405	6,738	5,184.50	290.71
4% Increase	378,040	6,811	5,240.43	346.65
5% Increase	381,675	6,884	5,296.37	402.59
10% Increase	399,850	7,247	5,576.06	682.28
15% Increase	418,025	7,611	5,855.75	961.97
20% Increase	436,200	7,974	6,135.43	1,241.65
5% Decrease	345,325.00	6,156.50	4,737.00	(156.79)

2018 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
Planning	Governmental	General
City Hall	Governmental	General
Inspections	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	Street & Sewer
Traffic Control	Governmental	Street & Sewer
Snow Removal	Governmental	Street & Sewer
Capital Equipment	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.

2018 Budget (Continued)

General Operating Funds

The general operating funds of the City are the General, Public Safety, Parks and Recreation, and Street and Sewer Funds. The City of Brainerd is a Charter City. The City has separate funds for Public Safety, Parks & Recreation and Street & Sewer 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.

Street 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.

2018 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 Street and Sewer funds.

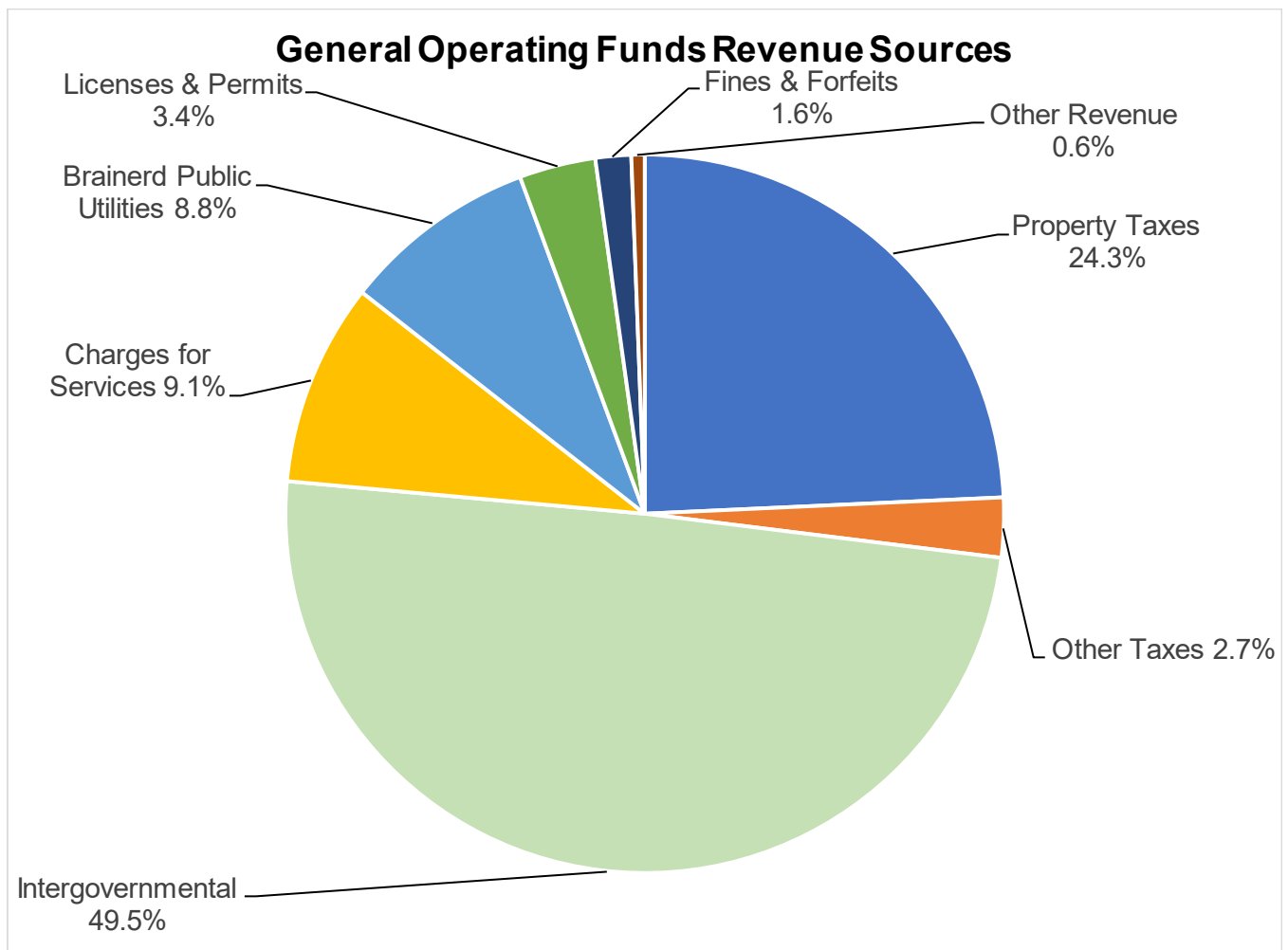
	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	2,277,776	2,106,388	2,332,994
Other Taxes	280,887	252,000	258,450
Intergovernmental	4,629,917	4,588,477	4,756,637
Charges for Services	951,182	881,702	877,027
Licenses & Permits	360,537	320,865	330,320
Fines & Forfeits	168,594	155,000	155,000
Special Assessments	34,080	35,800	30,800
Interest	6,992	6,500	8,000
Other Revenue	903,356	858,242	852,942
Total Revenues	9,613,321	9,204,974	9,602,170
Expenditures			
General Government	1,991,509	2,152,337	2,341,655
Police	3,336,280	3,400,954	3,529,880
Fire	1,013,291	1,021,051	1,047,566
Misdemeanor Prosecutor	185,340	185,682	192,940
Animal Control	63,246	69,000	71,860
Parks - all programs	1,015,783	1,004,932	1,095,774
Streets	887,550	974,505	966,266
Total Expenditures	8,492,999	8,808,461	9,245,941
Other Sources (Uses)			
Transfer In (Out)	(1,141,233)	(381,513)	(371,229)
Other Sources (Uses)	14,644	-	-
Total Other Sources (Uses)	(1,126,589)	(381,513)	(371,229)
Excess of Revenue Over (under)			
Expenditures and Other Sources (Uses)	(6,267)	15,000	(15,000)
Fund Balance - Jan 1st	3,525,203	3,518,936	3,533,936
Fund Balance - Dec 31st	3,518,936	3,533,936	3,518,936

2018 Budget (Continued)

General Operating Funds (Continued)

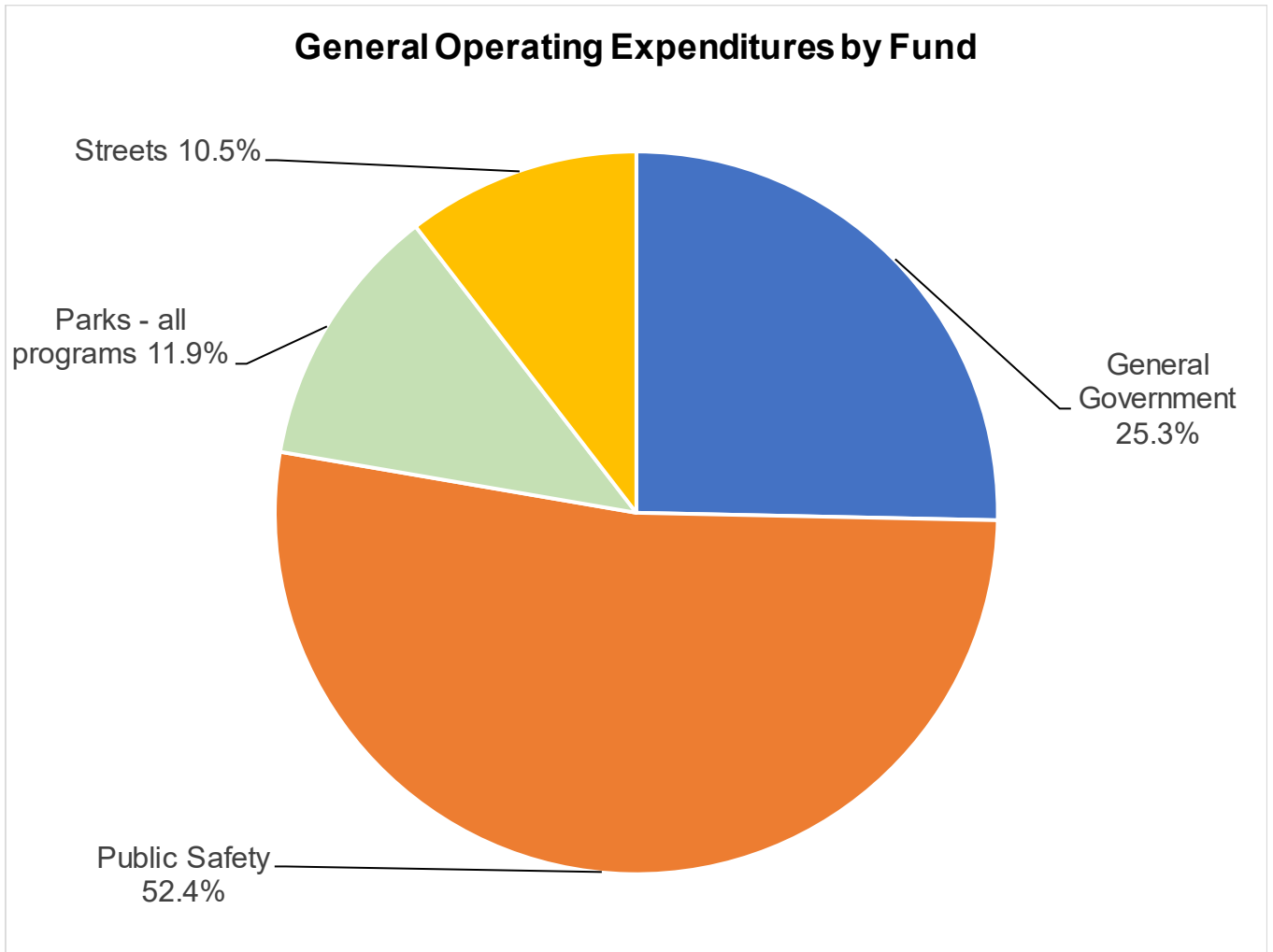
The table below shows the Total Uses by type rather than function.

	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Expenditures			
Personnel Services	5,912,216	6,127,353	6,361,397
Supplies	365,981	427,000	413,550
Services	1,651,577	1,810,229	2,019,364
Other	434,991	443,879	451,630
Capital	128,234	-	-
Total Expenditures	8,492,999	8,808,461	9,245,941



2018 Budget (Continued)

General Operating Funds (Continued)



2018 Budget (Continued)

Capital Equipment Budget

In 2016, the City started to budget for capital equipment 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 Fund.

	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	85,892	428,919	847,134
Other Taxes	64,044	-	-
Other Revenue	1,832	-	-
Total Revenues	<u>151,768</u>	<u>428,919</u>	<u>847,134</u>
Expenditures			
Capital	1,029,793	450,100	1,333,640
Total Expenditures	<u>1,029,793</u>	<u>450,100</u>	<u>1,333,640</u>
Other Sources (Uses)			
Bond Proceeds	689,484	-	676,000
Bond Issuance Costs	(19,125)	-	-
Transfer In (Out)	850,660	-	82,000
Other Sources (Uses)	13,999	10,000	87,500
Total Other Sources (Uses)	<u>1,535,018</u>	<u>10,000</u>	<u>845,500</u>
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	<u>656,993</u>	<u>(11,181)</u>	<u>358,994</u>
Fund Balance - Jan 1st	174,607	831,600	820,419
Fund Balance - Dec 31st	831,600	820,419	1,179,413

2018 Budget (Continued)

Capital Equipment Budget (Continued)

The table below shows the 2018 capital budget by department.

Description	Total	Property Tax Revenue	Bond Proceeds	Transfers In / Savings	Sale Proceeds
Engineering					
Surface Tablet for Mobile Inspections	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -
Topper for Leased Vehicle	1,000	1,000	-	-	-
Topper for F150 Survey Vehicle	1,000	1,000	-	-	-
Total Engineering	4,000	4,000	-	-	-
IT/GIS					
Monitor Replacements	10,000	10,000	-	-	-
Server Replacement	14,000	14,000	-	-	-
Total IT/GIS	24,000	24,000	-	-	-
Fire					
Replace Tender	250,000	-	175,000	75,000	-
City Hall					
HVAC/Emergency	100,000	100,000	-	-	-
Facility Study	77,640	77,640	-	-	-
Council Chamber Chairs	8,000	4,500	-	-	3,500
Office Furniture	5,000	-	-	-	5,000
Total City Hall	190,640	182,140	-	-	8,500
Police					
Leased Squads Build Up	47,000	29,000	-	-	18,000
Interrogation/Interview Rm Rec System	20,000	20,000	-	-	-
Total Police	67,000	49,000	-	-	18,000
Parks and Recreation					
Field Groomer	15,000	-	15,000	-	-
Field Groomer	15,000	-	15,000	-	-
Lum Pavilion #2 Shingles	8,000	8,000	-	-	-
Mills Garage Shingles	5,000	5,000	-	-	-
Memorial Park Field 3 Lights	128,000	-	121,000	7,000	-
Jaycees Park Dugouts (4)	20,000	20,000	-	-	-
Youth Baseball Backstops (4)	12,000	12,000	-	-	-
Park Office Carpet	5,000	4,000	-	-	1,000
Total Parks and Recreation	208,000	49,000	151,000	7,000	1,000
Street and Sewer					
Salt/Sand Storage Building	240,000	180,000	-	-	60,000
Cat 938M End Loader	190,000	-	190,000	-	-
Sno-Go MP - 3D Snow Blower	160,000	-	160,000	-	-
Total Street and Sewer	590,000	180,000	350,000	-	60,000
Total Capital Equipment Budget	\$ 1,333,640	\$ 488,140	\$ 676,000	\$ 82,000	\$ 87,500

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	-	-	-
Grants & Aids	833,660	960,500	964,100
Intergovernmental	6,276	6,200	17,148
Charges for Services	151,308	152,503	157,764
Other Revenue	787	-	-
Total Revenues	992,031	1,119,203	1,139,012
Expenditures			
Personnel Services	87,973	92,947	97,651
Supplies	67,035	85,243	92,223
Services	784,453	798,465	868,138
Capital	81,858	85,000	81,000
Total Expenditures	1,021,319	1,061,655	1,139,012
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	-	-	-
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	(29,288)	57,548	-
Fund Balance - Jan 1st	284,044	254,756	312,304
Fund Balance - Dec 31st	254,756	312,304	312,304

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	139,113	143,820	147,416
Other Taxes	879	3,000	3,000
Interest	1,031	-	-
Contributions & Donations	21,312	-	-
Other Revenue	5,027	-	75
Total Revenues	167,362	146,820	150,491
Expenditures			
Supplies	6,744	7,400	7,400
Services	147,376	133,420	137,091
Capital	-	6,000	6,000
Total Expenditures	154,120	146,820	150,491
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	-	-	-
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	13,242	-	-
Fund Balance - Jan 1st	190,268	203,510	203,510
Fund Balance - Dec 31st	203,510	203,510	203,510

2018 Budget (Continued)

Recycling Fund

The Recycling Fund accounts 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	-	-	-
Intergovernmental	68,000	61,600	44,150
Used Oil Revenue	666	600	600
Other Revenue	126	-	-
Total Revenues	68,792	62,200	44,750
Expenditures			
Services	68,000	61,600	44,150
Used Oil Expenditures	2,376	1,800	1,800
Other	-	660	660
Total Expenditures	70,376	64,060	46,610
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	-	-	-
Excess of Revenue Over (under)			
Expenditures and Other Sources (Uses)	(1,584)	(1,860)	(1,860)
Fund Balance - Jan 1st	6,282	4,698	2,838
Fund Balance - Dec 31st	4,698	2,838	978

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	-	-	-
Charges for Services	23,452	22,500	25,000
Other Revenue	58	-	-
Total Revenues	<u>23,510</u>	<u>22,500</u>	<u>25,000</u>
Expenditures			
Personnel Services	-	4,055	4,055
Supplies	-	100	100
Services	13,849	14,368	16,498
Capital	-	-	-
Total Expenditures	<u>13,849</u>	<u>18,523</u>	<u>20,653</u>
Other Sources (Uses)			
Transfer In (Out)	(5,942)	(10,000)	(10,000)
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	<u>(5,942)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	<u>3,719</u>	<u>(6,023)</u>	<u>(5,653)</u>
Fund Balance - Jan 1st	10,614	14,333	8,310
Fund Balance - Dec 31st	14,333	8,310	2,657

2018 Budget (Continued)

Permanent Improvement Fund

The Permanent Improvement Fund was established by authority of the City Charter to account for 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	318,726	333,170	340,838
Other Taxes	2,019	-	-
Total Revenues	<u>320,745</u>	<u>333,170</u>	<u>340,838</u>
Expenditures			
Personnel Services	-	-	-
Supplies	-	-	-
Services	-	-	-
Capital	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Sources (Uses)			
Transfer In (Out)	(320,376)	(333,170)	(340,838)
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	<u>(320,376)</u>	<u>(333,170)</u>	<u>(340,838)</u>
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	<u><u>369</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balance - Jan 1st	4,572	4,941	4,941
Fund Balance - Dec 31st	4,941	4,941	4,941

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	-	-	-
Other Taxes	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Personnel Services	-	-	-
Supplies	995	2,500	2,500
Services	-	-	-
Capital	-	-	-
Total Expenditures	<u>995</u>	<u>2,500</u>	<u>2,500</u>
Other Sources (Uses)			
Transfer In (Out)	2,500	2,500	2,500
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	<u><u>1,505</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balance - Jan 1st	165	1,670	1,670
Fund Balance - Dec 31st	1,670	1,670	1,670

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	159,395	166,585	170,419
Other Taxes	1,010	-	-
Brainerd Public Utilities Sale Allocation	681,227	684,860	673,724
Total Revenues	<u>841,632</u>	<u>851,445</u>	<u>844,143</u>
Expenditures			
Personnel Services	-	-	-
Supplies	-	-	-
Services	-	-	-
Capital	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Sources (Uses)			
Transfer In (Out)	(841,448)	(851,445)	(844,143)
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	<u>(841,448)</u>	<u>(851,445)</u>	<u>(844,143)</u>
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	<u>184</u>	<u>-</u>	<u>-</u>
Fund Balance - Jan 1st	2,287	2,471	2,471
Fund Balance - Dec 31st	2,471	2,471	2,471

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Revenues			
Property Taxes	113,065	118,980	122,223
Other Taxes	727	-	-
Interest	46	250	100
Other Revenues	-	-	-
Total Revenues	<u>113,838</u>	<u>119,230</u>	<u>122,323</u>
Expenditures			
Personnel Services	29,778	29,877	32,845
Supplies	-	-	-
Services	83,100	84,195	83,477
Total Expenditures	<u>112,878</u>	<u>114,072</u>	<u>116,322</u>
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	<u>960</u>	<u>5,158</u>	<u>6,001</u>
Fund Balance - Jan 1st	16,976	17,936	23,094
Fund Balance - Dec 31st	17,936	23,094	29,095

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Operating Revenues			
Charges for Services	458,681	453,000	570,900
Other Revenue	2,021	-	-
Total Revenues	<u>460,702</u>	<u>453,000</u>	<u>570,900</u>
Operating Expenditures			
Salaries and Benefits	211,122	197,147	194,513
Professional Services	47,463	200	33,000
Repairs and Maintenance	27,113	12,000	25,000
Insurance	6,629	7,234	5,744
Depreciation	283,152	265,000	290,000
Materials and Supplies	8,911	12,000	9,300
Miscellaneous	1,824	1,000	1,500
Total Operating Expenses	<u>586,214</u>	<u>494,581</u>	<u>559,057</u>
Operating Income (Loss)	<u>(125,512)</u>	<u>(41,581)</u>	<u>11,843</u>
Nonoperating Revenues (Expenses)			
Interest Income	1,513	-	-
Interest Expense and Fiscal Charges	(6,588)	(143,143)	(144,838)
Total Nonoperating Revenue (Exp.)	<u>(5,075)</u>	<u>(143,143)</u>	<u>(144,838)</u>
Change in Net Position Before Transfers	<u>(130,587)</u>	<u>(184,724)</u>	<u>(132,995)</u>
Transfers In (Out)	61,000	-	-
Contributed Capital	(310,000)	-	-
Sale of Asset	-	-	70,000
Revenue from Other Governments	-	152,000	185,000
Change in Net Position	<u>(379,587)</u>	<u>(32,724)</u>	<u>122,005</u>
Net Position- Beginning of Year, Restated	6,935,576	6,555,989	6,523,265
Net Position - End of Year	6,555,989	6,523,265	6,645,270

2018 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>2016 Actual</u>	<u>2017 Budget</u>	<u>2018 Budget</u>
Operating Revenues			
Charges for Services	322,489	325,000	378,700
Other Revenue	84	-	-
Total Revenues	<u>322,573</u>	<u>325,000</u>	<u>378,700</u>
Operating Expenditures			
Salaries and Benefits	60,543	82,605	54,510
Professional Services	4,800	-	1,000
Repairs and Maintenance	260	2,000	2,500
Insurance	3,314	3,618	2,872
Depreciation	241,987	249,000	250,000
Materials and Supplies	325	500	-
Miscellaneous	2,438	1,000	1,500
Total Operating Expenses	<u>313,667</u>	<u>338,723</u>	<u>312,382</u>
Operating Income (Loss)	<u>8,905</u>	<u>(13,723)</u>	<u>66,318</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	-
Interest Expense and Fiscal Charges	(13,954)	(14,275)	(12,038)
Total Nonoperating Revenue (Exp.)	<u>(13,954)</u>	<u>(14,275)</u>	<u>(12,038)</u>
Change in Net Position Before Transfers	<u>(5,049)</u>	<u>(27,998)</u>	<u>54,280</u>
Transfers In (Out)	-	-	-
Revenue from Other Governments	-	-	-
Change in Net Position	<u><u>(5,049)</u></u>	<u><u>(27,998)</u></u>	<u><u>54,280</u></u>
Net Position- Beginning of Year, Restated	5,748,195	5,743,146	5,715,148
Net Position - End of Year	5,743,146	5,715,148	5,769,428