

**ANNUAL CITY BUDGET**

**2020**

PREPARED BY:

City Administrator's Office

Interim Administrator  
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Connie L. Hillman

# MEMO



[www.ci.brainerd.mn.us](http://www.ci.brainerd.mn.us)

**TO:** Citizens/Taxpayers of the City of Brainerd  
**FROM:** Interim City Administrator James Thoreen  
**DATE:** December 27, 2019

Following you will find the adopted 2020 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 16, 2019.

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 2020 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.

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# 2020 Levy Overview

## 2020 Levy:

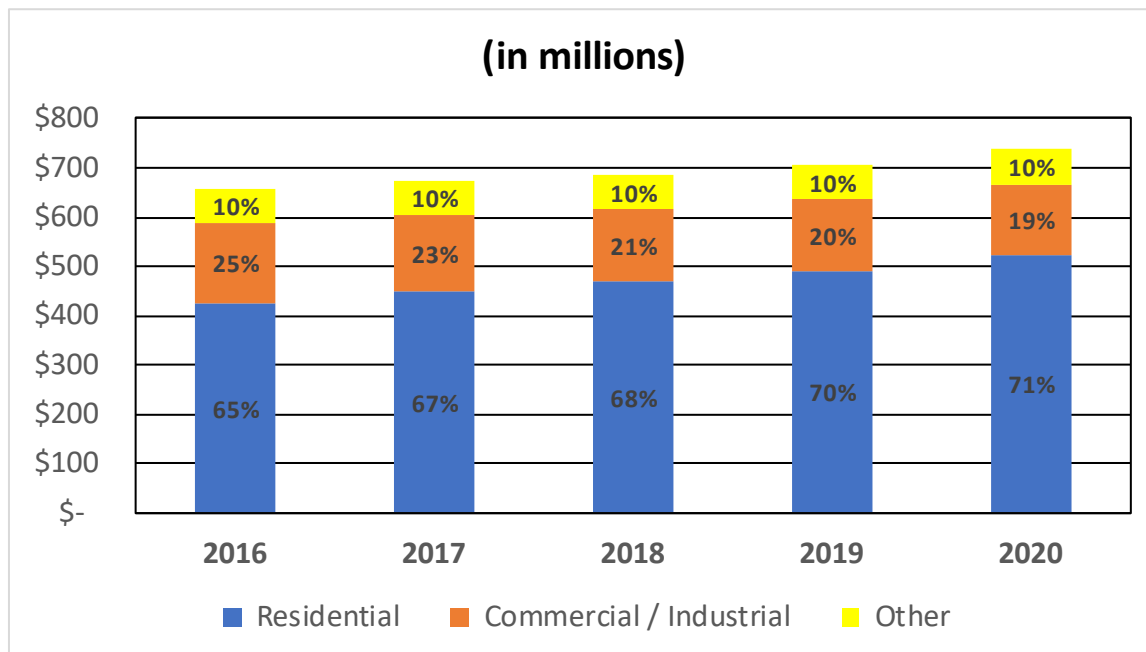
The 2020 Levy was adopted at the December 16, 2019 council meeting in the amount of \$6,072,439. This is a \$176,867 or 3.00% increase over the 2019 levy. The table below summarizes how the levy dollars are allocated.

<u>Fund/Purpose</u>	<u>2019 Budget</u>	<u>2020 Budget</u>	<u>\$ Change</u>
General Operations ***	\$ 2,674,021	\$ 2,817,275	\$ 143,254
Capital Equipment	1,155,927	1,155,927	-
Library	150,364	154,123	3,759
Permanent Improvement	350,706	368,564	17,858
Hydrant Rent & E.C.	175,353	184,282	8,929
EDA	124,351	127,817	3,466
Debt	1,264,850	1,264,451	(399)
<b>Total</b>	<b>\$ 5,895,572</b>	<b>\$ 6,072,439</b>	<b>\$ 176,867</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:



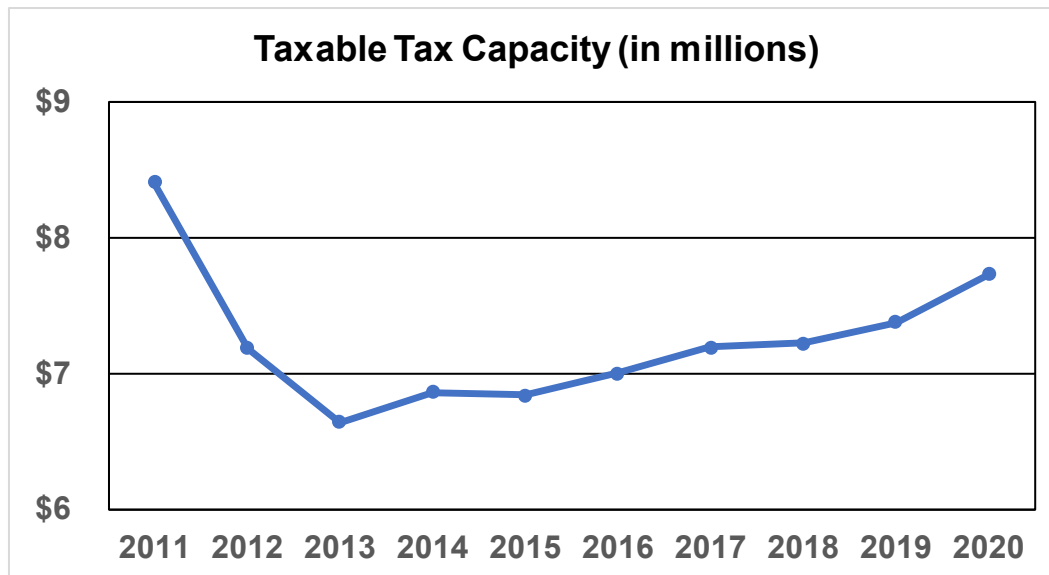
# 2020 Levy Overview (Continued)

## 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 2019	Pay Year 2020 <sup>**</sup>	\$ Change
Initial Tax Capacity	\$ 7,662,333	\$ 8,001,829	\$ 339,496
Less TIF Value	(277,269)	(268,269)	\$ 9,000
<b>Taxable Tax Capacity</b>	<b>\$ 7,385,064</b>	<b>\$ 7,733,560</b>	<b>\$ 348,496</b>

<sup>\*\*</sup> The estimated tax capacity for pay year 2020 is based on estimated figures from Crow Wing County as of November 1, 2019. 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 \$6,072,439**, and a citywide estimated **Tax Capacity of \$7,733,560**, is **79.074%**. This is an estimated decrease of 1.311% over the 2019 City Tax rate.

## 2020 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	337.62	332.11	(5.51)	-1.63%
85,000	554	445.33	438.07	(7.26)	-1.63%
120,000	936	752.08	739.82	(12.27)	-1.63%
150,000	1,263	1,015.26	998.70	(16.56)	-1.63%
200,000	1,808	1,453.36	1,429.66	(23.70)	-1.63%

The above shows that the median valued home of \$120,000 would see an estimated decrease of \$12 or 1.63% 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	1,808.66	1,779.17	(29.50)	-1.63%
200,000	3,250	2,612.51	2,569.91	(42.61)	-1.63%
363,500	6,520	5,241.10	5,155.62	(85.48)	-1.63%
500,000	9,250	7,435.61	7,314.35	(121.27)	-1.63%
750,000	14,250	11,454.86	11,268.05	(186.82)	-1.63%

The above shows that a median valued commercial property of \$363,500 would see an estimated decrease of approximately \$85 or 1.63% in the city tax liability holding all other factors constant.



# 2020 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 2020 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	752.40	-
<b>No Change</b>	120,000	936	740.13	(12.27)
<b>1% Increase</b>	121,200	949	750.16	(2.24)
<b>2% Increase</b>	122,400	962	760.50	8.10
<b>3% Increase</b>	123,600	975	770.84	18.44
<b>4% Increase</b>	124,800	988	781.19	28.78
<b>5% Increase</b>	126,000	1,001	791.53	39.13
<b>6% Increase</b>	127,200	1,014	801.87	49.47
<b>10% Increase</b>	132,000	1,066	843.25	90.84
<b>15% Increase</b>	138,000	1,132	894.96	142.56
<b>20% Increase</b>	144,000	1,197	946.67	194.27

### Commercial

	Estimated Market Value	Tax Capacity	Annual City Tax Liability	Estimated Annual Change
<b>2018</b>	\$ 363,500	6,520	5,241.10	-
<b>No Change</b>	363,500	6,520	5,155.62	(85.48)
<b>1% Increase</b>	367,135	6,593	5,213.11	(27.99)
<b>2% Increase</b>	370,770	6,665	5,270.60	29.50
<b>3% Increase</b>	374,405	6,738	5,328.09	86.98
<b>4% Increase</b>	378,040	6,811	5,385.57	144.47
<b>5% Increase</b>	381,675	6,884	5,443.06	201.96
<b>10% Increase</b>	399,850	7,247	5,730.49	489.39
<b>15% Increase</b>	418,025	7,611	6,017.93	776.82
<b>20% Increase</b>	436,200	7,974	6,305.36	1,064.26
<b>2% Decrease</b>	<b>356,230.00</b>	<b>6,374.60</b>	<b>5,040.65</b>	<b>(200.45)</b>

# 2020 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	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.



# 2020 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.

# 2020 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.

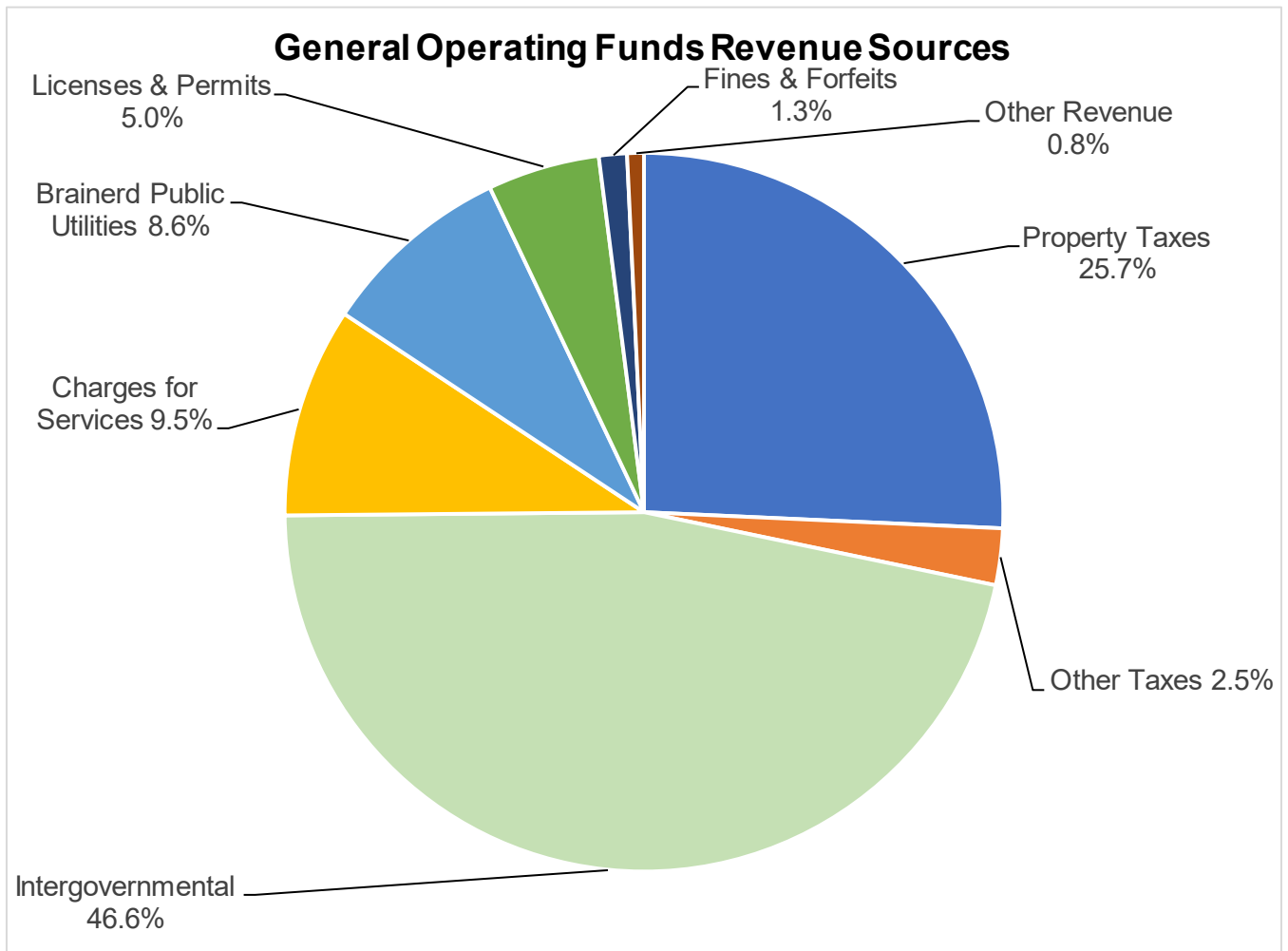
	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	2,298,863	2,674,021	2,817,275
Other Taxes	305,174	265,500	279,000
Intergovernmental	4,828,893	4,862,007	5,104,310
Charges for Services	883,523	906,459	1,034,912
Licenses & Permits	538,283	492,015	552,390
Fines & Forfeits	211,354	148,000	138,000
Special Assessments	63,351	39,400	50,000
Interest	10,833	10,000	10,000
Other Revenue	1,008,423	916,683	958,082
<b>Total Revenues</b>	<b>10,148,697</b>	<b>10,314,085</b>	<b>10,943,969</b>
<b>Expenditures</b>			
General Government	2,258,922	2,550,563	2,655,174
Police	3,509,695	3,865,417	4,140,052
Fire	1,007,836	1,061,482	1,047,827
Misdemeanor Prosecutor	190,731	194,809	196,208
Animal Control	46,878	71,860	76,460
Parks - all programs	1,105,500	1,148,153	1,175,776
Streets	1,126,600	1,021,073	1,081,129
<b>Total Expenditures</b>	<b>9,246,162</b>	<b>9,913,357</b>	<b>10,372,626</b>
<b>Other Sources (Uses)</b>			
Transfer In (Out)	(415,246)	(399,964)	(484,343)
Other Sources (Uses)	-	-	-
Assigned for 2021 Operations	-	-	(102,000)
<b>Total Other Sources (Uses)</b>	<b>(415,246)</b>	<b>(399,964)</b>	<b>(586,343)</b>
<b>Excess of Revenue Over (Under)</b>			
<b>Expenditures and Other Sources (Uses)</b>	<b>487,289</b>	<b>764</b>	<b>(15,000)</b>
Fund Balance - Jan 1st	3,546,395	4,033,684	4,034,448
Fund Balance - Dec 31st	4,033,684	4,034,448	4,019,448

# 2020 Budget (Continued)

## General Operating Funds (Continued)

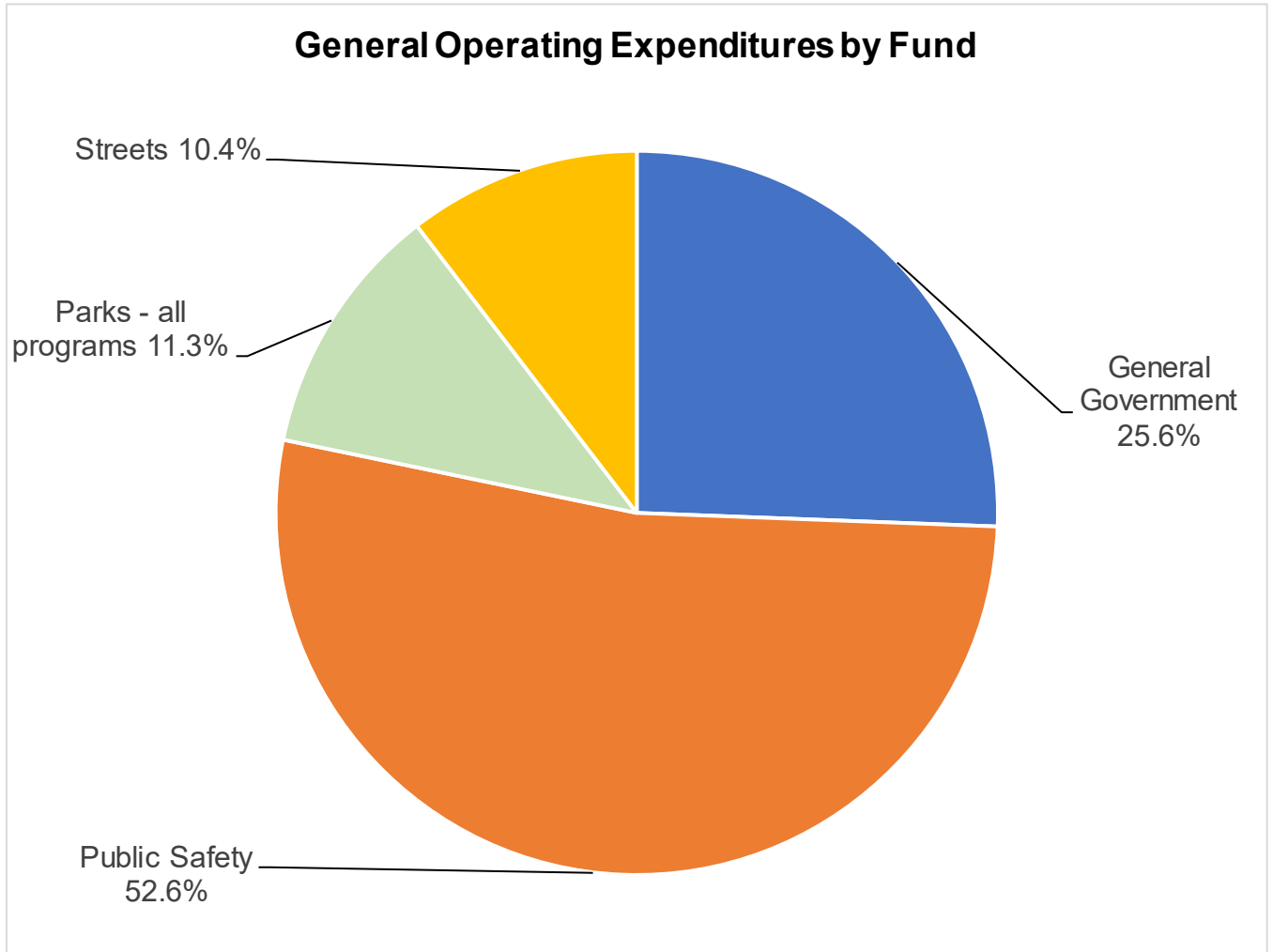
The table below shows the Total Uses by type rather than function.

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Expenditures</b>			
Personnel Services	6,334,650	6,805,000	7,082,012
Supplies	439,636	447,800	473,000
Services	2,023,033	2,203,526	2,344,192
Other	448,843	457,031	473,422
<b>Total Expenditures</b>	<b>9,246,162</b>	<b>9,913,357</b>	<b>10,372,626</b>



# 2020 Budget (Continued)

## General Operating Funds (Continued)



## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	835,638	1,155,927	1,155,927
Other Taxes	5,230	-	-
Other Revenue	44,943	-	-
<b>Total Revenues</b>	<b>885,811</b>	<b>1,155,927</b>	<b>1,155,927</b>
<b>Expenditures</b>			
Capital	1,282,637	1,037,700	4,169,463
<b>Total Expenditures</b>	<b>1,282,637</b>	<b>1,037,700</b>	<b>4,169,463</b>
<b>Other Sources (Uses)</b>			
Bond Proceeds	690,028	-	1,760,000
Bond Issuance Costs	-	-	-
Transfer In (Out)	78,400	35,000	20,000
Other Sources (Uses)	86,316	31,600	49,000
<b>Total Other Sources (Uses)</b>	<b>854,743</b>	<b>66,600</b>	<b>1,829,000</b>
<b>Excess of Revenue Over (Under)</b>			
<b>Expenditures and Other Sources (Uses)</b>	<b>457,917</b>	<b>184,827</b>	<b>(1,184,536)</b>
Fund Balance - Jan 1st	1,268,793	1,726,710	1,911,537
Fund Balance - Dec 31st	1,726,710	1,911,537	727,001

# 2020 Budget (Continued)

## Capital Equipment & Facilities Budget (Continued)

The table below shows the 2020 capital budget by department.

<b>City Hall</b>	
Office Furniture	5,000
Sign - Corner of 6th and Laurel	30,000
Facility	1,758,668
<b>Finance</b>	
Scanner	3,600
<b>Engineering</b>	
<b>IT</b>	
Server Replacement	15,000
Security Cameras - City Hall	20,000
Security Cameras - PD	20,000
<b>Police</b>	
Leased Squads Build Up	69,000
Office Staff Reconfiguration	40,000
Facility	306,054
<b>Community Development</b>	
Zoning Code Update	50,000
Scanner	3,000
<b>Fire Facility/Civil Defense</b>	
Facilities - HVAC Controls	34,141
<b>Parks</b>	
Trailer	4,500
Snow Blower	2,000
Push Mower	1,000
Lum Park Swing Set	5,000
Scope of Memorial Park	20,000
Lum Park Master Plan	20,000
Memorial Park Redesign	1,300,000
<b>Streets</b>	
Diaphragm Pump	2,500
End Loader	220,000
Broom Sweeper	240,000
<b>GRAND TOTAL</b>	<b>4,169,463</b>

# 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	-	-	-
Grants & Aids	990,796	1,026,120	1,101,473
Intergovernmental	22,021	15,000	17,000
Charges for Services	150,167	171,080	179,377
Other Revenue	2,699	12,138	3,000
<b>Total Revenues</b>	<b>1,165,683</b>	<b>1,224,338</b>	<b>1,300,850</b>
<b>Expenditures</b>			
Personnel Services	90,101	101,930	194,863
Supplies	100,946	126,997	113,989
Services	852,098	910,411	906,998
Capital	82,005	85,000	85,000
<b>Total Expenditures</b>	<b>1,125,150</b>	<b>1,224,338</b>	<b>1,300,850</b>
<b>Other Sources (Uses)</b>			
Transfer In (Out)	-	-	-
Other Sources (Uses)	2,104	-	-
<b>Total Other Sources (Uses)</b>	<b>2,104</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b>	<b>42,637</b>	<b>-</b>	<b>-</b>
Fund Balance - Jan 1st	120,668	163,305	163,305
Fund Balance - Dec 31st	163,305	163,305	163,305



## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	145,373	150,364	154,123
Other Taxes	2,062	3,000	1,503
Interest	2,373	-	-
Contributions & Donations	24,219	-	-
Other Revenue	4,593	136	-
<b>Total Revenues</b>	<b>178,620</b>	<b>153,500</b>	<b>155,626</b>
<b>Expenditures</b>			
Supplies	6,030	7,596	6,596
Services	165,334	139,904	143,030
Capital	-	6,000	6,000
<b>Total Expenditures</b>	<b>171,364</b>	<b>153,500</b>	<b>155,626</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>7,256</b>	<b>-</b>	<b>-</b>
Fund Balance - Jan 1st	223,583	230,839	230,839
Fund Balance - Dec 31st	230,839	230,839	230,839

## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	-	-	-
Intergovernmental	44,150	16,000	-
Used Oil Revenue	542	600	600
Other Revenue	149	-	-
<b>Total Revenues</b>	<b>44,841</b>	<b>16,600</b>	<b>600</b>
<b>Expenditures</b>			
Services	46,383	16,000	-
Used Oil Expenditures	901	1,000	1,000
Other	688	700	700
<b>Total Expenditures</b>	<b>47,972</b>	<b>17,700</b>	<b>1,700</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)</b>			
<b>Expenditures and Other Sources (Uses)</b>	<b>(3,131)</b>	<b>(1,100)</b>	<b>(1,100)</b>
Fund Balance - Jan 1st	3,236	105	(995)
Fund Balance - Dec 31st	105	(995)	(2,095)

## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	-	-	-
Charges for Services	25,602	25,000	44,000
Other Revenue	117	-	-
<b>Total Revenues</b>	<b>25,719</b>	<b>25,000</b>	<b>44,000</b>
<b>Expenditures</b>			
Personnel Services	-	4,055	4,055
Supplies	1	100	100
Services	14,558	16,889	17,292
Capital Planning	-	-	-
<b>Total Expenditures</b>	<b>14,559</b>	<b>21,044</b>	<b>21,447</b>
<b>Other Sources (Uses)</b>			
Transfer In (Out)	(24,634)	(10,000)	(22,000)
Other Sources (Uses)	-	-	-
<b>Total Other Sources (Uses)</b>	<b>(24,634)</b>	<b>(10,000)</b>	<b>(22,000)</b>
<b>Excess of Revenue Over (Under)</b>			
<b>Expenditures and Other Sources (Uses)</b>	<b>(13,474)</b>	<b>(6,044)</b>	<b>553</b>
Fund Balance - Jan 1st	13,953	479	(5,565)
Fund Balance - Dec 31st	479	(5,565)	(5,012)

## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	333,632	350,706	368,564
Other Taxes	4,759	-	-
<b>Total Revenues</b>	<u>338,390</u>	<u>350,706</u>	<u>368,564</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)	(339,296)	(350,706)	(368,564)
Other Sources (Uses)	-	-	-
<b>Total Other Sources (Uses)</b>	<u>(339,296)</u>	<u>(350,706)</u>	<u>(368,564)</u>
<b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b>	<u>(906)</u>	<u>-</u>	<u>-</u>
Fund Balance - Jan 1st	6,056	5,150	5,150
Fund Balance - Dec 31st	5,150	5,150	5,150

## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 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	244	2,500	2,500
Services	-	-	-
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	-	-	-

## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	167,937	175,353	184,282
Other Taxes	2,379	-	-
Brainerd Public Utilities Sale Allocation	691,284	733,030	762,300
<b>Total Revenues</b>	<b>861,601</b>	<b>908,383</b>	<b>946,582</b>
<b>Expenditures</b>			
Personnel Services	-	-	-
Supplies	-	-	-
Services	-	-	-
Capital	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Sources (Uses)</b>			
Transfer In (Out)	(862,054)	(908,383)	(946,582)
Other Sources (Uses)	-	-	-
<b>Total Other Sources (Uses)</b>	<b>(862,054)</b>	<b>(908,383)</b>	<b>(946,582)</b>
<b>Excess of Revenue Over (Under) Expenditures and Other Sources (Uses)</b>	<b>(453)</b>	<b>-</b>	<b>-</b>
Fund Balance - Jan 1st	3,028	2,575	2,575
Fund Balance - Dec 31st	2,575	2,575	2,575

## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Revenues</b>			
Property Taxes	120,504	124,351	127,817
Other Taxes	1,705	-	-
Interest	247	100	250
Other Revenues	-	-	-
<b>Total Revenues</b>	<u>122,456</u>	<u>124,451</u>	<u>128,067</u>
<b>Expenditures</b>			
Personnel Services	32,305	37,305	-
Supplies	-	-	-
Services	83,130	84,475	126,950
<b>Total Expenditures</b>	<u>115,435</u>	<u>121,780</u>	<u>126,950</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>7,021</u>	<u>2,671</u>	<u>1,117</u>
Fund Balance - Jan 1st	26,966	33,987	36,658
Fund Balance - Dec 31st	33,987	36,658	37,775



## 2020 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Operating Revenues</b>			
Charges for Services	655,505	600,000	700,000
<b>Total Revenues</b>	<b>655,505</b>	<b>600,000</b>	<b>700,000</b>
<b>Operating Expenditures</b>			
Salaries and Benefits	100,607	195,074	164,241
Professional Services	24,109	-	5,500
Repairs and Maintenance	37,089	25,500	46,000
Insurance	4,224	5,614	5,276
Lease Payments	-	5,242	-
Depreciation	401,248	400,000	405,000
Materials and Supplies	8,787	9,800	6,800
Miscellaneous	1,607	2,000	2,000
<b>Total Operating Expenses</b>	<b>577,671</b>	<b>643,230</b>	<b>634,817</b>
<b>Operating Income (Loss)</b>	<b>77,834</b>	<b>(43,230)</b>	<b>65,183</b>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	198,338	259,000	226,000
Gain (Loss) on Disposal of Asset	50,800	1,500	1,000
Interest Income	-	-	-
Interest Expense and Fiscal Charges	(121,900)	(150,994)	(134,545)
Contributed Capital	(36,888)	-	-
<b>Total Nonoperating Revenue (Exp.)</b>	<b>90,350</b>	<b>109,506</b>	<b>92,455</b>
<b>Change in Net Position Before Transfers</b>	<b>168,183</b>	<b>66,276</b>	<b>157,638</b>
Transfers In (Out)	50,471	-	-
<b>Change in Net Position</b>	<b>218,654</b>	<b>66,276</b>	<b>157,638</b>
Net Position- Beginning of Year, Restated	7,251,885	7,470,539	7,536,815
Net Position - End of Year	7,470,539	7,536,815	7,694,453

## 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>2018 Actual</u>	<u>2019 Budget</u>	<u>2020 Budget</u>
<b>Operating Revenues</b>			
Charges for Services	377,067	375,000	425,000
<b>Total Revenues</b>	<b>377,067</b>	<b>375,000</b>	<b>425,000</b>
<b>Operating Expenditures</b>			
Salaries and Benefits	28,808	54,892	65,462
Professional Services	1,498	-	91,000
Repairs and Maintenance	20,669	78,500	64,700
Insurance	2,112	2,807	2,638
Depreciation	249,013	250,000	250,000
Materials and Supplies	-	-	-
Miscellaneous	1,903	1,500	1,500
<b>Total Operating Expenses</b>	<b>304,003</b>	<b>387,699</b>	<b>475,300</b>
<b>Operating Income (Loss)</b>	<b>73,064</b>	<b>(12,699)</b>	<b>(50,300)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	-	188,000	16,000
Interest Income	601	-	-
Interest Expense and Fiscal Charges	(7,584)	(9,788)	(7,400)
<b>Total Nonoperating Revenue (Exp.)</b>	<b>(6,983)</b>	<b>178,212</b>	<b>8,600</b>
<b>Change in Net Position Before Transfers</b>	<b>66,081</b>	<b>165,513</b>	<b>(41,700)</b>
Transfers In (Out)	-	-	-
<b>Change in Net Position</b>	<b>66,081</b>	<b>165,513</b>	<b>(41,700)</b>
Net Position- Beginning of Year, Restated	5,759,996	5,826,077	5,991,590
Net Position - End of Year	5,826,077	5,991,590	5,949,890