

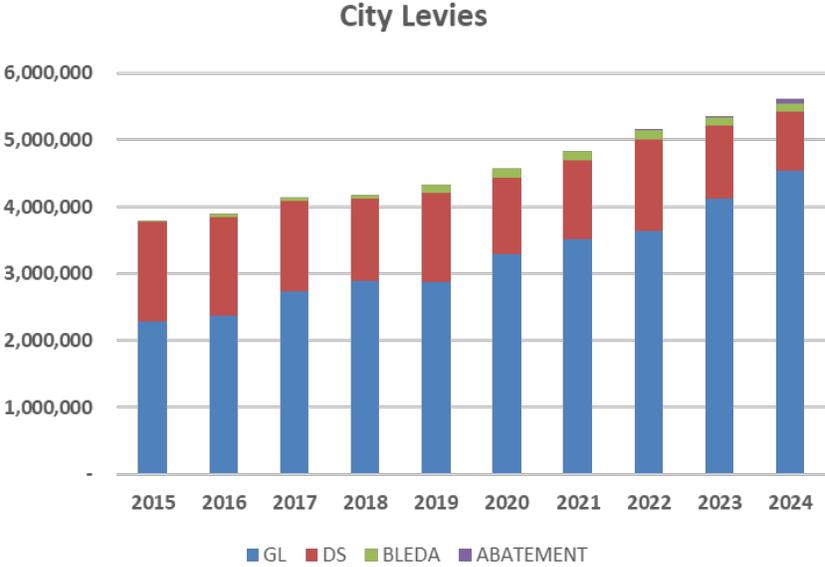


## FIVE YEAR FINANCIAL PLAN

2024-2030

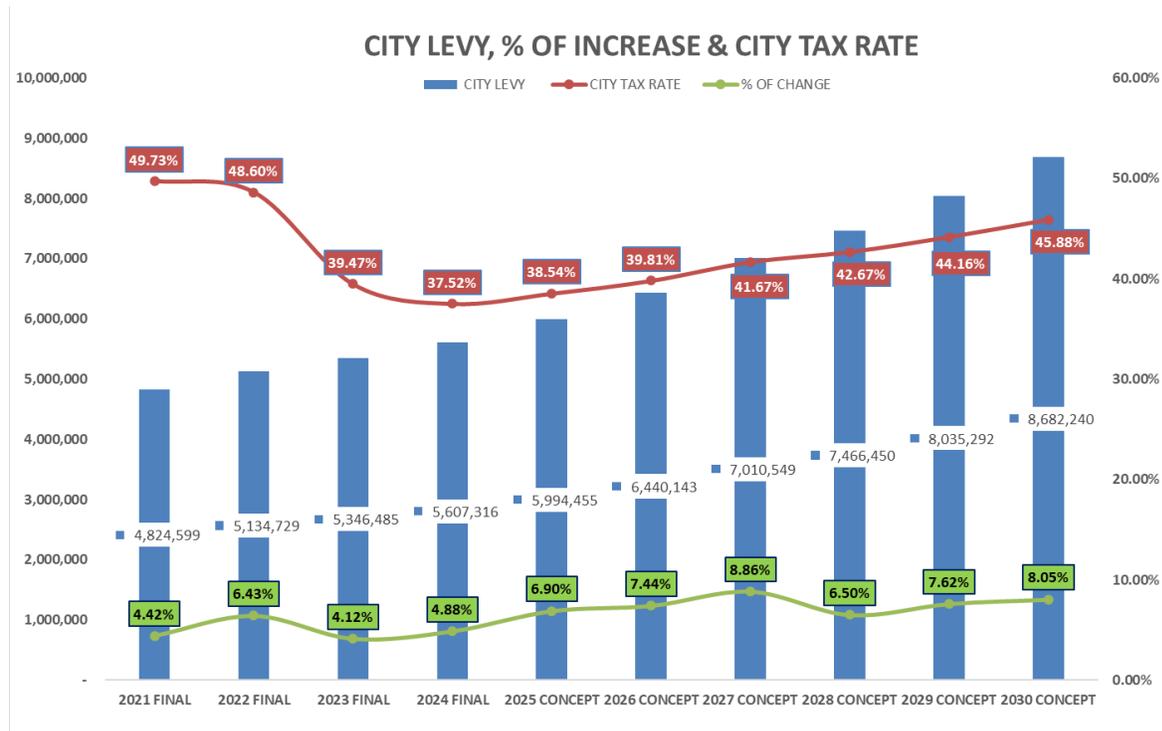
# City of Big Lake Levy Long-Term Planning

The property taxes received are allocated in four different ways, the majority is in the General Fund Levy, which for 2024 represents 81% of the total levy amount. The second component is the Debt Levy which is used for the budget year's debt payments that are not covered by assessments, enterprise funds or other allocations as dictated by Council. For 2024 this levy represents 16% of the total levy amount. The third component is the Big Lake Economic Development levy which is used for economic development within the City. The final component is for property tax abatements, these are for Lupulin and Premier Marine projects. The total levy for the City of Big Lake including the Big Lake Economic Development for the 2024 Budget is \$5,607,316. This is an increase of 4.88% over 2023.



For the long-term planning, the assumptions used are that the tax capacity would increase 3%, beginning in 2023 a portion of the Franchise Fees received from Utility Companies were transferred to the Capital Improvement Funds for Street Improvements and Park and Trail Improvements. This transfer would continue on through the concept budgets, therefore the General Levy would increase an additional \$400,000 and an additional \$100,000 for the property tax abatement that was approved in 2022 and begin in 2024. In addition, beginning in 2026, as debt is paid off, the amount that was previously levied would now be levied in the General levy and those funds would be transferred to the Capital Improvement Funds for future projects. The concept budgets indicate that the franchise fees could be phased out as of 2029. Additional staff needs for the Streets & Parks, Engineering, Police Department and Water and Wastewater Division were included in the concept budgets for years 2025 and beyond. The increase to the total levy would range from 6% to 9% range, which would take into consideration the growth anticipated for upcoming years. In 2026, there is an anticipated increase to the Big Lake Economic Authority levy of \$30,000 to a levy amount of \$160,000 and then in 2027 an additional increase of \$50,000 and in 2029 an increase of \$40,000 to bring the levy amount of \$250,000 for 2029 concept year and beyond. Below is a graph indicating the estimated levy for the City of Big Lake through 2030, as indicated in the graph the General Fund Levy estimated increase is an average of 9% per year. The long-term plan **does not** take into consideration if City Hall is relocated and an increase to the debt levy would be needed to facility the move as not enough information is known at this time to determine the need.

## CITY LEVY COMPONENTS



## General Fund Long-Term Planning

The General Fund is used to account for the revenues and expenditures necessary to provide basic governmental services for the City. The principal sources of revenues are property taxes, transfers from the Liquor Store fund, franchise fees, intergovernmental revenues and licenses and permits. Expenditures are for general government, public safety, streets, culture & recreation, and economic development.

The General Fund has consistently remained in sound financial condition from year to year due to effective management of sources and uses within this fund.

The Fund had \$4.34M in total fund balance at year end 2023, and an estimated fund balance for 2024 of \$4.4 million. The unassigned fund balance must be at 42% - 50% of the next year’s expenditure budget per the City’s financial policies.

Below is a summary of past and recent year-end fund balance reserves as well as projection for future balances.

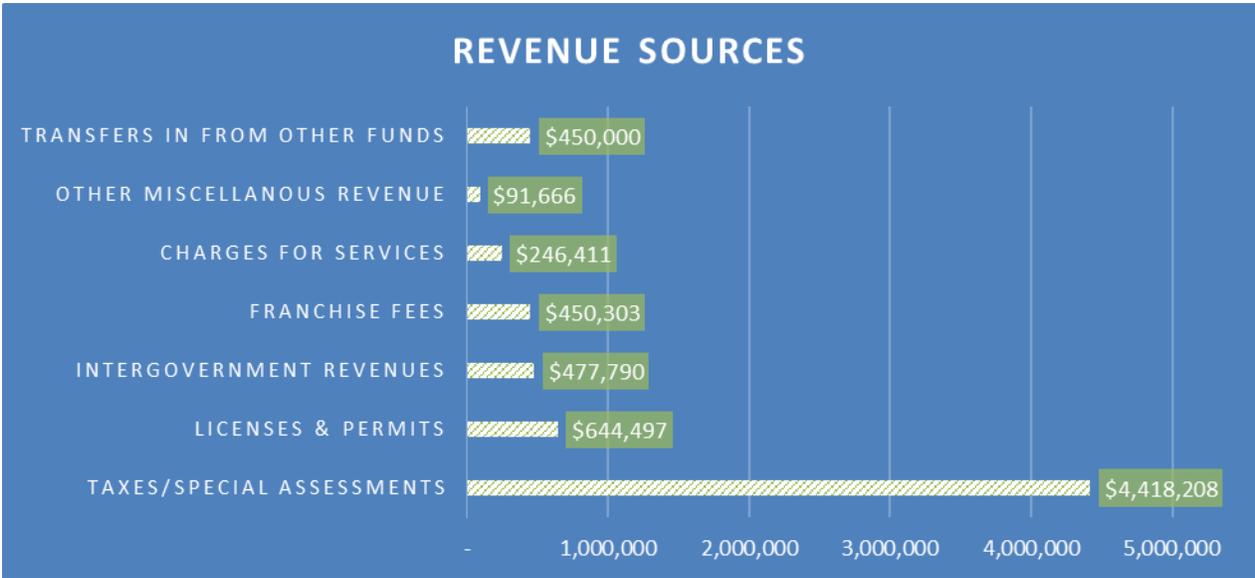
<b>Fund Balance</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024 Budget</b>
Nonspendable	\$ 93,872	\$ 99,339	\$ 101,247	\$ 114,388	\$ 120,107
Restricted	-	-	-	-	-
Assigned	75,325	84,332	65,748	96,668	101,501
Unassigned	3,746,172	3,908,801	3,596,606	4,132,226	4,182,226
<b>Total Fund Balance</b>	<b>\$ 3,915,369</b>	<b>\$ 4,092,472</b>	<b>\$ 3,763,601</b>	<b>\$ 4,343,282</b>	<b>\$ 4,403,835</b>

**Unassigned Fund Balance Policy**  
**Must maintain 42% - 50% of the next year’s expenditure budget**

<b>Fund Balance</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Expenditure Budget for next year	\$ 5,416,062	\$ 5,723,889	\$ 6,295,651	\$ 6,778,875	\$ 7,345,231
Policy Minimum Requirement 42% - 50%	2,708,031	2,861,945	3,147,826	3,389,438	3,672,616
Projected Ending Fund Balance to Expenditures	72.29%	71.50%	59.78%	64.07%	59.96%

**Source of Funds**

The primary source of funding for the General Fund is the property tax. Property taxes represent approximately 65% of total revenues in the General Fund. Services such as public safety, which are the largest expenditure areas in the General Fund, are highly dependent on the property tax for funding. Over half of the total property tax levy the City collects goes toward support of public safety. The following chart provides a break-down of General Fund Revenues.



The sum of all non-property tax revenue totals the remaining 36% of all revenues in the General Fund. Much of the non-property tax revenue comes from charges for services, franchise fees, licenses and permits. The City has historically set charges for services and licenses and permits at a level sufficient to cover the full cost

of services provided. All fees and charges are reviewed annually to ensure they remain at both a reasonable and competitive level. The following provides information on the General Fund revenue sources, including future projections, summarized by major category.

**Property Taxes**

The proposed property tax levy for the General Fund is \$4,542,990, this is an increase of \$424,912 from the 2023 General levy. The reason for this increase is due to market rate adjustment to the City’s pay plan, increase in insurance costs, increase in transfers to other funds for future projects and an increase to operational costs. This is a 10.32% increase over 2023. The property tax budget revenue for the General Fund budget is a net figure adjusted for an estimate of delinquent and uncollectible taxes, which is \$4,415,208.

The City’s average residential values increased by 6% over 2023. Commercial/Industrial average values increased by 2% from 2023. Apartment average values increased by 12%

For planning purposes, future property tax revenues shown in the Five-year Financial Plan are calculated to show the level of tax funding needed to balance the annual budget assuming that the present level of services are provided. In addition, a 3% growth in property value is assumed. The future property tax amounts shown in the Five-year Financial Plan are for projection purposes only to show the demand for additional levy before other decisions are made to determine the final levy by year.

**Licenses & Permits**

Licenses and permit revenue of approximately \$644,497 for the General Fund represents approximately 9% of the General Fund revenues. In the past few years, the City had some large commercial developments as well as a national home builder acquire several parcels for new homes, resulting in higher revenues in licenses and permits. Estimates for 2024 and beyond are based on an average year of only 25-30 new single-family home permits and this line item will be carefully monitored and changes in estimates recommended as needed.

**Charges for Services**

Charges for services revenue of approximately \$246,411 for the General Fund represents approximately 4% of the General Fund revenues. This estimate is approximately \$18,174 lower than the 2023 budget. Streetlights Utility fees will be higher due to the new homes constructed in the past prior two years. Also included in this category is lease revenue for the antenna site rental fees, which are approximately \$50,000 a year, with a projection of approximately 1% a year based on contract. In 2023, one lease expired and was not renewed. In addition, beginning in 2023 the fleet department began maintaining the fire department’s equipment and billed the department for the cost of service. For future planning this is a minimal increase. For 2023, there was a budgeted decrease in lease rental for the space that was currently leased out next to Lake Liquor as the lease was terminated. Moving forward if this space is leased again, this category will be monitored and will reflect the increase in lease revenue.

**Fines & Forfeitures**

Fines and forfeitures revenue of approximately \$47,100 for the General Fund represents less than 1% of the General Fund revenues, the estimate is based on results of recent years. This is below the 2023 budget estimate, due to decrease in court fines and sending past due fines to collections. The revenue category includes mainly court fines from traffic enforcement and is budgeted relatively consistent year over year.

## **Intergovernmental Revenues**

Intergovernmental revenues of \$477,790 for the General fund represents approximately 7% of the General Fund revenues. Revenues received from the State for the Police and Fire retirement contribution, street maintenance, grants and the Big Lake Township contribution towards the City's library. For projection purpose this category is budgeted relatively consistent year over year.

## **Franchise Fees**

Franchise fees revenues of \$450,303 for the General Fund represents 7% of the General Fund revenues. These revenues are used to help offset the cost of providing services to the community. Estimates for 2024 and on take into consideration any new development in housing or commercial business with just a slight increase to show the anticipated slow but steady growth in the City. For Long-Term planning, beginning in 2024 \$270,000 of these funds will be transferred to the Capital Improvement fund for Street Maintenance. In addition, the long-term planning takes into consideration the franchise fees ending in 2029.

## **Transfer in from Other Funds**

The Liquor Store fund transfers funds each year to the General Fund to help offset the cost of providing services to the community. In 2024 the budgeted transfer is \$450,000 and represents 7% of the General Fund revenues. Once again, the City needs to thank the citizens of Big Lake for supporting Lake Liquor, as without the continued growth the City would not be able to budget for the transfer and would have to either eliminate services or increase the levy.

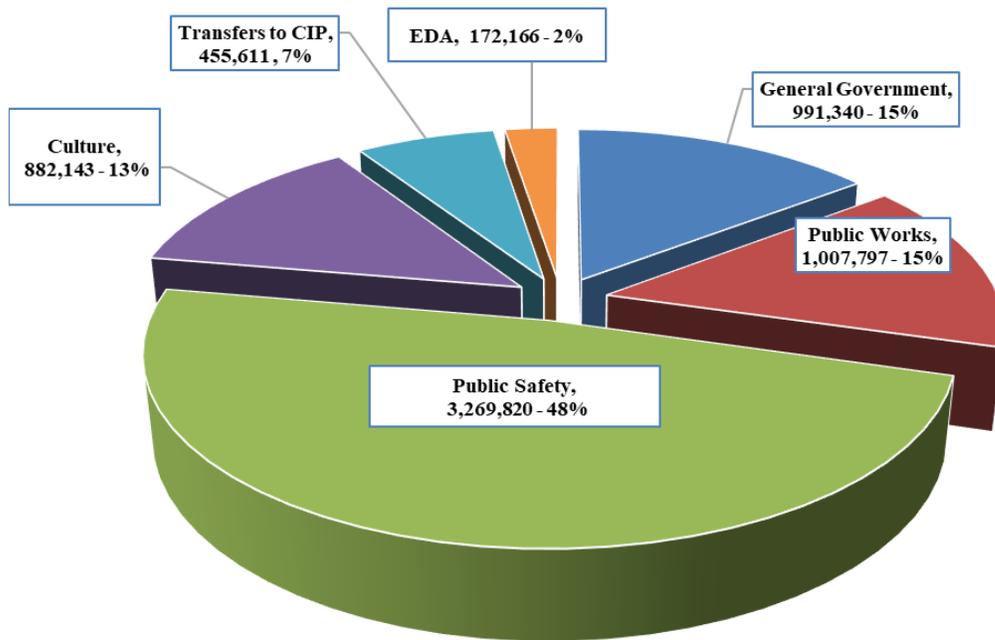
For future projections, the transfer is estimated at approximately \$450,000, however this will have to be monitored each year and estimated adjusted based on the profits of the Liquor Store.

## **Use of Designed Assigned Fund Balance**

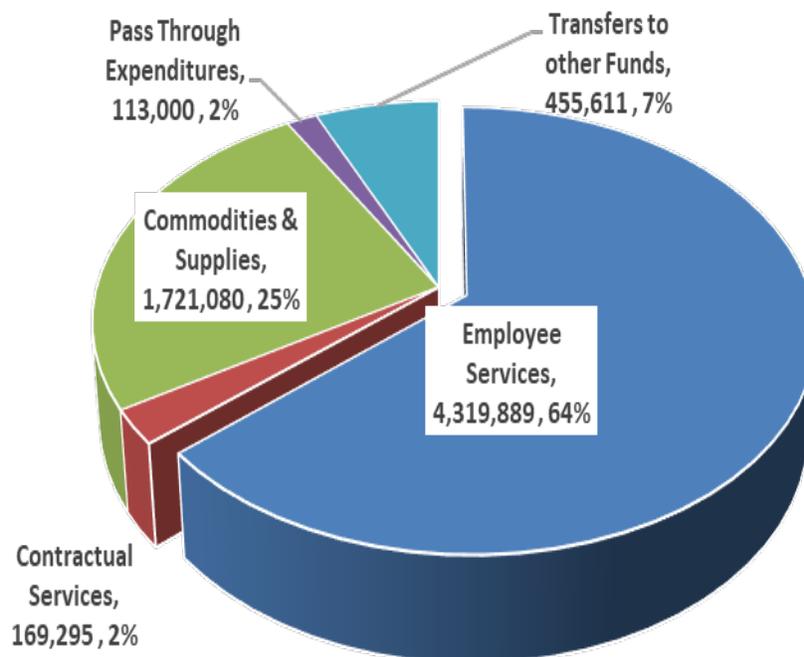
Budget use of assigned fund balance in 2024 is \$3,566 and the final year for this allocation. These funds are prior years donations for the contribution to the reading in the park provided by Early Childhood Family Education (ECFE) program. Each year Council allows staff to allocate remaining donations received and not yet used as an assigned designated fund balance for each department. The department then can budget for the expenditures the next year and use designated fund balance instead of having to increase the tax levy for the services provided. For long-term planning, the council has only committed to \$10,000 in 2024 and \$5,000 in 2025 for this program. Staff will have to bring forward any recommendations for this program and how to fund for 2026 and beyond.

## Use of Funds

Expenditures from the General Fund are for general governmental services such as police, fire, building inspections, street maintenance, engineering, regulatory services, recreation, parks, planning and zoning, finance, and general administration. Public Safety, which consists of police, fire and building division comprise the largest share, 48%, of the total expenditure budget in the General Fund. The following chart provides a break-down by major services areas within the General Fund, excluding transfers.



Use of Funds in the General Fund can also be broken down into the following spending categories for which further explanation and comparison of change from 2023 to 2024 is provided.



## **Employee Services (Personnel Costs)**

Employee services are comprised of wages, health, dental, and life insurance costs, and other benefits such as employer taxes, employer pension contribution, worker's compensation insurance, wellness program and disability insurance. In December, the City Council approved the market increase to the pay-scale for all union and non-union employees at 3% increase. The City Council approved an Advance Resignation Notice program with an annual budget of \$7,500. Workers' compensation insurance had been trending down due to the improvement in overall experience ratings, however due to the current situation in the country, worker compensation rates increased in 2023 substantially for the public safety division, it is projected that the rates increase again in 2024 of approximately 10% and then for future projections around a 10% increase. Health insurance premiums are trending an average of 10% increase. Also added in 2021, per the police union contract, a Master Patrol Officer incentive, which an individual officer meeting a specific criterion would have an additional 2– 4% increase above their current pay scale. Beginning in 2023, the increase for the master patrol program was an additional 3-6% increase above the current pay scale. For planning purposes additional staff was allocated for the police department (2024), streets & parks (2025), engineering (2025) and the water and wastewater division (2025). The 2024 budget as well as the concept budgets were increased due to the state mandated benefits. These mandates include the Sick and Safe Leave Act beginning in 2024 and the Mn Paid Family and Medical Leave Act to begin in 2026. For the 2024 budget the total employee services cost for the general fund only is estimated at an 8.41% increase over 2023. For the City as a whole the increase is 6.87%, this does reflect the decrease in worker compensation and overtime wages due to the additional police staff budgeted for 2024 and the changed in allocation between the enterprise funds and the general fund.

In 2024 the City budgeted an additional \$25,000 for election costs, this includes the pay to the election judges. In 2023 this cost was not budgeted as 2023 is not an election year. For long term planning the City budgeted additional fund each election year, with 2027 increasing to \$27,000 for election pay.

For the Five-year plan, the personnel expenditures are projected at an annual 6.5% increase, except for 2025 which is projected at a 11.79% due to the additional staff recommendations for streets & parks division and the engineering department and then in 2027 an additional staff member is recommended for the streets & parks division, which then has a projection of 8.04% increase.

## **Contractual Services (professional services)**

Legal, auditing, informational technology and other consultants are included in professional contractual services and represents approximately 2% of the total General Fund expenditures budget. The 2024 budget estimates are \$169,295 or 1% increase from the 2023 budget, due to the increase in legal fees and medical exams for new hires in the police department. Future years' professional services expenditures were projected out with a constant inflationary factor.

## **Commodities and Supplies**

Supplies, advertising, utilities, fuel, subscriptions, dues, training, and maintenance on vehicles, equipment or buildings are included in the operations and represents approximately 25% of the total General Fund expenditures budget. Fuel costs have been favorable for the past few years; however, costs have increased since 2022 and the City continues to look for cost saving measures. One measure is by implementing on-site fueling at the Public Works building. The City budgets for fuel based on average prices and the trending usage for department from prior years. Training of City staff is especially important to Council, so the training budget

is consistent year to year, however it does take into consideration any new training that will be needed in the future. Future year operations expenditures were projected out with a constant inflationary factor.

**Transfers**

Major capital expenses for facilities, fleet and other capital items or projects are accounted for in the Infrastructure Improvement/Replacement Capital Fund and the Equipment and Building Replacement Capital Fund. Since 2016, the City has budgeted the Local Government Aid received from the State into these Capital Funds. In addition, the 2024 General Fund expenditure budget is a \$455,611 transfer to the Capital Funds for future projects. Future year transfers also take into consideration transfers from the General Fund to the Capital Funds for future projects based on the City’s Capital Improvement Plan. Again in 2024, there is a \$270,000 transfer of the Franchise fees to the Street Maintenance CIP Fund and the \$100,000 transfer to the Parks and Trail CIP. Then beginning in 2026 the transfer of the decrease in the debt levy will be an additional \$130,000 transfer to the Capital Improvement Funds. The goal is that by 2030 the transfer to the Capital Improvement Funds for Street Maintenance/Improvements or other improvements will be \$700,000 a year. This can change if the need to bond for a new City Hall is realized.

**Debt**

The General Fund does not make any direct debt services payment, but in the past the fund did transfer revenue received from the lease of a portion of the Liquor Store to the Jerky Shoppe to the debt service fund for the bonds used to purchase the liquor store building. In 2022 this debt was called and paid off early, this transfer is no longer budgeted.

**Fund Balance**

It is important for the financial stability of the City to maintain fund balance for unanticipated expenditures or unforeseen emergencies, as well as to provide adequate working capital for current operating needs as to avoid short-term borrowing.

The City will maintain fund balances in the General Fund at a level which will avoid issuing short-term debt to meet the cash flow needs of the current operating budget. The goal of the City is to maintain a minimum total General Fund unassigned fund balance of 42% - 50% of the projected next year’s operating budget per the City’s financial policies. In addition, per the finance policies if at year-end the unassigned fund balance is more than the required level, such excess may be transferred into the Capital Improvement Funds for Infrastructure or Equipment/Building Replacement.

For long-term planning, the City is projecting that the fund balance will maintain a 42% - 50% fund balance of current year expenditures as well as the next concept budget.

# General Fund Five-Year Financial Plan

STATEMENT OF REVENUES AND EXPENDITURES -  
SUMMARY BUDGET - GENERAL FUND  
FIVE-YEAR FINANCIAL PLAN

	Actual		Budget								
	2021	2022	2023	2024	+/- to last year	2025	2026	2027	2028	2029	2030
<b>REVENUE</b>											
Taxes	\$ 3,538,948	\$ 3,585,720	\$ 3,998,934	\$ 4,415,208	\$ 416,274	\$ 4,854,962	\$ 5,309,439	\$ 5,518,130	\$ 5,968,261	\$ 6,684,266	\$ 7,316,698
Special assessments	5,167	5,040	3,000	3,000	-	3,000	3,000	3,000	3,000	3,000	3,000
Licenses and permits	730,551	798,583	567,339	644,497	77,158	735,543	826,588	917,636	1,008,684	1,099,732	1,190,780
Intergovernmental revenues	473,421	506,759	467,790	477,790	10,000	477,961	478,143	478,335	459,935	459,935	459,935
Franchise Fees	444,204	454,572	447,903	450,303	2,400	452,703	455,103	457,503	459,903	-	-
Charges for services	283,444	307,555	264,585	246,411	(18,174)	251,378	253,919	256,414	258,983	261,508	264,107
Fines and forfeitures	47,332	33,032	62,100	47,100	(15,000)	49,250	51,250	53,250	55,250	57,250	59,250
Interest earnings	(138,686)	(576,434)	17,000	37,000	20,000	37,000	37,000	37,000	37,000	37,000	37,000
Contributions/Donations	16,103	37,555	4,500	1,500	(3,000)	1,500	1,500	1,500	1,500	1,500	1,500
Miscellaneous revenue	19,740	37,134	2,500	2,500	-	2,500	2,500	2,500	2,500	2,500	2,500
Transfer In from Other Funds	450,000	506,842	450,000	450,000	-	450,000	450,000	450,000	450,000	450,000	450,000
<b>Total Current year revenues</b>	<b>5,870,224</b>	<b>5,696,358</b>	<b>6,285,651</b>	<b>6,775,309</b>	<b>489,658</b>	<b>7,315,797</b>	<b>7,868,441</b>	<b>8,175,268</b>	<b>8,705,016</b>	<b>9,056,691</b>	<b>9,784,770</b>
Prior year Donations - Designed Fund Balance	7,906	8,920	10,000	3,566	(6,434)	-	-	-	-	-	-
<b>TOTAL GENERAL FUND REVENUES BUDGET</b>	<b>\$ 5,878,130</b>	<b>\$ 5,705,278</b>	<b>\$ 6,295,651</b>	<b>\$ 6,778,875</b>	<b>\$ 483,224</b>	<b>\$ 7,315,797</b>	<b>\$ 7,868,441</b>	<b>\$ 8,175,268</b>	<b>\$ 8,705,016</b>	<b>\$ 9,056,691</b>	<b>\$ 9,784,770</b>
<b>EXPENDITURES</b>											
Mayor/Council	\$ 31,867	\$ 38,180	\$ 32,956	\$ 33,426	\$ 470	\$ 33,463	\$ 33,498	\$ 33,536	\$ 33,574	\$ 33,614	\$ 33,655
Planning and Zoning	167,432	180,783	207,068	223,568	16,500	236,591	249,259	262,685	276,915	291,998	307,984
Elections	9,048	17,238	2,000	36,100	34,100	2,000	34,100	2,000	39,100	2,000	35,100
Administration and Finance	559,701	592,785	573,857	558,845	(15,012)	583,558	609,456	636,934	666,096	697,054	729,929
IT - Computer/Software/Maintenance	90,881	95,715	125,225	139,399	14,174	151,269	157,260	149,572	162,623	160,837	155,478
BLCSC	64,962	57,382	67,407	72,966	5,559	75,753	78,732	81,916	85,321	88,964	92,864
EDA	97,040	59,881	164,375	172,166	7,791	182,196	191,967	202,324	213,303	224,941	237,278
Building Inspection	224,328	255,590	237,418	238,921	1,503	258,941	271,829	285,476	299,927	315,231	331,438
Engineering	86,329	89,521	104,564	110,854	6,290	144,920	152,420	160,368	168,790	177,715	187,172
Streets	498,131	556,744	626,889	680,547	53,658	771,820	819,655	923,538	982,518	1,046,218	1,115,044
Fleet Maintenance	123,619	167,523	189,154	216,396	27,242	226,492	236,712	247,524	258,961	271,061	283,864
Parks	514,999	585,688	615,865	688,855	72,990	777,593	813,995	904,932	949,281	996,472	1,046,698
Police	2,093,778	2,241,775	2,460,670	2,693,421	232,751	2,950,611	3,120,411	3,300,910	3,492,807	3,696,852	3,913,847
Fire	309,717	324,918	325,120	337,478	12,358	342,011	345,895	351,540	356,022	361,200	366,724
Community - Recreation	94,343	103,650	114,472	120,322	5,850	120,969	121,641	127,654	134,027	140,784	147,945
Transfers out	726,938	657,872	448,611	455,611	7,000	457,611	631,611	504,361	585,750	551,750	799,750
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 5,693,113</b>	<b>\$ 6,025,245</b>	<b>\$ 6,295,651</b>	<b>\$ 6,778,875</b>	<b>\$ 483,224</b>	<b>\$ 7,315,797</b>	<b>\$ 7,868,442</b>	<b>\$ 8,175,268</b>	<b>\$ 8,705,016</b>	<b>\$ 9,056,691</b>	<b>\$ 9,784,770</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ 185,017</b>	<b>\$ (319,967)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Unassigned Fund Balance - Projected	\$ 3,933,409	\$ 3,596,606	\$ 4,296,606	\$ 4,296,605		\$ 4,296,606	\$ 4,296,606	\$ 4,296,606	\$ 4,296,606	\$ 4,296,606	\$ 4,296,606
Percentage of Expenditures:											
Unassigned Fund Balance must remain 42% - 50%	65.28%	57.13%	63.38%	58.73%		58.73%	54.61%	52.56%	49.36%	47.44%	43.91%

# General Fund Five-Year Financial Plan Expenditure Budget

## Summary by Category

Category:	2023-2024											
	2022 Actual	2022 Adopted Budget	2023 Adopted Budget	2024 Final Budget	\$ Change	% Change	2025 Concept Budget	2026 Concept Budget	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
Employee Services (Personnel)	\$ 3,536,959	\$ 3,614,120	\$ 3,961,635	\$ 4,294,889	\$ 333,254	8.41%	\$ 4,801,267	\$ 5,088,025	\$ 5,497,078	\$ 5,826,999	\$ 6,177,526	\$ 6,549,977
Elections	10,998	21,000	-	25,000	25,000	100.00%	-	25,000	-	27,000	-	25,000
Contractual (professional Services)	206,283	159,442	167,650	169,295	1,645	0.98%	171,482	173,727	176,031	178,398	180,827	183,322
Commodities & Supplies	1,479,754	1,508,106	1,595,755	1,712,080	116,325	7.29%	1,763,437	1,828,079	1,875,798	1,964,869	2,024,587	2,104,722
Marketing	550	8,000	8,000	8,000	-	0.00%	8,000	8,000	8,000	8,000	8,000	8,000
Animal Control	1,974	1,000	1,000	1,000	-	0.00%	1,000	1,000	1,000	1,000	1,000	1,000
Pass Through Expenditures	130,855	96,000	113,000	113,000	-	0.00%	113,000	113,000	113,000	113,000	113,000	113,000
Transfers to other Funds	657,872	316,221	448,611	455,611	7,000	1.56%	457,611	631,611	504,361	585,750	551,750	799,750
<b>Total - Budget</b>	<b>\$6,025,245</b>	<b>\$5,723,889</b>	<b>\$6,295,651</b>	<b>\$6,778,875</b>	<b>\$ 483,224</b>	<b>7.68%</b>	<b>\$7,315,797</b>	<b>\$7,868,442</b>	<b>\$8,175,268</b>	<b>\$8,705,016</b>	<b>\$9,056,691</b>	<b>\$ 9,784,770</b>
% of budget	2022	2022	2023	2024			2025	2026	2027	2028	2029	2030
Personnel	58.70%	63.14%	62.93%	63.36%			65.63%	64.66%	67.24%	66.94%	68.21%	66.94%
Personnel - Elections	0.18%	0.37%	0.00%	0.37%			0.00%	0.32%	0.00%	0.31%	0.00%	0.26%
Professional Services	3.42%	2.79%	2.66%	2.50%			2.34%	2.21%	2.15%	2.05%	2.00%	1.87%
Operations	24.56%	26.35%	25.35%	25.26%			24.10%	23.23%	22.94%	22.57%	22.35%	21.51%
Marketing	0.01%	0.14%	0.13%	0.12%			0.11%	0.10%	0.10%	0.09%	0.09%	0.08%
Animal Control	0.03%	0.02%	0.02%	0.01%			0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Pass Through Expenditures	2.17%	1.68%	1.79%	1.67%			1.54%	1.44%	1.38%	1.30%	1.25%	1.15%
Interfund/Lease payment	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Transfers to other Funds	10.92%	5.52%	7.13%	6.72%			6.26%	8.03%	6.17%	6.73%	6.09%	8.17%
	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## Summary by Service

Service	2023-2024										
	2022 Actual	2023 Adopted Budget	2024 Adopted Budget	\$ Change	% Change	2025 Concept Budget	2026 Concept Budget	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
<b>General Government</b>											
Mayor/Council	\$ 38,180	\$ 32,956	\$ 33,426	470	1.43%	\$ 33,463	\$ 33,498	\$ 33,536	\$ 33,574	\$ 33,614	\$ 33,655
Planning	180,783	207,068	223,568	16,500	7.97%	236,591	249,259	262,685	276,915	291,998	307,984
Elections	17,238	4,000	36,100	32,100	802.50%	8,000	34,100	8,000	39,100	8,000	35,100
Administration/Finance	1,102,625	868,857	853,845	(15,012)	-1.73%	878,558	1,084,456	1,061,934	1,191,096	1,122,054	1,454,929
IT - Computer/Software/Maintenance	106,382	135,225	158,399	23,174	17.14%	161,269	167,260	159,572	172,623	170,837	174,478
<b>Total General Government</b>	<b>1,445,208</b>	<b>1,248,106</b>	<b>1,305,338</b>	<b>57,232</b>	<b>4.59%</b>	<b>1,317,880</b>	<b>1,568,573</b>	<b>1,525,726</b>	<b>1,713,309</b>	<b>1,626,504</b>	<b>2,006,147</b>
<b>Public Safety</b>											
Police	2,308,214	2,473,281	2,706,032	232,751	9.41%	2,963,222	3,133,022	3,313,521	3,492,807	3,756,852	3,913,847
Fire	324,918	325,120	337,478	12,358	3.80%	342,011	345,895	351,540	356,022	361,200	366,724
Building	255,590	237,418	238,921	1,503	0.63%	258,941	271,829	285,476	299,927	315,231	331,438
<b>Total Public Safety</b>	<b>2,888,722</b>	<b>3,035,819</b>	<b>3,282,431</b>	<b>246,612</b>	<b>8.12%</b>	<b>3,564,174</b>	<b>3,750,746</b>	<b>3,950,537</b>	<b>4,148,756</b>	<b>4,433,282</b>	<b>4,612,009</b>
<b>Streets &amp; Highways</b>											
Engineering	89,521	104,564	110,854	6,290	6.02%	144,920	152,420	160,368	168,790	177,715	187,172
Fleet Maintenance	167,523	189,154	216,396	27,242	14.40%	226,492	236,712	247,524	258,961	271,061	283,864
Streets	591,921	631,890	685,547	53,657	8.49%	776,820	824,655	928,538	987,518	1,051,218	1,120,044
<b>Total Streets &amp; Highways</b>	<b>848,965</b>	<b>925,608</b>	<b>1,012,797</b>	<b>87,189</b>	<b>9.42%</b>	<b>1,148,232</b>	<b>1,213,788</b>	<b>1,336,429</b>	<b>1,415,269</b>	<b>1,499,994</b>	<b>1,591,080</b>
<b>Culture &amp; Recreation</b>											
Parks	621,438	734,865	807,855	72,990	9.93%	896,593	932,995	940,682	985,031	1,032,222	1,082,448
BLCS	57,382	67,407	72,966	5,559	8.25%	75,753	78,732	81,916	85,321	88,964	92,864
Community - Recreation (other)	103,650	119,472	125,322	5,850	4.90%	130,969	131,641	137,654	144,027	150,784	162,945
<b>Total Culture &amp; Recreation</b>	<b>782,470</b>	<b>921,744</b>	<b>1,006,143</b>	<b>84,399</b>	<b>9.16%</b>	<b>1,103,315</b>	<b>1,143,367</b>	<b>1,160,251</b>	<b>1,214,379</b>	<b>1,271,970</b>	<b>1,338,257</b>
<b>Economic Development</b>											
	59,881	164,375	172,166	7,791	4.74%	182,196	191,967	202,324	213,303	224,941	237,278
<b>Total General Fund Expenditures</b>	<b>\$6,025,245</b>	<b>\$6,295,651</b>	<b>\$ 6,778,875</b>	<b>483,224</b>	<b>7.68%</b>	<b>\$ 7,315,797</b>	<b>\$7,868,442</b>	<b>\$8,175,268</b>	<b>\$8,705,016</b>	<b>\$9,056,691</b>	<b>\$9,784,770</b>

\*\*election year

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\*\*election year

# Special Revenue Funds Long Term Planning

The Special Revenue Funds are governmental funds to account for services and expenditures where revenue is restricted for a designated purpose. The City maintains eight Special Revenue Funds, however only three are budgeted funds using the modified accrual basis. All funds however do use the modified accrual basis for the financial statements.

Following are the Special Revenue Funds that are budgeted.

- **EDA Fund** – is the general fund for the Big Lake Economic Development Authority (EDA). The main revenue is the EDA tax levy for the purpose of funding development needs
- **Farmers Market Fund** – is the general fund for the Big Lake Farmers Market. The main revenue is donations and vendor licenses
- **Music in the Park Fund** – is the general fund for the Music in the Park community event. The main revenue source is donations
- **American Rescue Plan Act Fund** – is the general fund for the federal funding received pertaining to COVID 19 pandemic. The only revenue source is a federal grant and the funds will be used for replacement of water meters beginning in 2022 and completed by 2024 as dictated by federal guidelines

## EDA Fund Financial Plan

The Big Lake Economic Development Authority (EDA) Fund was created by the City Council in 1990. The EDA Fund accounts for the general activities of the EDA. The City Council appoints the seven members to serve as Board Commissioners, two of which are members of the City Council. The remaining five members are members of the community.

Under Minnesota Statutes Chapter 469-Economic Development, cities may establish an EDA, including approval for the EDA to serve as a Housing and Redevelopment Authority (HRA). The maximum general operational levy of HRAs allowed under State law is 0.185% of the taxable market value. The authorizing Statute permits the EDA to levy and collect a special benefit levy.

State law provides that expenditures maybe made from the EDA Fund based on the following criteria: 1) the EDA appropriates the funds as part of the annual budget, and/or 2) the EDA authorizes any amendment to the EDA budget outside of the annual appropriation process.

## Source of Funds

The principal sources of revenue for this fund have been property tax levy and interest earned on cash balances in the funds. Property tax revenues are under the maximum allowable under the special levy law.

The finance plan shows the levy to remain the same for 2024 as it was for 2023 at \$130,000. In 2019, the levy was increased by \$80,000, this increase is used to fund 50% of the Community Development Directors wage, as this position is also the Executive Director of the Big Lake Economic Development Authority. Prior to 2019 all wages of the Community Development Director were funded out of the General Fund. Beginning in 2023, the allocation for the Executive Director position was changed to 25% allocated to the Big Lake Economic Development authority and 75% to the General Fund. This allocation was more in line with the time spent by the Community Director on this position. The long-term plan for this fund maintains the EDA special levy at

\$130,000, until 2026 at which time it will increase an additional \$30,000 to \$160,000. With this levy the fund will slowly begin to build up the fund balance to fund future economic developments. Without tax support from the special EDA levy, there is no other identified funding source to sustain this activity.

In 2022, the Council approved a transfer to BLEDA in the amount of \$600,00 from the Capital Improvement unallocated funds, to be used to establish a redevelopment and property acquisition fund. This fund will be used to help promote development within the City. BLEDA did purchase the building attached to City Hall, in this building there currently is a tenant. In the 2024 budget the lease revenue is budgeted as well as the expenditures associated with this tenant.

**Use of Funds**

According to State Statute, the proceeds from the EDA levy can be used for one or both of the following purposes: 1) for projects to remedy the shortage of housing for low and moderate-income residents, and/or 2) for public redevelopment costs in situations where private enterprise would not act without government participation. The City has used the EDA Funds for redevelopment purposes.

The 2024 budget includes use of funds for the annual transfer of \$50,000 to the Industrial Park Expansion Land Purchase fund for a payment of debt. The City began in 2020 to make the annual transfer to the Industrial Park Expansion Land Purchase fund to pay for special assessment pertaining to a redevelopment project infrastructure. Other uses of the funds for 2024 include the staff position allocation, related marketing, and department operating expenses.

**Fund Balance**

The City will maintain fund balances in the Special Revenue Funds at a level which will avoid issuing short-term debt to meet the cash flow needs of the current operating budget. The Plan maintains a fund balance within the EDA Fund to meet both anticipated and unanticipated future economic development needs. The City will annually evaluate the level of fund balance for its appropriateness.



# Summary Budget

## City of Big Lake Economic Development Fund 275

### Revenue Budget

LEVY AMOUNT	\$	130,000	Levy		2023-2024		Levy	Levy	Levy	Levy	Levy	Levy	
			\$130K	\$130K	\$130K	\$160K	\$210K	\$210K	\$250K	\$250K			
Account Number	Description	2021 Actual	2022 Actual	2023 Final Budget	2024 Adopted Budget	\$ Change	% Change	2025 Concept Budget	2026 Concept Budget	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
275-000-3101	RE & PP Taxes-Current	\$ 129,367	\$ 129,098	\$ 128,700	\$ 128,700	\$ -		\$ 128,700	\$ 158,400	\$ 207,900	\$ 207,900	\$ 247,500	\$ 247,500
275-000-3102	RE & PP Taxes-Delinquent	2,116	868	400	400	-		400	400	400	400	400	400
275-000-3155	Transfer In Revenue	100,000	600,000	-	-	-		-	-	-	-	-	-
275-000-3940	Lease/Rental/CAM	-	-	-	21,165	21,165	100.0%	21,830	22,517	23,225	23,225	23,225	23,225
275-000-3991	Leases Interest Revenue	-	-	-	2,636	2,636	100.0%	1,970	1,283	575	575	575	575
275-000-3999	Interest Earned	867	6,154	800	2,500	1,700	212.50%	2,500	2,500	2,500	2,500	2,500	2,500
<b>Total Revenues</b>		<b>\$ 232,350</b>	<b>\$ 736,120</b>	<b>\$ 129,900</b>	<b>\$ 155,401</b>	<b>\$ 25,501</b>	<b>19.63%</b>	<b>\$ 155,400</b>	<b>\$ 185,100</b>	<b>\$ 234,600</b>	<b>\$ 234,600</b>	<b>\$ 274,200</b>	<b>\$ 274,200</b>
<b>Projected Cash Flow Change</b>		<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>			<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning Cash Balance		\$ 78,397	\$ 166,004	\$ 813,193	\$ 349,026			\$ 320,385	\$ 288,809	\$ 284,258	\$ 326,373	\$ 365,482	\$ 441,006
Projected Excess Revenue		87,607	647,189	(464,167)	(28,641)			(31,576)	(4,550)	42,115	39,109	75,523	72,146
Interfund Loan Principal Payment		-	-	-	-			-	-	-	-	-	-
<b>Projected Ending Cash</b>		<b>\$ 166,004</b>	<b>\$ 813,193</b>	<b>\$ 349,026</b>	<b>\$ 320,385</b>			<b>\$ 288,809</b>	<b>\$ 284,258</b>	<b>\$ 326,373</b>	<b>\$ 365,482</b>	<b>\$ 441,006</b>	<b>\$ 513,152</b>

### Expenditure Budget

Account Number	Description	2021 Actual	2022 Actual	2023 Final Budget	2024 Adopted Budget	2023-2024		0.35%	0.36%	0.37%	0.38%	0.39%	0.41%
						\$ Change	% Change	2025 Concept Budget	2026 Concept Budget	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
275-000-00-05-4002	Wages	\$ 55,786	\$ 26,305	\$ 31,140	\$ 32,190	\$ 1,050	3.37%	\$ 34,121	\$ 36,169	\$ 38,339	\$ 40,639	\$ 43,077	\$ 45,662
275-000-00-05-4008	Insurance Benefits (er)	3,622	2,002	4,224	4,644	420	9.94%	4,923	5,218	5,531	5,863	6,215	6,588
275-000-00-05-4009	HSA Accounts	750	219	-	-	-		750	750	750	750	750	750
275-000-00-05-4010	F.I.C.A./Medicare (er)	4,267	1,988	2,385	2,463	78	3.27%	2,610	2,767	2,933	3,109	3,295	3,493
275-000-00-05-4012	P.E.R.A. (er)	4,184	1,961	2,337	2,415	78	3.34%	2,730	2,893	3,067	3,251	3,446	3,653
275-000-00-05-4021	PFMLA	-	-	-	113	113	100.0%	119	130	142	155	170	185
275-000-00-20-4140	Audit	546	501	500	600	100	20.00%	600	600	600	600	600	600
275-000-00-20-4150	Engineering	-	-	500	500	-		500	500	500	500	500	500
275-000-00-20-4170	Legal	713	931	2,000	5,000	3,000	150.00%	5,000	5,000	5,000	5,000	5,000	5,000
275-000-00-20-4180	Other Consultants	1,000	5,218	2,000	5,000	3,000	150.00%	5,000	5,000	5,000	5,000	5,000	5,000
275-000-00-25-4120	Real Estate Taxes	-	-	-	7,752	7,752	100.0%	7,758	7,758	7,758	7,758	7,758	7,758
275-000-00-25-4134	Website	250	250	250	250	-		250	250	250	250	250	250
275-000-00-25-4209	Recording Fees	-	-	150	150	-		150	150	150	150	150	150
275-000-00-25-4212	Other Operations Expenses	-	297	50	50	-		50	50	50	50	50	50
275-000-00-25-4220	Advertising	224	1,815	1,100	500	(600)	-54.55%	500	500	500	500	500	500
275-000-00-25-4225	Sanitation/Garbage Removal	-	-	-	6,000	6,000	100.0%	6,000	6,000	6,000	6,000	6,000	6,000
275-000-00-25-4235	Postage	385	-	25	25	-		25	25	25	25	25	25
275-000-00-25-4238	Training - Edam Conference	340	660	1,000	1,000	-		1,000	1,000	1,000	1,000	1,000	1,000
275-000-00-25-4240	Travel/Mileage	-	16	-	150	150	100.0%	150	150	150	150	150	150
275-000-00-25-4243	Meals	-	13	-	100	100	100.0%	100	100	100	100	100	100
275-000-00-25-4257	Contractors Hired	-	-	500	500	-		500	500	500	500	500	500
275-000-00-25-4260	Subscriptions / Dues	717	-	-	-	-		-	-	-	-	-	-
275-000-00-25-4375	Snow Removal (lots owned)	-	-	500	500	-		-	-	-	-	-	-
275-000-00-25-4395	Signs/Banners	-	-	-	-	-		-	-	-	-	-	-
275-000-00-25-4540	Repair/Maintenance Building - held	-	-	-	2,500	2,500	100.0%	2,500	2,500	2,500	2,500	2,500	2,500
275-000-00-25-4570	Electricity	-	-	-	6,000	6,000	100.0%	6,000	6,000	6,000	6,000	6,000	6,000
275-000-00-25-4580	Natural Gas	-	-	-	3,240	3,240	100.0%	3,240	3,240	3,240	3,240	3,240	3,240
275-000-00-25-4590	Water/Sewer Utilities	-	393	-	2,400	2,400	100.0%	2,400	2,400	2,400	2,400	2,400	2,400
275-000-00-26-4222	Marketing - Communications	-	-	50,000	50,000	-		50,000	50,000	50,000	50,000	50,000	50,000
275-000-00-71-4612	Transfer to FUND 141 - Specials	46,362	46,362	45,406	50,000	4,594	10.12%	50,000	50,000	50,000	50,000	50,000	50,000
275-000-00-85-4625	Interfund Loan Interest	627	-	-	-	-		-	-	-	-	-	-
<b>Total Expenditures</b>		<b>\$ 144,743</b>	<b>\$ 88,931</b>	<b>\$ 144,067</b>	<b>\$ 184,042</b>	<b>\$ 39,975</b>	<b>27.75%</b>	<b>\$ 186,976</b>	<b>\$ 189,650</b>	<b>\$ 192,485</b>	<b>\$ 195,491</b>	<b>\$ 198,677</b>	<b>\$ 202,054</b>
Excess Revenues/(deficit)		87,607	647,189	(14,167)	(28,641)	-		(31,576)	(4,550)	42,115	39,109	75,523	72,146
<b>CASH FLOW PURPOSE ONLY FOR BLEDA</b>													
275-2070	Interfund Loan Principal (IFL)	20,884	20,884	-	-	-		-	-	-	-	-	-
<b>Total Expenditures &amp; IFL</b>		<b>\$ 165,627</b>	<b>\$ 109,815</b>	<b>\$ 144,067</b>	<b>\$ 184,042</b>			<b>\$ 186,976</b>	<b>\$ 189,650</b>	<b>\$ 192,485</b>	<b>\$ 195,491</b>	<b>\$ 198,677</b>	<b>\$ 202,054</b>

**Farmers Market Fund Financial Plan**

This fund is used for all transactions pertaining to the Farmer’s Market that is held May through September on every Wednesday as well as the winter market that is held once a month from November until April. As of 2018 the newly created position of recreational coordinator is responsible for the farmer’s market. In 2017, the City implemented the EBT/Debit/Credit Card capability for purchases at the market, as well as the Power of Produce program. In 2019, music was added to the Farmers Market, and the market continues to see growth. The long-term plan indicates that the market should sustain itself, as long as increase in donations and sponsorships are realized. However, staff should continue to look for grants to support this program.

**Mission Statement**

To support farmers, crafters, and musicians while providing healthy food access and a place to spend time with family and neighbors while enjoying Big Lake’s beautiful Lakeside Park.

**Source of Funds**

The principal source of revenues for this fund is donations from organizations and vendor licenses. The finance plans show a constant level of donations and vendor licenses, without these sources of revenue there is no other identified funding source to sustain this activity.

**Use of Funds**

The expenditures related to this fund pertain to the staff position to coordinate the market, music, and other entertainment during the market as well as operating supplies needed for the market.



Summary Budget

**City of Big Lake  
FARMERS MARKET FUND  
FUND 280**

**REVENUES**

Account Number	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Actual	Actual	Final Budget	Adopted Budget	Concept Budget					
280-000-3160	Inter-govt Revenue	\$ 1,857	\$ 580	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
280-000-3200	Vendor Licenses	3,340	3,210	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
280-000-3203	Vendor Licenses - Winter	790	670	200	200	200	200	200	200	200	200
280-000-3230	Donations from Organization	16,350	9,350	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
280-000-3357	Farmers Market Bages	39	24	10	10	10	10	10	10	10	10
280-000-3999	Interest Earned	167	315	100	100	100	100	100	100	100	100
280-000-4200	Other Grant Proceeds	437	1,201	200	200	200	200	200	200	200	200
280-000-4204	Other Grant Proceeds - Private	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total Revenues</b>		<b>\$ 23,980</b>	<b>\$ 16,350</b>	<b>\$ 14,010</b>							

**EXPENDITURES**

Account Number	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Actual	Actual	Final Budget	Adopted Budget	Concept Budget					
280-000-00-05-4002	Wages	\$ 8,987	\$ 3,519	\$ 3,476	\$ 3,701	\$ 3,923	\$ 4,158	\$ 4,408	\$ 4,672	\$ 4,953	\$ 5,250
280-000-00-05-4008	Insurance Benefits (er)	784	327	287	312	343	378	415	457	502	553
280-000-00-05-4009	HSA Accounts	223	81	75	75	75	75	75	75	75	75
280-000-00-05-4010	F.I.C.A./Medicare (er)	687	269	268	283	300	318	337	357	379	402
280-000-00-05-4012	P.E.R.A. (er)	674	264	261	278	314	333	353	374	396	420
280-000-00-05-4021	PFMLA	-	-	-	13	14	15	15	16	17	18
280-000-00-05-4016	W/C Insurance	38	20	20	20	21	22	23	24	26	27
280-000-00-25-4110	Bank Charges	444	533	500	500	500	500	500	500	500	500
280-000-00-25-4210	Operating Supplies	567	25	150	150	150	150	150	150	150	150
280-000-00-25-4212	Other Operations Expenses	4,055	4,281	3,000	4,300	4,300	4,300	4,300	4,300	4,300	4,300
280-000-00-25-4220	Advertising	719	468	650	650	650	650	650	650	650	650
280-000-00-25-4238	Training/Schools	20	-	125	50	50	50	50	50	50	50
280-000-00-25-4257	Contractors Hired	3,170	4,150	3,500	4,300	4,300	4,300	4,300	4,300	4,300	4,300
280-000-00-25-4260	Subscriptions/Dues	670	670	670	670	670	670	670	670	670	670
<b>Total Expenditures</b>		<b>\$ 21,038</b>	<b>\$ 15,528</b>	<b>\$ 12,982</b>	<b>\$ 15,302</b>	<b>\$ 15,610</b>	<b>\$ 15,918</b>	<b>\$ 16,247</b>	<b>\$ 16,596</b>	<b>\$ 16,968</b>	<b>\$ 17,365</b>

**EXCESS REVENUES OVER EXPENDITURES**    \$ 2,942    \$ 822    \$ 1,028    \$ (1,292)    \$ (1,600)    \$ (1,908)    \$ (2,237)    \$ (2,586)    \$ (2,958)    \$ (3,355)

Projected Cash Flow Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Cash Balance	\$ 15,893	\$ 18,835	\$ 19,657	\$ 20,685	\$ 19,393	\$ 17,793	\$ 15,884	\$ 13,648	\$ 11,061	\$ 8,103
Projected Excess Revenue	2,942	822	1,028	(1,292)	(1,600)	(1,908)	(2,237)	(2,586)	(2,958)	(3,355)
<b>Projected Ending Cash</b>	<b>\$ 18,835</b>	<b>\$ 19,657</b>	<b>\$ 20,685</b>	<b>\$ 19,393</b>	<b>\$ 17,793</b>	<b>\$ 15,884</b>	<b>\$ 13,648</b>	<b>\$ 11,061</b>	<b>\$ 8,103</b>	<b>\$ 4,749</b>

## Music in the Park Fund Financial Plan

This fund is used for all transactions pertaining to the Music in the Park that is held on Thursdays during the summer. The Legacy Foundation of Big Lake created the community’s beloved Music in the Park series in 2013 and each year it has continued to bring this free, family-friendly event to the Big Lake area. After eight years of coordinating and hosting this successful series, the Legacy Foundation of Big Lake has decided to disband, bringing forward the opportunity for the City to coordinate Music in the Park in 2021 and future years. The recreational coordinator is responsible for Music in the Park. The long-term plan indicates that the event should sustain itself, as long as donations and sponsorships are realized. However, staff will need to research grants to sustain this program or council will have to approve an additional increase from the general fund beginning in 2025.

### Mission Statement

To create a remarkable musical event, while providing food access and a place to spend time with family and neighbors while enjoying Big Lake’s beautiful Lakeside Park.

### Source of Funds

The principal source of revenues for this fund is donations from organizations. The finance plans show a constant level of donations, and a transfer from the general fund of \$5,000. Without this source of revenue there is no other identified funding source to sustain this activity.

### Use of Funds

The expenditures related to this fund pertain to the staff position to coordinate the event, and other entertainment during the event as well as operating supplies needed for the event.



## Summary Budget

### City of Big Lake MUSIC IN PARK - NEW 2021 FUND 282

#### REVENUES

Account Number	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Actual	Actual	Final Budget	Adopted Budget	Concept Budget					
282-000-3155	Transfer In Revenue - Admin	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000
282-000-3230	Donations from Organization	23,688	28,500	25,000	26,500	26,500	26,500	26,500	26,500	26,500	26,500
282-000-3999	Interest Earned	98	272	100	100	100	100	100	100	100	100
<b>Total Revenues</b>		<b>\$ 28,786</b>	<b>\$ 28,772</b>	<b>\$ 30,100</b>	<b>\$ 31,600</b>	<b>\$ 36,600</b>	<b>\$ 41,600</b>				

#### EXPENDITURES

Account Number	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		Actual	Actual	Final Budget	Adopted Budget	Concept Budget					
282-000-00-05-4002	Wages	\$ -	\$ 3,213	\$ 3,476	\$ 3,701	\$ 3,923	\$ 4,158	\$ 4,408	\$ 4,672	\$ 4,953	\$ 5,250
282-000-00-05-4008	Insurance Benefits (er)	-	258	287	312	343	378	415	457	502	553
282-000-00-05-4009	HSA Accounts	-	72	72	75	75	75	75	75	75	75
282-000-00-05-4010	F.I.C.A./Medicare (er)	-	245	268	283	300	318	337	357	379	402
282-000-00-05-4012	P.E.R.A. (er)	-	241	262	278	314	333	353	374	396	420
282-000-00-05-4021	PFMLA	-	-	-	13	14	15	15	16	17	18
282-000-00-05-4016	W/C Insurance	-	20	20	20	21	22	23	24	26	27
282-000-00-20-4170	Legal	-	66	100	100	100	100	100	100	100	100
282-000-00-25-4210	Operating Supplies	-	-	500	-	-	-	-	-	-	-
282-000-00-25-4212	Other Operations Expenses	100	494	1,000	500	500	500	500	500	500	500
282-000-00-25-4220	Advertising	404	262	500	300	300	300	300	300	300	300
282-000-00-25-4255	Rent/Lease	5,000	5,225	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
282-000-00-25-4257	Contractors Hired	4,000	23,575	20,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
282-000-00-25-4257	Contractors Hired - Mosquito Sp	-	-	-	1,290	1,290	1,290	1,290	1,290	1,290	1,290
282-000-00-25-4413	Equipment/Accessories	-	417	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>		<b>\$ 9,504</b>	<b>\$ 34,088</b>	<b>\$ 32,485</b>	<b>\$ 36,872</b>	<b>\$ 37,180</b>	<b>\$ 37,488</b>	<b>\$ 37,817</b>	<b>\$ 38,166</b>	<b>\$ 38,538</b>	<b>\$ 38,935</b>

**EXCESS REVENUES OVER EXPENDITURES**    \$ 19,282    \$ (5,316)    \$ (2,385)    \$ (5,272)    \$ (580)    \$ (888)    \$ (1,217)    \$ (1,566)    \$ (1,938)    \$ 2,665

Projected Cash Flow Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Cash Balance	\$ -	\$ 19,282	\$ 13,966	\$ 11,581	\$ 6,309	\$ 5,729	\$ 4,841	\$ 3,624	\$ 2,058	\$ 119
Projected Excess Revenue	19,282	(5,316)	(2,385)	(5,272)	(580)	(888)	(1,217)	(1,566)	(1,938)	2,665
<b>Projected Ending Cash</b>	<b>\$ 19,282</b>	<b>\$ 13,966</b>	<b>\$ 11,581</b>	<b>\$ 6,309</b>	<b>\$ 5,729</b>	<b>\$ 4,841</b>	<b>\$ 3,624</b>	<b>\$ 2,058</b>	<b>\$ 119</b>	<b>\$ 2,785</b>

## Capital Project Funds

Capital Project Funds account for the acquisition and construction of major capital facilities, infrastructure maintenance and equipment replacement, except for those financed by proprietary funds. The City has four budgeted funds in this category. The Capital Project Funds use the modified accrual basis for both financial statement and budgeting purposes.

- **The Capital Project/Street Improvement Funds** – includes receipt and disbursement of bond proceeds or other sources obtained to finance improvement and additions to the City’s infrastructure
- **Infrastructure Improvement Funds** – includes revenues received from the Local Government Aid, MSA State Aid for street improvement, grants, transfer from the General Fund for future street maintenance. Disbursement includes transfers to the Capital Project fund for infrastructure improvements, trail maintenance and park improvements, and transfers to the debt service funds for new bonding of street reconstruction projects. The City financial plan does not show a debt levy affiliated with the 2018 street improvement or 2018A GO Improvement Bond until 2026, instead the payments will be made from transfers from the Infrastructure Improvement Fund. For the 2021 Street project or the 2021 A GO improvement Bond, there will not be a debt levied until 2026, instead the payments will be made from premiums received as well as transfers from the infrastructure improvement fund. For the 2022 Street projects or the 2022A GO Improvement Bond, there will not be a debt levied until 2026, instead the payments will be made from the premiums received when the bonds were sold, as well as transfers from the Infrastructure Improvement Fund.
- **Equipment and Building Replacement Funds** – includes revenues received from the Local Government Aid, sales of fixed assets as well as transfer in from the General Fund. Disbursement and/or allocations of fund balance are based on the Capital Improvement Plan Summary and approved each budget year by Council
- **Park Development Fund** – reflects development of new City parks and improvement of existing parks. Revenue is primarily from park development fees and in the future transfers from the Infrastructure Improvement Fund

### Capital Project/Street Improvement Fund Financial Plan

This fund accounts for all receipts and disbursement pertaining to the construction or improvements of the City’s infrastructure.

#### Source of Funds

The principal source of revenues for this fund are the proceeds from bonds issued to fund the improvements as well as transfers from the Street & Maintenance Capital Improvement Fund.

#### Use of Funds

The expenditures related to this fund pertain to the cost of infrastructure improvements. In 2020, the street project was cancelled, for future planning, the 2020 street project was moved to 2021. The City decided to take the opportunity of the low interest rates and combined three years of street projects that began in 2023 and financed with the 2022A General Obligation bonds. The long-term plan indicates maintenance of the streets will be done each year based on need.

## Summary Budget

### STATEMENT OF REVENUES AND EXPENDITURES - SUMMARY BUDGET - CAPITAL PROJECTS - CONSTRUCTION FUND 175

Capital Projects Fund 175	Actual					Budget				
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>REVENUE</b>										
Intergovernmental	\$ 17,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	3,239,858	5,359,111	-	-	-	-	-	-	-	-
Interest Income	953	3,869	13,347	-	-	-	-	-	-	-
Other Revenues	41,130	-	-	-	600,000	-	-	-	-	-
Transfer In from Other Funds	2,948	9,769	350,477	300,000	550,000	950,000	700,000	400,000	400,000	700,000
<b>TOTAL REVENUES</b>	<b>3,302,452</b>	<b>5,372,749</b>	<b>363,824</b>	<b>300,000</b>	<b>1,150,000</b>	<b>950,000</b>	<b>700,000</b>	<b>400,000</b>	<b>400,000</b>	<b>700,000</b>
<b>EXPENDITURES/ALLOCATION</b>										
Streets Projects	2,298,784	4,393,057	1,472,761	300,000	1,150,000	950,000	700,000	400,000	400,000	700,000
Transfers out to other funds/Debt Service	172,503	564,804	-	-	-	-	-	-	-	-
<b>TOTAL EXPEND/ALLOCATIONS</b>	<b>2,471,287</b>	<b>4,957,861</b>	<b>1,472,761</b>	<b>300,000</b>	<b>1,150,000</b>	<b>950,000</b>	<b>700,000</b>	<b>400,000</b>	<b>400,000</b>	<b>700,000</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ 831,165</b>	<b>\$ 414,888</b>	<b>\$(1,108,937)</b>	<b>\$ -</b>						
<b>Fund Balance</b>	<b>\$ 862,697</b>	<b>\$ 1,277,585</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>

## Capital Improvement Funds Financial Plan

The Infrastructure Improvement/Replacement Funds and the Equipment & Building Replacement Funds were established in 2015 and accounts for all activities pertaining to any capital or equipment improvement or replacement for the City.

### Source of Funds

The principal source of revenues for this fund are the allocations from the Local Government Aid, MSA State Aid, grants and transfers from the General Fund.

### Use of Funds

The transfers to the Capital Fund pertain to the cost of infrastructure improvements, equipment replacement or maintenance based on the City's Capital Improvement Plan and Councils direction throughout the year of specific projects to be funded and is allocated per department's needs.

## Summary Budget

STATEMENT OF REVENUES AND EXPENDITURES -  
SUMMARY BUDGET - CAPITAL IMPROVEMENT FUNDS 194-199

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Capital Improvement Funds 194-199									
<b>REVENUE</b>									
Local Govt Aid - Fund 199	\$ 744,130	\$ 784,709	\$ 870,251	\$ 874,640	\$ 879,050	\$ 583,483	\$ 587,938	\$ 592,415	\$ 596,915
Local Govt Aid - Fund 198/196	-	-	-	-	-	150,000	150,000	150,000	150,000
Local Govt Aid - Fund 194	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Local Govt Aid - Fund 195	20,000	-	-	-	-	150,000	150,000	150,000	150,000
Public Safety Aid - Fund 199	-	532,330	-	-	-	-	-	-	-
State Aid - MSA Streets	-	-	-	600,000	-	-	-	-	-
Franchise Fee - Utilities	-	270,000	270,000	270,000	450,000	400,000	500,000	-	-
Special Assessment -Mill/Overlay	15,946	15,946	15,946	15,946	15,946	15,946	15,946	15,946	15,946
Grants	285,597	-	-	-	-	-	-	-	-
Sales of Fix Assets	5,000	17,000	17,000	8,500	17,000	17,000	8,500	17,000	17,000
Interest Income	5,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Transfer In from Other Funds	255,750	148,611	155,611	148,611	146,611	65,361	65,361	465,361	765,361
<b>TOTAL REVENUES</b>	<b>1,338,923</b>	<b>1,780,596</b>	<b>1,340,808</b>	<b>1,929,697</b>	<b>1,520,607</b>	<b>1,393,790</b>	<b>1,489,745</b>	<b>1,402,722</b>	<b>1,707,222</b>
<b>EXPENDITURES/ALLOCATION</b>									
Administration and Finance	40,000	283,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Building Inspection	-	-	-	-	40,000	-	-	-	-
Computers/Scanners/Software (194)	27,900	17,500	26,500	17,500	17,500	17,500	17,500	17,500	17,500
Computers/Software - Website	4,286	-	-	-	-	-	-	-	-
Elections	-	2,000	25,000	31,000	-	6,000	-	6,000	-
Engineering	-	-	-	-	40,000	-	-	-	-
Fire	738,733	396,500	285,000	585,000	1,495,750	260,000	210,000	278,000	376,250
Parks/Recreation	87,000	10,000	160,000	10,000	75,000	10,000	10,000	190,000	10,000
Parks - Trail Maintenance (195)	25,750	109,000	529,000	429,000	469,000	175,750	535,750	175,750	405,750
Police	93,340	115,611	310,201	82,611	176,811	161,137	136,491	157,571	162,298
Streets Department	265,000	430,000	315,000	461,000	255,000	5,000	235,000	-	235,000
Streets/Trail Projects (198)/i196)	371,996	300,000	400,000	1,600,000	300,000	300,000	400,000	-	-
Transfers out -debt payment/Street Projec	-	-	200,000	250,000	-	-	-	-	-
<b>TOTAL EXPEND/ALLOCATIONS</b>	<b>1,654,005</b>	<b>1,663,611</b>	<b>2,290,701</b>	<b>3,506,111</b>	<b>2,909,061</b>	<b>975,387</b>	<b>1,584,741</b>	<b>864,821</b>	<b>1,246,798</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ (315,082)</b>	<b>\$ 116,985</b>	<b>\$ (949,893)</b>	<b>\$(1,576,414)</b>	<b>\$(1,388,454)</b>	<b>\$ 418,403</b>	<b>\$ (94,996)</b>	<b>\$ 537,901</b>	<b>\$ 460,424</b>
	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Fund Balance</b>	<b>\$4,032,937</b>	<b>\$4,149,922</b>	<b>\$3,200,029</b>	<b>\$1,623,615</b>	<b>\$ 235,161</b>	<b>\$ 653,564</b>	<b>\$ 558,568</b>	<b>\$1,096,469</b>	<b>\$1,556,893</b>

## Parks Development Fund Financial Plan

The Parks development fund accounts for capital improvement projects for the City's parks and trail system. There is nearly 215 acres of parkland, 20 miles of trail and sidewalk and 3.5 acres of greenway in Big Lake. The Big Lake park system includes parks with playgrounds, ball fields and picnic areas. Visitors can also enjoy beach access at Lakeside Park along with a boat landing and fishing pier.

As the City grew, developers either paid park dedication fees or donated land for the park system. The cash or land donation was (and is) based on the size of a particular development. The City developed its park

system by adding general amenities, bituminous and concrete surfaces, fencing, hockey rinks, playground equipment, shelters, buildings, etc. The routine maintenance of the existing parks is funded in the General Fund.

**Source of Funds**

The main source of revenue for this fund is park dedication fees. Park dedication fees in prior years had attributed to one or two large developments annually. As the City reaches full development of residential parcels there are fewer parcels to develop that will be charged park dedications fees in the future, for that reason in 2018 the City established the Park & Trail Dedication fees for Commercial or Industrial development. However, for future planning, the revenue estimated is only for those developments that are in the current planning stages.

**Use of Funds**

The City prepares a detailed five-year capital improvement plan that outlines all planned renovations and improvement at City parks by park by project. Currently as of 2023, the ending fund balance is \$871,592. The projects established by the Parks Board will be funded by funds available in the Park Development Fund as well as those funds in the Parks and Trail Capital Improvement Fund.

Dept	Description	Funding Source	Funding							
			2024	2025	2026	2027	2028	2029	2030	
<b><u>Park &amp; Trail Development</u></b>										
	New Park	Park Dedicat	180,000					-	-	-
	Pickle Ball Court	Park Dedicat	200,000							
	Archery Range - (195)	CIP Funds		60,000						
	Splash Pad	Park Dedication			200,000					
	Browns Square Benches- Gazebo (195)	CIP Funds	40,000							
	Hidden Rivers Trail (195)	CIP Funds								30,000
	Lake Ridge Playground -Ball Field	Park Dedication		160,000						
	Lakeside Old Playground Beach Shelter (195)	CIP Funds		100,000						
	Lakeside New Playground Beach Shelter (195)	CIP Funds								200,000
	Mitchel Farms playground	Park Dedication			160,000					
	Bluff Park Playground (195)	CIP Funds						180,000		
	Shores of Lake Mitchell Playground - Soccer (195)	CIP Funds						180,000		
	Skate Board Equipment	Park Dedicat	200,000	need to determine yet				-	-	-
<b>Park Development Fund Total</b>			<b>620,000</b>	<b>320,000</b>	<b>360,000</b>	<b>-</b>	<b>360,000</b>	<b>-</b>	<b>230,000</b>	

**Transfers**

Starting with the 2020 budget, there will be a transfer from the General Fund to the Parks and Trails Improvement Fund to set aside for future park developments. For 2023 through 2026 concept budget, the amount is \$100,000, then beginning in 2027 the \$150,000 will be allocated from the Local Government Aid funds received.

## General Obligation Debt Funds

Debt service funds account for the accumulation of resources for the payment of general long-term debt principal and interest. The City maintains individual debt service funds for each bond issued. The City has established annual financial plans for all general obligation bond funds which is shown in total as the G.O. Debt Funds. The Debt Funds use the modified accrual basis for both financial statements and budgeting.

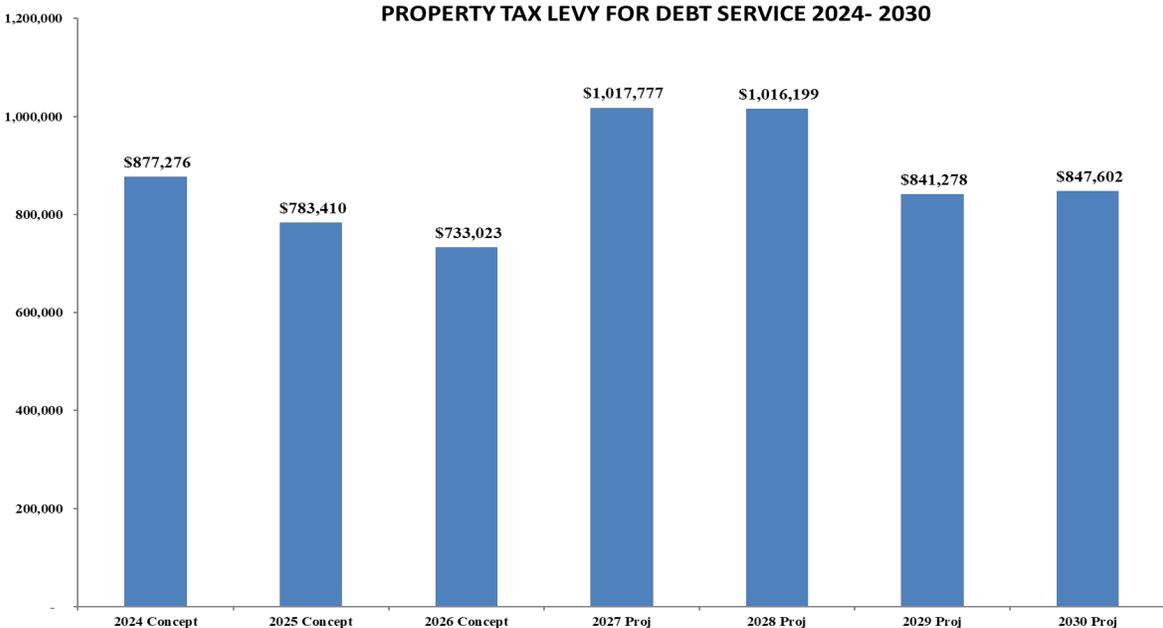
General Obligations Bonds are secured by the full faith and credit of the City. The City has the authority to levy property taxes for repayment of these bonds.

For this plan, the amounts projected in the Capital Project/Street Improvement plan to be funded by General Obligation Improvement Bonds are assumed to be bonded. The proposed debt structure is consistent with the City’s debt management policies. Interest rates are estimated conservatively.

### Source of Funds

The principal sources of revenue are property taxes (debt service levies), special assessments, State Aid and transfers in from the Infrastructure Improvement Fund.

The following graph shows the amount of existing and projected debt service levies for the next five years. The current finance plan shows debt levies for bonds currently outstanding. Planned street improvements included in the CIP that are bonded will need to be levied, however, a portion of the payment will be paid for by franchise fees.



### Transfers

Annual transfers are shown in the Infrastructure Improvement/Replacement Fund to pay for future debt services.

### Use of Funds and Fund Balance

According to State Statute, proceeds from the debt service levies and fund balance can only be used for redemption of debt.

## Debt Management

The graph below shows the total City’s current outstanding debt by funding source in the current budget year and beyond. In 2023 new debt was issued for the 2021 and 2022 Street Projects, the payments are supported by the tax levy. In 2024 no new debt was issued and the long-term plan indicates that new debt will not be issued for street projects, but instead the fund source will be the funds in the Street Maintenance Improvement Fund. The second graph shows the total outstanding debt for the City of Big Lake. This graph also shows the decline in outstanding debt. Also included are the scheduled principal and interest payments for all current debt outstanding through 2030.

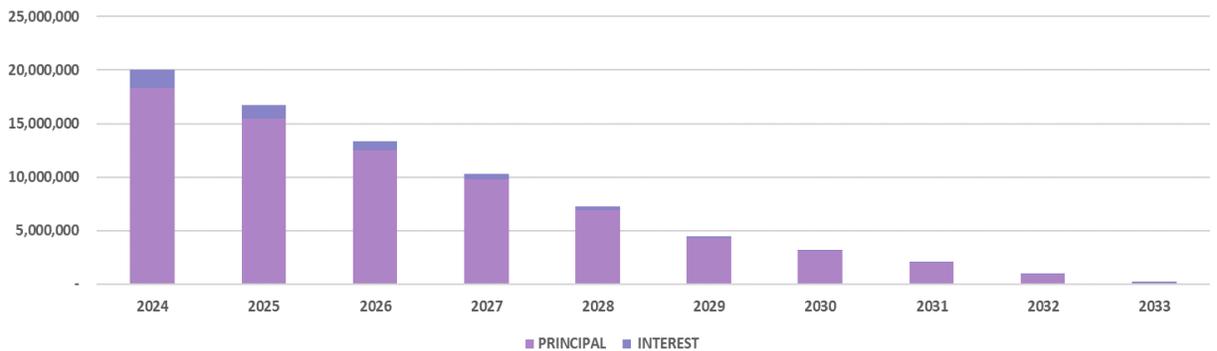
### Debt Services Funds - Including Enterprise Debt

			TOTAL DEBT PAYMENT OUTSTANDING					
Fund	Series	PROJECT	2024	2025	2026	2027	2028-2034	Total O/S
301	2004 PFA Water MPFA Loan	Water Expansion	579,295	-	-	-	-	579,295
401	2009 MPFA Loan Wastewater E	Wastewater Expansion	980,791	980,272	981,270	980,737	1,961,823	5,884,893
211	2010 PFA Loan	10/25 Intersection	152,912	152,531	153,114	152,646	305,732	916,935
222	2015A GO Refunding Bonds	Street Projects	853,112	524,975	523,988	522,163	1,020,807	3,445,045
223	2016A Taxable G.O. Refunding B	TIF 1-3 & TIF 1-4 Industrial Park	309,500	193,930	199,200	198,998	378,873	1,280,501
224	2016B G.O. CIP BOND	790 Minnesota Ave	55,101	54,162	57,981	56,744	50,563	274,551
226	2016C GO Refunding Bond	Street Projects	326,100	329,800	333,300	-	-	989,200
227	2018A GO Improvement Bonds	2018 Streets Projects	194,000	194,725	195,300	195,725	1,366,432	2,146,182
228	2021A GO Improvement Bonds	2021 Street Projects	347,625	344,000	345,150	346,000	1,741,867	3,124,642
229	2022A GO Improvement Bonds	2022 Street Projects	584,900	582,600	584,600	585,800	3,509,100	5,847,000
<b>SUBTOTAL DEBT PAYMENTS</b>			<b>\$4,383,336</b>	<b>\$3,356,995</b>	<b>\$3,373,903</b>	<b>\$3,038,813</b>	<b>\$10,335,197</b>	<b>\$24,488,244</b>
<b>PORTION PAID BY ENTERPRISE FUNDS</b>								
301	2004 PFA Water MPFA Loan	Water Expansion	579,295	-	-	-	-	579,295
401	2009 MPFA Loan Wastewater E	Wastewater Expansion	980,791	980,272	981,270	980,737	1,961,823	5,884,893
301	2015A GO Refunding Bonds	CR43 Interceptor/Well 7,Tower #4	107,079	106,186	109,449	107,512	99,481	529,707
401	2015A GO Refunding Bonds	CR 8/Utility Expansion	334,921	342,464	339,833	336,713	840,326	2,194,257
<b>SUBTOTAL ENTERPRISE FUNDS</b>			<b>\$2,002,086</b>	<b>\$1,428,922</b>	<b>\$1,430,552</b>	<b>\$1,424,962</b>	<b>\$2,901,630</b>	<b>\$9,188,152</b>
<b>TOTAL PAID BY DEBT SERVICE FUND (LEVY/ASSESSMENTS/TRANSFERS)</b>			<b>\$2,381,250</b>	<b>\$1,928,073</b>	<b>\$1,943,351</b>	<b>\$1,613,851</b>	<b>\$7,433,567</b>	<b>\$15,300,092</b>

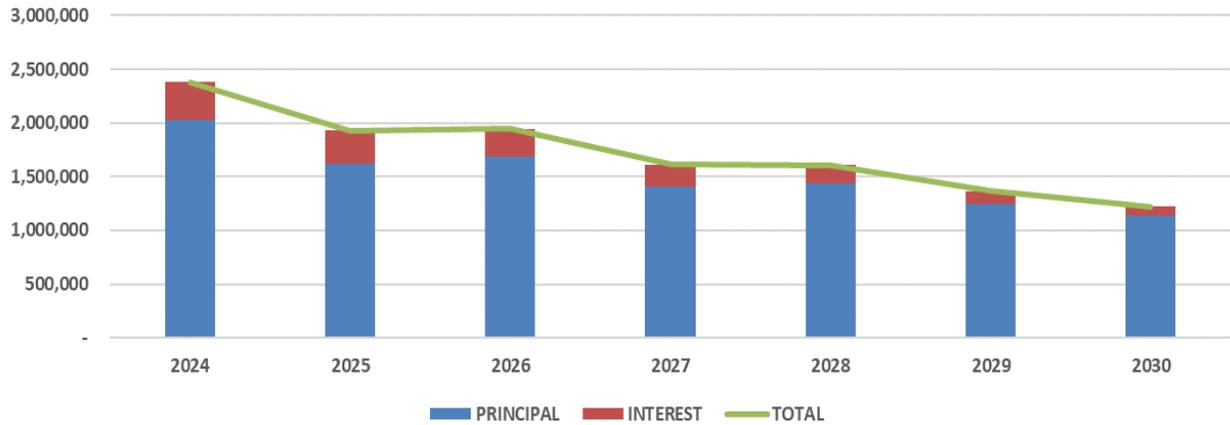
Outstanding Debt - Principal and Interest



Total Outstanding Debt - Principal and Interest



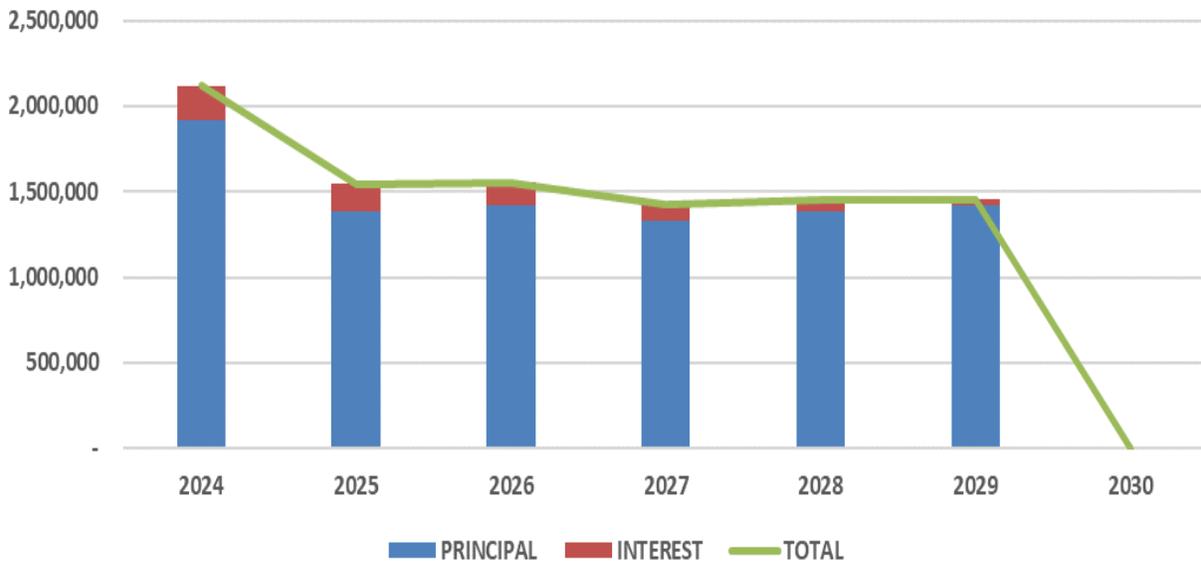
### Schedule of Principal & Interest Payments - Debt Service



### Current General Obligation Debt - Debt Service Funds Payments

Year	2024	2025	2026	2027	2028	2029	2030
<b>Principal</b>	\$ 2,028,000	\$ 1,625,000	\$ 1,688,000	\$ 1,405,000	\$ 1,443,000	\$ 1,245,000	\$ 1,140,000
<b>Interest</b>	353,250	303,073	255,352	208,850	163,926	12,721	82,475
	<b>\$2,381,250</b>	<b>\$1,928,073</b>	<b>\$1,943,352</b>	<b>\$1,613,850</b>	<b>\$1,606,926</b>	<b>\$1,257,721</b>	<b>\$1,222,475</b>

### Schedule of Principal and Interest Payment - Enterprise Funds



### Current General Obligation Debt - Enterprise Funds Payments

Year	2024	2025	2026	2027	2028	2029	2030
<b>Principal</b>	\$ 1,915,200	\$ 1,385,200	\$ 1,423,600	\$ 1,328,000	\$ 1,385,000	\$ 1,423,000	\$ -
<b>Interest</b>	202,085	158,922	128,551	96,962	64,110	29,520	-
	<b>\$2,117,285</b>	<b>\$1,544,122</b>	<b>\$1,552,151</b>	<b>\$1,424,962</b>	<b>\$1,449,110</b>	<b>\$1,452,520</b>	<b>\$ -</b>

## Enterprise Funds

Enterprise Funds account for business-type activities. These activities provide services where most of the costs are recovered through user fees and charges. The City has four Enterprise Funds. The accrual basis of accounting is used by the Enterprise Funds for financial statement purposes. For budget purposes the funds use accrual basis except for capital assets and debt payments which are budgeted on a modified accrual basis with each finance plan. Depreciation is noted at the bottoms of the finance plans.

- **Water and Sewer Funds** – receives its revenues from charges to all property owners to provide water and sanitary sewer utilities, fund operations and maintenance and capital improvements.
- **Storm Water Fund** – receives its revenues from charges to all property owners to fund water quality projects, operations and maintenance, and capital improvements.
- **Lake Liquor Store Fund** - receives its revenues from the control sale of alcoholic beverages to fund cost of goods sold, operations and maintenance, transfer to the general fund and capital improvements.

## Water and Sewer Funds Financial Plans

The Water and Sewer Funds were established for the accounting for costs of providing water and sewer services to residents and businesses.

### Background

Big Lake is in the Mississippi River -St. Cloud Watershed. Rivers and creeks in the watershed drain surface water to the Mississippi River. Thus, land use, including farming and urban development, affects the water quality in all of the streams, lakes, and wetlands of the watershed.

Watershed quality is important because water from the lakes, rivers, and streams (in addition to rainwater) is what populates the aquifers and supplies groundwater to the City.

Big Lake is spilt between two groundwater provinces (according to the Department of Natural Resources): the metro province and the central province. The geologic formation affects water quality in all cities and is thus important information.

- Metro province: Sand aquifers in generally thick (greater than 100 feet) sandy and clayey glacial drift overlying Precambrian sandstone and Paleozoic sandstone, limestone, and dolostone aquifers
- Central province: Sand aquifers in generally thick (greater than 100 feet) sandy and clayey glacial drift overlying Precambrian and Cretaceous bedrock. Fractured and weathered Precambrian bedrock is used locally as a water source

Big Lake is built upon sandstone, siltstone, and minor shale. It is located within the Lower Cretaceous Aquifer.

Most of the soils in and around Big Lake are very sandy, which allows surface water to drain easily to the aquifer. This is why it is vital that we protect our surface water quality (lakes, rivers, and wetlands) in Big Lake. An aquifer is an underground layer of rock and gravel that holds water and may be tapped for drinking or crop irrigation.

In contrast, soils near the Elk River and to the north of that stream tend to be “hydric,” meaning that they hold much water. This is a result of their geologic history and the high ground water level.

Until 1981, all of the housing and businesses in Big Lake used on-site, private wastewater treatment systems. These systems, in combination with small lots and soils that are either too well or too poorly drained, (particularly near the lakes and in the north), may have posed health risks. Now, a municipal sanitary sewer system has mitigated that problem.

## **Water Treatment**

The raw water in the City of Big Lake contains radionuclides above the maximum contaminant level as set forth by the Minnesota Department of Health and the U.S. Environmental Protection Agency and required treatment to meet these regulations. In addition, the raw water supply has higher concentrations of iron and manganese. It was determined that an iron and manganese removal plant should be constructed, and the radionuclides would be filtered out with the oxidized manganese, thereby meeting the necessary treatment standards

## **Wastewater Treatment**

Wastewater treatment and disposal is an important part of protecting and preserving Minnesota's water resources. Wastewater can be treated at a City's treatment facility. Treating wastewater protects the environment and human health by removing pathogens and other contaminants before the water is discharged back into the environment.

Municipal wastewater typically refers to the collection and treatment of a community's wastewater. A City, or a group of cities, often have sewer pipes that serve all the properties in their community and deliver wastewater to a central treatment plant.

The Minnesota Pollution Control Agency (MPCA) issues permits to wastewater treatment plants that put limits on what can be in their discharged water and requires certain types of reporting. The agency works with plant operators to help them comply with regulations and address location-specific issues. Minnesota wastewater treatment operators must be certified in order to operate a treatment facility.

The City's Water & Sewer public utility provides water to over 3600 residential and business customers. The City operates 7 wells, a water treatment plant as well as a wastewater treatment facility. The original wastewater treatment facility was constructed in 1981 and was updated in 1996, 1999 and an expansion was done in 2009. The water treatment plant also underwent an expansion in 2004.

Billings to customers are based on actual water usage that is metered for each property for the months of November through April and then for the summer months, sewer is calculated on the average water use from November through April. An annual comprehensive review of rates is completed to ensure financial stability of the utility. A portion of the fees collected in these funds supports funding of the replacement of the systems infrastructure.

Utility bills are generated on a monthly basis to encourage water conservation. Monthly bills notify customers of their water usage each month, assisting with a better understanding of water usage and leak detection. Payments are received by check, electronic automatic withdrawal through bank drafting or through an on-

line credit card, or bank transfer option. During the months of April through October, unpaid accounts will have the water shut off until payment is received. Unpaid bills are the responsibility of the property owner and are certified to the property taxes in the fall of each year. Customers also have the option of opting out of a paper bill each month to instead receive an e-mail indicating their bill is ready for viewing on-line, those that choose this option do receive a 50-cent credit to the bill each month.

### **Source of Funds**

The primary source of funding is user charges based on the property's water usage. Minnesota Statutes require public water suppliers serving more than 1,000 to adopt a water rate structure that encourages water conservation. The City's rate structure used for water billing includes a two-tiered rate system for all customers. The top tier is designed to effect high water users. High water usage is usually caused from lawn sprinkling or leaks. For residential users, the first tier is for usage up to 6,500 gallons used each month, the second tier is for all amounts over the 6,500 gallons used each month. For multi-family structures, as well as irrigation accounts, the first tier is for any usage a month up to 88,600, the second tier is any usage over the 88,600 each month. For commercial users, the first tier is for usage up to 51,000 gallons used each month and the second tier is for any usage over the 51,000 gallons per month. All usage is billed on a per 1,000 gallons. Starting in 2018, the City started budgeting in the general fund and paying for the usage that each facility used in water, as well as irrigation. Going forward the increase to municipal accounts will be 5% to help offset a larger increase to the residents and businesses.

Additionally, there is a monthly fixed fee for each account. For Water residential the base fee is \$6.81, for multi-family and irrigation accounts the base fee is \$15.63, commercial base fee is based on the meter size. Industrial base fee is \$416.55 per month. The City is in the beginning stages of a water meter replacement project. This project is scheduled to be completed by Fall of 2024. The cost for the project is estimated at 1.6 million of which 1.2 million is paid from grant funds and the remaining funds needed will be paid from the Wastewater Treatment fund.

Sewer fees are based on the actual water use for November – April and the average of November – April for the summer months (May – October). The City is aware that the residents and business are watering their lawns during the summer and that the water goes into the ground and not the wastewater treatment plant, which is why the average is used for those months. The fees are billed per 1,000 gallons, for residential, multi-family and commercial, for 2024 the rate is \$9.17 per 1,000 gallons. The month fixed rate is \$11.55 for residential and multi-family. The monthly fixed rate for commercial is \$18.28.

The monthly fixed rates cover those fixed costs that do not vary with the quantity of individual customer water use or sewage flow. The fixed costs include the cost for fixed operational costs, administrative costs, collection, and billing expenses.

For 2024 the water rates will remain the same for all non-industrial customers. Industrial customers rates will increase by 8 percent. For the next coming years, it is projected that the base fees will remain flat, water usage rate will increase 1 percent in 2025 and 1 percent thereafter to cover rising costs. For 2024 the sewer usage rate will remain the same for all non-industrial customers. Industrial customers rates will increase by 8 percent. Sewer usage rates will need to increase 10 percent in 2025 and thereafter to cover the rising cost of infrastructure replacement and treatment. The City is in the beginning stages of the expansion at the Wastewater Treatment facility and the current proposed cost for the expansion is 48 million. However, each

year these rates will be reviewed to determine the actual amount needed in order to maintain a positive cash flow in the funds.

For industrial accounts, the rates are based on the contract signed with the business. Currently the City has only one industrial contract and the rates for that account will increase 8% each year. In 2024, the City will sign a contract with a brewery, the rates for breweries are 4.27 per barrel production each month.

Below is a summary of the proposed water and sewer rates. The proposed rate increases over the next several years takes into consideration the improvements to the existing wells. For the sewer fund, the proposed rate increases over the next several years takes into consideration the expansion of the wastewater treatment facility in order to meet the current demands as well as future growth in the City.

Remain flat for 2024 budget cycle

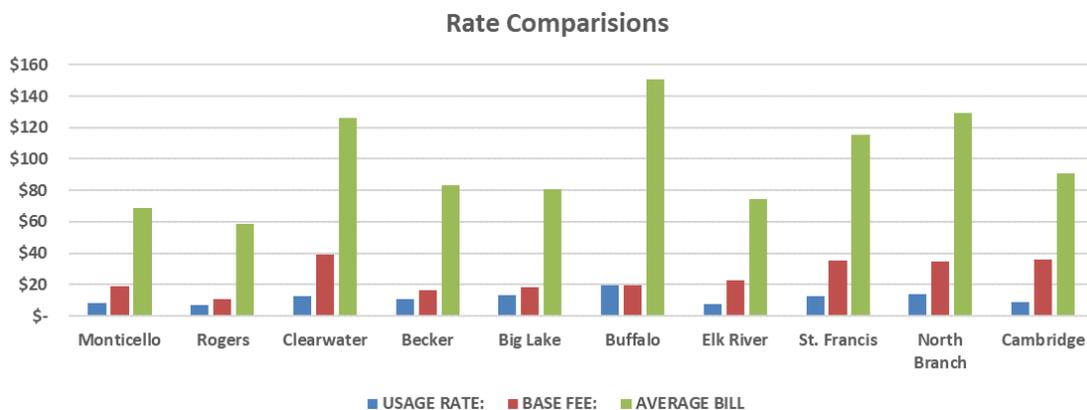
<b>WATER USAGE RATES - RESIDENTIAL, MULTI-FAMILY, IRRIGATION</b>										
YEAR	Adopted			Budget	Projected					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate Tier 1 (per 1,000)	4.30	4.30	4.30	4.30	4.34	4.38	4.43	4.47	4.52	4.56
Annual % Increase	3%	0%	0%	0%	1%	1%	1%	1%	1%	1%

<b>WATER USAGE RATES - COMMERCIAL</b>										
YEAR	Adopted			Budget	Projected					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate Tier 1 (per 1,000)	2.65	2.65	2.65	2.65	2.67	2.69	2.72	2.75	2.78	2.80
Annual % Increase	3%	0%	0%	0%	1%	1%	1%	1%	1%	1%

<b>SEWER USAGE- RESIDENTIAL, MULTI-FAMILY, COMMERCIAL</b>										
YEAR	Adopted			Budget	Projected					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate Tier 1 (per 1,000)	8.99	8.99	9.17	9.17	10.09	11.09	12.20	13.42	14.77	16.24
Annual % Increase	1%	0%	2%	0%	10%	10%	10%	10%	10%	10%

<b>WATER USAGE RATES - MUNICIPAL - GENERAL FUND</b>										
YEAR	Adopted			Budget	Projected					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate (per 1,000)	9.40	10.34	10.86	11.40	11.97	12.57	13.20	13.86	14.55	15.28
Annual % Increase	20%	10%	5%	5%	5%	5%	5%	5%	5%	5%

<b>SEWER USAGE RATES - MUNICIPAL - GENERAL FUND</b>										
YEAR	Adopted			Budget	Projected					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate (per 1,000)	11.63	11.63	11.63	11.63	12.22	12.83	12.83	12.83	12.83	12.83
Annual % Increase	0%	0%	0%	0%	5%	5%	0%	0%	0%	0%



Big Lake’s rates tend to be in the middle when compared to neighboring and market cities. This is due to several factors, including the mandated upgrades to the wastewater treatment facility, and the upcoming expansion needed to the wastewater treatment facility to meet current and future demands. The practices of charging direct and indirect costs to the utility funds are not utilized by all cities.

Estimated revenues for 2024 are based on a typical weather year. Dry summer conditions result in higher revenue and wet summer result in lower revenue. Increased revenue in dry summers is partially offset by the increased costs of additional chemicals, electricity, and natural gas costs for pumping and increased maintenance from heavier use on the equipment.

**Use of Funds**

Expenses from these funds are used for operation and maintenance, debt service, capital improvement and infrastructure replacement relating specifically to the operations of water and sewer services. This includes all direct and indirect overhead costs incurred from operating a water and sewer business.

A five-year Capital Improvement Plan (CIP) is used by the City to project capital improvement and infrastructure replacement needs. The improvements scheduled include on-going programs of water main replacement, sewer rehabilitation, well rehabilitation, and other scheduled improvements. The detail on specific projects is included in the City’s CIP. During the past few years, the Public Works staff has become much more aggressive in inspecting and planning for the City’s water and sewer infrastructure, especially the older major components. This stepped-up inspection and asset management planning program has identified needs for several infrastructure maintenance projects that are much more immediate and has been taken into consideration with this current planning document.

**Major Capital Initiatives**

The City’s CIP included a \$1.9 million project to replace water meters installed in homes and businesses across the City in 2023-2024. It is necessary to replace the current meters as they are beginning to slow and underreport water use, which results in lost revenues to the water system. An efficient and well-maintained system is essential to ensure proper collection of use charges and rate stability. This project will be funded by the \$1.2 million American Rescue Act Plan federal funds received as well as a \$700,000 transfer from the Sewer CIP Fund.

The City’s Water Treatment Plant is supplied by a series of wells throughout the community. The City currently has seven wells all drawing from the Mt. Simon Aquifer. Some of the wells have seen reduction in production

recently, and with the growth of the community, there has been increasing demand for water. Because of the changing circumstances, the City needs to consider investing in new wells in order to ensure adequate water supply for existing and future residents and businesses. City staff believes that because of the long lead time to construct a well, and the current and potential water use, now is the time to begin planning for future wells. Staff believes it is wise to study the need for additional wells. The first step in the study is to determine what level of need exists, potential alternatives, and identify locations for the well(s). At this point, staff knows that there is a looming need for investment, but staff's expertise is not in hydrology. For that reason, council had directed staff to retain the help of SEH to conduct a formal study to determine what the cities options are and the potential cost of those options. The recommendation was to improvement existing Wells, which the process began in 2022 for a total projected cost of \$1.4 million. Staff has been informed by the State that no new wells will be approved in the foreseeable future, therefore it is extremely important that the City continues to improve existing wells as needed.

The City's Wastewater Treatment Plant is now operating at 105% of its designed capacity BOD levels, which is a measure of waste loading, however, the City is still meeting permit requirements on effluent numbers, but it is causing the City to waste more which is an increase in electricity costs. That number is expected to grow significantly over the next few years due to residential and industrial growth, so it was very important to have done the expansion in 2020. The plan also has a few other issues like insufficient backup power. Wenk and Associates have developed a Wastewater Treatment Facility plan in conjunction with the MPCA and City staff to address these issues.

Phase one of the Facility plan, called for an initial expansion in 2020 to add an oxidation ditch, replacing some screens, adding a generator, and some other miscellaneous electrical and controls improvements. The oxidation ditch and screens has help with the BOD capacity issues. The portable generator will help with the lack of sufficient backup power. The City's CIP included the \$3.304 million for this project, which was funded by a \$1 million dollar grant from the State and the remainder from reserves and completed in 2021. Additionally, there will be an added \$42,087 in additional O&M costs as a result primarily of added chemical, utilities, and maintenance. These additional O&M costs have been implemented into the future budgets as well as rates.

Future expansions will be outlined in the new Facility plan and the City's CIP does includes a \$40 million project to complete the expansion. Needed improvements simply must not be delayed. The plan also includes an aggressive approach to street reconstruction and rehabilitation. Water and sewer infrastructure replacement occurs as a street is replaced. This project as well as additional O&M costs have been implemented into future budgets and rates.

As noted above stepped-up infrastructure needs will have financial planning impacts with the use of bonding as a financing tool and the debt payments will have an impact on rates. Rate stability will be closely monitored as well as maintaining a strong long-term cash balance within the funds.

### **Net Assets**

For the Enterprise Funds, the City strives to maintain working capital cash balances at a minimum equal to three months. Bonding for large projects within the funds is needed to complete the CIP requests listed in the City's plan.

## Five Year Summary Plans – Water Funds

Actual	Budget						Projected					
			2024				2025	2026	2027	2028	2029	2030
	2021	2022	2023	Adopted	\$	%	Concept	Concept	Concept	Concept	Concept	Concept
			Budget	Budget	Change	Change	Budget	Budget	Budget	Budget	Budget	Budget
<b>Revenue Budget</b>												
Utilities Revenues - Water	\$ 2,809,407	\$ 2,656,555	\$ 2,409,838	\$ 2,352,071	\$ (57,767)	-2.40%	\$ 2,374,707	\$ 2,507,379	\$ 2,461,307	\$ 2,509,278	\$ 2,668,403	\$ 2,606,389
Other Revenues - Water	59,387	75,343	6,000	11,000	5,000	83.33%	8,500	8,500	8,500	8,500	8,500	8,500
<b>Total Revenues</b>	<b>\$2,868,794</b>	<b>\$2,731,898</b>	<b>\$2,415,838</b>	<b>\$ 2,363,071</b>	<b>\$ (52,767)</b>	<b>-2.18%</b>	<b>\$ 2,383,207</b>	<b>\$2,515,879</b>	<b>\$ 2,469,807</b>	<b>\$ 2,517,778</b>	<b>\$ 2,676,903</b>	<b>\$ 2,614,889</b>
<b>Expense Budget</b>												
Personnel	\$ 593,583	\$ 688,584	\$ 731,182	\$ 759,299	\$ 28,117	3.85%	\$ 883,241	\$ 988,136	\$ 1,099,479	\$ 1,165,460	\$ 1,204,834	\$ 1,245,842
Professional Services	47,809	52,764	58,850	63,000	4,150	7.05%	64,500	76,045	67,636	1,171,960	70,964	72,703
Operations	510,017	444,725	495,319	741,752	246,434	49.75%	530,415	538,817	547,465	558,988	570,368	579,817
Capital/Transfers	247,545	623,000	278,000	1,523,000	1,245,000	447.84%	508,000	258,000	258,000	258,000	258,000	240,000
Debt - Interest	128,480	106,541	83,943	26,756	(57,187)	-68.13%	10,401	8,080	5,560	3,666	2,394	1,720
Debt - Principal*	816,355	791,475	646,755	661,338	14,583	2.25%	97,505	103,089	103,672	47,847	49,014	-
<b>Total Expenses</b>	<b>\$2,343,789</b>	<b>\$2,707,089</b>	<b>\$2,294,049</b>	<b>\$ 3,775,145</b>	<b>\$ 1,481,097</b>	<b>64.56%</b>	<b>\$ 2,094,062</b>	<b>\$1,972,167</b>	<b>\$ 2,081,812</b>	<b>\$ 3,205,920</b>	<b>\$ 2,155,574</b>	<b>\$ 2,140,081</b>
<b>Net Income/(Loss)</b>	<b>\$ 525,005</b>	<b>\$ 24,809</b>	<b>\$ 121,790</b>	<b>\$(1,412,074)</b>	<b>\$(1,533,864)</b>		<b>\$ 289,145</b>	<b>\$ 543,712</b>	<b>\$ 387,995</b>	<b>\$ (688,142)</b>	<b>\$ 521,329</b>	<b>\$ 474,808</b>
<b>Depreciation Expense</b>	<b>\$ 871,903</b>	<b>\$ 891,671</b>	<b>\$ 996,284</b>	<b>\$ 936,255</b>	<b>\$ (60,030)</b>		<b>\$ 996,284</b>	<b>\$ 996,284</b>	<b>\$ 996,284</b>	<b>\$ 996,284</b>	<b>\$ 991,028</b>	<b>\$ 991,028</b>
<b>Projected Ending Cash **</b>	<b>\$1,763,933</b>	<b>\$1,824,341</b>	<b>\$1,208,190</b>	<b>\$ (193,884)</b>	<b>\$(1,402,074)</b>	<b>-116.05%</b>	<b>\$ 95,261</b>	<b>\$ 638,973</b>	<b>\$ 1,026,968</b>	<b>\$ 338,826</b>	<b>\$ 860,155</b>	<b>\$ 1,501,776</b>

\*projected principal debt payment includes any new debt

\*\*projected cash balance is after principal debt payments are made



## Five Year Summary Plans – Sewer Funds

	Actual		Budget				Projected					
	2021	2022	2023 Budget	2024 Adopted Budget	\$ Change	% Change	2025 Concept Budget	2026 Concept Budget	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
<b>Revenue Budget</b>												
Utilities Revenues - Sewer	\$ 3,022,681	\$ 3,119,815	\$ 3,200,355	\$ 3,133,388	\$ (66,967)	-2.09%	\$ 3,498,685	\$ 3,704,476	\$ 3,942,590	\$ 4,210,407	\$ 4,442,135	\$ 4,679,306
Other Revenues - Sewer	30,382	68,169	2,000	6,000	4,000	200.00%	6,000	6,000	6,000	6,000	6,000	6,000
<b>Total Revenues</b>	<b>\$3,053,063</b>	<b>\$3,187,984</b>	<b>\$3,202,355</b>	<b>\$ 3,139,388</b>	<b>\$ (62,967)</b>	<b>-1.97%</b>	<b>\$ 3,504,685</b>	<b>\$3,710,476</b>	<b>\$ 3,948,590</b>	<b>\$ 4,216,407</b>	<b>\$ 4,448,135</b>	<b>\$ 4,685,306</b>
<b>Expense Budget</b>												
Personnel	\$ 592,117	\$ 688,862	\$ 731,474	\$ 759,299	\$ 27,825	3.80%	\$ 883,029	\$ 987,729	\$ 1,098,860	\$ 1,164,610	\$ 1,203,734	\$ 1,244,471
Professional Services	25,209	33,530	42,900	47,000	4,100	9.56%	47,930	48,888	49,875	50,891	51,937	53,016
Operations	468,421	564,270	877,545	930,320	52,775	6.01%	942,331	954,125	966,212	990,150	1,007,711	1,020,734
Capital/Transfers	50,000	319,000	180,000	200,000	20,000	11.11%	100,000	286,000	100,000	100,000	100,000	100,000
Debt - Interest	288,082	259,513	236,046	210,079	(25,967)	-11.00%	151,915	123,866	969,797	904,714	836,271	771,425
Debt - Principal*	1,119,646	1,145,446	1,114,246	1,138,662	24,417	2.19%	1,172,495	1,198,912	3,104,328	3,262,153	3,348,986	2,025,000
<b>Total Expenses</b>	<b>\$2,543,475</b>	<b>\$3,010,621</b>	<b>\$3,182,211</b>	<b>\$ 3,285,360</b>	<b>\$ 103,150</b>	<b>3.24%</b>	<b>\$ 3,297,700</b>	<b>\$3,599,520</b>	<b>\$ 6,289,071</b>	<b>\$ 6,472,517</b>	<b>\$ 6,548,639</b>	<b>\$ 5,214,645</b>
<b>Net Income/(Loss)</b>	<b>\$ 509,588</b>	<b>\$ 177,364</b>	<b>\$ 20,145</b>	<b>\$ (145,972)</b>	<b>\$ (166,117)</b>		<b>\$ 206,985</b>	<b>\$ 110,956</b>	<b>\$ (2,340,481)</b>	<b>\$ (2,256,110)</b>	<b>\$ (2,100,504)</b>	<b>\$ (529,339)</b>
<b>Depreciation Expense</b>	<b>\$1,394,082</b>	<b>\$1,399,322</b>	<b>\$1,422,595</b>	<b>\$ 1,422,595</b>	<b>\$ -</b>		<b>\$ 2,709,524</b>	<b>\$2,709,524</b>	<b>\$ 2,709,524</b>	<b>\$ 2,709,524</b>	<b>\$ 2,709,524</b>	<b>\$ 2,709,524</b>
<b>Projected Ending Cash **</b>	<b>\$1,581,941</b>	<b>\$2,978,909</b>	<b>\$3,654,967</b>	<b>\$ 3,553,995</b>	<b>\$ (100,972)</b>	<b>-2.76%</b>	<b>\$ 3,850,980</b>	<b>\$5,192,676</b>	<b>\$ 5,513,091</b>	<b>\$ 5,471,302</b>	<b>\$ 5,331,969</b>	<b>\$ 6,506,615</b>

\*projected principal debt payment includes any new debt

\*\*projected cash balance is after principal debt payments are made and includes SAC received

The Sewer Fund projected ending cash does not include the Sewer Access Charges that will be collected from new development, as those activities go directly into the Sewer CIP Fund. The plan does include the new debt payment for the wastewater treatment facility expansion.

## Storm Water Funds Financial Plans

The Storm Water Fund was established for the accounting of costs for providing storm drainage services to the community and for preserving and improving surface water quality in the City's lakes and ponds.

### Source of Funds

The rate charged for the user is based on a property's land size. Properties less than one acre are charged \$4.93 per month, those properties greater than one acre are charged \$4.93 per month, per acre.

### Use of Funds

The Storm Water charges provide the funding for the storm drainage maintenance, street sweeping, pond clean-out, water quality work and other storm related functions. This fund will also transfer for replacement of storm water that is completed during the Street Reconstruction and Rehabilitation projects.

## Five Year Summary Plans – Storm Water Funds

	Actual		Budget				Projected					
	2021	2022	2023 Budget	2024 Adopted Budget	\$ Change	% Change	2025 Concept Budget	2026 Concept Budget	2027 Concept Budget	2028 Concept Budget	2029 Concept Budget	2030 Concept Budget
<b>Revenue Budget</b>												
Utilities Revenues-Storm Water	\$ 274,133	\$ 271,526	\$ 272,531	\$ 272,331	\$ 6,883	2.59%	\$ 274,061	\$ 276,328	\$ 278,601	\$ 279,104	\$ 279,611	\$ 280,124
Other Revenues -Storm Water	3,275	7,211	3,000	6,000	(1,863)	-38.31%	6,060	6,121	6,182	6,244	6,306	6,369
<b>Total Revenues</b>	<b>\$ 277,408</b>	<b>\$ 278,737</b>	<b>\$ 275,531</b>	<b>\$ 278,331</b>	<b>\$ 5,020</b>	<b>1.86%</b>	<b>\$ 280,121</b>	<b>\$ 282,449</b>	<b>\$ 284,783</b>	<b>\$ 285,347</b>	<b>\$ 285,917</b>	<b>\$ 286,493</b>
<b>Expense Budget</b>												
Personnel	\$ 102,898	\$ 171,555	\$ 169,149	\$ 161,438	\$ (7,711)	-4.56%	\$ 165,579	\$ 175,265	\$ 185,576	\$ 196,552	\$ 208,238	\$ 220,682
Professional Services	4,720	1,670	2,720	3,500	780	28.68%	3,500	3,500	3,500	3,500	3,500	3,500
Operations	19,217	26,305	20,175	26,675	6,500	32.22%	27,008	27,361	27,734	28,129	28,547	28,990
Capital/Transfers	7,500	15,000	30,000	30,000	-	0.00%	30,000	35,000	50,000	50,000	10,000	10,000
Debt - Interest	39,641	39,641	64,641	35,241	(29,400)	-45.48%	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Expenses</b>	<b>\$ 173,976</b>	<b>\$ 254,171</b>	<b>\$ 286,685</b>	<b>\$ 256,854</b>	<b>\$ (97,242)</b>	<b>-33.92%</b>	<b>\$ 251,087</b>	<b>\$ 266,126</b>	<b>\$ 291,809</b>	<b>\$ 303,180</b>	<b>\$ 275,285</b>	<b>\$ 288,172</b>
<b>Net Income/(Loss)</b>	<b>\$ 103,432</b>	<b>\$ 24,566</b>	<b>\$ (11,154)</b>	<b>\$ 21,477</b>	<b>\$ 102,262</b>		<b>\$ 29,034</b>	<b>\$ 16,323</b>	<b>\$ (7,027)</b>	<b>\$ (17,833)</b>	<b>\$ 10,632</b>	<b>\$ (1,679)</b>
<b>Depreciation Expense</b>	<b>\$ 222,329</b>	<b>\$ 222,329</b>	<b>\$ 227,329</b>	<b>\$ 227,329</b>	<b>\$ -</b>		<b>\$ 227,329</b>					
<b>Projected Ending Cash **</b>	<b>\$ 278,956</b>	<b>\$ 324,437</b>	<b>\$ 278,188</b>	<b>\$ 299,665</b>	<b>\$ 21,477</b>	<b>7.72%</b>	<b>\$ 328,699</b>	<b>\$ 345,022</b>	<b>\$ 337,996</b>	<b>\$ 320,163</b>	<b>\$ 330,795</b>	<b>\$ 329,116</b>

\*projected principal debt payment includes any new debt

\*\*projected cash balance is after principal debt payments are made

## Liquor Store Funds Financial Plans

Lake Liquors is a municipal liquor store operated by the City of Big Lake. The goal of Lake Liquor is to control the sale of alcoholic beverages while generating revenue for the community. Lake Liquor pours the profits back into the community by the annual budget transfer to the General Fund. Without this budget transfer the City would either have to raise the general fund levy or eliminate services provided.

Lake Liquor was previously located in “The Stampin Place” located next to Tootsies Tavern. In 1985, the liquor store was moved to the Lake Shopping Center Mall in the northeast corner. In 2005, the City of Big Lake purchased the old grocery store from George Stevens. The store was remodeled, and occupancy occurred in April of 2006 with a grand opening on May 1, 2006. In 2014, the original debt 2005A was refunded with the 2014A for interest savings. The debt was called early and paid in full November 3, 2022. There is currently no new debt anticipated for the liquor fund.

### Source of Funds

The sales of inventory of the liquor store, along with interest earning make up the revenue for this fund.

### Use of Funds

Expenses from this fund are used for operation and maintenance, capital improvement and infrastructure replacement relating specifically to the operations of the liquor store. This includes all direct and indirect overhead costs incurred from operating a liquor store.

## Transfers

Each year there is a budgeted transfer from the Liquor Store to the General Fund, without this transfer the City would have to either raise the general fund levy or eliminate City services. For 2024, the budgeted transfer to the general fund is \$450,000. In addition, there will be a \$35,000 transfer from the Liquor Store operations to the Liquor Store CIP fund for upgrades to the store.

## Debt

As the debt for the Liquor Store was called and paid in full in 2022 no revenues are used to pay for debt. No new debt is proposed in 2024 or the coming years.

Following is a detail of the five-year summary plan as well as the transfers to the General Fund.

### Five Year Summary Plans – Liquor Store Funds

Actual	Budget						Projected					
			2024		\$	%	2025	2026	2027	2028	2029	2030
	2021	2022	2023	Adopted			Change	Concept	Concept	Concept	Concept	Concept
Revenue Budget			Budget	Budget		Change	Budget	Budget	Budget	Budget	Budget	Budget
<b>Sales</b>												
Gross Sales	\$ 5,634,310	\$ 5,623,480	\$ 5,279,727	\$ 5,459,429	\$ 179,702	3.40%	\$ 5,581,608	\$ 5,708,715	\$ 5,839,497	\$ 5,974,091	\$ 6,112,638	\$ 6,255,289
Cost of Sales	4,060,152	4,092,018	4,012,917	4,048,673	35,756	0.89%	4,103,587	4,160,274	4,218,804	4,279,247	4,341,677	4,406,172
<b>Gross Profit</b>	<b>\$1,574,158</b>	<b>\$1,531,462</b>	<b>\$1,266,810</b>	<b>\$ 1,410,756</b>	<b>\$ 143,946</b>	<b>8.98%</b>	<b>\$ 1,478,022</b>	<b>\$1,548,440</b>	<b>\$ 1,620,693</b>	<b>\$ 1,694,844</b>	<b>\$ 1,770,961</b>	<b>\$ 1,849,117</b>
<b>Revenue Budget</b>												
Gross Sales	\$ 5,634,310	\$ 5,623,480	\$ 5,279,727	\$ 5,459,429	\$ 179,702	3.12%	\$ 5,581,608	\$ 5,708,715	\$ 5,839,497	\$ 5,974,091	\$ 6,112,638	\$ 6,255,289
Other Revenues	19,223	26,212	10,615	11,625	1,010	6.18%	12,736	12,736	12,736	12,736	12,736	12,736
<b>Total Revenues</b>	<b>\$5,653,533</b>	<b>\$5,649,692</b>	<b>\$5,290,342</b>	<b>\$ 5,471,054</b>	<b>\$ 180,712</b>	<b>3.13%</b>	<b>\$ 5,594,344</b>	<b>\$5,721,451</b>	<b>\$ 5,852,233</b>	<b>\$ 5,986,827</b>	<b>\$ 6,125,374</b>	<b>\$ 6,268,025</b>
<b>Expense Budget</b>												
Personnel	\$ 488,964	\$ 620,474	\$ 805,322	\$ 852,099	\$ 46,777	5.81%	\$ 868,950	\$ 887,732	\$ 906,972	\$ 926,684	\$ 946,881	\$ 967,576
Professional Services	6,017	5,840	6,811	7,600	789	11.58%	7,600	7,600	7,600	7,600	7,600	7,600
Operations	213,459	210,540	246,745	264,277	17,532	7.11%	273,253	280,047	287,175	294,654	302,504	310,521
Cost of Sales	4,060,152	4,092,018	4,012,917	4,048,673	35,756	0.89%	4,103,587	4,160,274	4,218,804	4,279,247	4,341,677	4,406,172
Capital/Transfers	568,620	485,000	485,000	485,000	-	0.00%	485,000	485,000	485,000	485,000	460,000	460,000
Debt - Interest	8,638	6,200	-	-	-	-	-	-	-	-	-	-
Debt - Principal*	79,937	79,937	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$5,425,787</b>	<b>\$5,500,009</b>	<b>\$5,556,795</b>	<b>\$ 5,657,649</b>	<b>\$ 100,854</b>	<b>1.87%</b>	<b>\$ 5,738,389</b>	<b>\$5,820,653</b>	<b>\$ 5,905,551</b>	<b>\$ 5,993,185</b>	<b>\$ 6,058,661</b>	<b>\$ 6,151,870</b>
<b>Net Income/(Loss)</b>	<b>\$ 227,746</b>	<b>\$ 149,683</b>	<b>\$ (266,453)</b>	<b>\$ (186,595)</b>	<b>\$ 79,858</b>		<b>\$ (144,045)</b>	<b>\$ (99,202)</b>	<b>\$ (53,318)</b>	<b>\$ (6,358)</b>	<b>\$ 66,713</b>	<b>\$ 116,155</b>
<b>Depreciation Expense</b>	<b>\$ 66,874</b>	<b>\$ 72,561</b>	<b>\$ 60,000</b>	<b>\$ 72,600</b>	<b>\$ 12,600</b>	<b>18.75%</b>	<b>\$ 72,600</b>	<b>\$ 72,600</b>	<b>\$ 72,600</b>	<b>\$ 72,600</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>
<b>Projected Ending Cash **</b>	<b>\$1,359,957</b>	<b>\$1,509,640</b>	<b>\$ 737,097</b>	<b>\$ 550,502</b>	<b>\$ (186,595)</b>	<b>-25.31%</b>	<b>\$ 406,457</b>	<b>\$ 307,255</b>	<b>\$ 253,937</b>	<b>\$ 247,579</b>	<b>\$ 314,292</b>	<b>\$ 430,447</b>

\*projected principal debt payment includes any new debt

\*\*projected cash balance is after principal debt payments are made

### LIQUOR STORE TRANSFERS

#### FIVE-YEAR FINANCIAL PLAN

Actual	Budget						Projected					
			2024		\$	%	2025	2026	2027	2028	2029	2030
	2021	2022	2023	Adopted			Change	Concept	Concept	Concept	Concept	Concept
Transfer Budget			Budget	Budget		Change	Budget	Budget	Budget	Budget	Budget	Budget
Transfer to General Fund	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ -	0.00%	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Transfer to Liquor CIP Fund	75,000	35,000	35,000	35,000	-	0.00%	35,000	35,000	35,000	35,000	10,000	10,000
<b>Total Transfers</b>	<b>\$ 568,620</b>	<b>\$ 485,000</b>	<b>\$ 485,000</b>	<b>\$ 485,000</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 485,000</b>	<b>\$ 485,000</b>	<b>\$ 485,000</b>	<b>\$ 485,000</b>	<b>\$ 460,000</b>	<b>\$ 460,000</b>

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