



## SUMMARY BUDGET, OVERVIEW & ANALYSIS

2024

# All Funds Budget Summary

## STATEMENT OF REVENUES AND EXPENDITURES - SUMMARY BUDGET ALL FUNDS - CITY OF BIG LAKE

	Actual			Budget		2023 -2024	
	2020	2021	2022	2023	2024	\$ Change	% Change
<b>REVENUE &amp; OTHER USES</b>							
<b>General Fund</b>							
Taxes	\$ 3,296,205	\$ 3,538,948	\$ 3,585,720	\$ 3,998,934	\$ 4,415,208	\$ 416,274	10.41%
Special assessments	4,598	5,167	5,040	3,000	3,000	-	
Licenses and permits	691,997	730,551	798,583	567,339	644,497	77,158	13.60%
Intergovernmental revenues	510,368	473,421	506,759	467,790	477,790	10,000	2.14%
Franchise Fees	436,739	444,204	454,572	447,903	450,303	2,400	0.54%
Charges for services	286,333	283,444	307,555	264,585	246,411	(18,174)	-6.87%
Fines and forfeitures	50,942	47,332	33,032	62,100	47,100	(15,000)	-24.15%
Interest earnings	151,396	(138,686)	(576,684)	17,000	37,000	20,000	117.65%
Contributions/Donations	24,051	16,103	37,555	4,500	1,500	(3,000)	-66.67%
Miscellaneous revenue	23,290	19,740	37,134	2,500	2,500	-	
Transfer In from Other Funds	753,307	450,000	506,842	450,000	450,000	-	
<b>Total General Fund</b>	<b>\$ 6,229,226</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>7.79%</b>
<b>Capital Funds</b>							
Taxes & Tax Increment	\$ 245,331	\$ 214,119	225970+4588	\$ 216,000	\$ 94,000	\$ (122,000)	-56.48%
Special assessments	25,086	15,946	17,322	15,946	15,946	-	
Intergovernmental revenues	2,073,725	1,256,419	874,502	833,209	877,751	44,542	5.35%
Franchise Fees	43,530	42,532	31,788	-	-	-	
Charges for services	337,588	46,541	202,492	-	-	-	
Interest earnings	54,055	37,557	78,088	4,500	4,500	-	
Contributions/Donations	-	16,925	10,920	-	-	-	
Miscellaneous revenue	51,870	105,526	1,847	-	-	-	
Issuance of Debt	-	3,239,858	5,359,111	-	-	-	
Sales of Capital Assets	106,610	37,550	78,271	17,000	17,000	-	
Transfer In from Other Funds	1,038,483	1,139,350	669,297	464,017	155,611	(308,406)	-66.46%
<b>Total Capital Funds</b>	<b>\$ 3,976,278</b>	<b>\$ 6,152,323</b>	<b>\$ 7,323,638</b>	<b>\$ 1,550,672</b>	<b>\$ 1,164,808</b>	<b>\$ (385,864)</b>	<b>-24.88%</b>
<b>Special Revenue Funds</b>							
Taxes	\$ 129,836	\$ 129,966	\$ 129,100	\$ 129,100	\$ 129,100	\$ -	
Licenses and permits	3,255	3,880	2,200	2,200	2,200	-	
Intergovernmental revenues	864,098	19,580	614,401	1,000	1,000	-	
Charges for services	-	-	10	10	10	-	
Fines and forfeitures	21,265	35,922	-	-	-	-	
Interest earnings	1,639	7,933	1,000	1,000	2,836	1,836	183.60%
Contributions/Donations	14,634	51,051	38,300	34,500	36,000	1,500	4.35%
Miscellaneous revenue	14	24	1,200	1,200	25,001	23,801	1983.42%
Transfer In from Other Funds	25,000	600,000	-	5,000	5,000	-	
<b>Total Special Revenue Funds</b>	<b>\$ 1,059,741</b>	<b>\$ 848,356</b>	<b>\$ 786,211</b>	<b>\$ 174,010</b>	<b>\$ 201,147</b>	<b>\$ 27,137</b>	<b>15.60%</b>
<b>Debit Service Funds</b>							
Taxes	\$ 1,155,111	\$ 1,193,360	\$ 1,144,326	\$ 1,086,357	\$ 877,276	\$ (209,081)	-19.25%
Special assessments	294,042	257,274	197,094	326,462	515,328	188,866	57.85%
Intergovernmental revenues	195,572	75,174	323,242	198,599	198,340	(259)	-0.13%
Interest earnings	13,313	6,235	54,718	2,773	2,108	(665)	-23.98%
Issuance of Debt & Premium	-	270,693	-	-	-	-	
Transfer In from Other Funds	197,526	836,937	42,000	42,000	42,000	-	
<b>Total Debt Service Funds</b>	<b>\$ 1,855,564</b>	<b>\$ 2,639,673</b>	<b>\$ 1,761,380</b>	<b>\$ 1,656,191</b>	<b>\$ 1,635,052</b>	<b>\$ (21,139)</b>	<b>-1.20%</b>
<b>Enterprise Funds</b>							
Charges for services	\$ 4,962,646	\$ 5,435,612	\$ 5,921,390	\$ 5,746,980	\$ 5,668,165	\$ (78,815)	-1.37%
Interest earnings	113,950	163,529	45,441	49,185	32,110	(17,075)	-34.72%
Trunk and Access Charges	1,200,514	1,162,644	573,800	356,400	222,750	(133,650)	-37.50%
Miscellaneous revenue	61,512	39,383	8,435	30,053	2,525	(27,528)	-91.60%
Capital Contribution	1,000,000	-	-	-	-	-	
Transfer In from Other Funds	-	19,000	-	-	-	-	
Sales	5,751,171	5,623,585	5,020,168	5,279,726	5,459,428	179,702	3.40%
<b>Total Enterprise Funds</b>	<b>\$ 13,089,793</b>	<b>\$ 12,443,753</b>	<b>\$ 11,569,234</b>	<b>\$11,462,344</b>	<b>\$11,384,978</b>	<b>\$ (77,366)</b>	<b>-0.67%</b>
<b>TOTAL REVENUES &amp; OTHER SOURCES:</b>	<b>\$ 26,210,602</b>	<b>\$ 27,954,329</b>	<b>\$ 27,136,821</b>	<b>\$21,128,868</b>	<b>\$21,161,294</b>	<b>\$ 32,426</b>	<b>0.15%</b>

## All Funds Budget Summary – (continued)

### STATEMENT OF REVENUES AND EXPENDITURES - SUMMARY BUDGET ALL FUNDS - CITY OF BIG LAKE

	Actual			Budget		2023 -2024	
	2020	2021	2022	2023	2024	\$ Change	% Change
<b>EXPENDITURES &amp; OTHER USES</b>							
<b>General Fund</b>							
Personnel Services	\$ 3,189,874	\$ 3,584,379	\$ 3,547,957	\$ 3,961,635	\$ 4,319,889	\$ 358,254	9.04%
Professional Services	184,213	165,596	206,283	167,650	169,295	1,645	0.98%
Operational	1,864,153	1,548,320	1,613,133	1,717,755	1,834,080	116,325	6.77%
Debt Service Payments	7,831	7,831	7,831	-	-	-	
Capital Outlay	11,743	-	-	-	-	-	
Transfers Out	569,497	309,886	650,041	448,611	455,611	7,000	1.56%
<b>Total General Fund</b>	<b>\$ 5,827,311</b>	<b>\$ 5,616,012</b>	<b>\$ 6,025,245</b>	<b>\$ 6,295,651</b>	<b>\$ 6,778,875</b>	<b>\$ 483,224</b>	<b>8.02%</b>
<b>Capital Funds</b>							
Operational	\$ 205,661	\$ 153,694	\$ 811,248	\$ 127,500	\$ 43,000	\$ (84,500)	-66.27%
Debt Service Payments	32,100	32,029	23,073	22,996	22,915	(81)	-0.35%
Capital Outlay	1,912,746	3,422,930	5,061,511	1,680,000	1,695,500	15,500	0.92%
Transfers Out	444,040	503,834	1,353,578	82,000	332,000	250,000	304.88%
<b>Total Capital Funds</b>	<b>\$ 2,594,547</b>	<b>\$ 4,112,487</b>	<b>\$ 7,249,410</b>	<b>\$ 1,912,496</b>	<b>\$ 2,093,415</b>	<b>\$ 180,919</b>	<b>2.50%</b>
<b>Special Revenue Funds</b>							
Personnel Services	\$ 70,791	\$ 80,002	\$ 41,004	\$ 48,861	\$ 51,189	\$ 2,328	4.76%
Professional Services	32,582	27,229	6,650	5,000	11,100	6,100	122.00%
Operational	573,028	11,561	44,048	90,270	122,637	32,367	35.86%
Debt Service Payments	1,377	627	-	-	-	-	
Capital Outlay	20,295	-	-	-	-	-	
Transfers Out	361,338	46,362	65,362	1,272,208	50,000	(1,222,208)	-96.07%
<b>Total Special Revenue Funds</b>	<b>\$ 1,059,411</b>	<b>\$ 165,781</b>	<b>\$ 157,064</b>	<b>\$ 1,416,339</b>	<b>\$ 234,926</b>	<b>\$ (1,181,413)</b>	<b>-752.19%</b>
<b>Debit Service Funds</b>							
Debt Service Payments	\$ 2,189,063	\$ 1,821,063	\$ 2,091,357	\$ 2,238,533	\$ 2,381,250	\$ 142,717	6.38%
Transfers Out	309,853	338,330	56,842	40,116	38,963	(1,153)	-2.87%
<b>Total Debt Service Funds</b>	<b>\$ 2,498,916</b>	<b>\$ 2,159,393</b>	<b>\$ 2,148,199</b>	<b>\$ 2,278,649</b>	<b>\$ 2,420,213</b>	<b>\$ 141,564</b>	<b>6.59%</b>
<b>Enterprise Funds</b>							
Personnel Services	\$ 1,885,468	\$ 1,777,562	\$ 2,192,266	\$ 2,437,127	\$ 2,532,135	\$ 95,008	3.90%
Professional Services	77,910	360,641	108,975	111,281	120,600	9,319	8.37%
Operational	3,513,121	3,559,671	4,016,835	4,345,992	4,622,303	276,311	6.36%
Cost of Goods Sold	4,148,340	4,060,152	3,627,184	4,012,917	4,001,261	(11,656)	-0.29%
Debt Service Payments	379,561	351,779	205,118	245,612	272,076	26,464	10.77%
Transfers Out	631,610	624,683	968,032	588,063	2,238,000	1,649,937	280.57%
<b>Total Enterprise Funds</b>	<b>\$ 10,636,010</b>	<b>\$ 10,734,488</b>	<b>\$ 11,118,410</b>	<b>\$11,740,992</b>	<b>\$13,786,375</b>	<b>\$ 2,045,383</b>	<b>17.42%</b>
<b>TOTAL EXPENDITURE/EXPENSES &amp; OTHER SOURCES:</b>	<b>\$ 22,616,195</b>	<b>\$ 22,788,161</b>	<b>\$ 26,698,328</b>	<b>\$23,644,127</b>	<b>\$25,313,804</b>	<b>\$ 1,669,677</b>	<b>7.06%</b>
CHANGE IN Fund Balance	\$ 3,594,407	\$ 5,166,168	\$ 669,051	\$ (2,515,259)	\$ (4,152,510)	\$ (1,637,251)	65.09%
Fund Balance January 1	\$ 42,795,577	\$ 46,389,984	\$ 51,556,152	\$52,225,203	\$49,709,944		
Fund Balance December 31	46,389,984	51,556,152	52,225,203	49,709,944	45,557,434		

# General Fund Operations Budget Summary

## STATEMENT OF REVENUES AND EXPENDITURES - 2024 SUMMARY BUDGET - GENERAL FUND

	<u>2023 - 2024</u>				
	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Adopted Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>REVENUE</b>					
Taxes	\$ 3,585,720	\$ 3,998,934	\$ 4,415,208	\$ 416,274	10.41%
Special assessments	5,040	3,000	3,000	-	0.00%
Licenses and permits	798,583	567,339	644,497	77,158	13.60%
Intergovernmental revenues	506,759	467,790	477,790	10,000	2.14%
Franchise Fees	454,572	447,903	450,303	2,400	0.54%
Charges for services	307,555	264,585	246,411	(18,174)	-6.87%
Fines and forfeitures	33,032	62,100	47,100	(15,000)	-24.15%
Interest earnings	(576,434)	17,000	37,000	20,000	117.65%
Contributions/Donations	37,555	4,500	1,500	(3,000)	-66.67%
Miscellaneous revenue	37,134	2,500	2,500	-	0.00%
Transfer In from Other Funds	506,842	450,000	450,000	-	0.00%
Total Current year revenues	<u>5,696,358</u>	<u>6,285,651</u>	<u>6,775,309</u>	<u>489,658</u>	<u>7.79%</u>
Prior year Donations - Designed Fund Balance	<u>8,920</u>	<u>10,000</u>	<u>3,566</u>	<u>(6,434)</u>	<u>-64.34%</u>
<b>TOTAL GENERAL FUND REVENUES BUDGET</b>	<u>\$ 5,705,278</u>	<u>\$ 6,295,651</u>	<u>\$ 6,778,875</u>	<u>\$ 483,224</u>	<u>7.68%</u>
				<u>2023 - 2024</u>	
	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>2024 Adopted Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>EXPENDITURES</b>					
Mayor/Council	\$ 38,180	\$ 32,956	\$ 33,426	\$ 470	1.43%
Planning and Zoning	180,783	207,068	223,569	16,501	7.97%
Elections	17,238	2,000	36,100	34,100	1705.00%
Administration and Finance	592,785	573,858	558,845	(15,013)	-2.62%
IT - Computer/Software/Maintenance	95,715	125,225	139,399	14,174	11.32%
BLCSC	57,382	67,407	72,966	5,559	8.25%
EDA	59,881	164,375	172,166	7,791	4.74%
Building Inspection	255,590	237,418	238,921	1,503	0.63%
Engineering	89,521	104,564	110,854	6,290	6.02%
Fleet Maintenance	167,523	189,154	216,396	27,242	14.40%
Streets	556,744	626,889	680,547	53,658	8.56%
Parks	585,688	615,865	688,855	72,990	11.85%
Police	2,241,775	2,460,670	2,693,421	232,751	9.46%
Fire	324,918	325,120	337,478	12,358	3.80%
Community - Recreation	103,650	114,472	120,322	5,850	5.11%
Transfers out	657,872	448,611	455,611	7,000	1.56%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>6,025,245</u>	<u>6,295,651</u>	<u>6,778,875</u>	<u>483,224</u>	<u>7.68%</u>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<u>\$ (319,967)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 0</u>	
Unassigned Fund Balance - Projected	\$ 3,588,834	\$ 3,688,834	\$ 3,688,834		
Percentage of Expenditures:					
Unassigned Fund Balance must remain 50%	57.00%	54.42%	50.40%		

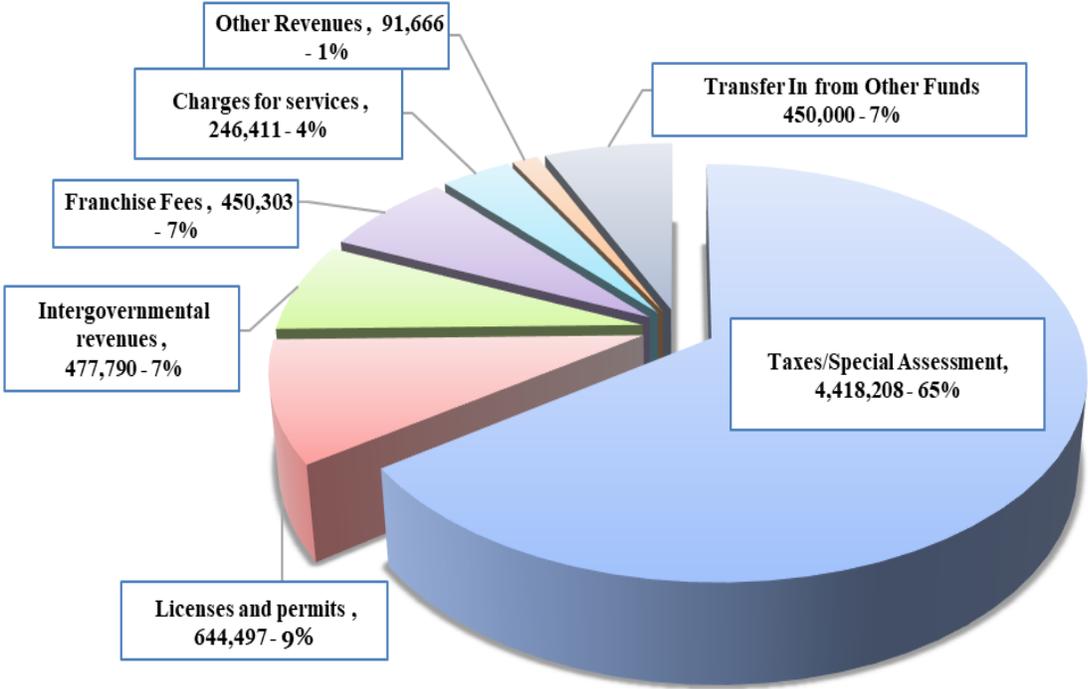
# City Wide Budgets

In reviewing the budgets, it is important to note the strong role the City Council plays in creating the budgets. The Council governs by providing strategic leadership and articulating a collective community vision. The Council reviews budget information at a policy level by concentrating on achieving desired results within a broad context of what the community can afford.

As in previous years, the budget reflects the hard work and dedication of many. The attention to detail and demonstrated interest in quality services ensures that the recommended budget exists as a realistic target, striving to fulfill Council’s broadest and highest policy directives. The Council provides specific direction annually on the maximum amount of property tax that the Council will consider. The Council is sensitive to fee levels in addition to the property tax.

## Revenue Sources

The 2024 total General Fund Revenues budget is \$6,775,309, an increase of \$489,658 over 2023. Again, the City will use \$3,566 of prior year donations that are recorded as designed fund balance for the Reading in the Park program. This will bring the total revenue budget to \$6,778,875. Property taxes are the largest revenue source for the City which makes up 65% of the City’s revenue. The transfer from the Liquor store represents 7% of the City’s revenue. Without the continued growth of Lake Liquor, the City would not be able to transfer the funds and would have to either increase the levy or cut services offered. Other sources consist of franchise fees, licenses and permits, intergovernmental sources, charges for services, fines and forfeits, donations, and investment income.



**Property Taxes**

The adopted tax levy which is \$5,607,316, is a 4.88% increase over the 2023 levy. This increase is inclusive of all City Council adopted levies as well as the Economic Development Authority (EDA) special levy. This is the same as the maximum property tax levy the Council adopted in September. The levy includes a decrease of \$209,081 for the Debt Service levy, no change for the EDA levy, a \$45,000 increase for the Property Tax Abatement levy and an increase of \$424,912 to the General levy.

The table that follows provides a comparison of the 2024 adopted property tax levy to the 2023 adopted levy.

	<u>2024</u>	<u>2023</u>	<u>Inc/(Dec)</u>	<u>% Change</u>
<b>General</b>	\$ 4,542,990	\$ 4,118,078	\$ 424,912	10.32%
<b><u>Specials:</u></b>				
<i>Abatement Property Tax Levy</i>				
Abatement Levy- The Garage Guys/Lupulin 65-564-004	7,050	7,050	-	0.00%
Abatement Levy - Carlson Group 65-508-0110	50,000	5,000	45,000	900.00%
<i>Abatement/TIF Debt Levy</i>				
GO Taxable Tax Abatement- Series 2016A	173,176	189,859	(16,683)	-8.79%
<b><u>Debt:</u></b>				
2015A GO Refunding Bonds	302,160	289,981	12,179	4.20%
2016B GO Capital Improvement Plan Bonds	57,855	53,354	4,501	8.44%
2016C GO Crossover Refunding Bonds	344,085	340,200	3,885	1.14%
2021A GO Improvement Bonds (excess cash on hand)	-	212,963	(212,963)	-100.00%
2022A GO Improvement Bonds (excess cash on hand)	-	-	-	100.00%
Total Specials and Debt Levy	<u>934,326</u>	<u>1,098,407</u>	<u>(164,081)</u>	<u>-14.94%</u>
<b>Total General Fund, Specials and Debt Levy</b>	<b>\$ 5,477,316</b>	<b>\$ 5,216,485</b>	<b>\$ 260,831</b>	
Big Lake Economic Development Authority Levy	\$ 130,000	\$ 130,000	-	0.00%
<b>Total City Levy</b>	<b><u>\$ 5,607,316</u></b>	<b><u>\$ 5,346,485</u></b>	<b><u>\$ 260,831</u></b>	<b>4.88%</b>
<b>City Tax Rate</b>	<b>2024</b> <b>37.52%</b>	<b>2023</b> <b>39.51%</b>		<b>-1.99%</b>

**Tax Rates**

The Council certifies to the County the property taxes to be collected from the taxpayers. How this tax burden is then distributed between commercial and industrial, apartments, and residential is based on decisions made by the state as well as changes in property values driven by market conditions and other factors.

Annual changes to the property tax capacity rate are driven by the following factors: 1) changes to the certified property tax levy; 2) changes in assessed property valuations; and 3) changes to tax increment. The Council certainly has a significant impact on the property tax capacity rate by what is certified for the tax levy, but the Council has no control over how taxes are spread across the various properties in the City. The State made a significant change in 2012 eliminating Market Value Homestead Credit and replacing it with Market Value Homestead Exclusion for residential property thus changing the distribution of taxes among properties by reducing the total taxable value within the City.

Based on the proposed increase in the tax levy, the City's 2024 City tax rate is estimated to be 37.52% compared to 39.51% for 2023, including EDA. This is not a final number for 2024, the City will not receive the final numbers until March. The Council does not set the City's tax rate instead the City's tax rate is calculated by Sherburne County once the City certifies a final levy. For 2024 there was a net increase in total valuation of properties within the City. Most of the valuation increase was due to a net increase of existing residential and apartment properties and with a small net increase in valuation of commercial and industrial properties. Total valuation increase on existing properties was 15%, with the Net Tax Capacity seeing an increase of 10.43%. Of the total valuation increase 2% was due to new construction.

**Transfer in from Other Funds**

The budgeted transfer for 2024 from Lake Liquor, is \$450,000, which supports City services. 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.

**Franchise Fees**

The City of Big Lake adopted the Franchise Ordinance in 2014, this ordinance allows the City to charge public utility providers for the continued use and maintenance of City-owned Right of Way. The fees are charged to utility providers, who pass the fee along to their account holders. While many may feel that Franchise Fees are simply another form of taxation, this alternate method of revenue collection will impact more than just taxpayers. Those that are typically exempt from property taxes but still benefit from essential City services, such as renters, non-profits, and schools will all pay the same fees. All revenues collected from the franchise fees are dedicated to the General Fund and \$370,000 is transfer to the Capital Improvement Funds for Streets, Parks, and Trail maintenance and the remainder help offset the cost of providing various services to the community. The current rate the utility providers charge their customers are \$4.00 per month for residential accounts and \$8.00 per month for Commercial accounts. As with the transfer from the liquor store, without the adoption of the Franchise Ordinance, the City would have to eliminate services or raise the tax levy. The slight increase for 2024 budget represents the new development within the City.

**License and Permits**

For the 2024 General Fund budget, license and permits are budgeted for an increase of \$77,158. This is to reflect the normal trend of 25 new home permits plus additional commercial development. The City is predicting a modest increase in population of 3% per year and taking that into consideration when budgeting for revenues. All other revenue sources in license and permits are budgeted for slight increases.

**Charges for Services/Fees**

Fee increase or decreases are consistent with policy and Council direction. The budget document includes the Fees and Charges section with details all the specific fees for 2024. For 2024, the budget indicates a slight decrease over 2023. Fees and charges are reviewed and adjusted annually based on the following criteria:

- Market Comparison
- Maximum set by external source – fees set by legislation or building code
- Cost of service / Utility fees

## 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 are included in this revenue sources. For the 2024 budget, a slight increase over 2023 was projected for an anticipated increase in State Aid received for Police and Fire.

## Liquor Store Revenue

Sales are the main revenue source for the Liquor fund and in 2020, due to the pandemic sales increased 28%. In 2021 the Liquor Fund sales were down slightly to 2020 and the sales have trended down slightly since. In 2023, sales were down 3% compared to 2022, however the sales are still trending above the sales in 2019. In 2023, the Liquor Store began selling THC, this was an unbudgeted revenue and expense. The 2024 budget shows a slight increase over 2023’s budget of 3.42%, this is to reflect what actual sales have been trending and does include the THC line. Cost of goods sold is budgeted with just a slight increase to reflect the projection of sales. Gross profit has ranged consistent around 28% over the past couple of years, however for 2024 the gross project is expected to go down slightly to 26%, due to the increase cost of goods sold and the decline in budgeted sales. Net profit before the transfer is 3% and labor cost as a percentage to sales is projected at 16%. Net loss with depreciation and transfers is projected at \$259,195. Projected cash balance is 10% of budget.

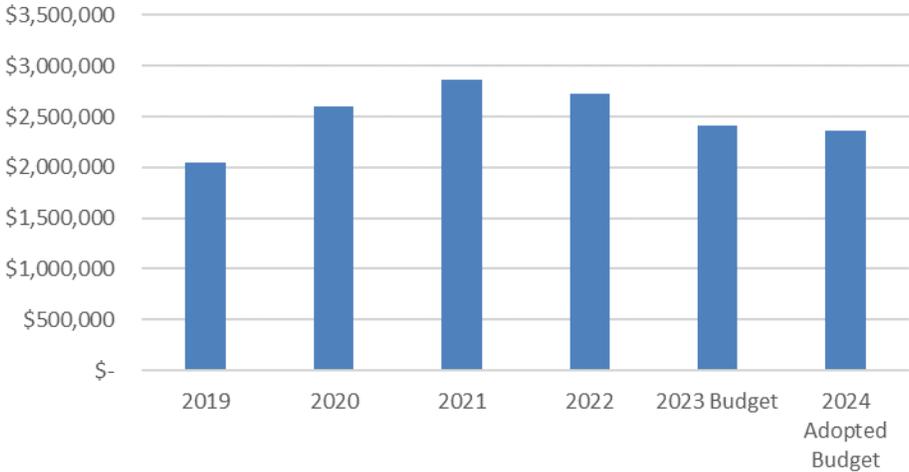


## Utility Fees Revenue

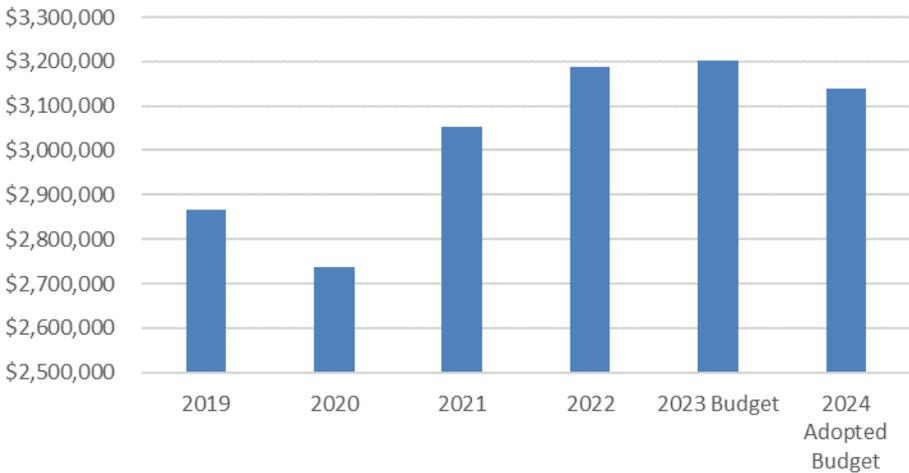
Utility fees are based on a review of actual level of operating and capital spending compared to appropriations, as well as review of cash balance and net asset levels. For 2024 fixed rates for water and sewer will remain the same as 2023 for all accounts except industrial (contract). Water usage fees will remain the same for all accounts except municipal and industrial (contract). Sewer usage fees will remain the same for residential and commercial. For industrial (contract) both fixed and usage fees for water and sewer will increase by 8% per the signed contract. For municipal accounts, usage fees for water will increase by 5%. The increase to the municipal accounts is at Council’s direction to subsidize the water and sewer fund. The increase is budgeted in the 2024 General Fund Expenditures and will help to maintain the utility fees at a consistent rate

for all other users. Sewer usage fees are based on the actual water use for the months of November through April and then during the summer months of May through October, the average water use for November through April is used. The City’s wastewater treatment facility is in the beginning stages of a much-needed expansion and this will require that rates will increase in 2025 and beyond, in the long-term plan of the City, the sewer usage rates are projected to increase 10% for the years of 2025-2031. However, staff will review the cash flow to determine what rate increase is needed to ensure that the funds maintain a positive cash flow year over year.

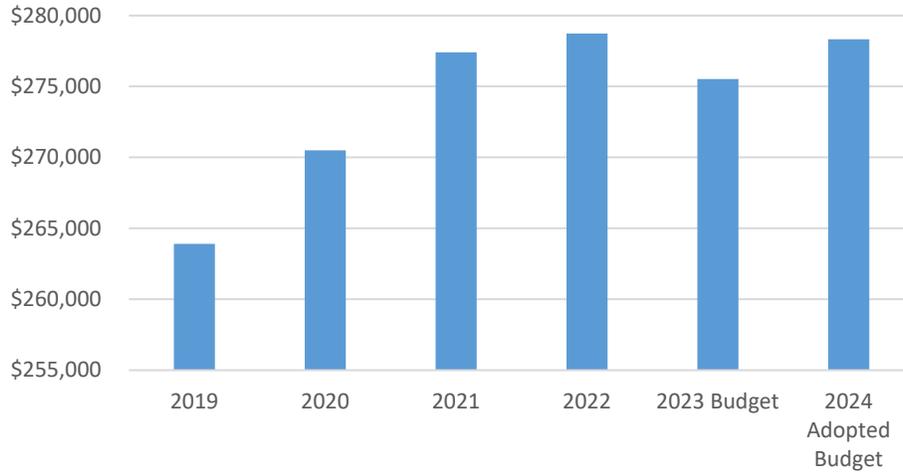
Water Revenue



Sewer Revenue

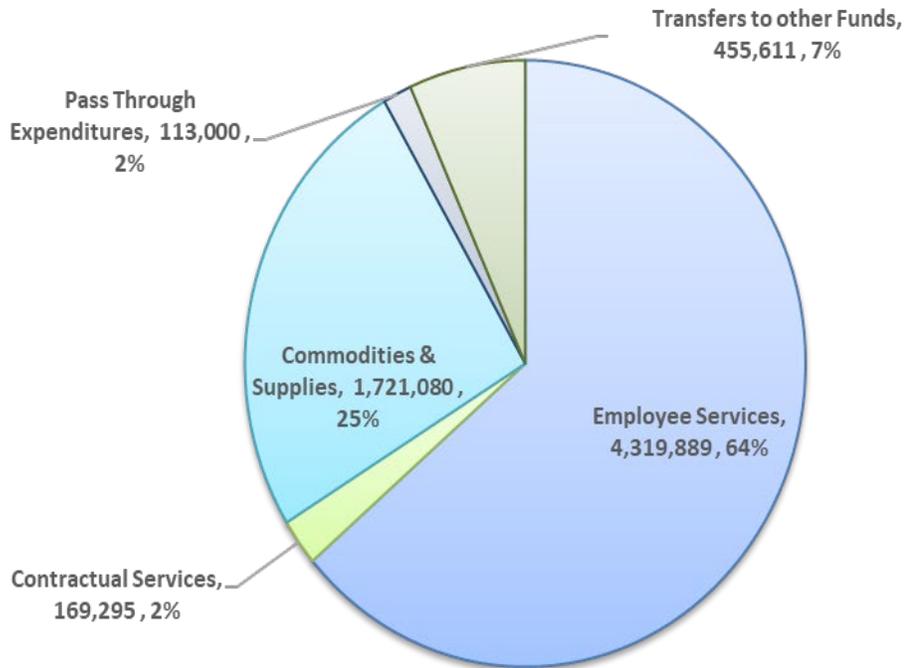


### Storm Water



### Expenditures by category

For 2024 the General Fund Expenditures budget is \$6,778,875 which is the same amount budgeted for revenues, so therefore the City has a balance budget and will not be using any unassigned fund balance. The anticipated unassigned fund balance for 2024 is 55% of 2024 expenditures and 51% of 2025 Concept expenditures. This is above the 40% -50% required per the City’s financial policies.



## **Employee Services**

Of the total budget about 64% or \$4.319 million is for employee services, this would be expected as the main purpose of the City is to provide services to the citizens and businesses of Big Lake. Employee services are comprised of wages, health and dental insurance costs, and other benefits such as employer taxes, employer pension contribution, workers' compensation insurance, disability insurance, life insurance and wellness program. The personnel budget increased over 2023 by \$358,254. The main reasons for the increase are as follows:

- Market increases to the pay plan of 3% to remain competitive
- Steps increase of 3% to employees with positive performance reviews that are not at the top of the 9-step pay plan
- State mandated leave time
- Advance Resignation Notice Program
- Additional police officers
- Increase hours and wages for seasonal parks staff
- Increase in insurance premiums
- Allocation changes for Administrative/Finance support staff between General Fund and the Enterprise Funds
- 2024 there are three (3) Elections, pay associated with election judges, this is an increase of \$25,000 to cover all three elections. This includes wages, travel for training, training, meals and location rentals for elections

The City does not pay a percent of family health insurance premiums but rather a fixed dollar amount toward the benefit. Management annually reviews this fixed dollar contribution and recommend to the Council during the budget process a proposed amount for the City contribution. When premiums increase, it does not mean the employer contribution towards benefits automatically increase.

## **Commodities and Supplies**

Of the total budget about 25% or \$1.72 million is for operational expenditures. The operational expenditures increased over 2023 by \$116,325. The main reasons for the increase are as follows:

- Increase of cost for general liability insurance
- Increase in rates for municipal water/sewer fees
- Increase in cost of training
- Increase in cost of repair/maintenance service and supplies

## **Contractual Services**

Of the total budget about 2% or \$169 thousand is for professional services. The professional services increased over 2023 by \$1,645 or 1%. Professional or contractual services include costs for the audit, legal fees, outside engineering, planning and other professional consultants. The main reasons for the increase are as follows:

- Increase cost in legal
- Increase in medical exams for new hires.

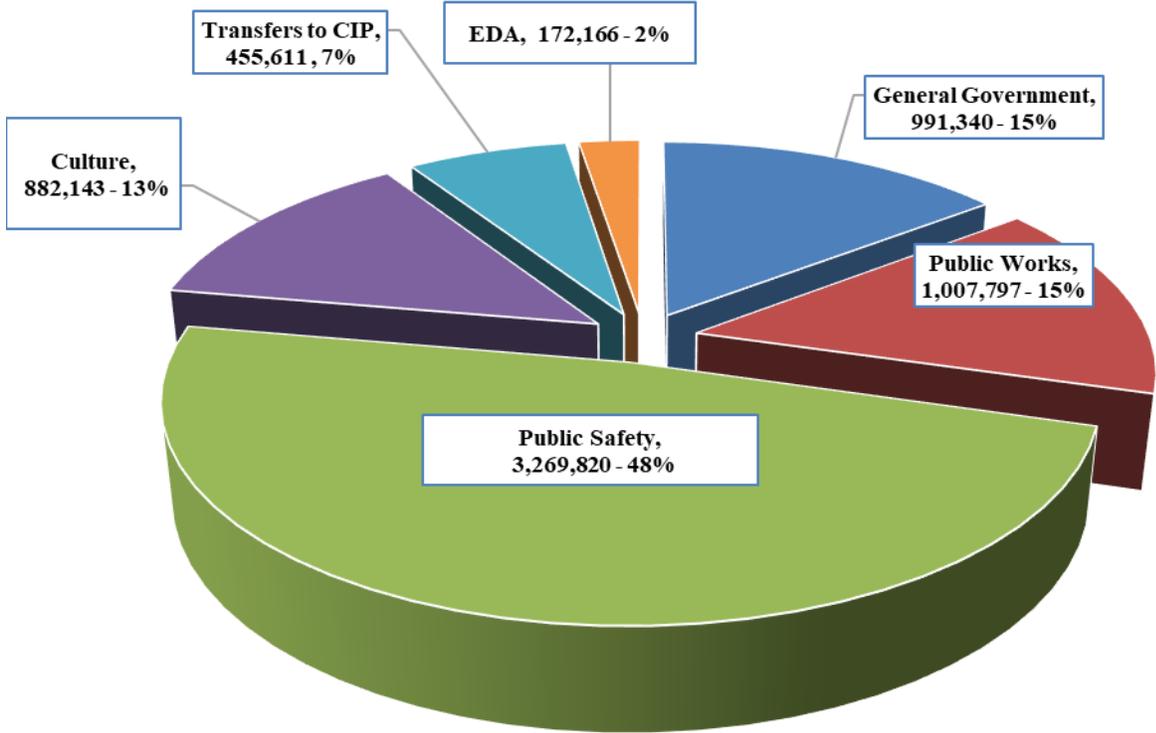
**Transfers**

Of the total budget 7% or \$455,611 is for transfers to other funds. This is an increase of \$7,000 over 2023. These transfers are to the Capital Replacement and Infrastructure funds for future projects such as computer and other equipment replacements, parks, and trail projects, building improvements, and future street projects. For 2024, the budgeted transfers are as follows:

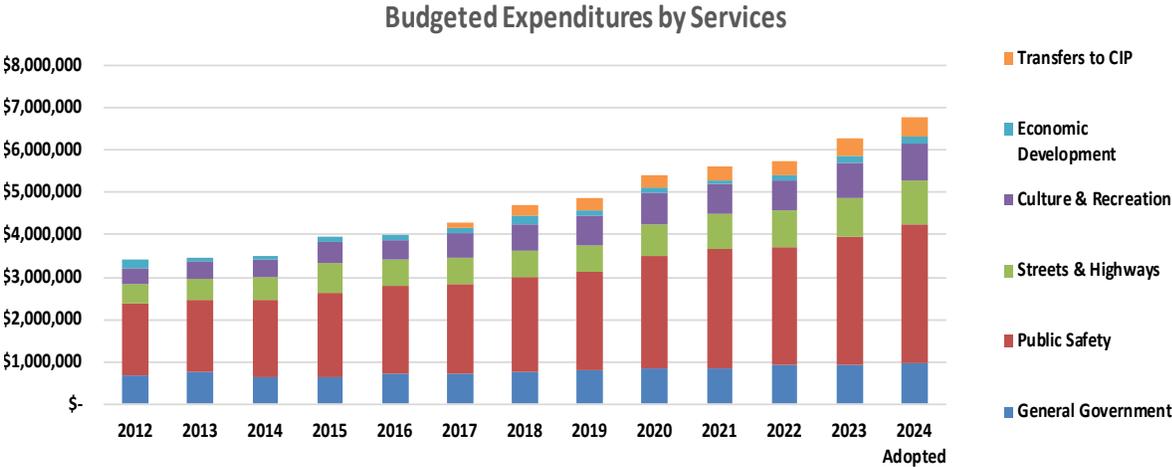
- Computer Replacement Fund - \$19,000
- Street Maintenance Fund - \$270,000 (using Franchise Fees)
- Industrial Park Fund payment for the Interfund Loan due to the Sewer Fund - \$25,000
- Misc. Equipment Replacement fund for Streets - \$5,000
- Misc. Equipment Replacement fund for Parks - \$5,000
- Trail Maintenance Fund - \$9,000
- Playground Equipment Replacement Fund - \$5,000
- Park Maintenance or Improvement Fund - \$100,000 (using Franchise Fees)
- Police Taser replacement fund - \$12,611
- Music in the Park Fund - \$5,000.

**Expenditures by services**

Of the 2024 budget, \$3,269,820 or 48% is allocated to public safety, this includes the Police Department, Fire Department and Building Division, which is one reason Big Lake is a very safe community and great place to live and work, 15% for general government; this is general services and administration of the City, 13% for culture; this includes parks, the library and community events which promotes quality of life, 15% for public works; which maintains the infrastructure of the community, 7% for transfers; which are used for future projects or equipment, and 2% for EDA; which is used to promote Big Lake..



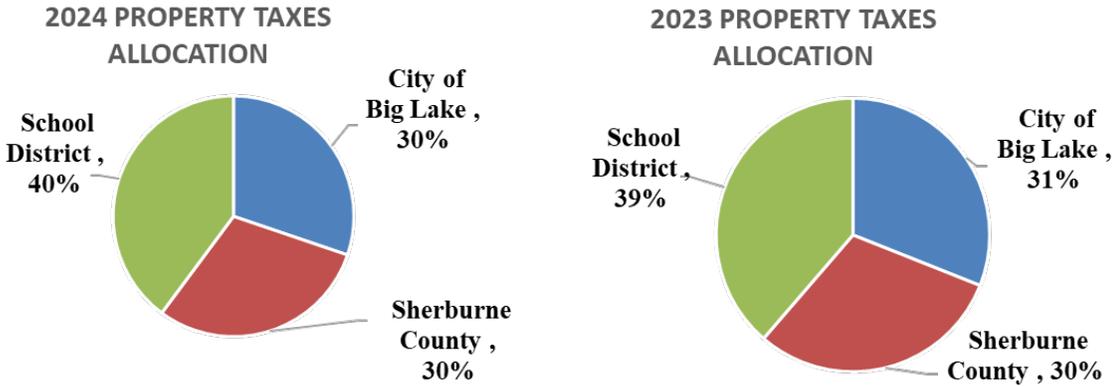
Reviewing further, the breakdown per type of service, as the population has increased through the years so has the cost for City services, which then the general fund budget also increased. The increase in the budget reflects the population increase of 12% since 2012 and the inflationary increase of 2% per year. The City did not start transferring funds to the Capital Improvement fund for future projects until 2017. The expenditures by services over time are fairly constant and a reflection of the needs of the community during that budget year.



### Property Taxes breakdown

The property taxes paid help to support the services for Sherburne County, the Big Lake School District, and the City of Big Lake.

The allocation between taxing authorities is similar for 2024 as it was for 2023; 30% is for City Services, 40% for the School District, and 30% for Sherburne County.



The total local tax rate is anticipated to go down 5.34% to 102.646% compared to 2023 of 107.985%.

<b>Tax Rates</b>	<b>2023 LEVY</b>	<b>2024 LEVY</b>	<b>% CHANGE</b>	
City of Big Lake	39.505%	37.520%	-1.99%	
Sherburne County	38.612%	36.608%	-2.00%	
School District Voter Approved	<u>29.868%</u>	<u>28.518%</u>	-1.35%	
Total Local Tax Rate (NTC)	107.985%	102.646%	-5.34%	
School District Other local levies (Market)	0.18707%	0.19592%	0.009%	(for specific projects )



# City Taxes Illustration

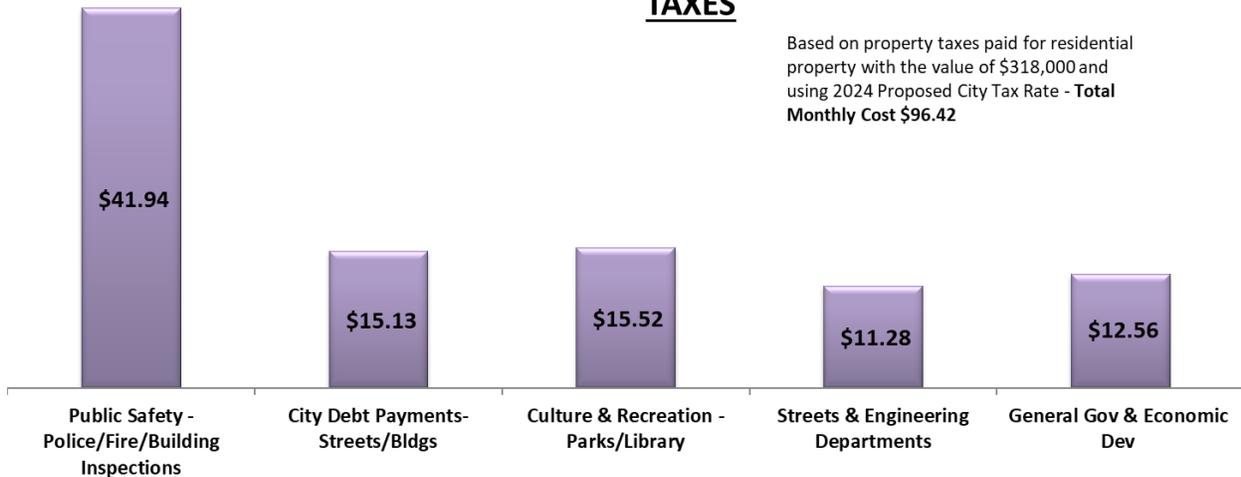
2024 estimates of change to property tax for City Levy -

**\*\*estimated property values increase of 6%**

						Tax Year		City Tax Rate		inc/(dec)	
						2024		39.51%	37.52%	-1.99%	
<b>Residential Property - Homestead class rate is 1%</b>											
Value - 2023	Value - 2024	Homestead Credit	Taxable Market Value	Class Rate	Prop Tax Capacity	2023	2024	+/- to prior	per month	% of Change	
175,000	185,500	20,545	164,955	0.01	1,650	607	619	12	1.03	2.03%	
243,903	258,537	13,972	244,566	0.01	2,446	903	918	14	1.19	1.58%	
275,000	291,500	11,005	280,495	0.01	2,805	1,037	1,052	15	1.26	1.46%	
300,000	318,000	8,620	309,380	0.01	3,094	1,145	1,161	16	1.32	1.38%	
325,000	344,500	6,235	338,265	0.01	3,383	1,253	1,269	17	1.38	1.32%	
350,000	371,000	3,850	367,150	0.01	3,672	1,360	1,378	17	1.43	1.27%	
<b>375,000</b>	<b>397,500</b>	<b>1,465</b>	<b>396,035</b>	<b>0.01</b>	<b>3,960</b>	<b>1,468</b>	<b>1,486</b>	<b>18</b>	<b>1.49</b>	<b>1.22%</b>	
400,000	424,000	-	424,000	0.01	4,240	1,576	1,591	15	1.26	0.96%	
500,000	530,000	-	530,000	0.01	5,300	1,976	1,989	13	1.07	0.65%	
<b>Residential Property - Non-Homestead class rate is 1%</b>											
Value - 2023	Value - 2024	Homestead Credit	Taxable Market Value	Class Rate	Prop Tax Capacity	2023	2024	+/- to prior	per month	% of Change	
125,000	132,500	-	132,500	0.01	1,325	494	497	3	0.27	0.65%	
150,000	159,000	-	159,000	0.01	1,590	593	597	4	0.32	0.65%	
175,000	185,500	-	185,500	0.01	1,855	691	696	4	0.37	0.65%	
200,000	212,000	-	212,000	0.01	2,120	790	795	5	0.43	0.65%	
250,000	265,000	-	265,000	0.01	2,650	988	994	6	0.53	0.65%	
300,000	318,000	-	318,000	0.01	3,180	1,185	1,193	8	0.64	0.65%	
<b>Apartments - increase 12% class rate is 1.25%</b>											
1,000,000	1,120,000	-	1,120,000	0.0125	14,000	4,939	5,253	313	26.12	6.35%	
1,500,000	1,680,000	-	1,680,000	0.0125	21,000	7,409	7,879	470	39.18	6.35%	
2,000,000	2,240,000	-	2,240,000	0.0125	28,000	9,878	10,505	627	52.24	6.35%	
<b>Commercial - increased 2% - 1st \$150,000 class rate is 1.5% remainder at 2%</b>											
150,000	150,000	-	150,000	0.015	2,250	889	844	(45)	(3.74)	-5.05%	
300,000	306,000	-	306,000	0.02	5,370	2,074	2,015	(60)	(4.98)	-2.88%	
500,000	510,000	-	510,000	0.02	9,450	3,655	3,546	(109)	(9.12)	-3.00%	
1,000,000	1,020,000	-	1,020,000	0.02	19,650	7,606	7,372	(234)	(19.49)	-3.08%	
1,500,000	1,530,000	-	1,530,000	0.02	29,850	11,558	11,199	(358)	(29.86)	-3.10%	
2,500,000	2,550,000	-	2,550,000	0.02	50,250	19,461	18,853	(607)	(50.60)	-3.12%	
3,500,000	3,570,000	-	3,570,000	0.02	70,650	27,363	26,507	(856)	(71.34)	-3.13%	
5,000,000	5,100,000	-	5,100,000	0.02	101,250	39,217	37,988	(1,229)	(102.45)	-3.13%	

Based on a residential parcel with the 2024 value of \$318,000

## MONTHLY HOUSEHOLD COST FOR CITY SERVICES FROM PROPERTY TAXES



# Capital Project Fund Budget Summary

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

Capital Projects Fund 175	Budget									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>REVENUE</b>										
Bond Proceeds	\$3,239,858	\$5,110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	-	-	-	-	-	-	-	-	-	-
Other Revenues - State Aid	-	-	-	-	600,000	-	-	-	-	-
Transfer In from Other Funds	-	372,796	300,000	300,000	250,000	1,050,000	400,000	400,000	400,000	400,000
<b>TOTAL REVENUES</b>	<b>3,239,858</b>	<b>5,482,796</b>	<b>300,000</b>	<b>300,000</b>	<b>850,000</b>	<b>1,050,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>
<b>EXPENDITURES/ALLOCATION</b>										
Streets Projects	3,239,858	5,110,000	300,000	300,000	850,000	1,050,000	400,000	400,000	400,000	400,000
Signal Projects	-	-	-	-	-	-	-	-	-	-
Trail / Sidewalk Projects	-	372,796	-	-	-	-	-	-	-	-
Transfers out to other funds/Debt Service	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPEND/ALLOCATIONS</b>	<b>3,239,858</b>	<b>5,482,796</b>	<b>300,000</b>	<b>300,000</b>	<b>850,000</b>	<b>1,050,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>
<b>NET REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ -</b>									
<b>Fund Balance</b>	<b>\$ 16,979</b>									

In the 2024 Capital Project Fund budget it is anticipated to do \$300,000 work of street resurfacing, focusing on those streets that are requiring the most attention by public works for maintenance each year due to the condition of the streets. The 2025-2030 concept budgets resurfacing projects are also based on the condition of the streets as outlined in the Streets and Pavement Plan.



# Capital Improvement Funds Budget Summary

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

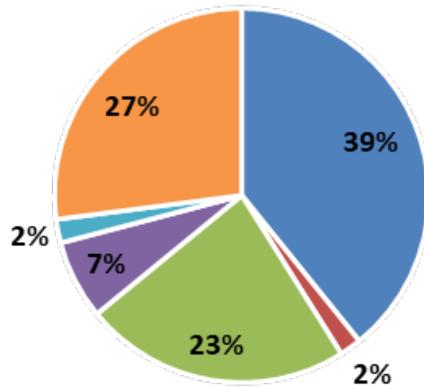
Capital Projects Fund 175	Actual			Budget
	2021	2022	2023	2024
<b>REVENUE</b>				
Intergovernmental	\$ 17,563	\$ -	\$ -	\$ -
Bond Proceeds	3,239,858	5,359,111	-	-
Interest Income	953	3,869	13,347	-
Other Revenues	41,130	-	-	-
Transfer In from Other Funds	2,948	9,769	350,477	300,000
<b>TOTAL REVENUES</b>	<b>3,302,452</b>	<b>5,372,749</b>	<b>363,824</b>	<b>300,000</b>
<b>EXPENDITURES/ALLOCATION</b>				
Streets Projects	2,298,784	4,393,057	1,472,761	300,000
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>NET REVENUE OVER (UNDER) EXPENSE</b>				
	<b>\$ 831,165</b>	<b>\$ 414,888</b>	<b>\$(1,108,937)</b>	<b>\$ -</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Fund Balance</b>	<b>\$ 862,697</b>	<b>\$ 1,277,585</b>	<b>\$ 168,648</b>	<b>\$ 168,648</b>

# Debt Service Funds Budget Summary

## G O Debt Services Funds (not including Enterprise fund Debt) TOTAL DEBT PAYMENT O/S

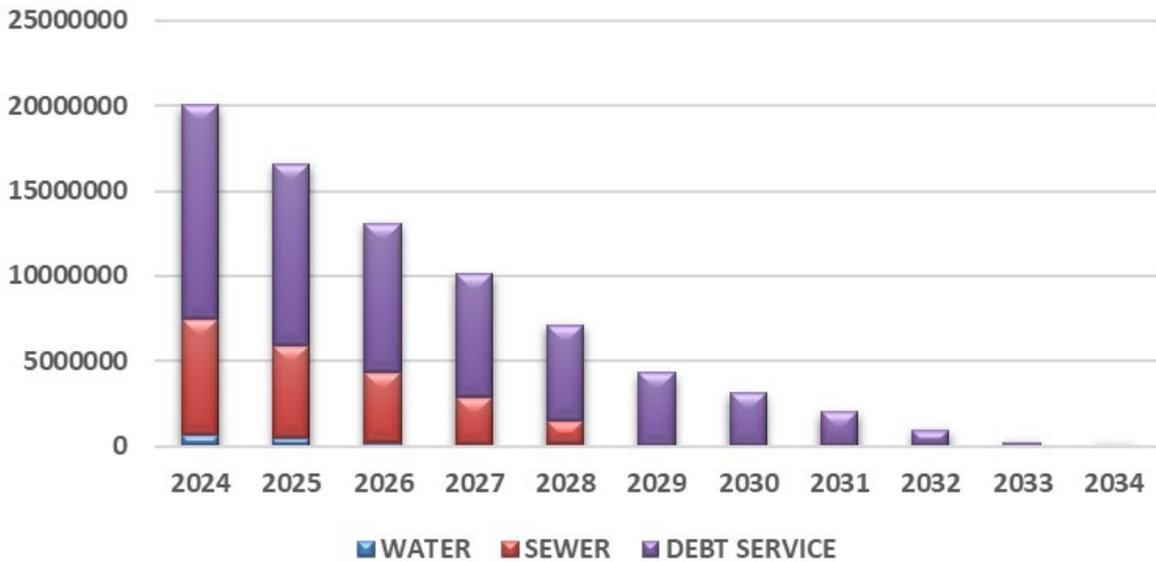
REVENUES	2022 Adopted Budget	2023 Budget	2024 Budget
<b>Description</b>			
Property Taxes	\$ 1,359,098	\$ 1,086,357	\$ 877,276
Tax Increment	42,000	42,000	42,000
Special Assessments	355,059	326,462	515,328
State Aid	151,391	152,242	152,913
Intergovernmental	47,206	46,357	45,427
Investment Interest	3,187	2,773	2,108
<b>Total Revenues</b>	<b>1,957,941</b>	<b>1,656,191</b>	<b>1,635,052</b>
<b>EXPENDITURES</b>			
Debt Principal Payments	1,638,063	1,755,000	2,028,000
Debt Interest Payments	291,636	483,533	353,250
Other (Interfund Loans & Escrow payments)	41,641	40,116	38,963
<b>Total Expenditures</b>	<b>1,971,340</b>	<b>2,278,649</b>	<b>2,420,213</b>
<b>OTHER USES</b>			
<b>Transfers In</b>	<b>113,063</b>	<b>113,063</b>	<b>209,235</b>
Transfers Out	(38,220)	(74,084)	(36,120)
<b>Total Other Uses</b>	<b>74,843</b>	<b>38,979</b>	<b>173,115</b>

## Debt Service Payment - \$2,381,250



Below is the total outstanding debt for the City including Enterprise Funds.

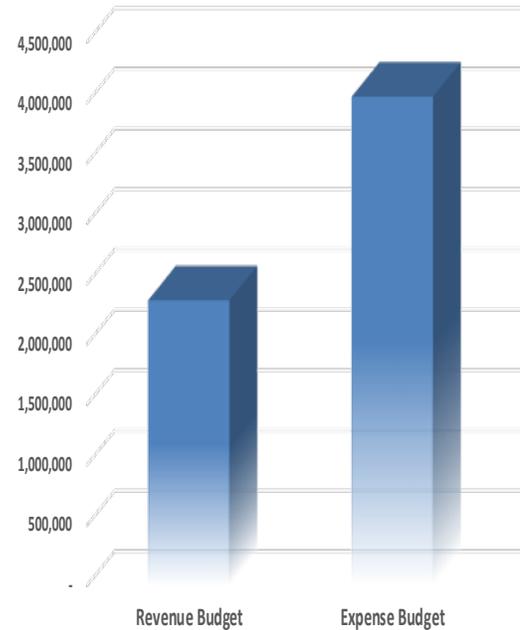
## Outstanding Debt - Principal and Interest



# Enterprise Funds Summary

## Water Fund

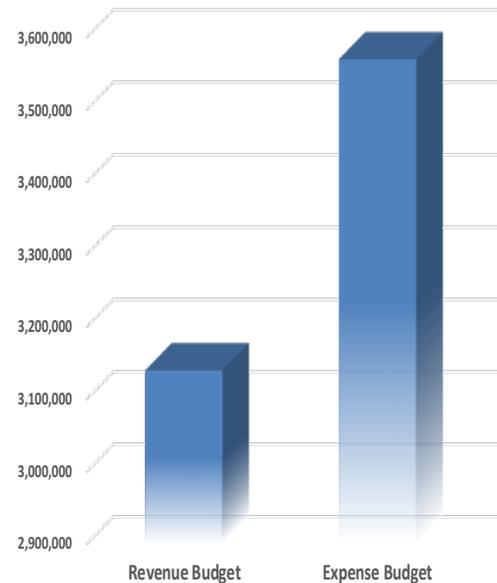
	Water Fund			
	2023-2024			
	2023	2024		
<u>Revenue Budget</u>	<u>Budget</u>	<u>Adopted Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Utilities Revenues	\$ 2,409,838	\$ 2,352,071	\$ (57,767)	-2.40%
Other Revenues	6,000	11,000	5,000	83.33%
<b>Total Revenues</b>	<b>\$ 2,415,838</b>	<b>\$ 2,363,071</b>	<b>\$ (52,767)</b>	<b>-2.18%</b>
<b>Expense Budget</b>				
Personnel	\$ 731,182	\$ 759,299	\$ 28,117	3.85%
Professional Services	58,350	62,500	4,150	7.11%
Operations	495,819	742,252	246,434	49.70%
Capital/Transfers	278,000	1,523,000	1,245,000	447.84%
Debt	83,943	26,756	(57,187)	-68.13%
Depreciation	996,284	936,255	(60,030)	-6.03%
<b>Total Expenses</b>	<b>\$ 2,643,578</b>	<b>\$ 4,050,062</b>	<b>\$ 1,406,484</b>	<b>53.20%</b>
<b>Net Income/(Loss) with Depreciation</b>	<b>\$ (227,740)</b>	<b>\$ (1,686,991)</b>		
<b>Projected Ending Cash</b>	<b>\$ 1,208,190</b>	<b>\$ (193,884)</b>		



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

## Sewer Fund

	Sewer Fund			
	2023-2024			
	2023	2024		
<u>Revenue Budget</u>	<u>Budget</u>	<u>Adopted Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Utilities Revenues	\$ 3,200,355	\$ 3,133,388	\$ (66,967)	-2.09%
Other Revenues	2,000	6,000	4,000	200.00%
<b>Total Revenues</b>	<b>\$ 3,202,355</b>	<b>\$ 3,139,388</b>	<b>\$ (62,967)</b>	<b>-1.97%</b>
<b>Expense Budget</b>				
Personnel	\$ 731,474	\$ 759,299	\$ 27,825	3.80%
Professional Services	42,900	47,000	4,100	9.56%
Operations	877,545	930,320	52,775	6.01%
Capital/Transfers	180,000	200,000	20,000	11.11%
Debt	236,046	210,079	(25,967)	-11.00%
Depreciation	1,422,595	1,422,595	-	0.00%
<b>Total Expenses</b>	<b>\$ 3,490,560</b>	<b>\$ 3,569,293</b>	<b>\$ 78,733</b>	<b>2.26%</b>
<b>Net Income/(Loss) with Depreciation</b>	<b>\$ (288,205)</b>	<b>\$ (429,905)</b>		
<b>Projected Ending Cash</b>	<b>\$ 3,654,967</b>	<b>\$ 3,553,995</b>		

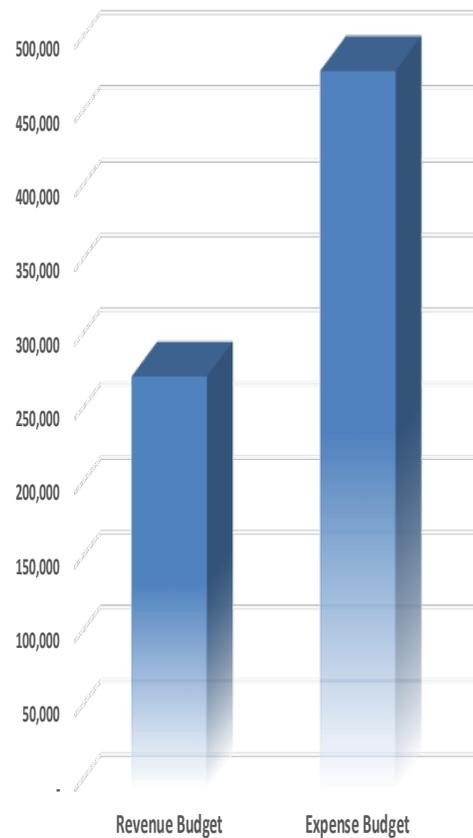


\*\*projected cash balance is after principal debt payments are made

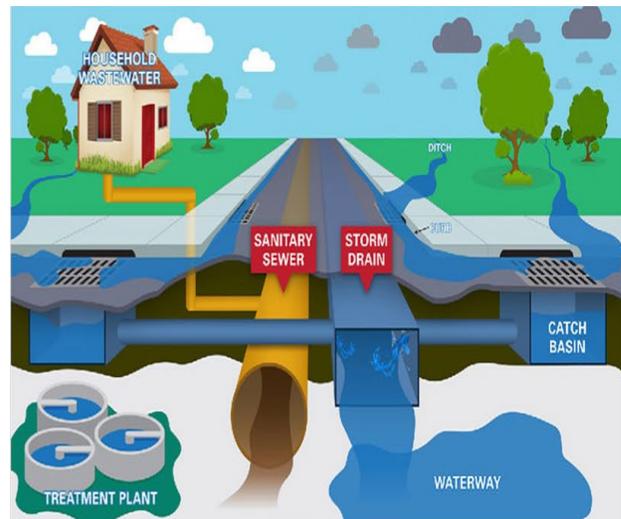
# Storm Water Fund

## Storm Water Fund

	2023-2024			
	2023 Budget	2024 Adopted Budget	\$ Change	% Change
<b>Revenue Budget</b>				
Utilities Revenues	\$ 272,531	\$ 272,331	\$ (200)	-0.07%
Other Revenues	3,000	6,000	3,000	100.00%
<b>Total Revenues</b>	<b>\$ 275,531</b>	<b>\$ 278,331</b>	<b>\$ 2,800</b>	<b>1.02%</b>
<b>Expense Budget</b>				
Personnel	\$ 169,149	\$ 161,438	\$ (7,711)	-4.56%
Professional Services	2,720	3,500	780	28.68%
Operations	20,175	26,675	6,500	32.22%
Capital/Transfers	30,000	30,000	-	0.00%
Debt	64,641	35,241	(29,400)	-45.48%
Depreciation	227,329	227,329	-	0.00%
<b>Total Expenses</b>	<b>\$ 514,014</b>	<b>\$ 484,183</b>	<b>\$ (29,831)</b>	<b>-5.80%</b>
<b>Net Income/(Loss) with Depreciation</b>	<b>\$ (238,483)</b>	<b>\$ (205,852)</b>		
<b>Projected Ending Cash</b>	<b>\$ 278,188</b>	<b>\$ 299,665</b>		



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



# Enterprise Funds Summary – Continued

## Rates for 2024

Remain flat for 2024 budget cycle

WATER USAGE RATES - RESIDENTIAL, MULTI-FAMILY, IRRIGATION										
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%

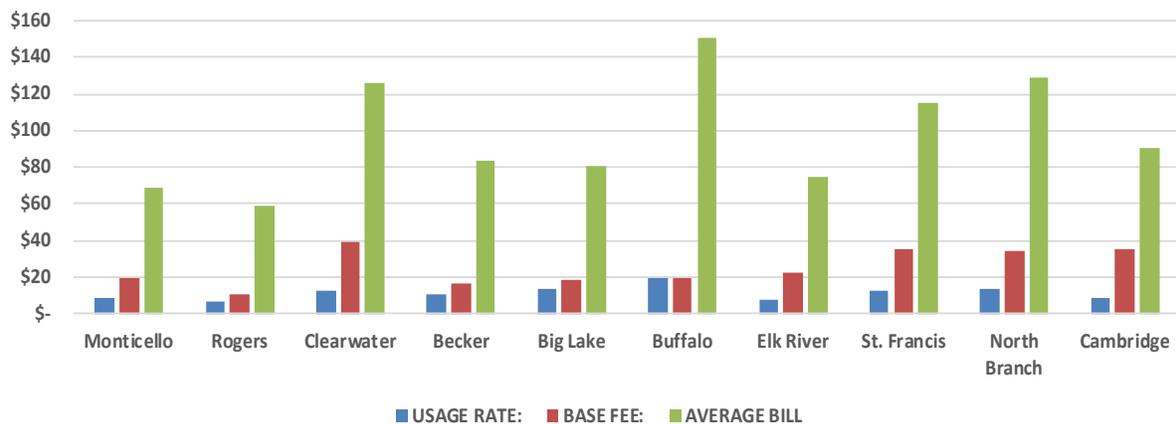
WATER USAGE RATES - COMMERCIAL										
YEAR	Adopted			Budget	Projected					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Rate Tier 1 (per 1,000)	2.65	2.65	2.65	2.65	2.67	2.69	2.72	2.75	2.78	2.80
Annual % Increase	3%	0%	0%	0%	1%	1%	1%	1%	1%	1%

SEWER USAGE- RESIDENTIAL, MULTI-FAMILY, COMMERCIAL										
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%

WATER USAGE RATES - MUNICIPAL - GENERAL FUND										
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%

SEWER USAGE RATES - MUNICIPAL - GENERAL FUND										
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%

### Rate Comparisons

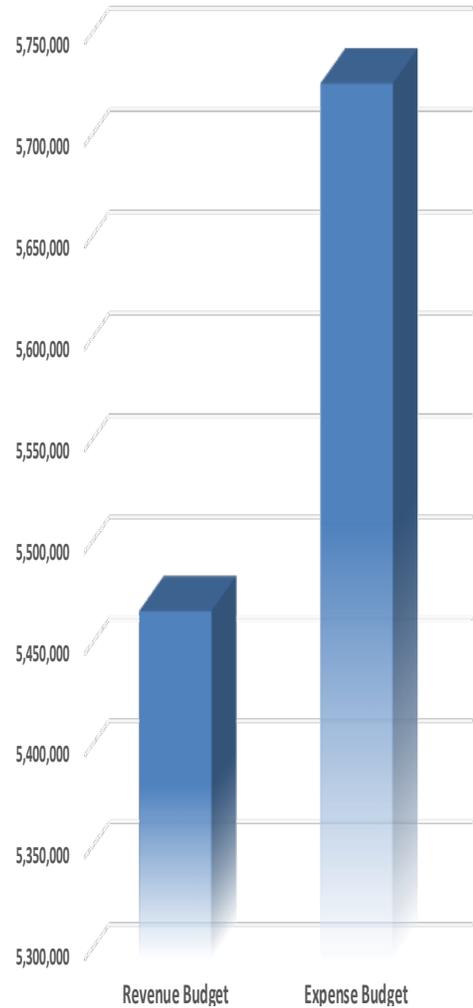


# Enterprise Funds Summary – Continued

## Liquor Fund

### Liquor Store Fund

	2023-2024			
	2023 Budget	2024 Adopted Budget	\$ Change	% Change
<b>Sales</b>				
Gross Sales	\$ 5,305,977	\$ 5,486,991	\$ 181,014	3.41%
Less Loyalty Program	(26,250)	(27,563)	(1,313)	5.00%
Cost of Sales	4,012,917	4,048,673	35,756	0.89%
<b>Gross Profit</b>	<b>\$ 1,266,810</b>	<b>\$ 1,410,756</b>	<b>\$ 143,946</b>	<b>11.36%</b>
<b>Gross Profit %</b>	<b>24%</b>	<b>26%</b>		
<b>Revenue Budget</b>				
Gross Sales	\$ 5,279,727	\$ 5,459,429	\$ 179,702	3.40%
Other Revenues	10,615	11,625	1,010	9.51%
<b>Total Revenues</b>	<b>\$ 5,290,342</b>	<b>\$ 5,471,054</b>	<b>\$ 180,712</b>	<b>3.42%</b>
<b>Expense Budget</b>				
Personnel	\$ 805,322	\$ 852,099	\$ 46,777	5.81%
Professional Services	6,811	7,600	789	11.58%
Operations	246,745	264,277	17,532	7.11%
Cost of Sales	4,012,917	4,048,673	35,756	0.89%
Capital/Transfers	485,000	485,000	-	0.00%
Debt	-	-	-	100.00%
Depreciation	60,000	72,600	12,600	21.00%
<b>Total Expenses</b>	<b>\$ 5,616,795</b>	<b>\$ 5,730,249</b>	<b>\$ 113,454</b>	<b>2.02%</b>
<b>Net Income/(Loss) with Depreciation and Transfer</b>	<b>\$ (326,453)</b>	<b>\$ (259,195)</b>		
<b>Projected Ending Cash</b>	<b>\$ 737,097</b>	<b>\$ 550,502</b>		
Net profit before transfer to General Fund	\$ 190,805			
Net profit % before transfer	3%			
Labor Cost % to Sales	16%			
Projected Cash balance as % to Budget	10%			

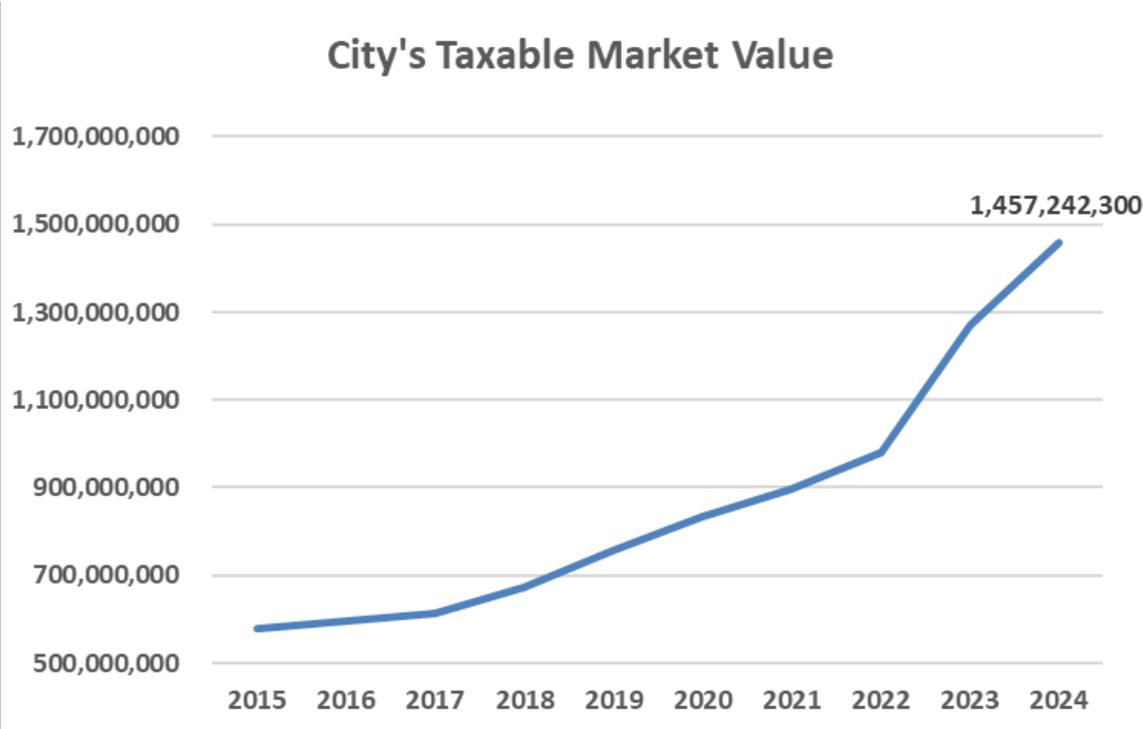


**Profits back into the community**

# Broad Indicators

## Taxable Market Value

One of the most significant indicators of Big Lake’s success is demonstrated in the consistent growth in total taxable market value. The City’s taxable market value increased approximately 15%, to over \$1.4 billion. When taxable market value increase, then the City tax capacity increases which has an effect on the City’s tax rate. As indicated earlier, the City’s tax rate is what is used to calculate the portion of each parcel’s allocation towards the total levied funds needed by the City.

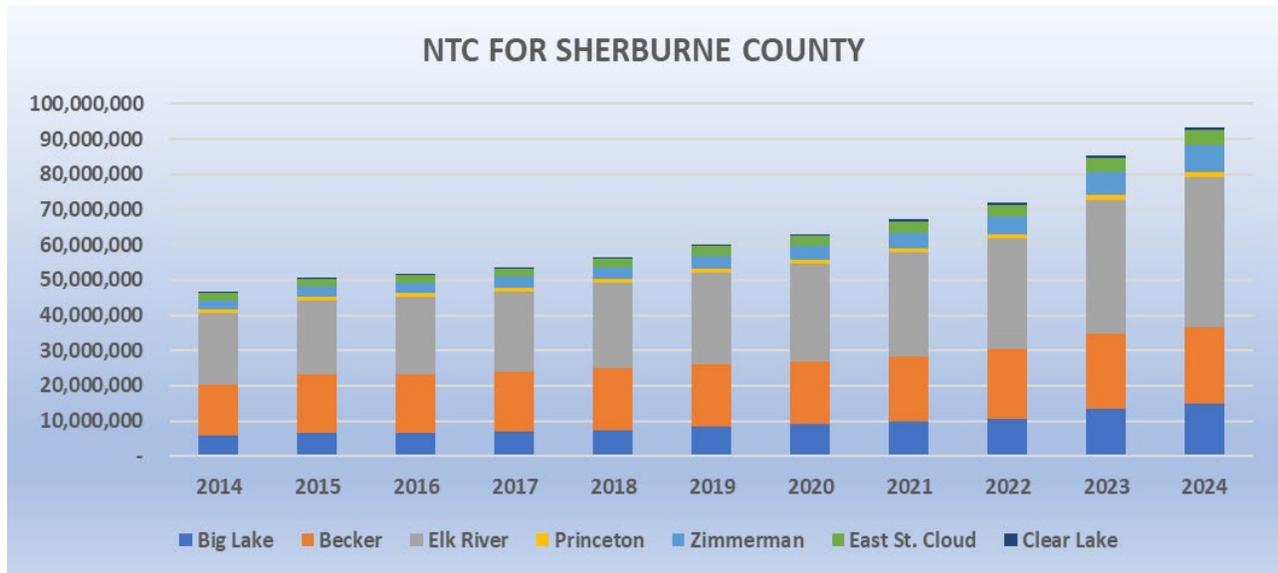


The County assessor determines the market value the year before taxes is payable, this was done in January of 2023 for the 2024 taxes. The information used to determine the market value would have been the new construction, improvements to existing property and sales of property from October 2021 to September 30, 2022. In addition, the market values must be within 90 – 105% of the actual sale prices made during the same time frame. For the City, the net tax capacity has increased by 11%, of which approximately 2% is new construction. From 2015 until 2024 taxable values have increased 127% or an average of 10% per year.

## Net Tax Capacity Value

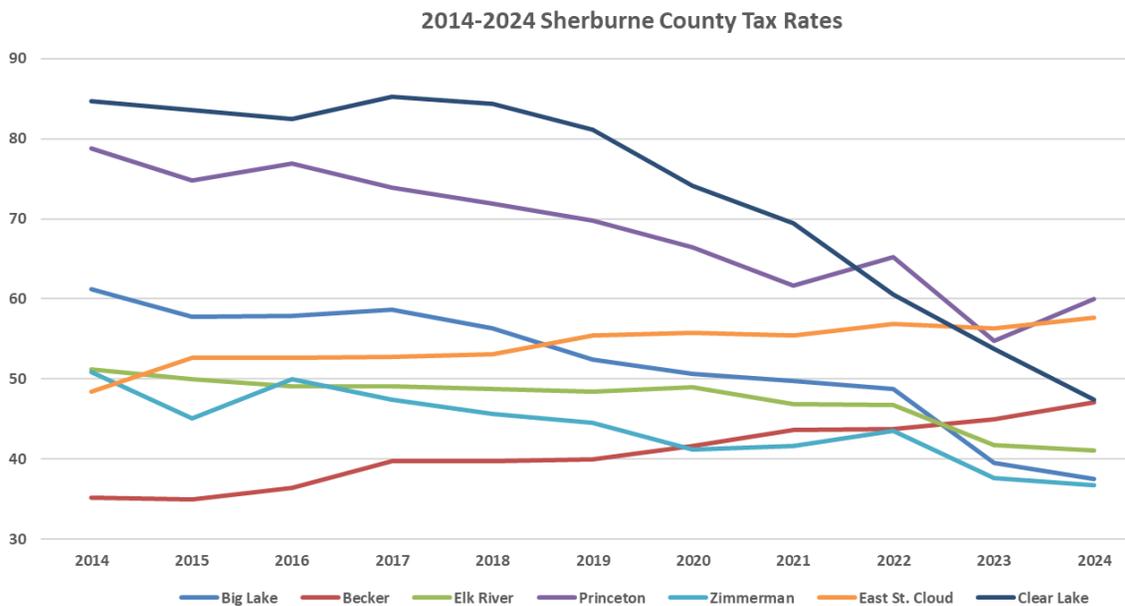
The City’s Net Tax Capacity Value (net tax capacity of all taxable parcels within the City, excluding property located in a tax increment financing district) is used to calculate the City’s tax rate. As the taxable market value increases the City’s net tax capacity will increase.

For Sherburne County, Big Lake’s net tax capacity is 16% of the total 93,277,090 net tax capacity value or 14,957,245. Big Lake’s net tax capacity values are the third largest capacity values in the county. The other cities that are in the top three of net tax capacity values are Elk River, which makes up 46% and Becker, which makes up 23%, both of these cities have a larger commercial/industrial base then the City of Big Lake.



### City Tax Rate Comparison

The following table shows a comparison of City tax rates from 2014 through 2024 as proposed, with other Sherburne County cities. Final adopted rates for 2024 are not available at this time, the data below reflects what was available for Truth in Taxation. The following chart reflects the City tax levies as well as any special levies, such as Housing Redevelopment Authority (HRA), Economic Development Authority (EDA) or Met Transit levies that the cities certify.



The table below shows a comparison of Big Lake’s 2023 actual City tax rates for City services with other market cities. This comparison only includes the City Tax rate not any special levies. Big Lake’s tax rate was the second lowest out of the seven county cities. This information will be collected for 2024 when the information is available. Big Lake’s comparison to the seven county cities will likely remain similar for the year 2023.

<b>Tax Rate Comparisons</b>	<b>Adopted 2023 Tax Rate</b>
City of Zimmerman	36.812
City of Becker	44.926
City of Elk River	39.700
City of Big Lake	38.545
City of East St. Cloud	51.633
City of Princeton	54.783
City of Clear Lake	53.794
<b>Average</b>	<b>45.74</b>

### Bond Rating



### Rationale

S&P Global Ratings raised its rating on Big Lake, Minn.'s general obligation (GO) debt to 'AA' from 'AA-'. The outlook is stable. The upgrade reflects our view of the combination of the City's ongoing maintenance of extremely strong available reserves, steady growth in the City's economic base, market value in particular, and the adoption of more robust financial policies and practices, as reflected its now-"strong" Financial Management Assessment (FMA) and very strong overall management.

The 'AA' rating reflects S&P view of the City's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA)
- Very strong management, with "strong" financial policies and practices under our Financial Management Assessment (FMA) methodology
- Strong budgetary performance, with an operating surplus in the general fund but a slight operating deficit at the total governmental fund level in fiscal 2020
- Very strong budgetary flexibility, with a high available fund balance in fiscal 2020 of 90% of operating expenditures
- Very strong liquidity, with total government available cash at 1.7x total governmental fund expenditures and 7.2x governmental debt service, and access to external liquidity we consider strong
- Weak debt and contingent liability position, with debt service carrying charges at 23.9% of expenditures and net direct debt that is 153.9% of total governmental fund revenue, but rapid amortization, with 93.8% of debt scheduled to be retired in 10 years
- Strong institutional framework score

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