



2025 ANNUAL BUDGET

Positioned to Thrive

CITY OF LAKEVILLE, MINNESOTA
 2025 Adopted Budget
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CITY OF LAKEVILLE, MINNESOTA
OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGET
FISCAL YEAR 2025

Elected Officials

| | |
|----------------|-----------------|
| Mayor | Luke M. Hellier |
| Council Member | John Bermel |
| Council Member | Dan Wolter |
| Council Member | Joshua Lee |
| Council Member | Michelle Volk |

Appointed Officials

| | |
|---|-----------------|
| City Administrator | Justin Miller |
| Assistant City Administrator | Allyn Kuennen |
| Finance Director/Treasurer | Julie Stahl |
| City Clerk | Ann Orlofsky |
| Police Chief | Bradley Paulson |
| Fire Chief | Michael Meyer |
| Public Works Director | Paul Oehme |
| Parks and Recreation Director | Joe Masiarchin |
| Community Development/Planning Director | Tina Goodroad |
| City Engineer | Zach Johnson |
| Liquor Director | Tana Wold |
| Human Resources Director | Alissa Frey |

INTRODUCTION

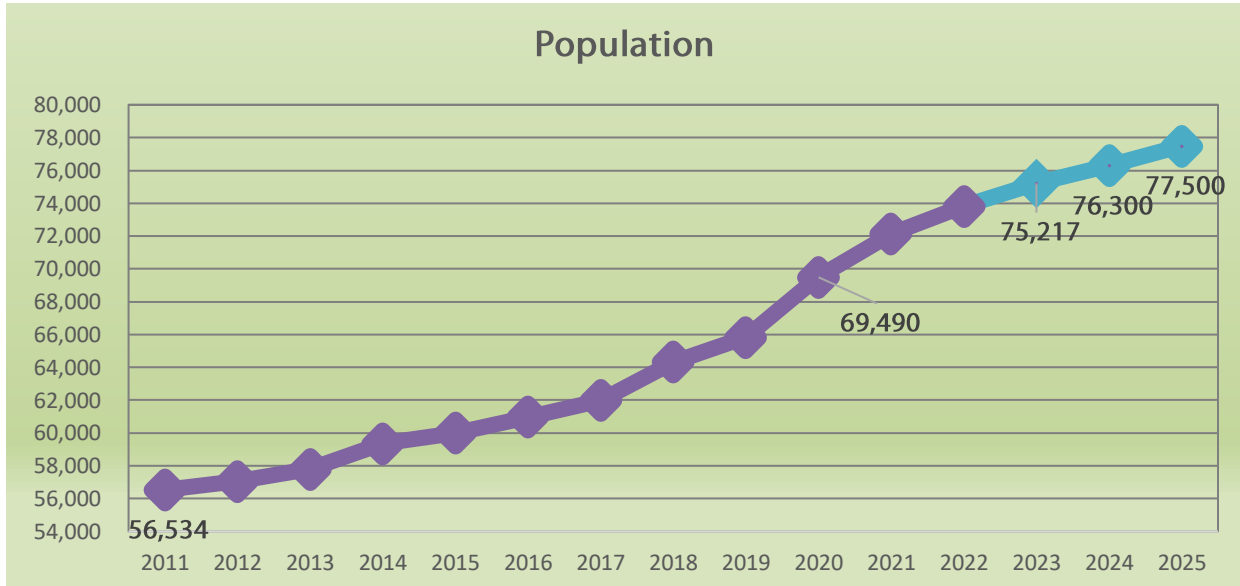
CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

Community Description

The City of Lakeville is a suburban community located approximately 20 minutes south of the Minneapolis–Saint Paul metropolitan area within Dakota County. The City has a land area of 38.4 square miles and serves a community with a population of 75,217 residents based on the 2023 census reported by the Metropolitan Council. The 2025 estimated population of 77,500 is 39% higher than the 2010 Census (55,954) and 12% higher than the 2020 Census (69,490). The City’s population has grown over 50% in the last 20 years.



Source: Metropolitan Council population estimates. 2024 and 2025 are estimates based on projected building permits.

History

Back in 1853, Captain William B. Dodd directed construction of a road connecting the military forts in St. Paul and the southern forts in St. Peter and Mankato. That road was later named Dodd Road. In 1855, 250 acres were platted at the halfway point along that route by J.J. Brackett, who used the road to transport travelers and suppliers. This midway point, near beautiful Prairie Lake, was called Lakeville. A settlement was soon established, and a post office was constructed to serve the community.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

Conveniently located, Lakeville soon grew to include a general store, two hotels, a boarding house, a blacksmith shop, a saloon, and a shoemaker shop. In 1858, Lakeville Township was officially formed, encompassing the rural farming areas surrounding the Lakeville settlement. A variety of ethnic groups settled in the area, including immigrants from Ireland, Scotland, England and the Scandinavian countries.



When the railroad came through in 1869, railroad officials were unable to purchase the land adjacent to the existing settlement. So, the railroad proceeded to buy 20 acres in Lakeville Township, just east of the existing settlement, and named the area Fairfield. It wasn't long before local businesses moved the short distance to Fairfield where the railroad came through. The first Lakeville settlement site was soon abandoned. In 1878 the Fairfield site established its own government and officially became the Village of Lakeville.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)



ARRIVAL OF ONE OF OUR STEEL PICNIC TRAINS AT ANTLERS PARK.
The picture shows a typical picnic crowd all carrying baskets and lunch boxes prepared to spend a day in pleasure seeking.

1925 photo courtesy Minnesota Historical Society

In 1889, the Village Council appropriated \$1,000 for anyone who would start a creamery to serve the community. In 1890 a creamery was started by a group of farmers from the Lakeville area. In 1891 the Village Council again offered a financial incentive to encourage development - \$1,500 for a mill. By 1892, the Claro Mill, located by the railroad tracks and 208th Street, was up and running. By 1900 the village had grown to a population of 373, and voters approved a bond issue to build a new engine house, lock up, and Village Hall. In 1901 the building opened, complete with a bell tower and bell used to summon people to fight fires.



Fire and Bell Tower

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

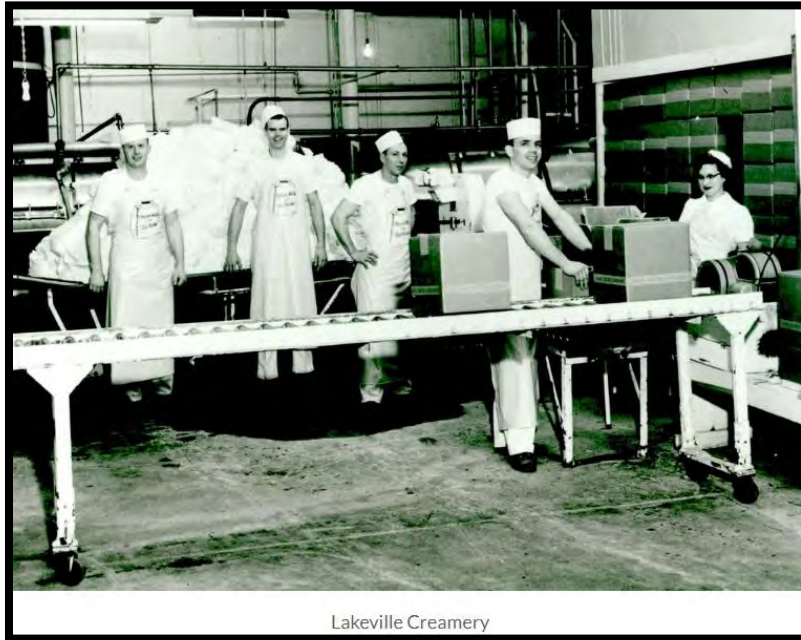


Photo credit: Lakeville Historical Society

In 1967, Lakeville Township and the Village of Lakeville merged to form the City of Lakeville. Since then, Lakeville has continued to grow into the dynamic suburban community of today, where government, residents, and businesses continue to work together. Founded by hard-working pioneers, Lakeville government today still maintains a commitment to well-planned growth and development designed to enhance the community.

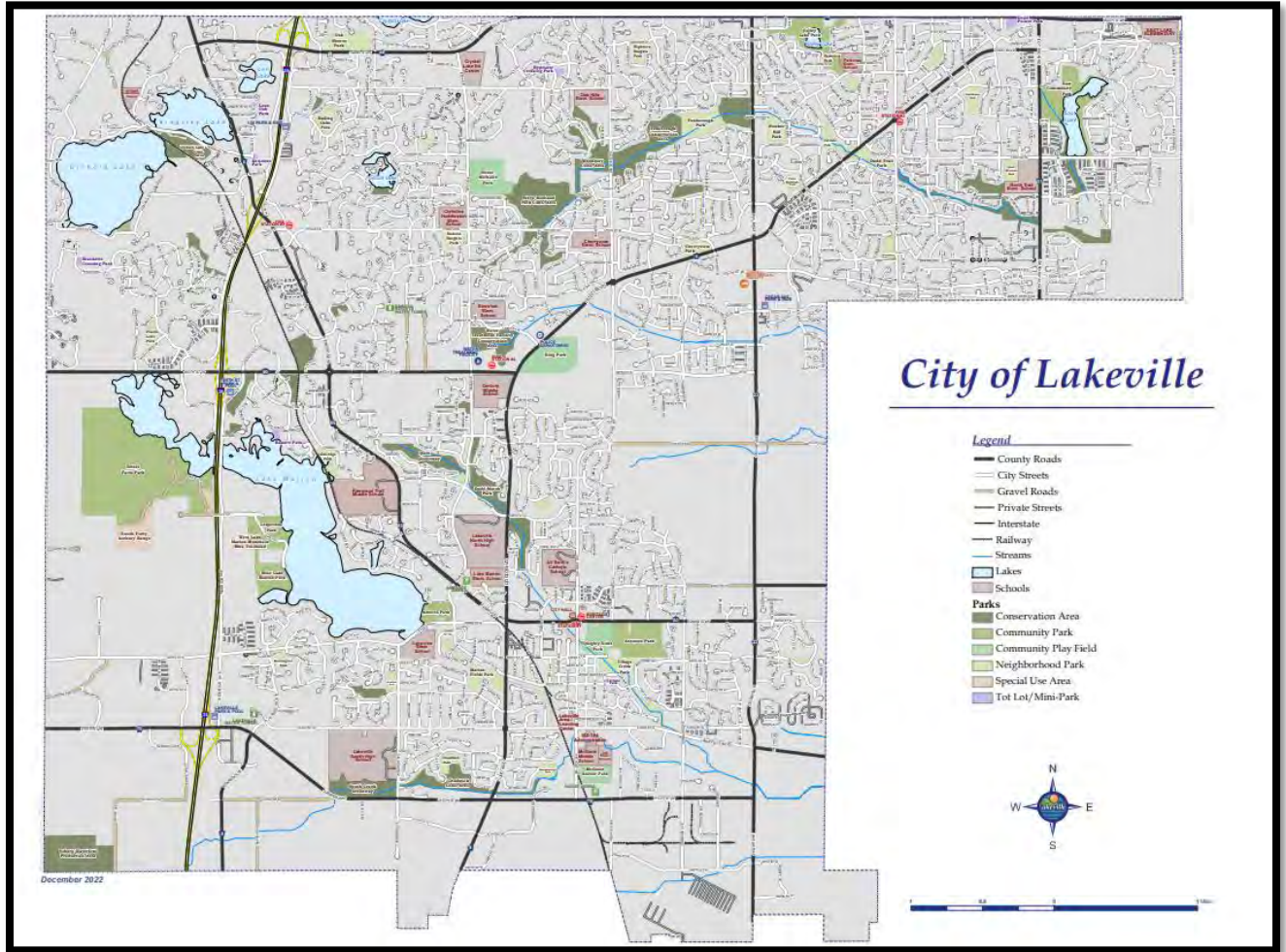
Growth Management

The City has been and is expected to continue to be one of the fastest growing cities in Minnesota.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)



The Lakeville City Council created a Strategic Growth Management Task Force in 1992. Its goal was to develop strategies regarding the rate, location and types of development that would generate fiscal stability while preserving and enhancing the City's quality of life and services.

The City Council reconvened the Strategic Growth Task Force in 1998 for the purpose of making both short and long-term recommendations or suggestions on strategies relating to how the rate, location and type of residential and commercial/industrial growth can generate fiscal stability and preserve or enhance the quality of services, while minimizing any adverse impacts on City systems and taxpayers.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

The Envision Lakeville report presents a set of community values and a list of strategic priorities for guiding the implementation of the key initiatives outlined in the report over the next 25 years.



We envision a welcoming, connected community with exceptional schools; a thriving local economy; outstanding natural and recreational opportunities; vibrant cultural institutions; safe neighborhoods; and responsive, cost-effective public services—a place we are proud to call home.

Diversified Economic Development

We value the stability and independence provided by a strong, diversified local economy.

Good Value for Public Services

We value high quality public services delivered cost-effectively.

Safety Throughout the Community

We value living in a community where people feel safe everywhere they go.

Design that Connects the Community

We value a well-designed community and we place a priority on development that enhances connectivity and accommodates our changing needs.

High Quality Education

We value and are committed to high quality education that sets us apart.

A Home for All Ages and Stages of Life

We value living options for people of all ages and stages of life.

A Sense of Community and Belonging

We value the sense of belonging that comes from openness to others, and we honor the traditions and institutions that have made us the community we are today.

Access to a Multitude of Natural Amenities and Recreational Opportunities

We value widespread access to nature, the outdoors, and recreational opportunities of all kinds.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

City of Lakeville 2018 actual land use composition and 2040 projection is as follows¹:

| <u>Land Use</u> | <u>2018 Actual</u> | <u>2040 Projection</u> |
|---------------------------------|------------------------|----------------------------|
| • Single family residential | 24.0% | 37.4% |
| • Townhomes, condominiums | 3.0% | 4.7% |
| • Rural agriculture/residential | 22.1% | 6.9% |
| • Commercial/industrial | 8.4% | 13.5% |
| • Parks and open space | 23.5% | 17.4% |
| • Public right-of-ways | 13.5% | 14.3% |
| • Public and semi-public | 4.1% | 4.0% |
| • Multifamily residential | 0.4% | 0.9% |
| • Manufactured housing | 1.0% | 0.9% |

City of Lakeville demographic and economic statistics with select unemployment rate comparisons to Dakota County, State of Minnesota, and the United States for the last ten years are as follows³:

| <u>Labor Force Unemployment Rate³</u> | | | | | | |
|--|-------------------------------|--------------------------|-------------|----------------------|-------------|-----------------|
| <u>Year</u> | <u>Population²</u> | <u>City of Lakeville</u> | | <u>Dakota County</u> | | <u>State</u> |
| | | <u>Labor Force</u> | <u>Rate</u> | <u>Labor Force</u> | <u>Rate</u> | <u>of Minn.</u> |
| 2014 | 59,361 | 33,493 | 2.9% | 231,538 | 3.2% | 3.6% |
| 2015 | 59,991 | 33,876 | 2.7% | 234,299 | 3.1% | 3.7% |
| 2016 | 60,965 | 33,793 | 3.0% | 232,091 | 3.4% | 4.1% |
| 2017 | 61,993 | 33,911 | 2.5% | 239,356 | 2.7% | 3.3% |
| 2018 | 64,334 | 35,758 | 2.4% | 240,195 | 2.7% | 3.2% |
| 2019 | 65,831 | 36,610 | 2.7% | 242,855 | 2.9% | 3.5% |
| 2020 | 69,490 | 36,025 | 3.8% | 233,902 | 4.3% | 4.9% |
| 2021 | 71,472 | 37,007 | 2.2% | 236,441 | 2.4% | 2.7% |
| 2022 | 73,107 | 38,904 | 2.5% | 241,966 | 2.7% | 3.2% |
| 2023 | 75,217 | 38,692 | 2.5% | 240,731 | 2.7% | 3.2% |

Source:

¹City of Lakeville 2040 Comprehensive Plan.

²Metropolitan Council as of April 1st of each year, (2020 Federal Census).

³U.S. Department of Commerce Bureau of Economic Analysis as of December 31, 2023.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

Organization

The City's governing body consists of a mayor and four council members, all elected at large. The mayor serves a four-year term of office and council members serve overlapping four-year terms. The present mayor and council members are:

| | | <u>Expiration of Term</u> |
|-----------------|----------------|---------------------------|
| Luke M. Hellier | Mayor | December 31, 2026 |
| John Bermel | Council Member | December 31, 2028 |
| Dan Wolter | Council Member | December 31, 2028 |
| Joshua Lee | Council Member | December 31, 2026 |
| Michelle Volk | Council Member | December 31, 2026 |

The City Administrator is responsible for the daily management of City business and the administration of policy as directed by the Council. Mr. Justin Miller is the City Administrator and has served in this capacity since December 2014. Mr. Miller has 20+ years of experience in local government as a city administrator.

Services

Lakeville provides a full range of services. City functions include general government administration, police and fire protection, street maintenance, engineering, planning and zoning, parks and recreation, and community and economic development services. The City also operates two Enterprise Funds for four off-sale liquor stores and a water, sanitary sewer, streetlight and environmental resources utility. The four liquor stores are strategically located adjacent to major highways and collectively represent the largest municipal liquor operation in Minnesota.

The City's Police Department consists of 68 full-time officers and 25 volunteer police reservists. The Fire Department operates four stations with 6 full-time and 71 paid-on-call firefighters. The 2024 awarding of a SAFER (Staffing for Adequate Fire and Emergency Response) grant enabled the City to hire 9 more full-time firefighters in 2025. The City has a fire rating of 3 for insurance purposes. This results in a significant reduction in fire insurance premiums for commercial and industrial buildings and apartments.

Additional City facilities include an Arts Center, Heritage Center, 70 park properties (which include 49 playgrounds), 19 conservation areas and seven greenways, 2 municipal swimming beaches, 11 outdoor ice rinks which are fully boarded, 3 indoor ice rinks, approximately 125 miles of paved trails and 100 miles of sidewalks.

CITY OF LAKEVILLE, MINNESOTA

Community Profile

(continued)

The City provides water and sanitary sewer facilities to a majority of its residential areas. The City's present water system includes 20 wells, 6 water storage facilities with a total storage capacity of 11.85 million gallons and 13 pressure reducing stations. The City's water treatment plant has a production capacity of 26.50 million gallons of water per day. The Metropolitan Council Environmental Service (MCES) is responsible for treatment and disposal of sanitary sewer effluent.

Major employers located in the City of Lakeville

| <u>Employer Name</u> | <u>Product/Service</u> | <u>Number of Employees²</u> |
|---------------------------------------|----------------------------------|--|
| Lakeville Public School District #194 | Education | 1,334 |
| Hy-Vee | Grocery | 800 |
| Hearthside Food Solutions | Food Packaging | 707 |
| TreeHouse Private Brands | Food Manufacturing | 500 |
| Amazon XL Fulfillment Center | Warehouse & Distribution | 450 |
| Post Consumer Brands | Cereal Manufacturer Headquarters | 415 |
| City of Lakeville | Government | 403 |
| BTD Manufacturing | Metal Fabrication | 390 |
| Buddy's Kitchen | Food Manufacturing and Packaging | 300 |
| Menasha Corp. | Corrugated Packaging Materials | 286 |
| Schmitt & Sons | School and Tour Bus | 270 |
| ImageTrend | Software Development | 260 |

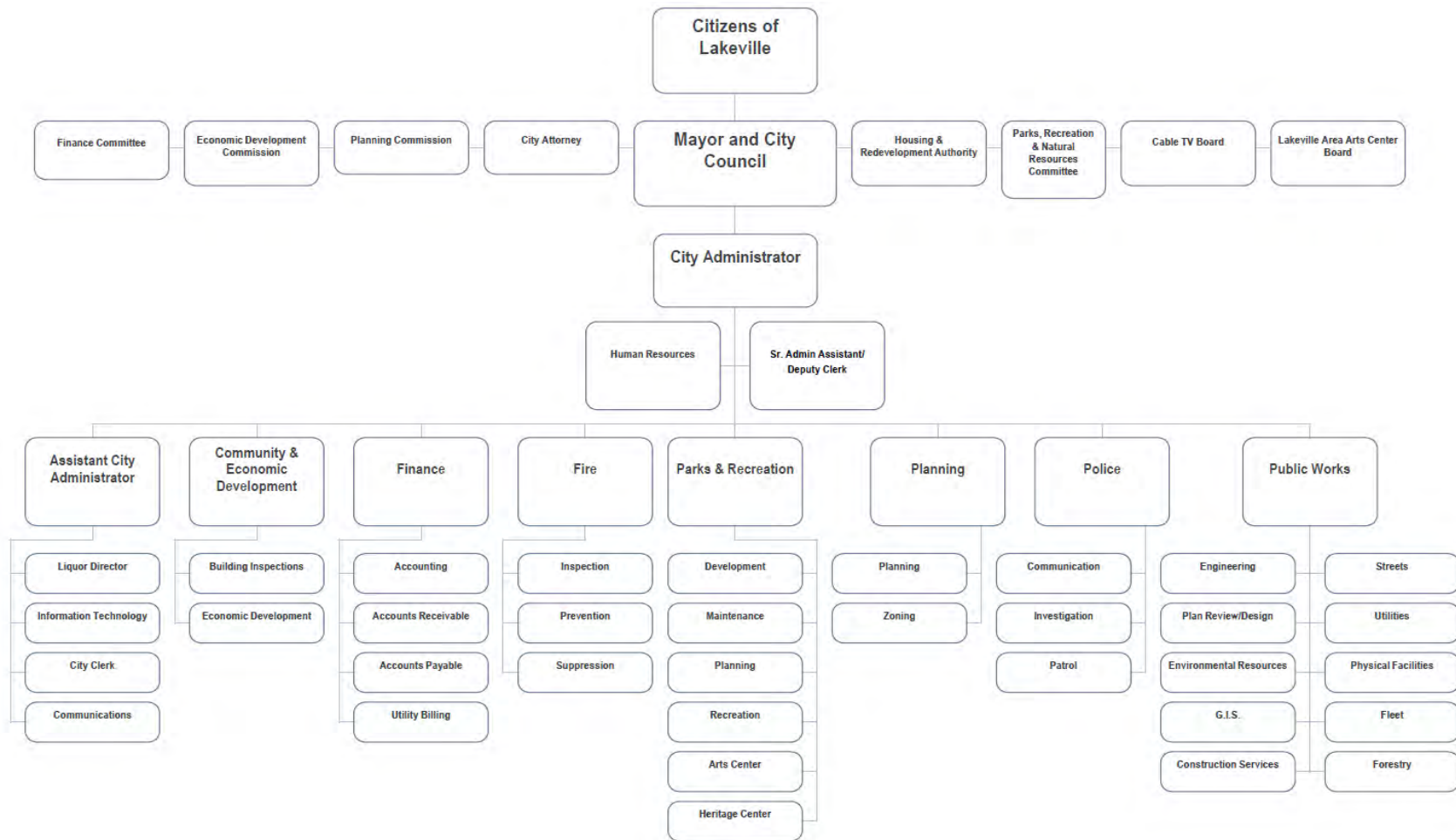
Source: City of Lakeville, Minnesota

Ten of the Largest Taxpayers in the City of Lakeville

| <u>Name</u> | <u>Classification</u> | <u>2023/2024 Tax Capacity</u> |
|-------------------------------|-----------------------|---------------------------------------|
| SP Lakeville Development LLC | Industrial | \$ 1,160,944 |
| Continental 476 Fund LLC | Apartment | 744,778 |
| IRET Southfork Apartments LLC | Apartments | 698,650 |
| NLL LLC | Apartments | 515,698 |
| ARRIS LLC | Commercial | 495,646 |
| CenterPoint | Utility | 495,350 |
| Fulford Group LLC | Industrial Preferred | 488,779 |
| First Industrial LP | Industrial | 478,834 |
| Setzer Properties SMN LLC | Industrial | 452,144 |
| KJPL Lakeville LLC | Apartment | 421,475 |

Source: Dakota County Auditor and Treasurer's Office

CITY OF LAKEVILLE, MINNESOTA
 Organizational Structure
 December 31, 2024



In 2024, the Community & Economic Development and Planning departments were restructured and combined into one department.

FINANCIAL AND BUDGET POLICIES

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City's fiscal year is the calendar year.

Governmental Fund Types

Budgets are appropriated for the following governmental funds through which functions of the City are financed:

General Fund

The general fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specified purposes. Special revenue funds utilized by the City include the following:

- Communications
- Opioid settlement
- Business assistance grants

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs not funded by proprietary fund type operations. Debt service funds utilized by the City include the following:

- General Obligation (G.O.)
- G.O. improvement
- Tax increment
- State-aid street
- Water revenue
- Tax abatement
- Arena revenue
- HRA lease revenue

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition of equipment, construction of major capital facilities and infrastructure, or other long-term projects. The City prepares a 5-year capital improvement plan and adopts the first year of the plan. Once the budget is adopted, the individual capital appropriations do not lapse. In budgeting capital projects funds, the City assumes that all budgeted amounts will be spent on the indicated projects within the fiscal year or shortly thereafter.

FINANCIAL AND BUDGET POLICIES

Governmental Fund Types *(continued)*

Capital Projects Funds *(continued)*

As such, appropriations for uncompleted capital projects are not available for re-appropriation in subsequent years. Capital projects funds utilized by the City include the following:

- Municipal state aid
- Pavement management
- Improvement construction
- Stormwater infrastructure
- Water TrunkSanitary Sewer Trunk
- Park dedication
- Park Bonds
- Park improvement
- Trail improvement
- Tax increment
- Arenas capital reserve
- Building
- Equipment
- Technology

Proprietary Fund Types

Budgets are appropriated for the following proprietary funds through which functions of the City's proprietary activities are funded primarily through retail sales and user charges.

Enterprise Funds

The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one City department to other City departments. The City utilizes the municipal reserves fund and compensated liability fund as internal service funds.

FINANCIAL AND BUDGET POLICIES

MAJOR FUNDS

Major funds are classified according to generally accepted accounting principles as those funds having any one of their total assets, liabilities, revenues or expenditures/expenses equal to or greater than 10% of either total of governmental fund types or proprietary fund types and 5% of the aggregated total for both governmental funds and enterprise funds.

| Funds | General Government Admin. | Community and Economic Development | Finance | Police | Fire | Public Works | Parks and Recreation | Off-Sale Liquor |
|--------------------------------|---------------------------|------------------------------------|---------|--------|------|--------------|----------------------|-----------------|
| General Fund | X | X | X | X | X | X | X | |
| Special Revenue Funds: | | | | | | | | |
| Communications | X | | | | | | | |
| Economic Development | | X | | | | | | |
| Business Assistance Grants | | X | | | | | | |
| Opioid Settlement | | | | X | | | | |
| Debt Service Funds | | | X | | | | | |
| Capital Projects Funds: | | | | | | | | |
| Municipal State-aid | | | | | | X | | |
| Pavement Mgmt. | | | | | | X | | |
| Improvement Const. | | | | | | X | | |
| Storm Water Infrastructure | | | | | | X | | |
| Water | | | | | | X | | |
| Sanitary Sewer | | | | | | X | | |
| Area Capital Reserve | | | | | | | X | |
| Park Dedication | | | | | | | X | |
| Trail Improvement | | | | | | | X | |
| Tax Increment | | X | X | | | | | |
| Tax Abatement | | X | | | | | | |
| Building | X | | X | X | X | X | X | |
| Equipment | | | | X | X | X | X | |
| Technology | X | X | X | X | X | X | X | X |
| Enterprise Funds: | | | | | | | | |
| Liquor | | | | | | | | X |
| Utility | | | | | | X | | |
| Internal Service Funds: | | | | | | | | |
| Municipal Reserves | | | X | | | | | |
| Compensated Liability | | | X | | | | | |

These policies provide guidelines for the fiscal administration of the City. The budget for the City of Lakeville serves as a comprehensive, rational guide for financial and programmatic decision-making and operations management throughout each fiscal year. The budget is intended to be not only a financial plan but also a performance plan linked to the strategic goals established by the City Council and outlined in the Strategic Budget Goals and Initiatives.

FINANCIAL AND BUDGET POLICIES

Accounting, Auditing and Financial Reporting

The financial reporting and budgeting systems of the City are organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Funds are the control structures that ensure that public monies are spent only for those purposes authorized and within the amounts authorized. Funds are established to account for the different types of activities and legal restrictions that are associated with a particular government function.

- An independent audit will be performed annually.
- The City will produce annual comprehensive financial reports in accordance with Generally Accepted Accounting Principles (GAAP).
- The City will endeavor to maintain the GFOA Certificate of Excellence in Financial Reporting.

Budgetary Basis of Accounting

Governmental fund budgets are on a modified accrual basis of accounting consistent with generally accepted accounting principles. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual (i.e., when they become measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Under the modified accrual basis, expenditures are generally recognized when the liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. *Governmental fund budgets* include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Proprietary fund budgets are on an accrual basis of accounting consistent with generally accepted accounting principles except for loans, loan payments, capital expenses, and depreciation, which are budgeted on a cash basis. The focus of accrual accounting is primarily upon the determination of net income and the maintenance of capital. Therefore, included within these funds are all assets and liabilities associated with the fund’s operations. Revenues are recognized when earned and expenses are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt or payment of cash may take place in another accounting period. Expenses are recognized in the accounting period in which the liability is incurred, which also includes depreciation. For budgetary control purposes, the City also appropriates capital acquisitions for the proprietary funds. *Proprietary fund budgets* include the Enterprise Liquor Fund, Utility Fund the Internal Service Municipal Reserves Fund and the Compensated Leave Fund.

A budget is not adopted for the City’s *Fiduciary Agency Fund*.

FINANCIAL AND BUDGET POLICIES

The City's audited financial statement uses the modified accrual basis of accounting for all governmental funds (at the fund level) and uses the accrual basis of accounting for all proprietary funds.

Budget Development

The City's operating budget policy sets forth guidance with respect to balanced operating budgets, with an overriding goal of achieving structural balance over a longer-term period, while recognizing that in certain periods, revenues and expenditures may not be equal. A balanced budget for the General Fund is defined as revenues and other sources equal to or exceeding operating expenditures and other uses. The budget will provide for adequate maintenance of capital facilities and equipment and for their orderly replacement.

The adopted budget will take into consideration the coordinated development of the capital improvement plan with the development of the operating budget. Operating costs associated with new capital improvements will be projected and included in future operating budget forecasts. The impact on the operating budget from any new programs or activities being proposed should be minimized by providing funding with newly created revenues whenever reasonably possible.

Budget amounts are as originally adopted or as amended by City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the total expenditures level for the General Fund and Special Revenue Funds. The City Administrator has authorization to expend funds in excess of the appropriation for individual line items and department total, not to exceed the total appropriation for the fund.

Balanced budgets for the proprietary enterprise funds are defined as providing sufficient revenues to support the operations of those funds, without subsidy from the General Fund or property taxes. Charges from the proprietary internal service funds shall be sufficient to support such activities. In addition to operating expenses, enterprise funds shall be budgeted to provide for replacement costs of property, plant, and equipment, if appropriate, when establishing rates and charges for services.

The operating budget will describe the major goals to be achieved and the services and programs to be delivered for the level of funding provided. Where possible the City will integrate performance measurement and productivity indicators with the budget.

Budgeted expenditure appropriations lapse at year-end. Supplementary appropriations can be carried forward to the following year if approved by the City Council.

FINANCIAL AND BUDGET POLICIES

Budget Amendment Process

Budgets that require amending for reasons of a routine nature or special circumstances are amended by the passage of a resolution approved by the City Council. Amendments of a routine nature are typically approved in December of the current fiscal year while amendments due to special circumstances or unexpected events such as emergencies are authorized at the earliest possible City Council meeting date. The City Council granted the City Administrator authority to approve budget amendments between departments within a budgeted fund pursuant to all adopted financial policies.

Financial Sustainability and Resiliency Policy

The purpose of this policy is to establish strategic financial sustainability and resiliency principles for the City of Lakeville, which may be used when developing the annual budget, long-term financial plans, and when making critical financial, economic development and community development decisions.

Responsible long-term financial sustainability ensures:

- Consistent delivery of essential community services and the efficient development of infrastructure
- Public resources and costs distributed fairly between current and future ratepayers and taxpayers, achieved with stability and predictability by having a balanced budget and maintaining a reasonable operating surplus
- Funding for the maintenance, replacement and upgrade of assets
- The City maintains a healthy financial position and a strong level of credit quality (Aa and Aaa levels) in compliance with the Debt Policy
- Continued or enhanced stability and certainty of financial outcomes
- Sufficient reserves are available to address emergency situations (i.e., natural disasters, etc.)

Revenue Policies

Revenue policy elements include:

- The City will project its annual revenues realistically, yet conservatively for budget purposes.
- The City will endeavor to maintain a diversified and stable revenue system to shelter it from annual fluctuations in any one revenue source. All existing and potential revenue sources will be reexamined annually.
- New sources of non-property-tax revenue should be actively explored.

FINANCIAL AND BUDGET POLICIES

- Where appropriate and not contrary to accepted public policy or statutes, emphasis will be directed toward full cost recovery through user fees. User fees and cost allocation formulas will be updated periodically (annually if needed).
- Ongoing, the City will review the full cost of activities supported by user fees to identify the impact of inflation and other factors. The fees along with the resulting net property tax costs will be reviewed with the City Council during the budget process. Sensitivity to market rates will also be considered in setting fees.
- Intergovernmental grant requests are subject to fiscal review before the application is submitted. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the City relating to the grant's purpose and to provide an overall budgetary review of grant proposals.

Investments

- Investments will be in conformance with the City of Lakeville's Investment Policy. All investments will address safety, liquidity, and yield. All cash balances during the year are invested in securities permitted by State Statute and the Investment Policy.
- It is the City's policy to invest all available monies at competitive interest rates, coordinated with projections of the City's operating and program cash flow needs. Interest earned from investment of available funds will be distributed to the funds annually based on each fund's average monthly cash balance for the year.

Capital Improvement Budgets

- Capital outlay expenditures result in the acquisition of fixed capital assets that have a useful life of greater than one year. They are tangible in nature in that the physical substance does not materially change its form through use.
- The City will adopt a five-year capital improvement plan and update it annually.
- The City will coordinate development of the capital improvement plan with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.
- The City will project its equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and included in the operating budget. In addition, the City will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

FINANCIAL AND BUDGET POLICIES

- The City staff will identify the estimated costs and potential funding sources, including the consideration of joint ventures with other cities, for each capital project proposal before it is submitted to the City Council for approval.
- The process will include an evaluation of effective financing for each project.
- Budget balances appropriated in Capital Projects Funds are designated for specific projects and are carried forward as available for expenditure until the project is complete or the balance is transferred to other eligible projects.

Debt

The City's debt policy provides guidance to ensure that long-term debt is utilized appropriately and in a fiscally prudent manner. Elements of the policy include:

- Limiting long-term borrowing to capital improvements or other long-term projects which cannot, and appropriately should not, be financed from current revenues.
- Final maturity of bonds and notes should not exceed the expected useful life of the underlying project for which it is being issued.
- Where possible, the City will endeavor to pledge special assessments, State-aid or other non-tax revenues to debt service payments.
- Debt will not be used to finance current operations.
- State of Minnesota Statutes limits the legal debt obligations to 3% of the City's taxable market value.

Fund Balance

Fund balance or net assets are terms used to define the difference between a fund's assets and its liabilities. Fund balance is used in governmental fund types and net assets are used in proprietary fund types. The City's General Fund unrestricted fund balance, designated for working capital as of the end of the year, should equal 40% to 50% of the next year's budgeted expenditures.

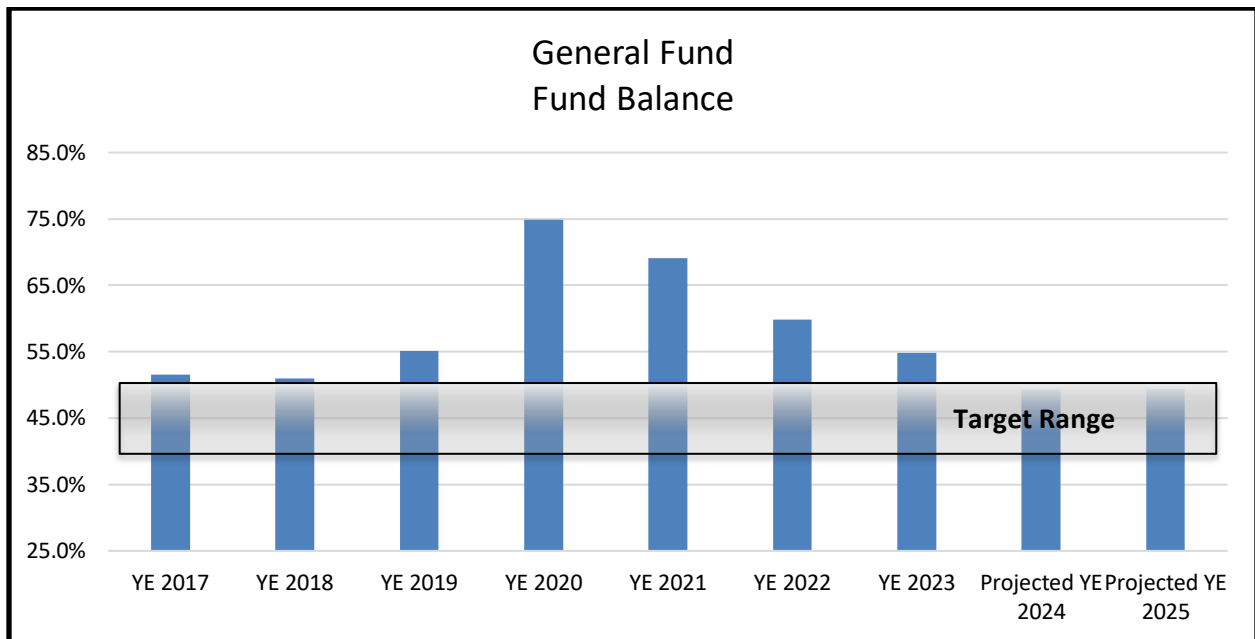
Fund balance may be used for the following:

- Provide flexibility if State law significantly limits the City's taxing and spending powers. This could include legislation regarding levy limits, property tax freezes, levy referendum requirements, etc.
- Provide flexibility if the State eliminates or reduces State revenue including fire pension aid, police pension aid, aid for streets, or PERA pension aid.

FINANCIAL AND BUDGET POLICIES

- Provide some protection for future funding needs of the capital improvement plan including possible liquor operations legislation.
- Support the City’s bond rating.
- Cover expenses created by natural disaster including flood, fire, or tornadoes and protect against other unforeseen expenditures and any other items.
- Cover a General Fund deficit when actual revenues are less than expenditures and to allow for a reasonable degree of error in budget forecasting.

For budget purposes only the fund balance for the General Fund excludes the non-spendable and restricted fund balance classifications.



The fund balance policy protects the City in the event of temporary revenue shortfalls or unpredicted expenditures and provides time to react to permanent changes in the City’s operating environment.

2025 BUDGET DEVELOPMENT PROCESS AND CALENDAR

State Statutes, local ordinances, and the City's budget development policy prescribe the process of budget review and adoption for the City of Lakeville. The laws require public input in the budget process, including the publishing of a budget summary in the local media. Public input is also available at the public meetings at which budget information is discussed. The following is a calendar for the 2025 budget process:

May 2024

- City Administrator directs staff to prepare their budget based on Council goals and objectives.
- Finance Department distributes budget preparation information to all departments.
- The five-year Capital Improvement Plan is developed under the guidance and direction of the City Administrator

June/July 2024

- Proposed budgets are submitted to the City Administrator and Finance Department.
- Budget meetings are held with Department Directors and budget preparers.
- Finance Department reviews budget requests and prepares a proposed budget.
- City Administrator reviews proposed budget and directs revisions based on budget requests and revenue estimates.
- City Council receives a draft of the Capital Improvement Plan and provides comments and direction.

August 2024

- City Council work session on tax legislation, General Fund budget history, budget requests, debt, property tax levy, and potential tax impacts.
- Staff reviews proposed budget and makes revisions as directed by the City Council.
- City Council receives a draft of the Capital Improvement Plan and provides comments and direction.

September 2024

- City Council approval of preliminary budget and property tax levy on September 3rd.
- Preliminary property tax levy certified to Dakota County by September 30th.

October 2024

- Planning Commission reviews the Capital Improvement Plan for compliance with the Comprehensive Plan.
- City Council holds public hearing on the proposed Capital Improvement Plan and five-year reconstruction plan and Adopts Plans.
- City Council work session to review Liquor and Utility Fund budgets and utility rate adjustments.

2025 BUDGET DEVELOPMENT PROCESS AND CALENDAR

November 2024

- City Council work session to review changes to the proposed budget, tax levy and fee schedule.
- Dakota County sends a notice to taxpayers indicating their property tax and the date of each taxing jurisdiction's budget hearing.

December 2024

- City Council holds a "Truth in Taxation" public hearing on the final budget and final property tax levy on December 2nd.
- After listening to public comment, the City Council closes the public hearing.
- City Council adopts the final budget and final property tax levy on December 2nd.
- Final property tax levy certified to Dakota County by December 31st.

PROPERTY TAXES

Tax Levy

The adopted 2025 tax levy is \$48,850,050 which is a \$5,253,250 (12%) increase from the 2024 tax levy. The tax levy increase is primarily the result of increased costs due to growth in the City for General Fund operations (\$3,467,350), technology (\$300,000), park & trail improvements (\$250,000) and debt service (\$1,235,900).

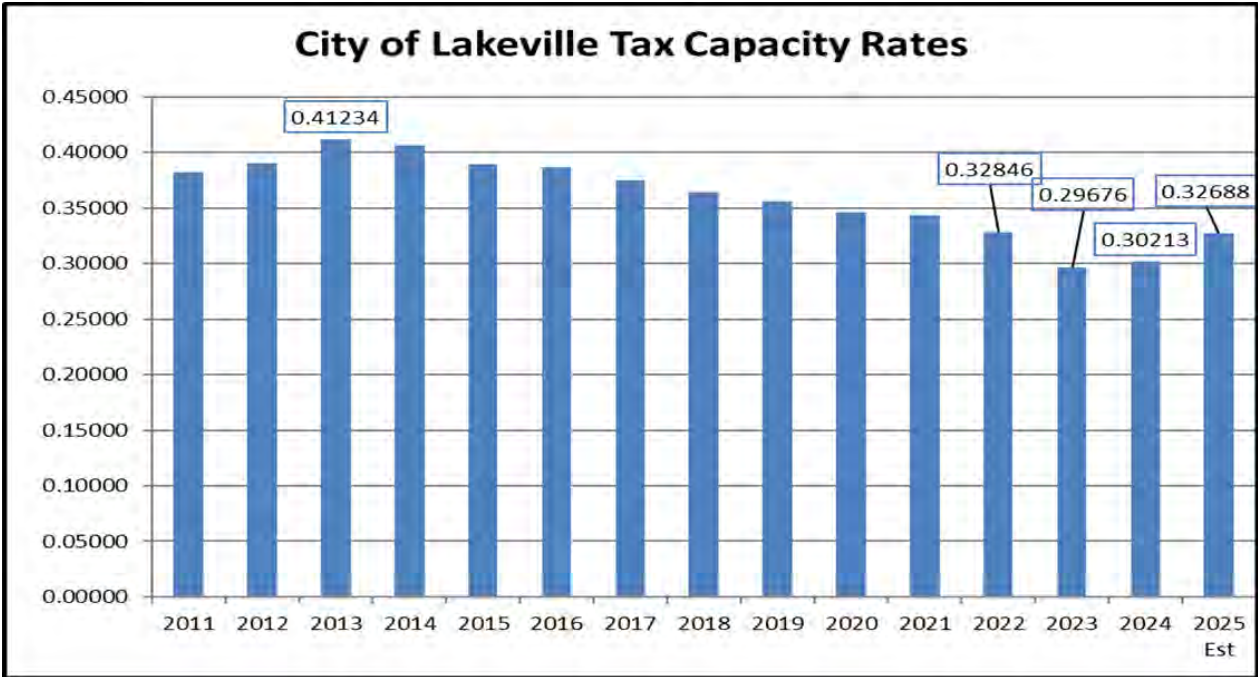
The adopted 2025 tax levy is as follows:

| Fund | Proposed Levy | Change from 2024 | % of 2025 Levy Incrs |
|-------------------------|---------------------|--------------------|----------------------|
| General Fund | \$32,977,000 | \$3,467,350 | 7.95% |
| Pavement Management | 1,800,000 | -0- | 0% |
| Park Improvement Fund | 450,000 | 100,000 | .23% |
| Trail Improvement Fund | 550,000 | 150,000 | .34% |
| Technology Fund | 300,000 | 300,000 | .69% |
| Debt Service Funds | 9,939,153 | 183,379 | .42% |
| Debt Svc Funds-Park Ref | 2,833,897 | 1,052,521 | 2.42% |
| Total | \$48,850,050 | \$5,253,250 | 12.05% |

PROPERTY TAXES

The tax levy for street reconstruction debt service will be a factor for tax levy increases in 2025 and future years. Benefited property owners are specially assessed for 40% of the typical residential street reconstruction; the remaining 60% of street reconstruction costs is financed with property tax levies. General Obligation Improvement bonds are issued to finance the projects with special assessments and property tax levies pledged to the repayment of the debt.

The park referendum was approved by voters in 2021. A portion of the authorized debt was issued in 2022 with first tax levy in 2023. The tax levy for the voter approved park bonds will also be a factor for tax levy increases in 2025 and beyond.



The following positions were approved with the 2025 adopted budget:

| New Positions Authorized |
|------------------------------------|
| Police – Patrol Officers (4) |
| Fire – Full-time Firefighters (15) |

CITY OF LAKEVILLE

RESOLUTION NO. 25-143

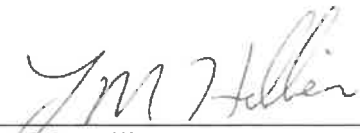
RESOLUTION ADOPTING THE 2025 BUDGET

BE IT RESOLVED by the City Council of the City of Lakeville, Minnesota that the following 2025 budget, a copy of which is on file in the Finance Director’s office, is hereby approved and adopted.

| <u>Fund/Department</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Enterprise Bond Proceeds</u> | <u>Debt/Capital Acquisitions</u> |
|-------------------------------|-----------------|---------------------|-------------------------------------|--------------------------------------|
| General Fund | \$ 44,006,517 | \$ 43,493,424 | | |
| General Fund - Transfers | 170,000 | - | | |
| Total General Fund | 44,176,517 | 43,493,424 | | |
| <u>Special Revenue Funds</u> | | | | |
| Communications | 531,853 | 842,222 | | |
| Opioid Settlement | 65,566 | 140,000 | | |
| Debt Service Funds | 18,604,788 | 18,649,738 | | |
| <u>Capital Projects Funds</u> | 31,956,025 | 75,389,620 | 25,241,925 | |
| <u>Internal Service Funds</u> | | | | |
| Municipal Reserves Fund | 921,909 | 881,429 | | |
| Compensated Leave Fund | 233,502 | 275,000 | | |
| Enterprise - Liquor Fund | 23,343,382 | 23,943,791 | | 160,000 |
| Enterprise - Utility Fund | 22,265,213 | 24,421,131 | | 3,780,481 |
| Grand Total | \$ 142,098,755 | \$ 188,036,355 | \$ 25,241,925 | \$ 3,940,481 |

ADOPTED by the Lakeville City Council this 2nd day of December 2024.

CITY OF LAKEVILLE:



 Luke M. Hellier, Mayor



 Ann Orlofsky, City Clerk

CITY OF LAKEVILLE
RESOLUTION NO. 24-135

Resolution Approving the 2025 Opioid Settlement Fund Budget

WHEREAS, the City Council approved resolution #21-185 on December 20, 2021 which authorized the City’s participation in the National Prescription Opioid Settlement and the execution of the Memorandum of Agreement (MOA); and

WHEREAS, the MOA requires the City to establish a special revenue fund for the settlement funds and to pass a resolution authorizing the expenditure of Opioid Settlement funds and specifying the activities that will be funded; and

WHEREAS, the City of Lakeville approved the initial proposal for the use of Opioid funds and has included the costs in the 2023, 2024 and 2025 budgets.

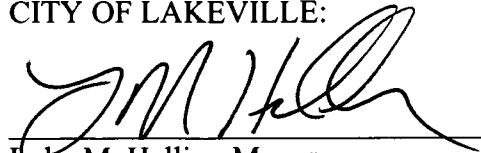
NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Lakeville, Minnesota, as follows:

- 1) The recitals set forth above are incorporated herein;
- 2) The following expenditures are approved for funding from the Opioid Settlement for fiscal year 2025:


| Opioid Remediation Uses Per MOA | Funding Level (Up to) |
|--|----------------------------------|
| PART THREE: OTHER STRATEGIES | |
| I. First Responders | |
| 1. Law enforcement expenditures related to the opioid epidemic | 2025 - \$140,000 |

ADOPTED by the Lakeville City Council this 16th day of December 2024.

CITY OF LAKEVILLE:



Luke M. Hellier, Mayor



Ann Orlofsky, City Clerk

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for All Appropriated Fund Types
 Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances and Net Assets
 For the Year Ending December 31, 2025

| | <u>2023</u> <u>Actual</u> | <u>2024</u> <u>Adopted</u> <u>Budget</u> | <u>2024</u> <u>Estimate</u> | <u>2025</u> <u>Proposed</u> <u>Budget</u> |
|---|------------------------------|--|--------------------------------|---|
| Revenues | | | | |
| General property taxes | \$ 39,668,205 | \$ 43,908,300 | \$ 43,908,300 | \$ 49,173,050 |
| Tax increment | 558,684 | 558,686 | 729,438 | 435,382 |
| Licenses and permits | 4,091,103 | 3,887,459 | 3,696,463 | 3,749,374 |
| Intergovernmental | 16,286,981 | 23,702,362 | 10,219,054 | 25,027,338 |
| Charges for services | 33,957,062 | 30,336,772 | 32,100,372 | 30,305,360 |
| Court fines | 238,097 | 240,000 | 240,000 | 240,000 |
| Special assessments | 7,934,564 | 2,388,216 | 2,235,523 | 2,294,116 |
| Investment income | 7,180,339 | 1,304,203 | 2,179,580 | 1,640,074 |
| Donations | 11,092,113 | 4,972,000 | 2,438,085 | 649,800 |
| Miscellaneous | 1,400,925 | 1,056,693 | 1,887,952 | 1,279,374 |
| Gross profit | <u>6,217,600</u> | <u>6,267,913</u> | <u>6,263,530</u> | <u>6,409,747</u> |
| Total revenues | <u>128,625,673</u> | <u>118,622,604</u> | <u>105,898,297</u> | <u>121,203,615</u> |
| Expenditures and expenses | | | | |
| General government | 8,231,786 | 9,055,476 | 9,425,888 | 8,815,514 |
| Public safety | 17,432,946 | 19,241,448 | 19,321,537 | 22,801,251 |
| Public works | 5,844,020 | 6,544,260 | 6,340,314 | 6,618,383 |
| Parks and recreation | 5,407,841 | 5,765,397 | 5,869,849 | 5,917,704 |
| Other (contingency) | - | 3,676 | - | - |
| Debt service | 15,816,908 | 17,669,735 | 23,087,355 | 24,367,392 |
| Capital outlay | 56,575,585 | 59,287,036 | 47,462,519 | 68,608,263 |
| Operating expenses | <u>28,843,368</u> | <u>29,534,953</u> | <u>29,559,361</u> | <u>30,012,708</u> |
| Total expenditures and expenses | <u>138,152,454</u> | <u>147,101,981</u> | <u>141,066,823</u> | <u>167,141,215</u> |
| Other financing sources (uses) | | | | |
| Transfer from other funds | 11,184,257 | 8,909,189 | 4,600,212 | 4,066,505 |
| Transfer to other funds | (11,184,257) | (8,909,189) | (4,600,212) | (4,066,505) |
| Disposal of assets | (9,017) | (20,000) | - | - |
| Issuance of debt | 12,361,337 | 22,888,567 | 28,639,679 | 25,241,925 |
| Proceeds from Sale of Assets | 307,368 | - | - | - |
| Payment on refunded bonds called | - | - | - | - |
| Premium on bonds issued | <u>779,235</u> | <u>-</u> | <u>253,688</u> | <u>-</u> |
| Total other financing sources (uses) | <u>13,438,923</u> | <u>22,868,567</u> | <u>28,893,367</u> | <u>25,241,925</u> |
| Net change in fund balance and net position | 3,912,142 | (5,610,810) | (6,275,159) | (20,695,675) |
| Fund balance and net position, January 1 | 336,460,886 | 305,715,131 | 347,668,254 | 341,393,095 |
| Inventory Adjustment | 79,654 | - | - | - |
| Committed Use of Fund Balance (HR/Fin/CD) | - | - | - | - |
| Fund balance and net position, December 31 | <u>\$ 340,452,682</u> | <u>\$ 300,104,321</u> | <u>\$ 341,393,095</u> | <u>\$ 320,697,420</u> |
| Enterprise capital outlay acquisitions | <u>\$ 14,926,392</u> | <u>\$ 1,836,332</u> | <u>\$ 1,648,800</u> | <u>\$ 2,810,481</u> |
| Enterprise bond proceeds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Enterprise debt principal | <u>\$ 1,010,000</u> | <u>\$ 1,010,000</u> | <u>\$ 1,075,000</u> | <u>\$ 1,130,000</u> |

CITY OF LAKEVILLE, MINNESOTA
 Budgetary Summary for Appropriated Fund Types
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances and Net Assets
 For the Year Ending December 31, 2025

| | 2025 Proposed Budget | | | | | | | | |
|---|-----------------------------|----------------------------|-------------------------|-----------------------------|--------------------------|-------------------------------|-----------------------------------|-----------------------|-----------------------|
| | Governmental Funds | | | | Proprietary Funds | | | | |
| | General Fund | Special Revenue | Debt Service | Capital Projects | Enterprise | | Internal Service | | Total |
| | | | | Liquor | Utility | Municipal Reserves | Compensation Liability | | |
| Revenues | | | | | | | | | |
| General property taxes | \$ 33,300,000 | \$ - | \$ 12,773,050 | \$ 3,100,000 | \$ - | \$ - | \$ - | \$ - | \$ 49,173,050 |
| Tax increment | - | - | - | 435,382 | - | - | - | - | 435,382 |
| Licenses and permits | 3,259,689 | 489,685 | - | - | - | - | - | - | 3,749,374 |
| Intergovernmental | 3,478,938 | - | 326,560 | 20,686,840 | - | 535,000 | - | - | 25,027,338 |
| Charges for services | 3,139,012 | 34,116 | 801,673 | 4,795,046 | - | 20,962,102 | 351,909 | 221,502 | 30,305,360 |
| Court fines | 240,000 | - | - | - | - | - | - | - | 240,000 |
| Special assessments | - | - | 2,283,936 | 10,180 | - | - | - | - | 2,294,116 |
| Investment income | 500,000 | 9,079 | 464,878 | 422,772 | 105,000 | 121,345 | 5,000 | 12,000 | 1,640,074 |
| Donations | 49,800 | - | - | 100,000 | - | 500,000 | - | - | 649,800 |
| Miscellaneous | 39,078 | 64,539 | - | 512,757 | - | 98,000 | 565,000 | - | 1,279,374 |
| Gross profit | - | - | - | - | 6,409,747 | - | - | - | 6,409,747 |
| Total revenues | <u>44,006,517</u> | <u>597,419</u> | <u>16,650,097</u> | <u>30,062,977</u> | <u>6,514,747</u> | <u>22,216,447</u> | <u>921,909</u> | <u>233,502</u> | <u>121,203,615</u> |
| Expenditures and expenses | | | | | | | | | |
| General government | 8,010,447 | 805,067 | - | - | - | - | - | - | 8,815,514 |
| Public safety | 22,801,251 | - | - | - | - | - | - | - | 22,801,251 |
| Public works | 6,618,383 | - | - | - | - | - | - | - | 6,618,383 |
| Parks and recreation | 5,917,704 | - | - | - | - | - | - | - | 5,917,704 |
| Debt service | - | - | 18,649,738 | 5,481,875 | - | 235,779 | - | - | 24,367,392 |
| Capital outlay | 145,639 | 33,000 | - | 68,429,624 | - | - | - | - | 68,608,263 |
| Operating expenses | - | - | - | - | 5,370,751 | 23,485,528 | 881,429 | 275,000 | 30,012,708 |
| Total expenditures and expenses | <u>43,493,424</u> | <u>838,067</u> | <u>18,649,738</u> | <u>73,911,499</u> | <u>5,370,751</u> | <u>23,721,307</u> | <u>881,429</u> | <u>275,000</u> | <u>167,141,215</u> |
| Other financing sources (uses) | | | | | | | | | |
| Transfer from other funds | 170,000 | - | 1,954,691 | 1,893,048 | - | 48,766 | - | - | 4,066,505 |
| Transfer to other funds | - | (144,155) | - | (1,478,121) | (1,744,405) | (699,824) | - | - | (4,066,505) |
| Disposal of assets | - | - | - | - | - | - | - | - | - |
| Issuance of debt | - | - | - | 25,241,925 | - | - | - | - | 25,241,925 |
| Total other financing sources (uses) | <u>170,000</u> | <u>(144,155)</u> | <u>1,954,691</u> | <u>25,656,852</u> | <u>(1,744,405)</u> | <u>(651,058)</u> | <u>-</u> | <u>-</u> | <u>25,241,925</u> |
| Net change in fund balance and net position | 683,093 | (384,803) | (44,950) | (18,191,670) | (600,409) | (2,155,918) | 40,480 | (41,498) | (20,695,675) |
| Fund balance and net position, January 1 | 21,747,353 | 1,306,910 | 23,243,954 | 80,418,056 | 12,734,454 | 204,808,128 | 405,027 | (3,270,787) | 341,393,095 |
| Fund balance and net position, December 31 | <u>\$ 22,430,446</u> | <u>\$ 922,107</u> | <u>\$ 23,199,004</u> | <u>\$ 62,226,386</u> | <u>\$ 12,134,045</u> | <u>\$ 202,652,210</u> | <u>\$ 445,507</u> | <u>\$ (3,312,285)</u> | <u>\$ 320,697,420</u> |
| Enterprise capital outlay acquisitions | \$ - | \$ - | \$ - | \$ - | \$ 160,000 | \$ 2,650,481 | \$ - | \$ - | \$ 2,810,481 |
| Enterprise bond proceeds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Enterprise debt principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,130,000 | \$ - | \$ - | \$ 1,130,000 |

GENERAL FUND

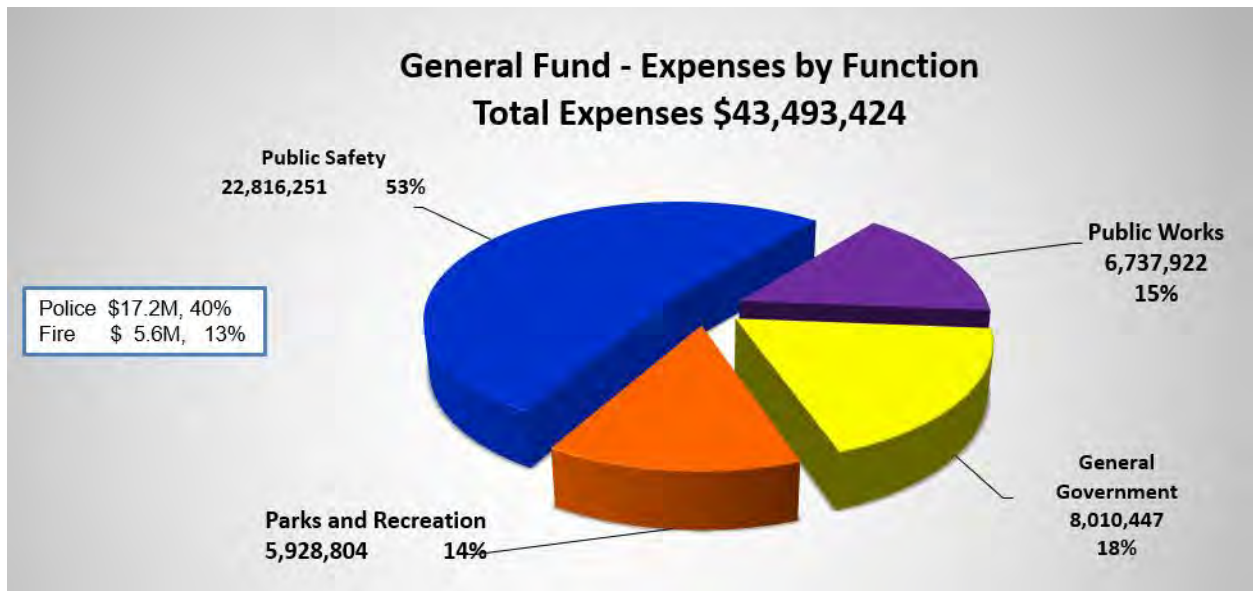
CITY OF LAKEVILLE, MINNESOTA
General Fund
Fund Balance Discussion

The Fund Balance Policy states *“The City will endeavor to maintain an unrestricted (committed, assigned and unassigned) fund balance in the General Fund of an amount not less than 40% and not greater than 50% of the next year’s budgeted expenditures of the General Fund.”*

The fund balance represents the amount of funds required to operate during the first six months of the year. The City’s most significant revenue sources – taxes and intergovernmental revenue – do not provide appreciable revenues until the second half of the year.

A healthy financial position also allows the City to avoid volatility in tax rates; allows for the adequate consistent funding of services, repairs and unexpected costs; and can be a factor in determining the City’s bond rating and resulting interest costs.

| | |
|---|---------------------------|
| | <u>Adopted Budget</u> |
| Revenues and other financing sources | \$ 44,176,517 |
| Expenditures and other financing uses | <u>43,493,424</u> |
| Net increase/(decrease) | 683,093 |
| Fund balance, January 1 | <u>21,747,353</u> |
| Committed Use of Fund Balance (HR/FIN/CD) | <u>-</u> |
| Fund balance, December 31 | \$ <u>22,430,446</u> |
| Adj. fund balance, Dec 31 (Net of Restricted) | \$ <u>22,330,446</u> |
| Ratio: Fund balance to next year's expenditures | 50.0% |



CITY OF LAKEVILLE, MINNESOTA
 General Fund Proposed 2025 Budget
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ending December 31, 2025

| | 2023 | 2024 | Updated | 2025 | Change from | | Change from | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|--------------------|------------------|--------------------|--|
| | Actual | Amended Budget | 2024 Estimate | Proposed Budget | 2024 Amended Budget | (Amount) (Percent) | 2024 Estimate | (Amount) (Percent) | |
| Revenues | | | | | | | | | |
| General property taxes | \$ 26,701,304 | \$ 29,821,150 | \$ 29,821,150 | \$ 33,300,000 | \$ 3,478,850 | 11.7% | \$ 3,478,850 | 11.7% | |
| Licenses and permits | 3,489,815 | 3,262,810 | 3,165,563 | 3,259,689 | (3,121) | -0.1% | 94,126 | 3.0% | |
| Intergovernmental | 3,739,684 | 1,596,841 | 1,952,383 | 3,478,938 | 1,882,097 | 117.9% | 1,526,555 | 78.2% | |
| Charges for services | 3,418,509 | 3,116,470 | 3,587,144 | 3,139,012 | 43,542 | 1.4% | (448,132) | -12.5% | |
| Special assessments | 5,189 | | | | | | | | |
| Court fines | 238,097 | 240,000 | 240,000 | 240,000 | - | 0.0% | - | 0.0% | |
| Investment income | 730,171 | 311,190 | 800,000 | 500,000 | 188,810 | 60.7% | (300,000) | -37.5% | |
| Miscellaneous | 210,252 | 48,124 | 97,773 | 88,878 | 40,754 | 84.7% | (8,895) | -9.1% | |
| Total revenues | 38,533,021 | 38,396,585 | 39,664,013 | 44,006,517 | 5,630,932 | 14.7% | 4,342,504 | 10.9% | |
| Expenditures | | | | | | | | | |
| General government | | | | | | | | | |
| Mayor and Council | 125,368 | 131,455 | 138,137 | 126,321 | (12,079) | -8.7% | (11,816) | -8.6% | |
| Committees/Commissions | 132,694 | 135,989 | 143,099 | 143,422 | 7,433 | 5.5% | 323 | 0.2% | |
| City administration | 592,838 | 574,094 | 655,772 | 587,089 | (59,971) | -9.3% | (68,683) | -10.5% | |
| City Clerk/Elections | 197,360 | 361,688 | 353,942 | 225,579 | (133,521) | -37.2% | (128,363) | -36.3% | |
| Legal counsel | 74,170 | 87,000 | 87,000 | 87,000 | - | 0.0% | - | 0.0% | |
| Community/Econ.Develop | 1,176,970 | 1,217,588 | 1,047,235 | 1,089,649 | (115,499) | -9.6% | 42,414 | 4.1% | |
| Inspections | 1,904,395 | 2,022,239 | 1,891,531 | 1,918,122 | (95,232) | -4.7% | 26,591 | 1.4% | |
| General Gov't Facilities | 575,850 | 625,598 | 732,804 | 669,991 | (61,416) | -8.4% | (62,813) | -8.6% | |
| Finance | 1,161,686 | 1,357,531 | 1,341,179 | 1,235,639 | (140,139) | -10.2% | (105,540) | -7.9% | |
| Information Technology | 721,996 | 890,579 | 1,090,716 | 989,146 | (74,323) | -7.0% | (101,570) | -9.3% | |
| Human Resources | 664,244 | 752,523 | 985,671 | 688,489 | (256,367) | -27.1% | (297,182) | -30.2% | |
| Insurance | 250,000 | 250,000 | 250,000 | 250,000 | - | 0.0% | - | 0.0% | |
| Public safety | | | | | | | | | |
| Police | 14,540,176 | 15,708,243 | 15,624,010 | 17,227,952 | 1,647,699 | 10.6% | 1,603,942 | 10.3% | |
| Fire | 2,892,792 | 3,533,205 | 3,697,527 | 5,588,299 | 2,068,875 | 58.8% | 1,890,772 | 51.1% | |
| Public works | | | | | | | | | |
| Engineering | 784,377 | 983,805 | 895,068 | 946,722 | (259,598) | -21.5% | 51,654 | 5.8% | |
| Forestry | 526,501 | 597,159 | 593,825 | 680,154 | 82,995 | 13.9% | 86,329 | 14.5% | |
| Construction Services | 587,436 | 622,584 | 478,232 | 701,328 | 78,744 | 12.6% | 223,096 | 46.7% | |
| Streets | 4,024,180 | 4,340,712 | 4,373,189 | 4,409,718 | (52,207) | -1.2% | 36,529 | 0.8% | |
| Parks and recreation | | | | | | | | | |
| Parks | 3,386,961 | 3,757,266 | 3,792,247 | 3,768,652 | 33,869 | 0.9% | (23,595) | -0.6% | |
| Recreation | 1,029,098 | 1,060,869 | 1,076,625 | 1,126,418 | 69,619 | 6.6% | 49,793 | 4.6% | |
| Arts Center | 1,016,290 | 984,762 | 1,053,839 | 1,033,734 | 48,972 | 5.0% | (20,105) | -1.9% | |
| Other (Personnel/Contingency) | - | 3,676 | - | - | (250,000) | -100.0% | - | 0% | |
| Total expenditures | 36,365,382 | 39,998,565 | 40,301,648 | 43,493,424 | 2,527,854 | 6.2% | 3,191,776 | 7.9% | |
| Excess (deficiency) of revenues over expenditures | 2,167,639 | (1,601,980) | (637,635) | 513,093 | 3,103,078 | -119.8% | 1,150,728 | -180.5% | |
| Other financing sources (uses) | | | | | | | | | |
| Transfer from other funds | 472,170 | 342,998 | 226,998 | 170,000 | (1,106,571) | -86.7% | (56,998) | -25.1% | |
| Transfer to other funds | (2,353,880) | (215,000) | (215,000) | - | 215,000 | -100.0% | 215,000 | -100.0% | |
| Total Other Financing Srcs (Uses) | (1,881,710) | 127,998 | 11,998 | 170,000 | (891,571) | -84.0% | 158,002 | 1316.9% | |
| Net change in fund balance | 285,929 | (1,473,982) | (625,637) | 683,093 | 2,211,507 | -144.7% | 1,308,730 | -209.2% | |
| Fund balance, January 1 | 22,007,407 | 22,234,058 | 22,372,990 | 21,747,353 | (625,637) | -2.8% | (625,637) | -2.8% | |
| Inventory Adjustment | 79,654 | - | - | - | - | 0% | - | 0% | |
| Fund balance, December 31 | \$ 22,372,990 | \$ 20,760,076 | \$ 21,747,353 | \$ 22,430,446 | \$ 1,585,870 | 7.6% | \$ 683,093 | 3.1% | |
| <i>Unrestricted Fund Bal, Dec 31</i> | <i>\$ 22,093,422</i> | <i>\$ 20,480,508</i> | <i>\$ 21,467,785</i> | <i>\$ 21,830,446</i> | | | | | |
| Ratio: Fund Bal to CY expends | 60.8% | 51.2% | 53.3% | 50.2% | | | | | |
| Ratio: Fund Bal to NY expends | 54.8% | 47.1% | 49.4% | 48.7% | | | | | |
| \$ (7) | | | | | | | | | |
| | 2023 | 2024 | 2024 | 2025 | Change from | | Change from | | |
| | Actual | Amended Budget | Estimate | Proposed Budget | 2024 Adopted Budget | (Amount) (Percent) | 2024 Estimate | (Amount) (Percent) | |
| Function | | | | | | | | | |
| General government | 7,577,571 | 8,406,284 | 8,717,086 | 8,010,447 | (941,114) | -10.5% | (706,639) | -8.1% | |
| Public safety | 17,432,968 | 19,241,448 | 19,321,537 | 22,816,251 | 3,716,574 | 19.5% | 3,494,714 | 18.1% | |
| Public works | 5,922,494 | 6,544,260 | 6,340,314 | 6,737,922 | (150,066) | -2.2% | 397,608 | 6.3% | |
| Parks and recreation | 5,432,349 | 5,802,897 | 5,922,711 | 5,928,804 | 152,460 | 2.6% | 6,093 | 0.1% | |
| Contingency (Majority Personnel Svcs) | - | 3,676 | - | - | (250,000) | -100.0% | - | 0% | |
| | 36,365,382 | 39,998,565 | 40,301,648 | 43,493,424 | 2,527,854 | 6.2% | 3,191,776 | 7.9% | |
| Classification | | | | | | | | | |
| Personnel services | 26,218,538 | 29,293,744 | 29,196,644 | 32,398,236 | 2,273,775 | 7.5% | 3,201,592 | 11.0% | |
| Commodities | 2,362,389 | 2,344,524 | 2,457,572 | 2,425,432 | 54,243 | 2.3% | (32,140) | -1.3% | |
| Other charges and services | 7,067,823 | 7,712,673 | 7,516,830 | 7,857,648 | 35,352 | 0.5% | 340,818 | 4.5% | |
| Capital outlay | 138,754 | 71,745 | 435,197 | 145,639 | 73,894 | 103.0% | (289,558) | -66.5% | |
| Fire Relief/State Aid | 577,878 | 575,879 | 695,405 | 666,469 | 90,590 | 15.7% | (28,936) | -4.2% | |
| Contingency | - | - | - | - | - | 0% | - | 0% | |
| | 36,365,382 | 39,998,565 | 40,301,648 | 43,493,424 | 2,527,854 | 6.2% | 3,191,776 | 7.9% | |

CITY OF LAKEVILLE
2025 BUDGET REPORT
GENERAL FUND REVENUES - BY ACCOUNT CLASSIFICATION

| | 2023 | 2024 | 2024 | 2025 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>Activity</u> | <u>Amended</u> | <u>2024</u> | <u>Adopted</u> |
| | | <u>Budget</u> | <u>Estimated</u> | <u>Budget</u> |
| PROPERTY TAXES | \$ 26,701,305 | \$ 29,821,150 | \$ 29,513,138 | \$ 33,300,000 |
| LICENSES & PERMITS | 3,489,815 | 2,962,810 | 3,200,704 | 3,259,689 |
| STATE AID POLICE | 642,476 | 797,698 | 797,698 | 797,698 |
| LOCAL PUBLIC SAFETY STATE AID | 1,850,000 | 0 | 0 | 0 |
| STATE AID FIRE RELIEF | 577,879 | 695,405 | 682,405 | 682,405 |
| STATE AID PERA GASB | 131,310 | 0 | 0 | 0 |
| STATE POST BOARD GRANT | 62,632 | 54,000 | 63,859 | 54,000 |
| FEDERAL GRANTS - OTHER | 164,968 | 91,249 | 145,118 | 1,603,936 |
| STATE DRUG TASK FORCE GRANT | 8,662 | 2,750 | 1,452 | 2,750 |
| STATE POLICE GRANTS | 25,315 | 29,800 | 146,339 | 106,000 |
| STATE SNOWMOBILE TRAIL GRANT | 0 | 200 | 4,833 | 200 |
| STATE RECREATION GRANT | 71,042 | 77,552 | 84,171 | 90,949 |
| OTHER INTERGOVERNMENTAL REV | 200,973 | 145,935 | 112,663 | 138,000 |
| INTERGOVERNMENTAL | 4,428 | 300,000 | 2,155 | 3,000 |
| CHARGES FOR SERVICES-GEN GOV'T | 692,184 | 561,787 | 604,460 | 459,043 |
| CHARGES FOR SERVICES - PD | 539,213 | 565,300 | 535,648 | 550,780 |
| CHARGES FOR SERVICES - FD | 57,743 | 57,195 | 60,904 | 67,560 |
| CHARGES FOR SERVICES - PW | 979,981 | 819,322 | 1,294,463 | 753,585 |
| CHARGES FOR SERVICES - PR | 1,148,259 | 1,220,616 | 1,374,125 | 1,270,926 |
| FINES | 238,097 | 240,000 | 222,790 | 240,000 |
| SPECIAL ASSESSMENTS | 5,189 | 0 | 9,321 | 0 |
| INTEREST INCOME | 350,236 | 611,190 | 470,375 | 500,000 |
| INCREASE/(DECREASE) FMV VALUE | 379,912 | 0 | 398,037 | 0 |
| SALE PROCEEDS - CAPITAL ASSETS | 27,962 | 29,260 | 20,071 | 7,479 |
| DONATIONS | 117,801 | 45,200 | 76,290 | 65,500 |
| MISCELLANEOUS | 52,289 | 12,624 | 52,410 | 35,078 |
| LIQUOR SALES | 19,658 | 19,400 | 21,493 | 17,939 |
| USER CHARGES | 50 | 0 | | 0 |
| TRANSFERS IN FROM OTHER FUNDS | 472,169 | 226,998 | 226,998 | 170,000 |
| TOTAL REVENUES | \$ 39,011,548 | \$ 39,387,441 | \$ 40,121,920 | \$ 44,176,517 |

MAYOR AND COUNCIL

Program Description:

The Mayor and City Council are the legislative and governing body of the City of Lakeville. The Mayor and four City Council Members are elected at-large; the Mayor and each Council Member is elected to a four-year term. Council Member elections are staggered so that two Council Members are elected every two years.

The Mayor and Council Members represent the entire community and they are empowered by law to legislate City-wide policy. This includes the authority to pass and enforce ordinances, establish public and administrative policies, create advisory boards and commissions, and manage the City's financial operations including preparing a budget, auditing expenditures, and transacting other City business as required by law. The City Council also serves as the Housing and Redevelopment Authority (HRA) for the City. The City Council appoints a City Administrator who directs City staff on implementation of Council decisions and provides day-to-day City operations.

Services:

- Represents the People of Lakeville.
- Exercises legislative authority through the enactment of ordinances, policies, and resolutions.
- Conducts the City's intergovernmental affairs. The Council may make agreements for the joint exercise of powers through agreements with other units of government, appoint people to serve on intergovernmental bodies, conduct City business with State and Federal agencies, and participate in intergovernmental programs and the work of municipal associations such as the League of Minnesota Cities.
- Has the full authority over the City's financial affairs, including but not limited to levying taxes, adopting a budget, disbursement of public monies, and issuance of debt.
- Formulates policies that will help the City prepare for the future and adjust to social and economic trends which require long-range planning regarding City facilities, needs and services.
- Directs the enforcement of City ordinances.
- Appoints members of the advisory boards.
- Provides leadership by promoting ideas and programs which serve the community.

MAYOR AND COUNCIL

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 51,908 | \$ 60,379 | \$ 59,208 | \$ 53,291 |
| Commodities | 140 | 50 | 50 | 44 |
| Other charges and services | 73,320 | 71,026 | 78,879 | 72,986 |
| Total | \$ 125,368 | \$ 131,455 | \$ 138,137 | \$ 126,321 |
| <u>Revenue sources</u> | | | | |
| Taxes and other public funds | \$ 125,368 | \$ 131,455 | \$ 138,137 | \$ 126,321 |

COMMITTEES AND COMMISSIONS

Program Description:

- The City has several committees which provide recommendations to the City Council relating primarily to policy issues. Committees include Planning, Economic Development, Finance, Lakeville Area Arts Center, Parks Recreation and Natural Resources, Lakeville Yellow Ribbon, Cable TV Board and the Pan-O-Prog community celebration.

Services:

- Advise City Council relative to policy issues.
- Staff support of the annual Pan-O-Prog community celebration.

Budget Summary:

| <u>Function</u> | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|----------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| Planning Commission | \$ 2,937 | \$ 3,700 | \$ 9,199 | \$ 12,000 |
| Economic Development | 659 | 700 | 700 | - |
| Parks, Recreation and N.R. | 2,262 | 2,000 | 2,800 | - |
| Finance Committee | 863 | 800 | 900 | - |
| Lakeville Area Arts Center | 932 | 900 | 1,000 | - |
| Pan-O-Prog | <u>125,041</u> | <u>127,889</u> | <u>128,500</u> | <u>131,422</u> |
| Total | <u>\$ 132,694</u> | <u>\$ 135,989</u> | <u>\$ 143,099</u> | <u>\$ 143,422</u> |

| <u>Expenditures</u> | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|----------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| Personnel services | \$ 76,375 | \$ 74,289 | \$ 77,618 | \$ 80,297 |
| Commodities | 94 | 2,500 | 2,525 | 25 |
| Other charges and services | <u>56,225</u> | <u>59,200</u> | <u>62,956</u> | <u>63,100</u> |
| Total | <u>\$ 132,694</u> | <u>\$ 135,989</u> | <u>\$ 143,099</u> | <u>\$ 143,422</u> |

| <u>Revenue sources</u> | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| Charges for services | \$ - | \$ - | \$ 16,600 | \$ 17,000 |
| Miscellaneous | 13,500 | 13,500 | 13,500 | 13,500 |
| Other financing sources | 13,000 | 15,000 | 15,000 | 15,000 |
| Taxes and other public funds | <u>106,194</u> | <u>107,489</u> | <u>97,999</u> | <u>97,922</u> |
| Total | <u>\$ 132,694</u> | <u>\$ 135,989</u> | <u>\$ 143,099</u> | <u>\$ 143,422</u> |

CITY ADMINISTRATION

Program Description:

The City Administration Department, under the direction of the City Administrator, is charged with implementing policy and direction established by the City Council. It is the responsibility of the City Administrator to provide the overall direction for the City organization in accordance with policies established by the City Council. Other responsibilities are to ensure that City operations are conducted efficiently and effectively such that City Council and citizen concerns are addressed. The department also develops recommendations to the City Council regarding programs, operations and policies. In addition, the City Administrator presents, reviews and monitors the annual operating budget for the City. This leadership helps to ensure that the City of Lakeville operates within the boundaries of prudence and ethics as set forth in the Lakeville Policy Manual and City Code of Ordinances.

Services:

- Provide complete and objective information and recommendations to the City Council.
- Oversee and support City departments as they provide the best possible services to the community at the lowest possible cost.
- Provide comprehensive vision and leadership for the City organization so that desires and needs of the community and City Council goals are achieved.
- Prepare and provide to the City Council a fiscally responsible budget to finance City operations in support of community desires and City Council goals.
- Attend and participate in discussions at all meetings of the City Council and other official bodies as directed by the Council.
- Handle personnel matters for the City in accordance with policy as established by the City Council. Negotiate or delegate the negotiation of terms and conditions of employee labor contracts for presentation to the City Council. Conduct annual evaluations and review of work performance for all department heads.
- Recommend from time to time the adoption of such measures as deemed necessary for the health, safety and welfare of the community or for the improvement of the administration.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---------------------------------|----------------|----------------|------------------|----------------|
| City Administrator | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant City Administrator | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant to City Administrator | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 2.6 | 3.0 | 3.0 | 3.0 |

CITY ADMINISTRATION

(continued)

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 479,207 | \$ 506,853 | \$ 587,931 | \$ 525,850 |
| Commodities | 1,168 | 2,550 | 2,550 | 2,294 |
| Other charges and services | 110,934 | 64,691 | 65,291 | 58,945 |
| Capital outlay | 1,529 | - | - | - |
| Total | \$ 592,838 | \$ 574,094 | \$ 655,772 | \$ 587,089 |
| <u>Revenue sources</u> | | | | |
| Other financing sources | \$ 65,554 | \$ 68,894 | \$ 68,894 | \$ 74,381 |
| Taxes and other public funds | 527,284 | 505,200 | 586,878 | 512,708 |
| Total | \$ 592,838 | \$ 574,094 | \$ 655,772 | \$ 587,089 |

CITY CLERK

Program Description:

The City Clerk is a statutory office that is responsible for City records management, election administration, legal notification to the public, the issuance of licenses and permits, and the preparation and retention of the official minutes. The office is also the primary source of information for citizen questions and public records requests. The City Clerk is responsible for election administration including staffing and adherence to all election laws of the State of Minnesota and the Federal government. The duties and responsibilities of the City Clerk are described in Minnesota Statute 412.591.

Services:

- Preparation of Council meeting agendas.
- Attend all Council meetings and record meeting minutes.
- Administration of ordinance codification.
- Administration of records management system in accordance with Minnesota Data Practices Act.
- Elections administration.
- Issuance and renewal of licenses.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|----------------|----------------|----------------|------------------|----------------|
| City Clerk | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 1.0 | 1.0 | 1.0 | 1.0 |

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 143,568 | \$ 268,544 | \$ 256,562 | \$ 159,290 |
| Commodities | 1,932 | 5,420 | 5,420 | 920 |
| Other charges and services | 51,860 | 87,724 | 91,960 | 65,369 |
| Total | \$ 197,360 | \$ 361,688 | \$ 353,942 | \$ 225,579 |
| <u>Revenue sources</u> | | | | |
| Taxes and other public funds | 197,360 | 361,688 | 317,750 | 225,579 |
| Total | \$ 197,360 | \$ 361,688 | \$ 353,942 | \$ 225,579 |

LEGAL COUNSEL

Program Description:

The City Attorney's office has the statutory responsibility for the administration of all legal services for the City of Lakeville. The work involves serving as the legal advisor and providing legal services to the Council, the committees, commissions and boards of the City, and all City departments. The responsibilities of the office also include substantial involvement in City projects, liability issues, and contractual agreements.

The City of Lakeville retains the services of Campbell Knutson, P.A., to handle the City's legal affairs including questions of law, court actions and prosecutions. Funding for prosecution is provided for in the Police Department budget.

Services:

- Acts as legal counsel at meetings of the City Council and Planning Commission.
- Drafts and revises local ordinances and resolutions.
- Researches and writes legal opinions and memoranda for elected officials and City departments.
- Represents the City, its boards and officers, in civil claims and litigation.
- Drafts and reviews development agreements.
- Negotiates and drafts City contracts, leases and indemnification agreements.
- Administration of all real estate activity.

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Other charges and services | \$ 74,170 | \$ 87,000 | \$ 87,000 | \$ 87,000 |
| <u>Revenue sources</u> | | | | |
| Taxes and other public funds | \$ 74,170 | \$ 87,000 | \$ 87,000 | \$ 87,000 |

COMMUNITY DEVELOPMENT & PLANNING

Program Description:

The Community Development & Planning Department is responsible for services that promote business and development that supports the overall economic vitality of the community. Department services include business development, redevelopment, promotion, and business retention; real estate sale and acquisitions, economic development strategic planning, and transportation improvement advocacy including transit facilities and service. The staff offer a variety of services to preserve and enhance the quality of life for those who live and work in the community. The department guides the physical development of Lakeville in a manner that promotes sustained and managed growth and protects the health, safety, and general welfare of its residents. The department oversees all the short- and long-term land use, zoning and development activities as required by State Statute. The staff provide technical support to the Planning Commission and City Council.

Services:

- Coordinate with the Dakota County CDA to administer HUD funded Community Development Block Grant programs and other housing and redevelopment programs.
- Coordinate special projects, studies, and development projects related to economic development.
- Coordinate with State and local agencies to aid new and expanding businesses.
- Provide high-level City development strategies.
- Respond to inquiries and assist developers and businesses to navigate the City's development approval process.
- Serve as a liaison to the business community.
- Staff and coordinate the activities of the Economic Development Commission (EDC).
- Provide development updates, statistics, and demographics for the City Council, Economic Development Commission and City departments.
- Coordinate Manufacturers Week activities.
- Coordinate public information activities regarding local economic development issues.
- Administer comprehensive planning and development regulations and policies as adopted by the City of Lakeville and the laws of the State of Minnesota.
- Administer development review and process permits consistent with land use, subdivision, and environmental regulations.
- Process applications in a timely, thorough, and accurate manner.
- Coordinate development review with other City departments and outside agencies.
- Initiate dialogue in response to emerging community issues.
- Respond to public inquiries accurately and in a timely manner.

COMMUNITY AND ECONOMIC DEVELOPMENT

(continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|----------------------------------|----------------|----------------|------------------|----------------|
| Community Development Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Economic Development Coordinator | 1.0 | 0.1 | 0.1 | 0.0 |
| Economic Development Manager | 0.0 | 0.9 | 0.9 | 1.0 |
| Senior Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Planning Director | 1.0 | .1 | .1 | 0.0 |
| Planning Manager | 0.0 | 0.0 | .9 | 1.0 |
| Associate Planner | 2.0 | 1.9 | .3 | 0.0 |
| Senior Planner | 0.0 | 0.0 | .9 | 1.0 |
| Planning & Zoning Specialist | 0.0 | 1.0 | 0.0 | 0.0 |
| Code Enforcement Officer | 0.0 | 1.0 | 0.8 | 1.0 |
| Total | 6.0 | 7.0 | 6.0 | 6.0 |

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 1,016,469 | \$ 1,082,810 | \$ 915,857 | \$ 949,914 |
| Commodities | 1,786 | 2,566 | 2,566 | 2,566 |
| Other charges and services | 158,715 | 132,212 | 128,812 | 137,169 |
| Capital outlay | - | - | - | - |
| Total | \$ 1,176,970 | \$ 1,217,588 | \$ 1,047,235 | \$ 1,089,649 |
| <u>Revenue sources</u> | | | | |
| Intergovernmental | \$ 80,858 | \$ 60,000 | \$ 35,000 | \$ 55,000 |
| Charges for services | 43,469 | 63,020 | 41,720 | 40,770 |
| Other financing sources | 15,000 | 12,000 | 12,000 | - |
| Taxes and other public funds | 1,037,643 | 1,082,568 | 958,515 | 993,879 |
| Total | \$ 1,176,970 | \$ 1,217,588 | \$ 1,047,235 | \$ 1,089,649 |

INSPECTIONS

Program Description:

The primary responsibility of the Inspections Department is enforcement of the adopted building codes. The department is also responsible for code enforcement to preserve the livability and integrity of residential and commercial districts and prevent deterioration and blighted influences within the community.

Services:

- Process applications, perform plan reviews, and issue permits for residential commercial, industrial, and institutional projects.
- Assist design professionals, contractors, and homeowners with interpretations on code related questions.
- Perform required building construction inspections.
- Issue Certificates of Occupancy for permits which meet or exceed permit requirements.
- Coordinate records, consolidate plans and archives.
- Provide information regarding code requirements.
- Provide up-to-date handouts for homeowners regarding new deck construction and basement remodeling projects.
- Respond to customer complaints concerning construction sites, property maintenance and code enforcement.
- Respond to complaints of vacant homes and inspect the vacant home's condition prior to occupancy.
- Perform code compliance inspections.
- Participate in the development and amendments to State and local code requirements both nationally and locally.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---------------------------------|----------------|----------------|------------------|----------------|
| Building Official | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Building Official | 1.0 | 1.0 | 1.0 | 1.0 |
| Senior Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Sr. Building Inspector | 2.0 | 2.0 | 2.0 | 2.0 |
| Building Inspector | 5.0 | 5.0 | 5.0 | 5.0 |
| Total | 10.5 | 11.0 | 10.0 | 11.0 |

INSPECTIONS

(continued)

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 1,451,175 | \$ 1,515,572 | \$ 1,376,811 | \$ 1,553,563 |
| Commodities | 13,486 | 16,796 | 16,187 | 20,602 |
| Other charges and services | 408,637 | 455,626 | 464,288 | 343,957 |
| Capital outlay | 31,097 | 34,245 | 34,245 | - |
| Total | \$ 1,904,395 | \$ 2,022,239 | \$ 1,891,531 | \$ 1,918,122 |
| <u>Revenue sources</u> | | | | |
| Licenses and permits | \$ 3,634,679 | \$ 3,040,335 | \$ 2,930,688 | \$ 3,013,989 |
| Charges for services | 47,791 | 46,428 | 36,153 | 39,903 |
| Taxes and other public funds | (1,778,075) | (1,064,524) | (1,075,310) | (1,135,770) |
| Total | \$ 1,904,395 | \$ 2,022,239 | \$ 1,891,531 | \$ 1,918,122 |

GENERAL GOVERNMENT FACILITIES

Program Description:

The General Government Facilities Department is responsible for the maintenance and operating costs of City Hall, a storage facility, and a radio communications building. This department is also responsible for the landscape maintenance and snowplowing of the Heritage Library.

This department provides staffing for planning, implementing, coordinating, and evaluating a comprehensive program of improvements including project management for the following buildings that are budgeted within their respective departments.

| <u>Facility</u> | <u>Location</u> | <u>Square Footage</u> |
|---|------------------------------------|-----------------------|
| <u>General Government Facilities Budget</u> | | |
| City Hall | 20195 Holyoke Avenue | 32,600 |
| Storage Facility | 7773 214 th Street | 25,000 |
| Radio Communications Building | 17900 Jacquard Avenue | 800 |
| <u>Other Budgets</u> | | |
| Police Station | 9237 183 rd Street | 68,569 |
| Fire Station #1 | 20190 Holyoke Avenue | 8,700 |
| Fire Station #2 | 16720 Dodd Boulevard | 5,724 |
| Fire Station #3 | 17490 Kenrick Avenue | 5,500 |
| Fire Station #4 | 9465 185 th Street | 13,830 |
| Central Maintenance Facility | 7570 179 th Street West | 110,00 |
| Heritage Center | 20110 Holyoke Avenue | 16,406 |
| Arts Center | 20965 Holyoke Avenue | 8,200 |
| Water Treatment Facility | 18400 Ipava Avenue | 47,125 |
| Liquor Store Kenrick | 16179 Kenrick Avenue | 9,714 |
| Liquor Store Galaxie | 16000 Galaxie Avenue | 11,300 |
| Liquor Store Heritage | 20164 Heritage Drive | 8,960 |
| Liquor Store Keokuk | 20880 Keokuk Avenue | 20,000 |
| Fine Arts Building | 20965 Holyoke Avenue | 13,500 |

Services:

- Protect the investment the City and the Community have made in its facilities by developing and implementing long term facility maintenance programs to keep life cycle costs of the facilities as low as possible.
- Plan for and procure services, equipment, tools and supplies necessary for effective and efficient operations.
- Plan, organize, coordinate, assign, and monitor work of facilities maintenance and cleaning staff necessary to perform required job functions.
- Manage facilities maintenance and repair projects.
- Administer contracts and direct contractors for HVAC, generator maintenance, electrical, plumbing, etc.
- Preventive maintenance programs.

GENERAL GOVERNMENT FACILITIES

(continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|-------------------------|----------------|----------------|------------------|----------------|
| Facilities Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Lead Facility Attendant | 1.0 | 1.0 | 1.0 | 1.0 |
| Facility Attendant | 2.4 | 2.5 | 2.5 | 2.5 |
| City Hall Receptionist | 0.9 | 1.0 | 1.0 | 1.0 |
| Total | 5.3 | 5.5 | 5.5 | 5.5 |

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 323,691 | \$ 433,536 | \$ 455,149 | \$ 416,567 |
| Commodities | 21,218 | 26,477 | 26,758 | 24,466 |
| Other charges and services | 230,941 | 165,585 | 250,897 | 228,958 |
| Total | \$ 575,850 | \$ 625,598 | \$ 732,804 | \$ 669,991 |
| <u>Revenue sources</u> | | | | |
| Miscellaneous | \$ 54,577 | \$ 12,624 | \$ 34,056 | \$ 35,078 |
| Other financing sources | 89,601 | 97,442 | 97,442 | 99,167 |
| Taxes and other public funds | 431,672 | 515,532 | 601,306 | 535,746 |
| Total | \$ 575,850 | \$ 625,598 | \$ 732,804 | \$ 669,991 |

FINANCE

Program Description:

The Finance Department is responsible for the overall financial management, accounting, and reporting activity of the City. This department also provides financial controls and treasury management of other City departments to help ensure proper stewardship of public funds. The Finance Department coordinates the annual operating and capital budget process for all City operations.

Services:

- Financial reporting. Coordinate and prepare the annual audit and Annual Comprehensive Financial Report (ACFR). Maintain high quality audit results and minimize audit costs. Preparation of required State, Federal and other government agency reports. Maintain general ledger and fixed capital asset systems and perform various accounting functions such as reconciliation of various accounts.
- Treasury management including investment of City funds, accounts payable function, debt management and reporting and manage bank agreements and transactions to minimize costs and maximize efficiency.
- Billing and collection for City services including but not limited to development related services, licenses, public safety activities and quarterly water, sanitary sewer, streetlight services and environmental resources. Manage utility billings to provide high quality customer service and timely deposit of collections.
- Fiscal agent for ALF Ambulance, Dakota 911, and Lakeville Arenas. Services include preparation of Annual Comprehensive Financial Report, interim financial reports, accounts payable functions, treasury management, budgeting, and debt management.
- Budget administration including the Capital Improvement Plan.
- Supervision of City risk management program.
- Coordinate issuance of debt with municipal advisor, bond counsel, and city departments.

FINANCE

(continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---|----------------|----------------|------------------|----------------|
| Finance Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Finance Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Senior Financial Analyst | 3.3 | 3.0 | 3.0 | 3.0 |
| Financial Analyst | 1.0 | 1.0 | 1.0 | 1.0 |
| Accounts Payable/Receivable Technician | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | 8.1 | 8.3 | 8.3 | 8.0 |

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|-------------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 1,017,925 | \$ 1,033,451 | \$ 1,074,779 | \$ 1,065,537 |
| Commodities | 2,578 | 2,300 | 4,550 | 3,550 |
| Other charges and services | 139,649 | 321,780 | 261,850 | 166,552 |
| Capital outlay | 1,534 | - | - | - |
| Total | \$ 1,161,686 | \$ 1,357,531 | \$ 1,341,179 | \$ 1,235,639 |
| <u>Revenues and other financing</u> | | | | |
| <u>Revenue sources</u> | | | | |
| Charges for services | \$ 196,785 | \$ 315,515 | \$ 314,615 | \$ 224,810 |
| Other financing sources | 50,000 | 30,000 | - | - |
| Taxes and other public funds | 914,901 | 1,012,016 | 1,026,564 | 1,010,829 |
| Total | \$ 1,161,686 | \$ 1,357,531 | \$ 1,341,179 | \$ 1,235,639 |

INFORMATION TECHNOLOGY

Program Description:

The Information Technology Department is responsible for providing and supporting the electronic information systems of other City departments. The services provided by the Department include network infrastructure support; desktop computer support; and planning, analysis and implementation of information systems technology.

Services:

- Provide support for users of City information systems.
- Establish and maintain network systems to allow efficient flow of information.
- Coordinate future systems development.
- Maintain and support the City's local area networks.
- Assist with the maintenance and development of the City's wide area network.
- Perform maintenance and repair work on city-owned computing equipment.
- Perform installation, maintenance, and upgrades of city-owned computer software, and VoIP telephones.
- Provide training and software support to City personnel.
- Coordinate and monitor Internet access for City employees.
- Coordinate with City staff and LOGIS on the deployment and operation of applications.
- Provide desktop support to City staff.
- Provide maintenance and support for document imaging solution.
- Development and implementation of City data security plan and disaster recovery.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|-------------------------------------|----------------|----------------|------------------|----------------|
| Information Technology (IT) Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| IT Systems Administrator | 1.0 | 1.0 | 1.0 | 0.0 |
| IT Systems Architect | 0.0 | 0.0 | 0.0 | 1.0 |
| IT Technician | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | 4.0 | 4.0 | 4.0 | 4.0 |

INFORMATION TECHNOLOGY

(continued)

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 310,360 | \$ 375,460 | \$ 535,342 | \$ 433,636 |
| Commodities | 2,903 | 5,500 | 5,500 | 4,070 |
| Other charges and services | 407,134 | 509,619 | 549,874 | 551,440 |
| Capital outlay | 1,599 | - | - | - |
| Total | \$ 721,996 | \$ 890,579 | \$ 1,090,716 | \$ 989,146 |
| <u>Revenue sources</u> | | | | |
| Other financing sources | \$ 140,934 | \$ 149,282 | \$ 149,282 | \$ 166,274 |
| Taxes and other public funds | 581,062 | 741,297 | 941,434 | 822,872 |
| Total | \$ 721,996 | \$ 890,579 | \$ 1,090,716 | \$ 989,146 |

HUMAN RESOURCES

Program Description:

The City Human Resources Department is responsible for development, recommendation and implementation of policies related to human resources issues. The Department provides guidance and assistance to City leadership and employees regarding recruitment, employee satisfaction and development. The Human Resources function strives to retain and support a workforce committed to high quality, efficient services and respectful working relationships.

Services:

- Employee wage and benefit packages administration.
- Payroll administration.
- Workers compensation claims processing.
- FMLA, extended leave administration
- Partner in recruitment and performance management with all departments.
- Personnel records management.
- Compensation and classifications system administration.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|----------------------------------|----------------|----------------|------------------|----------------|
| Human Resources Manager/Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Human Resources Specialist | 1.0 | 1.0 | 1.0 | 2.0 |
| Human Resources Technician | 1.0 | 1.0 | 1.0 | 0.0 |
| Payroll Specialist | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | 5.0 | 5.0 | 5.0 | 5.0 |

HUMAN RESOURCES

(continued)

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 443,042 | \$ 471,402 | \$ 703,967 | \$ 512,539 |
| Commodities | 1,734 | 1,800 | 1,835 | 1,109 |
| Other charges and services | 219,468 | 279,321 | 279,869 | 174,841 |
| Capital outlay | - | - | - | - |
| Total | \$ 664,244 | \$ 752,523 | \$ 985,671 | \$ 688,489 |
| <u>Revenue sources</u> | | | | |
| Other financing sources | \$ 134,717 | \$ 137,509 | \$ 137,509 | \$ 152,852 |
| Taxes and other public funds | 529,527 | 615,014 | 848,162 | 535,637 |
| Total | \$ 664,244 | \$ 752,523 | \$ 985,671 | \$ 688,489 |

INSURANCE

Program Description:

The Insurance Department is responsible for property and liability insurance, workers compensation, the Employee/Management Safety Committee, and related health and safety programs (OSHA, DOT, and EPA).

The City uses the Internal Service Municipal Reserves Fund for accounting, reporting and allocation of related insurance costs. Under this model, operating departments within the various City funds receive a charge from the Municipal Reserves Fund, and all costs (premiums, claims, and related) are reflected in a single fund. This allows for better accounting and monitoring of the City’s risk management costs. Workers compensation costs are charged to the various City funds and allocated to their individual departments based on employee salaries. The Insurance Department represents the General Fund’s share of the risk management activities.

Services:

- Manage potential risk and loss from unforeseen events. Tactics include aggressive case management, promoting safe behaviors, and ensuring safe environments.

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Other charges and services | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| <u>Revenue sources</u> | | | | |
| Taxes and other public funds | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |

POLICE

Program Description:

The primary function of the Police Department is to safeguard and protect the lives, health and property of the Citizens of Lakeville. The Department includes a wide array of public safety functions including patrol, investigations, proactive drug enforcement, animal control, canine unit, community service, police reservists, Chaplaincy, park ranger and Emergency Management Preparedness.

Services:

- **Patrol.** Provide 9-1-1 uniformed patrol response 24 hours a day, 7 days a week including traffic safety and code enforcement, conflict resolution team, SWAT and mental health team.
- **Dispatching.** City of Lakeville is a member of the Dakota 911 Joint Powers Organization which provides dispatching services for all police, fire and emergency management services in the County.
- **Investigations.** Adult and juvenile investigations of criminal activity. Includes crime scene investigation unit and one officer assigned to the Dakota County Drug Task Force. Provide background and compliance checks for licensing functions.
- **Administrative Services.** The support staff is responsible for maintenance of police records in accordance with State and Federal data practice laws. Assist public with data requests and release data in accordance with state law.
- **Outside Services.** Creating a sense of community and belonging through National Night Out, mental health outreach, safety camp participation, and other programs.
- **Courts and prosecution.** City attorney prosecutes those who face criminal charges brought forth by the City of Lakeville.
- **School Resource Liaisons.** Three police officers are assigned to the senior high and middle schools during the school year.
- **Emergency Management.** Function includes civil defense siren system and preparation for possible community emergencies.
- **Community Service Officer (CSO).** Provide assistance to sworn officers. Traffic control and prisoner transport. Aid in facilitating maintenance to building and vehicles. Animal Code Enforcement. During the summer, the department employs seasonal CSOs who maintain order at the Lake Marion boat launch and enforce park regulations.
- **Police Reserves.** The Police Reserves unit is comprised of non-sworn volunteers who assist the police officers with special events and community emergencies.

POLICE

(continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|----------------------------------|----------------|----------------|------------------|----------------|
| Sworn Officer | | | | |
| Chief | 1.0 | 1.0 | 1.0 | 1.0 |
| Commander | 2.0 | 2.0 | 2.0 | 2.0 |
| Lieutenant | 3.0 | 3.0 | 3.0 | 3.0 |
| Sergeant | 8.0 | 8.0 | 8.0 | 8.0 |
| Investigator | 7.0 | 7.0 | 7.0 | 9.0 |
| Narcotics Task Force Officer | 1.0 | 1.0 | 1.0 | 1.0 |
| School Resources Officer | 0.0 | 3.0 | 3.0 | 3.0 |
| Patrol Officer (includes cadets) | 46.0 | 47.0 | 47.0 | 47.0 |
| Total Sworn Officers | 68.0 | 72.0 | 72.0 | 74.0 |
| Crimes Analyst | 1.0 | 1.0 | 1.0 | 1.0 |
| Business Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Evidence Technician | 1.0 | 1.0 | 1.0 | 1.0 |
| Community Service Officer | 6.8 | 6.8 | 6.8 | 6.8 |
| Records Analyst | 1.0 | 1.0 | 1.0 | 1.0 |
| Records Technician | 5.0 | 5.0 | 5.0 | 5.0 |
| Administrative Specialist | 0.7 | 0.7 | 0.7 | 0.7 |
| Total | 84.5 | 88.7 | 88.7 | 90.5 |

POLICE

(continued)

Budget Summary:

| <u>Program</u> | 2024 | | 2025 | |
|-----------------------------|------------------------|---------------------------|--------------------------|---------------------------|
| | 2023 Actual | Amended Budget | 2024 Estimate | Adopted Budget |
| Administration | \$ 837,378 | \$ 834,504 | \$ 834,504 | \$ 885,538 |
| Dispatching | 989,052 | 994,757 | 994,757 | 1,178,816 |
| Investigations | 1,608,446 | 1,947,373 | 1,910,000 | 1,980,951 |
| Courts and prosecution | 248,007 | 253,777 | 253,777 | 261,390 |
| Police patrol & cadets | 7,655,439 | 8,415,466 | 8,415,466 | 9,355,334 |
| Drug enforcement | 172,152 | 200,330 | 180,330 | 201,999 |
| K-9 unit | 361,361 | 371,002 | 371,002 | 406,232 |
| Community Engagement | 4,609 | 5,555 | 5,555 | 25,055 |
| Community Service Officers | 324,972 | 386,986 | 386,986 | 443,452 |
| Administrative services | 1,077,840 | 1,093,221 | 1,093,221 | 1,256,584 |
| School Resource Officers | 453,535 | 431,010 | 431,010 | 469,722 |
| Vehicle and equipment maint | 300,751 | 314,121 | 315,200 | 314,334 |
| Facility maintenance | 279,517 | 226,469 | 226,469 | 296,351 |
| Other | 227,117 | 233,672 | 205,733 | 152,194 |
| Total | \$ 14,540,176 | \$ 15,708,243 | \$ 15,624,010 | \$ 17,227,952 |

| | 2024 | | 2025 | |
|----------------------------|------------------------|---------------------------|--------------------------|---------------------------|
| | 2023 Actual | Amended Budget | 2024 Estimate | Adopted Budget |
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 11,834,850 | \$ 12,834,206 | \$ 12,647,655 | \$ 13,852,542 |
| Commodities | 485,699 | 477,229 | 549,061 | 542,056 |
| Other charges and services | 2,219,627 | 2,396,808 | 2,427,294 | 2,818,354 |
| Capital outlay | - | - | - | 15,000 |
| Total | \$ 14,540,176 | \$ 15,708,243 | \$ 15,624,010 | \$ 17,227,952 |

| | | | | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Revenue sources</u> | | | | |
| Licenses | \$ 236,690 | \$ 217,575 | \$ 227,325 | \$ 237,900 |
| Intergovernmental | 920,312 | 723,775 | 951,015 | 2,496,884 |
| Charges for services | 539,213 | 565,300 | 537,810 | 550,780 |
| Court fines | 238,097 | 240,000 | 240,000 | 240,000 |
| Miscellaneous | 52,759 | - | 21,922 | 800 |
| Taxes and other public funds | 12,553,105 | 13,961,593 | 13,645,938 | 13,701,588 |
| Total | \$ 14,540,176 | \$ 15,708,243 | \$ 15,624,010 | \$ 17,227,952 |

FIRE

Program Description:

The City of Lakeville Fire Department is a dedicated hybrid team of paid-on-call and fulltime firefighters who provide reliable, professional emergency response to fires, accidents, and disasters. Responsibilities include emergency response, disaster preparedness, fire code compliance/enforcement, investigations, prevention, and education. The City also maintains mutual aid agreements with neighboring communities to support large-scale emergencies.

Services:

- **Emergency Response**
 - Fire suppression.
 - Emergency Medical Response (EMS).
 - Vehicle extrication – rescue.
 - Ice and water rescue.
 - Domestic security and emergency management.
 - Hazardous condition and disaster mitigation.
- **Prevention**
 - Plan review.
 - Alarm and suppression system acceptance testing.
 - Occupancy inspections.
 - Fire prevention inspections.
- **Fire Investigation**
 - Fire cause determination.
- **Education**
 - Firefighters’ initial and continued education and certification.
 - Safety Camp.
 - National Night Out.
 - Fire prevention visits to schools.
 - Fire Department open house.
 - Station tours.
 - Public and employee fire extinguisher training.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---------------------------------|----------------|----------------|------------------|----------------|
| Fire Chief | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Fire Chief | 1.0 | 1.0 | 1.0 | 1.0 |
| Fire Marshal | 1.0 | 1.0 | 1.0 | 1.0 |
| Fire Inspector | 1.0 | 1.0 | 1.5 | 2.0 |
| Fire Captain | 0.0 | 3.0 | 3.0 | 3.0 |
| Fire Fighter | 0.0 | 3.0 | 3.0 | 18.0 |
| Senior Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 6.0 | 12.0 | 12.5 | 28.0 |

FIRE

(continued)

Budget Summary:

| | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|------------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 1,662,380 | \$ 2,361,918 | \$ 2,382,324 | \$ 4,152,871 |
| Fire Relief Contribution/State Aid | 577,878 | 575,879 | 695,405 | 666,469 |
| Commodities | 283,890 | 229,321 | 229,321 | 381,796 |
| Other charges and services | 368,644 | 366,087 | 390,477 | 387,163 |
| Total | <u>\$ 2,892,792</u> | <u>\$ 3,533,205</u> | <u>\$ 3,697,527</u> | <u>\$ 5,588,299</u> |
| <u>Revenue sources</u> | | | | |
| Licenses | \$ 2,000 | \$ 2,850 | \$ 3,400 | \$ 3,200 |
| Intergovernmental | 643,936 | 588,379 | 710,405 | 707,405 |
| Charges for services | 57,743 | 57,195 | 57,245 | 67,560 |
| Miscellaneous | 8,500 | 2,800 | - | - |
| Taxes and other public funds | 2,180,613 | 2,881,981 | 2,926,477 | 4,810,134 |
| Total | <u>\$ 2,892,792</u> | <u>\$ 3,533,205</u> | <u>\$ 3,697,527</u> | <u>\$ 5,588,299</u> |

ENGINEERING

Program Description:

The Engineering Department is responsible for planning, designing, surveying, inspecting, and constructing new public infrastructure including streets, wastewater collection system, water supply, storage and distribution system, storm water management system, bike and pedestrian trails, street signs, street lighting, and traffic signals. The Department also includes the Geographic Information System (GIS) function which is responsible for the management of data relating to parcels, parcel boundaries, utilities, streets, and other infrastructure.

Services:

- **Public infrastructure.** Provide design services; project oversight and management for streets, sanitary sewers, drainage, and water projects to include wetland mitigation plans. Provide management of the public assessments and other property data. Prepare feasibility studies for new public projects that are assessed.
- **New development.** Review proposed, preliminary and final plats related to new residential, commercial, and industrial development construction projects. Process ensures that plans are in conformance with Comprehensive Plans, ordinances, and City of Lakeville Standard Specifications.
- **Comprehensive Plans.** Prepare and provide technical oversight and review of the Comprehensive Plans for Water and Natural Resources Management, Sanitary Sewer, Water Distribution System, and Transportation.
- **Customer service.** Assist residents and provide technical assistance for drainage problems, grading issues, erosion control and drain tile. Includes review of residential, commercial, industrial, and institutional surveys and construction plans (Site, Grading, Erosion Control, Street and Utility). Includes inspection for general compliance to the approved survey and subdivision plans. Respond to resident inquiries regarding drainage alteration and flood zones. Manages the public rights of way for all City streets.
- **Records Management.** The department maintains the official City base maps, as-builts, plans, records and property data relating to special assessments.
- **Geographic Information System (GIS).** Develop and maintain the City's GIS database. Coordinate the maintenance, development, and application of GIS system. Manage the comprehensive inventory of City utilities. Manage the information conduit between Dakota County GIS and the City. Administer and maintain the City's Cartegraph asset management system

ENGINEERING

(continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|--------------------------|----------------|----------------|------------------|----------------|
| Engineering | | | | |
| City Engineer | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant City Engineer | 1.0 | 1.0 | 1.0 | 1.0 |
| Civil Engineer | 2.0 | 2.0 | 2.0 | 2.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| GIS | | | | |
| GIS Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| GIS Analyst | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | 8.0 | 8.0 | 8.0 | 8.0 |

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|---|----------------|---------------------------|------------------|---------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 628,373 | \$ 777,293 | \$ 764,858 | \$ 797,262 |
| Commodities | 6,665 | 8,270 | 9,089 | 6,725 |
| Other charges and services | 149,339 | 198,242 | 121,121 | 142,735 |
| Total | \$ 784,377 | \$ 983,805 | \$ 895,068 | \$ 946,722 |
| <u>Revenues and other financing</u> | | | | |
| <u>Revenue sources</u> | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Charges for services | \$ 362,121 | \$ 226,285 | \$ 635,338 | \$ 182,135 |
| Other financing sources | 196,513 | 208,711 | 208,711 | 210,209 |
| Taxes and other public funds | 225,743 | 548,809 | 51,019 | 554,378 |
| Total | \$ 784,377 | \$ 983,805 | \$ 895,068 | \$ 946,722 |

FORESTRY

Program Description:

The Forestry Department manages the City’s forestry program, providing public education, administering pest control (e.g. emerald ash borer, oak wilt, Dutch elm disease), overseeing the tree sale program and public tree inventory, and coordinating with other department to enhance community woodlands. Staff also manage the treatment and removal of public trees. As of 2023, this division is funded through the General Fund, having previously been part of the Environmental Resources Utility Fund.

Services:

- Annual Arbor Day Tree and Shrub Sale
- Shade Tree Epidemic Pest Control Program (inspections and technical support for emerald ash borer, Dutch elm and oak wilt disease)
- Management of diseased/poor condition trees in City and natural areas and outlots
- Oversee treatment and removal of trees on public property
- Answering general questions related to tree care, planting, and forestry topics
- Presentations to community groups and schools

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---------------------|----------------|----------------|------------------|----------------|
| Forester | 1.0 | 1.0 | 1.0 | 1.0 |
| Forestry Technician | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 2.0 | 2.0 | 2.0 | 2.0 |

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|-------------------|---------------------------|-------------------|---------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 212,436 | \$ 241,011 | \$ 237,677 | \$ 264,962 |
| Commodities | 7,356 | 8,058 | 8,058 | 8,058 |
| Other charges and services | 306,709 | 348,090 | 348,090 | 353,090 |
| Capital outlay | - | - | - | 54,044 |
| Total | \$ 526,501 | \$ 597,159 | \$ 593,825 | \$ 680,154 |
| <u>Revenue sources</u> | | | | |
| Intergovernmental | \$ - | \$ 103,435 | \$ 118,000 | \$ 113,000 |
| Charges for services | 21,576 | 10,000 | 10,000 | 10,000 |
| Taxes and other public funds | 504,925 | 483,724 | 465,825 | 557,154 |
| Total | \$ 526,501 | \$ 597,159 | \$ 593,825 | \$ 680,154 |

CONSTRUCTION SERVICES

Program Description:

The Construction Services Department is responsible for the rehabilitation and maintenance of the City’s infrastructure systems including pavement management, water main, sanitary sewer and storm sewer systems.

Services:

- **Pavement Management.** Complete annual pavement ratings and analysis of the City’s street system. The results of these ratings will be used to determine the City’s Overall Condition Index (OCI), which serves as a tool for prioritizing and programming the City’s Street Reconstruction Projects.
- **Street Reconstruction Program.** Manage consultant(s) working to design the City’s annual Street Reconstruction Projects. Prepare materials associated with the 429 Special Assessment Process and for inspection duties during the construction of the projects.
- **Collector Roadway Financing.** Provide annual updates to the City’s Collector Roadway Financing budget based on current funding priorities and updated construction cost estimates for use with future budgetary planning.
- **Collector Roadway Rehabilitation Projects.** Survey, design, administer the contract and perform inspection duties for collector roadway rehabilitation projects. This includes compliance with all State Statute 429 requirements associated with specially assessing benefiting properties within the project areas, such as: preparation of the feasibility report, public hearing materials and notices, special assessment rolls and assessment hearing materials.
- **Public infrastructure.** Provide design services; project oversight and management for other pavement management and utility rehabilitation projects, such as: The City’s annual Miscellaneous Roadway Repair Project, trail reconstruction projects and City parking lot improvement projects.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|------------------------------------|----------------|----------------|------------------|----------------|
| Public Works Coordinator | 1.0 | 1.0 | 1.0 | 1.0 |
| Senior Construction Representative | 1.8 | 2.0 | 1.0 | 2.0 |
| Construction Representative | 1.0 | 2.0 | 1.5 | 2.0 |
| Graduate Engineer | 0.8 | 1.0 | 1.0 | 1.0 |
| Total | 4.6 | 6.0 | 4.5 | 6.0 |

CONSTRUCTION SERVICES

(continued)

Budget Summary:

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 485,491 | \$ 592,484 | \$ 450,887 | \$ 603,504 |
| Commodities | 7,856 | 12,350 | 10,935 | 11,689 |
| Other charges and services | 15,608 | 17,750 | 16,410 | 20,640 |
| Capital outlay | 78,481 | - | - | 65,495 |
| Total | \$ 587,436 | \$ 622,584 | \$ 478,232 | \$ 701,328 |
| <u>Revenue sources</u> | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Charges for services | \$ 553,701 | \$ 497,000 | \$ 322,286 | \$ 509,000 |
| Taxes and other public funds | 33,735 | 125,584 | 155,946 | 192,328 |
| Total | \$ 587,436 | \$ 622,584 | \$ 478,232 | \$ 701,328 |

STREETS

Program Description:

The Streets Department is responsible for the safe and reliable maintenance of the City's infrastructure systems including pavement management, snow and ice removal, traffic control and signage, streetlights, boulevard trees, boulevard mowing and storm sewer systems as well as the support systems such as fleet management.

Services:

- **Snow removal and ice control.** Plow snow and apply deicing chemicals to City streets during snow and ice events to help maintain a safe driving surface.
- **Fleet management.** Perform routine maintenance and repairs for the entire city fleet of vehicles, power tools and mobile equipment.
- **Street signs and striping.** Inventory, manage, and install regulatory and informational street signs as well as traffic control striping of roadways, crosswalks and symbols.
- **Pavement Management.** Manage contractors in the crack sealing of 320 centerline miles of streets within Lakeville's pavement management districts. This includes patching and other repairs to streets and sidewalks.
- **Boulevard trees and mowing.** Maintain 10,000 boulevard trees to include trimming, removal, and replacement as needed. Mow 87 miles of boulevards, road ditches and City-owned parcels four times annually.
- **Storm sewer maintenance.** Assist with inspection of 20 percent of the City's storm sewer outfalls each year to control water pollution by locating and correcting point sources that discharge pollutants.
- **Gravel road maintenance.** Regular grading and shaping of road surfaces and the application of gravel and chemicals to reduce dust and stabilize the roadway.
- **Streetlights.** Inspect streetlights throughout the City and manage the repair or replacement of damaged or inoperative lights.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---|----------------|----------------|------------------|----------------|
| Streets & Fleet Superintendent | 1.0 | 1.0 | 1.0 | 1.0 |
| Streets Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Streets Lead Maintenance | 1.0 | 1.0 | 1.0 | 1.0 |
| Streets Assistant Lead Maintenance | 1.0 | 1.0 | 1.0 | 1.0 |
| Streets Maintenance II | 12.0 | 14.0 | 14.0 | 14.0 |
| Fleet Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Fleet Lead Service Technician | 1.0 | 1.0 | 1.0 | 1.0 |
| Fleet Assistant Lead Service Technician | 1.0 | 1.0 | 1.0 | 1.0 |
| Fleet Service Technician | 3.0 | 3.0 | 3.0 | 3.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 23.0 | 25.0 | 25.0 | 25.0 |

STREETS

(continued)

Budget Summary:

| PROGRAM: | 2023 | 2024 | 2024 | 2025 |
|------------------------------|--------------|----------------|--------------|----------------|
| | ACTUAL | AMENDED BUDGET | ESTIMATE | ADOPTED BUDGET |
| ADMINISTRATION | 443,829 | 447,170 | 364,157 | 466,900 |
| SNOW REMOVAL & ICE CONTROL | 850,742 | 870,984 | 887,014 | 668,135 |
| PATCHING | 157,443 | 211,739 | 193,434 | 199,135 |
| SWEEPING | 71,236 | 74,134 | 143,655 | 91,855 |
| SIGNS AND MARKINGS | 309,673 | 380,798 | 368,426 | 389,051 |
| BOULEVARD TREE MAINTENANCE | 213,448 | 231,090 | 331,852 | 244,712 |
| GRAVEL ROAD MAINTENANCE | 114,476 | 132,817 | 141,412 | 158,679 |
| FLEET MAINTENANCE | 645,856 | 635,003 | 643,829 | 795,889 |
| CITY VEHICLE MAINTENANCE | 76,391 | 80,804 | 79,804 | 84,604 |
| CMF BUILDING - STREETS | 83,606 | 125,237 | 140,338 | 121,238 |
| STREETS LEAVE HOURS/BENEFITS | 1,057,484 | 1,150,935 | 1,079,268 | 1,189,520 |
| TOTAL | \$ 4,024,184 | \$ 4,340,711 | \$ 4,373,189 | \$ 4,409,718 |

| | 2023 | 2024 | 2024 | 2025 |
|------------------------------|--------------|----------------|--------------|----------------|
| | Actual | Amended Budget | Estimate | Adopted Budget |
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 2,538,228 | \$ 2,765,517 | \$ 2,749,997 | \$ 2,904,534 |
| Commodities | 1,018,402 | 1,077,555 | 1,094,110 | 858,422 |
| Other charges and services | 467,550 | 497,640 | 529,082 | 646,762 |
| Total | \$ 4,024,180 | \$ 4,340,712 | \$ 4,373,189 | \$ 4,409,718 |
| <u>Revenue sources</u> | | | | |
| Charges for services | \$ 46,023 | \$ 55,122 | \$ 43,352 | \$ 30,400 |
| Other financing sources | 105,644 | 118,184 | 118,184 | 112,882 |
| Taxes and other public funds | 3,872,513 | 4,167,406 | 4,211,653 | 4,266,436 |
| Total | \$ 4,024,180 | \$ 4,340,712 | \$ 4,373,189 | \$ 4,409,718 |

PARKS

Program Description:

The City of Lakeville provides a comprehensive community-wide array of park facilities and open spaces. The Parks Department is committed to the effective and responsible management of parks, open space, facilities and resources to satisfy the needs of the community.

Services:

- Parks administration is responsible for planning, management and supervision of various program functions including park maintenance, recreation, the Lakeville Area Arts Center, and the Lakeville Active Adults.
- Planning, administering, and managing resources for park maintenance, improvements and development.
- Provide routine maintenance of all athletic fields and facilities including Central Maintenance Facility, Heritage Center, Arts Center and the Ritter Farm Park Environmental Learning Center.
- Provide routine maintenance to all neighborhood parks and associated support facilities.
- Manage and maintain hockey and pleasure skating areas.
- Collaborate with and assist various community groups and civic organizations as well as three school districts to plan, organize, promote, and enhance other activities and opportunities within the City of Lakeville.
- Assists with the organization and implementation of community-centered special events such as Household Hazardous Waste Drop-Off Day, Annual Tree Sale, Fourth of July Celebration, Pan-O-Prog, Lakeville Art Festival, and numerous youth athletic tournaments.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|----------------------------------|----------------|----------------|------------------|----------------|
| Administration | | | | |
| Parks and Recreation Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Senior Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Parks Maintenance | | | | |
| Parks Superintendent | 1.0 | 1.0 | 1.0 | 1.0 |
| Parks Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Parks Lead Maintenance | 1.0 | 1.0 | 1.0 | 1.0 |
| Parks Assistant Lead Maintenance | 1.0 | 1.0 | 1.0 | 1.0 |
| Parks Maintenance II | 8.5 | 10.0 | 9.7 | 10.0 |
| Parks Maintenance I | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 16.5 | 18.0 | 17.7 | 18.0 |

PARKS

(continued)

Budget Summary:

| <u>Program</u> | <u>2023 Actual</u> | <u>Amended Budget</u> | <u>2024 Estimate</u> | <u>Adopted Budget</u> |
|------------------------------|------------------------|---------------------------|--------------------------|---------------------------|
| Park maintenance | \$ 2,202,633 | \$ 2,516,252 | \$ 2,529,234 | \$ 2,638,774 |
| Administration | 577,848 | 654,353 | 673,519 | 670,935 |
| Park equipment maintenance | 390,910 | 334,846 | 328,396 | 247,499 |
| Hockey and skating rinks | 146,544 | 146,443 | 139,359 | 110,723 |
| Central maintenance facility | 69,026 | 105,372 | 121,739 | 100,721 |
| Trail lighting | - | - | - | - |
| Total | <u>\$ 3,386,961</u> | <u>\$ 3,757,266</u> | <u>\$ 3,792,247</u> | <u>\$ 3,768,652</u> |

| <u>Expenditures</u> | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|----------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| Personnel services | \$ 2,459,517 | \$ 2,697,075 | \$ 2,723,813 | \$ 2,789,797 |
| Commodities | 319,432 | 356,919 | 365,400 | 431,424 |
| Other charges and services | 608,012 | 703,272 | 703,034 | 547,431 |
| Total | <u>\$ 3,386,961</u> | <u>\$ 3,757,266</u> | <u>\$ 3,792,247</u> | <u>\$ 3,768,652</u> |

| <u>Revenue sources</u> | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| Intergovernmental | \$ - | \$ 200 | \$ 200 | \$ 200 |
| Charges for services | 44,797 | 64,600 | 54,600 | 56,700 |
| Taxes and other public funds | 3,342,164 | 3,692,466 | 3,737,447 | 3,711,752 |
| Total | <u>\$ 3,386,961</u> | <u>\$ 3,757,266</u> | <u>\$ 3,792,247</u> | <u>\$ 3,768,652</u> |

RECREATION & HERITAGE CENTER

Program Description:

The Recreation Department is responsible for providing year-round recreational programs and activities for all ages. The department collaborates with numerous Lakeville organizations, clubs and school districts to provide recreation services throughout the community.

Services:

- **Active Adults.** The city maintains a facility to serve the senior population. Recreation and social programs are provided year around through the facility.
- **Youth activities.** A variety of programs are provided including summer camps, sports camps, Kamp Kermit, Learn to Skate, music together, lunch camps and youth enrichment.
- **Adult activities.** Leagues are organized through the Recreation Department that include basketball, softball, volleyball, bean bags, bocce, dance, fitness, golf as well as the Ground Pounders Running Series.
- **Youth special events.** Programs include Easter events, scrabble, fishing contests, haunted forest, Pan-O-Prog programs, Santa calls and letters and Santa’s secret store.
- **Tennis and pickleball lessons** and tournaments.
- **Ritter Farm Park ELC.** The Environmental Learning Center is located in one of the metropolitan area’s most pristine nature areas. Nature programs provide participants with educational opportunities in a natural environment.
- **Puppet Wagon.** The Lakeville Lions sponsor a mobile puppet show that travels to various community parks during the summer season. In 2020 the wagon traveled into the homes via You Tube.
- **Safety Camp.** A program that is offered exclusively to 3rd and 4th graders, with the support of Lakeville Police and Fire and various area organizations and businesses. Little Tykes Safety Camp is offered for younger youths to introduce them to age appropriate safety concepts.
- **Heritage Center.** A facility that is the home for the Lakeville Area Historical Society, Yellow Ribbon and the Lakeville Active Adults. The Heritage Center program accounts for all costs related to operating the facility including utilities, maintenance, repairs and operation of the facility.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|--|----------------|----------------|------------------|----------------|
| Recreation Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Recreation Program Coordinator | 2.0 | 2.0 | 2.0 | 2.0 |
| Recreation Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Active Adults Administrative Assistant | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | 6.0 | 6.0 | 6.0 | 6.0 |

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|--|----------------|----------------|------------------|----------------|
| Heritage Center Administrative Assistant | 0.3 | 0.3 | 0.3 | 0.3 |
| Facility Attendant (part-time) | 1.0 | 1.0 | 1.0 | 1.0 |
| Total | 1.3 | 1.3 | 1.3 | 1.3 |

Budget Summary:

| <u>Program</u> | 2023 | 2024 | 2024 | 2025 |
|---------------------------|---------------------|---------------------------|---------------------|---------------------------|
| | <u>Actual</u> | <u>Amended Budget</u> | <u>Estimate</u> | <u>Adopted Budget</u> |
| Recreation administration | \$ 342,207 | \$ 376,653 | \$ 375,634 | \$ 397,045 |
| Active Adults | 418,821 | 436,304 | 439,834 | 461,609 |
| Youth activities | 144,986 | 130,336 | 136,481 | 137,879 |
| Adult activities | 34,074 | 32,848 | 35,789 | 35,758 |
| Youth special events | 24,573 | 21,823 | 20,343 | 20,895 |
| Ritter Farm Park ELC | 17,769 | 17,871 | 22,472 | 24,498 |
| John Hennen Pavilion | - | - | 500 | 2,600 |
| Excursions | 206 | 3,270 | 3,270 | 3,270 |
| Tennis/pickleball lessons | 40,623 | 34,375 | 34,609 | 34,609 |
| Puppet wagon | 3,695 | 5,400 | 5,700 | 5,800 |
| Safety camp | 2,144 | 1,989 | 1,993 | 2,455 |
| Total | <u>\$ 1,029,098</u> | <u>\$ 1,060,869</u> | <u>\$ 1,076,625</u> | <u>\$ 1,126,418</u> |

| | <u>2023 Actual</u> | <u>2024 Amended Budget</u> | <u>2024 Estimate</u> | <u>2025 Adopted Budget</u> |
|----------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| <u>Expenditures</u> | | | | |
| Personnel services | \$ 576,816 | \$ 624,255 | \$ 627,168 | \$ 670,398 |
| Commodities | 46,232 | 47,108 | 54,040 | 52,080 |
| Other charges and services | 406,050 | 389,506 | 395,417 | 403,940 |
| Capital outlay | - | - | - | - |
| Total | <u>\$ 1,029,098</u> | <u>\$ 1,060,869</u> | <u>\$ 1,076,625</u> | <u>\$ 1,126,418</u> |

| <u>Revenue sources</u> | | | | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| Charges for services | \$ 544,351 | \$ 478,205 | \$ 533,999 | \$ 537,726 |
| Intergovernmental | 12,798 | 12,500 | 12,500 | - |
| Taxes and other public funds | 471,949 | 570,164 | 530,126 | 588,692 |
| Total | <u>\$ 1,029,098</u> | <u>\$ 1,060,869</u> | <u>\$ 1,076,625</u> | <u>\$ 1,126,418</u> |

ARTS CENTER

Program Description:

The Lakeville Area Arts Center is a community facility that provides entertainment, educational, and recreational programs involving the visual and performing arts.

Services:

- The Arts Center offers a series of performing art classes involving a diverse variety of talent appealing to a wide range of audience members. Professional singers, instrumentalists, comedians, and actors are scheduled as part of the series.
- “Expressions Community Theater” is comprised of area performers that produce four shows per year.
- Art camps provide educational visual arts sessions for the area youth.
- Painting classes are offered in acrylics, oils, and watercolors.
- The pottery program offers classes for adults, youth, and special programs during the school day for home schooled youth.
- Art classes are provided for a diverse spectrum of interests including silversmithing, glass lampworking, batik, seasonal ornaments, mixed media, and jewelry.
- The Arts Center facility is also available for rent for family gatherings, educational training sessions or business presentations.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---------------------------------|----------------|----------------|------------------|----------------|
| Arts Center Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Recreation Program Coordinator | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Assistant | 0.6 | 0.6 | 0.6 | 0.6 |
| Facility Attendant (part-time) | 1.7 | 1.3 | 1.3 | 1.3 |
| Program Coordinator (part-time) | 0.3 | 0.3 | 0.3 | 0.6 |
| Total | 4.2 | 4.2 | 4.2 | 4.5 |

ARTS CENTER

(continued)

Budget Summary:

| <u>Program</u> | <u>2023</u> <u>Actual</u> | <u>2024</u> <u>Amended</u> <u>Budget</u> | <u>2024</u> <u>Estimate</u> | <u>2025</u> <u>Adopted</u> <u>Budget</u> |
|---------------------------------|------------------------------|--|--------------------------------|--|
| Arts Center administration | \$ 379,372 | \$ 428,549 | \$ 413,914 | \$ 407,188 |
| Shuttered Venue Operating Grant | 250 | - | - | - |
| Arts Center facility | 212,118 | 203,918 | 220,946 | 206,808 |
| Performing arts events | 79,327 | 60,065 | 100,960 | 76,460 |
| Arts Center grants | 86,410 | 77,552 | 81,571 | 90,949 |
| Event and building rentals | 86,071 | 19,110 | 19,610 | 19,610 |
| Casperson performance stage | 14,200 | 14,500 | 18,000 | 18,000 |
| Art camp | 19,396 | 25,265 | 26,115 | 30,765 |
| Pottery classes | 85,969 | 95,656 | 102,064 | 114,277 |
| Expressions Community Theater | 25,292 | 23,655 | 28,500 | 26,800 |
| Painting classes | 11,111 | 13,331 | 16,493 | 18,285 |
| Art classes | 16,774 | 23,161 | 25,666 | 24,592 |
| Total | <u>\$ 1,016,290</u> | <u>\$ 984,762</u> | <u>\$ 1,053,839</u> | <u>\$ 1,033,734</u> |

| <u>Expenditures</u> | <u>2023</u> <u>Actual</u> | <u>2024</u> <u>Amended</u> <u>Budget</u> | <u>2024</u> <u>Estimate</u> | <u>2025</u> <u>Adopted</u> <u>Budget</u> |
|----------------------------|------------------------------|--|--------------------------------|--|
| Personnel services | \$ 506,727 | \$ 574,013 | \$ 569,041 | \$ 611,882 |
| Commodities | 139,818 | 61,755 | 77,675 | 87,191 |
| Other charges and services | 345,231 | 311,494 | 354,261 | 323,561 |
| Capital outlay | 24,514 | 37,500 | 52,862 | 11,100 |
| Total | <u>\$ 1,016,290</u> | <u>\$ 984,762</u> | <u>\$ 1,053,839</u> | <u>\$ 1,033,734</u> |

| <u>Revenue sources</u> | <u>2023</u> <u>Actual</u> | <u>2024</u> <u>Amended</u> <u>Budget</u> | <u>2024</u> <u>Estimate</u> | <u>2025</u> <u>Adopted</u> <u>Budget</u> |
|------------------------------|------------------------------|--|--------------------------------|--|
| Intergovernmental | \$ 71,042 | \$ 77,552 | \$ 81,571 | \$ 90,949 |
| Charges for services | 508,991 | 572,471 | 586,672 | 605,493 |
| Taxes and other public funds | 408,797 | 328,239 | 385,596 | 327,292 |
| Total | <u>\$ 1,016,290</u> | <u>\$ 984,762</u> | <u>\$ 1,053,839</u> | <u>\$ 1,033,734</u> |



COMMUNICATIONS FUND

Fund Description:

The **Communications Fund** is responsible for the City's primary sources of information and communication including City bi-weekly newspaper advertorial, City website, social media channels, business informational pieces and Lakeville Government Television (Charter cable channel 180). The Communications Department also manages Lakeville Public Access Television (Charter cable channel 187) and develops new content for the station, which is also used across multiple Communications channels. The department's mission is to provide timely information regarding municipal programs and services, urgent announcements, as well as events, in a quality and cost-effective manner that engages the community and enhances the City's image locally, regionally and nationally.

Services:

- **Lakeville Government Television (LGTV) Channels 180.** The Communications Department is responsible for creating government television programs for these channels. The Department produces and directs broadcasts of live meetings as well as prepares for rebroadcast on cable channels. Other services include updating the electronic message board on cable channels and working with other departments to create and produce unique and original content, such as police and fire programming, environmental services and economic development updates. The department also monitors Cable Franchise agreements and facilitates the Cable TV Board.
- **Lakeville Public Access Television Channel 187.** The public access television cable channel 187 is managed by the Communications Department.
- **Website.** The City's website is maintained by the Communications Department. All public meetings are broadcast live via streaming services on the website. The department also coordinates website content with the objectives of other departments. The department also maintains and promotes the employee intranet.
- **Publications.** The department prepares "*Focus on Lakeville,*" the City's bi-weekly advertorial. Special publications, catalogs and flyers are produced on an as needed basis across City departments. Marketing campaign plans and focused communications are prepared for projects or programs such as Comprehensive Land Use Plan, water conservation, dog ordinance, etc. Press releases are a responsibility of the department as well as responding to public inquiries. Developing and promoting the style and image standards for communications pieces are also a primary activity.
- **Social media.** The department establishes and maintains City listservs for automatic e-mail delivery of City publications. They also participate in developing content and editing social media pages on multiple social platforms for the City and various departments within the City. Social media platforms are also used for urgent communications with residents.
- **Event planning.** The department is responsible for planning and coordination of special events and planned events for Liquor Operations.

COMMUNICATIONS FUND

(continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|---|------------------------|------------------------|--------------------------|------------------------|
| Communications Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Communications Specialist | 1.0 | 1.0 | 1.0 | 1.0 |
| Marketing Specialist/Events Coordinator* | 0.3 | 0.3 | 0.3 | 0.3 |
| Video Production & Tech Specialists | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | 4.3 | 4.3 | 4.3 | 4.3 |

* 0.7 FTE included in Liquor Fund.

COMMUNICATIONS FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
SPECIAL REVENUE - COMMUNICATION FUND

| | 2023 Actual | 2024 Amended Budget | 2024 Estimate | 2025 Adopted Budget |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| LICENSES AND PERMITS | \$ 601,288 | \$ 530,900 | \$ 531,252 | \$ 489,685 |
| INTERGOVERNMENTAL REVENUES | 915 | - | - | - |
| CHARGES FOR SERVICES | 44,382 | 39,965 | 38,198 | 34,116 |
| INVESTMENT INCOME | 63,401 | 6,644 | 58,986 | 6,052 |
| MISC REVENUES | 2,000 | 2,000 | - | 2,000 |
| TOTAL REVENUES | 711,986 | 579,509 | 628,436 | 531,853 |
| <u>EXPENDITURES:</u> | | | | |
| PERSONNEL | 574,451 | 565,824 | 559,502 | 591,610 |
| COMMODITIES | 5,355 | 13,762 | 7,861 | 13,260 |
| OTHER CHARGES & SERVICES | 94,768 | 195,000 | 151,840 | 200,197 |
| TRANSFER OUT | 6,400 | 7,300 | 7,300 | 4,155 |
| CAPITAL OUTLAY | 54,356 | 11,500 | 6,155 | 33,000 |
| TOTAL EXPENDITURES | 735,330 | 793,386 | 732,658 | 842,222 |
| NET CHANGE IN FUND BALANCE | (23,344) | (213,877) | (104,222) | (310,369) |
| BEGINNING FUND BALANCE | 1,408,331 | 1,384,987 | 1,384,987 | 1,280,765 |
| ENDING FUND BALANCE | 1,384,987 | 1,171,110 | 1,280,765 | 970,396 |

OPIOID SETTLEMENT FUND

(continued)

Fund Description:

The **Opioid Settlement Fund** was created to account for national settlement money related to opioids. The funds are restricted to be spent on drug prevention/awareness efforts. The City will be utilizing these funds to support the Dakota County Drug Taskforce.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
SPECIAL REVENUE - OPIOID SETTLEMENT FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|-------------------|---------------------------|-------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INVESTMENT INCOME | \$ 5,732 | \$ 7,001 | \$ 1,442 | \$ 3,027 |
| MISC REVENUES | <u>30,416</u> | <u>185,148</u> | <u>185,148</u> | <u>62,539</u> |
| TOTAL REVENUES | 36,148 | 192,149 | 186,590 | 65,566 |
| <u>EXPENDITURES:</u> | | | | |
| OTHER CHARGES & SERVICES | 15,392 | - | | - |
| CAPITAL OUTLAY | 2,535 | 18,704 | 18,704 | - |
| TRANSFER OUT | <u>0</u> | <u>196,998</u> | <u>196,998</u> | <u>140,000</u> |
| TOTAL EXPENDITURES | 17,927 | 215,702 | 215,702 | 140,000 |
| NET CHANGE IN FUND BALANCE | <u>18,221</u> | <u>(23,553)</u> | <u>(29,112)</u> | <u>(74,434)</u> |
| BEGINNING FUND BALANCE | 121,798 | 140,019 | 140,019 | 110,907 |
| ENDING FUND BALANCE | <u>\$ 140,019</u> | <u>\$ 116,466</u> | <u>\$ 110,907</u> | <u>\$ 36,473</u> |

DEBT SERVICE FUNDS

Fund Description:

Debt Service Funds are established to account for the accumulation of resources for the payment of general long-term principal, interest and related costs also referred to as the “Government Activities Bonds.” Not included is the debt issued for and serviced by the Utility Fund.

As of December 31, 2024, the City of Lakeville has approximately \$147.865 million of governmental activities debt outstanding. The total of all debt, including Utility revenue bonds is \$155.45 million.

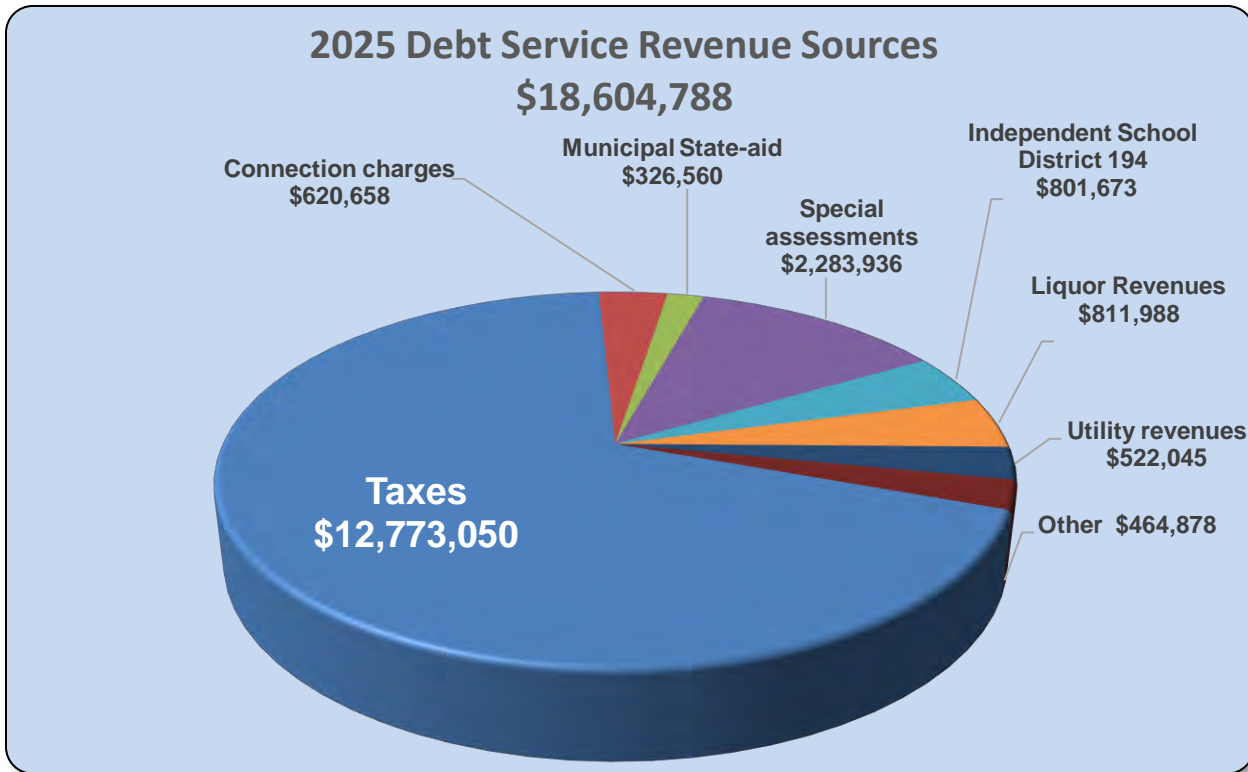
| | Outstanding December 31, 2024 |
|---|--|
| <u>Governmental Activities:</u> | |
| General Obligation bonds | \$ 64,575,000 |
| G.O. improvement bonds | 57,800,000 |
| State-aid street revenue bonds | 3,260,000 |
| Water connection revenue bonds | 5,125,000 |
| HRA lease revenue bonds | 815,000 |
| Tax abatement bonds | 16,290,000 |
| Total governmental activity bonds | 147,865,000 |
| <u>Business-type Activitie</u> | |
| Water revenue bonds | 7,415,000 |
| Sewer revenue bonds | 70,000 |
| Street light revenue bonds | 100,000 |
| Total bonded indebtedness | \$ 155,450,000 |

Depending on the purpose and financing source of repayment, the City will, in consultation with its financial advisor, select the repayment period and type of debt refinance which best meets its financial objectives. Interest costs have been reduced in recent years with the refinancing of eligible issues. The 2025-2029 Capital Improvement Plan is an important planning document utilized for debt management.

The debt is repaid from a myriad of revenue sources including but not limited to special assessments, connection charges, liquor fund revenues, utility fund revenues, ice arena revenues, tax increments, State Aid street payments and property taxes. Approximately 69% of the debt is paid for from property taxes with the remaining 31% paid from non-tax sources. Revenues of \$18.6 million are required to pay the debt obligations and related expenses in 2025.

DEBT SERVICE FUNDS

(continued)



The following is a summary of the principal and interest debt service payments for the coming years for Governmental Activities. The schedule shown below does not include any new debt, debt refinancing or advanced debt retirement which may occur after December 31, 2024.

**Government Activity Bonds
Principal and Interest Payments**

| Year | General Obligation | G.O. Improvement | State-aid Roads | Water Revenue | Public Facility Lease Obligations | Tax Abatement | Total |
|--------------|-----------------------|----------------------|---------------------|---------------------|--|----------------------|-----------------------|
| 2025 | \$ 7,271,920 | \$ 8,715,134 | \$ 330,769 | \$ 620,050 | \$ 285,475 | 1,394,876 | \$ 18,618,224 |
| 2026 | 7,750,315 | 8,421,863 | 334,644 | 615,200 | 282,450 | 1,399,110 | 18,803,582 |
| 2027 | 6,636,764 | 8,327,593 | 334,094 | 585,500 | 284,200 | 1,406,920 | 17,575,071 |
| 2028 | 6,666,093 | 8,242,573 | 334,294 | 580,650 | - | 1,398,356 | 17,221,966 |
| 2029 | 6,501,920 | 7,517,988 | 335,394 | 583,125 | - | 1,403,403 | 16,341,830 |
| 2030-2034 | 23,431,835 | 23,982,525 | 1,669,603 | 2,896,700 | - | 5,798,333 | 57,778,996 |
| 2035-2039 | 13,941,826 | 3,611,988 | 665,013 | - | - | 4,051,100 | 22,269,927 |
| 2040-2044 | 12,553,366 | - | - | - | - | 1,966,631 | 14,519,997 |
| 2045 | 1,107,378 | - | - | - | - | - | 1,107,378 |
| Total | \$ 85,861,417 | \$ 68,819,664 | \$ 4,003,811 | \$ 5,881,225 | \$ 852,125 | \$ 18,818,729 | \$ 184,236,971 |

The City is in compliance with all bond covenants.

DEBT SERVICE FUNDS

(continued)

CITY OF LAKEVILLE 2025 BUDGET REPORT DEBT SERVICE FUNDS

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|------------------------------|------------------|---------------------------|------------------|---------------------------|
| REVENUES: | | | | |
| GENERAL PROPERTY TAXES | \$ 10,016,900 | \$ 11,537,150 | \$ 11,537,150 | \$ 12,773,050 |
| INTERGOVERNMENTAL | 336,394 | 333,769 | 333,769 | 326,560 |
| CHARGES FOR SERVICES | 557,401 | 805,195 | 808,936 | 801,673 |
| SPECIAL ASSESSMENTS | 2,336,382 | 1,966,099 | 2,223,870 | 2,283,936 |
| INVESTMENT INCOME | 683,397 | 443,095 | 441,617 | 464,878 |
| TRANSFERS IN & OTHER SOURCES | <u>3,401,381</u> | <u>2,529,083</u> | <u>2,483,465</u> | <u>1,954,691</u> |
| TOTAL REVENUES | 17,331,855 | 17,614,391 | 17,828,807 | 18,604,788 |
| EXPENDITURES: | | | | |
| BOND PMT/NOTE PMT | 15,683,619 | 17,355,965 | 16,776,139 | 18,649,738 |
| TRANSFERS OUT & OTHER USES | <u>2,434,389</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | 18,118,008 | 17,355,965 | 16,776,139 | 18,649,738 |
| NET CHANGE IN FUND BALANCE | (786,153) | 258,426 | 1,052,668 | (44,950) |
| BEGINNING FUND BALANCE | 22,977,447 | 22,191,294 | 22,191,294 | 23,243,962 |
| ENDING FUND BALANCE | \$ 22,191,294 | \$ 22,449,720 | \$ 23,243,962 | \$ 23,199,012 |

Legal Debt Limits

Minnesota Statutes §475 limits the amount of general obligation debt which is financed solely from property tax levies including Equipment Certificates, Capital Improvement bonds, Street Reconstruction bonds and debt approved by referendum. The debt cannot exceed 3% of the taxable market value of the City. Debt excluded from limitations are those for which some other source of revenue is pledged as security including but not limited to improvement bonds, tax increment bonds, utility revenue bonds and revenue bonds. The debt limit calculations are as follows:

DEBT SERVICE FUNDS

(continued)

Computation of Legal Debt Margin as of March 2, 2025:

| | |
|--|------------------------|
| 2023/2024 Estimated Market Value | \$ 12,745,482,600 |
| Multiplied by 3% | <u> x .03</u> |
| Statutory Debt Limit | <u>\$ 382,364,478</u> |
| Less outstanding debt applicable to debt limit: | |
| \$12,660,000 G.O. Refunding Bonds, Series 2014B | \$ 6,140,000 |
| \$10,165,000 G.O. Bonds, Series 2017A | 550,000 |
| \$3,115,000 G.O. Bonds, Series 2018B | 1,465,000 |
| \$6,915,000 G.O. Bonds, Series 2021C | 4,235,000 |
| \$13,240,000 G.O. Refunding Bonds, Series 2022A | 5,975,000 |
| \$9,570,000 Taxable G.O. Bonds, Series 2022B | 4,455,000 |
| \$24,945,000 G.O. Bonds, Series 2022C | 13,270,000 |
| \$9,220,000 G.O. Bonds, Series 2023A | 8,695,000 |
| \$21,530,000 G.O. Bonds, Series 2024A | 21,530,000 |
| \$22,250,000 G.O. Bonds, Series 2025A (This Issue) | <u>22,250,000</u> |
| Total Debt applicable to debt limit: | \$ 88,565,000 |
| Legal debt margin | <u>\$ 293,799,478</u> |

Credit Rating

Aaa

On February 24, 2025 Moody's Investors Service assigned a Aaa rating to the City of Lakeville, MN's estimated \$23 million General Obligation Bonds, Series 2025A. Moody's maintains a Aaa rating on the city's issuer rating and outstanding general obligation unlimited tax (GOULT) bonds and a Aa2 rating on the city's outstanding lease revenue bonds. Following the sale, the city will have around \$164 million of debt outstanding. In the February 2025 analysis, Moody's Investor Service stated, *"The City of Lakeville has a strong and growing local economy, ample reserves and modest leverage. The city has various capital projects over the next several years that will be financed through built-up reserves and further debt issuances, though the available fund balance ratio will remain strong and long-term liabilities will remain relatively low."*

Source: Moody's Investors Service
Credit opinion dated February 24, 2025

MUNICIPAL STATE-AID STREET FUND

Fund Description:

The **Municipal State-Aid Street Fund** accounts for an annual allotment from the State of Minnesota Municipal State-Aid street construction account.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
MUNICIPAL STATE AID CONSTRUCTION

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|--|----------------|---------------------------|------------------|---------------------------|
| REVENUES: | | | | |
| INVESTMENT INCOME | 446,457 | 6,189 | 394,398 | 36,509 |
| INTERGOVERNMENTAL REVENUES | 8,394,915 | 5,811,865 | 912,786 | 11,291,106 |
| CHARGES FOR SERVICES | 540,606 | 1,685,577 | 2,264,897 | 256,065 |
| TRANSFER IN | 191,947 | - | - | - |
| BOND PROCEEDS&PREMIUMS | 2,559,398 | 2,090,879 | 765,792 | 2,838,935 |
| TOTAL REVENUES | 12,133,323 | 9,594,510 | 4,337,873 | 14,422,615 |
| EXPENDITURES: | | | | |
| 14-10 CR50 RECONST CR60-CR9 | 494 | - | - | - |
| 15-12 202ND ST RECON: HOLYOKE | 8,087 | - | 21,920 | - |
| 20-05 CR70 KENSINGTON-HOLYOKE | (1,172,113) | 2,642,582 | 446 | - |
| 23-04 & 21-05 DODD & CSAH 9 | 193,004 | 612,875 | 457,054 | 4,527,875 |
| 20-08 179TH ST & FLAGSTAFF AVE | 138 | 356,299 | - | - |
| 24-04 185TH ST (DODD-HIGHVIEW) | 7,985,519 | 45,573 | 47,737 | 430,000 |
| 24-05 179TH BRIDGE & INTERSECT | 233,266 | - | 591,464 | - |
| 25-04 185TH ST/CSAH 60 (KENWOO | 248,055 | 3,150,000 | 1,080,456 | 8,790,000 |
| 26-04 DODD BLVD MODERNIZATION | - | 225,000 | - | 900,000 |
| 22-08 CENTERPOINT MILL & OVERL | 141,838 | 140,000 | 13,130 | 140,000 |
| 25-05 HOLYOKE/HIGHVIEW AVE REC | 397,682 | - | 2,124 | - |
| CP23-08 179TH ST & CR31 TRAFFIC SIGNAL | - | - | 327,602 | - |
| TOTAL EXPENDITURES | 8,035,970 | 7,172,329 | 2,541,933 | 14,787,875 |
| NET CHANGE IN FUND BALANCE | 4,097,353 | 2,422,181 | 1,795,940 | (365,260) |
| BEGINNING FUND BALANCE | (1,209,981) | 327,974 | 327,974 | 1,358,122 |
| FUND BALANCE ADJUSTMENT | (2,559,398) | - | (765,792) | - |
| ENDING FUND BALANCE | \$ 327,974 | \$ 2,750,155 | \$ 1,358,122 | \$ 992,862 |

PAVEMENT MANAGEMENT FUND

Fund Description:

The **Pavement Management Fund** primary purpose is to account for major maintenance projects which are financed with property taxes. Accounting for pavement management activities in a designated fund enables the City Council to establish a relatively stable tax levy. The fund activities account for maintenance costs which would otherwise be accounted for in the operating budget. The Pavement Management Fund enables the City to establish a long-term maintenance program and financing plan which, when taken into consideration with the street reconstruction program, enables the City to develop a consistent long-term financing plan for one of the community’s most significant infrastructure assets.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
PAVEMENT MANAGEMENT FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 120,000 | \$ 120,000 | \$ 150,908 | \$ 339,234 |
| INVESTMENT INCOME | 52,188 | 4,500 | 41,105 | 3,000 |
| GENERAL PROPERTY TAXES | 1,800,000 | 1,800,000 | 1,800,000 | 1,800,000 |
| CHARGES FOR SERVICES | 0 | 0 | 9,558 | 0 |
| TOTAL REVENUES | 1,972,188 | 1,924,500 | 2,001,571 | 2,142,234 |
| EXPENDITURES: | | | | |
| OTHER CHARGES & SERVICES | 1,726,646 | 3,488,316 | 2,201,616 | 2,025,500 |
| COMMODITIES | 15,759 | 210,000 | 22,319 | 35,000 |
| TRANSFER OUT | 325,199 | 72,000 | 0 | 0 |
| TOTAL EXPENDITURES | 2,067,604 | 3,770,316 | 2,223,935 | 2,060,500 |
| NET CHANGE IN FUND BALANCE | (95,416) | (1,845,816) | (222,364) | 81,734 |
| BEGINNING FUND BALANCE | 1,187,033 | 1,091,617 | 1,091,617 | 869,253 |
| ENDING FUND BALANCE | \$ 1,091,617 | \$ (754,199) | \$ 869,253 | \$ 950,987 |

IMPROVEMENT CONSTRUCTION FUND

Fund Description:

The **Improvement Construction Fund** supports public infrastructure improvements like streets and storm sewers – following a council-approved plan to replace aging street infrastructure. The City covers 60% of costs through property taxes, while benefited property owners pay 40% via special assessments. General Obligation bonds finance the work, repaid over 10 years to ease the tax burden on businesses and residents.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
IMPROVEMENT CONSTRUCTION FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|-----------------------------------|----------------|---------------------------|------------------|---------------------------|
| REVENUES: | | | | |
| CHARGES FOR SERVICES | \$ 143,467 | \$ - | \$ (616,262) | \$ - |
| SPECIAL ASSESSMENTS | 5,553,700 | 409,928 | 377,720 | 0 |
| INVESTMENT INCOME | 427,965 | 55,000 | 461,552 | 18,997 |
| TRANSFER IN | 531,403 | | 344,752 | 0 |
| BOND PROCEEDS&PREMIUMS | 5,856,346 | 7,375,111 | 6,960,111 | 4,610,382 |
| TOTAL REVENUES | 12,512,881 | 7,840,039 | 7,527,873 | 4,629,379 |
| EXPENDITURES: | | | | |
| WORK IN PROGRESS | 1,893 | 0 | 31,081 | 0 |
| FREIGHT RAIL CAR STORAGE FACILITY | 0 | 0 | 59 | 150,000 |
| 21-02 STREET RECONSTRUCTION | 515,601 | 0 | 0 | 0 |
| 21-03 HIGHVIEW AVE 175TH-160TH | 124,018 | 0 | 0 | 0 |
| 21-18 202ND ST EXT CEDAR HILLS | 13,617 | 0 | 200 | 0 |
| 22-02 STREET RECONSTRUCTION | 732,397 | 260,000 | 13,594 | 0 |
| 22-03 210TH ST LKVL BLVD RECON | 133,170 | 0 | 391,853 | 524,000 |
| 21-26 ROYAL MILC PROP ACQ-8860 | 109,547 | 0 | 3,000 | 0 |
| 22-04 IPAVA AVE & 192ND ST | 252,348 | 0 | 0 | 0 |
| 22-24 AIRLAKE 70 IMPROVEMENT | 2,627,597 | 0 | 2,692,893 | 0 |
| 23-02 STREET RECONSTRUCTION | 3,285,723 | 100,000 | 101,030 | 0 |
| 23-03 2023 COLLECTOR RD REHAB | 1,904,828 | 100,000 | 0 | 0 |
| 24-02 STREET RECONSTRUCTION | 234,677 | 3,986,037 | 3,408,918 | 110,000 |
| 24-03 COLLECTOR RD REHAB | 51,134 | 2,247,101 | 1,974,450 | 20,000 |
| 25-02 STREET RECONSTRUCTION | 0 | 155,000 | 165,283 | 3,927,137 |
| 25-03 COLLECTOR RD REHAB | 0 | 0 | 0 | 683,245 |
| TOTAL EXPENDITURES | 9,986,550 | 6,848,138 | 8,782,361 | 5,414,382 |
| NET CHANGE IN FUND BALANCE | 2,526,331 | 991,901 | (1,254,488) | (785,003) |
| BEGINNING FUND BALANCE | 6,346,890 | 8,349,221 | 8,349,221 | 7,094,733 |
| FUND BALANCE ADJUSTMENTS | (524,000) | 0 | 0 | 0 |
| ENDING FUND BALANCE | \$ 8,349,221 | \$ 9,341,122 | \$ 7,094,733 | \$ 6,309,730 |

STORMWATER INFRASTRUCTURE FUND

Fund Description:

The **Stormwater Infrastructure Fund** accounts for fees and area charges to land developers to manage, preserve and protect public storm water system infrastructure.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
STORMWATER INFRASTRUCTURE FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 394,225 | \$ 370,000 | \$ 366,334 | \$ - |
| INVESTMENT INCOME | 407,134 | 29,900 | 369,066 | 28,800 |
| MISC REVENUES | | 0 | 2,255 | 0 |
| CHARGES FOR SERVICES | 883,518 | 1,553,261 | 1,553,261 | 1,052,264 |
| SPECIAL ASSESSMENTS | 729 | 189 | 699 | 180 |
| TOTAL REVENUES | 1,685,606 | 1,953,350 | 2,291,615 | 1,081,244 |
| <u>EXPENDITURES:</u> | | | | |
| CAPITAL OUTLAY | 149,050 | 97,845 | 97,845 | 0 |
| OTHER CHARGES & SERVICES | 2,990,659 | 2,264,253 | 1,621,287 | 3,191,583 |
| TRANSFER OUT | (497,758) | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 2,641,951 | 2,362,098 | 1,719,132 | 3,191,583 |
| NET CHANGE IN FUND BALANCE | (956,345) | (408,748) | 572,483 | (2,110,339) |
| BEGINNING FUND BALANCE | 8,335,995 | 7,379,650 | 7,379,650 | 7,952,133 |
| ENDING FUND BALANCE | \$ 7,379,650 | \$ 6,970,902 | \$ 7,952,133 | \$ 5,841,794 |

WATER TRUNK FUND

Fund Description:

The **Water Trunk Fund** accounts for revenues derived primarily from connection charges collected at the time building permits are issued. Funds are committed toward the construction costs of water supply lines, wells and water storage facilities, and provide the debt service for bonds issued to finance the construction of the City’s water treatment facility and other infrastructure improvements.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
WATER TRUNK FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INVESTMENT INCOME | \$ 782,115 | \$ 103,100 | \$ 705,283 | \$ 109,800 |
| CHARGES FOR SERVICES | 2,868,992 | 1,997,460 | 2,199,555 | 1,293,550 |
| SPECIAL ASSESSMENTS | 12,051 | 25,230 | 25,267 | 9,000 |
| TOTAL REVENUES | 3,663,158 | 2,125,790 | 2,930,105 | 1,412,350 |
| <u>EXPENDITURES:</u> | | | | |
| CAPITAL OUTLAY | 25,046 | 0 | | 0 |
| OTHER CHARGES & SERVICES | 3,724,053 | 2,882,977 | 1,786,191 | 2,429,681 |
| TRANSFER OUT | 1,210,546 | 612,183 | 612,025 | 620,658 |
| TOTAL EXPENDITURES | 4,959,645 | 3,495,160 | 2,398,216 | 3,050,339 |
| NET CHANGE IN FUND BALANCE | (1,296,487) | (1,369,370) | 531,889 | (1,637,989) |
| BEGINNING FUND BALANCE | 16,378,272 | 15,081,785 | 15,081,785 | 15,613,674 |
| ENDING FUND BALANCE | \$ 15,081,785 | \$ 13,712,415 | \$ 15,613,674 | \$ 13,975,685 |

SANITARY SEWER TRUNK FUND

Fund Description

The **Sanitary Sewer Trunk Fund** accounts for sewer connection and area fees charged to land developers for connecting to the City’s sanitary sewer system. Appropriations are applied to the construction of sanitary sewer infrastructure.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
SANITARY SEWER TRUNK FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INVESTMENT INCOME | \$ 617,824 | \$ 62,700 | \$ 639,853 | \$ 67,500 |
| CHARGES FOR SERVICES | 1,193,862 | 1,024,098 | 1,049,673 | 260,700 |
| SPECIAL ASSESSMENTS | 26,513 | 4,490 | 4,603 | 1,000 |
| TOTAL REVENUES | 1,838,199 | 1,091,288 | 1,694,129 | 329,200 |
| <u>EXPENDITURES:</u> | | | | |
| OTHER CHARGES & SERVICES | 489,691 | 681,842 | 603,606 | 2,099,413 |
| TRANSFER OUT | 88,842 | 0 | | 0 |
| MAJOR MAINTENANCE | | 66,640 | 114,240 | 0 |
| TOTAL EXPENDITURES | 578,533 | 748,482 | 717,846 | 2,099,413 |
| NET CHANGE IN FUND BALANCE | 1,259,666 | 342,806 | 976,283 | (1,770,213) |
| BEGINNING FUND BALANCE | 11,985,536 | 13,245,202 | 13,245,202 | 14,221,485 |
| ENDING FUND BALANCE | \$ 13,245,202 | \$ 13,588,008 | \$ 14,221,485 | \$ 12,451,272 |

PARK DEDICATION FUND

Fund Description:

The **Park Dedication Fund** accounts for park dedication fees received from land developers. The expenditures consist of acquiring and developing new City parks and trails.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
PARK DEDICATION FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 2,874 | \$ 125,000 | \$ - | \$ 1,716,500 |
| CHARGES FOR SERVICES | 1,414,421 | 3,338,500 | 3,338,496 | 1,932,467 |
| INVESTMENT INCOME | 446,208 | 23,400 | 365,503 | 27,700 |
| MISC REVENUES | 31,043 | 0 | 7,643 | 0 |
| TRANSFER IN | | 92,000 | 20,000 | 20,000 |
| TOTAL REVENUES | 1,894,546 | 3,578,900 | 3,731,642 | 3,696,667 |
| <u>EXPENDITURES:</u> | | | | |
| GENERAL PARK DEDICATION | 2,136,187 | 2,438,213 | 1,596,122 | 2,176,775 |
| ARONSON PARK | 256,169 | 95,000 | 54,550 | 0 |
| CASPERSON PARK | 230,642 | 0 | 11,317 | 0 |
| KING PARK | 37,474 | 165,000 | 3,000 | 100,000 |
| KNOB HILL PARK | 920,531 | 0 | 0 | 0 |
| NORTH PARK | 0 | 20,000 | 14,963 | 0 |
| NORTH CREEK GREENWAY PARK | 4,081 | 0 | 0 | 0 |
| PINNACLE RESERVE PARK | 8,301 | 0 | 0 | 0 |
| SPYGLASS PARK | 0 | 0 | 5,208 | 438,150 |
| VOYAGEUR PARK | 0 | 49,000 | 5,311 | 0 |
| TRAILS | 855,379 | 0 | 90,099 | 55,000 |
| NORTH CREEK GREENWAY TRAIL | 0 | 0 | 0 | 680,000 |
| 22-13 SOUTH CREEK TRAIL | 3,382 | 0 | 0 | 0 |
| LAKE MARION GRNWY TR | 0 | 0 | 0 | 190,000 |
| TOTAL EXPENDITURES | 4,452,146 | 2,767,213 | 1,780,570 | 3,639,925 |
| NET CHANGE IN FUND BALANCE | (2,557,600) | 811,687 | 1,951,072 | 56,742 |
| BEGINNING FUND BALANCE | 9,075,762 | 6,518,162 | 6,518,162 | 8,469,234 |
| ENDING FUND BALANCE | \$ 6,518,162 | \$ 7,329,849 | \$ 8,469,234 | \$ 8,525,976 |

PARK BONDS FUND

Fund Description:

The **Park Bonds Fund** accounts for the voter approved referendum passed in November 2021 for major park construction projects.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
PARK BONDS FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|--------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INVESTMENT INCOME | \$ 536,278 | \$ 75,214 | \$ 507,924 | \$ 14,200 |
| INTERGOVERNMENTAL REVENUES | 670,000 | 1,141,800 | 30,000 | - |
| CHARGES FOR SERVICES | 31,611 | - | - | - |
| MISC REVENUES | 26,000 | 300,000 | 150,000 | - |
| BOND PROCEEDS&PREMIUMS | 4,498,519 | 30,876,201 | 15,428,391 | 0 |
| TRANSFER IN | 1,185,217 | 2,492,200 | 2,422,200 | 79,275 |
| TOTAL REVENUES | 6,947,625 | 34,885,415 | 18,538,515 | 93,475 |
| <u>EXPENDITURES:</u> | | | | |
| 22-19 ARTS CENTER IMPROVEMENTS | 223,188 | 0 | 0 | 0 |
| 22-20 PARK ID SIGN REPLACEMENT | 185,152 | 0 | 0 | 0 |
| 22-10 ANTLERS COMM PK IMPROVEM | 9,574,980 | 3,302,200 | 3,213,024 | 0 |
| 23-06 TRAILS-GAPS/CONNECTIVITY | 376,968 | 0 | 0 | 0 |
| 22-17 RITTER FARM IMPR PHASE I | 289,813 | 0 | 0 | 0 |
| PARK BOND PROJECTS | 0 | 154,478 | 0 | 0 |
| 23-06 TRAILS-GAPS/CONNECTIVITY | 1,835,922 | 1,625,500 | 227,640 | 0 |
| 22-17 RITTER FARM IMPR PHASE 2 | 759,287 | 20,000 | 18,887 | 0 |
| 24-20 GRAND PRAIRIE (AVONLEA) | 585,579 | 10,121,281 | 7,935,900 | 8,752,625 |
| 25-20 EAST COMM PARK IMPR | 14,120 | 350,000 | 0 | 350,000 |
| TOTAL EXPENDITURES | 13,845,009 | 15,573,459 | 11,395,451 | 9,102,625 |
| NET CHANGE IN FUND BALANCE | (6,897,384) | 19,311,956 | 7,143,064 | (9,009,150) |
| BEGINNING FUND BALANCE | 11,919,748 | 5,022,364 | 5,022,364 | 12,165,428 |
| ENDING FUND BALANCE | \$ 5,022,364 | \$ 24,334,320 | \$ 12,165,428 | \$ 3,156,278 |

PARK IMPROVEMENT FUND

The **Park Improvement Fund** accounts for the long-term maintenance, repairs and replacement of the City parks.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
PARK IMPROVEMENT FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| GENERAL PROPERTY TAXES | \$ 350,000 | \$ 350,000 | \$ 350,000 | \$ 450,000 |
| MISC REVENUES | 33,487 | 29,751 | 29,751 | 30,644 |
| CHARGES FOR SERVICES | | - | 53,919 | - |
| INVESTMENT INCOME | 34,928 | 2,320 | 28,688 | 2,707 |
| TOTAL REVENUES | 418,415 | 382,071 | 462,358 | 483,351 |
| <u>EXPENDITURES:</u> | | | | |
| OTHER CHARGES & SERVICES | 199,269 | 515,147 | 261,328 | 618,450 |
| COMMODITIES | 6,042 | 0 | 0 | 0 |
| MAJOR MAINTENANCE | 0 | 0 | 8,437 | 0 |
| TOTAL EXPENDITURES | 205,311 | 515,147 | 269,765 | 618,450 |
| NET CHANGE IN FUND BALANCE | 213,104 | (133,076) | 192,593 | (135,099) |
| BEGINNING FUND BALANCE | 340,766 | 553,870 | 553,870 | 746,463 |
| ENDING FUND BALANCE | \$ 553,870 | \$ 420,794 | \$ 746,463 | \$ 611,364 |

TRAIL IMPROVEMENT FUND

Fund Description:

The **Trail Improvement Fund** accounts for the long-term maintenance, repairs, and replacement of City trails.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
TRAIL IMPROVEMENT FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|-----------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| GENERAL PROPERTY TAXES | \$300,000 | \$400,000 | \$400,000 | \$550,000 |
| INTERGOVERNMENTAL REVENUES | 234,616 | - | 11,337 | 170,000 |
| INVESTMENT INCOME | 34,537 | 3,149 | 35,408 | 2,512 |
| TRANSFERS IN | 250,000 | - | - | - |
| TOTAL REVENUES | 819,153 | 403,149 | 446,745 | 722,512 |
| <u>EXPENDITURES:</u> | | | | |
| OTHER CHARGES & MAJOR MAINTENANCE | 606,780 | 876,826 | 437,965 | 730,000 |
| TOTAL EXPENDITURES | 606,780 | 876,826 | 437,965 | 730,000 |
| NET CHANGE IN FUND BALANCE | 212,373 | (473,677) | 8,780 | (7,488) |
| BEGINNING FUND BALANCE | 483,304 | 695,677 | 695,677 | 704,457 |
| ENDING FUND BALANCE | \$695,677 | \$222,000 | \$704,457 | \$696,969 |

TAX INCREMENT FUND

Fund Description:

The **Tax Increment Fund** accounts for revenue received from tax increment property that does not require debt financing. The expenditures are for current and future development of tax increment property. The City currently has five pay-as-you-go TIF districts with local businesses, but this will drop to three after Districts #18 and #19, decertified December 31, 2024, are closed following 2025 County maintenance cost payments.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
TAX INCREMENT FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| REVENUES: | | | | |
| TAX INCREMENT | \$558,684 | \$ 558,686 | \$ 729,439 | \$ 435,382 |
| INVESTMENT INCOME | 9,501 | 450 | 14,313 | 450 |
| TOTAL REVENUES | 568,185 | 559,136 | 743,752 | 435,832 |
| EXPENDITURES: | | | | |
| MENASHA TIF #18 | 68,252 | 66,008 | 93,476 | 1,000 |
| BTD MANUFACTURING TIF #19 | 138,247 | 138,985 | 187,267 | 1,250 |
| LAUNCH PROPERTIES TIF #22 | 151,109 | 151,778 | 188,965 | 188,850 |
| SCHNEIDERMANS TIF #23 | 71,133 | 71,984 | 92,820 | 92,784 |
| QA1 TIF #24 | 73,438 | 74,299 | 93,664 | 93,644 |
| TOTAL EXPENDITURES | 502,179 | 503,054 | 656,192 | 377,528 |
| NET CHANGE IN FUND BALANCE | 66,006 | 56,082 | 87,560 | 58,304 |
| BEGINNING FUND BALANCE | 66,518 | 132,524 | 132,524 | 220,084 |
| ENDING FUND BALANCE | \$132,524 | \$ 188,606 | \$ 220,084 | \$ 278,388 |

ARENAS CAPITAL RESERVE FUND

Fund Description:

The **Arenas Capital Reserve Fund** accounts for improvement to the ice arena facilities.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
ARENAS CAPITAL RESERVE FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INVESTMENT INCOME | \$ 156,671 | \$ 893 | \$ (15,599) | \$ 1,035 |
| MISC REVENUES | \$ 85,816 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| TRANSFER IN | 1,243,228 | 1,400,000 | 1,121,768 | 693,000 |
| TOTAL REVENUES | 1,485,715 | 1,500,893 | 1,206,169 | 794,035 |
| <u>EXPENDITURES:</u> | | | | |
| CAPITAL OUTLAY | 4,640,924 | 1,300,000 | 999,149 | 693,000 |
| OTHER CHARGES & SERVICES | 456,526 | 100,000 | 125,028 | 0 |
| TRANSFER OUT | 62,875 | 86,563 | 86,563 | 85,188 |
| TOTAL EXPENDITURES | 5,160,325 | 1,486,563 | 1,210,740 | 778,188 |
| NET CHANGE IN FUND BALANCE | (3,674,610) | 14,330 | (4,571) | 15,847 |
| BEGINNING FUND BALANCE | 3,925,140 | 250,530 | 250,530 | 245,959 |
| ENDING FUND BALANCE | \$ 250,530 | \$ 264,860 | \$ 245,959 | \$ 261,806 |

BUILDING FUND

Fund Description:

The **Building Fund** accounts for the accumulation and disbursement of funds for the construction or improvement of public buildings.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
BUILDING FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|---------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 1,306,649 | \$14,000,000 | \$ 50,397 | \$ 7,970,000 |
| INVESTMENT INCOME | 176,430 | 19,960 | 13,542 | 52,355 |
| MISC REVENUES | 547,731 | 502,341 | 511,054 | 482,113 |
| BOND PROCEEDS | - | - | - | 17,792,608 |
| TRANSFER IN | 1,943,445 | 220,000 | 220,000 | - |
| TOTAL REVENUES | 3,974,255 | 14,742,301 | 794,993 | 26,297,076 |
| <u>EXPENDITURES:</u> | | | | |
| CITY HALL BUILDING | 361,856 | 539,110 | 605,402 | 105,000 |
| HERITAGE CENTER | 17,131 | 29,000 | 27,468 | 748,000 |
| ARTS CENTER | 47,958 | 14,500 | 14,090 | 210,000 |
| ARTS CENTER- FINE ARTS BUILDING | 1,269,111 | 40,000 | 45,650 | 20,000 |
| POLICE STATION | 179,977 | 110,500 | 98,050 | 80,000 |
| PUBLIC SAFETY TRAINING FACILITY | 69,283 | 15,150,000 | 1,017,234 | 24,000,000 |
| FIRE STATION #1 | 3,347 | 20,000 | 62,833 | 275,000 |
| FIRE STATION #2 | 0 | 32,000 | 0 | 0 |
| FIRE STATION #3 | 0 | 28,000 | 0 | 0 |
| FIRE STATION #4 | 4,817 | 20,000 | 253,167 | 18,000 |
| NEW FIRE STATION #5 | 0 | 0 | 7,449 | 0 |
| CENTRAL MAINTENANCE FACILITY | 717,610 | 473,850 | 367,915 | 458,000 |
| TOTAL EXPENDITURES | 2,671,090 | 16,456,960 | 2,499,258 | 25,914,000 |
| NET CHANGE IN FUND BALANCE | 1,303,165 | (1,714,659) | (1,704,265) | 383,076 |
| BEGINNING FUND BALANCE | 1,284,929 | 2,588,094 | 2,588,094 | 883,829 |
| ENDING FUND BALANCE | \$ 2,588,094 | \$ 873,435 | \$ 883,829 | \$ 1,266,905 |

EQUIPMENT FUND

Fund Description:

The **Equipment Fund** supports the purchase of public safety, engineering, street and park maintenance equipment, with major capital outlays focused on vehicle and machinery replacement. All departments assess the condition of the City’s fleet, extending asset lifespans when repair and operating costs remain stable. Equipment purchases for general government functions - such as police, fire, streets, engineering, and parks – are funded through property taxes and non-tax sources, including Liquor Fund contributions and asset sales.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
EQUIPMENT FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|-------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| GENERAL PROPERTY TAXES | \$ 500,000 | \$ - | \$ - | \$ - |
| INVESTMENT INCOME | 193,262 | 103,172 | 172,719 | 53,566 |
| MISC REVENUES | 365,945 | 448,000 | 412,392 | 300,000 |
| TRANSFER IN | 2,706,080 | 540,500 | 540,500 | 940,500 |
| TOTAL REVENUES | 3,765,287 | 1,091,672 | 1,125,611 | 1,294,066 |
| <u>EXPENDITURES:</u> | | | | |
| EQUIPMENT FUND | | 0 | 20,003 | 0 |
| POLICE CAPITAL OUTLAY | 695,615 | 757,797 | 683,853 | 707,958 |
| FIRE CAPITAL OUTLAY EQUIPMENT | 119,432 | 55,463 | 59,952 | 193,963 |
| STREET CAP OUTLAY EQUIPMENT | 1,414,112 | 1,137,139 | 1,014,482 | 1,364,179 |
| PARK CAP OUTLAY EQUIPMENT | 136,216 | 420,240 | 591,145 | 593,647 |
| TOTAL EXPENDITURES | 2,365,375 | 2,370,639 | 2,369,435 | 2,859,747 |
| NET CHANGE IN FUND BALANCE | 1,399,912 | (1,278,967) | (1,243,824) | (1,565,681) |
| BEGINNING FUND BALANCE | 2,887,126 | 4,287,038 | 4,287,038 | 3,043,214 |
| ENDING FUND BALANCE | \$ 4,287,038 | \$ 3,008,071 | \$3,043,214 | \$ 1,477,533 |

TECHNOLOGY FUND

Fund Description:

The **Technology Fund** accounts for the accumulation and disbursement of funds for the purchase of technology equipment for the City.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
TECHNOLOGY FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|-------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| GENERAL PROPERTY TAXES | \$ - | \$ - | \$ - | \$ 300,000 |
| INTERGOVERNMENTAL REVENUES | 59,184 | - | - | - |
| INVESTMENT INCOME | 29,274 | 10,058 | 31,372 | 3,641 |
| TRANSFER IN | 528,300 | 374,337 | 314,800 | 160,279 |
| TOTAL REVENUES | 616,758 | 384,395 | 346,172 | 463,920 |
| <u>EXPENDITURES:</u> | | | | |
| GENERAL GOVERNMENT TECHNOLOGY | 442,770 | 153,001 | 12,818 | 115,165 |
| PUBLIC SAFETY TECHNOLOGY | 192,613 | 210,671 | 68,609 | 388,329 |
| PUBLIC WORKS TECHNOLOGY | 22,440 | 31,611 | 107,649 | 103,347 |
| PARK & REC TECHNOLOGY | 29,710 | 515 | 11,689 | 3,224 |
| WATER/SEWER TECHNOLOGY | 55,282 | 0 | 13,444 | 0 |
| ENV RESOURCES TECNOLOGY | 358 | 0 | 0 | 0 |
| LIQUOR TECHNOLOGY | 5,662 | 0 | 0 | 0 |
| ERP IMPLEMENTATION CP23-16 | 206,728 | 275,000 | 110,570 | 0 |
| TOTAL EXPENDITURES | 955,563 | 670,798 | 324,779 | 610,065 |
| NET CHANGE IN FUND BALANCE | (338,805) | (286,403) | 21,393 | (146,145) |
| BEGINNING FUND BALANCE | 746,889 | 408,084 | 408,084 | 429,477 |
| ENDING FUND BALANCE | \$ 408,084 | \$ 121,681 | \$ 429,477 | \$ 283,332 |

LIQUOR FUND

Fund Description:

The **Liquor Fund** is responsible for controlling the sale of off-sale alcoholic beverages, while generating revenue for the community. This includes abiding by all State Statutes regarding the legal sale of alcohol, offering competitive pricing, while providing superior product selection and customer service.

According to the most recent (2025) Minnesota State Auditor’s Report, there are currently 176 Minnesota cities operating 210 municipal liquor operations, of which Lakeville continues to produce the highest revenue.

| Year | # MN Cities (*) | # Municipal Liquor Stores (*) |
|------|-----------------|-------------------------------|
| 2011 | 208 | 240 |
| 2012 | 207 | 239 |
| 2013 | 205 | 237 |
| 2014 | 200 | 233 |
| 2015 | 193 | 226 |
| 2016 | 195 | 228 |
| 2017 | 190 | 223 |
| 2018 | 190 | 223 |
| 2019 | 182 | 215 |
| 2020 | 179 | 213 |
| 2021 | 177 | 212 |
| 2022 | 178 | 212 |
| 2023 | 176 | 210 |

**Per Office of State Auditor’s Analysis of Municipal Operations 2011-2023.*

LIQUOR FUND

(continued)

Services:

- Establish the control of alcoholic beverage sales within the community. Lakeville Liquors must abide by all state laws pertaining to alcohol sales, but above and beyond that we partner with local, state and national organizations to reduce youth access to alcohol.
- Lakeville is committed to quality customer service. Product selection is continually evolving and is the lifeblood that drives the industry. Wine specifically is a hallmark for Lakeville. Store ambiance, strategic location of stores and customer satisfaction are deemed a high priority.
- Profits are dedicated to the reduction of property taxes. Liquor Fund net proceeds are committed to financing capital improvements that would otherwise be financed with property taxes. Lakeville Liquors remains one of the factors as to why Lakeville has one of the lowest tax rates within Dakota County.
- Asset management and inventory integrity plays an essential role in profitability. Strict inventory controls and policies that include well-defined checks and balances ensure that our shrinkage and loss remain well below national retail standards.

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|-------------------------------|----------------|----------------|------------------|----------------|
| Operations Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Operations Director | 0.0 | 0.0 | 0.0 | 0.0 |
| Event & Rental Coordinator | 1.0 | 1.0 | 1.0 | 1.0 |
| Marketing Specialist* | 0.7 | 0.7 | 0.7 | 0.7 |
| Store Manager | 4.0 | 4.0 | 4.0 | 4.0 |
| Inventory Control Technician | 1.0 | 0.1 | 0.1 | 0.0 |
| Assistant Store Manager | 7.0 | 7.0 | 7.0 | 8.0 |
| Lead Sales Associate | 8.3 | 8.3 | 8.3 | 7.2 |
| Sales Associate | 13.0 | 13.0 | 13.0 | 12.1 |
| Total | 36.0 | 35.1 | 35.1 | 34.0 |

*Position is split between Liquor Fund (0.7 FTE) and Special Revenue Fund (0.3 FTE).

LIQUOR FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
LIQUOR FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|-----------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| <u>SALES & COST OF SALES:</u> | | | | |
| SALES | \$ 22,692,718 | \$ 23,550,234 | \$ 22,612,693 | \$ 23,238,382 |
| COST OF SALES | <u>(16,474,955)</u> | <u>(17,232,321)</u> | <u>(16,331,345)</u> | <u>(16,828,635)</u> |
| GROSS PROFIT | <u>6,217,763</u> | <u>6,317,913</u> | <u>6,281,348</u> | <u>6,409,747</u> |
| <u>OPERATING EXPENSES:</u> | | | | |
| PERSONNEL | 3,184,840 | 2,930,154 | 2,993,488 | 3,357,507 |
| COMMODITIES | 111,451 | 101,513 | 72,675 | 97,056 |
| OTHER CHARGES & SERVICES | 1,573,919 | 1,811,895 | 1,546,104 | 1,577,184 |
| MAJOR MAINTENANCE | (4,295) | 21,800 | 22,118 | 0 |
| DEPRECIATION | 319,633 | 322,931 | 361,282 | 337,999 |
| CAPITAL OUTLAY | <u>9,890</u> | <u>0</u> | <u>(41,708)</u> | <u>1,000</u> |
| TOTAL OPERATING EXPENSES | <u>5,195,438</u> | <u>5,188,293</u> | <u>4,953,959</u> | <u>5,370,746</u> |
| OPERATING INCOME | <u>1,022,325</u> | <u>1,129,620</u> | <u>1,327,389</u> | <u>1,039,001</u> |
| <u>NON-OPERATING REV (EXP):</u> | | | | |
| INVESTMENT INCOME | 220,135 | 38,200 | 126,404 | 105,000 |
| TRANSFER IN | 2,354,946 | 0 | 0 | 0 |
| TRANSFER OUT | <u>(3,678,729)</u> | <u>(1,340,000)</u> | <u>(1,339,950)</u> | <u>(1,744,410)</u> |
| CHANGE IN NET POSITION | <u>(81,323)</u> | <u>(172,180)</u> | <u>113,843</u> | <u>(600,409)</u> |
| NET POSITION, JANUARY 1 | <u>12,950,873</u> | <u>12,869,550</u> | <u>12,869,550</u> | <u>12,983,393</u> |
| NET POSITION, DECEMBER 31 | <u>\$ 12,869,550</u> | <u>\$ 12,697,370</u> | <u>\$ 12,983,393</u> | <u>\$ 12,382,984</u> |

LIQUOR FUND

(continued)

Contributions (transfers) to other funds: The Liquor Fund budget will make the following contributions to other funds in 2025, many of which result in a corresponding decrease in the tax levy:

| FUND | PURPOSE | AMOUNT |
|-------------------|----------------------------|-------------|
| Debt Service Fund | Police Station (ends 2032) | \$400,000 |
| Debt Service Fund | Keokuk Liquor Store | \$346,800 |
| Technology Fund | Technology Equipment | \$67,605 |
| General Fund | Fireworks | \$30,000 |
| Equipment Fund | Equipment Replacement | \$900,000 |
| | Total tax support | \$1,744,405 |

Debt: The Liquor Fund refunded \$2.5 million of debt in 2017. The bonds were refunded with \$2.3 million Housing and Redevelopment Authority (HRA) Lease Revenue Liquor Enterprise Refunding Bond Series, 2017A. The debt is held by the HRA and is not included in the Liquor Fund. All future debt payments will be made by the HRA and funded with lease revenue payments from the Liquor Fund operations.

UTILITY FUND

Overall

Fund Description:

The **Utility Fund** is responsible for the operation of a 26.5 million gallon per day water treatment facility and the associated water collection and distribution system to provide potable water to Lakeville residents and businesses. The City is also responsible for the collection and transmission of sewage to wastewater treatment plants managed by the Metropolitan Council Environmental Services (MCES).

The Utility Fund budget is effectively managed by budgeting water, sanitary sewer, street lighting and environmental resources as separate operations. Individual schedules for revenues, expenses, changes in net assets are provided for each of the respective operations. The combining of these operations comprises the Utility Fund which is presented in the Utility Fund Schedule of Revenues, Expenses and Changes in Net Assets.

Services:

- **Water.** The water system includes operation and maintenance of 20 wells, 6 water storage facilities with a total capacity of 11.85 million gallons, 13 pressure reducing stations, 26.5 million gallons per day water treatment plant, and 385 miles of water distribution system.
- **Sanitary sewer.** The sanitary sewer system includes maintenance of 293 miles of sanitary sewer and force mains, and 19 lift stations and 3 grinder stations, which transmit effluent to the MCES Treatment Facility.
- **Street lighting.** The street lighting system is operated and maintained by Xcel Energy and Dakota Electric Association (DEA). The City of Lakeville bills customers on a quarterly basis for lighting.
- **Environmental Resources.** This fund accounts for the surface water management operations which manage, promote, and protect the City's natural resources. Recycling and waste reduction are supported under this program through a partnership with Dakota Valley Recycling (DVR), a collaborative effort between the cities of Apple Valley, Burnsville, Eagan and Lakeville. Recycling initiatives promote public awareness, education and outreach, and goals such as conservation, reduction, and reuse. Recycling programs are funded by a grant from Dakota County.

UTILITY FUND

Overall (continued)

Staffing:

| Position (FTE) | 2023 Actual | 2024 Budget | 2024 Estimate | 2025 Budget |
|------------------------------------|----------------|----------------|------------------|----------------|
| Public Works Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Public Works Coordinator | 1.0 | 1.0 | 1.0 | 1.0 |
| Utilities Superintendent | 1.0 | 1.0 | 1.0 | 1.0 |
| Utilities Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Utility Lead Maintenance | 1.0 | 1.0 | 1.0 | 1.0 |
| Utility Assistant Lead Maintenance | 1.0 | 1.0 | 1.0 | 1.0 |
| Utility Maintenance II | 12.0 | 13.0 | 13.0 | 13.0 |
| Utility Billing Technician | 2.0 | 2.0 | 2.0 | 2.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Environmental Resources Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Environmental Resources Specialist | 1.0 | 1.0 | 1.0 | 1.0 |
| Environmental Resources Technician | 1.7 | 2.0 | 2.0 | 2.0 |
| Total | 24.7 | 26.0 | 26.0 | 26.0 |

Customer rate increases are a result of increases in operating costs and debt service payments. Water adjustments will finance upgrades to the water infrastructure. Sewer adjustment will finance upgrades to the sewer infrastructure and the Metropolitan Council's rate increase. Street lighting adjustments will finance the electric company rate increases and upgrades to the streetlight infrastructure. The Environmental Resources fee will offset costs associated with environmental and forestry related programs. The following rates are billed quarterly unless stated otherwise.

| Fee Structure | Basis | 2025 Adopted |
|---|------------|-----------------|
| Water Base | Account | \$10.92 |
| Water tier 1 – up to 6,000 gallons per quarter | Gallage | \$1.42/1000 |
| Water tier 2 – over 6K gals -.up to 15K gals.per qtr (add'l 9K max) | Gallage | \$1.58/1000 |
| Water tier 3 – over 15K gals – up to 30K gals per qtr (add'l 15K max) | Gallage | \$3.05/1000 |
| Water tier 4 – over 30,000 gallons per quarter | Gallage | \$5.35/1000 |
| Irrigation sprinkler meters | Gallage | \$5.35/1000 |
| State of MN water testing fee | Connection | \$2.43/qtr |
| Sanitary sewer base | Account | \$11.34 |
| Sanitary sewer usage (per 1000 gallons) | Gallage | \$5.62/1000 |
| Sanitary sewer – non-metered accounts | Account | \$112.50 |
| Streetlights (residential) | Account | \$10.12 |
| Streetlights (non-residential) | Front foot | \$0.2832 |
| Environmental resources fee (quarterly) | REU | \$15.38 |
| Environmental resources fee (annual) | Account | \$61.52 |

REU (Residential Equivalent Unit): A measure of a facility's impact on the storm sewer system, equivalent to that of a single-family residence, based on the number of dwelling units.

UTILITY FUND

Water Operation

Program Description:

The **Water Operation** is a collection, treatment, storage, and distribution system that delivers potable water to over 21,400 residential, commercial, institutional, and industrial properties. The system also accounts for all costs related to the operation and maintenance of 19 wells, 8 pressure reducing stations, 7 water storage facilities, water treatment plant, and 351 miles of water distribution system.

Services – Water Operation:

- Collect, treat, and distribute potable water to meet the needs of residential, commercial, institutional, and industrial customers.
- Monitor and ensure water quality and compliance with U.S. Environmental Protection Agency and Minnesota Department of Health requirements.
- Operate and maintain 19 well stations. Treat ground water with chemicals to remove iron and manganese and improve the taste.
- Maintain 380 miles of water main. Repair water main breaks. Inspect and approve new water main construction. Exercise fire hydrants annually.
- Operate a 26.5 million gallon per day water treatment plant.
- Locate underground utility structures, water main, and residential curb stops.
- Enforce water restrictions pursuant to approved operations policy.

UTILITY FUND Water Operation

(continued)

Budget Summary - Water Operation:

CITY OF LAKEVILLE
2025 BUDGET REPORT
UTILITY FUND - WATER OPERATIONS

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|---------------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>OPERATING REVENUES:</u> | | | | |
| CHARGES FOR SERVICES | \$ 10,748,585 | \$ 9,138,671 | \$ 8,408,945 | \$ 7,670,816 |
| SPECIAL ASSESSMENTS | 116,912 | - | 160,802 | - |
| TOTAL OPERATING REVENUES | 10,865,497 | 9,138,671 | 8,569,747 | 7,670,816 |
| <u>OPERATING EXPENSES:</u> | | | | |
| PERSONNEL | 1,683,882 | 1,926,966 | 1,650,627 | 1,904,000 |
| COMMODITIES | 981,979 | 852,673 | 867,684 | 949,549 |
| OTHER CHARGES & SERVICES | 1,887,091 | 2,593,141 | 2,232,603 | 4,326,097 |
| MAJOR MAINTENANCE | 1,319,431 | 1,497,499 | 561,935 | (735,000) |
| TOTAL OPERATING EXPENSES | 5,872,383 | 6,870,279 | 5,312,849 | 6,444,646 |
| OPERATING INCOME (LOSS) | 4,993,114 | 2,268,392 | 3,256,898 | 1,226,170 |
| <u>NON-OPERATING REV (EXP):</u> | | | | |
| INTERGOVERNMENTAL REVENUES | 106 | 0 | 12,792 | 0 |
| INVESTMENT INCOME | 583,141 | 57,325 | 628,623 | 54,327 |
| DEVELOPER/ASSET CONTRIBUTIONS | 7,100,747 | (10,000) | 5,697,240 | 500,000 |
| BOND PROCEEDS&PREMIUMS | 199,699 | 0 | 164,365 | 0 |
| DEPRECIATION | (3,813,396) | (3,715,267) | (4,355,435) | (3,914,845) |
| BOND PMT/NOTE PMT | (328,360) | (301,513) | (281,930) | (233,175) |
| TRANSFER OUT | (529,419) | (578,727) | (537,769) | (580,110) |
| CHANGE IN NET POSITION | 8,205,632 | (2,279,790) | 4,584,784 | (2,947,633) |
| NET POSITION, JANUARY 1 | 120,693,525 | 128,899,157 | 128,899,157 | 133,483,941 |
| NET POSITION, DECEMBER 31 | \$ 128,899,157 | \$ 126,619,367 | \$ 133,483,941 | \$ 130,536,308 |

UTILITY FUND

Sanitary Sewer Operation

Program Description:

The **Sanitary Sewer Operation** is a collection and forwarding system that removes wastewater from residential, commercial, institutional, and industrial properties. The system also accounts for all costs associated with the operation and maintenance of lift stations and sanitary sewer mains. The treatment facility operations are the responsibility of the Metropolitan Council Environmental Services (MCES).

Services - Sanitary Sewer Operation:

- Clean, televise, and evaluate approximately 70-80 miles of sanitary sewer main each year and make repairs as necessary.
- Inspect manholes for groundwater infiltration and seal the structures to eliminate the problem.
- Evaluate portions of the sanitary sewer system for surface water inflow and groundwater infiltration (I&I) problems and perform any necessary repairs to correct the problem.
- Operate and maintain lift stations.

UTILITY FUND

Sanitary Sewer Operation

(continued)

Budget Summary - Sanitary Sewer Operation:

CITY OF LAKEVILLE
2025 BUDGET REPORT
UTILITY FUND - SANITARY SEWER OPERATIONS

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|---------------------------------|----------------------|---------------------------|----------------------|---------------------------|
| <u>OPERATING REVENUES:</u> | | | | |
| CHARGES FOR SERVICES | \$ 8,929,881 | \$ 8,635,692 | \$ 9,563,268 | \$ 8,817,654 |
| SPECIAL ASSESSMENTS | - | - | - | - |
| TOTAL OPERATING REVENUES | 8,929,881 | 8,635,692 | 9,563,268 | 8,817,654 |
| <u>OPERATING EXPENSES:</u> | | | | |
| PERSONNEL | 1,014,245 | 948,690 | 1,121,525 | 1,242,776 |
| COMMODITIES | 107,501 | 95,020 | 128,962 | 140,372 |
| OTHER CHARGES & SERVICES | 420,397 | 833,525 | 668,986 | 638,799 |
| MCES DISPOSAL CHARGES | 5,066,715 | 5,381,750 | 5,382,250 | 5,622,468 |
| MAJOR MAINTENANCE | <u>1,023,265</u> | <u>1,200,000</u> | <u>827,287</u> | <u>625,000</u> |
| TOTAL OPERATING EXPENSES | 7,632,123 | 8,458,985 | 8,129,010 | 8,269,415 |
| OPERATING INCOME (LOSS) | <u>1,297,758</u> | <u>176,707</u> | <u>1,434,258</u> | <u>548,239</u> |
| <u>NON-OPERATING REV (EXP):</u> | | | | |
| INTERGOVERNMENTAL REVENUES | 139,970 | 0 | 6,154 | 0 |
| INVESTMENT INCOME | 356,426 | 37,574 | 418,720 | 47,867 |
| DEVELOPER/ASSET CONTRIBUTIONS | 3,702,420 | (10,000) | 5,416,259 | 500,000 |
| TRANSFER IN | 33,002 | 33,266 | 33,266 | 33,766 |
| BOND PROCEEDS&PREMIUMS | 4,926 | - | 2,628 | - |
| DEPRECIATION | (2,147,811) | (2,140,079) | (2,290,090) | (2,177,572) |
| TRANSFER OUT | (10,100) | (38,134) | (14,200) | (43,065) |
| BOND PMT/NOTE PMT | <u>(7,015)</u> | <u>(6,750)</u> | <u>(3,774)</u> | <u>(292)</u> |
| CHANGE IN NET POSITION | <u>3,369,576</u> | <u>(1,947,416)</u> | <u>5,003,221</u> | <u>(1,091,057)</u> |
| NET POSITION, JANUARY 1 | 71,325,863 | 74,695,439 | 74,695,439 | 79,698,660 |
| NET POSITION, DECEMBER 31 | <u>\$ 74,695,439</u> | <u>\$ 72,748,023</u> | <u>\$ 79,698,660</u> | <u>\$ 78,607,603</u> |

UTILITY FUND

Street Light Operation

(continued)

Program Description:

The **Street Light Operation** is designed to protect property, health and safety of the community's residents and businesses. The system is primarily owned and maintained by Xcel Energy and Dakota Electric Association.

Services – Street Light Operation:

- Perform annual operational and visual inspections of approximately 5,200 streetlights and report any maintenance requirements to responsible electric companies.
- Perform seasonal banner and flag changes on downtown streetlights.

Budget Summary – Street Light Operation:

CITY OF LAKEVILLE
2025 BUDGET REPORT
UTILITY FUND - STREET LIGHTS OPERATIONS

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|--|-------------------|---------------------------|---------------------|---------------------------|
| <u>OPERATING REVENUES:</u> | | | | |
| CHARGES FOR SERVICES | \$ 1,231,278 | \$ 1,194,563 | \$ 1,297,347 | \$ 1,237,439 |
| TOTAL OPERATING REVENUES | 1,231,278 | 1,194,563 | 1,297,347 | 1,237,439 |
| <u>OPERATING EXPENSES:</u> | | | | |
| PERSONNEL | 26,156 | 23,081 | 24,878 | 25,084 |
| COMMODITIES | 31 | 23 | 187 | 103 |
| OTHER CHARGES & SERVICES | <u>1,222,852</u> | <u>1,066,728</u> | <u>1,054,940</u> | <u>1,129,818</u> |
| TOTAL OPERATING EXPENSES | 1,249,039 | 1,089,832 | 1,080,005 | 1,155,005 |
| OPERATING INCOME (LOSS) | <u>(17,761)</u> | 104,731 | 217,342 | 82,434 |
| <u>NON-OPERATING REV (EXP):</u> | | | | |
| INVESTMENT INCOME | 49,280 | 8,204 | 49,209 | 8,931 |
| BOND PROCEEDS&PREMIUMS | 4,892 | - | 3,361 | - |
| TRANSFER OUT | - | (3,453) | - | - |
| BOND PMT/NOTE PMT | (7,431) | (5,242) | (5,190) | (2,762) |
| CHANGE IN NET POSITION | <u>28,980</u> | 104,240 | 264,722 | 88,603 |
| NET POSITION, JANUARY 1 | 911,947 | 940,927 | 940,927 | 1,205,649 |
| NET POSITION, DECEMBER 31 | <u>\$ 940,927</u> | <u>\$ 1,045,167</u> | <u>\$ 1,205,649</u> | <u>\$ 1,294,252</u> |

UTILITY FUND

Environmental Resources

Fund Description:

The **Environmental Resources Fund's** purpose is to manage, promote and protect the City's natural resources including lakes, wetlands, streams, prairies and woodlands. The objective is accomplished through public education endeavors, surface water infrastructure management and monitoring the natural resources.

Services:

- **Surface water resource monitoring.** Environmental Resources coordinates and manages a variety of water quality research and improvement projects including aquatic plant control and fish management on City water bodies. The department also implements the City's Comprehensive Water Resources Management Plan, Wetland and Natural Resources Management Plan, South Creek Management Plan and the City's Storm Water Pollution Prevention Program (SWPPP).
- **Surface water infrastructure management.** In the management of the storm water basins, Environmental Resources staff works closely with Engineering and Street department staff to perform the work or to obtain quotes for the removal of the sediments and restoration of the area disturbed. Environmental Resources staff also determines which storm water basins and outfalls must be inspected and cleaned of sediment.
- **Public education and interaction.** Environmental Resources staff conduct various public outreach activities each year to connect with residents and businesses, and to help foster a connection to the City's natural resources amenities. The public outreach activities are designed to align with State requirements (MS4 Permit). Events include Watershed Cleanup Day, Earth Day Education Celebration, Adopt-A-Drain, group volunteer events and social media communications.
- **New Development - Residential.** The department ensures that all construction plans for new developments meet NPDES Permit requirements. Staff assists in preparing wetland alteration permits and mitigation plans, obtains leases from the DNR for utility crossing of public waters for City projects, performs many of the duties required by local, State and Federal rules and regulations by being either the Responsible Governmental Unit (RGU) or the Local Governmental Unit (LGU). Staff inspects tree preservation plans for all new developments.
- **New Development – Commercial and Industrial.** The department also provides plan review and inspections of all erosion control for industrial, commercial, and institutional building permits. They ensure that the wetland delineations are correct and meet the requirement of the State of Minnesota Wetland Conservation Act, that tree preservation plans are accurate and that a developer takes feasible measures to save significant trees and protect valuable natural resources.
- **Environmental recycling.** Recycling and waste reduction is supported under this program through a partnership named Dakota Valley Recycling (DVR), a collaborative effort between the Cities of Apple Valley, Burnsville, Eagan and Lakeville. Recycling initiatives promote public awareness, education and outreach, and goals such as conservation, reduction and reuse. Funding is provided annually through a Dakota County grant. Environmental Resources staff serves as the City's liaison to DVR, in addition to overseeing operation of the organics drop site and multiple collection events throughout the year (i.e. paper shredding, mattress, shoe and holiday lights recycling, and pumpkin composting).

UTILITY FUND

Environmental Resources

(continued)

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
UTILITY FUND - ENVIRONMENTAL RESOURCES OPERATIONS

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|---------------------------------|---------------------|---------------------------|---------------------|---------------------------|
| <u>OPERATING REVENUES:</u> | | | | |
| CHARGES FOR SERVICES | \$ 1,937,325 | \$ 1,934,708 | \$ 2,085,418 | \$ 2,048,299 |
| TOTAL OPERATING REVENUES | 1,937,325 | 1,934,708 | 2,085,418 | 2,048,299 |
| <u>OPERATING EXPENSES:</u> | | | | |
| PERSONNEL | 746,328 | 748,380 | 735,344 | 871,650 |
| COMMODITIES | 34,230 | 58,582 | 48,110 | 55,978 |
| OTHER CHARGES & SERVICES | <u>1,330,640</u> | <u>1,991,575</u> | <u>565,853</u> | <u>1,954,998</u> |
| TOTAL OPERATING EXPENSES | 2,111,198 | 2,798,537 | 1,349,307 | 2,882,626 |
| OPERATING INCOME (LOSS) | <u>(173,873)</u> | <u>(863,829)</u> | 736,111 | <u>(834,327)</u> |
| <u>NON-OPERATING REV (EXP):</u> | | | | |
| INTERGOVERNMENTAL REVENUES | 887,261 | 609,346 | 119,446 | 535,000 |
| INVESTMENT INCOME | 113,636 | 16,097 | 145,181 | 10,221 |
| MISC REVENUES | 939 | 0 | 0 | 0 |
| TRANSFER IN | 0 | 15,000 | 0 | 15,000 |
| DEPRECIATION | (45,912) | (38,552) | (58,369) | (48,708) |
| CAPITAL OUTLAY | - | - | - | (31,898) |
| TRANSFER OUT | <u>(422,471)</u> | <u>(304,558)</u> | <u>(298,366)</u> | <u>(76,650)</u> |
| CHANGE IN NET POSITION | <u>359,580</u> | <u>(566,496)</u> | 644,003 | <u>(431,362)</u> |
| NET POSITION, JANUARY 1 | 3,303,690 | 3,663,270 | 3,663,270 | 4,307,273 |
| NET POSITION, DECEMBER 31 | <u>\$ 3,663,270</u> | <u>\$ 3,096,774</u> | <u>\$ 4,307,273</u> | <u>\$ 3,875,911</u> |

MUNICIPAL RESERVES FUND

Fund Description:

Under the Governmental Accounting Standards Board (GASB) Statement No. 10, risk management activities of a government entity can be accounted for in either the General Fund or an Internal Service Fund, if one fund is used. The City uses the **Internal Service Municipal Reserves Fund** to budget such costs. Under this model, operating departments within the various City funds receive a charge from the Municipal Reserves Fund, and all costs (premiums, claims, and related expenses) are reflected in a single fund. This allows for better accountability and monitoring of the City's risk management costs.

Services:

- General liability insurance.
- Excess liability insurance.
- Property/casualty insurance.
- Auto physical damage insurance.
- Employment practices liability insurance.
- Workers compensation insurance.

The general liability insurance is provided through the League of Minnesota Cities Insurance Trust, a municipal insurance pool, in which the City retains exposure to losses for liability claims up to \$50,000 per occurrence, with a \$100,000 yearly claims payment maximum; a \$1,000 per claim deductible applies if the City exceeds the \$100,000 maximum.

The workers compensation insurance is also provided through the League of Minnesota Cities Insurance Trust. The City has a \$50,000 deductible per occurrence.

Risk management charges to various City funds are based on factors such as number of automobiles used, stated value of buildings and contents, and employee salaries. A portion of the City's liability insurance premium is attributable to vehicles and is allocated along with the physical damage premium. The remainder of the liability insurance premium is combined with an estimate of claims costs (including legal and administration) and allocated accordingly to individual funds. Workers compensation costs are charged to the various City funds and allocated to their individual departments based on employee salaries.

MUNICIPAL RESERVES FUND

(continued)

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
INTERNAL SERVICE - MUNICIPAL RESERVES FUND

| | | 2023 | 2024 | 2024 | 2025 |
|-----------------------------|----|-----------|-------------------|-----------|-------------------|
| | | ACTUAL | AMENDED BUDGET | ESTIMATE | ADOPTED BUDGET |
| <u>REVENUES:</u> | | | | | |
| GENERAL GOVT SERVICE CHARGE | \$ | 372,774 | \$380,091 | \$380,092 | \$351,909 |
| INSURANCE CLAIMS | | 28,052 | | 116,630 | 30,000 |
| INSURANCE REFUNDS/REBATES | | 302,499 | 309,521 | 316,592 | 535,000 |
| INVESTMENT INCOME | | 12,818 | 5,000 | 14,717 | 5,000 |
| TOTAL REVENUES | | 716,143 | 694,612 | 828,031 | 921,909 |
| <u>EXPENDITURES:</u> | | | | | |
| PERSONNEL | | 229,400 | 180,000 | 133,861 | 230,000 |
| OTHER CHARGES & SERVICES | | 733,665 | 648,473 | 535,305 | 651,429 |
| TOTAL EXPENDITURES | | 963,065 | 828,473 | 669,166 | 881,429 |
| NET CHANGE IN FUND BALANCE | | (246,922) | (133,861) | 158,865 | 40,480 |
| BEGINNING FUND BALANCE | | 616,525 | 369,603 | 369,603 | 528,468 |
| ENDING FUND BALANCE | \$ | 369,603 | \$235,742 | \$528,468 | \$568,948 |

COMPENSATED LEAVE FUND

Fund Description:

The City uses the **Internal Service Compensated Leave Fund** to budget for the compensation-related costs paid out upon employee retirements (vacation/sick/paid time off earned in previous periods). The charges for services revenues are accumulated from departments with employees and is based on a percentage of employee compensation during the period. The fund was new in 2021.

Budget Summary:

CITY OF LAKEVILLE
2025 BUDGET REPORT
INTERNAL SERVICE - COMPENSATED LEAVE FUND

| | 2023 ACTUAL | 2024 AMENDED BUDGET | 2024 ESTIMATE | 2025 ADOPTED BUDGET |
|-----------------------------|----------------|---------------------------|------------------|---------------------------|
| <u>REVENUES:</u> | | | | |
| GENERAL GOVT SERVICE CHARGE | \$ 193,787 | \$ 214,236 | \$ 209,800 | \$ 221,502 |
| INVESTMENT INCOME | 11,365 | 1,200 | 18,146 | 12,000 |
| TOTAL REVENUES | 205,152 | 215,436 | 227,946 | 233,502 |
| <u>EXPENDITURES:</u> | | | | |
| OTHER CHARGES & SERVICES | 158,535 | 225,000 | 273,187 | 275,000 |
| TOTAL EXPENDITURES | 158,535 | 225,000 | 273,187 | 275,000 |
| NET CHANGE IN FUND BALANCE | 46,617 | (9,564) | (45,241) | (41,498) |
| BEGINNING FUND BALANCE | (3,222,043) | (3,175,426) | (3,175,426) | (3,220,667) |
| ENDING FUND BALANCE | \$ (3,175,426) | \$(3,184,990) | \$(3,220,667) | \$(3,262,165) |

