

# City of St. Francis, MN

## 2026 Budget Book



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# Introduction

# Letter of Transmittal

In compliance with State Statutes, we are pleased to present the 2026 budget for the City of St. Francis. This budget document should be viewed as more than just a collection of financial data, but as the financial plan in which the organization will implement and accomplish Council policies, as well as meet the needs of the community and residents. In addition to the financial data contained within, this document includes information on the City organization, describes programs and services, and provides statistical values measuring activity performance and workloads.

The 2026 Budget, in the amount of \$16,005,462, includes all the funds for the City of St. Francis and reflects a 5.4% increase from the previous year's budget. The budget, as presented, reflects Council's direction and a staff commitment to achieving a cost-effective, efficient and high-quality service delivery model. Essentially, the 2026 budget reflects the City's commitment to live within its means and ensure that tax dollars are wisely managed and expended in as prudent a manner possible to achieve high-quality service outcomes.

The City Council has been committed to strategically planning for the city's future while providing efficient and responsive services in the present. Goals, priorities and financial plans were developed through a series of meetings with the City Council that were open to the public. Councils' final initiatives included identifying strategic goals, action plans and strategies, priorities for the coming year, actions steps to address priorities, and the completion of the long-range financial plan. Planning and strategic goals is as follows:

- Provide high-quality, cost-effective services to residents while maintaining stable service levels in the 2026 Budget. The City continues to leverage modern technology and service delivery methods to improve efficiency, accessibility and transparency. This includes expanding secure electronic payments, digital document and permit processing, hybrid and virtual meeting options to increase public participation, and enhanced community engagement through the City's website, electronic notifications and other communication tools.
- Provide residents of St. Francis with high-quality, reliable public safety services. The 2026 budget supports a strong and stable public safety system. The City maintains a fully staffed and well-trained Police Department, with continued investment in officer education, retention and advanced training to ensure consistent and professional services to the community.
- Fire and EMT Services are delivered through a collaborative joint powers' agreement with the City of Bethel, now known as the Rum River Fire District creating a coordinated approach to fire protection in northern Anoka County. This partnership strengthens our budget through the cost-sharing of staff, tools and equipment.
- The 2026 Budget supports the City's proactive approach to community growth and reinvestment. St. Francis relies on and strategically supports growth to strengthen its tax base, support infrastructure and provide services to residents and businesses. Guided by the Comprehensive Plan and St. Francis Forward (re)Development Plan, the City has identified targeted areas for reinvestment that align public infrastructure investments with private development activity. Through development, the City partners with developers on projects that enhance these goals, such as a 134-unit senior living facility and several single-family housing

projects. These projects contribute to the population growth, infrastructure utilization, and economic vitality that directly benefit St. Francis residents and businesses.

- Continue to evaluate and responsibly set water and sewer rates to balance affordability with infrastructure sustainability. The City's rate setting strategy recognizes that system growth is essential to distributing fixed infrastructure costs across a broader user base. By supporting residential and commercial development, the City increases the number of system users, helping to moderate rates through WAC/SAC contributions and expanded monthly billing. Investments in comprehensive water metering ensure accurate usage tracking and equitable billing. Additionally, the City provides water and sewer services to the neighboring community of Oak Grove, whose continued development further supports the long-term stability of system rates for St. Francis users.

The City continues to focus efforts on long-term planning through targeted investments in tools and reserves. The City prioritizes the use of planning and financial software, financial modeling, and project evaluation to guide responsible budgeting and capital decisions. By gradually funding future needs through reserves and phased investments, the City strengthens financial stability, reduces long-term borrowing pressures and protects residents from significant tax impacts.

These efforts allow staff to make decisions keeping future city needs scheduled and accounted for while tying it to a budget and cost process.

- Capital Purchasing Software. The city uses capital purchasing software to track and plan for upcoming capital acquisitions. This includes public safety vehicles, public works machinery, snowplows, IT needs and park and recreation equipment. The forecasted purchases include a nominal price adjustment for annual inflation in pricing. The city reviews and determines an adequate level of contribution on an annual basis.
- Road Inventory and Maintenance Program. The city has created a long-term plan for annual road maintenance, including an internal policy of analyzing road conditions every year for the following five years of road improvements. This program allows staff to create a consistent and predictable maintenance schedule for road improvements and projects. This provides the city to plan for anticipated costs and budget needs.
- Building and park repair and replacement. All assets acquired by the city undergo the need for future repair or replacement, making it necessary to plan for improvement costs. The City has taken active steps to inventory all of its building facilities and park structures, creating a timeline identifying the expected life of the asset and associated a cost into the budget that shows a repair or replacement need. This will prevent assets from levels of depreciation or wear without a structure in place to meet the necessary maintenance needs.
- Projected and planned growth. The city continues to work with regional planning and policy agency, Metropolitan Council on forecasted growth that could impact our city. Through this source, as well as tracking

actual development and subdivisions, the City can anticipate the mid-to-long-term future. This assists the city to make financial assumptions towards future revenues and tax base increases. This is monitored closely through financial planning and comprehensive planning documents.

Through growth, the City accounts for increases in development and property values to determine the appropriate amount to adjust the tax levy. This annual review allows the city to monitor the tax revenue in relation to the growing tax base and additional strains that new development has on the city. This also helps the city adjust the levy appropriately for any cost-of-living adjustment costs that the city incurs.

The budgeting function is the primary tool that Council must use to make sure the city's limited resources are wisely utilized and to establish department objectives for the coming year. The City Council will continue to review, discuss, and analyze how to best utilize limited tax dollars to ensure quality services are provided while continuing to plan for future growth and stress on city services. The city will also continue to review and analyze economic forces and intergovernmental funds to ensure the City of St. Francis continues to be fiscally responsible while providing top-level services to its residents.

Respectively submitted,

Kate Thunstrom, City Administrator

Darcy Mulvihill, Finance Director

## Distinguished Budget Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of St. Francis for its annual budget for the fiscal year beginning January 1, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. The award is valid for the period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of St. Francis  
Minnesota**

For the Fiscal Year Beginning

**January 01, 2025**

*Christopher P. Morrill*

Executive Director

# History of the City



Welcome Sign

## Location

The City of St. Francis is in the northernmost section of Anoka County, 12 miles north of Anoka and approximately 30 miles northwest of Minneapolis. The community can be accessed in a north-south direction by State Trunk Highway 47 and County Road 24 in an east-west direction.

## Community Profile

St. Francis was originally known as the “Village of Otona” and was established in 1855 along the Rum River with a dam, grist, and a sawmill. The town was formally established as St. Francis in 1857. The Post Office was the first commercial building constructed in 1866, and in that year the Creamery Association was also built. Two other buildings were constructed during this period and still exist today: the Rum River Inn and the H.G. Leathers House. Both buildings are also listed on the National Register of Historic Places.

The community was an active center for milling lumber and flour in its early days. In the late 1880s, the population of St. Francis was almost 500, and the population held near that number until the 1960s. In 1923, the flour mill closed. Development of St. Francis in its early days suffered from the loss of the railroad as trade went to better transportation centers. From 1930 until 1960, agriculture was the community's economic mainstay.

During the late 1960s, St. Francis began to attract more residents and over the next few decades grew significantly. The community was incorporated in 1974, and with the assistance of a loan from the U.S. Department of Agriculture – Farmer's Home Administration, the city constructed and began operating a municipal sewer and water system. These systems attracted quality development in the area. By 1980, the population had grown from 897 to 1,184 and by 1990, the population had grown 117% to reach a total of 2,538 residents. Growth continued through the 1990s and has been particularly dramatic in the past years. Today, the population is approximately 7,652. Its small-town character, its schools and accessible location have attracted and continues to attract new residents, particularly young families.

St. Francis is a home-rule charter city. Minnesota has two basic types of cities – home rule and statutory – which influence cities' organization and powers. The difference is the type of enabling legislation from which the municipality gains its authority. Home rule cities obtain their powers from a locally enacted home rule charter which is essentially a city constitution. Statutory cities get their power from Chapter 412 of Minnesota Statutes. Home rule charter cities can exercise any powers in their locally adopted charters as long as there's no conflict with state law. Conversely, charter provisions can specifically restrict the powers of a city.

St. Francis operates under the Council/Administrator form of government. An elected City Council sets the policy and overall direction for St. Francis. Then city staff, under the direction of a city administrator, carries out council decisions and provides day-to-day city services. The city administrator is accountable to the City Council.

The City Council consists of a Mayor and four Council Members elected at-large. City elections are held in even numbered years, with the Mayor serving a two-year term and all Council Members serving four-year terms.

The City of St. Francis provides a full range of services. The general governmental functions include police, street maintenance, engineering, planning and zoning, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: water, sewer and a municipal liquor store.

St. Francis is served by Independent School District #15. They serve the communities of St. Francis, East Bethel, Bethel, Oak Grove, Andover, Athens, Nowthen and Stanford. The school district offices as well as the bus garage and several of the school buildings are located within the city limits.

The Rum River runs north/south through the central area of St. Francis offers scenic views and canoeing opportunities. Rum River North County Park, an Anoka County Park, consists of 80 acres located near the south-central boundary of St. Francis. It is the northern access to the Rum River Canoe Corridor and offers amenities such as picnic shelters, biking and hiking trails, campsites, and observation decks.



**Woodbury Park**

# Basis of Budgeting

The modified accrual basis was used for the budgets for most of the funds in the budget. Under this basis, revenues are recognized in the accounting period that they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. The accrual basis was used for the budget of the enterprise funds (Water, Sewer, and Liquor) in the Operating Budget. Under this basis, revenues are recognized in the accounting period that they are earned and measurable; expenses are recognized in the accounting period that they are incurred, if measurable. The basis of budgeting is the same as the basis of accounting.

The City is required to account for revenues and expenditures according to generally accepted accounting principles (GAAP). The budget was prepared using the following basis of accounting, which is consistent with the accounting methods used for financial reporting.

# Budget Process

One of the most important activities undertaken each year by the City is the budget process. The quality of decisions made in the budget process conveys the City's long-range plans and policies for current and future services and programs. The budget is a financial, planning, and policy document which reflects the allocation of limited revenue between competing uses and serves as a guide for the various departments in implementing their goals and objectives.

It is important that the budget process communicates and involves the citizens, elected officials, staff, management, businesses, and all other interested parties of the City by:

- Identifying their issues and concerns,
- Obtaining their support for the budget process with different opportunities to get involved or express opinions,
- Achieving their knowledge and understanding of the goals and resource allocation,
- And reporting to them on services and resource utilization.

The budget process is a year-round activity because regular reporting is necessary to provide accountability, understanding, and confidence in the City. The City provides different types of reports to facilitate this process. These reports include: quarterly newsletters, monthly department reports, monthly investment reports, budget documents, and an audited comprehensive annual financial statement.

The annual budget process begins in February of each year. Department heads receive preliminary budget guidance from the City Administrator, with direction from the Mayor and Council. In April – May, department heads are given budget instructions and worksheets reflecting two-year historical data and current year's budget and expenditure amounts. Each department is responsible for submitting the proposed budgets for their respective programs. They are asked to determine if there is a need to increase staff or if other major changes are needed. They are given approximately a month to finalize their research and submit the budget worksheets to the Finance Director by early June. Revenues are projected by the Finance Director. In budgeting revenues, a conservative approach is taken. For many revenue line items, actual data over the past three years is analyzed to identify inherent trends, and an adjustment is made for known events predicted to occur in the coming calendar year. The City Administrator and Finance Director meet individually with each department head to discuss the department's budget submittal, and changes are made, either increases or decreases, to accommodate the overall budget picture. Total budget requests are compared to revenue estimates to ensure that there is funding available to fund the proposed expenditures. Following the individual meetings, budget workshops are held by the City Council. The submittal of the Proposed Budget is followed by a series of public presentations to the City Council that are designed to give the Council and citizens an overview of the Budget, and to prepare the Council in making informed budget decisions. The final document is adopted in December following the required public hearings. A more detailed timeline for the budget process is as follows:

## Budget Timeline

- **March 2025**

Council/staff work session to discuss goals and priorities for the CIP and Budget Finance Director prepares initial draft of debt service budget using existing bond issues to determine the property tax levy required for debt service.

- **April 2025**

Finance Director prepares personnel cost estimates.

- **May 2025**

Finance Director prepares budget worksheets and instructions for department heads. These are then distributed to the department heads with instructions. Preliminary revenue estimates are completed.

- **June 2025**

Finance Director prepares initial draft of Capital Budget. Budget requests are due back from Department Heads. Preliminary report is given to the City Administrator. City Administrator and Finance Director meet with department heads to discuss budget requests. Final decisions made regarding Operating, Capital and Debt Service Budgets. Final General Fund revenue estimates are prepared by Finance Director.

- **July 2025**

Budget workshops held with City Council as needed.

- **August 2025**

Finance Director makes final changes for the Proposed Budget. At a Council meeting, the public hearing date on the proposed budget and proposed tax levy are approved by the Council.

- **September 2025**

At a Council meeting, the tax levy is discussed and a proposed tax levy is approved along with the public hearing dates. Finance Director certifies preliminary levy and hearing date to Anoka County.

- **November 2025**

The Finance Director prepares the final budget information and materials for the budget public hearing. County auditor mails tax notices to each taxpayer.

- **December 2025**

Public hearings and Council adoption of the Budget and tax levy. Finance Director prepares tax certification forms for Anoka County. Summary Budget Statement published in accordance with the State Auditor's guidelines. Certification of Compliance with Truth in Taxation and Property Tax Levy Report requirements filed with State Department of Revenue.

# Financial Policies

## Balancing the Budget

The City recognizes that its citizens deserve a commitment from the City to live within its means and that a balanced operating budget is the cornerstone of fiscal responsibility. A balance must be struck between revenues and expenditures, so the public can realize the benefits of a strong and stable government. Annual operating expenditures (personnel costs, operating expenses, capital expenses and transfers) will be fiscally balanced with revenues or income estimates that can be reasonably and normally projected to be received during the fiscal year.

On an annual basis, the City will present a balanced General Fund operating budget to the City Council. Total resources available, including fund balances plus projected revenue, shall be equal to or greater than the projected expenditures for the coming year. In the event a budget deviates from being presented as balanced, full disclosure and City Council approval will be required, including the factors affecting the budget such as economic factors or emergency capital expenditures.

- Any increase in expenses that requires budget revision shall be offset by a budget transfer, increased revenue or use of fund balance.
- Any significant decrease in revenue that results in a budget imbalance shall be offset by a budget revision to reduce expenditures. Any minor decrease in revenues that results in a budget imbalance shall be assumed to be offset by departments that won't spend their entire expenditure budget.
- Temporary shortages, or operating deficits, can and will occur due to extraordinary events and circumstances. These operating deficits will not be tolerated as an extended trend.
- Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy or transferring for use in capital projects or "one-time only" projects.
- Special Revenue Funds are supported by special levies and fees, grants or intergovernmental revenues. Expenditures in these funds are strictly limited to the mandates of the funding source.

## Long-Range Planning and Fund Balance

A good budget process incorporates a long-term perspective to assess the financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions. This information is important in making quality decisions for both the current and future needs of the City.

Maintaining an adequate fund balance is essential. The City shall establish a reserve general fund balance in order to accommodate unexpected operational changes, legislative impacts or other economic events affecting the City's operations that could not have been reasonably anticipated. The goal is to establish an unreserved fund balance in the General Fund that is equivalent to forty percent (40%) of General Fund revenues. Fund balance is defined as the difference between assets and liabilities reported in a governmental fund. This unreserved fund balance will be used to meet cash flow needs until the first property tax and state aid payments are received at mid-year and to provide for unanticipated expenditures, revenue shortfalls, and emergency situations which may occur.

## Capital Improvement

The City shall establish a multi-year Capital Improvement Plan that allows the City to maintain its equipment and infrastructure at an adequate level. This plan will be updated annually. The City will coordinate development of the Capital Improvement Budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts. As resources are available, the most current year of the CIP will be incorporated into the current year operating budget as the Capital Improvement Budget. The City will provide ongoing preventative maintenance and upkeep on all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

## Capital Asset Inventory

Understanding the use and condition of all the City's equipment and infrastructure (capital asset) is important in receiving maximized public benefit. This allows the City to plan for the ongoing financial commitments required to maintain and replace the equipment and infrastructure.

- The City shall maintain a list of equipment and infrastructure.
- Identify corrective/maintenance needs on a yearly basis.
- Develop preventive and predictive maintenance planning estimates.
- Establish replacement schedules by determining useful life and estimated year of replacement for inventory.

## Revenue Policies

Understanding the revenue stream is essential to prudent planning. These policies seek stability to avoid potential service disruptions caused by revenue shortfalls. Estimates are arrived at by studying relevant revenue history along with economic trends and indices when available.

### Revenue Diversification

Program demands require that an adequate revenue stream be maintained. The City will continuously seek to diversify its revenue sources in order to improve the ability to handle fluctuations or dependency on individual sources. New and expanded unrestricted revenue streams should be first applied to support existing programs prior to funding new or expanded programs. The various sources of revenue shall be monitored to determine that rates continue to be adequate so each source is maximized. The City will pursue federal, state, and private grants but will strictly limit financial support of these programs to avoid commitments that continue beyond funding availability.

### Fees and Charges

The City will charge fees for services where such an approach is permissible, and where there is only a limited or specific group of beneficiaries of the City service. Sufficient user charges and fees shall be pursued and levied to support the full cost (operating, direct, indirect and capital) of operations. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax fees and charges. The City will periodically review fees and charges in order to keep pace with the cost of providing the service or that percentage of the total cost deemed

appropriate by the City. Services shall be scaled to the level of support available from these fees and charges. When sufficient user charges and fees cannot be pursued and levied to support the full cost of operations (such as public record request), the City shall be aware of the costs not allocated to the user charges and fees. In conjunction with the annual budget process, departments will review the cost of providing services against the fee charged. Proposed increases will be brought before the City Council for approval. The City will set fees and user charges for each Enterprise Fund, such as Water and Sewer, at a level that fully supports the total direct and indirect costs of the activity. Indirect costs include the cost of annual depreciation of capital assets.

#### Use of One-time Revenues

Non-recurring revenue or one-time revenues are sources of revenue the City cannot anticipate receiving on a continuing basis. It is important to seek out and receive this non-recurring revenue because these revenues have value different from ongoing revenues. The City will pursue one-time revenues but will strictly limit expenses to avoid commitments that continue on an ongoing basis.

The City shall not budget one-time revenues unless the revenue has been received or a commitment notice has been received. Use of one-time revenues will be reserved for the highest priorities of the current budget to include any revenue shortfalls impacting the current budget, reducing and managing debt, use in considering one-time capital purchases and fund balance reserves.

#### Use of Unpredictable Revenues

The City uses a conservation approach in making ongoing revenue assumptions by utilizing growth patterns and knowledge of the developing areas. Unpredictable revenue assumptions also need to consider the various factors that make the source unpredictable. Unpredictable revenue shall be monitored to determine how the various factors are affecting the collection both currently and in the future. Unpredictable revenue shall be described in the budget document, and the factors that make the source unpredictable discussed.

The City shall budget unpredictable revenue lower than the revenue assumption or anticipated collection. The City has not restricted the use of unpredictable revenues.

#### Stabilization

The City needs to maintain a prudent level of financial resources to protect the public against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredictable one-time expenditures. The long-range planning policy established a reserve general fund balance for unexpected operational changes, legislative impacts or other economic events.

### **Expenditure Policies**

The expenditures of a City define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability.

### **Expenditure Accountability**

Policies and budgets are not effective if the City does not make periodical review to actual expenditures. This review allows the City to decide on necessary actions to bring the budget back into balance. Financial reports presented to City Council and department heads on a regularly scheduled basis. Analysis of the financial reports presented to City Council and department heads on a regularly scheduled basis.

## Debt

Per state statutes, the City will not exceed three percent (3%) of the estimated market value of taxable property for general obligation debt. The City will utilize all appropriate financing methods to assist it in meeting its financial needs.

- Utilize finance consultants and professional service providers to assist in managing the debt of the City including: bond counsel, underwriters, financial advisers, paying agent and other professional service providers.
- Utilize the long-range planning plans in preparing the budget and developing financing scenarios.
- The structure and term of all City indebtedness shall vary in order to accommodate the different economic life cycles of the financed improvement.
- Short-term debt and interim financing should be used when it is prudent and advantageous to the City.
- All debt issues will be reviewed periodically to determine if refinancing or calling of any issue would be financially beneficial when advantageous, legally permissible and prudent.
- The City shall seek to use credit enhancement (letters of credit, bond issuance, surety bond, etc.) when such credit enhancement proves cost-effective.
- Establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code.
- The City shall maintain a relationship with the rating agencies that currently assign ratings to the various debt obligations.
- Provide ongoing disclosure information to established information repositories for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.
- Long term borrowing will not be used to finance current operations or normal maintenance.
- The City will strive to maintain a high reliance on pay-as-you-go financing for its capital improvements.
- The City will confine long term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.
- Where possible, the City will use special assessment revenue or other self-supporting bonds instead of General Obligation Bonds.

# Demographics

## Population



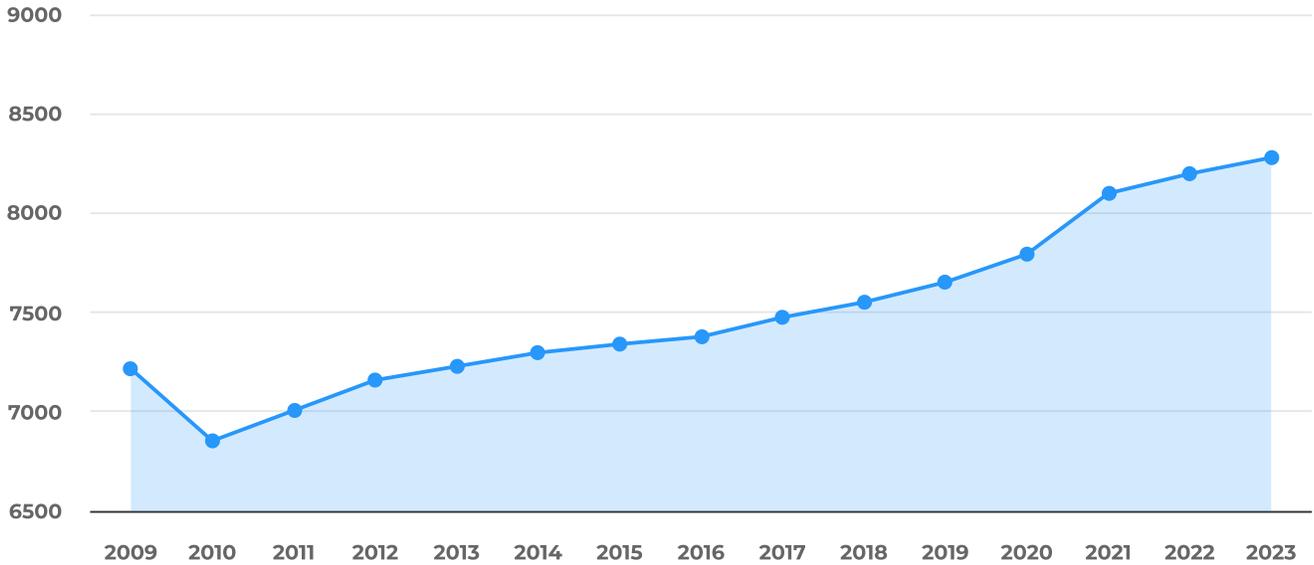
TOTAL POPULATION

**8,279**

**0.99%**  
vs. 2022

GROWTH RANK

**1116** out of **2636** Municipalities in Minnesota



*\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



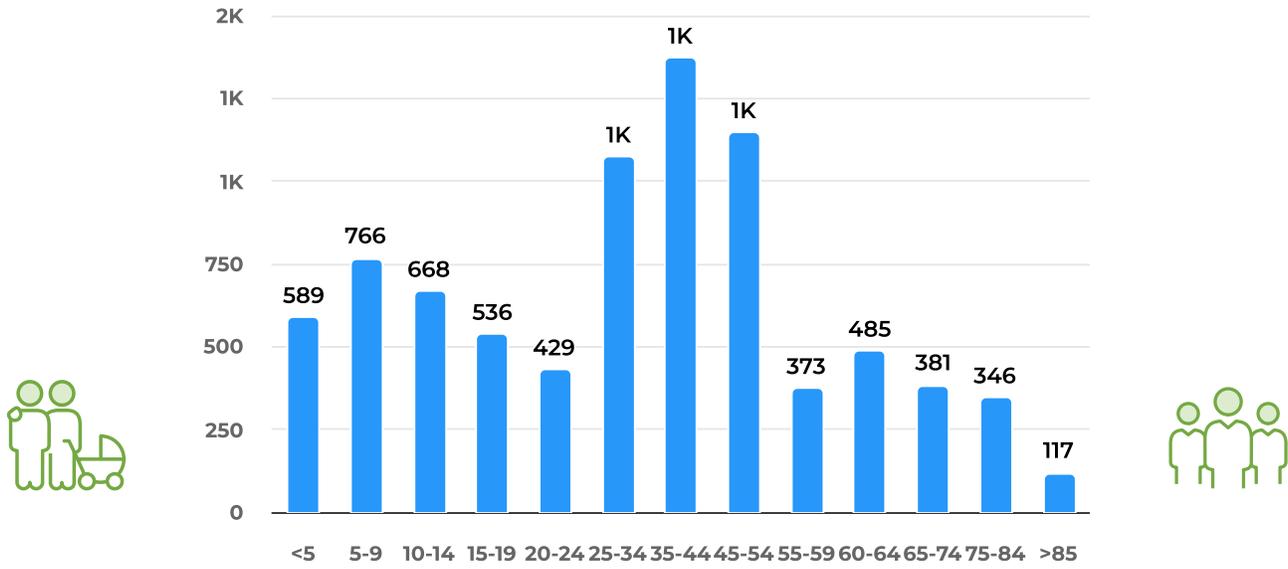
DAYTIME POPULATION

**6,088**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

*\* Data Source: American Community Survey 5-year estimates*

### POPULATION BY AGE GROUP



*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

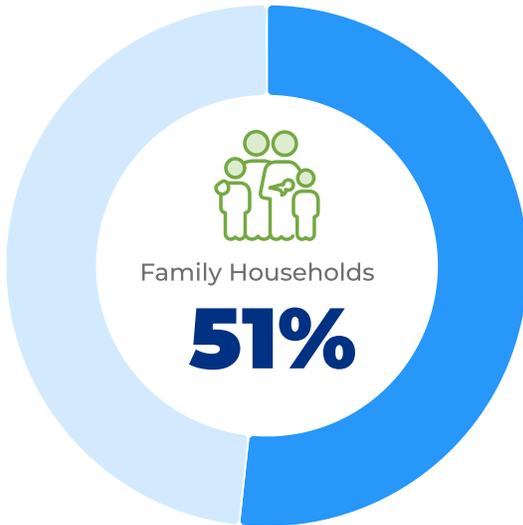
*\* Data Source: American Community Survey 5-year estimates*

# Household

TOTAL HOUSEHOLDS

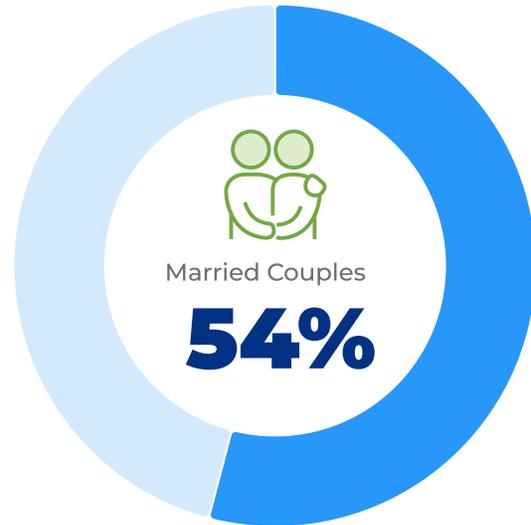
# 2,893

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



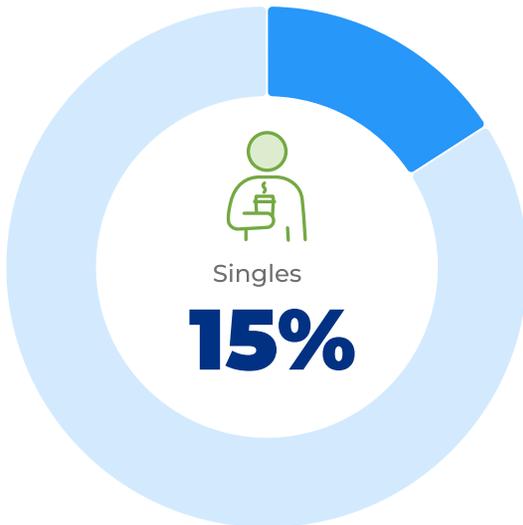
**-5%**

lower than state average



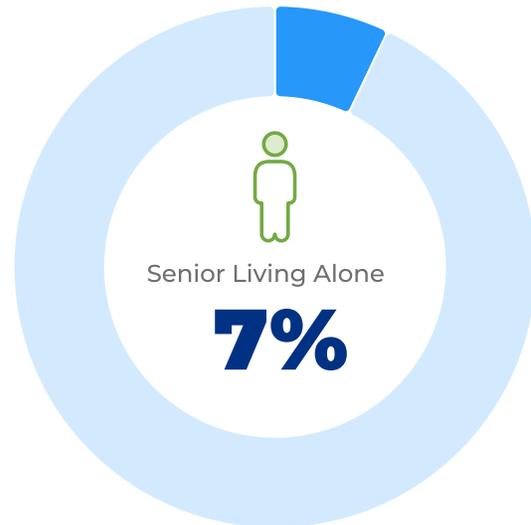
**6%**

higher than state average



**-44%**

lower than state average



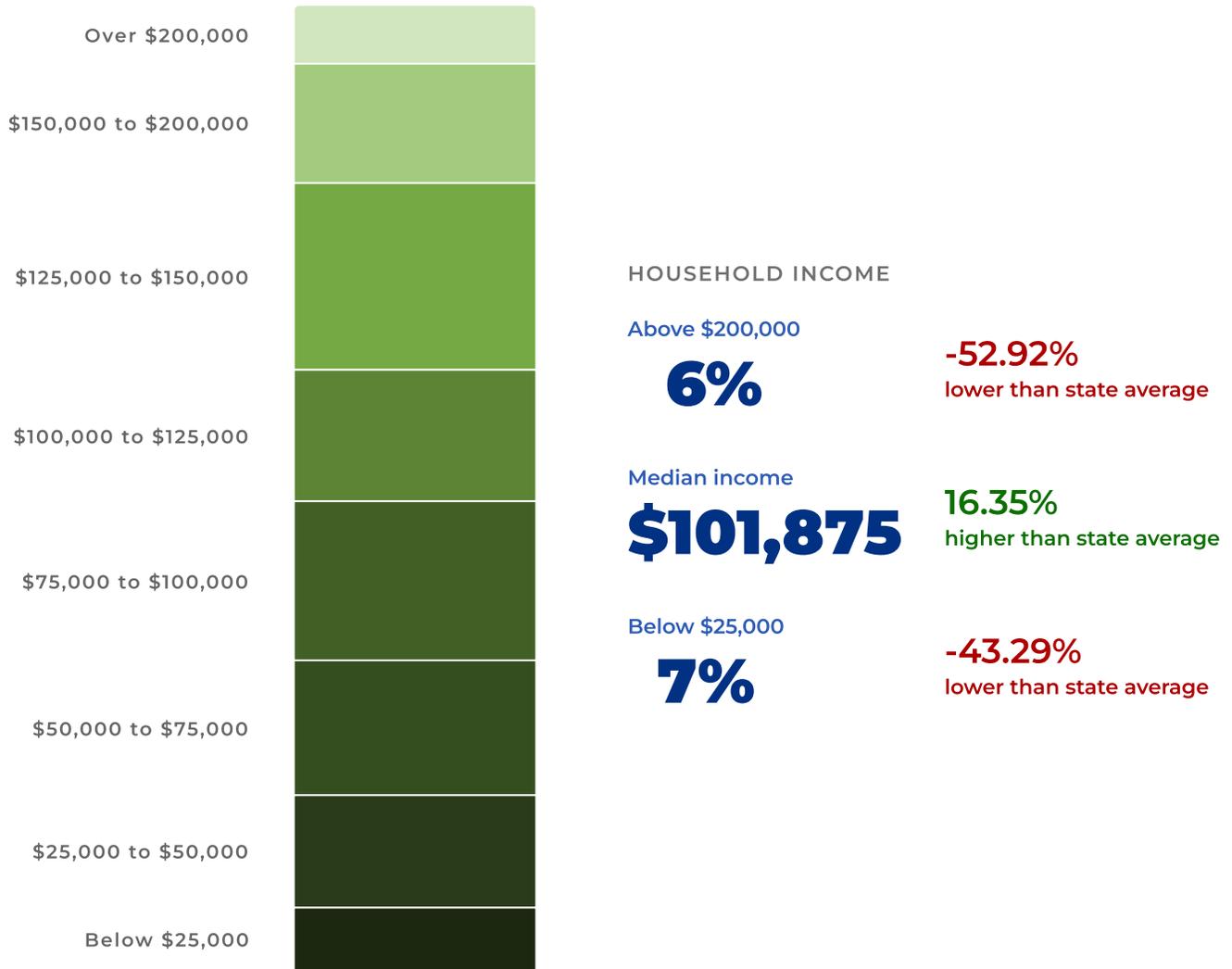
**-41%**

lower than state average

*\* Data Source: American Community Survey 5-year estimates*

# Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



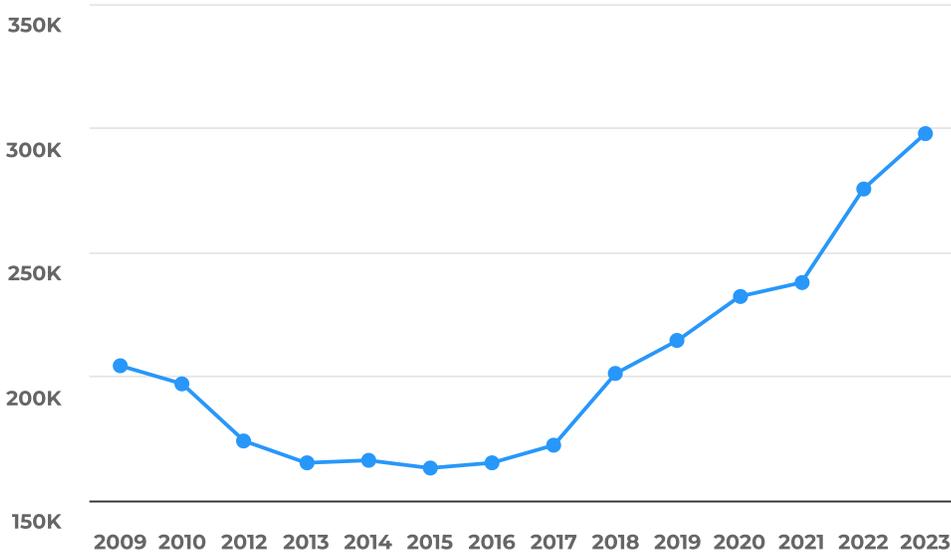
*\* Data Source: American Community Survey 5-year estimates*

# Housing



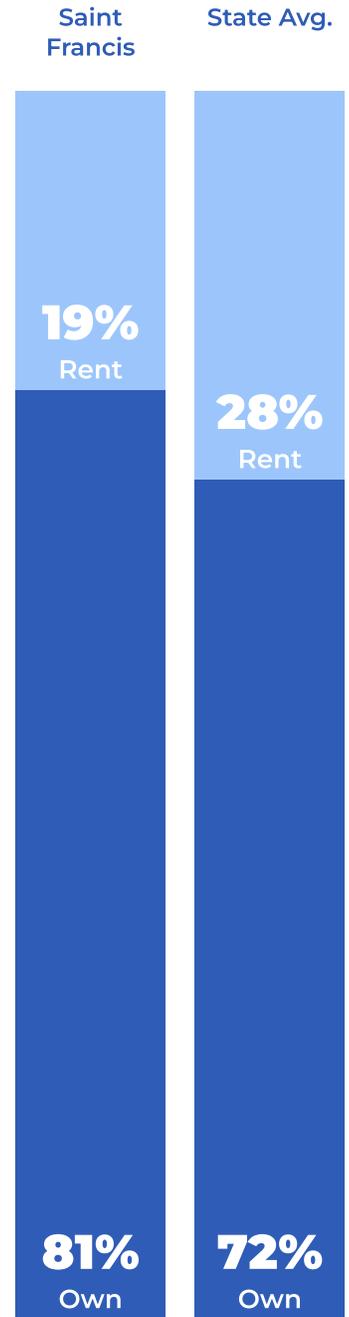
2023 MEDIAN HOME VALUE

**\$297,800**



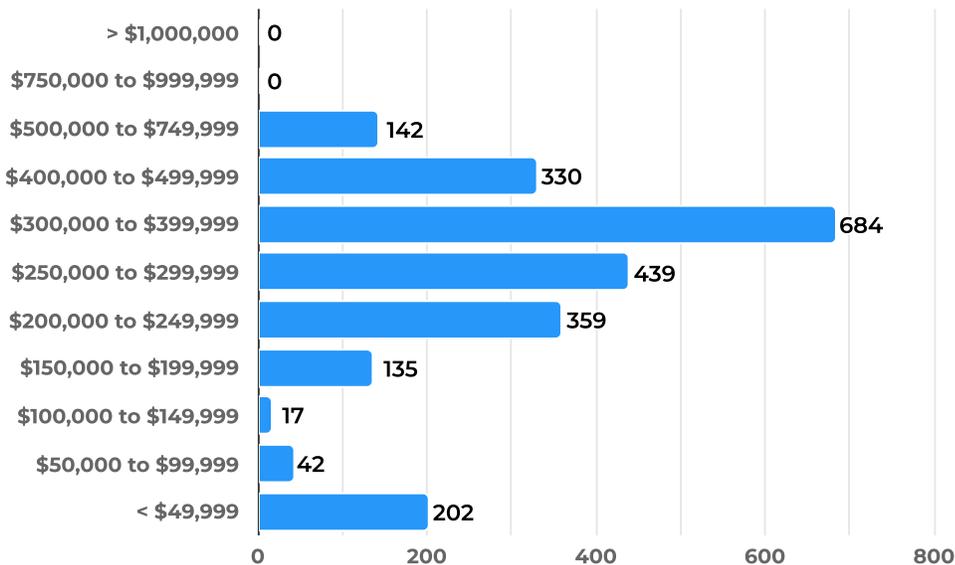
*\* Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

## HOME OWNERS VS RENTERS



*\* Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

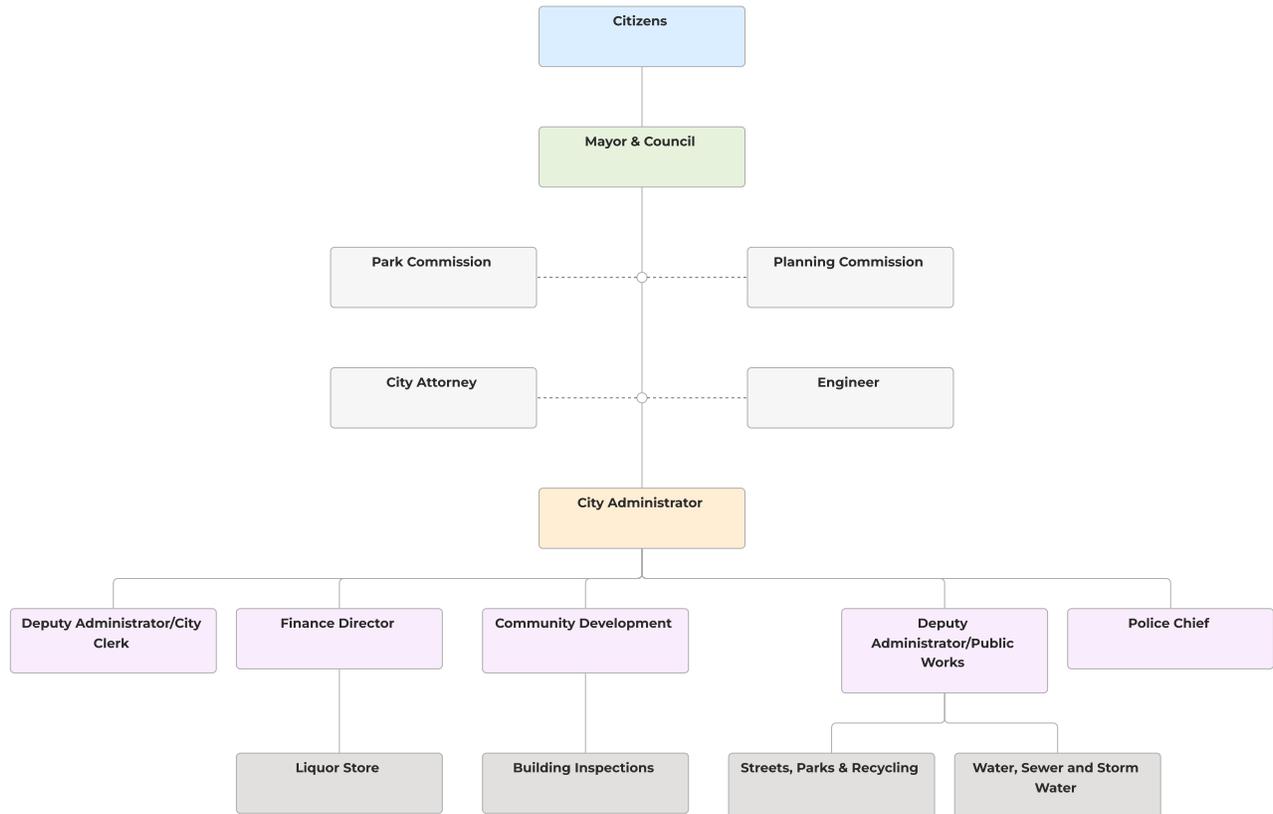
## HOME VALUE DISTRIBUTION



*\* Data Source: 2023 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

# Organizational Chart

## Organizational Chart



## Principal City Officials

December, 2025

### *City Council*

<b>Seat</b>	<b>Name</b>	<b>Term Expires</b>
Mayor	Mark Vogel	12/31/2026
Council Member	Joe Muehlbauer	12/31/2028
	Kevin Robinson	12/31/2026
	Sarah Udvig	12/31/2026
	Amy Fannes	12/31/2028

### *City Managerial Staff*

<b>Employee</b>	<b>Position</b>	<b>Date Appointed</b>
Kate Thunstrom	City Administrator	5/30/2022
Darcy Mulvihill	Finance Director	6/28/2010
Jenni Wida	Deputy Administrator/City Clerk	1/19/2022
Todd Schwieger	Police Chief	12/5/2016
Paul Carpenter	Deputy Administrator/Public Works Director	5/31/2022
Jodie Steffes	Community Development Director	10/21/2025
Joe Pfeifer	Liquor Store Manager	11/13/2023

# Fund Structure

The following is a description of the funds that are subject to appropriation, for which financial plans and budget appropriations are prepared annually. These funds are the General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds.

## GENERAL FUND

The General Fund is the City's primary operating fund. It accounts for all financial transactions not properly accounted for in any other fund, including most of the basic governmental services. The expenditures from the General Fund account for the majority of primary services provided by the City in the areas of public safety, parks and recreation, street maintenance, planning, engineering and general government. In 2012, the Bi-Centennial and the Pioneer Days Special Revenue Funds were moved into the General Fund.

## SPECIAL REVENUE FUNDS

This type of fund accounts for services and expenditures where revenue is restricted for a designated purpose. The City maintains the following Special Revenue Funds:

- **Police Forfeiture Fund** – proceeds from the sale of forfeited vehicles which is legally restricted for the purchase of police equipment.

## CAPITAL PROJECTS FUNDS

Capital projects funds account for the acquisition and construction of major capital facilities and equipment (except those financed by proprietary funds). This includes expenditures relating to street projects and economic development. The City maintains the following Capital Projects Funds:

- **Capital Projects/Equipment** – funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.
- **Park Fund** – for the development of new City parks and improvement of existing parks. Revenue is primarily from park development fees.
- **Gambling Fund** – activity associated with the 10% contribution from the net gambling proceeds from the charitable organizations in the city.
- **Building Improvement**—accounts for financial resources to finance future building improvements
- **Street Improvements**-- accounts for financial resources to finance future street improvements
- **Storm Water Fund**—receives its revenues from the tax levy which was change for Budget year 2026



## DEBT SERVICE FUNDS

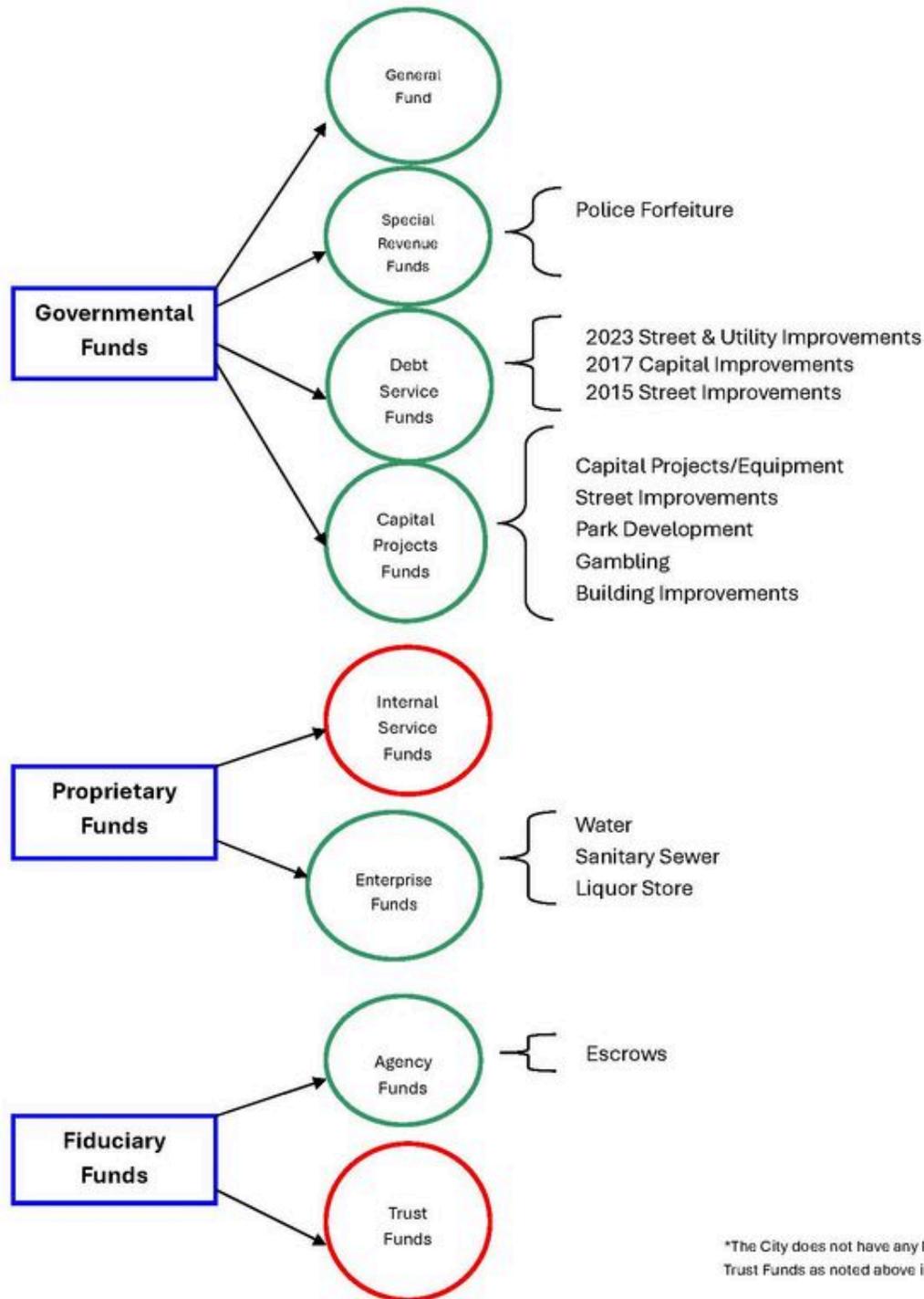
Debt service funds account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal, interest and fiscal agents' fees. Enterprise fund debt is accounted for in the individual enterprise fund.

## ENTERPRISE FUNDS

Enterprise funds account for our business-type activities. These activities provide services where most or all of the costs are recovered through user fees and charges. The City maintains the following Enterprise Funds:

- **Water Fund** – receives its revenues from charges to property owners to provide water utilities, fund operations and maintain infrastructure.
- **Sewer Fund** – receives its revenues from charges to property owners to provide sewer utilities, fund operations and maintain infrastructure.
- **Liquor Fund** – accounts for the costs associated with the City's liquor operations.

# Fund Structure



# Fund/Department Relationship

### City of St. Francis Funds and Departments Relationship

	General Government	Public Safety	Public Works	Culture & Recreation	Community Development	Miscellaneous	Liquor
<b><u>General Fund</u></b>	X	X	X	X	X	X	
<b><u>Special Revenue Funds</u></b>							
Police Forfeiture		X					
<b><u>Debt Service Funds</u></b>							
2023 GO Capital Improvements	X						
2017 GO Capital Improvements	X						
2015 Street Improvements	X						
<b><u>Capital Projects Funds</u></b>							
Capital Projects		X	X	X			
Street Improvements			X				
Park Development				X			
Building Improvements	X						
Storm Water			X				
Gambling		X					
<b><u>Proprietary Funds</u></b>							
Water			X				
Sewer			X				
Liquor							X

# Personnel Positions

For the 2025 budget year, the city added a facility technician position to manage/clean all the buildings the city owns. In 2024, an administrative captain position in the fire department was added. For 2026, the fire department became its own district so those employees were removed from the city schedule.

<b>LISTING OF PERSONNEL POSITIONS</b>			
<b>BUDGETED FULL-TIME REGULAR EMPLOYEES 2024-2026</b>			
	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b><u>CITY ADMINISTRATION</u></b>			
City Administrator	1.00	1.00	1.00
Deputy Administrator/City Clerk	1.00	1.00	1.00
Receptionist/Office Support	1.00	1.00	1.00
City Administration Department Total	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
<b><u>FINANCE</u></b>			
Finance Director	1.00	1.00	1.00
Office Support	1.00	1.00	1.00
Finance Department Totals	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<b><u>COMMUNITY DEVELOPMENT</u></b>			
Community Development Director	1.00	1.00	1.00
Community Development Specialist	1.00	1.00	1.00
Community Development Totals	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<b><u>BUILDING INSPECTIONS</u></b>			
Building Inspector	1.00	1.00	1.00
<b><u>Building Maintenance</u></b>			
Facility Technician	0.00	1.00	1.00
<b><u>POLICE DEPARTMENT</u></b>			
Police Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Police Records Clerk	1.00	1.00	1.00
Sergeant	2.00	2.00	2.00
Investigator	1.00	1.00	1.00
Police Officer	8.00	8.00	8.00
Police Department Total	<u>14.00</u>	<u>14.00</u>	<u>14.00</u>
<b><u>FIRE DEPARTMENT</u></b>			
Fire Chief	1.00	1.00	0.00
Administrative Captain	1.00	1.00	0.00
Fire Department Total	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
<b><u>Public Works (Including Water/Sewer)</u></b>			
Deputy Administrator/Public Works Director	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Streets/Parks Supervisor	1.00	1.00	1.00
Water/Wastewater Supervisor	1.00	1.00	1.00
Water/Wastewater Operator	3.00	3.00	3.00
Streets & Parks Worker	3.00	3.00	3.00
	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
<b><u>MUNICIPAL LIQUOR STORE</u></b>			
Liquor Store Manager	1.00	1.00	1.00
Liquor Store Asst. Manager	1.00	1.00	1.00
Liquor Clerk-Fulltime	1.00	1.00	1.00
Municipal Liquor Store Total	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
<b>TOTAL</b>	<u>37.00</u>	<u>38.00</u>	<u>36.00</u>

# Executive Summary

# Budget Overview

## Challenges for the 2026 Budget

Levy – For the 2026 tax levy, the Market Value Exclusion program continues. This program gives homestead properties valued at less than \$520,000, an exclusion of the market value from property taxes. This shifted the taxes that would have been paid by this part of the excluded property mostly onto commercial and industrial properties. The city council raised the tax levy rate from 53.899% in 2025 to an estimated rate of 59.263% in 2026. The levy for 2026 is \$7,180,000. This was an increase of \$995,000. One big change that affected the levy was the Storm Water Fund went from a fee based fund to a levy based fund. This change added \$300,000 to the overall levy.

State aid –Local Government Aid was increased by \$1,959 for a total of \$648,100 in 2026.

Maintaining a competitive employee compensation and benefit package – In an effort to attract and retain high-performing employees, the City makes great effort to ensure that the City’s compensation and benefit package is commensurate with peer communities. During 2024, the city council authorized a compensation study done by Abdo. Their recommendations were put into place for the non-union employees. Bringing the city up to market rate. Along with this, the council authorized a 3% COLA for these employees. The two police unions, Sergeants and Officers, were renegotiated, and those unions received a market increase and a COLA also. Their contracts are from 2025 to 2027. During 2025, the last union, Public Works, negotiated their next contract.

## Revenues up by 10.6%

The 2026 budget anticipates revenues in the amount of \$117,292,736, an increase of \$1,657,336 (10.6%) from 2025. The increase is mainly due to the increase in the 2026 levy, the increase in LGA and an increase Water/Sewer charges. The City also continues to review its fee schedule to determine what, if any, changes need to be implemented in future years to water and sewer rates.

Fund	2025	2026	\$ Change	% Change
General	\$5,751,000	\$6,568,250	\$817,250	14.21%
Special Revenue	0	\$2,000	\$2,000	100%
Debt	\$1,273,000	\$1,267,000	(\$6,000)	(0.47%)
Capital	\$1,732,100	\$1,815,906	\$542,906	4.84%
Enterprise	\$6,879,300	\$7,639,580	\$760,280	11.05%
<b>Total</b>	<b>\$15,635,400</b>	<b>\$17,292,736</b>	<b>\$1,657,336</b>	<b>10.6%</b>

## Expenditures up by 5.4%

Expenditures in the 2026 Budget are up by 5.4% or \$819,791 than 2025. This is attributed to rising costs in the General Fund 2026.

Fund	2025	2026	\$ Change	% Change
<b>General</b>	\$5,751,000	\$6,568,250	\$817,250	14.21%
<b>Special Revenue</b>	0	0	0	0%
<b>Debt</b>	\$1,037,413	\$1,306,395	\$268,982	25.93%
<b>Capital</b>	\$1,584,975	\$1,068,606	(\$516,369)	(32.58%)
<b>Enterprise</b>	\$6,812,283	\$7,062,211	\$249,928	3.67%
<b>Total</b>	\$15,185,671	\$16,005,462	\$819,791	5.4%

## Tax levy Increased for 2026

The City's tax levy for 2026 is \$7,180,000, which is an increase of \$995,000 over the 2025 levy. The median home value in the City of St. Francis decreased from \$284,701 in 2025 to \$321,300 in 2026. A median home will pay an estimated \$1,800/year for 2026 city taxes. The following table summarizes the estimated tax impact on homestead residential homes, based on the 2026 tax levy. This assumes no change in property valuations from year to year.

Total Market Value	2025 Actual Yearly City Taxes	2026 Proposed Yearly City Taxes
<u>Residential Property:</u>		
\$150,000	\$630.62	\$693.38
\$200,000	\$924.37	\$1,016.36
\$321,300	\$1,636.91	\$1,799.82
\$350,000	\$1,805.62	\$1,985.31
\$450,000	\$2,393.12	\$2,631.28
\$550,000	\$2,964.45	\$3,259.47
Increase to Taxes		
<u>Residential Property:</u>		
\$150,000		\$62.76
\$200,000		\$91.99
\$321,300		\$162.91
\$350,000		\$179.69
\$450,000		\$238.16
\$550,000		\$295.02

County assessors value all property in the city annually. There is a lag between when the property value is set and when the taxes are paid. For example, the market values that are set in 2025 are the basis for the taxes payable in 2026. The total of all the individual market values determines the total market value of the city. After the estimated market value is determined, the amount of market value exclusion is determined. This exclusion only applies to homestead residential properties. The full market value exclusion amount is \$38,000. This is 40% of \$95,000. Any value over \$95,000 loses 9% of the exclusion. The calculation for a \$200,000 house is as follows:

$$\mathbf{\$38,000 - ((\$200,000 - \$95,000) \times .09) = \$28,550}$$

The \$28,550 is then subtracted from the \$200,000 to determine the property's taxable market value (TMV):

$$\mathbf{\$200,000 - \$28,550 = \$171,450}$$

The taxable market value is then taken times the class rate of 1% (See table following to see class rates) to determine

the net tax capacity (NTC):

$$\$171,450 \times .01 = \$1,715$$

Then the net tax capacity rate is taken times the total tax rate to determine the taxes for the property. On non-homestead properties, the estimated market value is taken times the class rate and then taken times the tax rate to determine the tax amount.

Property Type	Payable 2025 Class Rate
<b>Homestead</b>	
0 to \$500,000	1.00%
Over \$500,000	1.25%
<b>Non-Homestead (Single Family)</b>	
0 to \$500,000	1.00%
Over \$500,000	1.25%
<b>Apartments</b>	
Regular	1.25%
Low Income	0.75%
<b>Commercial/Industrial</b>	
0 to \$150,000	1.50%
Over \$150,000	2.00%

When the City of St. Francis levies property taxes, the amount levied is allocated to property owners based on the tax capacity of their property. The total tax capacity is computed by factoring adjustments for tax increment districts and fiscal disparities. The adjustment for tax increment districts reduces the tax base for the value of the new development in a specified area. This allows the city to use the additional property taxes generated by the development to pay for certain expenses. The adjustment in tax base for fiscal disparities provides for sharing throughout the Twin Cities metropolitan area of a percentage of the growth in commercial and industrial tax base values. The growth contributes to an area-wide tax base pool. A distribution index, based on the factors of population and property market value per capita, is used to allocate the area-wide tax base pool back to each taxing district. The following table provides a breakdown of St. Francis' tax base values:

	2024	2025	2026
Estimated Market Value	976,126,700	995,745,600	1,070,493,500
Taxable Market Value	938,191,612	935,748,616	1,004,624,941
Tax Capacity	9,876,609	9,855,479	10,595,593

The tax capacity is calculated by dividing the tax levy amount by the total tax capacity of the city's tax base. This rate is then applied to the tax capacity of the property to determine the amount of taxes due. The tax capacity rate for the city property tax levy for the past few years has been as follows:

Year	Tax Levy %
2022	51.146%
2023	44.719%
2024	50.065%
2025	53.686%
2026	59.263%

Using the prior example of a single family home with an estimated market value of \$200,000, the approximate city tax for 2026 would be:

$$\mathbf{\$1,715 \times 59.263\% = \$1,016.36}$$

There are other factors taken into consideration when computing the final tax amount. This example is intended to give an estimate of the city's property tax amount. City property taxes are only a portion of the total tax bill for property owners. In Minnesota, property taxes are also levied by school districts, counties, and miscellaneous taxing districts. The property tax bill for each property owner is equal to each taxing district's tax rate multiplied by the property value and then added together.

## Staffing

The number of full-time positions decreased by 2 for the 2026 budget year. This is due to the fire department becoming its own district and not part of the city.

## General Fund Fund Balance will be 60.3% of Budget

The State Auditor recommends that cities maintain unreserved fund balances in their general fund of approximately 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures. The 2026 budget projects a fund balance of 60.3% of fund operating revenues and 7.2 months of operating expenditures. This should provide a sufficient balance to cover cash flow needs and unexpected expenditures.

## Debt Service Funds

The City has three debt service funds to account for debt. Fund 327 accounts for the 2015 bonds related to street improvements. This fund is funded through property taxes and special assessments. The other two funds are the 2017 GO Capital Improvement Bonds and the 2023 GO Capital Improvement Bonds. These bonds are repaid through property taxes and transfers.

Debt for the Water and Sewer Enterprise funds is accounted for in the respective funds.

Outstanding debt on December 31, 2025 is calculated at \$34,278,000.

## Capital Improvements

The 2026 Budget implements the first year of the 2026-2030 Capital Improvement Plan (CIP) adopted by the City Council on August 5, 2025. This five-year plan is updated annually through a comprehensive capital needs planning process. Some of the projects listed in the CIP are not included in the annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. The plan link is:

[https://www.stfrancismn.gov/sites/default/files/fileattachments/finance/page/2931/capital\\_improvement\\_plan\\_2026-2030.pdf](https://www.stfrancismn.gov/sites/default/files/fileattachments/finance/page/2931/capital_improvement_plan_2026-2030.pdf)

# Utility rates

Water and sewer rates are set with the knowledge that predicting income is far more difficult than predicting expense and capital costs. In setting rates, the City expects fluctuations in consumption from year to year, and therefore expects a net loss in some years and a net profit in others. The rate setting process is designed to make gradual changes in rates whenever possible, focusing on a long-term strategy.

Utility rate history (usage is per 1,000 gallons; base is per equivalent connection):

	<u>11/1/15</u>	<u>12/1/16</u>	<u>2018</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>Water</b>							
Base	16.50	19.80	14.55	15.28	16.04	16.04	20.05
Usage	Tiered	Tiered	Tiered	Tiered	Tiered	Tiered	Tiered
MN Test Fee	.53	.53	.81	.81	.81	.81	1.27
<b>Sewer</b>							
Base	17.50	24.50	20.82	21.24	21.66	21.66	22.74
Usage	6.86	9.60	8.16	8.32	8.49	8.49	8.91

MN Statute 103G.291 was amended in 2008 to include a requirement for public water suppliers serving more than 1,000 people to adopt a water rate structure that encourages conservation by January 1, 2010. It was determined that a tiered rate system was the easiest and fairest solution. The following tiered rate system is in place for water usage.

<u>Gallons per Equivalent Connection</u>	<u>Fee per 1,000 gallons</u>
0 – 14,999	\$6.21
15,000 – 29,999	\$6.51
30,000 – 44,999	\$7.63
>= 45,000	\$8.98

MN PFA, the lender on our new Water Treatment Plant, requires that the city collect amounts necessary to produce net revenues adequate to pay all principal and interest when due on the Note. If not, they can require us to have a rate increase or direct us to levy the amount through property taxes. MN PFA is also the lender of our Wastewater Treatment Plant.

## Water and Sewer Funds

Customers are billed for water and sewer charges on a monthly basis. Monthly billing assists in water conservation and leak detection by notifying customers of their usage every 30 days. The City contracts with an outside billing service for its utilities. Unpaid bills are the responsibility of the property owner and are certified to the property taxes each year.

Staff continues to monitor utility revenues to ensure financial stability.

Expenditures from these funds are used for operation and maintenance, debt service, capital improvements, and infrastructure replacement relating specifically to the operation of water and sewer services. Major activities relating to these funds include:

- A Water Treatment Plant was constructed in 2008 with low interest financing provided through the MN Public Facilities Authority.
- A Waste Water Treatment Plant was constructed in 2016 with low interest financing provided through the MN Public Facilities Authority
- A second river crossing vital for uninterrupted water service for those residents on the east side of the Rum River and necessary for efficient watermain system maintenance was completed in 2009.
- Construction of sanitary sewer and water mains to serve properties along Ambassador Boulevard as well as providing development opportunities for existing undeveloped properties was completed in 2011.

## Liquor

The St. Francis Municipal Bottle Shop was established in 1964 and has been a key partner in the operation of the City. Records show that over \$500,000 of store proceeds have been used to support City purchases and various recreational activities within the City. The Bottle Shop has been a proud sponsor of the Pioneer Days fireworks display since 1999 and has also assisted with the financing of the Fire Department building expansion, Woodbury Park gazebo, Fire Department tanker, and various public safety equipment, just to name a few. Gross sales topped \$3 million for the first time in 2023 with gross profit at 24.8%. During 2021, the Liquor Store was remodeled. This added space for sales, storage and employees.

# Financial Management Plan

The city completed a financial management plan in 2023 to work through long-term issues with the city council and try to plan for them. This plan tries to lay out any additional staffing needs and the need to update rates and taxes. This plan looked at the years 2024-2028 and will be updated on a 3 to 4 year schedule.

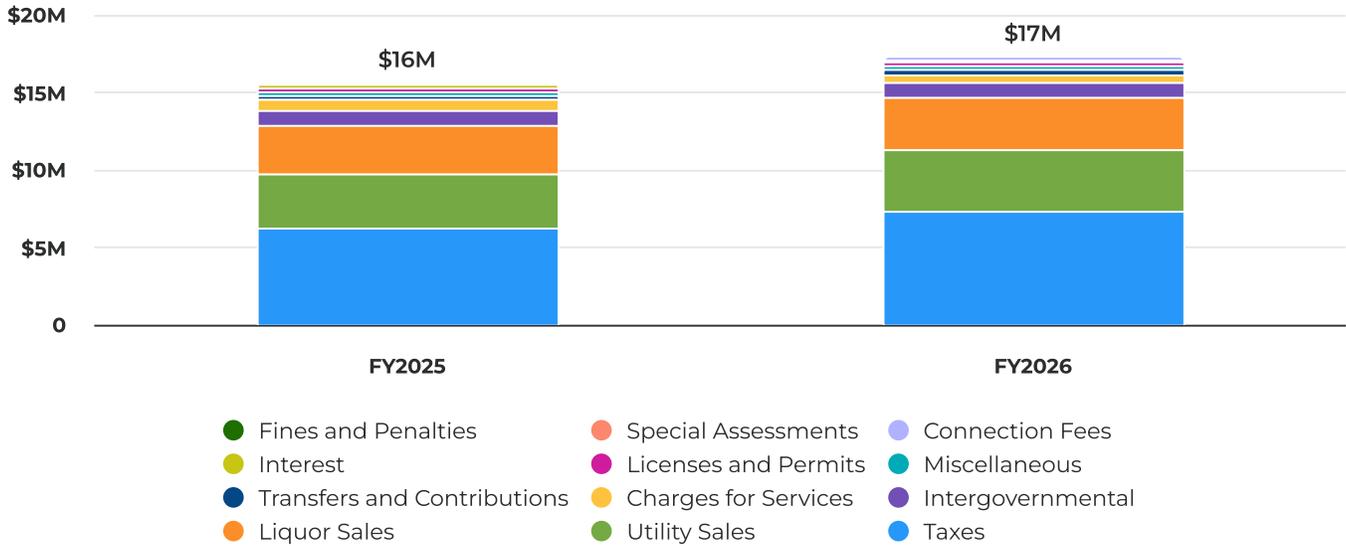
The plan can be found on the city's website at

[https://www.stfrancismn.gov/sites/default/files/fileattachments/finance/page/2901/financial\\_management\\_plan-2023.pdf](https://www.stfrancismn.gov/sites/default/files/fileattachments/finance/page/2901/financial_management_plan-2023.pdf)

# Three Year Consolidated Statement

## Revenue Summary by Source

Historical Revenues by Revenue Account Summary

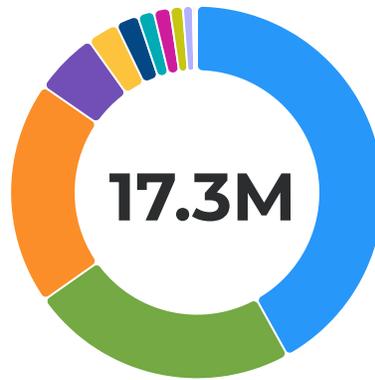


The total revenue for FY2026 is \$17.3 million, reflecting an increase of 10.82% from the prior period. Taxes remain the largest revenue category at \$7.3 million, accounting for 41.93% of the total and increasing by \$1.1 million or 16.93%. Utility Sales follow with \$4 million, representing 23.3% of total revenue and rising by \$480,000 or 13.52%. Liquor Sales contribute \$3.4 million, 19.4% of the total, with a growth of \$225,000 or 7.19%.

Among other notable increases, Connection Fees rose significantly by \$58,780 or 66.72% to \$146,880, while Interest income increased by \$40,000 or 25.97% to \$194,000. Transfers and Contributions grew by \$35,906 or 11.69% to \$343,006, and Licenses and Permits increased by \$8,850 or 3.75% to \$244,950. Intergovernmental revenue showed a slight increase of \$2,800 or 0.3%, totaling \$951,100.

In contrast, Charges for Services experienced the largest decrease, falling by \$179,200 or 27.6% to \$470,100. Special Assessments declined by \$18,000 or 38.3% to \$29,000, Miscellaneous revenue decreased by \$15,900 or 6.1% to \$244,700, and Fines and Penalties dropped slightly by \$300 or 0.9% to \$33,000.

### FY26 Revenues by Revenue Account Summary



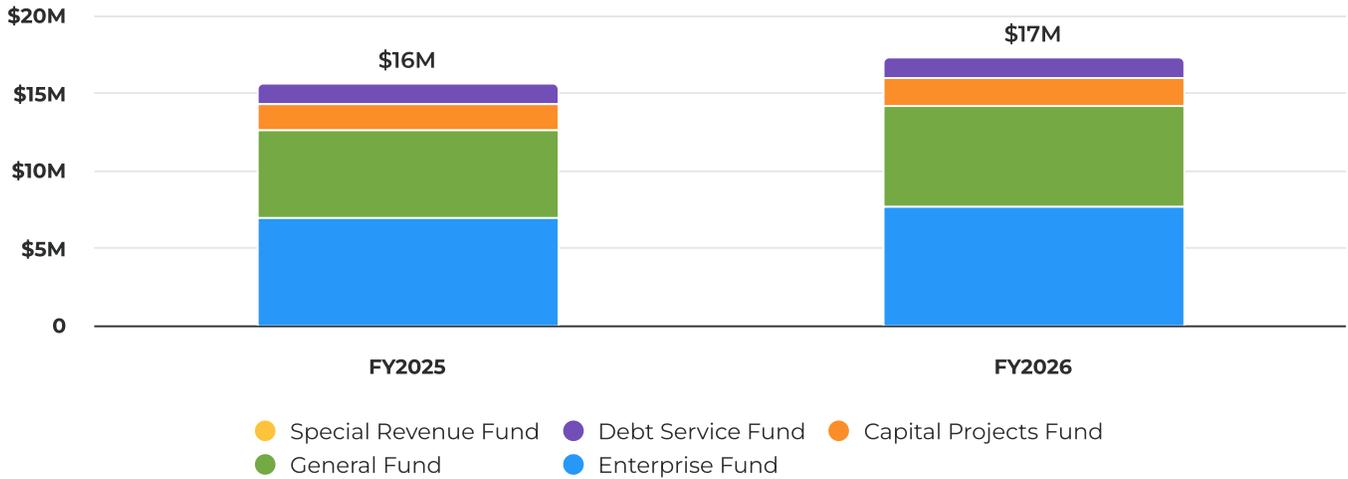
● Taxes	<b>\$7,251,400</b>	41.93%
● Utility Sales	<b>\$4,029,600</b>	23.30%
● Liquor Sales	<b>\$3,355,000</b>	19.40%
● Intergovernmental	<b>\$951,100</b>	5.50%
● Charges for Services	<b>\$470,100</b>	2.72%
● Transfers and Contributions	<b>\$343,006</b>	1.98%
● Licenses and Permits	<b>\$244,950</b>	1.42%
● Miscellaneous	<b>\$244,700</b>	1.42%
● Interest	<b>\$194,000</b>	1.12%
● Connection Fees	<b>\$146,880</b>	0.85%
● Fines and Penalties	<b>\$33,000</b>	0.19%
● Special Assessments	<b>\$29,000</b>	0.17%

### Revenues by Revenue Account Summary

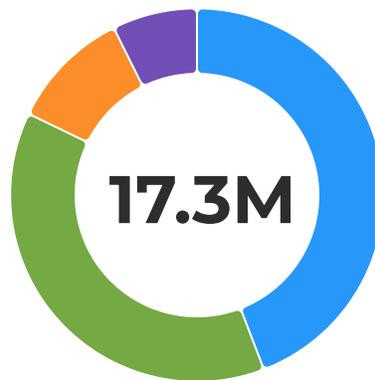
Category	FY 2024 Actual	FY 2025 Adopted	FY 2026 Budgeted
Taxes	\$5,678,508.11	\$6,201,400.00	\$7,251,400.00
Licenses and Permits	\$379,630.84	\$236,100.00	\$244,950.00
Charges for Services	\$733,759.82	\$649,300.00	\$470,100.00
Intergovernmental	\$1,903,735.35	\$948,300.00	\$951,100.00
Fines and Penalties	\$38,850.39	\$33,300.00	\$33,000.00
Special Assessments	\$57,745.65	\$47,000.00	\$29,000.00
Interest	\$1,047,759.71	\$184,600.00	\$194,000.00
Miscellaneous	\$380,579.90	\$260,600.00	\$244,700.00
Transfers and Contributions	\$307,058.00	\$307,100.00	\$343,006.00
Utility Sales	\$3,503,296.26	\$3,549,600.00	\$4,029,600.00
Connection Fees	\$918,368.60	\$88,100.00	\$146,880.00
Liquor Sales	\$3,263,225.66	\$3,130,000.00	\$3,355,000.00
Sale of Property	\$44,513.08	-	-
<b>Total Revenues</b>	<b>\$18,257,031.37</b>	<b>\$15,635,400.00</b>	<b>\$17,292,736.00</b>

# Revenue Summary by Fund Category

### Historical Revenues by Fund Summary 1



### FY26 Revenues by Fund Summary 1



Enterprise Fund	<b>\$7,639,580</b>	44.18%
General Fund	<b>\$6,568,250</b>	37.98%
Capital Projects Fund	<b>\$1,815,906</b>	10.50%
Debt Service Fund	<b>\$1,267,000</b>	7.33%
Special Revenue Fund	<b>\$2,000</b>	0.01%

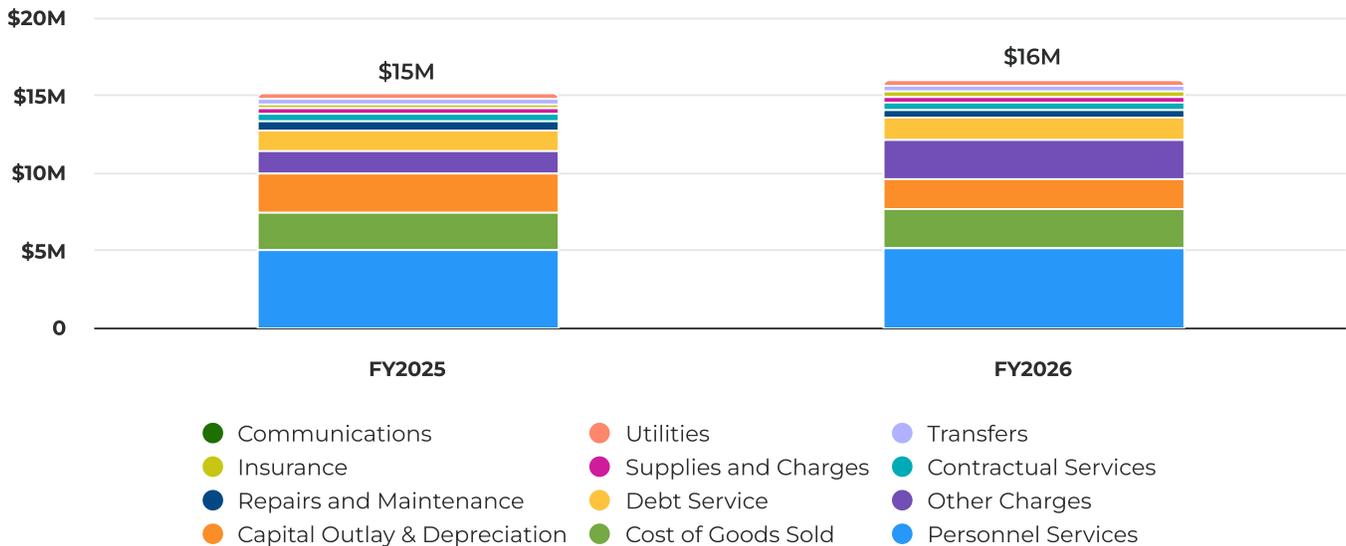
## Revenues by Fund Summary

Category	FY 2024 Actual	FY 2025 Adopted	FY 2026 Budgeted
<b>General Fund</b>	\$6,020,087.24	\$5,751,000.00	\$6,568,250.00
General Fund	\$6,020,087.24	\$5,751,000.00	\$6,568,250.00
<b>Special Revenue Fund</b>	\$3,126.25	-	\$2,000.00
Police Forfeiture	\$250.00	-	-
EDA	\$2,876.25	-	\$2,000.00
<b>Capital Projects Fund</b>	\$2,632,372.83	\$1,732,100.00	\$1,815,906.00
Gambling Fund	\$50,518.70	\$35,000.00	\$35,000.00
Park Dedication Fund	\$25,850.49	\$1,000.00	\$1,000.00
Park Fund	\$480,884.64	\$200,000.00	\$250,000.00

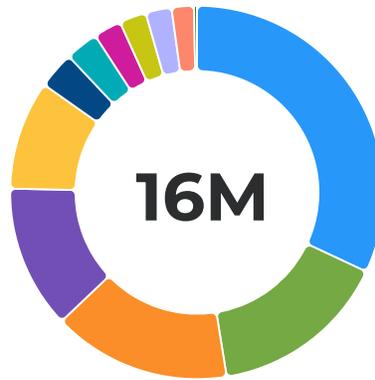
Category	FY 2024 Actual	FY 2025 Adopted	FY 2026 Budgeted
Capital Equipment Fund	\$470,554.17	\$420,000.00	\$235,000.00
Building Improvement Fund	\$315,803.44	\$55,000.00	\$60,000.00
Street Improvement Fund	\$971,397.32	\$769,100.00	\$924,906.00
Storm Water Fund	\$317,364.07	\$252,000.00	\$310,000.00
<b>Debt Service Fund</b>	<b>\$1,357,947.68</b>	<b>\$1,273,000.00</b>	<b>\$1,267,000.00</b>
2015 Debt Service	\$36,003.03	\$6,000.00	-
2017 Refunding Bonds	\$497,378.39	\$476,000.00	\$476,000.00
2023 GO Capital Improvement Bonds	\$824,566.26	\$791,000.00	\$791,000.00
<b>Enterprise Fund</b>	<b>\$8,243,497.37</b>	<b>\$6,879,300.00</b>	<b>\$7,639,580.00</b>
Water Fund	\$2,165,090.76	\$1,711,400.00	\$2,031,900.00
Sewer Fund	\$2,733,953.56	\$2,027,400.00	\$2,242,180.00
Liquor Fund	\$3,344,453.05	\$3,140,500.00	\$3,365,500.00
<b>Total Revenues</b>	<b>\$18,257,031.37</b>	<b>\$15,635,400.00</b>	<b>\$17,292,736.00</b>

## Expenditures by Classification

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



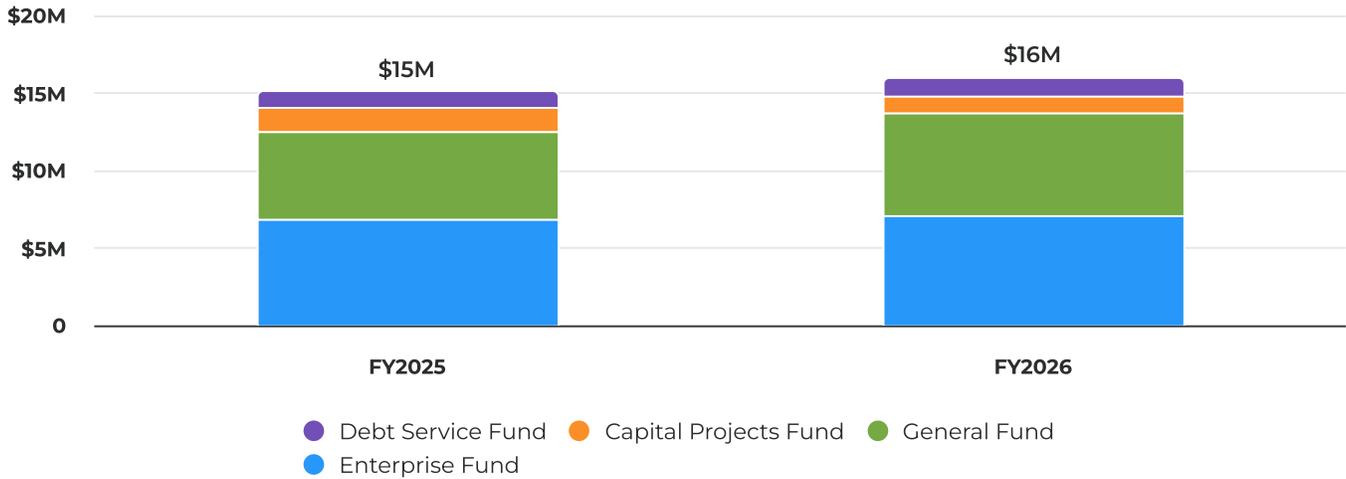
● Personnel Services	<b>\$5,117,490</b>	31.97%
● Cost of Goods Sold	<b>\$2,477,000</b>	15.48%
● Other Charges	<b>\$2,473,010</b>	15.45%
● Capital Outlay & Depreciation	<b>\$1,988,306</b>	12.42%
● Debt Service	<b>\$1,512,200</b>	9.45%
● Repairs and Maintenance	<b>\$513,000</b>	3.21%
● Contractual Services	<b>\$459,800</b>	2.87%
● Transfers	<b>\$383,006</b>	2.39%
● Supplies and Charges	<b>\$373,750</b>	2.34%
● Insurance	<b>\$357,800</b>	2.24%
● Utilities	<b>\$312,000</b>	1.95%
● Communications	<b>\$38,100</b>	0.24%

### Expenditures by Expense Account Summary

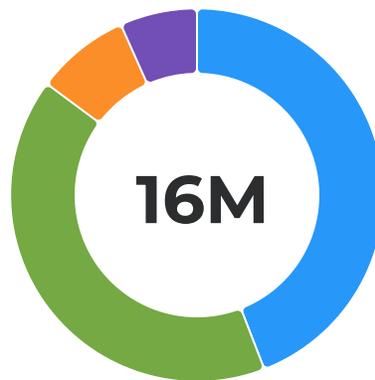
Category	FY 2024 Actual	FY 2025 Adopted	FY 2026 Budgeted
Personnel Services	\$4,901,151.47	\$5,090,100.00	\$5,117,490.00
Insurance	\$327,868.83	\$341,700.00	\$357,800.00
Supplies and Charges	\$322,279.74	\$355,300.00	\$373,750.00
Cost of Goods Sold	\$2,387,832.57	\$2,376,100.00	\$2,477,000.00
Contractual Services	\$443,580.44	\$458,600.00	\$459,800.00
Other Charges	\$1,474,452.00	\$1,479,700.00	\$2,473,010.00
Repairs and Maintenance	\$556,997.07	\$549,400.00	\$513,000.00
Capital Outlay & Depreciation	\$12,548,505.75	\$2,546,875.00	\$1,988,306.00
Communications	\$42,648.11	\$40,500.00	\$38,100.00
Utilities	\$264,227.93	\$329,500.00	\$312,000.00
Debt Service	\$1,334,850.82	\$1,310,796.00	\$1,512,200.00
Transfers	\$357,936.68	\$307,100.00	\$383,006.00
<b>Total Expenditures</b>	<b>\$24,962,331.41</b>	<b>\$15,185,671.00</b>	<b>\$16,005,462.00</b>

# Expenditures by Fund

## Historical Expenditures by Fund Summary 1



## FY26 Expenditures by Fund Summary 1



Enterprise Fund	<b>\$7,062,211</b>	44.12%
General Fund	<b>\$6,568,250</b>	41.04%
Debt Service Fund	<b>\$1,306,395</b>	8.16%
Capital Projects Fund	<b>\$1,068,606</b>	6.68%

## Expenditures by Fund Summary 1

Category	FY 2024 Actual	FY 2025 Adopted	FY 2026 Budgeted
<b>General Fund</b>	\$5,598,315.86	\$5,751,000.00	\$6,568,250.00
General Fund	\$5,598,315.86	\$5,751,000.00	\$6,568,250.00
<b>Capital Projects Fund</b>	\$11,631,900.11	\$1,584,975.00	\$1,068,606.00
Public Safety Funds	\$119,891.92	-	-
Gambling Fund	\$56,162.80	-	-
Park Fund	\$205,955.43	-	-
Capital Equipment Fund	\$319,135.43	\$1,007,275.00	\$624,406.00
Building Improvement Fund	\$10,424,605.06	-	-
Street Improvement Fund	\$328,344.06	\$339,000.00	\$163,300.00

Category	FY 2024 Actual	FY 2025 Adopted	FY 2026 Budgeted
Storm Water Fund	\$177,805.41	\$238,700.00	\$280,900.00
<b>Debt Service Fund</b>	<b>\$1,008,323.57</b>	<b>\$1,037,413.00</b>	<b>\$1,306,395.00</b>
2015 Debt Service	\$32,825.00	\$31,825.00	\$61,831.00
2017 Refunding Bonds	\$465,656.26	\$460,981.00	\$461,082.00
2023 GO Capital Improvement Bonds	\$509,842.31	\$544,607.00	\$783,482.00
<b>Enterprise Fund</b>	<b>\$6,723,791.87</b>	<b>\$6,812,283.00</b>	<b>\$7,062,211.00</b>
Water Fund	\$1,369,615.16	\$1,387,944.00	\$1,400,543.00
Sewer Fund	\$2,224,987.76	\$2,288,639.00	\$2,332,268.00
Liquor Fund	\$3,129,188.95	\$3,135,700.00	\$3,329,400.00
<b>Total Expenditures</b>	<b>\$24,962,331.41</b>	<b>\$15,185,671.00</b>	<b>\$16,005,462.00</b>

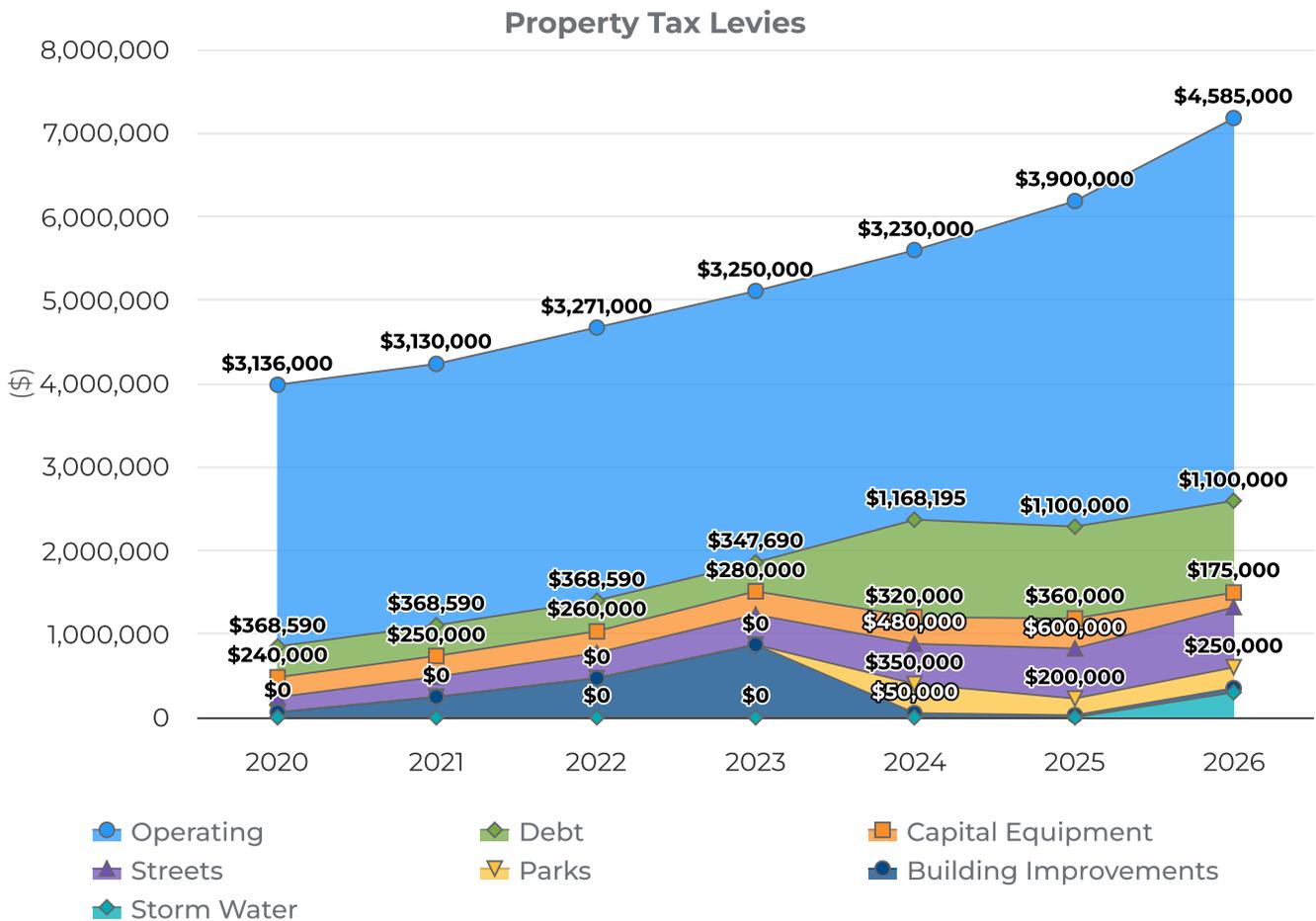
# Revenue Sources

The City is dependent on the resources that generate revenue to provide for the different services that our residents receive. This dependency is the limiting factor on what services can be provided. These services range from the basic services of public safety and road maintenance to services enhancing the quality of life such as parks and community events. Our resources to generate revenues are affected by a number of factors, including City, State and Federal laws, rates, demographics, and economic conditions. The following provides a summary of the different revenue sources.

## Taxes

Tax revenues consist of property taxes (current and delinquent), tax increments and penalties and interest. This revenue source is primarily used in the General Fund and is set at a level to raise adequate revenue for the operating budget when combined with other expected revenues. The final level of expected revenue should be sufficient to conduct City business in accordance with Council policy and directives and result in a projected year-end fund balance to cover possible emergencies and contingencies. The Minnesota State Legislature eliminated the Market Value Credit Program in 2012 and replaced it with the Market Value Exclusion Program, which continues in 2026 with no changes to the formulas.

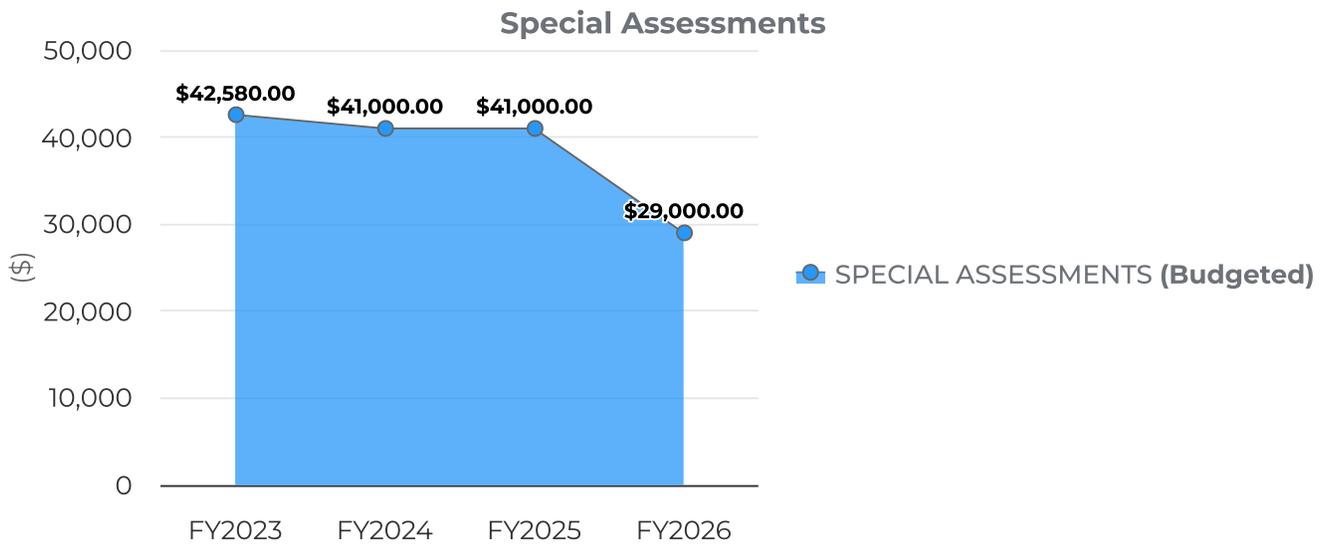
The City relies on property taxes for 71% of the total General Fund revenues, supporting such functions as public safety, public works, and general government.



## Special Assessments

A portion of the costs for public improvements is recovered by assessment charges to the benefiting property owners. These collections are used to pay bond principal and interest on the outstanding improvement bonds or to reimburse the City if no bonds were issued. Property owners have the option of paying for the assessment in full or spreading the assessment over a 10 or 15-year payback period, depending on the type of improvement. The budget is based on current payment schedules and a review of upcoming projects and outstanding balances.

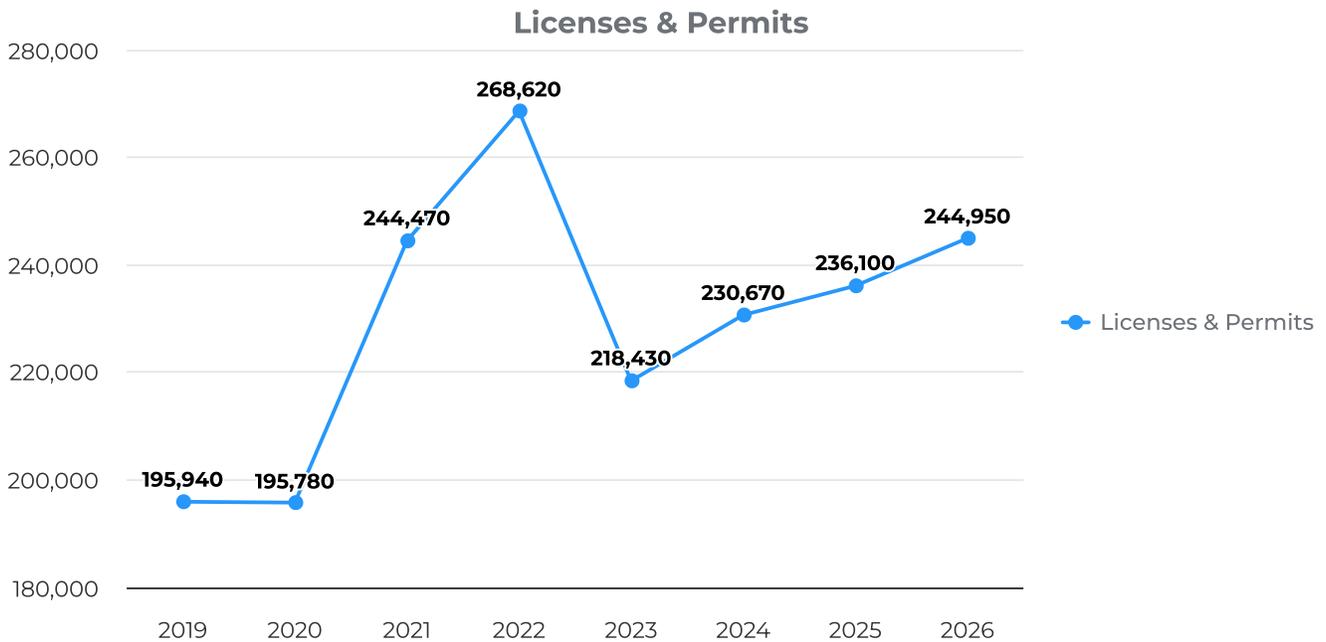
Special assessment collections for 2026 will drop as balances are paid off.



## Licenses and Permits

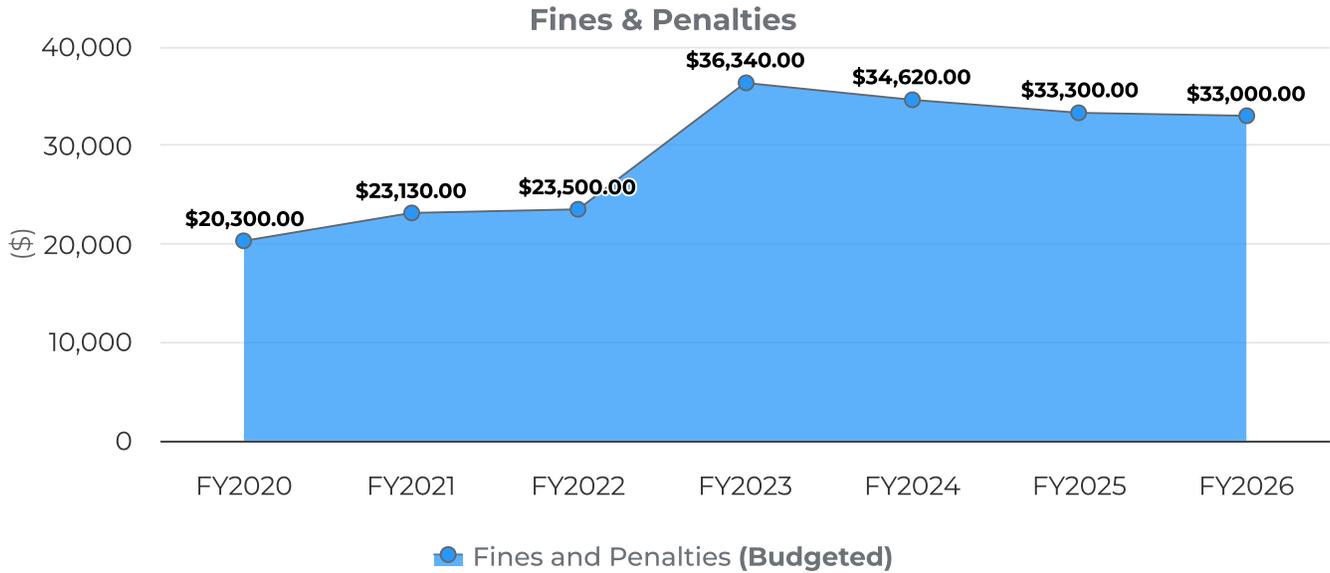
This revenue source is found only in the General Fund. It primarily consists of liquor license fees, building permit fees, and animal licenses. These revenues are based on a review of the prior three years actuals, changes in economic conditions, City determined license rates, State regulated rates, and the Uniform Building Code.

These fees are normally charged as a means of recovering the cost of regulation in the interest of the overall community. Business license fees are required to be paid annually in order to operate a business within the City. Liquor license fees account for most of the revenue in this category. Non-business license and permit fees are levied to finance the cost of inspecting and regulating new construction and to cover a portion of the administrative costs associated with monitoring activities. Building permit fees generate most of the revenue in this category and have been the major factor in the increase for this revenue stream.



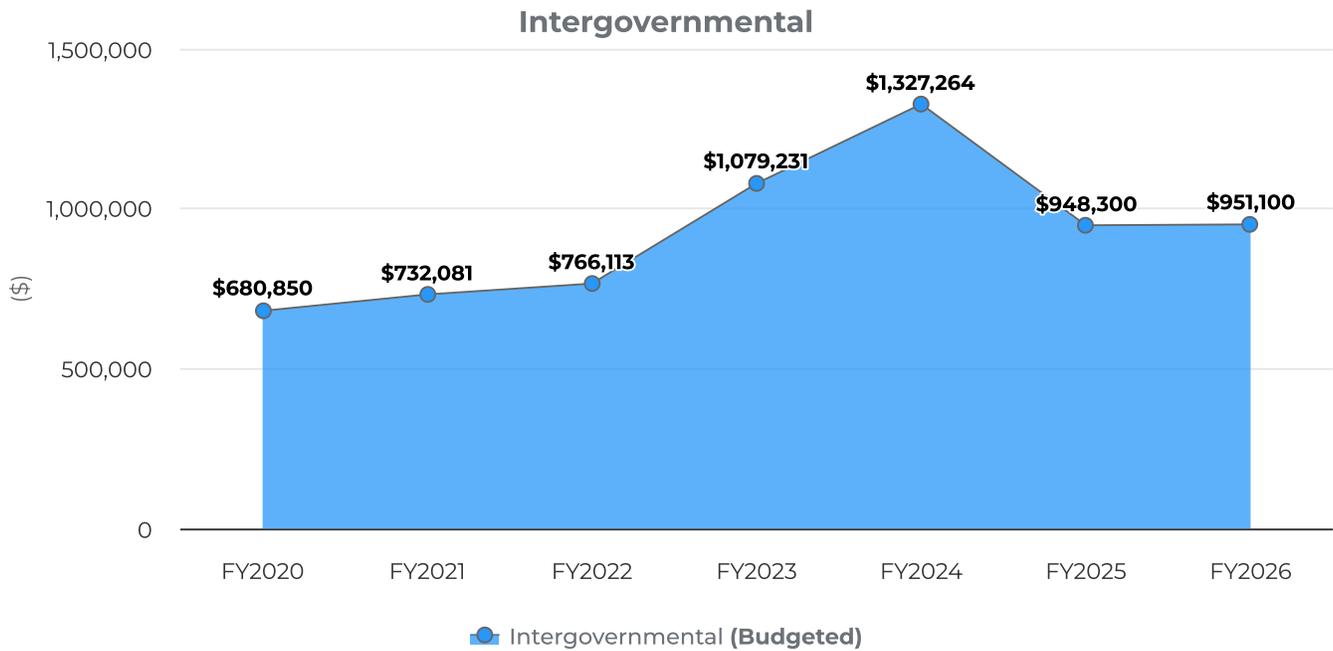
## Fines and Penalties

Fines and penalties consist of the City's share of fines collected by the County for court actions, animal impound fees, and revenue from drug forfeiture proceeds. The budget is based on a review of the prior three years actuals. The fluctuations in this category are mainly caused by drug forfeiture proceeds. The revenue from drug forfeitures is dependent on crime in the city. We do not budget for drug forfeiture revenue as it is very unpredictable.



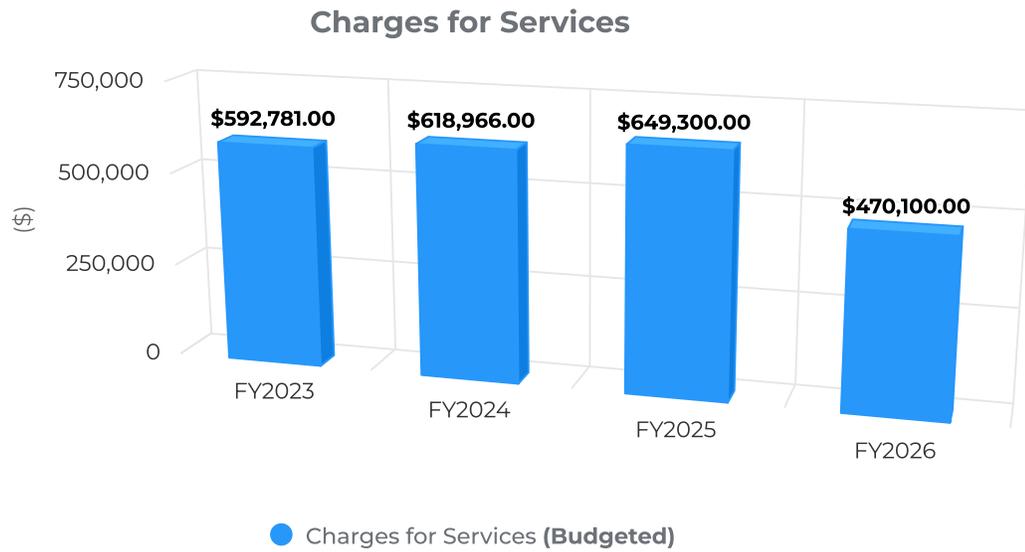
## Intergovernmental

This represents monies from other governments in the form of grants, entitlements, and shared revenues. The city is going to receive \$648,100 in Local Government Aid in 2026. Other items represented in this revenue source are Police and Fire State Aid, Community Development Block Grants and State Street Aid. This also accounts for the use of the ARP Funds from the Federal Government.



## Charges for Services - \$470,100

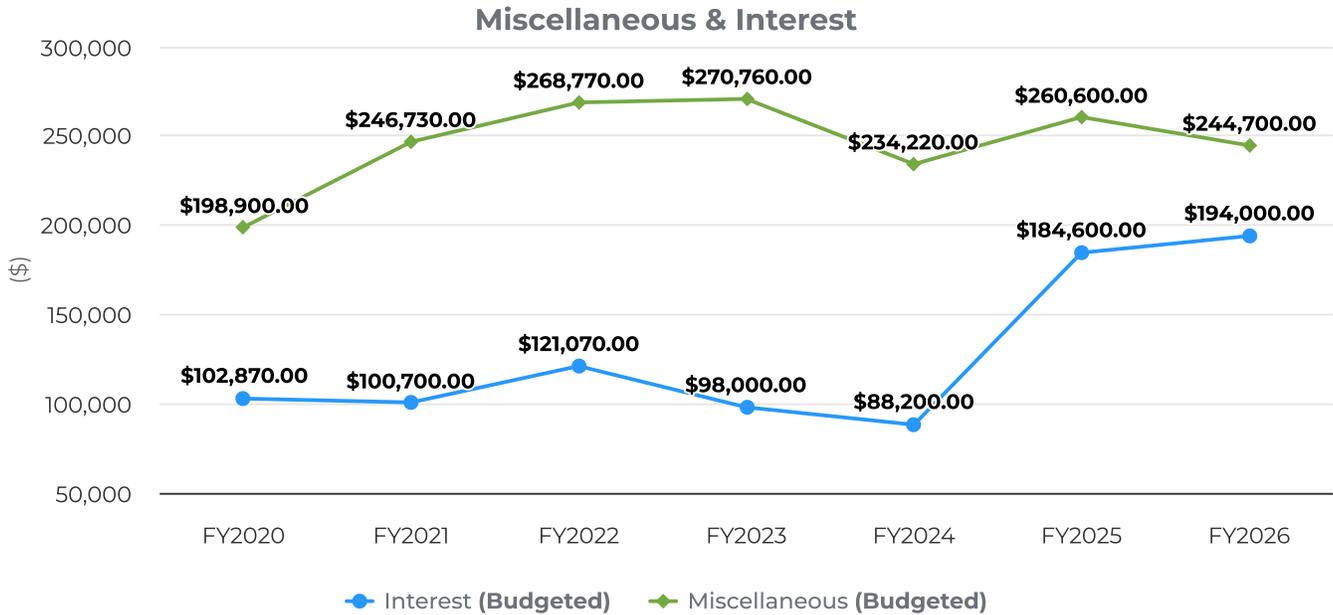
Charges for services come from a variety of sources, such as fire contracts with a neighboring city, plan reviews, recycling revenue, special event fees, and administrative charges between funds. The drop in this revenue source is from the change from stormwater fees to a tax levy in 2026.



## Miscellaneous and Interest

Miscellaneous revenues include investment earnings, park dedication fees, donations, cable franchise fees, sale of property, and antenna lease agreements. They are based on a review of the prior three years actuals.

Interest revenue is earned on the investment of City funds. Most cash in the City is pooled for investment purposes. Interest is allocated to funds monthly based on the change in each of the fund's cash balances.

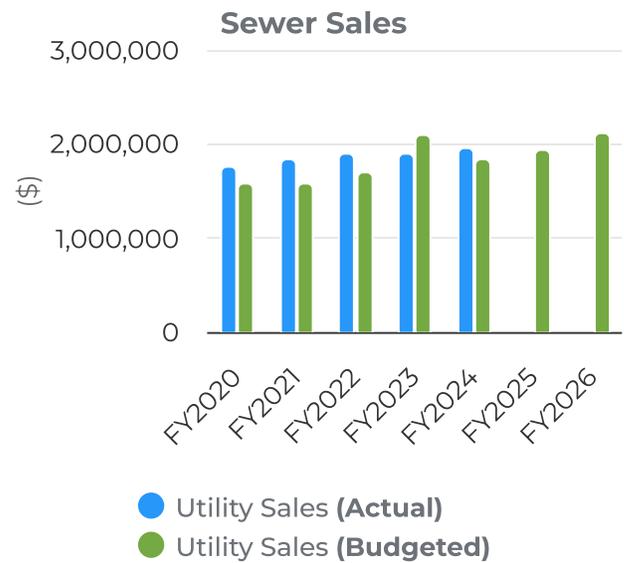
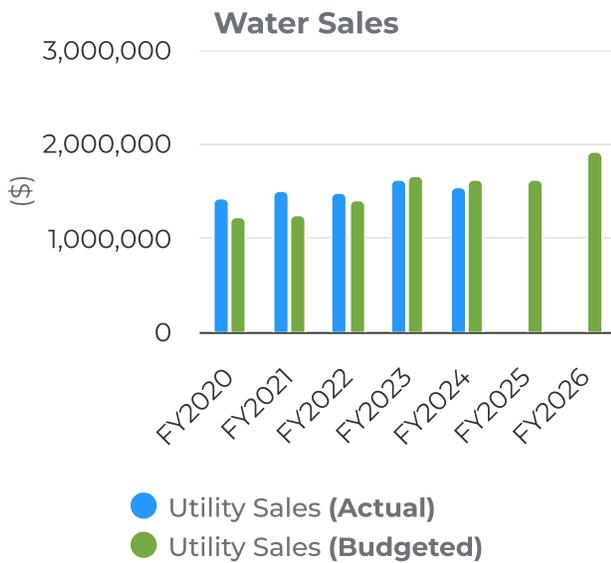


## **Sales - Water, Sewer, Liquor - \$6,679,600**

This represents water and sewer usage charges and sales made by our municipal liquor store. Rate studies and forecasts are reviewed to determine user charges. The Water, Sewer and Municipal Liquor Funds are enterprise funds of the City. The funds are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (including depreciation) of providing services to the public on a continuing basis be financed primarily through user charges.

The history of the monthly water and sewer bill for a residential household that uses 6,000 gallons per month would be:

<b>Year</b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b>Total</b>
2018	\$57.05	\$82.10	\$139.15
2019	\$42.08	\$69.78	\$111.86
2020	\$42.08	\$69.78	\$111.86
2021	\$42.08	\$69.78	\$111.86
2022	\$42.08	\$69.78	\$111.86
2023	\$44.47	\$71.16	\$115.63
2024	\$46.67	\$72.60	\$119.27
2025	\$46.67	\$72.60	\$119.27
2026	\$57.31	\$77.47	\$134.78



## Liquor Sales

The following shows the sales at the liquor store broken down by category and the percent of total sales.

Percent of Sales	2024 Actual		2025 Actual		2026 Budget	
Liquor	1,186,262	37.3%	1,143,422	34.3%	1,200,000	36.0%
Beer	1,602,793	50.4%	1,543,266	46.3%	1,650,000	49.5%
Wine	239,340	7.5%	234,859	7.0%	250,000	7.5%
Tobacco	87,767	2.8%	74,670	2.2%	90,000	2.7%
THC	63,920	2.0%	122,430	3.7%	80,000	2.4%
Misc	64,159	2.0%	62,849	1.9%	65,000	1.9%
<b>Total Sales</b>	<b>3,244,241</b>		<b>3,181,496</b>		<b>3,335,000</b>	

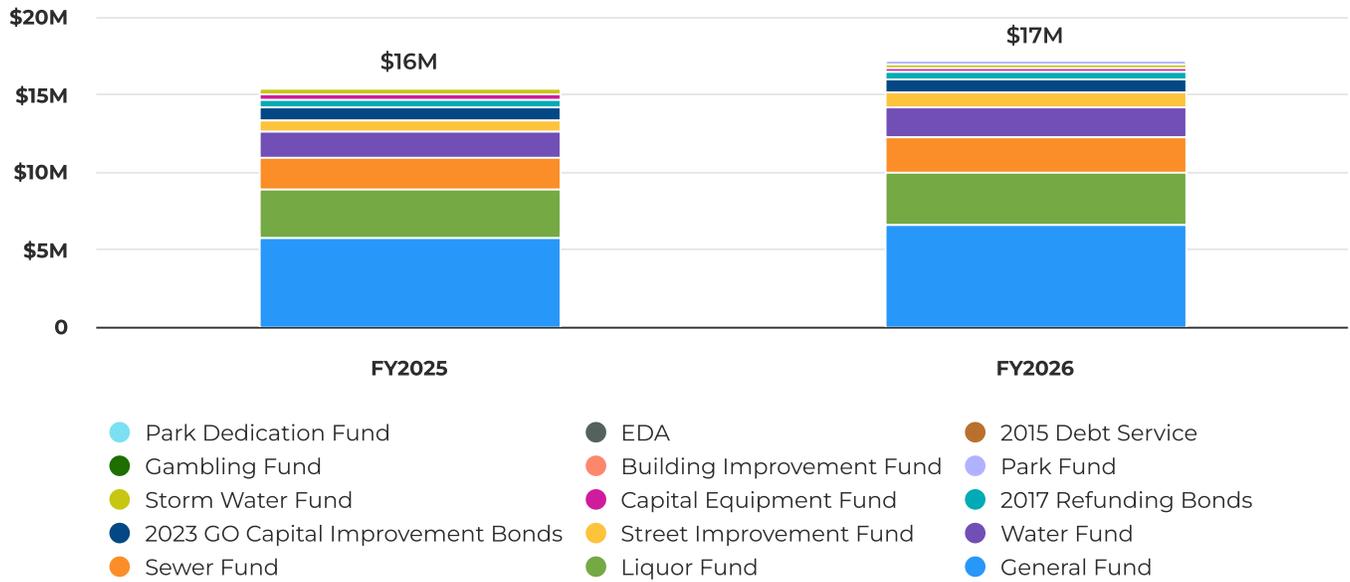
## Transfers and Contributions of Assets - \$343,006

Transfers are not an outside revenue source, but instead reflect amounts transferred between City Funds. These transfers may be utilized as a means to fund projects or debt service from multiple sources. The largest components of transfers are to cover capital equipment or projects.

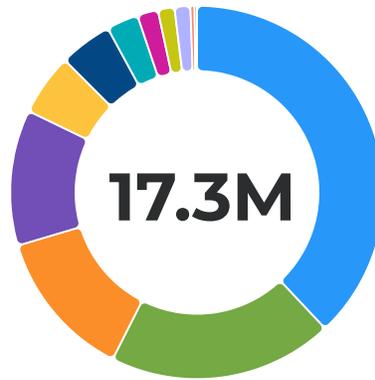
# Budget Summary

## Revenues by Fund

Historical Revenues by Fund



FY26 Revenues by Fund



General Fund	\$6,568,250	37.98%
Liquor Fund	\$3,365,500	19.46%
Sewer Fund	\$2,242,180	12.97%
Water Fund	\$2,031,900	11.75%
Street Improvement Fund	\$924,906	5.35%
2023 GO Capital Improvement Bonds	\$791,000	4.57%
2017 Refunding Bonds	\$476,000	2.75%
Storm Water Fund	\$310,000	1.79%
Park Fund	\$250,000	1.45%
Capital Equipment Fund	\$235,000	1.36%
Building Improvement Fund	\$60,000	0.35%
Gambling Fund	\$35,000	0.20%
EDA	\$2,000	0.01%
Park Dedication Fund	\$1,000	0.01%

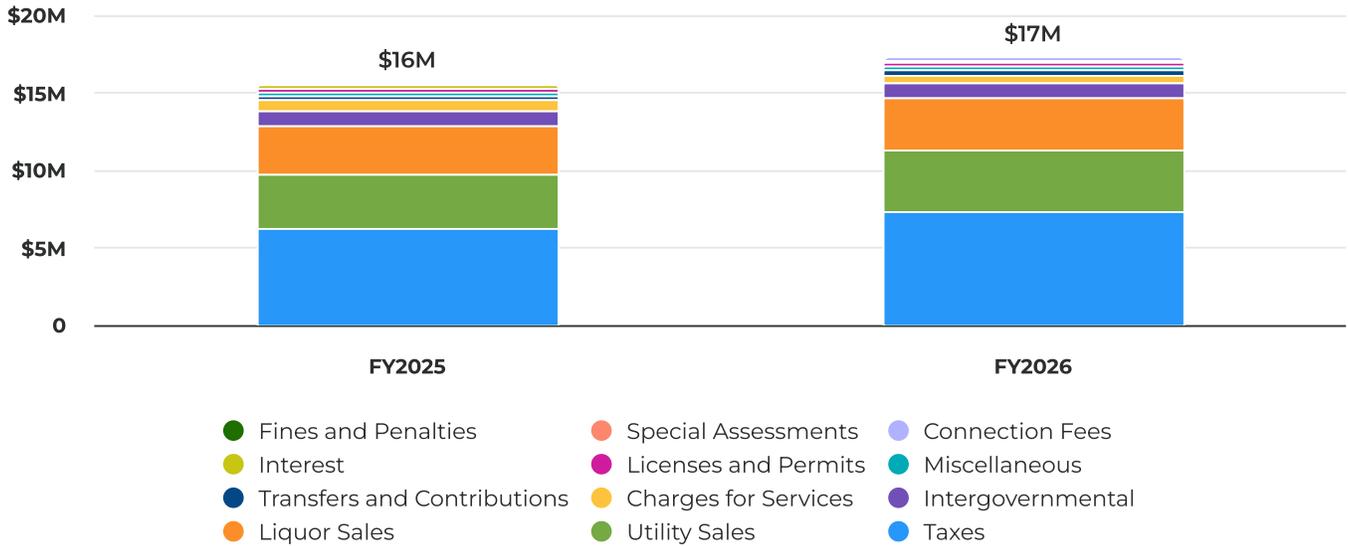
Revenues by Fund

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
General Fund	\$5,751,000	\$6,568,250	14.21%
Gambling Fund	\$35,000	\$35,000	0.00%
Park Dedication Fund	\$1,000	\$1,000	0.00%
Park Fund	\$200,000	\$250,000	25.00%
EDA	-	\$2,000	-
2015 Debt Service	\$6,000	-	-
2017 Refunding Bonds	\$476,000	\$476,000	0.00%
2023 GO Capital Improvement Bonds	\$791,000	\$791,000	0.00%
Capital Equipment Fund	\$420,000	\$235,000	-44.05%
Building Improvement Fund	\$55,000	\$60,000	9.09%
Street Improvement Fund	\$769,100	\$924,906	20.26%
Water Fund	\$1,711,400	\$2,031,900	18.73%
Sewer Fund	\$2,027,400	\$2,242,180	10.59%
Storm Water Fund	\$252,000	\$310,000	23.02%
Liquor Fund	\$3,140,500	\$3,365,500	7.16%

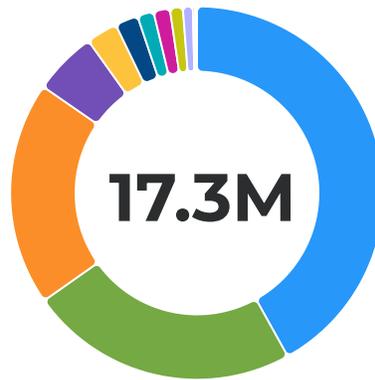
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
<b>Total Revenues</b>	<b>\$15,635,400</b>	<b>\$17,292,736</b>	<b>10.60%</b>

## Revenues by Revenue Account Summary

Historical Revenues by Revenue Account Summary



FY26 Revenues by Revenue Account Summary



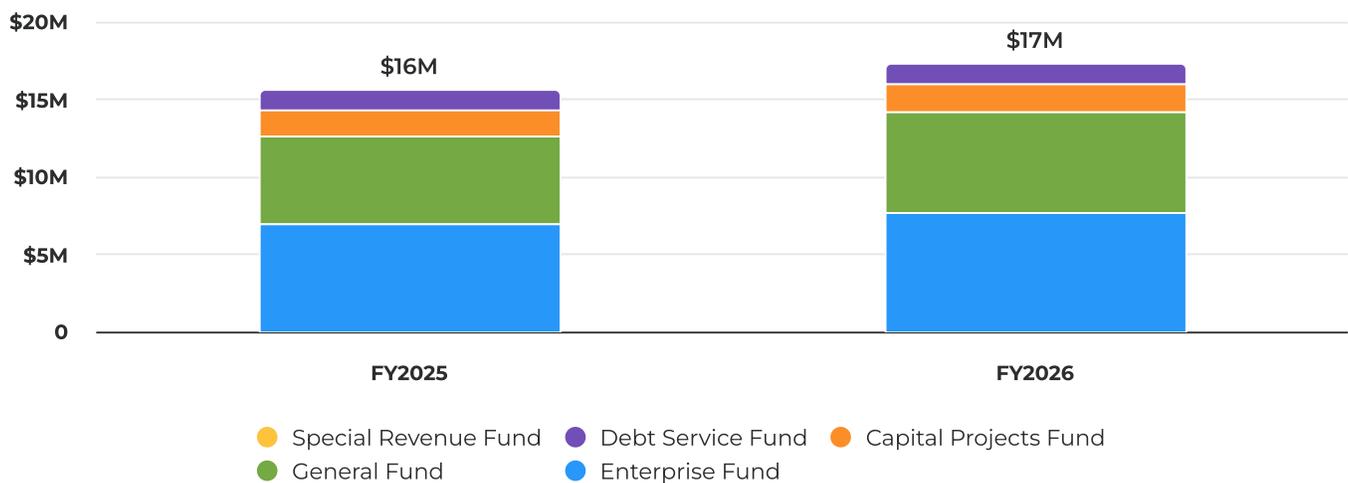
Taxes	\$7,251,400	41.93%
Utility Sales	\$4,029,600	23.30%
Liquor Sales	\$3,355,000	19.40%
Intergovernmental	\$951,100	5.50%
Charges for Services	\$470,100	2.72%
Transfers and Contributions	\$343,006	1.98%
Licenses and Permits	\$244,950	1.42%
Miscellaneous	\$244,700	1.42%
Interest	\$194,000	1.12%
Connection Fees	\$146,880	0.85%
Fines and Penalties	\$33,000	0.19%
Special Assessments	\$29,000	0.17%

### Revenues by Revenue Account Summary

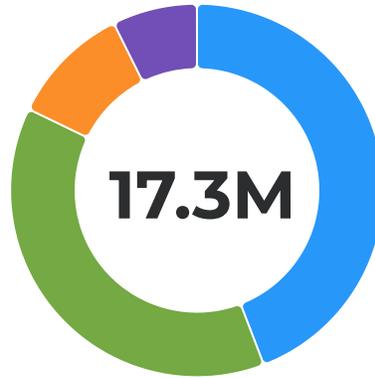
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Taxes	\$6,201,400	\$7,251,400	16.93%
Licenses and Permits	\$236,100	\$244,950	3.75%
Charges for Services	\$649,300	\$470,100	-27.60%
Intergovernmental	\$948,300	\$951,100	0.30%
Fines and Penalties	\$33,300	\$33,000	-0.90%
Special Assessments	\$47,000	\$29,000	-38.30%
Interest	\$184,600	\$194,000	5.09%
Miscellaneous	\$260,600	\$244,700	-6.10%
Transfers and Contributions	\$307,100	\$343,006	11.69%
Utility Sales	\$3,549,600	\$4,029,600	13.52%
Connection Fees	\$88,100	\$146,880	66.72%
Liquor Sales	\$3,130,000	\$3,355,000	7.19%
<b>Total Revenues</b>	<b>\$15,635,400</b>	<b>\$17,292,736</b>	<b>10.60%</b>

### Revenues by Fund Summary

Historical Revenues by Fund Summary 1



### FY26 Revenues by Fund Summary 1



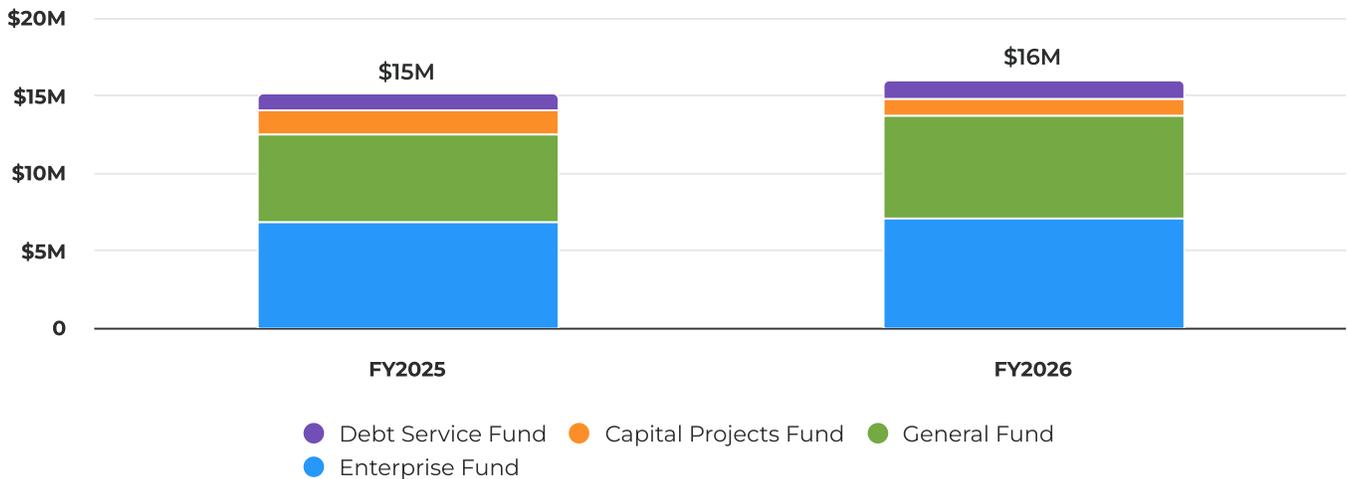
● Enterprise Fund	<b>\$7,639,580</b>	44.18%
● General Fund	<b>\$6,568,250</b>	37.98%
● Capital Projects Fund	<b>\$1,815,906</b>	10.50%
● Debt Service Fund	<b>\$1,267,000</b>	7.33%
● Special Revenue Fund	<b>\$2,000</b>	0.01%

### Revenues by Fund Summary

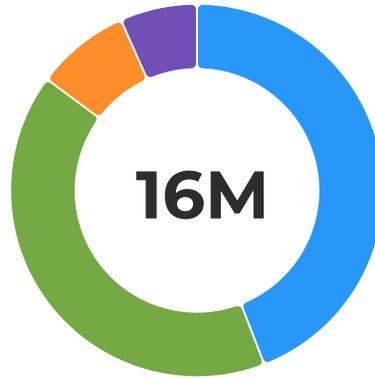
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
General Fund	\$5,751,000.00	\$6,568,250.00	14.21%
Special Revenue Fund	-	\$2,000.00	-
Capital Projects Fund	\$1,732,100.00	\$1,815,906.00	4.84%
Debt Service Fund	\$1,273,000.00	\$1,267,000.00	-0.47%
Enterprise Fund	\$6,879,300.00	\$7,639,580.00	11.05%
<b>Total Revenues</b>	<b>\$15,635,400.00</b>	<b>\$17,292,736.00</b>	<b>10.60%</b>

### Expenditures by Fund

#### Historical Expenditures by Fund Summary



### FY26 Expenditures by Fund Summary 1



● Enterprise Fund	<b>\$7,062,211</b>	44.12%
● General Fund	<b>\$6,568,250</b>	41.04%
● Debt Service Fund	<b>\$1,306,395</b>	8.16%
● Capital Projects Fund	<b>\$1,068,606</b>	6.68%

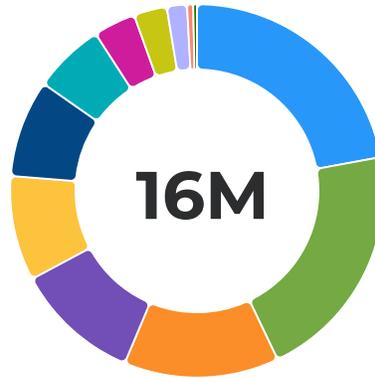
### Expenditures by Fund

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
General Fund	\$5,751,000	\$6,568,250	14.21%
Capital Projects Fund	\$1,584,975	\$1,068,606	-32.58%
Debt Service Fund	\$1,037,413	\$1,306,395	25.93%
Enterprise Fund	\$6,812,283	\$7,062,211	3.67%
<b>Total Expenditures</b>	<b>\$15,185,671</b>	<b>\$16,005,462</b>	<b>5.40%</b>

# Expenditure Summary

## Expenditures by Function

FY26 Expenditures by Function



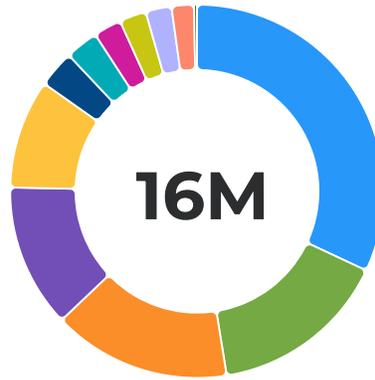
● Public Safety	<b>\$3,536,778</b>	22.10%
● Liquor Store	<b>\$3,329,400</b>	20.80%
● Sewer	<b>\$2,147,900</b>	13.42%
● Debt	<b>\$1,739,606</b>	10.87%
● General Government	<b>\$1,456,116</b>	9.10%
● Water	<b>\$1,348,200</b>	8.42%
● Public Works	<b>\$989,212</b>	6.18%
● Community Development	<b>\$583,840</b>	3.65%
● Culture and Recreation	<b>\$458,100</b>	2.86%
● Storm Water	<b>\$280,900</b>	1.76%
● Recycle	<b>\$84,200</b>	0.53%
● Miscellaneous	<b>\$51,210</b>	0.32%

## Expenditures by Function

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
General Government	\$1,268,835	\$1,456,116	14.76%
Community Development	\$502,800	\$583,840	16.12%
Public Safety	\$3,481,699	\$3,536,778	1.58%
Public Works	\$1,120,249	\$989,212	-11.70%
Recycle	\$77,600	\$84,200	8.51%
Culture and Recreation	\$407,700	\$458,100	12.36%
Debt	\$1,539,188	\$1,739,606	13.02%
Miscellaneous	\$10,000	\$51,210	412.10%
Water	\$1,314,300	\$1,348,200	2.58%
Sewer	\$2,088,900	\$2,147,900	2.82%
Storm Water	\$238,700	\$280,900	17.68%
Liquor Store	\$3,135,700	\$3,329,400	6.18%
<b>Total Expenditures</b>	<b>\$15,185,671</b>	<b>\$16,005,462</b>	<b>5.40%</b>

# Expenditures by Expense Account Summary

## FY26 Expenditures by Expense Account Summary



● Personnel Services	<b>\$5,117,490</b>	31.97%
● Cost of Goods Sold	<b>\$2,477,000</b>	15.48%
● Other Charges	<b>\$2,473,010</b>	15.45%
● Capital Outlay & Depreciation	<b>\$1,988,306</b>	12.42%
● Debt Service	<b>\$1,512,200</b>	9.45%
● Repairs and Maintenance	<b>\$513,000</b>	3.21%
● Contractual Services	<b>\$459,800</b>	2.87%
● Transfers	<b>\$383,006</b>	2.39%
● Supplies and Charges	<b>\$373,750</b>	2.34%
● Insurance	<b>\$357,800</b>	2.24%
● Utilities	<b>\$312,000</b>	1.95%
● Communications	<b>\$38,100</b>	0.24%

## Expenditures by Expense Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$5,090,100	\$5,117,490	0.54%
Insurance	\$341,700	\$357,800	4.71%
Supplies and Charges	\$355,300	\$373,750	5.19%
Cost of Goods Sold	\$2,376,100	\$2,477,000	4.25%
Contractual Services	\$458,600	\$459,800	0.26%
Other Charges	\$1,479,700	\$2,473,010	67.13%
Repairs and Maintenance	\$549,400	\$513,000	-6.63%
Capital Outlay & Depreciation	\$2,546,875	\$1,988,306	-21.93%
Communications	\$40,500	\$38,100	-5.93%
Utilities	\$329,500	\$312,000	-5.31%
Debt Service	\$1,310,796	\$1,512,200	15.37%
Transfers	\$307,100	\$383,006	24.72%
<b>Total Expenditures</b>	<b>\$15,185,671</b>	<b>\$16,005,462</b>	<b>5.40%</b>

# Budgeted Changes in Fund Balance/Retained Earnings

## Notes on Changes over 10%:

Capital Projects/Equipment-Amounts are accumulated for the purchase of equipment.

Gambling Fund-Funds are being accumulated for future fire capital expenditures.

Street- Funds are accumulated for future projects. Big projects will drastically lower the fund balance.

Storm Sewer-In the process of building for future projects.

<u>Total By Fund</u>	<u>BALANCE</u> <u>1/1/2026</u>	<u>REVENUES</u>	<u>NET OTHER</u> <u>INCREASES</u> <u>(DECREASES)</u>	<u>EXPENDITURES</u>	<u>BALANCE</u> <u>12/31/2026</u>
<b>Operating Budget:</b>					
General	3,917,922	6,498,250	70,000	6,568,250	\$ 3,917,922
Police Forfeiture	1,396	-	-	-	1,396
EDA	46,613	2,000			48,613
Water	10,275,890	1,994,800	(65,400)	1,298,043	10,907,247
Sanitary Sewer	16,243,199	2,242,180	(139,600)	2,192,668	16,153,111
Storm Sewer	1,472,606	310,000	-	280,900	1,501,706
Municipal Liquor	2,406,991	3,365,500	(70,000)	3,259,400	2,443,091
<b>Total Operating Budget</b>	<b>34,364,617</b>	<b>14,412,730</b>	<b>(205,000)</b>	<b>13,599,261</b>	<b>34,973,086</b>
<b>Capital Improvements Budget:</b>					
Capital Projects/Equipment	736,681	195,000	40,000	624,406	347,275
Building	2,000,769	60,000	-	-	2,060,769
Street	2,163,809	894,000	30,906	163,300	2,925,415
Gambling Fund	228,317	35,000	-	-	263,317
Park Improvements	670,236	251,000	-	-	921,236
<b>Total Capital Budget</b>	<b>5,799,812</b>	<b>1,435,000</b>	<b>70,906</b>	<b>787,706</b>	<b>6,518,012</b>
<b>Debt Service Budget:</b>					
Debt Service-2015	61,831	-	(30,906)	30,925	-
Debt Service-2017	180,126	311,000	165,000	461,082	195,044
Debt Service-2023	561,117	791,000	-	783,482	568,635
<b>Total Debt Service Budget</b>	<b>\$ 803,074</b>	<b>\$ 1,102,000</b>	<b>\$ 134,094</b>	<b>\$ 1,275,489</b>	<b>\$ 763,679</b>
<b>Grand Total</b>	<b>\$ 40,967,503</b>	<b>\$ 16,949,730</b>	<b>\$ -</b>	<b>\$ 15,662,456</b>	<b>\$ 42,254,777</b>

# Fund Summaries

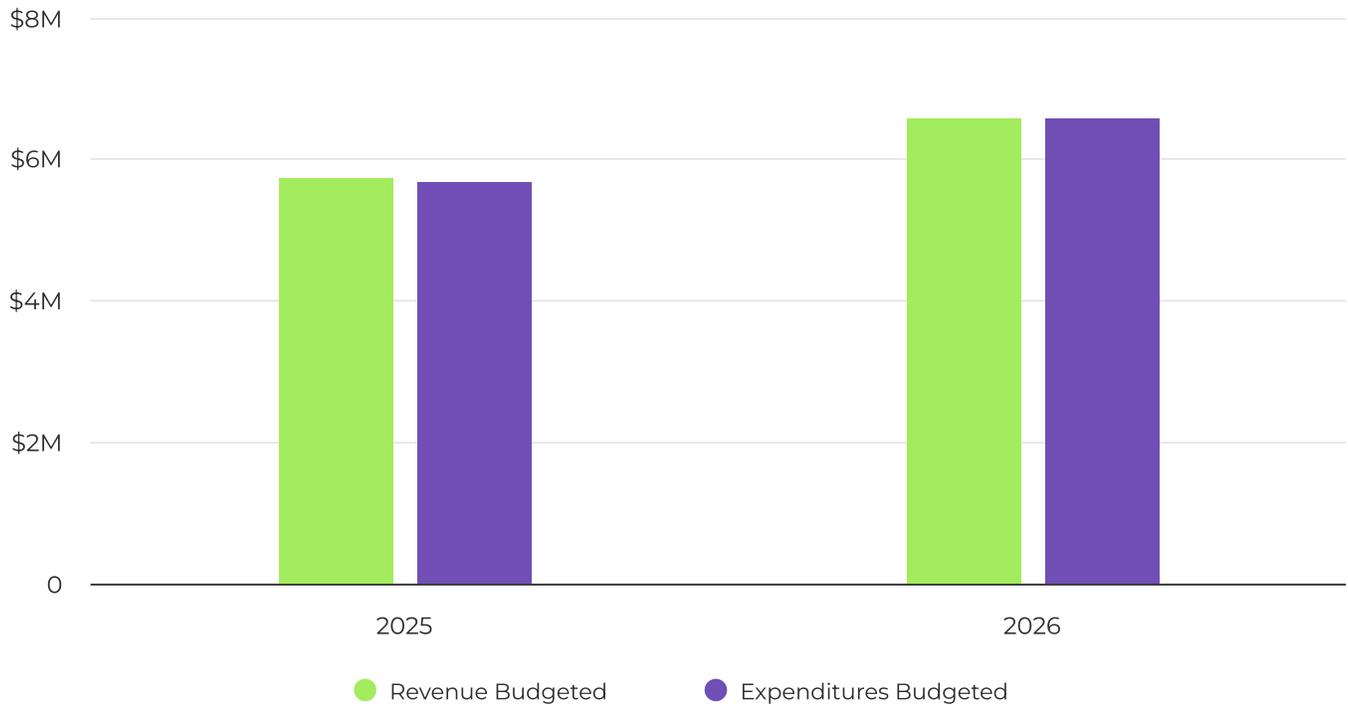
# General Fund

The General Fund serves as the chief operating fund of the City. The General Fund is used to account for all financial resources not accounted for in some other funds. The General Fund uses the modified accrual basis of accounting for budgeting and financial reporting purposes. This means expenditures are recorded when the liability is incurred, and revenues are recorded when they become measurable and available. The adopted General Fund budget is a balanced budget, meaning current revenues and other sources equal expenditures and other uses. The General Fund is considered a major fund.

## Statement of Revenues, Expenditures and Fund Balance

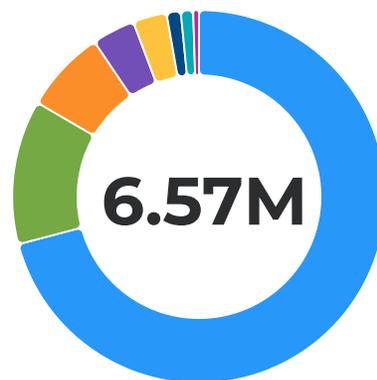
Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$3,858,331</b>	<b>\$3,917,922</b>
<b>Revenues</b>		
Taxes	\$3,891,400	\$4,656,400
Licenses and Permits	\$236,100	\$244,950
Charges for Services	\$419,300	\$470,100
Intergovernmental	\$832,200	\$821,100
Fines and Penalties	\$33,300	\$33,000
Interest	\$80,600	\$80,000
Miscellaneous	\$193,100	\$192,700
Transfers and Contributions	\$65,000	\$70,000
<b>Total Revenues</b>	<b>\$5,751,000</b>	<b>\$6,568,250</b>
<b>Expenditures</b>		
Personnel Services	\$4,096,400	\$3,976,790
Insurance	\$216,100	\$233,000
Supplies and Charges	\$181,800	\$203,250
Contractual Services	\$158,500	\$161,200
Other Charges	\$798,800	\$1,755,310
Repairs and Maintenance	\$194,000	\$152,700
Capital Outlay & Depreciation	\$2,000	\$2,000
Communications	\$28,400	\$26,000
Utilities	\$75,000	\$58,000
<b>Total Expenditures</b>	<b>\$5,751,000</b>	<b>\$6,568,250</b>
<b>Total Revenues Less Expenditures</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>\$3,858,331</b>	<b>\$3,917,922</b>

### Revenues vs Expenditures Summary



### Revenues by Revenue Account Summary

FY26 Revenues by Revenue Account Summary



Taxes	\$4,656,400	70.89%
Intergovernmental	\$821,100	12.50%
Charges for Services	\$470,100	7.16%
Licenses and Permits	\$244,950	3.73%
Miscellaneous	\$192,700	2.93%
Interest	\$80,000	1.22%
Transfers and Contributions	\$70,000	1.07%
Fines and Penalties	\$33,000	0.50%

The General Fund's Fiscal Year Revenue by Revenue Account Summary includes Taxes, which amount to \$4.7 million and represent 70.89% of the total revenue. Intergovernmental revenue follows with \$821,100, accounting for 12.5%. Charges for Services contribute \$470,100, making up 7.16% of the revenue. Licenses and Permits provide \$244,950, or 3.73%. Miscellaneous revenue totals \$192,700, which is 2.93%. Interest income is \$80,000, representing 1.22%. Transfers

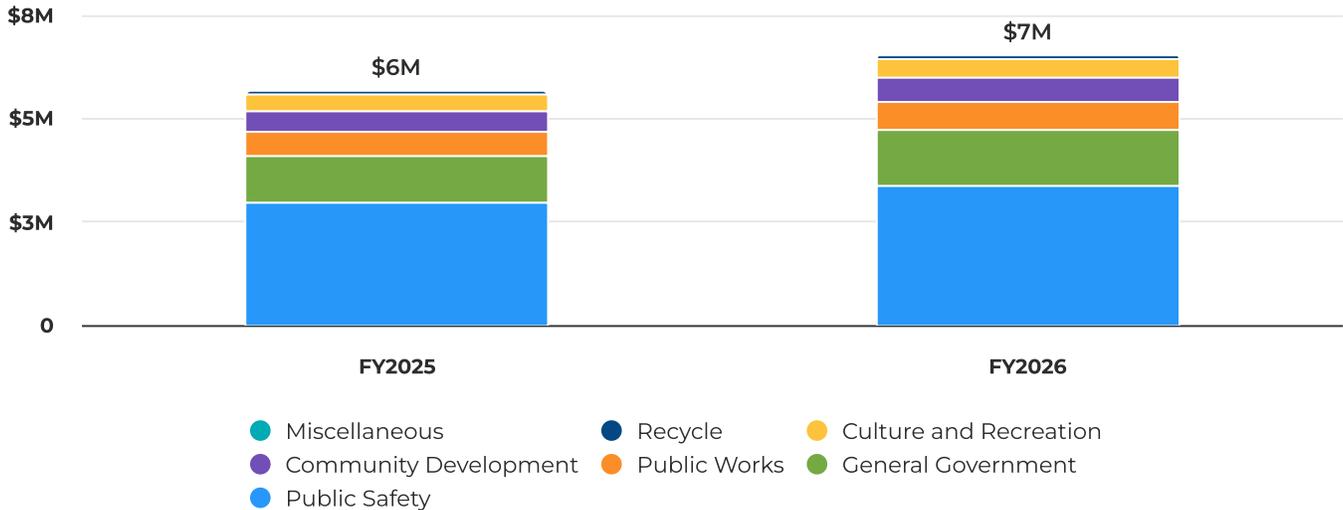
and Contributions add \$70,000, or 1.07%. Finally, Fines and Penalties contribute \$33,000, making up 0.5% of the total revenue.

### Revenues by Revenue Account Summary

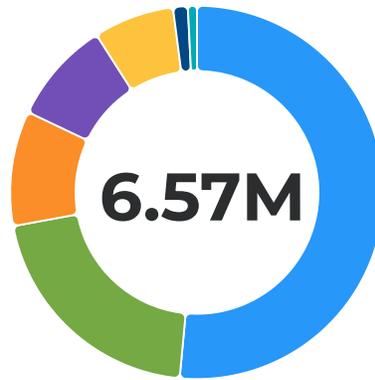
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Taxes	\$3,891,400.00	\$4,656,400.00	19.66%
Licenses and Permits	\$236,100.00	\$244,950.00	3.75%
Charges for Services	\$419,300.00	\$470,100.00	12.12%
Intergovernmental	\$832,200.00	\$821,100.00	-1.33%
Fines and Penalties	\$33,300.00	\$33,000.00	-0.90%
Interest	\$80,600.00	\$80,000.00	-0.74%
Miscellaneous	\$193,100.00	\$192,700.00	-0.21%
Transfers and Contributions	\$65,000.00	\$70,000.00	7.69%
<b>Total Revenues</b>	<b>\$5,751,000.00</b>	<b>\$6,568,250.00</b>	<b>14.21%</b>

### Expenditures by Function

Historical Expenditures by Function



### FY26 Expenditures by Function

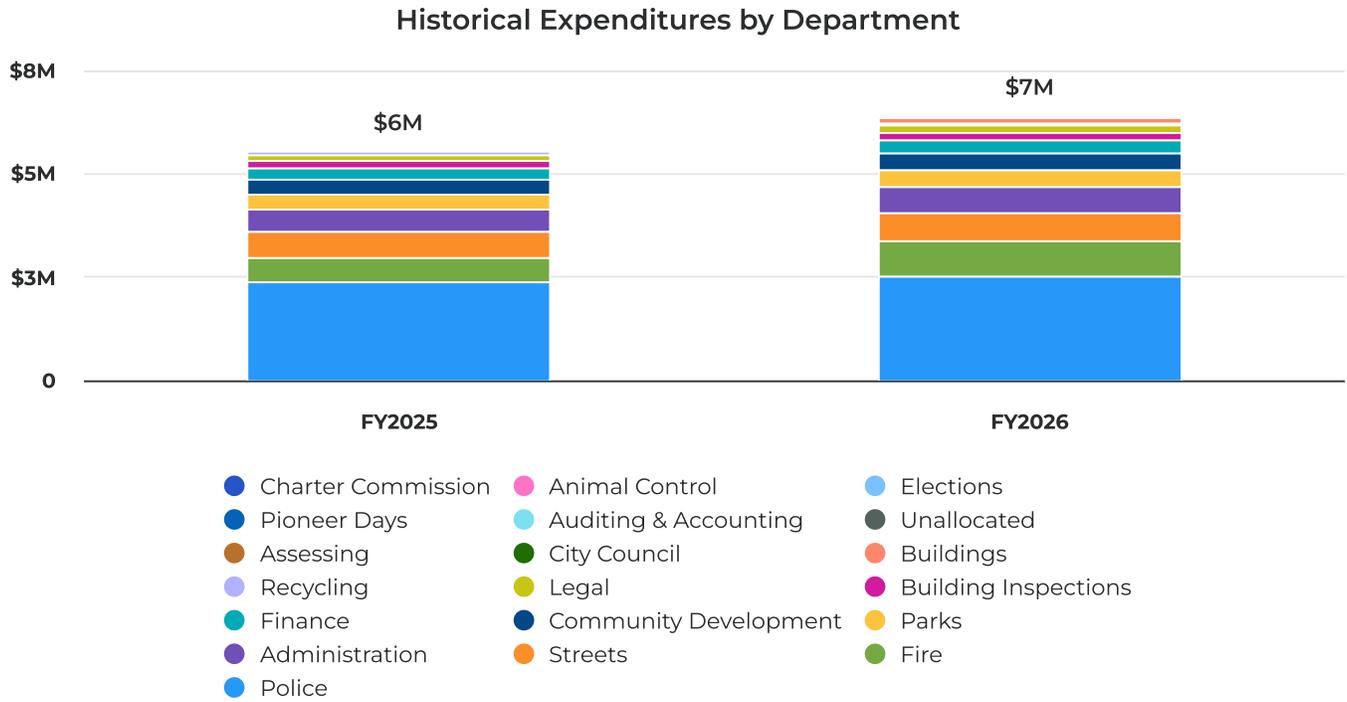


<span style="color: blue;">●</span> Public Safety	<b>\$3,381,400</b>	51.48%
<span style="color: green;">●</span> General Government	<b>\$1,354,800</b>	20.63%
<span style="color: orange;">●</span> Public Works	<b>\$654,700</b>	9.97%
<span style="color: purple;">●</span> Community Development	<b>\$583,840</b>	8.89%
<span style="color: yellow;">●</span> Culture and Recreation	<b>\$458,100</b>	6.97%
<span style="color: darkblue;">●</span> Recycle	<b>\$84,200</b>	1.28%
<span style="color: cyan;">●</span> Miscellaneous	<b>\$51,210</b>	0.78%

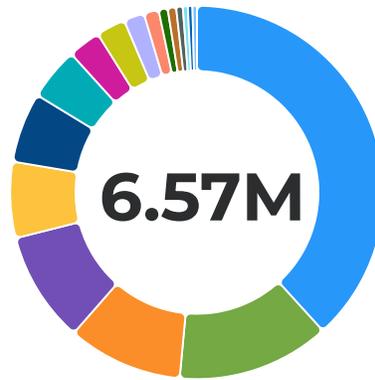
### Expenditures by Function

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
General Government	\$1,175,500.00	\$1,354,800.00	15.25%
Community Development	\$502,800.00	\$583,840.00	16.12%
Public Safety	\$2,967,000.00	\$3,381,400.00	13.97%
Public Works	\$610,400.00	\$654,700.00	7.26%
Recycle	\$77,600.00	\$84,200.00	8.51%
Culture and Recreation	\$407,700.00	\$458,100.00	12.36%
Miscellaneous	\$10,000.00	\$51,210.00	412.10%
<b>Total Expenditures</b>	<b>\$5,751,000.00</b>	<b>\$6,568,250.00</b>	<b>14.21%</b>

# Expenditures by Department



### FY26 Expenditures by Department



Police	\$2,512,700	38.26%
Fire	\$868,700	13.23%
Streets	\$654,700	9.97%
Administration	\$631,300	9.61%
Parks	\$432,800	6.59%
Community Development	\$398,340	6.06%
Finance	\$299,710	4.56%
Building Inspections	\$185,500	2.82%
Legal	\$165,800	2.52%
Buildings	\$117,500	1.79%
Recycling	\$84,200	1.28%
Unallocated	\$51,210	0.78%
City Council	\$47,990	0.73%
Assessing	\$38,000	0.58%
Auditing & Accounting	\$28,000	0.43%
Elections	\$26,500	0.40%
Pioneer Days	\$25,300	0.39%

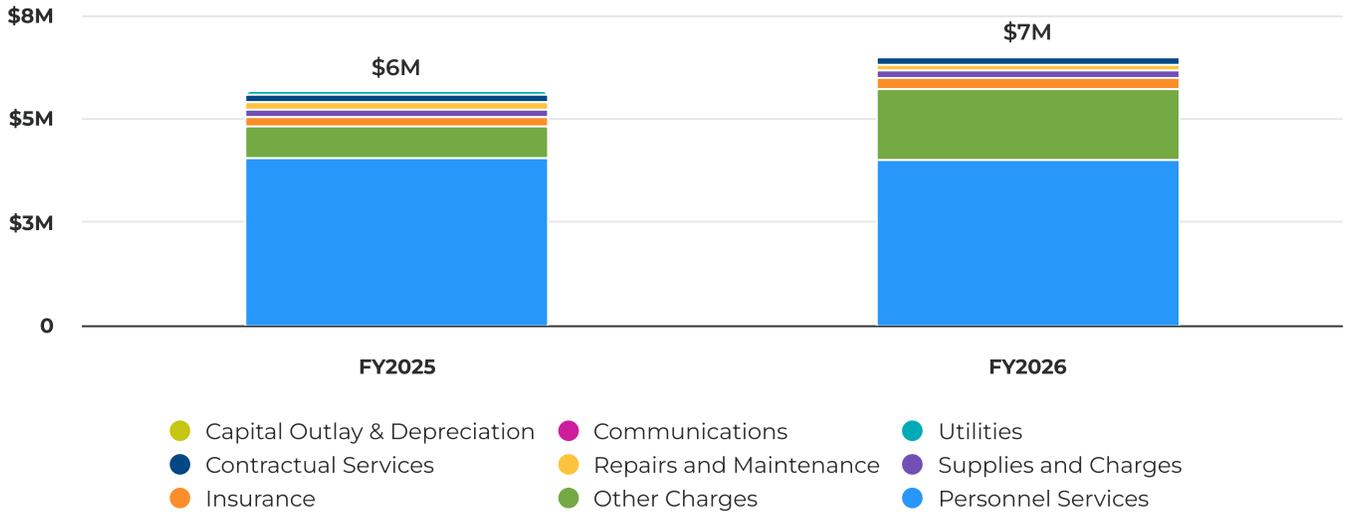
### Expenditures by Department

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
City Council	\$41,700.00	\$47,990.00	15.08%
Charter Commission	\$100.00	-	-
Administration	\$547,000.00	\$631,300.00	15.41%
Elections	\$2,300.00	\$26,500.00	1,052.17%
Finance	\$268,100.00	\$299,710.00	11.79%
Auditing & Accounting	\$25,000.00	\$28,000.00	12.00%
Assessing	\$37,000.00	\$38,000.00	2.70%
Legal	\$155,800.00	\$165,800.00	6.42%
Community Development	\$333,300.00	\$398,340.00	19.51%
Buildings	\$98,500.00	\$117,500.00	19.29%
Police	\$2,369,800.00	\$2,512,700.00	6.03%
Fire	\$596,200.00	\$868,700.00	45.71%
Building Inspections	\$169,500.00	\$185,500.00	9.44%
Animal Control	\$1,000.00	-	-
Streets	\$610,400.00	\$654,700.00	7.26%

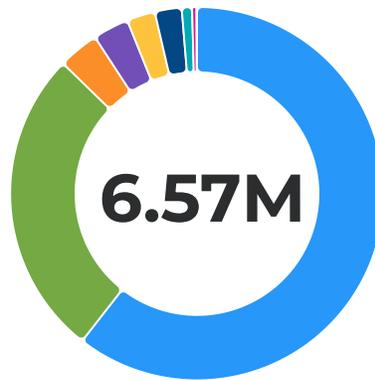
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Recycling	\$77,600.00	\$84,200.00	8.51%
Parks	\$392,400.00	\$432,800.00	10.30%
Pioneer Days	\$15,300.00	\$25,300.00	65.36%
Unallocated	\$10,000.00	\$51,210.00	412.10%
<b>Total Expenditures</b>	<b>\$5,751,000.00</b>	<b>\$6,568,250.00</b>	<b>14.21%</b>

## Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



FY26 Expenditures by Expense Account Summary



Personnel Services	<b>\$3,976,790</b>	60.55%
Other Charges	<b>\$1,755,310</b>	26.72%
Insurance	<b>\$233,000</b>	3.55%
Supplies and Charges	<b>\$203,250</b>	3.09%
Contractual Services	<b>\$161,200</b>	2.45%
Repairs and Maintenance	<b>\$152,700</b>	2.32%
Utilities	<b>\$58,000</b>	0.88%
Communications	<b>\$26,000</b>	0.40%
Capital Outlay & Depreciation	<b>\$2,000</b>	0.03%

**Expenditures by Expense Account Summary**

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$4,096,400.00	\$3,976,790.00	-2.92%
Insurance	\$216,100.00	\$233,000.00	7.82%
Supplies and Charges	\$181,800.00	\$203,250.00	11.80%
Contractual Services	\$158,500.00	\$161,200.00	1.70%
Other Charges	\$798,800.00	\$1,755,310.00	119.74%
Repairs and Maintenance	\$194,000.00	\$152,700.00	-21.29%
Capital Outlay & Depreciation	\$2,000.00	\$2,000.00	0.00%
Communications	\$28,400.00	\$26,000.00	-8.45%
Utilities	\$75,000.00	\$58,000.00	-22.67%
<b>Total Expenditures</b>	<b>\$5,751,000.00</b>	<b>\$6,568,250.00</b>	<b>14.21%</b>

# Special Revenue Funds

# Police Forfeiture Fund

The police forfeiture fund accounts for the proceeds from the sale of forfeited vehicles, which is legally restricted for the purchase of police equipment. This fund was established to account for money that is legally restricted for police services. Most of the revenues for this fund are from confiscated money that is split between the city, county and state based on a statutory formula. The city's share is 70%. The balance in this fund will fluctuate greatly.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$1,145</b>	<b>\$1,396</b>
<b>Revenues</b>		
<b>Total Revenues</b>	-	-
<b>Expenditures</b>		
<b>Total Expenditures</b>	-	-
<b>Total Revenues Less Expenditures</b>	-	-
<b>Ending Fund Balance</b>	<b>\$1,145</b>	<b>\$1,396</b>

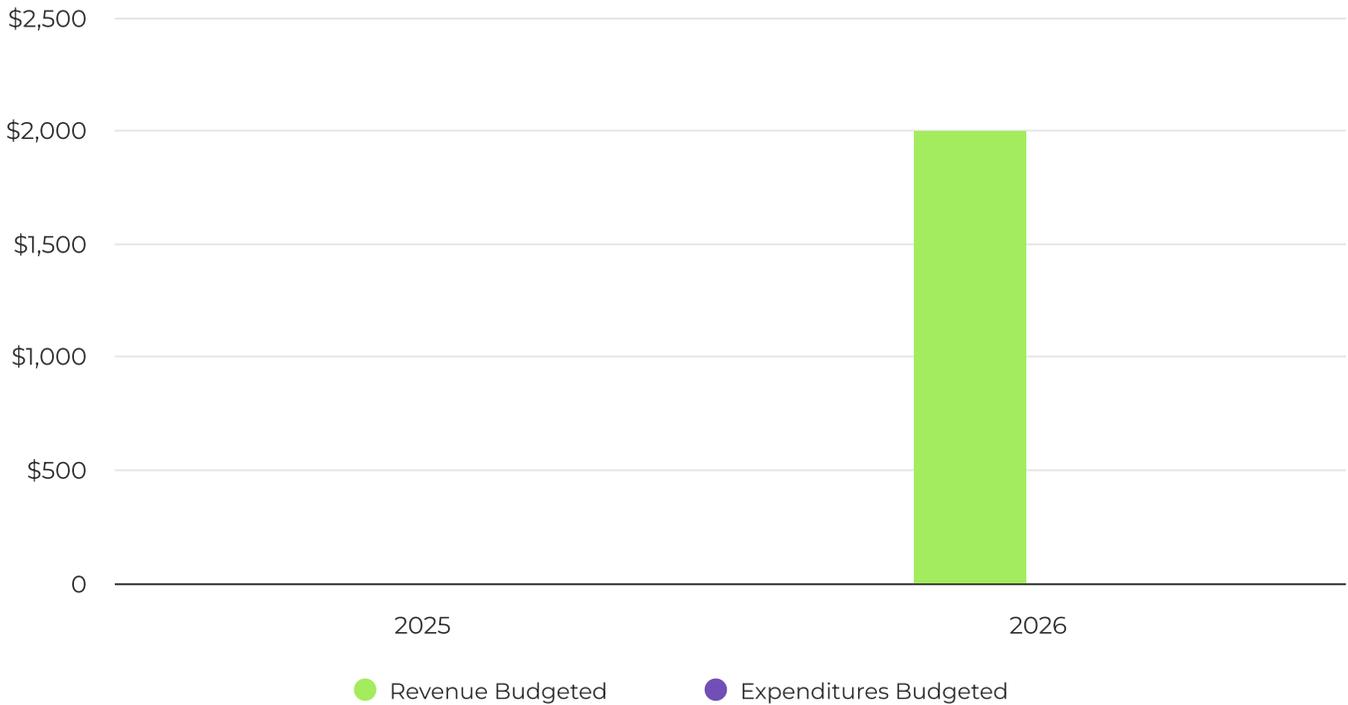
# EDA Fund

The EDA Fund accounts for revenues and expenditures for the Economic Development Authority in St Francis. This is considered a component unit of the city.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$43,736</b>	<b>\$46,613</b>
<b>Revenues</b>		
Interest	-	\$2,000
<b>Total Revenues</b>	<b>-</b>	<b>\$2,000</b>
<b>Expenditures</b>		
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>
<b>Total Revenues Less Expenditures</b>	<b>-</b>	<b>\$2,000</b>
<b>Ending Fund Balance</b>	<b>\$43,736</b>	<b>\$48,613</b>

### Revenues vs Expenditures Summary



# Debt Service Funds

# Debt Overview Summary

Debt Service Funds are used to account for the accumulation and use of financial resources to pay principal, interest, and related costs on long-term debt. A separate Debt Service Sub-Fund is required for each bond issue.

The principal sources of revenue are property taxes (debt service levies), special assessments, interest earned on cash balances in funds, and transfers from other funds.

Expenditures include bond principal and interest on City bonds as well as fiscal agent fees.

## Legal Debt Limit

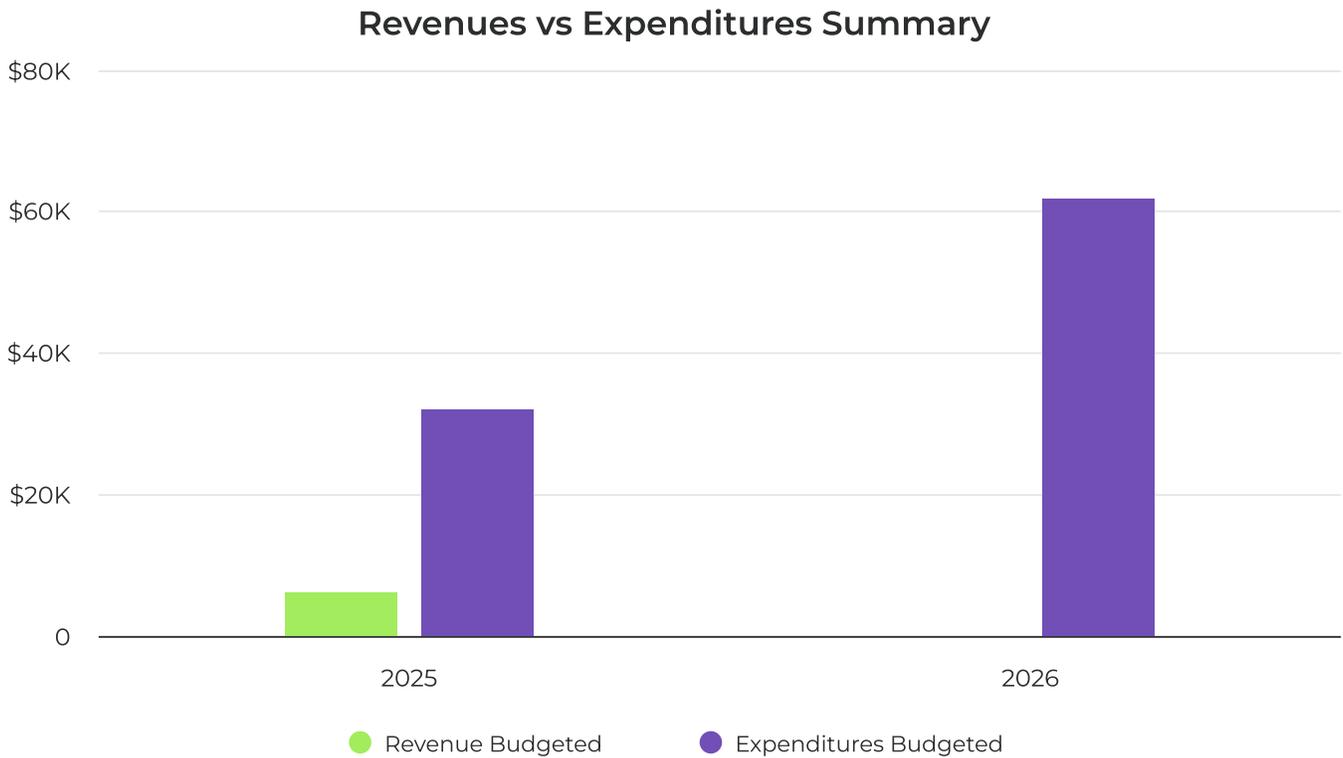
Minnesota State Statutes limit the city's net debt to no more than three percent (3%) of the estimated market value of the taxable property within the municipality. Bond issues covered by this limit are those that are financed by property taxes unless at least 20% of the annual debt service costs are financed by special assessments or tax increments. St. Francis has two bond issues subject to the debt limit, the 2017 GO Capital Improvement Bonds and the 2023 GO Capital Improvement Bonds. The difference between the statutory debt limit and the bonds outstanding that are covered by the debt limit is referred to as the legal debt margin. See the following table for the amounts.

	2025
Estimated market value of taxable property	996,744,200
Debt limit (3% of market value)	\$29,902,326
Total bonds outstanding excluding enterprise debt	\$17,300,000
Total long term debt being paid by annual appropriations	\$0
Total debt applicable to debt limit	\$ 17,300,000
Unused Debt Margin	\$12,602,326

# 2015 Debt (Fund #327)

This bond will make its final payment this year. The remaining balance will be transferred to the Street Fund.

## Summary



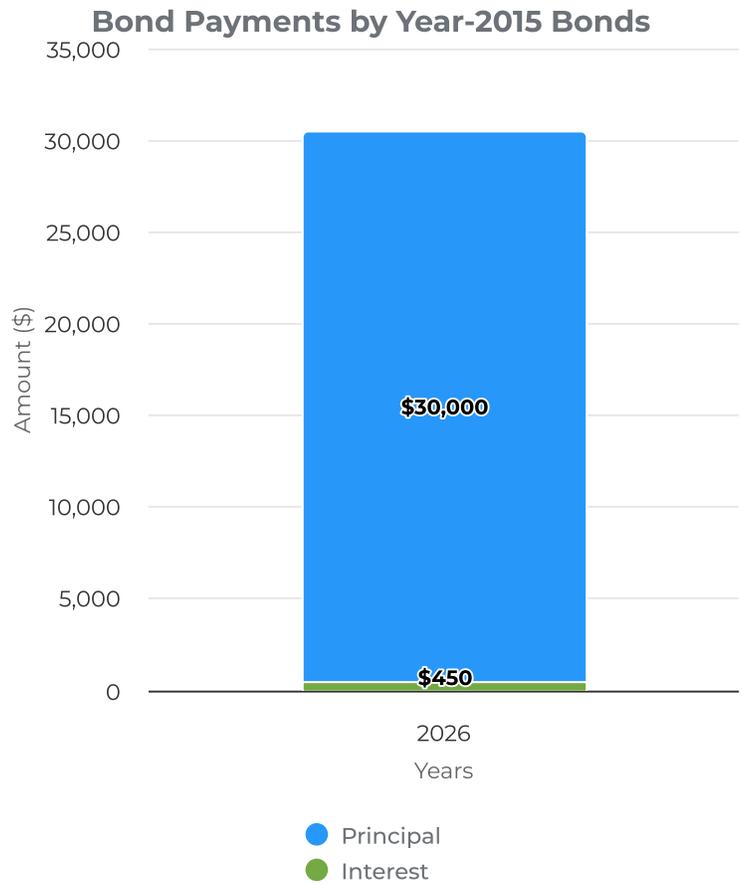
## Comprehensive Fund Summary

### Comprehensive Fund Summary

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$91,251.00</b>	<b>\$61,831.00</b>
<b>Revenues</b>		
Special Assessments	\$6,000.00	-
<b>Total Revenues</b>	<b>\$6,000.00</b>	<b>-</b>
<b>Expenditures</b>		
Debt Service	\$31,825.00	\$30,925.00
Transfers	-	\$30,906.00
<b>Total Expenditures</b>	<b>\$31,825.00</b>	<b>\$61,831.00</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$25,825.00</b>	<b>-\$61,831.00</b>
<b>Ending Fund Balance</b>	<b>\$65,426.00</b>	<b>-</b>

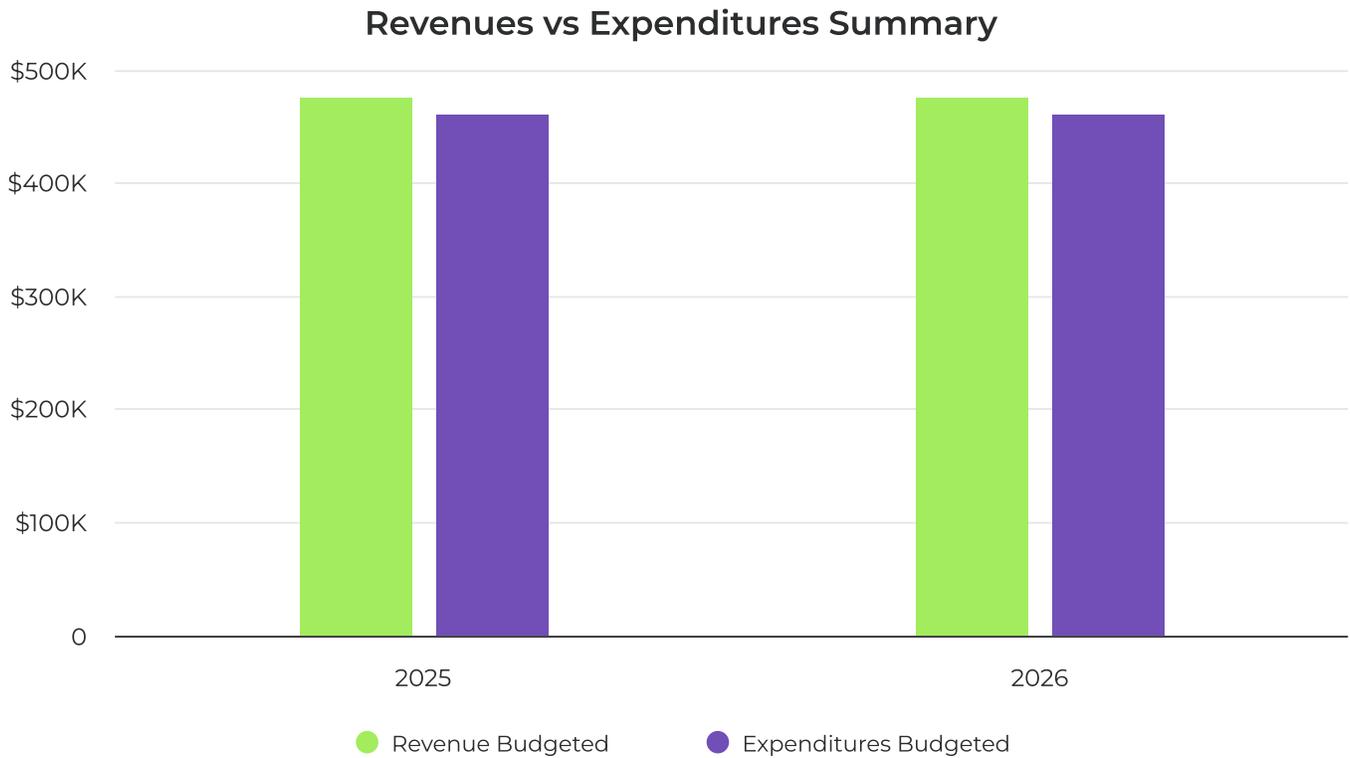
The following tables depict the city's debt service payments by year for the 2017 General Obligation Debt Payable.

Year	Principal	Interest	Total
2026	30,000	450	30,450
<b>Total</b>	<b>\$30,000</b>	<b>\$450</b>	<b>\$30,450</b>



# 2017 Debt (Fund #330)

## Summary



In the 2017 Debt Fund #330 budget, the total expenditures are budgeted at \$461,082, reflecting a slight increase of 0.02% compared to the previous year. Revenues are budgeted at \$476,000, showing no change from the prior period. The revenue budget remains higher than the expenditures budget, maintaining a positive difference between the two categories. The largest category, revenues, remains stable with no growth, while expenditures have a minimal increase, indicating a relatively steady financial position for the fund in the target year.

## Comprehensive Fund Summary

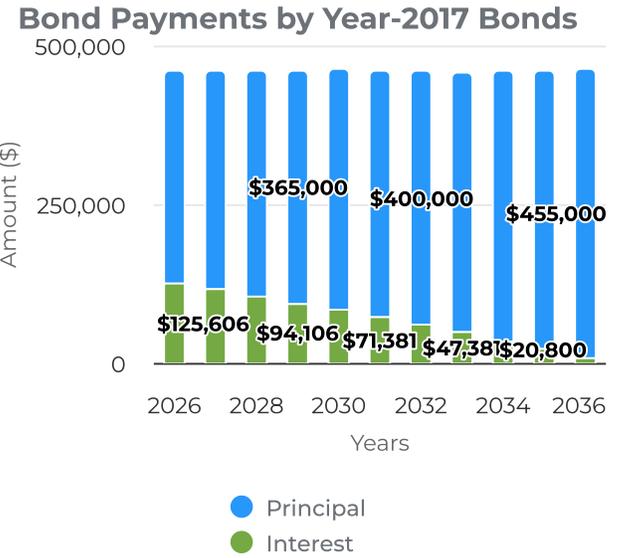
### Comprehensive Fund Summary

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$160,949.00</b>	<b>\$180,126.00</b>
<b>Revenues</b>		
Taxes	\$310,000.00	\$310,000.00
Interest	\$1,000.00	\$1,000.00
Transfers and Contributions	\$165,000.00	\$165,000.00
<b>Total Revenues</b>	<b>\$476,000.00</b>	<b>\$476,000.00</b>
<b>Expenditures</b>		
Debt Service	\$460,981.00	\$461,082.00

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Total Expenditures</b>	<b>\$460,981.00</b>	<b>\$461,082.00</b>
<b>Total Revenues Less Expenditures</b>	<b>\$15,019.00</b>	<b>\$14,918.00</b>
<b>Ending Fund Balance</b>	<b>\$175,968.00</b>	<b>\$195,044.00</b>

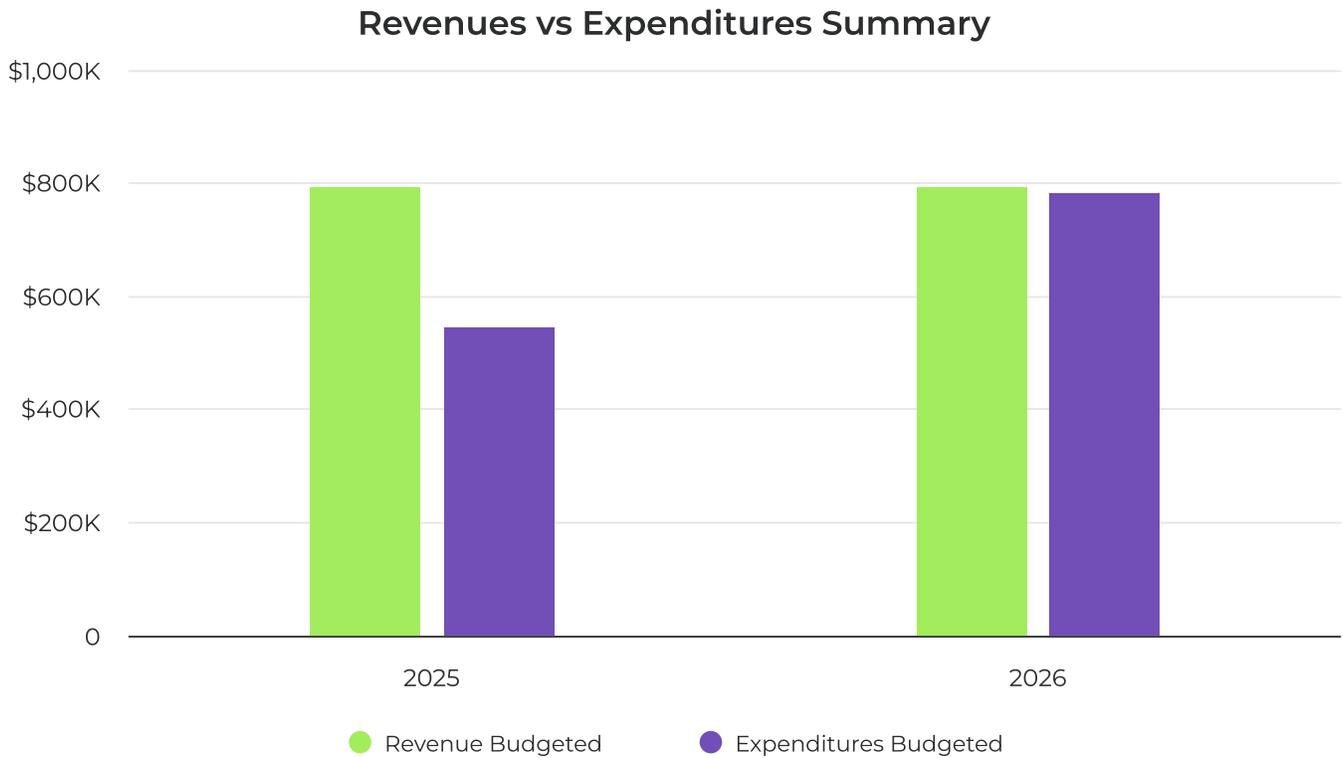
The following tables depict the city's debt service payments by year for the 2017 General Obligation Debt Payable.

Year	Principal	Interest	Total
2026	335,000.00	125,606.26	460,606.26
2027	345,000.00	115,406.26	460,406.26
2028	355,000.00	104,906.26	459,906.26
2029	365,000.00	94,106.26	459,106.26
2030	380,000.00	82,931.26	462,931.26
2031	390,000.00	71,381.26	461,381.26
2032	400,000.00	59,531.26	459,531.26
2033	410,000.00	47,381.26	457,381.26
2034	425,000.00	34,590.63	459,590.63
2035	440,000.00	20,800.00	460,800.00
2036	455,000.00	6,825.00	461,825.00
<b>Total</b>	<b>4,300,000.00</b>	<b>763,465.71</b>	<b>5,063,465.71</b>



# 2023 Debt (Fund #335)

## Summary



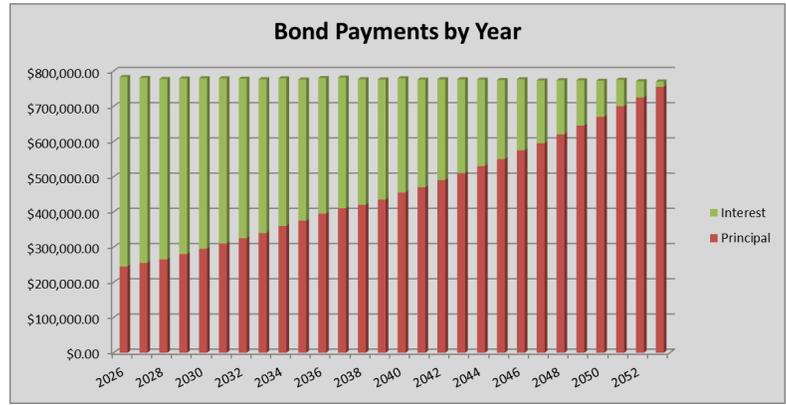
## Comprehensive Fund Summary

### Comprehensive Fund Summary

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$537,709.00</b>	<b>\$561,117.00</b>
<b>Revenues</b>		
Taxes	\$790,000.00	\$790,000.00
Interest	\$1,000.00	\$1,000.00
<b>Total Revenues</b>	<b>\$791,000.00</b>	<b>\$791,000.00</b>
<b>Expenditures</b>		
Debt Service	\$544,607.00	\$783,482.00
<b>Total Expenditures</b>	<b>\$544,607.00</b>	<b>\$783,482.00</b>
<b>Total Revenues Less Expenditures</b>	<b>\$246,393.00</b>	<b>\$7,518.00</b>
<b>Ending Fund Balance</b>	<b>\$784,102.00</b>	<b>\$568,635.00</b>

The following tables depict the city's debt service payments by year for the 2023 General Obligation Debt Payable.

Year	Principal	Interest	Total
2026	245,000.00	538,006.26	783,006.26
2027	255,000.00	525,506.26	780,506.26
2028	265,000.00	512,506.26	777,506.26
2029	280,000.00	498,881.26	778,881.26
2030	295,000.00	484,506.26	779,506.26
2031	310,000.00	469,381.26	779,381.26
2032	325,000.00	453,506.26	778,506.26
2033	340,000.00	436,881.26	776,881.26
2034	360,000.00	419,381.26	779,381.26
2035	375,000.00	401,006.26	776,006.26
2036	395,000.00	385,212.51	780,212.51
2037	410,000.00	371,618.76	781,618.76
2038	420,000.00	356,831.26	776,831.26
2039	435,000.00	341,334.38	776,334.38
2040	455,000.00	324,350.00	779,350.00
2041	470,000.00	305,850.00	775,850.00
2042	490,000.00	286,650.00	776,650.00
2043	510,000.00	266,650.00	776,650.00
2044	530,000.00	245,850.00	775,850.00
2045	550,000.00	224,250.00	774,250.00
2046	575,000.00	201,750.00	776,750.00
2047	595,000.00	178,350.00	773,350.00
2048	620,000.00	154,050.00	774,050.00
2049	645,000.00	128,750.00	773,750.00
2050	670,000.00	102,450.00	772,450.00
2051	700,000.00	75,050.00	775,050.00
2052	725,000.00	46,096.88	771,096.88
2053	755,000.00	15,571.88	770,571.88
<b>Total</b>	<b>13,000,000.00</b>	<b>8,750,228.27</b>	<b>21,750,228.27</b>



# Capital Funds

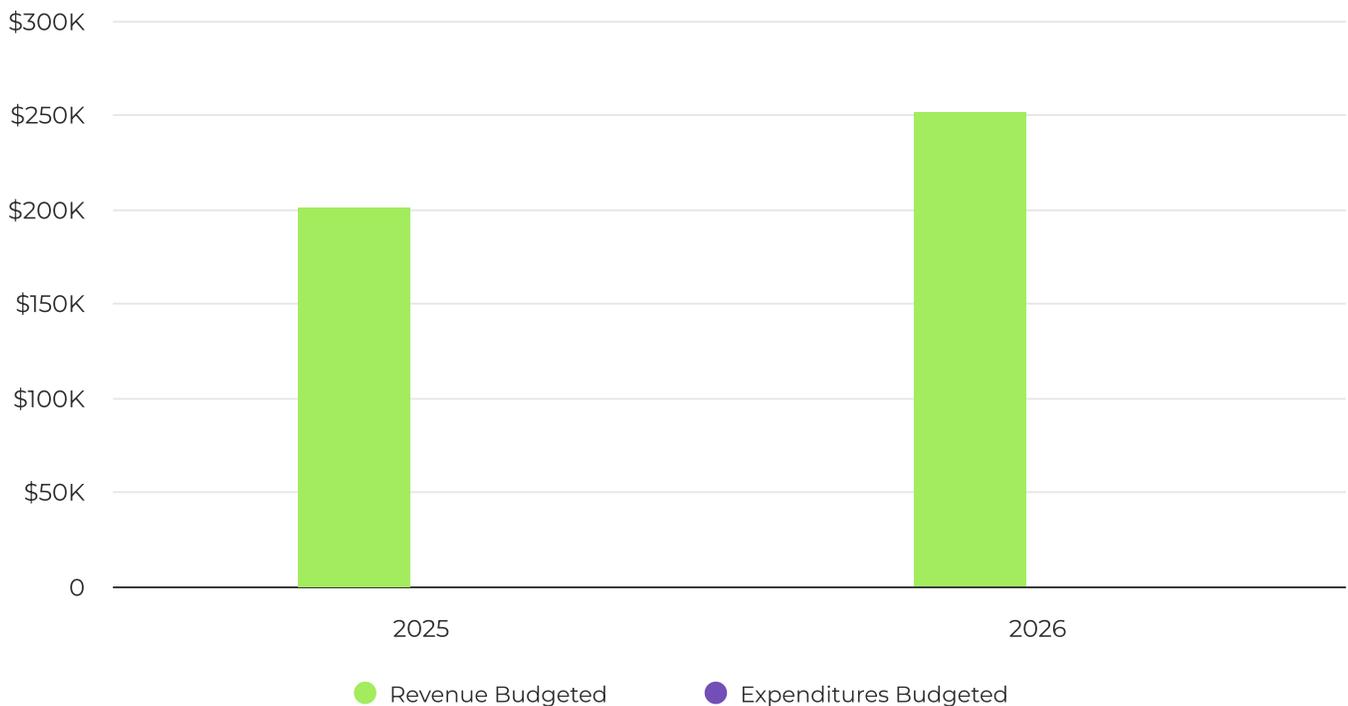
# Park Fund

This fund accounts for the use of park availability charges, grants and tax revenues that are dedicated to the acquisition and improvement of City parks. Park availability charges are levied against all new buildings constructed. In 2022, Siwek Park was constructed with the help of grant funds. Funds are split between park dedication funds and regular park money received outside the park dedication restrictions.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$871,156</b>	<b>\$670,236</b>
<b>Revenues</b>		
Taxes	\$200,000	\$250,000
Miscellaneous	\$1,000	\$1,000
<b>Total Revenues</b>	<b>\$201,000</b>	<b>\$251,000</b>
<b>Expenditures</b>		
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>
<b>Total Revenues Less Expenditures</b>	<b>\$201,000</b>	<b>\$251,000</b>
<b>Ending Fund Balance</b>	<b>\$1,072,156</b>	<b>\$921,236</b>

## Revenues vs Expenditures Summary



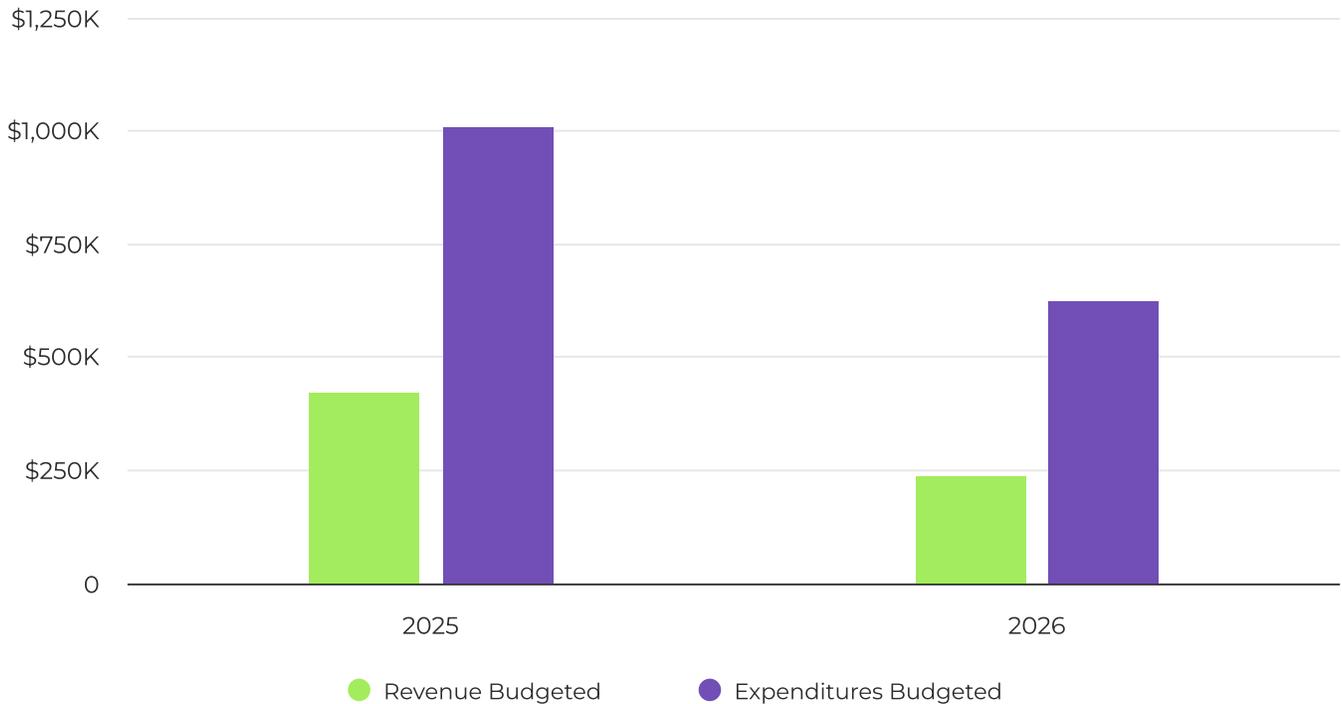
# Capital Equipment Fund

Accounts for funds set aside for future purchases of equipment, vehicles, and facility replacements and improvements. Resources are currently provided by transfers from other funds.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$815,413</b>	<b>\$736,681</b>
<b>Revenues</b>		
Taxes	\$360,000	\$175,000
Interest	\$20,000	\$20,000
Transfers and Contributions	\$40,000	\$40,000
<b>Total Revenues</b>	<b>\$420,000</b>	<b>\$235,000</b>
<b>Expenditures</b>		
Capital Outlay & Depreciation	\$1,007,275	\$624,406
<b>Total Expenditures</b>	<b>\$1,007,275</b>	<b>\$624,406</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$587,275</b>	<b>-\$389,406</b>
<b>Ending Fund Balance</b>	<b>\$228,138</b>	<b>\$347,275</b>

## Revenues vs Expenditures Summary



The following table depicts the city's five year CIP needs for equipment replacement.

<b>City of St. Francis, MN Vehicle and Equipment Replacement Fund</b>	Previous	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Administration</b>											
Computers	65,068	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Technology Equipment	20,248	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Leased Vehicles-All Departments	100,000	96,500	126,500	156,500	186,500	220,000	220,000	220,000	220,000	220,000	220,000
<b>Police</b>											
Body/Squad Cameras	61,457	23,500	22,000	31,000	28,000	60,000	70,000	70,000	70,000	70,000	70,000
Cameras for Buildings	11,000	-	-	4,000	-	-	-	-	-	-	-
Computers	5,762	4,100	3,800	7,500	7,500	-	7,000	7,000	11,000	10,000	-
Emergency Management	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Firearms	4,513	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Radios	10,000	5,000	21,000	40,000	40,000	48,000	16,000	16,000	10,000	10,000	30,000
Squad Computers	8,146	2,200	11,000	5,000	10,000	5,000	10,000	5,000	15,000	5,000	15,000
UAV	3,200	500	500	2,000	5,000	3,000	3,000	3,000	3,000	5,000	3,000
UTV	10,000	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000
<b>Public Works</b>											
Computers	6,956	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,500	3,500	4,000
Crane Truck	-	-	-	-	-	-	-	-	-	150,000	-
Dump Trucks	-	-	-	50,000	50,000	-	-	-	-	-	-
Dump Truck (One-Ton)	-	-	-	-	-	100,000	-	-	-	-	-
Loader	-	-	-	-	-	50,000	-	-	-	-	-
Miscellaneous Equipment	21,857	8,000	12,000	23,500	7,000	-	9,000	9,000	17,000	-	-
Motorgrader	-	-	-	-	-	-	-	185,000	-	-	-
Mowers	12,880	80,000	-	17,000	27,500	-	-	-	19,000	19,500	75,000
Sign Truck	-	-	125,000	-	-	-	-	-	-	-	-
ToolCat	13,519	25,000	-	43,000	43,000	32,000	-	-	46,000	46,000	34,000
Tractor	-	-	-	-	-	-	-	-	130,000	-	-
Trailer	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>334,606</b>	<b>269,800</b>	<b>346,800</b>	<b>405,500</b>	<b>431,000</b>	<b>544,500</b>	<b>366,500</b>	<b>546,500</b>	<b>572,500</b>	<b>567,000</b>	<b>479,000</b>
<b>Sources of Funds:</b>											
Transfer from Water	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transfer from Sewer	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
General Property Tax	360,000	175,000	215,000	255,000	295,000	335,000	375,000	415,000	455,000	495,000	535,000
<b>Total</b>	<b>400,000</b>	<b>215,000</b>	<b>255,000</b>	<b>295,000</b>	<b>345,000</b>	<b>385,000</b>	<b>425,000</b>	<b>465,000</b>	<b>505,000</b>	<b>545,000</b>	<b>585,000</b>

Some of the projects listed above are not included in our annually adopted budget because budgets are not established until after a public hearing is held and the City Council approves the project. This process is normally used for street projects and building construction because of the size of the project and the uncertainty of approval. Councils, economic conditions and priorities are always changing and these types of projects seem to be postponed or modified more than once. If they were included in our budget each year we feel it would misrepresent what is actually occurring.

Please see the city's website for the complete plan as adopted.

[https://www.stfrancismn.gov/sites/default/files/fileattachments/finance/page/2931/capital\\_improvement\\_plan\\_2026-2030.pdf](https://www.stfrancismn.gov/sites/default/files/fileattachments/finance/page/2931/capital_improvement_plan_2026-2030.pdf)

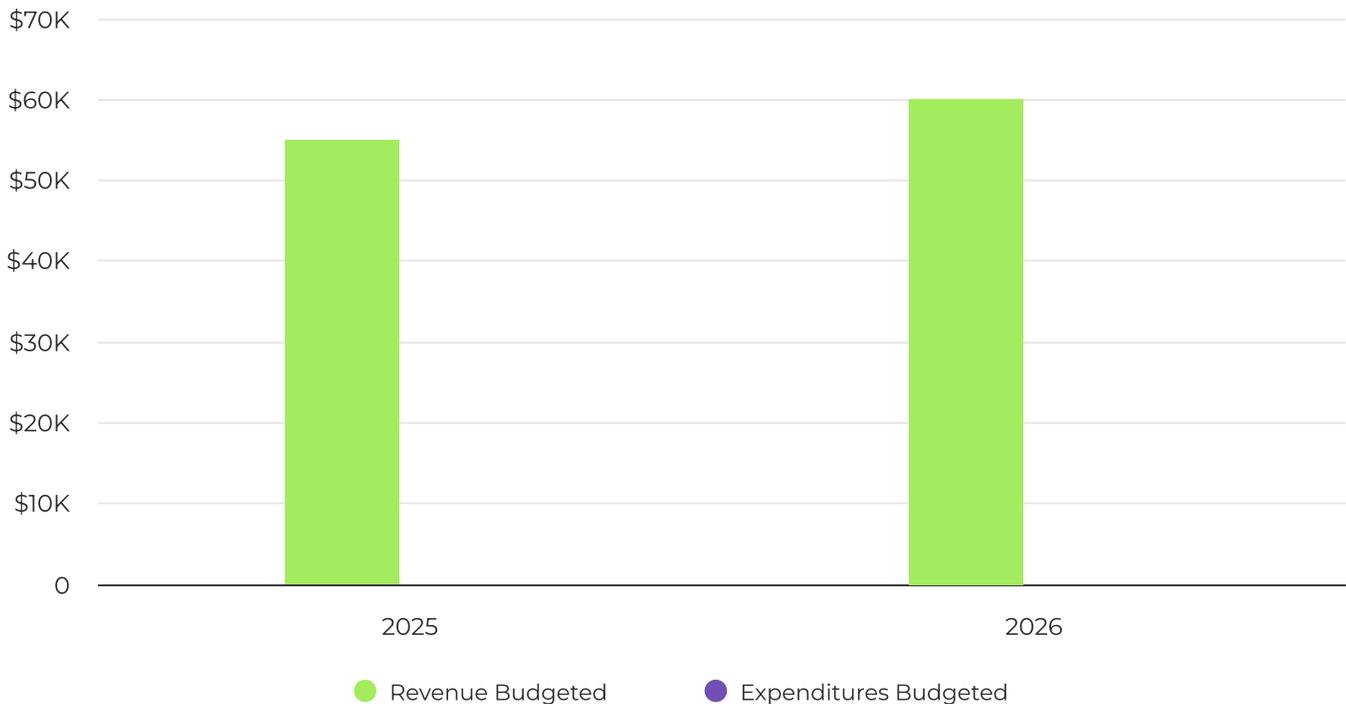
# Building Fund

This fund accounts for financial resources to finance future building improvements. In 2023, bonds were sold to finance the building of a new City Hall/Fire Station. This building was constructed during 2023/2024. City hall and fire staff moved in the end of November and the beginning of December 2024. For the 2024 budget, the tax levy was moved to fund the debt service on this building.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$12,080,572</b>	<b>\$2,000,769</b>
<b>Revenues</b>		
Taxes	\$50,000	\$50,000
Interest	\$5,000	\$10,000
<b>Total Revenues</b>	<b>\$55,000</b>	<b>\$60,000</b>
<b>Expenditures</b>		
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>
<b>Total Revenues Less Expenditures</b>	<b>\$55,000</b>	<b>\$60,000</b>
<b>Ending Fund Balance</b>	<b>\$12,135,572</b>	<b>\$2,060,769</b>

## Revenues vs Expenditures Summary



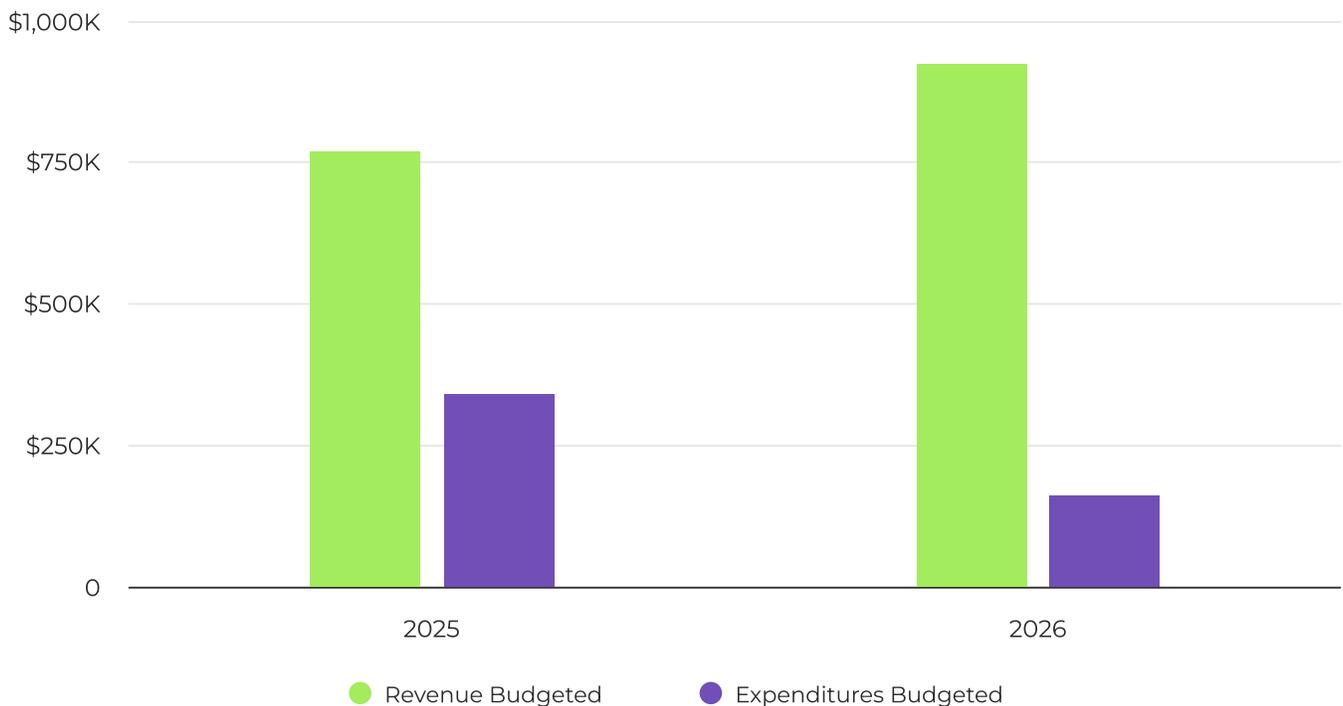
# Street Fund

The Street Fund accounts for financial resources to finance future street improvements.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$760,260</b>	<b>\$2,163,809</b>
<b>Revenues</b>		
Taxes	\$600,000	\$720,000
Intergovernmental	\$116,100	\$130,000
Special Assessments	\$33,000	\$24,000
Interest	\$20,000	\$20,000
Transfers and Contributions	-	\$30,906
<b>Total Revenues</b>	<b>\$769,100</b>	<b>\$924,906</b>
<b>Expenditures</b>		
Contractual Services	\$14,000	\$14,000
Other Charges	\$65,000	\$65,000
Capital Outlay & Depreciation	\$260,000	\$84,300
<b>Total Expenditures</b>	<b>\$339,000</b>	<b>\$163,300</b>
<b>Total Revenues Less Expenditures</b>	<b>\$430,100</b>	<b>\$761,606</b>
<b>Ending Fund Balance</b>	<b>\$1,190,360</b>	<b>\$2,925,415</b>

### Revenues vs Expenditures Summary





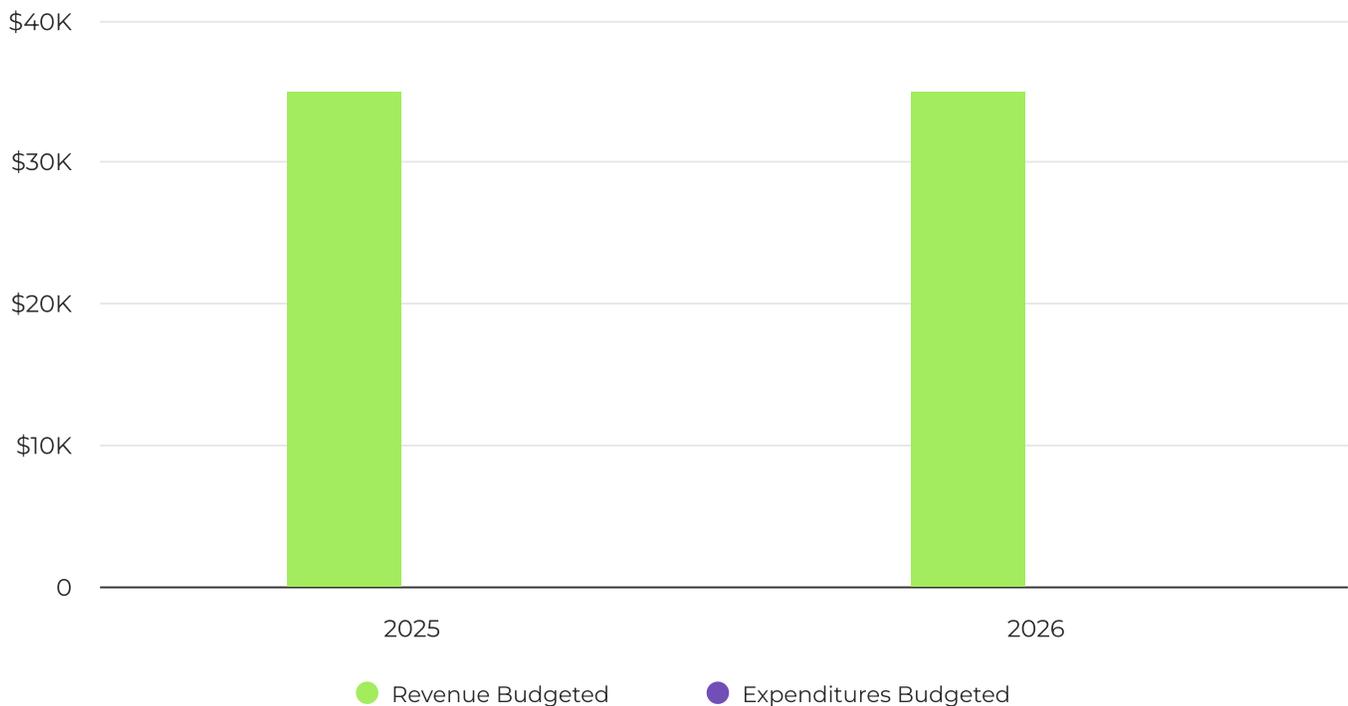
# Gambling Fund

This fund was established in 2012 to account for the gambling proceeds received from charitable gambling in the city. 10% of net profits need to be sent to the city. The city then uses these funds to pay for things such as police, fire and other emergency service equipment and training.

## Statement of Revenues, Expenditures and Fund Balance

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$239,460</b>	<b>\$228,317</b>
<b>Revenues</b>		
Interest	\$5,000	\$5,000
Miscellaneous	\$30,000	\$30,000
<b>Total Revenues</b>	<b>\$35,000</b>	<b>\$35,000</b>
<b>Expenditures</b>		
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>
<b>Total Revenues Less Expenditures</b>	<b>\$35,000</b>	<b>\$35,000</b>
<b>Ending Fund Balance</b>	<b>\$274,460</b>	<b>\$263,317</b>

## Revenues vs Expenditures Summary

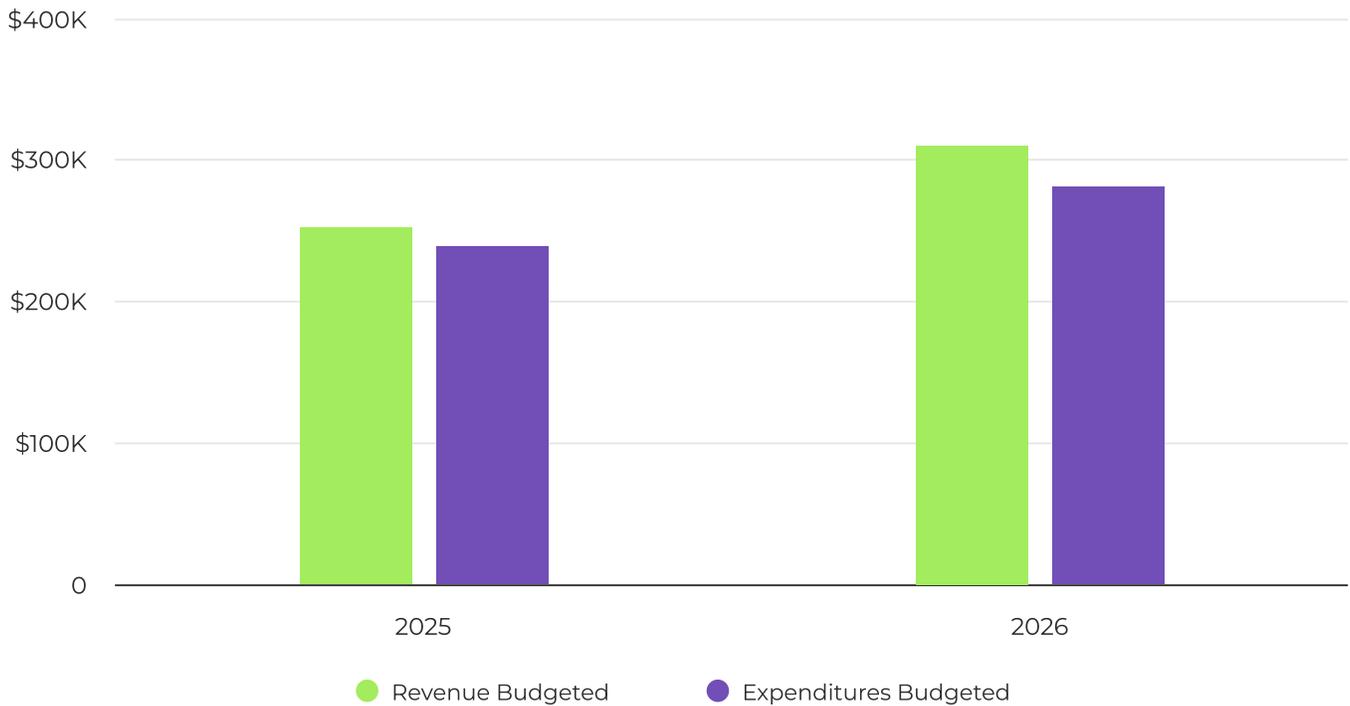


# Storm Water Fund

The Stormwater Fund was moved to a capital improvement fund in 2026. Council decided to remove the direct fee to properties and opted instead for a tax levy to cover the expenses in the fund. The City's stormwater utility exists to improve and protect St. Francis's surface water resources and provide flood protection through the installation and maintenance of stormwater infrastructure, the preservation and enhancement of natural features, and through education and outreach.

Stormwater revenues provide funding for storm drainage maintenance, pond clean-out, and other stormwater-related functions to convey stormwater away from properties.

### Revenues vs Expenditures Summary

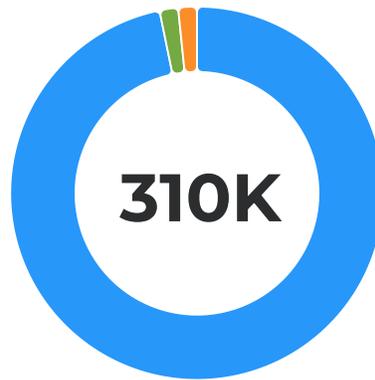


**Fund Summary**

<b>Category</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Budgeted</b>
<b>Beginning Fund Balance</b>	<b>\$1,335,982</b>	<b>\$1,472,606</b>
<b>Revenues</b>		
Taxes	-	\$300,000
Charges for Services	\$230,000	-
Special Assessments	\$8,000	\$5,000
Interest	\$2,000	\$5,000
Miscellaneous	\$12,000	-
<b>Total Revenues</b>	<b>\$252,000</b>	<b>\$310,000</b>
<b>Expenditures</b>		
Personnel Services	\$63,100	\$65,300
Insurance	\$1,000	\$1,000
Contractual Services	\$40,000	\$40,000
Other Charges	\$60,000	\$60,000
Repairs and Maintenance	\$50,000	\$50,000
Capital Outlay & Depreciation	\$24,600	\$24,600
Transfers	-	\$40,000
<b>Total Expenditures</b>	<b>\$238,700</b>	<b>\$280,900</b>
<b>Total Revenues Less Expenditures</b>	<b>\$13,300</b>	<b>\$29,100</b>
<b>Ending Fund Balance</b>	<b>\$1,349,282</b>	<b>\$1,501,706</b>

# Revenues by Revenue Account Summary

## FY26 Revenues by Revenue Account Summary



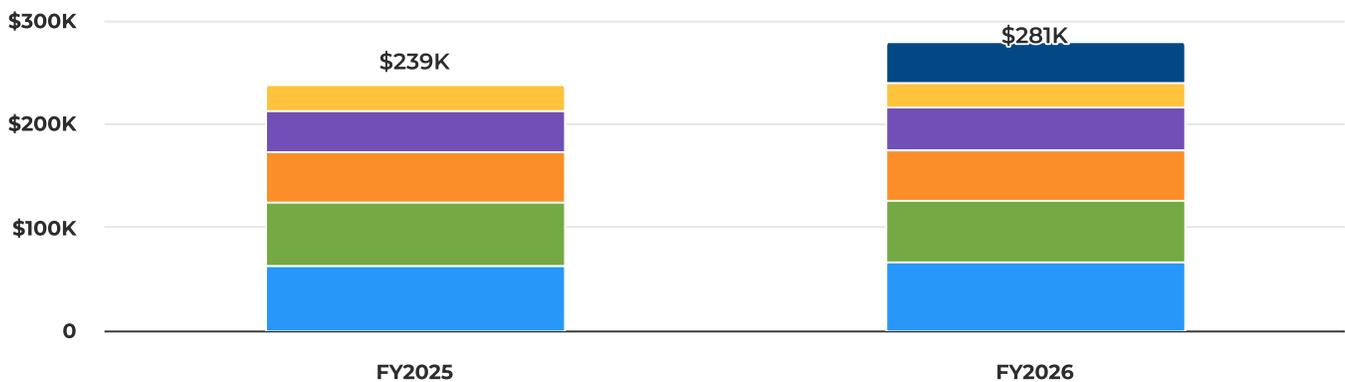
<span style="color: blue;">●</span> Taxes	<b>\$300,000</b>	96.77%
<span style="color: green;">●</span> Interest	<b>\$5,000</b>	1.61%
<span style="color: orange;">●</span> Special Assessments	<b>\$5,000</b>	1.61%

## Revenues by Revenue Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Taxes	-	\$300,000.00	-
Charges for Services	\$230,000.00	-	-
Special Assessments	\$8,000.00	\$5,000.00	-37.50%
Interest	\$2,000.00	\$5,000.00	150.00%
Miscellaneous	\$12,000.00	-	-
<b>Total Revenues</b>	<b>\$252,000.00</b>	<b>\$310,000.00</b>	<b>23.02%</b>

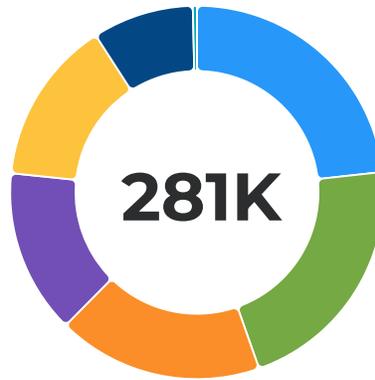
# Expenditures by Expense Account Summary

## Historical Expenditures by Expense Account Summary



<span style="color: teal;">●</span> Insurance	<span style="color: blue;">●</span> Transfers	<span style="color: yellow;">●</span> Capital Outlay & Depreciation
<span style="color: purple;">●</span> Contractual Services	<span style="color: orange;">●</span> Repairs and Maintenance	<span style="color: green;">●</span> Other Charges
<span style="color: lightblue;">●</span> Personnel Services		

### FY26 Expenditures by Expense Account Summary



● Personnel Services	<b>\$65,300</b>	23.25%
● Other Charges	<b>\$60,000</b>	21.36%
● Repairs and Maintenance	<b>\$50,000</b>	17.80%
● Transfers	<b>\$40,000</b>	14.24%
● Contractual Services	<b>\$40,000</b>	14.24%
● Capital Outlay & Depreciation	<b>\$24,600</b>	8.76%
● Insurance	<b>\$1,000</b>	0.36%

### Expenditures by Expense Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$63,100.00	\$65,300.00	3.49%
Insurance	\$1,000.00	\$1,000.00	0.00%
Contractual Services	\$40,000.00	\$40,000.00	0.00%
Other Charges	\$60,000.00	\$60,000.00	0.00%
Repairs and Maintenance	\$50,000.00	\$50,000.00	0.00%
Capital Outlay & Depreciation	\$24,600.00	\$24,600.00	0.00%
Transfers	-	\$40,000.00	-
<b>Total Expenditures</b>	<b>\$238,700.00</b>	<b>\$280,900.00</b>	<b>17.68%</b>

# Enterprise Funds

# Water Fund

The Water Fund is a self-sustaining utility fund. The City's water utility provides a safe, reliable, efficient, and cost-effective water operating system to meet the needs of residents and businesses now and into the future. Services include water pumping, water treatment, water storage, water distribution, repairs and maintenance, hydrant flushing, water locates, water meter reading and responding to emergency water main breaks. The City's water supply comes from 3 wells and a water treatment plant with a total pumping capacity of about 2 million gallons per day. There are approximately 30 miles of water mains. The water is chlorinated and fluoridated to meet Department of Health standards.

Billings to customers are based on actual water usage that is metered for each property. A portion of the fee collected supports system infrastructure replacement; however, significant capital improvements generally warrant borrowing for a share of the capital costs. Bonding helps the City maintain a stable rate structure by avoiding spikes in large capital expenses.

Water data is collected monthly and customers are billed for water use on a monthly basis as well. The City bills one month in arrears. The city installed remote meters several years ago, and it has aided in correct billings and the ability to see when problems arise. Unpaid bills are the responsibility of the property owner and are certified to the property taxes in November each year.

An annual review of rates is completed to ensure financial stability of the utility.

## Revenues vs Expenditures Summary





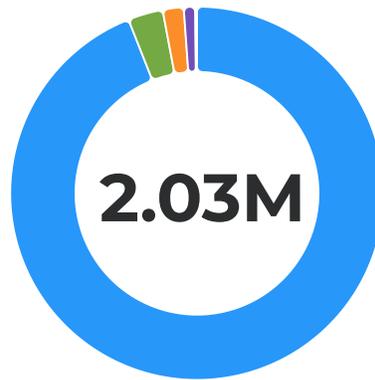
# Water Fund Comprehensive Summary

## Comprehensive Fund Summary

Category	FY 2025 Adopted	FY 2026 Budgeted
<b>Beginning Fund Balance</b>	<b>\$9,475,935</b>	<b>\$10,275,890</b>
<b>Revenues</b>		
Interest	\$20,000	\$20,000
Miscellaneous	\$3,000	\$3,000
Transfers and Contributions	\$37,100	\$37,100
Utility Sales	\$1,614,600	\$1,910,600
Connection Fees	\$36,700	\$61,200
<b>Total Revenues</b>	<b>\$1,711,400</b>	<b>\$2,031,900</b>
<b>Expenditures</b>		
Personnel Services	\$278,600	\$311,000
Insurance	\$34,700	\$34,900
Supplies and Charges	\$53,300	\$49,300
Contractual Services	\$48,500	\$46,500
Other Charges	\$165,000	\$173,800
Repairs and Maintenance	\$174,100	\$173,100
Capital Outlay & Depreciation	\$360,000	\$360,000
Communications	\$6,100	\$6,100
Utilities	\$91,500	\$91,000
Debt Service	\$73,644	\$52,343
Transfers	\$102,500	\$102,500
<b>Total Expenditures</b>	<b>\$1,387,944</b>	<b>\$1,400,543</b>
<b>Total Revenues Less Expenditures</b>	<b>\$323,456</b>	<b>\$631,357</b>
<b>Ending Fund Balance</b>	<b>\$9,799,391</b>	<b>\$10,907,247</b>

# Revenues by Revenue Account Summary

## FY26 Revenues by Revenue Account Summary



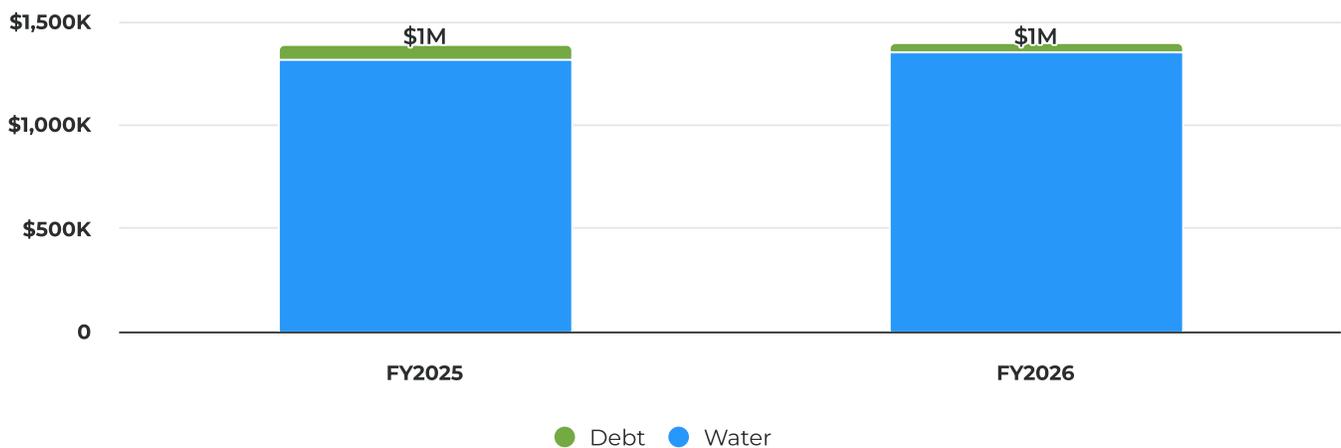
<span style="color: blue;">●</span> Utility Sales	<b>\$1,910,600</b>	94.03%
<span style="color: green;">●</span> Connection Fees	<b>\$61,200</b>	3.01%
<span style="color: orange;">●</span> Transfers and Contributions	<b>\$37,100</b>	1.83%
<span style="color: purple;">●</span> Interest	<b>\$20,000</b>	0.98%
<span style="color: yellow;">●</span> Miscellaneous	<b>\$3,000</b>	0.15%

## Revenues by Revenue Account Summary

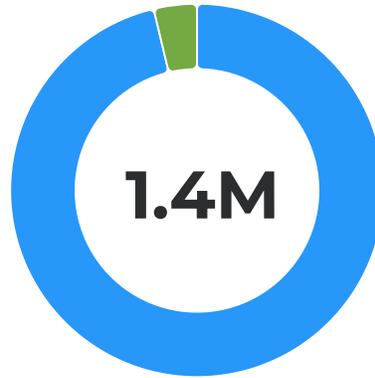
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Interest	\$20,000.00	\$20,000.00	0.00%
Miscellaneous	\$3,000.00	\$3,000.00	0.00%
Transfers and Contributions	\$37,100.00	\$37,100.00	0.00%
Utility Sales	\$1,614,600.00	\$1,910,600.00	18.33%
Connection Fees	\$36,700.00	\$61,200.00	66.76%
<b>Total Revenues</b>	<b>\$1,711,400.00</b>	<b>\$2,031,900.00</b>	<b>18.73%</b>

# Expenditures by Function

## Historical Expenditures by Function



### FY26 Expenditures by Function



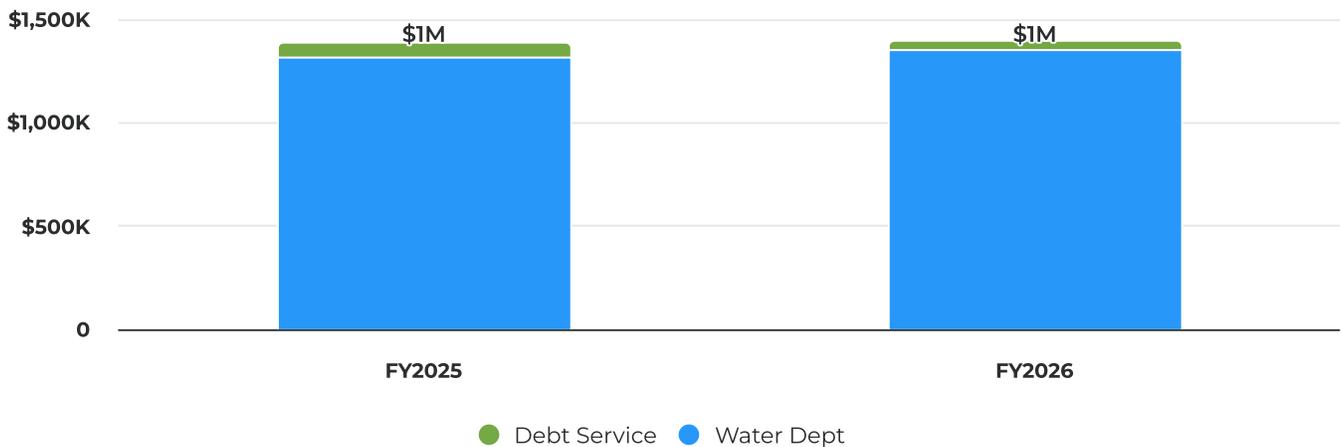
<span style="color: blue;">●</span> Water	<b>\$1,348,200</b>	96.26%
<span style="color: green;">●</span> Debt	<b>\$52,343</b>	3.74%

### Expenditures by Function

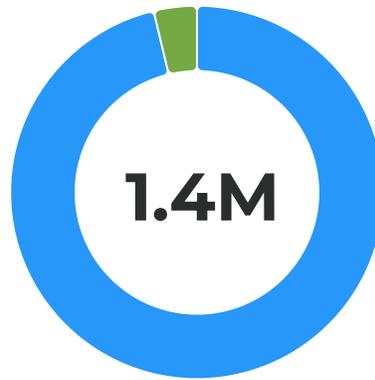
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Debt	\$73,644.00	\$52,343.00	-28.92%
Water	\$1,314,300.00	\$1,348,200.00	2.58%
<b>Total Expenditures</b>	<b>\$1,387,944.00</b>	<b>\$1,400,543.00</b>	<b>0.91%</b>

### Expenditures by Department

Historical Expenditures by Department



### FY26 Expenditures by Department



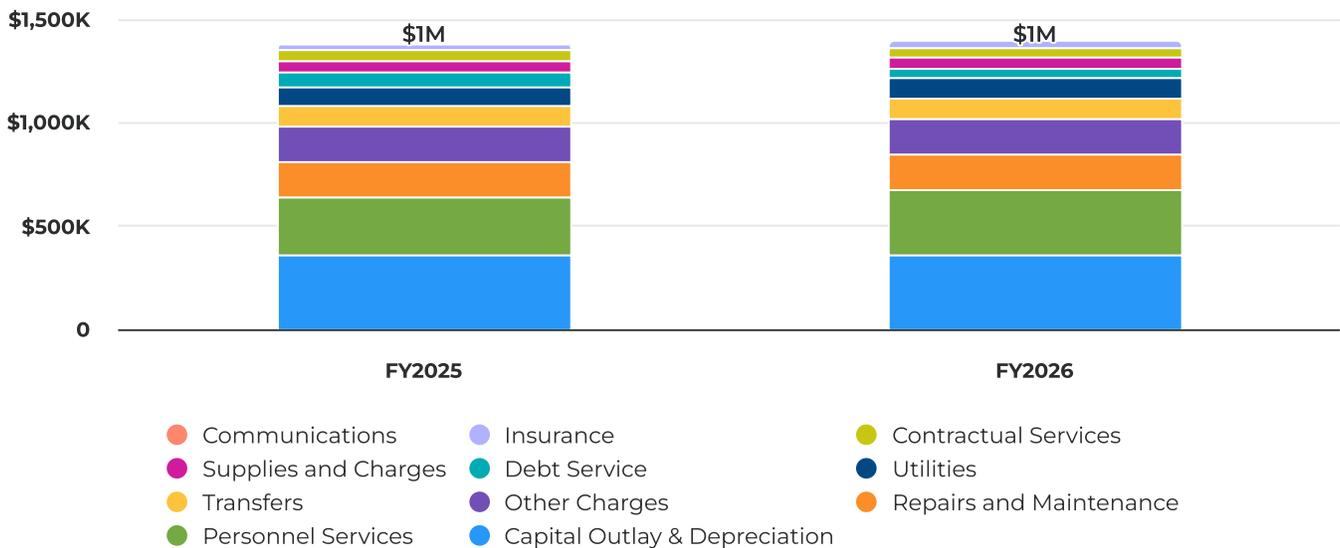
<span style="color: blue;">●</span> Water Dept	<b>\$1,348,200</b>	96.26%
<span style="color: green;">●</span> Debt Service	<b>\$52,343</b>	3.74%

### Expenditures by Department

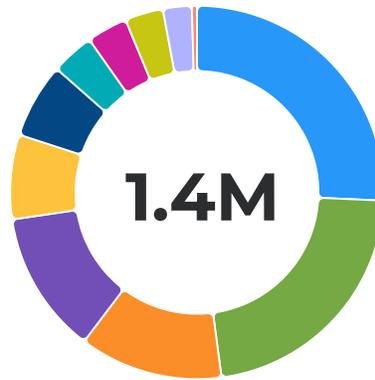
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Debt Service	\$73,644.00	\$52,343.00	-28.92%
Water Dept	\$1,314,300.00	\$1,348,200.00	2.58%
<b>Total Expenditures</b>	<b>\$1,387,944.00</b>	<b>\$1,400,543.00</b>	<b>0.91%</b>

### Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Capital Outlay & Depreciation	<b>\$360,000</b>	25.70%
● Personnel Services	<b>\$311,000</b>	22.21%
● Other Charges	<b>\$173,800</b>	12.41%
● Repairs and Maintenance	<b>\$173,100</b>	12.36%
● Transfers	<b>\$102,500</b>	7.32%
● Utilities	<b>\$91,000</b>	6.50%
● Debt Service	<b>\$52,343</b>	3.74%
● Supplies and Charges	<b>\$49,300</b>	3.52%
● Contractual Services	<b>\$46,500</b>	3.32%
● Insurance	<b>\$34,900</b>	2.49%
● Communications	<b>\$6,100</b>	0.44%

### Expenditures by Expense Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$278,600.00	\$311,000.00	11.63%
Insurance	\$34,700.00	\$34,900.00	0.58%
Supplies and Charges	\$53,300.00	\$49,300.00	-7.50%
Contractual Services	\$48,500.00	\$46,500.00	-4.12%
Other Charges	\$165,000.00	\$173,800.00	5.33%
Repairs and Maintenance	\$174,100.00	\$173,100.00	-0.57%
Capital Outlay & Depreciation	\$360,000.00	\$360,000.00	0.00%
Communications	\$6,100.00	\$6,100.00	0.00%
Utilities	\$91,500.00	\$91,000.00	-0.55%
Debt Service	\$73,644.00	\$52,343.00	-28.92%
Transfers	\$102,500.00	\$102,500.00	0.00%
<b>Total Expenditures</b>	<b>\$1,387,944.00</b>	<b>\$1,400,543.00</b>	<b>0.91%</b>

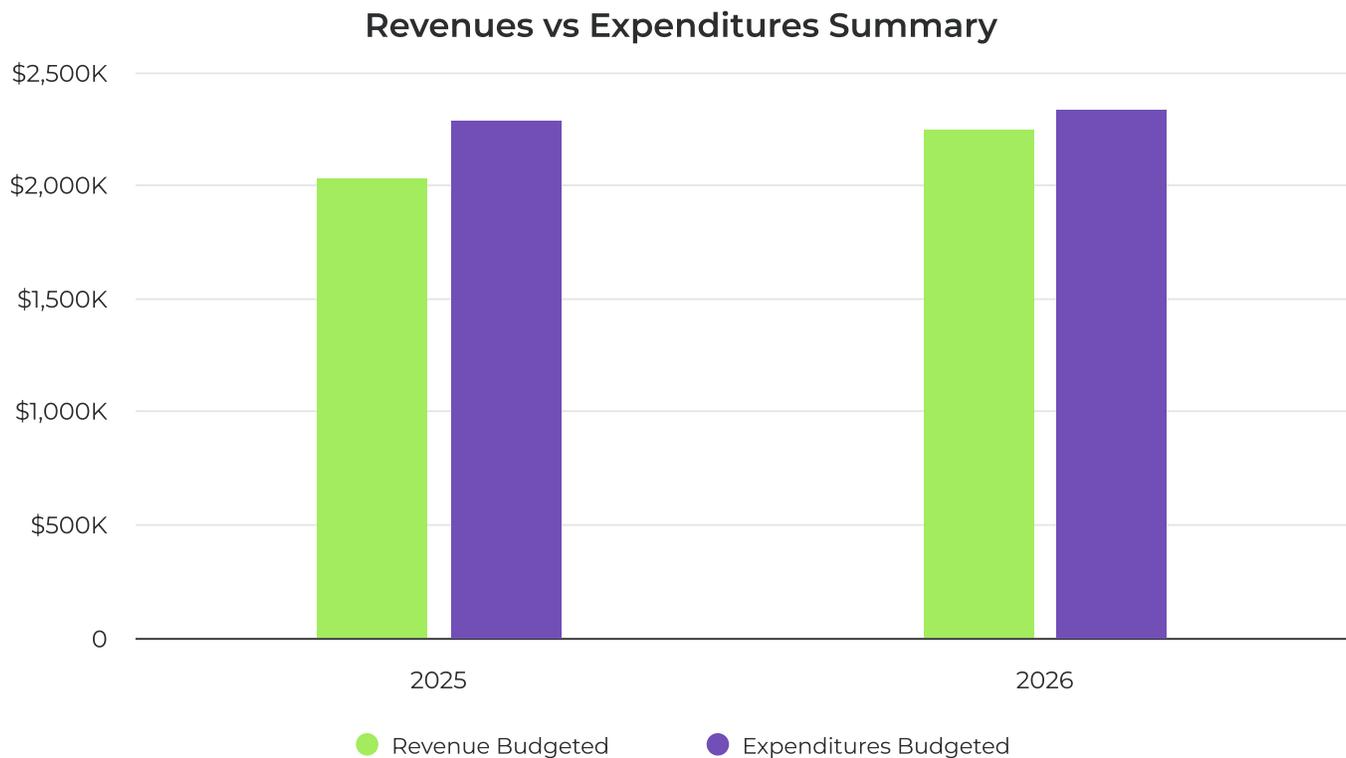
# Sewer Fund

The Sewer Fund is a self-sustaining utility fund. The City's sewer utility provides an efficient, well-maintained, and cost-effective sewer collection system to meet the needs of the growing community. The City operates and maintains 9 lift stations, and approximately 24 miles of sanitary sewer lines.

Services include operating and maintaining the sanitary sewer collection system, sewer jetting, inspecting lift stations, inflow and infiltration improvements, and emergency sewer repairs. The City's sanitary sewer is discharged to the Wastewater Treatment Plant in St. Francis, and treatment charges are the largest source of expenses in the Sewer Fund (excluding depreciation).

Billings to customers for sewer are based on actual water usage that is metered for each property from the fall to spring. In the summer, sewer billing is capped at an amount based on actual water usage in the winter. This is called the look-back program. A portion of the fee collected supports system infrastructure replacement; however, significant capital improvements generally warrant borrowing for a share of the capital costs. Bonding helps the City maintain a stable rate structure by avoiding spikes in large capital expenses.

An annual review of rates is completed to ensure financial stability of the utility.

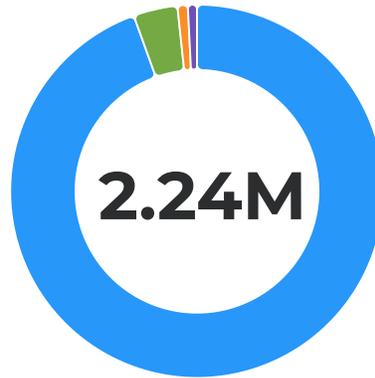


**Fund Summary**

<b>Category</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Budgeted</b>
<b>Beginning Fund Balance</b>	<b>\$15,680,879</b>	<b>\$16,243,199</b>
<b>Revenues</b>		
Interest	\$20,000	\$20,000
Miscellaneous	\$21,000	\$17,500
Utility Sales	\$1,935,000	\$2,119,000
Connection Fees	\$51,400	\$85,680
<b>Total Revenues</b>	<b>\$2,027,400</b>	<b>\$2,242,180</b>
<b>Expenditures</b>		
Personnel Services	\$278,600	\$311,000
Insurance	\$50,200	\$50,200
Supplies and Charges	\$112,100	\$112,300
Contractual Services	\$111,000	\$111,500
Other Charges	\$276,100	\$295,100
Repairs and Maintenance	\$119,300	\$125,700
Capital Outlay & Depreciation	\$850,000	\$850,000
Communications	\$4,000	\$4,500
Utilities	\$148,000	\$148,000
Debt Service	\$199,739	\$184,368
Transfers	\$139,600	\$139,600
<b>Total Expenditures</b>	<b>\$2,288,639</b>	<b>\$2,332,268</b>
<b>Total Revenues Less Expenditures</b>	<b>-\$261,239</b>	<b>-\$90,088</b>
<b>Ending Fund Balance</b>	<b>\$15,419,640</b>	<b>\$16,153,111</b>

# Revenues by Revenue Account Summary

## FY26 Revenues by Revenue Account Summary



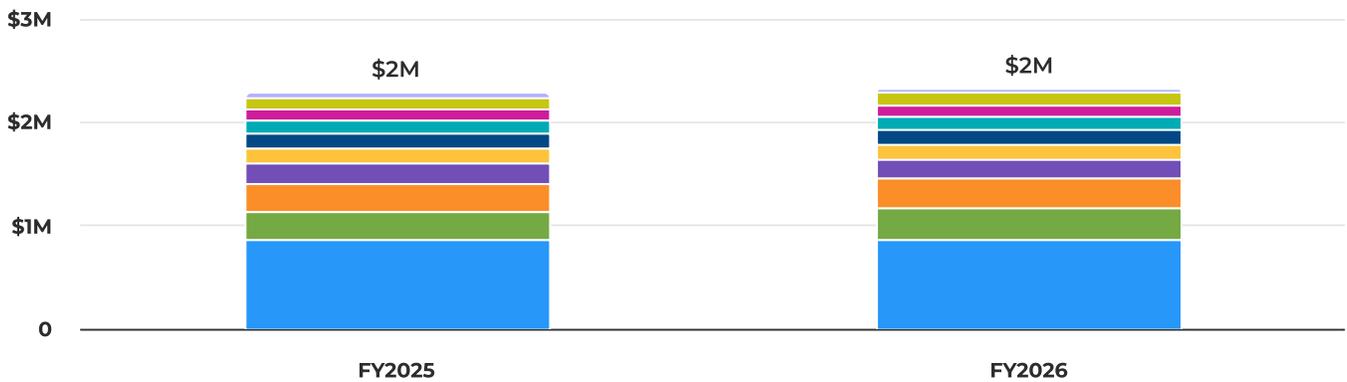
<span style="color: blue;">●</span> Utility Sales	<b>\$2,119,000</b>	94.51%
<span style="color: green;">●</span> Connection Fees	<b>\$85,680</b>	3.82%
<span style="color: orange;">●</span> Interest	<b>\$20,000</b>	0.89%
<span style="color: purple;">●</span> Miscellaneous	<b>\$17,500</b>	0.78%

## Revenues by Revenue Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Interest	\$20,000.00	\$20,000.00	0.00%
Miscellaneous	\$21,000.00	\$17,500.00	-16.67%
Utility Sales	\$1,935,000.00	\$2,119,000.00	9.51%
Connection Fees	\$51,400.00	\$85,680.00	66.69%
<b>Total Revenues</b>	<b>\$2,027,400.00</b>	<b>\$2,242,180.00</b>	<b>10.59%</b>

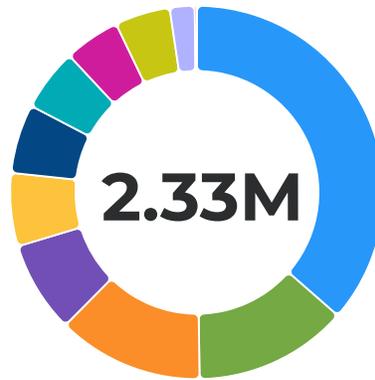
# Expenditures by Expense Account Summary

## Historical Expenditures by Expense Account Summary



<span style="color: orange;">●</span> Communications	<span style="color: purple;">●</span> Insurance	<span style="color: yellow;">●</span> Contractual Services
<span style="color: pink;">●</span> Supplies and Charges	<span style="color: teal;">●</span> Repairs and Maintenance	<span style="color: darkblue;">●</span> Transfers
<span style="color: yellow;">●</span> Utilities	<span style="color: purple;">●</span> Debt Service	<span style="color: orange;">●</span> Other Charges
<span style="color: green;">●</span> Personnel Services	<span style="color: blue;">●</span> Capital Outlay & Depreciation	

### FY26 Expenditures by Expense Account Summary



● Capital Outlay & Depreciation	<b>\$850,000</b>	36.45%
● Personnel Services	<b>\$311,000</b>	13.33%
● Other Charges	<b>\$295,100</b>	12.65%
● Debt Service	<b>\$184,368</b>	7.91%
● Utilities	<b>\$148,000</b>	6.35%
● Transfers	<b>\$139,600</b>	5.99%
● Repairs and Maintenance	<b>\$125,700</b>	5.39%
● Supplies and Charges	<b>\$112,300</b>	4.82%
● Contractual Services	<b>\$111,500</b>	4.78%
● Insurance	<b>\$50,200</b>	2.15%
● Communications	<b>\$4,500</b>	0.19%

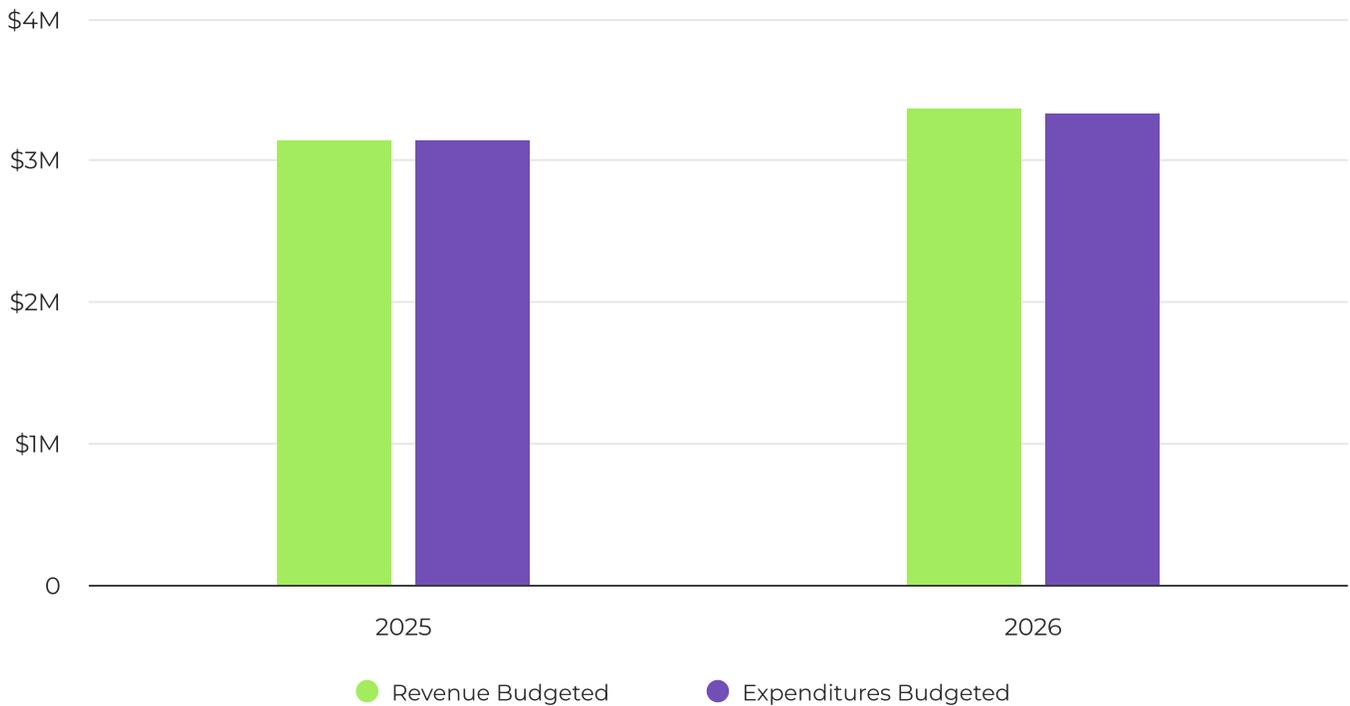
### Expenditures by Expense Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$278,600.00	\$311,000.00	11.63%
Insurance	\$50,200.00	\$50,200.00	0.00%
Supplies and Charges	\$112,100.00	\$112,300.00	0.18%
Contractual Services	\$111,000.00	\$111,500.00	0.45%
Other Charges	\$276,100.00	\$295,100.00	6.88%
Repairs and Maintenance	\$119,300.00	\$125,700.00	5.36%
Capital Outlay & Depreciation	\$850,000.00	\$850,000.00	0.00%
Communications	\$4,000.00	\$4,500.00	12.50%
Utilities	\$148,000.00	\$148,000.00	0.00%
Debt Service	\$199,739.00	\$184,368.00	-7.70%
Transfers	\$139,600.00	\$139,600.00	0.00%
<b>Total Expenditures</b>	<b>\$2,288,639.00</b>	<b>\$2,332,268.00</b>	<b>1.91%</b>

# Liquor Fund

The Liquor Fund is used to account for the operations of the City's Liquor Store. The city remodeled the store in 2021, to add space for sales and storage. It hit sales of \$3 million in 2023 for the first time. The store's profits have been used to help support the city's other functions such as the fire department and parks.

### Revenues vs Expenditures Summary

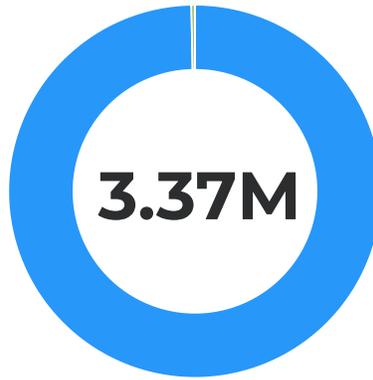


**Fund Summary**

<b>Category</b>	<b>FY 2025 Adopted</b>	<b>FY 2026 Budgeted</b>
<b>Beginning Fund Balance</b>	<b>\$2,227,079</b>	<b>\$2,406,991</b>
<b>Revenues</b>		
Interest	\$10,000	\$10,000
Miscellaneous	\$500	\$500
Liquor Sales	\$3,130,000	\$3,355,000
<b>Total Revenues</b>	<b>\$3,140,500</b>	<b>\$3,365,500</b>
<b>Expenditures</b>		
Personnel Services	\$373,400	\$453,400
Insurance	\$39,700	\$38,700
Supplies and Charges	\$8,100	\$8,900
Cost of Goods Sold	\$2,376,100	\$2,477,000
Contractual Services	\$86,600	\$86,600
Other Charges	\$114,800	\$123,800
Repairs and Maintenance	\$12,000	\$11,500
Capital Outlay & Depreciation	\$43,000	\$43,000
Communications	\$2,000	\$1,500
Utilities	\$15,000	\$15,000
Transfers	\$65,000	\$70,000
<b>Total Expenditures</b>	<b>\$3,135,700</b>	<b>\$3,329,400</b>
<b>Total Revenues Less Expenditures</b>	<b>\$4,800</b>	<b>\$36,100</b>
<b>Ending Fund Balance</b>	<b>\$2,231,879</b>	<b>\$2,443,091</b>

# Revenues by Revenue Account Summary

## FY26 Revenues by Revenue Account Summary



●	Liquor Sales	<b>\$3,355,000</b>	99.69%
●	Interest	<b>\$10,000</b>	0.30%
●	Miscellaneous	<b>\$500</b>	0.01%

## Revenues by Revenue Account Summary

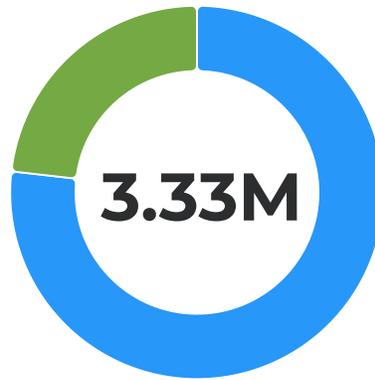
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Interest	\$10,000.00	\$10,000.00	0.00%
Miscellaneous	\$500.00	\$500.00	0.00%
Liquor Sales	\$3,130,000.00	\$3,355,000.00	7.19%
<b>Total Revenues</b>	<b>\$3,140,500.00</b>	<b>\$3,365,500.00</b>	<b>7.16%</b>

# Expenditures by Department

## Historical Expenditures by Department



### FY26 Expenditures by Department



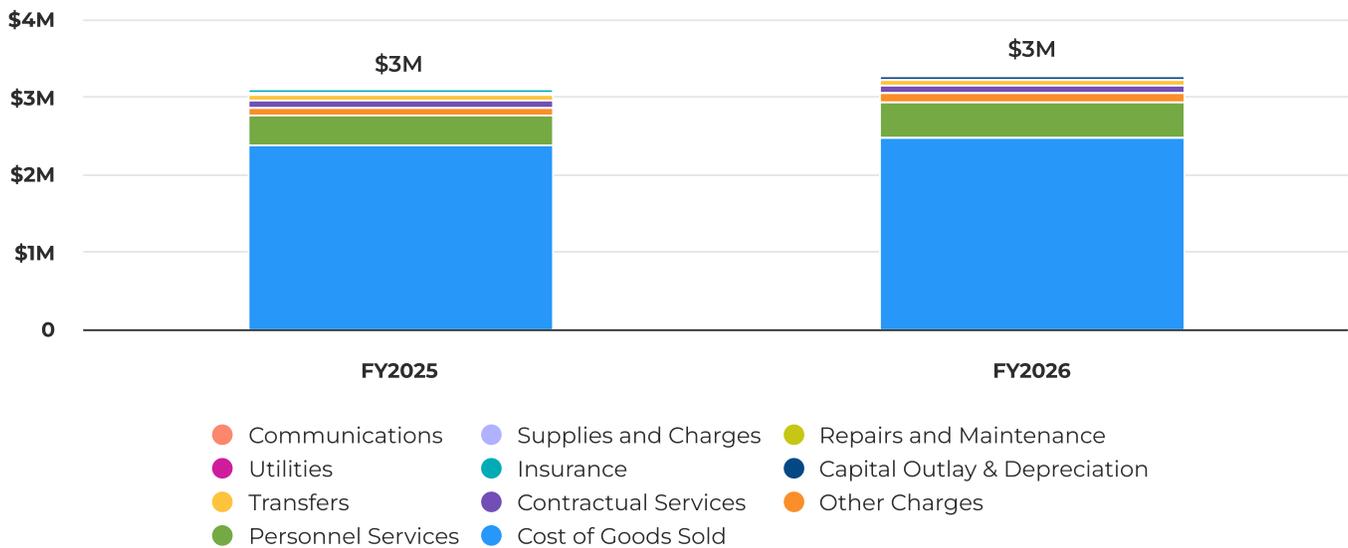
<span style="color: blue;">●</span> Merchandise Purchases	<b>\$2,557,000</b>	76.80%
<span style="color: green;">●</span> Liquor Store	<b>\$772,400</b>	23.20%

### Expenditures by Department

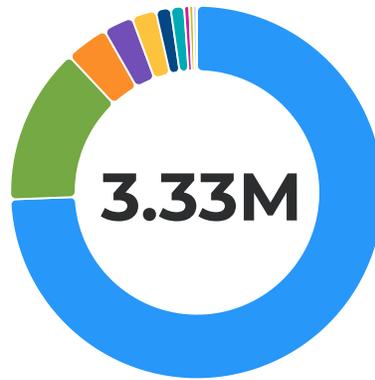
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Liquor Store	\$679,600.00	\$772,400.00	13.66%
Merchandise Purchases	\$2,456,100.00	\$2,557,000.00	4.11%
<b>Total Expenditures</b>	<b>\$3,135,700.00</b>	<b>\$3,329,400.00</b>	<b>6.18%</b>

### Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Cost of Goods Sold	<b>\$2,477,000</b>	74.40%
● Personnel Services	<b>\$453,400</b>	13.62%
● Other Charges	<b>\$123,800</b>	3.72%
● Contractual Services	<b>\$86,600</b>	2.60%
● Transfers	<b>\$70,000</b>	2.10%
● Capital Outlay & Depreciation	<b>\$43,000</b>	1.29%
● Insurance	<b>\$38,700</b>	1.16%
● Utilities	<b>\$15,000</b>	0.45%
● Repairs and Maintenance	<b>\$11,500</b>	0.35%
● Supplies and Charges	<b>\$8,900</b>	0.27%
● Communications	<b>\$1,500</b>	0.05%

### Expenditures by Expense Account Summary

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$373,400.00	\$453,400.00	21.42%
Insurance	\$39,700.00	\$38,700.00	-2.52%
Supplies and Charges	\$8,100.00	\$8,900.00	9.88%
Cost of Goods Sold	\$2,376,100.00	\$2,477,000.00	4.25%
Contractual Services	\$86,600.00	\$86,600.00	0.00%
Other Charges	\$114,800.00	\$123,800.00	7.84%
Repairs and Maintenance	\$12,000.00	\$11,500.00	-4.17%
Capital Outlay & Depreciation	\$43,000.00	\$43,000.00	0.00%
Communications	\$2,000.00	\$1,500.00	-25.00%
Utilities	\$15,000.00	\$15,000.00	0.00%
Transfers	\$65,000.00	\$70,000.00	7.69%
<b>Total Expenditures</b>	<b>\$3,135,700.00</b>	<b>\$3,329,400.00</b>	<b>6.18%</b>

# General Fund Departments Summary

# City Council

## Description

The Council provides the legislative and policy-making activities of the City for the health, safety and welfare of the community. It exercises budgetary control through the adoption of the annual budget, and approval of claims against the City treasury. The Council also annually adopts a five-year capital improvement plan identifying the City's infrastructure needs, appoints various citizen committees to render advice on legislative and city issues, and responds to constituent concerns and questions by working with city administration to address community service issues.

## Objectives

- Adopt policies and ordinances consistent with the council's position on growth, zoning and financial strategy.
- Continue joint efforts with other agencies to promote efficiency in government processes.

## Performance Measures

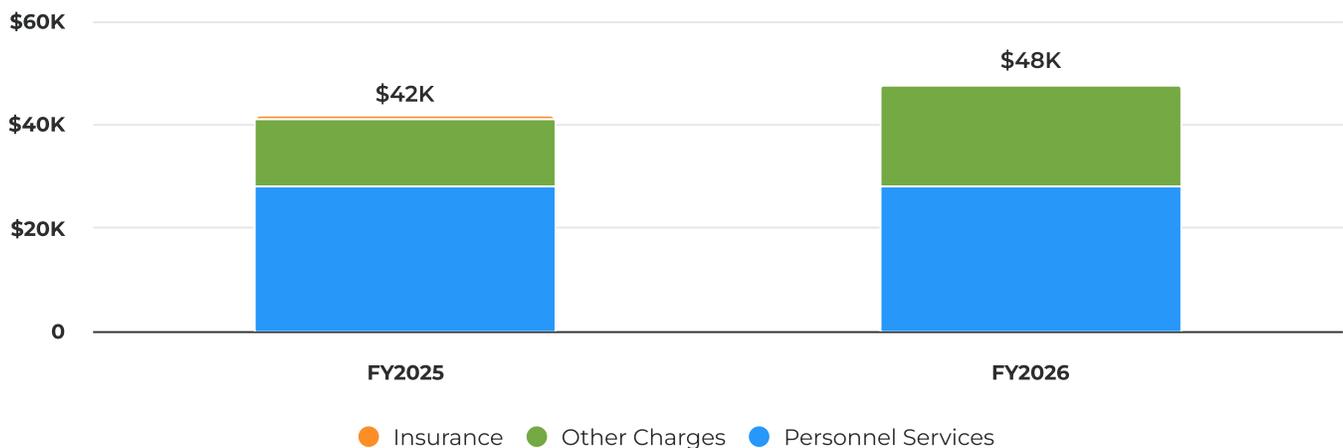
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Council meetings	24	24	24	24
Special meetings	3	1	0	2
Worksessions	8	7	8	8

### Staffing

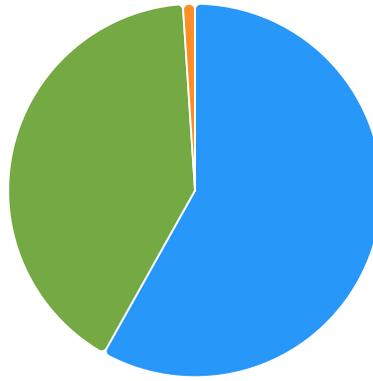
Full-Time Equivalent positions Council consists of one Mayor and four Council Members.

## Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



<span style="color: blue;">●</span> Personnel Services	<b>\$27,890</b>	58.12%
<span style="color: green;">●</span> Other Charges	<b>\$19,600</b>	40.84%
<span style="color: orange;">●</span> Insurance	<b>\$500</b>	1.04%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$28,100	\$27,890	-0.75%
Insurance	\$500	\$500	0.00%
Other Charges	\$13,100	\$19,600	49.62%
<b>Total Expenditures</b>	<b>\$41,700</b>	<b>\$47,990</b>	<b>15.08%</b>

# Charter Commission

## Description

The City operates under a Home Rule Charter. This budget, when used, is mainly for legal advice and publishing requirements.

## Objectives

- Bring forward charter amendments as needed.

## Performance Measures

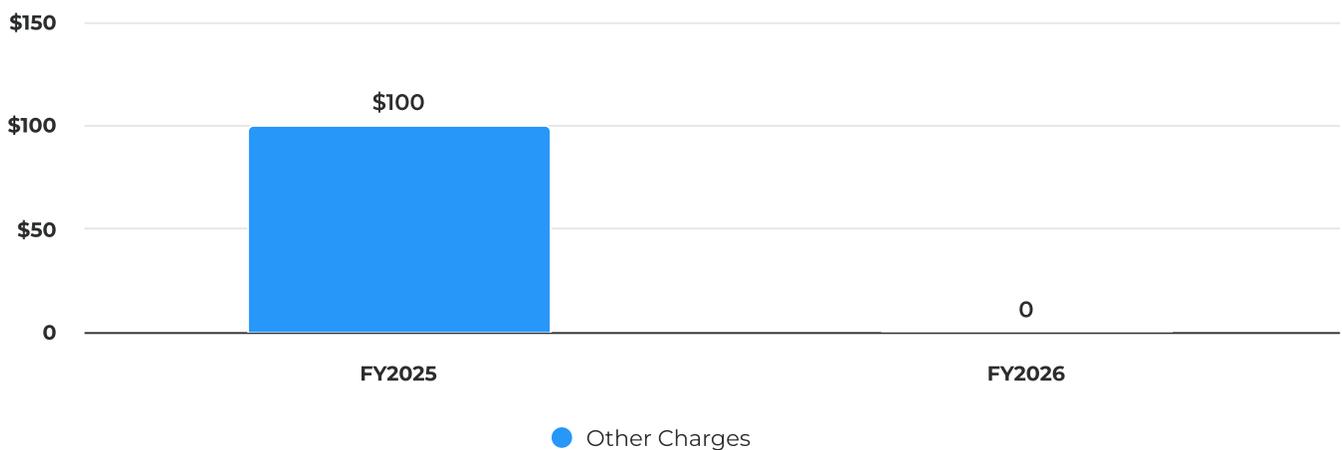
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Meetings	1	1	1	1

## Personnel Summary

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

## Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Other Charges	\$100	-	-

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
<b>Total Expenditures</b>	<b>\$100</b>	-	-

# Administration

## Description

This program provides for the administration of the city government within the guidelines and policies established by the City Council. Responsibilities include directing the administration of city affairs and enforcing laws, city ordinances and resolutions as adopted by the governing body. The City Administrator and City Clerk are accounted for in this program.

## Objectives

- Assist the city council with setting policies and procedures.
- Provide direction and leadership on city projects and budget management.
- Work on succession planning for key staffing roles within the organization.
- Continue the conversion of paper documents to electronic format.

## Performance Measures

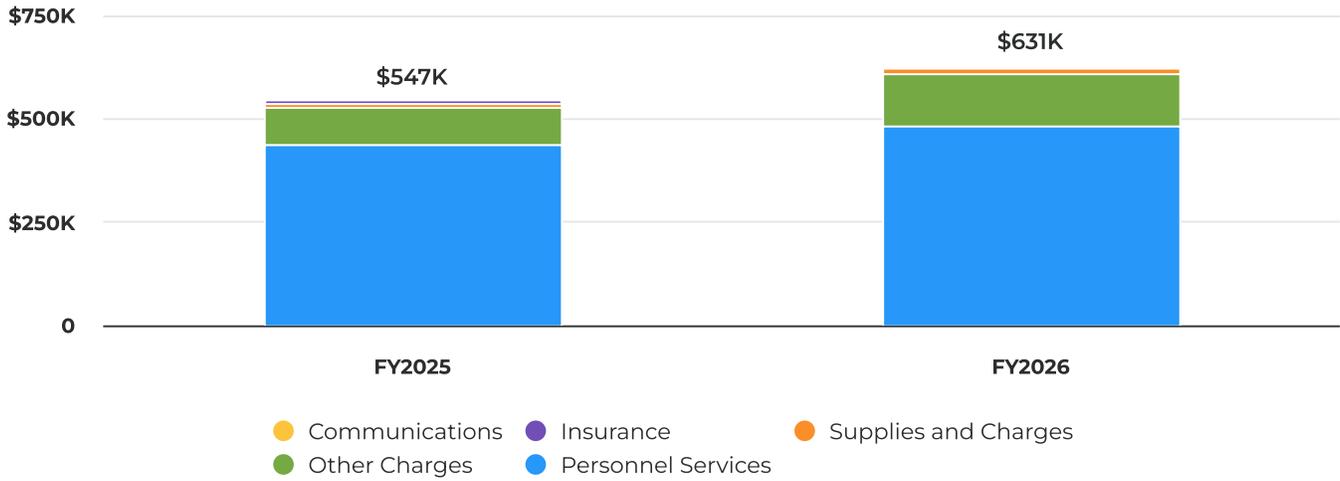
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Staff Meetings Held	52	48	50	52
Number of Resolutions	64	71	65	70
Number of Ordinances	19	21	14	20
Licenses Issued	24	22	70	75

## Personnel Summary

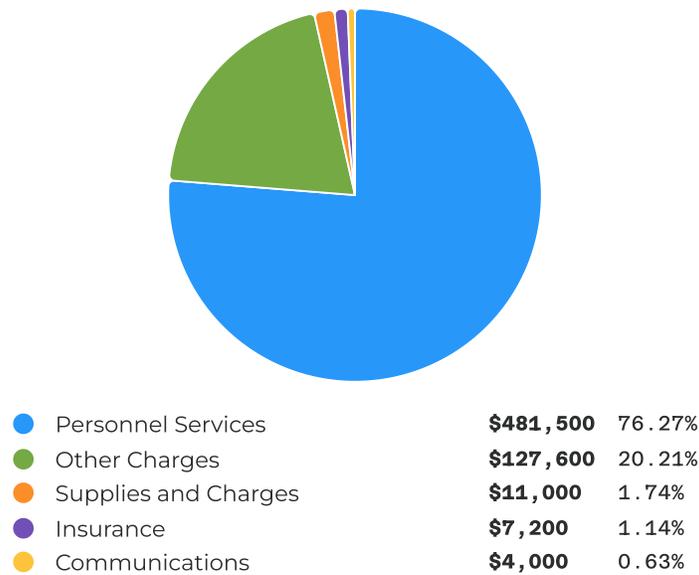
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	2	2	2	2

# Expenditures by Expense Account Summary

### Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$435,300	\$481,500	10.61%
Insurance	\$7,200	\$7,200	0.00%
Supplies and Charges	\$9,500	\$11,000	15.79%
Other Charges	\$92,100	\$127,600	38.55%
Communications	\$2,900	\$4,000	37.93%
<b>Total Expenditures</b>	<b>\$547,000</b>	<b>\$631,300</b>	<b>15.41%</b>

# Elections

## Description

Conduct national, state and local elections in accordance with statutory requirements. The City does not provide for elections associated with Independent School District #15.

## Objectives

- Prepare for and stay current with election law changes for future elections.
- Recruit and train judges to ensure positive voter experience.

## Performance Measures

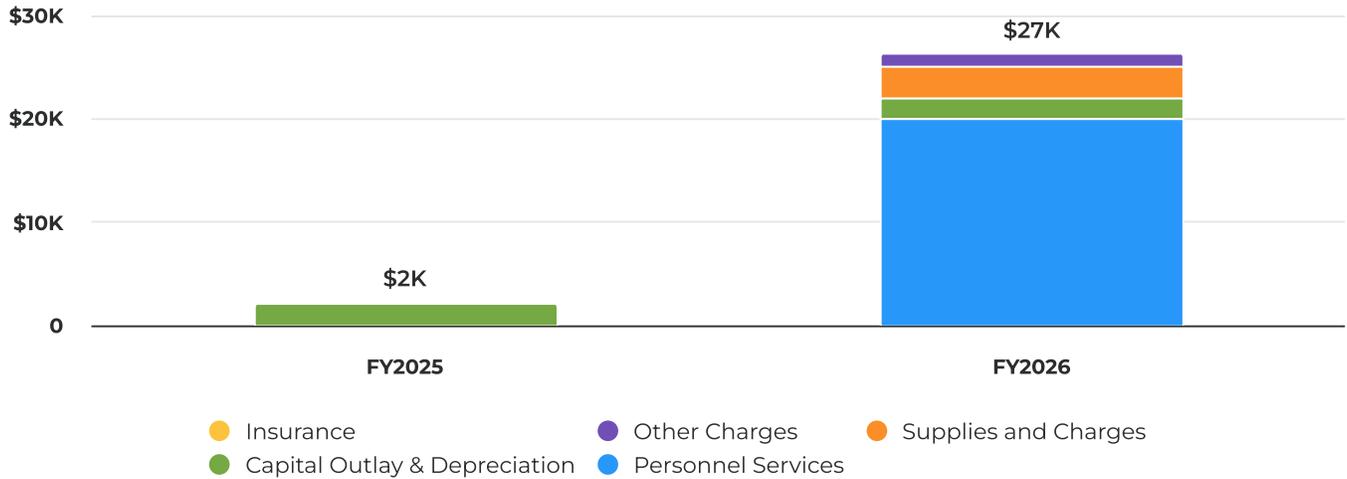
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Number of registered voters	N/A	5671	N/A	4000
Number of votes cast	N/A	4712	N/A	3000
Number of precincts	N/A	3	N/A	3
Number of voting locations	N/A	2	N/A	2

## Personnel Summary

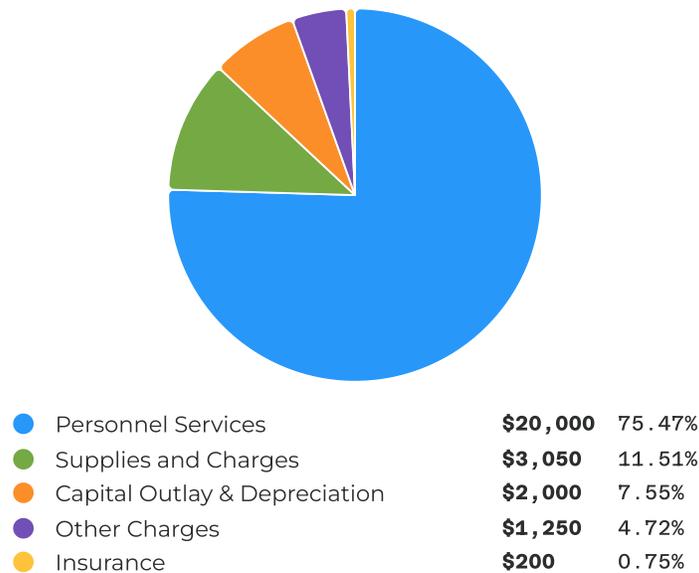
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	0	0	0	0

# Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



FY26 Expenditures by Expense Account Summary



## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	-	\$20,000	-
Insurance	\$100	\$200	100.00%
Supplies and Charges	-	\$3,050	-
Other Charges	\$200	\$1,250	525.00%
Capital Outlay & Depreciation	\$2,000	\$2,000	0.00%
<b>Total Expenditures</b>	<b>\$2,300</b>	<b>\$26,500</b>	<b>1,052.17%</b>

# Finance

## Description

This program is responsible for administration of the City's financial affairs. This includes maintaining accounting records for all operations, investment of funds, supervision of revenue collection, disbursements of city monies, debt administration, payroll, audit and budget preparation, and risk management.

## Objectives

- Continue CAFR and Budget Award Recognition
- Provide meaningful and timely financial reports and information to council, commissions and other city departments.

## Performance Measures

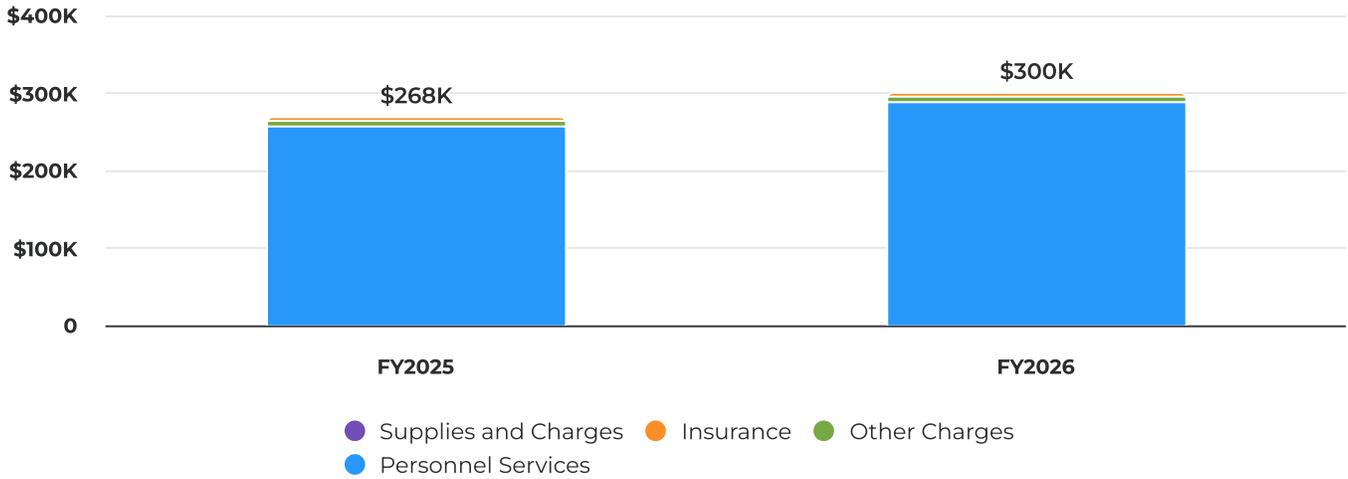
Performance Measures	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Bond Rating	AA-	AA-	AA-	AA-
GFOA Financial Award	Yes	Yes	Yes	To Be Submitted
GFOA Budget Award	Yes	Yes	Yes	To Be Submitted

## Personnel Summary

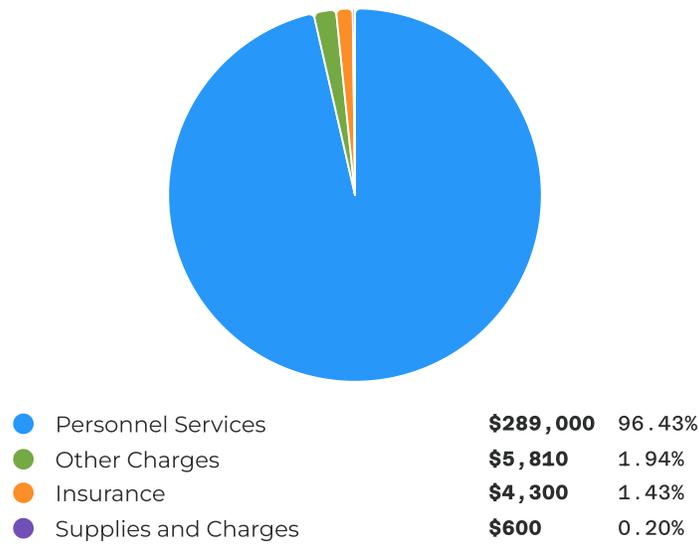
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	2	2	2	2

# Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



FY26 Expenditures by Expense Account Summary



## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$257,600	\$289,000	12.19%
Insurance	\$4,300	\$4,300	0.00%
Supplies and Charges	\$600	\$600	0.00%
Other Charges	\$5,600	\$5,810	3.75%
<b>Total Expenditures</b>	<b>\$268,100</b>	<b>\$299,710</b>	<b>11.79%</b>

# Auditing

## Description

This program accounts for costs associated with the annual audit of the City, our financial accounting software, and administration of our benefit services.

## Objectives

- Complete the financial audit in a timely fashion.
- Keep informed on ongoing changes to financial reporting requirements.

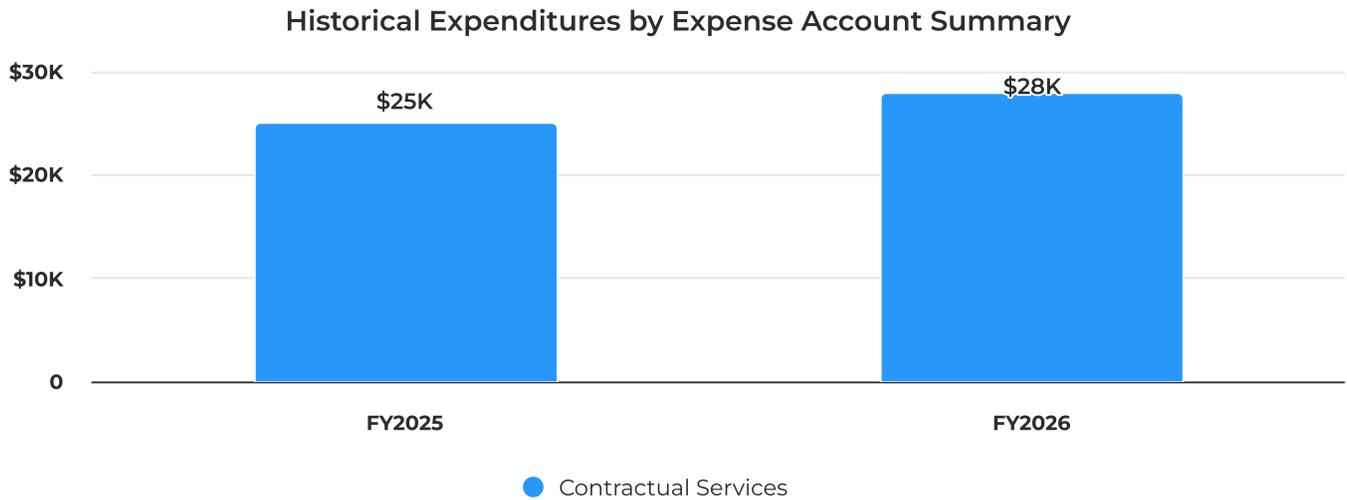
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
N/A	N/A	N/A	N/A	N/A

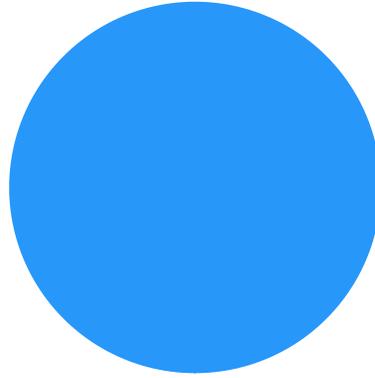
## Personnel Summary

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

## Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Contractual Services **\$28,000** 100.00%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Contractual Services	\$25,000	\$28,000	12.00%
<b>Total Expenditures</b>	<b>\$25,000</b>	<b>\$28,000</b>	<b>12.00%</b>

# Assessing

## Description

Assessing is responsible for classifying, valuing and equalizing all taxable and exempt property within City limits. The City contracts with Anoka County for this service.

## Objectives

- To assess new and existing parcels with the city as required.

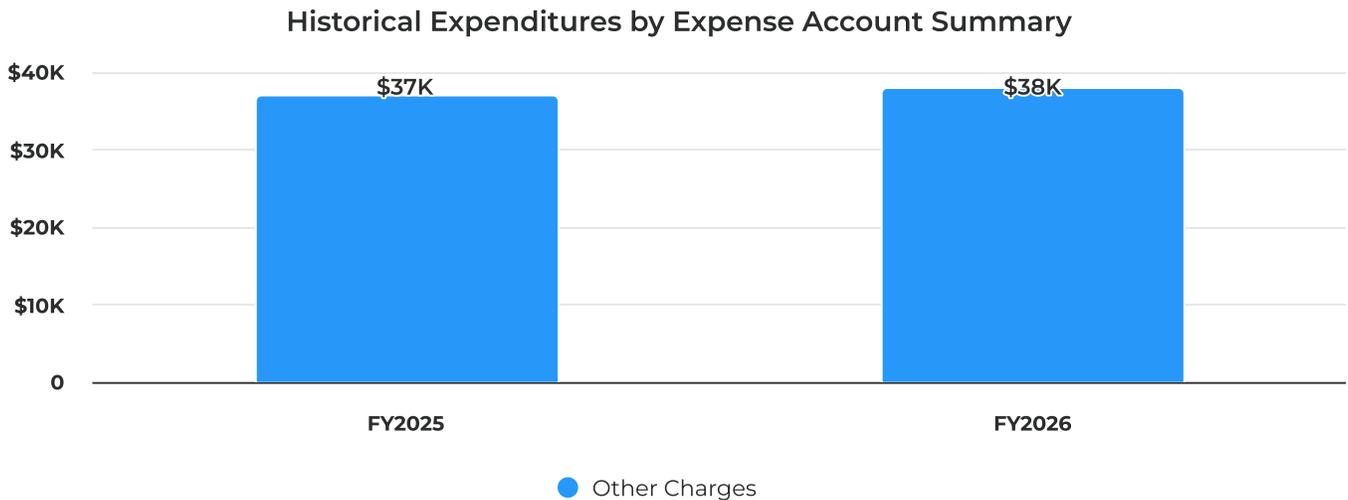
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
N/A	N/A	N/A	N/A	N/A

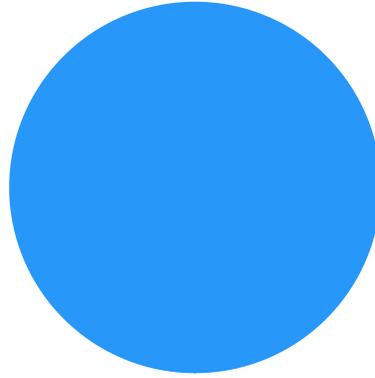
## Personnel Summary

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

## Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Other Charges **\$38,000** 100.00%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Other Charges	\$37,000	\$38,000	2.70%
<b>Total Expenditures</b>	<b>\$37,000</b>	<b>\$38,000</b>	<b>2.70%</b>

# Legal

## Description

The City Attorney provides City Council and staff with research and support on issues of legal matters. The City Attorney also serves as the chief prosecuting attorney for the City, attends Council meetings, and serves in an advisory capacity to all City departments on matters coming before the City Council.

## Objectives

- Continue to realize savings by contracting legal services.

## Performance Measures

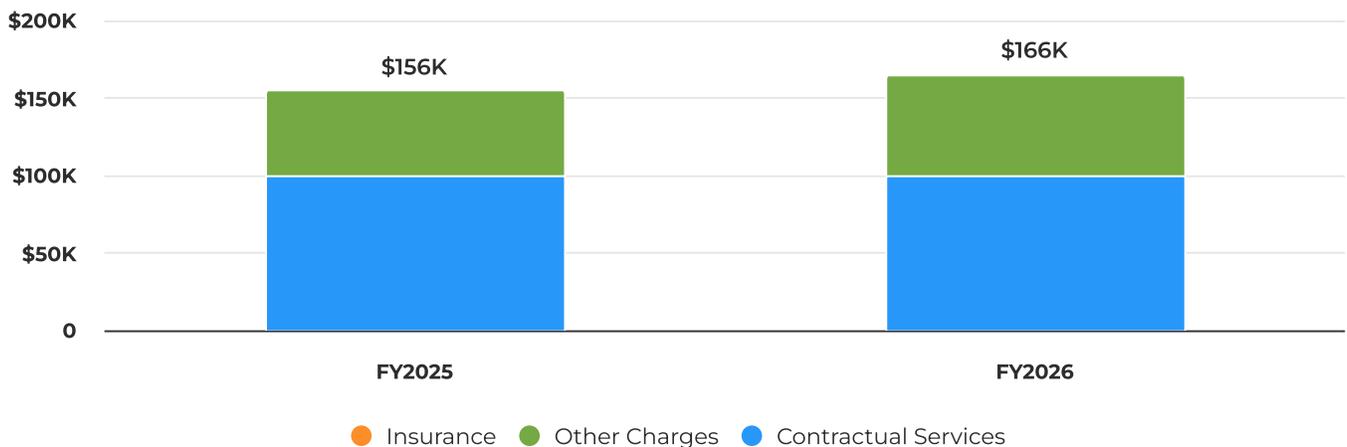
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
N/A	N/A	N/A	N/A	N/A

## Personnel Summary

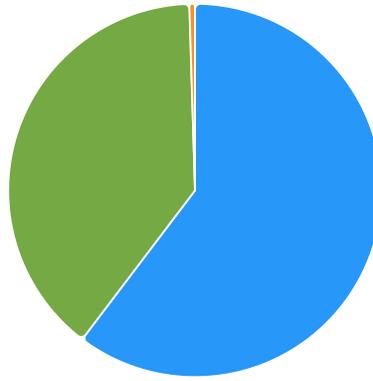
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

## Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



<span style="color: blue;">●</span> Contractual Services	<b>\$100,000</b>	60.31%
<span style="color: green;">●</span> Other Charges	<b>\$65,000</b>	39.20%
<span style="color: orange;">●</span> Insurance	<b>\$800</b>	0.48%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Insurance	\$800	\$800	0.00%
Contractual Services	\$100,000	\$100,000	0.00%
Other Charges	\$55,000	\$65,000	18.18%
<b>Total Expenditures</b>	<b>\$155,800</b>	<b>\$165,800</b>	<b>6.42%</b>

# Building Inspections

## Description

Provide for the administration of the Uniform Building Code requirements and related ordinances to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all building and structures within the City of St. Francis.

## Objectives

- Continue with the implementation of the rental licensing program.
- Continue implementation of the building codes.
- Continue public relations contact to improve city's public perception image.

## Performance Measures

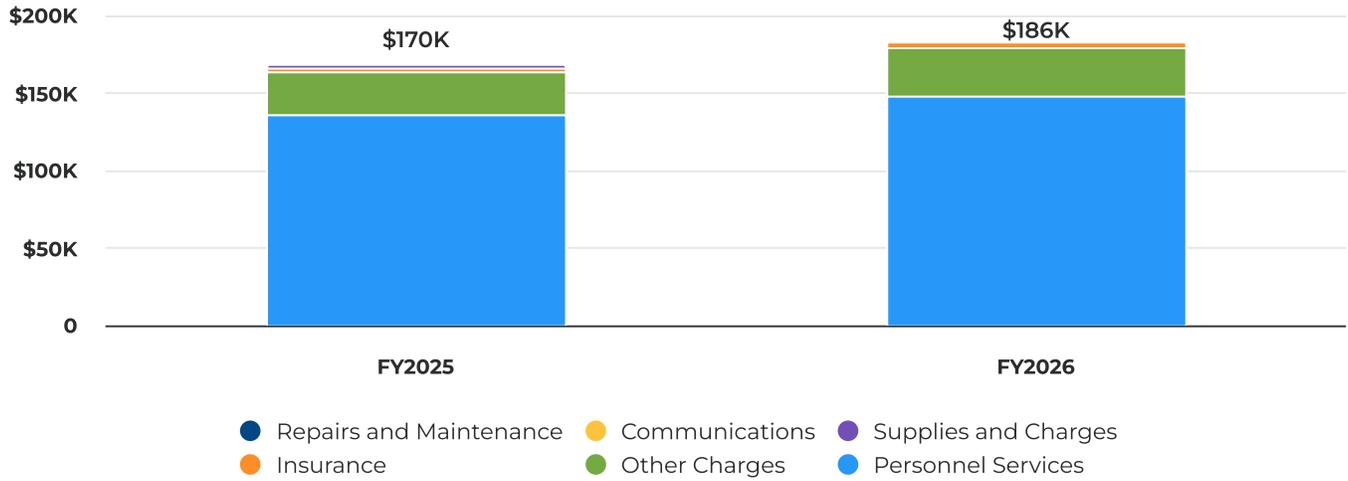
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Single family	31	20	20	10
Commercial/Industrial (new)	0	0	0	0
Miscellaneous building permits	848	837	548	400

## Personnel Summary

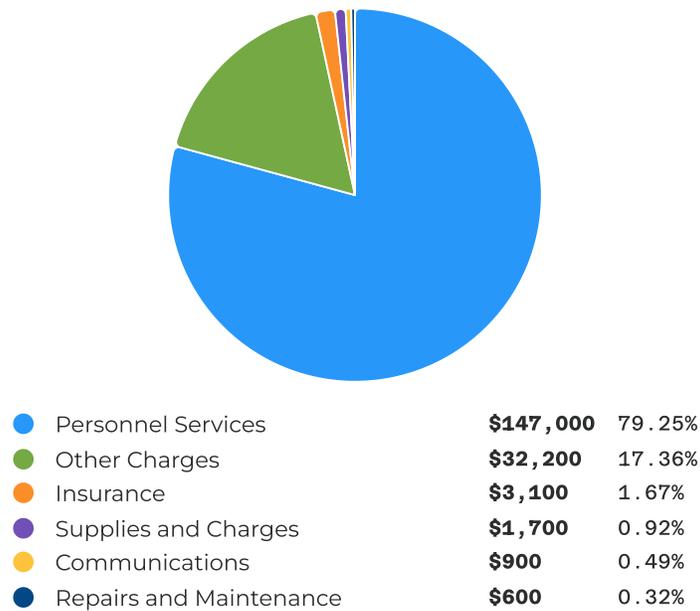
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	1	1	1	1

# Expenditures by Expense Account Summary

### Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



**Expenditures by Classification**

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$135,500	\$147,000	8.49%
Insurance	\$3,100	\$3,100	0.00%
Supplies and Charges	\$2,200	\$1,700	-22.73%
Other Charges	\$27,200	\$32,200	18.38%
Repairs and Maintenance	\$600	\$600	0.00%
Communications	\$900	\$900	0.00%
<b>Total Expenditures</b>	<b>\$169,500</b>	<b>\$185,500</b>	<b>9.44%</b>

# Community Development

## Description

Performs long range planning, develops and implements zoning and subdivision ordinances and reviews development proposals.

## Objectives

- Provide long range development plans for the city
- Bring forward zoning and subdivision changes
- Continue to review development proposals

## Performance Measures

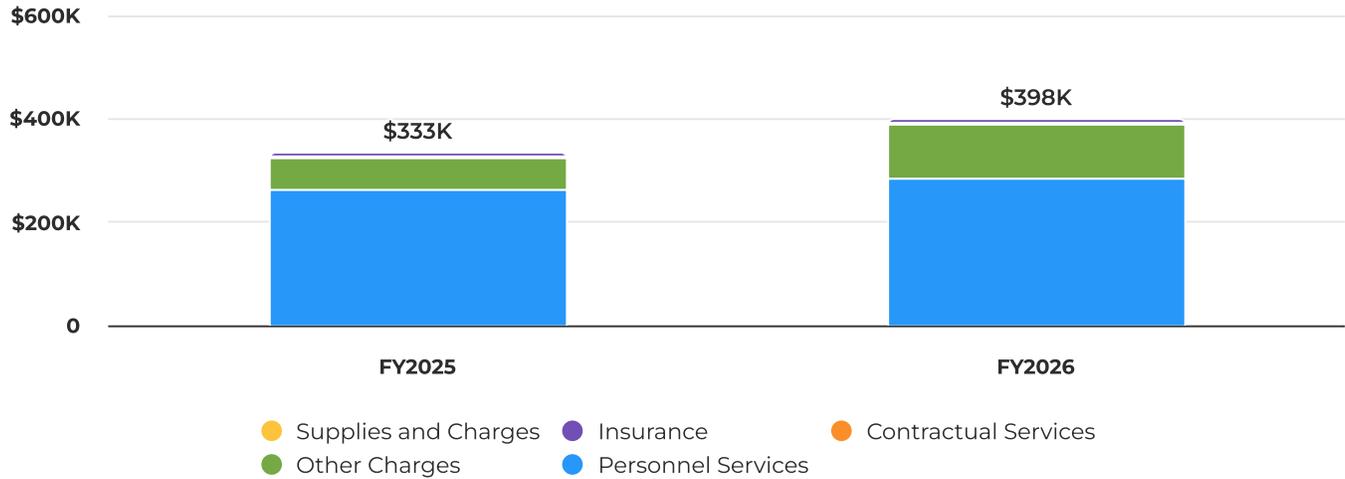
	2023 Actual	2024 Actual	2024 Actual	2026 Projected
Special use permits	4	3	3	3
Rezoning	4	4	4	1
Comp Plan amendments	3	5	5	0
Subdivisions processed	9	2	2	0
Variances	1	1	1	0

## Personnel Summary

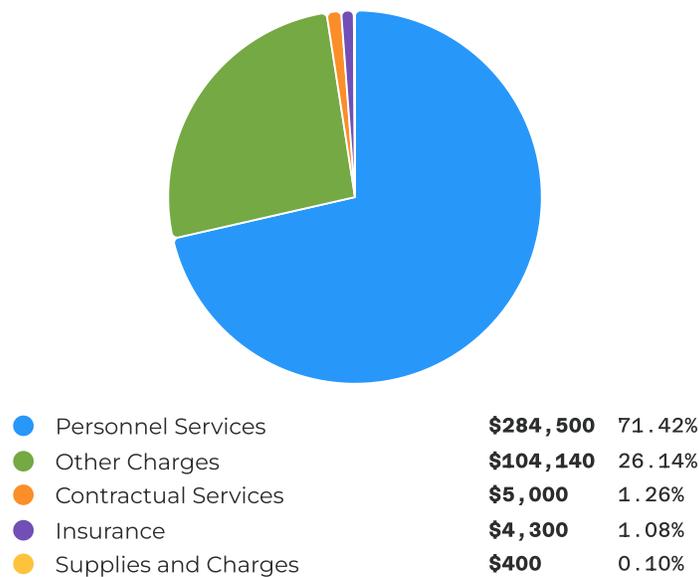
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	2	2	2	2

# Expenditures by Expense Account Summary

### Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$262,100	\$284,500	8.55%
Insurance	\$4,000	\$4,300	7.50%
Supplies and Charges	\$400	\$400	0.00%
Contractual Services	\$5,000	\$5,000	0.00%
Other Charges	\$61,800	\$104,140	68.51%
<b>Total Expenditures</b>	<b>\$333,300</b>	<b>\$398,340</b>	<b>19.51%</b>

# Buildings

## Description

Provide for a clean, well-maintained and comfortable environment for users of City Hall.

## Objectives

- Continue to keep city hall clean.
- Maintain building to minimize repair costs.

## Performance Measures

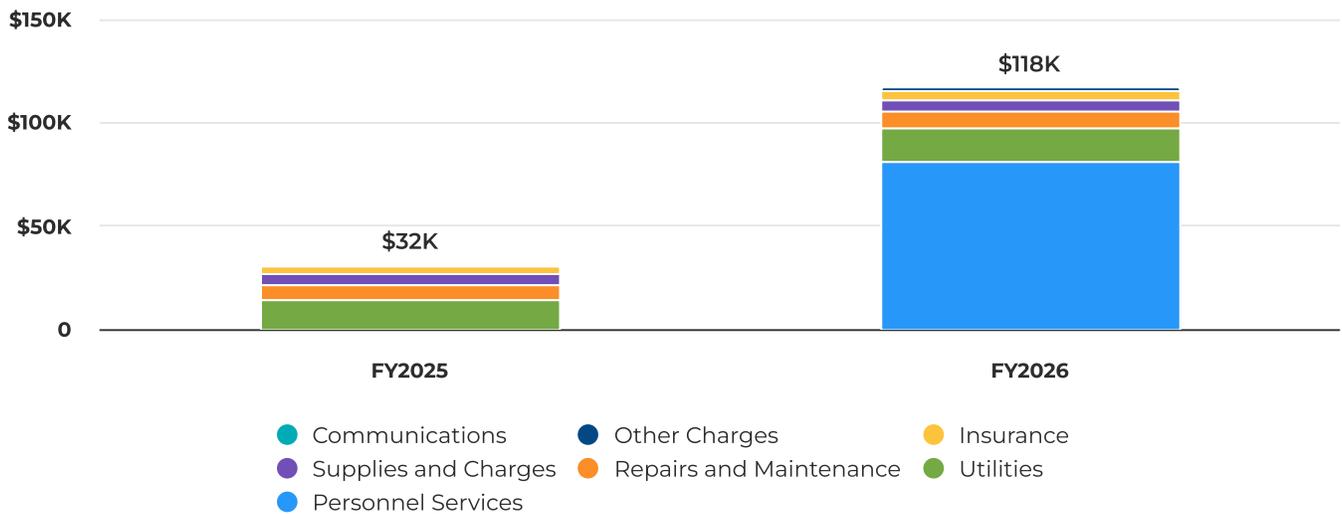
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
N/A	N/A	N/A	N/A	N/A

## Personnel Summary

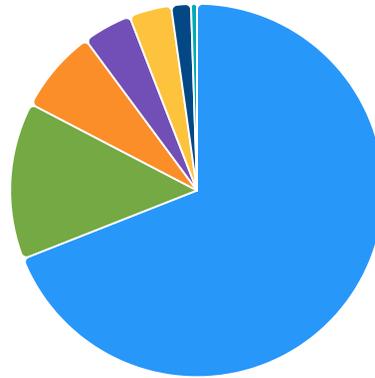
	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	N/A	N/A	1	1

## Expenditures by Expense Account Summary

Historical Expenditures by Expense Account Summary



## FY26 Expenditures by Expense Account Summary



● Personnel Services	<b>\$81,100</b>	69.02%
● Utilities	<b>\$16,000</b>	13.62%
● Repairs and Maintenance	<b>\$8,500</b>	7.23%
● Supplies and Charges	<b>\$5,000</b>	4.26%
● Insurance	<b>\$4,300</b>	3.66%
● Other Charges	<b>\$2,000</b>	1.70%
● Communications	<b>\$600</b>	0.51%

## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$66,600	\$81,100	21.77%
Insurance	\$3,800	\$4,300	13.16%
Supplies and Charges	\$5,000	\$5,000	0.00%
Other Charges	\$1,000	\$2,000	100.00%
Repairs and Maintenance	\$7,500	\$8,500	13.33%
Communications	\$600	\$600	0.00%
Utilities	\$14,000	\$16,000	14.29%
<b>Total Expenditures</b>	<b>\$98,500</b>	<b>\$117,500</b>	<b>19.29%</b>

# Police

## Description

Enforce state laws and city ordinances as directed to provide the public with law enforcement services in the areas of patrol, investigation, school liaison, crime prevention and traffic control. Animal control is also accounted for in this program.

## Objectives

- Enhance response to and resolution of community crime and traffic safety concerns.
- Reduce illegal drugs and associated criminal activity in the city.
- Identify, mentor and train future police department leaders.
- Continue to train officers on the use of the new Public Safety Data System.

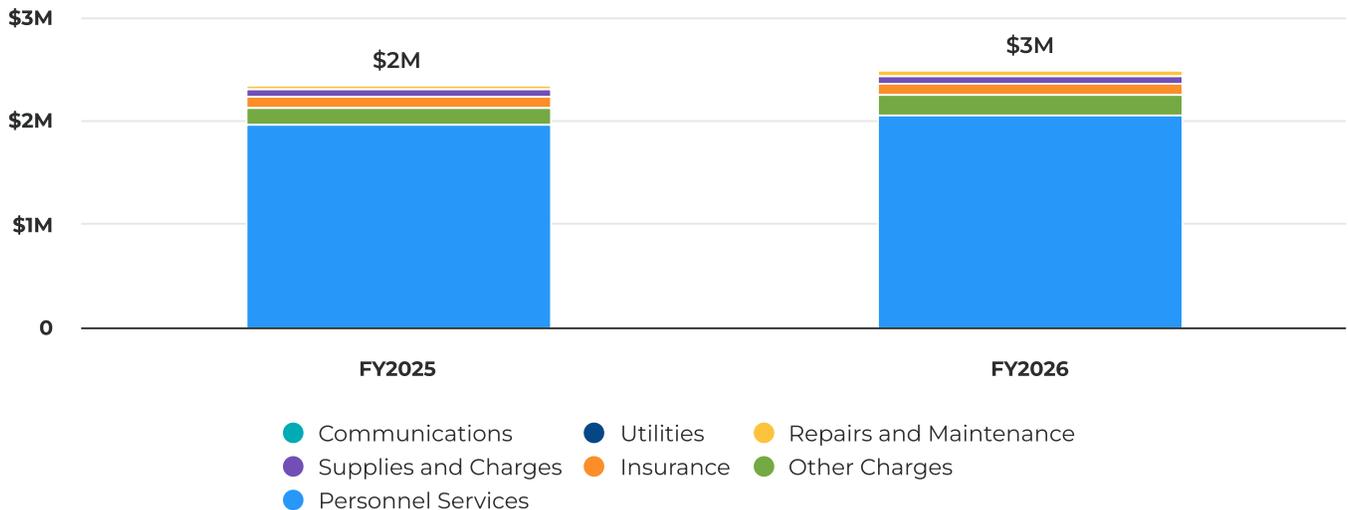
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Chargeable offenses (Parts 1 & 2)	447	198	146	200
Miscellaneous offenses (Parts 3 & 4)	4269	4273	4599	4600
Total Incident Crime Reports	6427	7566	7436	6500

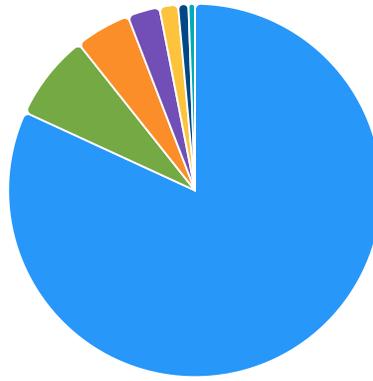
## Personnel Summary

	2022 Actual	2023 Actual	2024 Actual	2025 Projected
Full-Time Equivalent positions	14	14	14	14

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Personnel Services	<b>\$2,057,000</b>	81.86%
● Other Charges	<b>\$187,700</b>	7.47%
● Insurance	<b>\$121,000</b>	4.82%
● Supplies and Charges	<b>\$70,000</b>	2.79%
● Repairs and Maintenance	<b>\$40,500</b>	1.61%
● Utilities	<b>\$22,500</b>	0.90%
● Communications	<b>\$14,000</b>	0.56%

### Expenditures by Classification

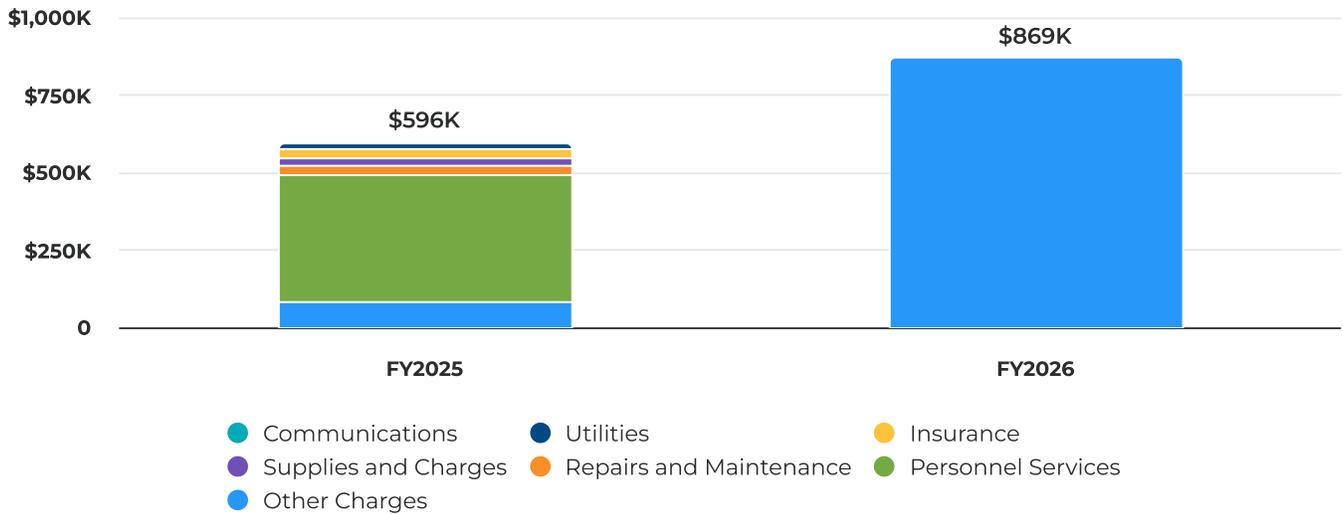
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$1,957,500	\$2,057,000	5.08%
Insurance	\$102,200	\$121,000	18.40%
Supplies and Charges	\$68,000	\$70,000	2.94%
Other Charges	\$174,900	\$187,700	7.32%
Repairs and Maintenance	\$31,700	\$40,500	27.76%
Communications	\$14,000	\$14,000	0.00%
Utilities	\$22,500	\$22,500	0.00%
<b>Total Expenditures</b>	<b>\$2,370,800</b>	<b>\$2,512,700</b>	<b>5.99%</b>

# Fire

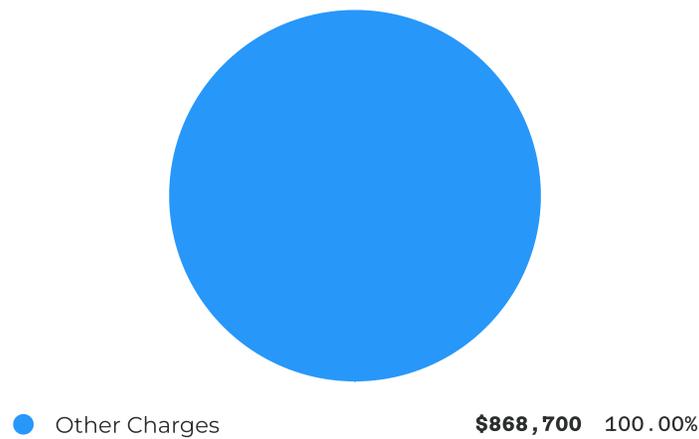
## Description

The fire department became its own district in 2026, so as it is now its own entity, the city only transfers an operating amount to the fire district. All employees have been removed from the city.

Historical Expenditures by Expense Account Summary



FY26 Expenditures by Expense Account Summary



## Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$411,700	-	-
Insurance	\$25,500	-	-
Supplies and Charges	\$26,000	-	-
Other Charges	\$79,000	\$868,700	999.62%
Repairs and Maintenance	\$31,000	-	-
Communications	\$4,000	-	-

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Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Utilities	\$19,000	-	-
<b>Total Expenditures</b>	<b>\$596,200</b>	<b>\$868,700</b>	<b>45.71%</b>

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# Streets

## Description

Maintains all city streets to minimize deterioration. Maintenance includes seal coating, crack sealing, pothole patching, sweeping, plowing, gravel road maintenance, and repair of the storm drainage system. This program is also responsible for traffic control devices such as street signs, pavement markings, and guard rails on all city roadways.

## Objectives

- Address staffing challenges within the organization.
- Develop policies and procedures.
- Continue to evaluate programs and services.

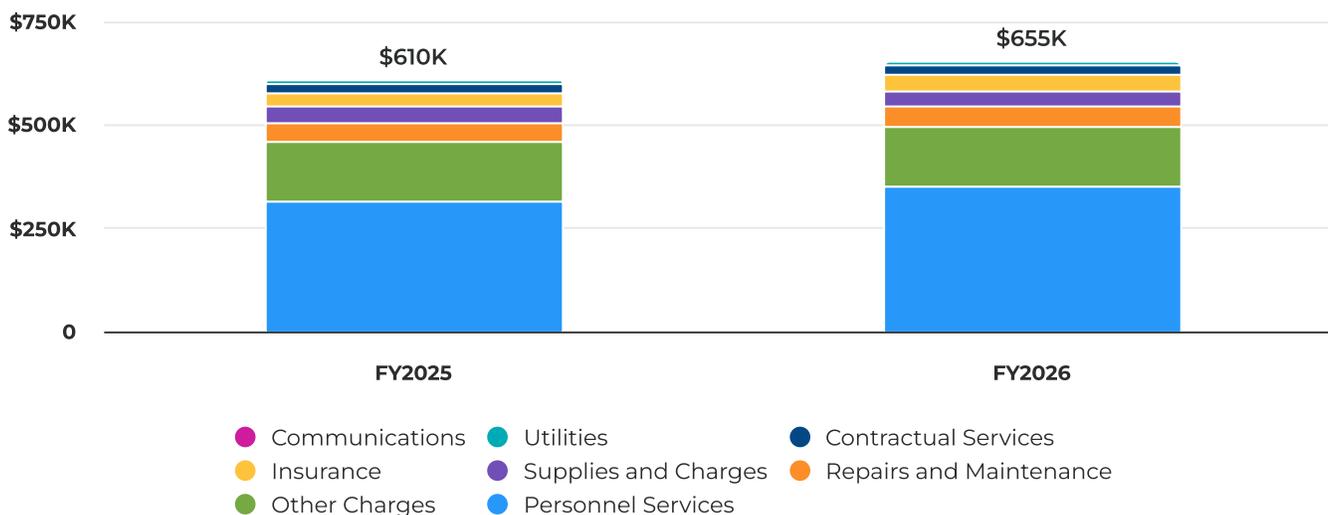
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Asphalt street miles maintained	38	38	38	38
Gravel road miles maintained	143	143	140	140
Sand/salt usage (tons)	654	530	455	300

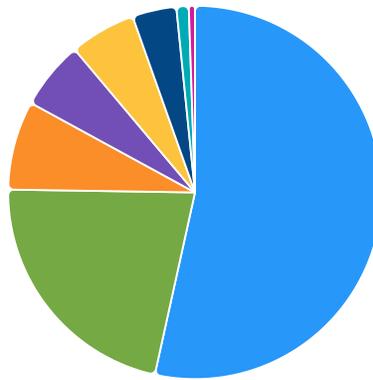
## Personnel Summary

	2022 Actual	2023 Actual	2024 Actual	2025 Projected
Full-Time Equivalent positions	3.35	3.35	3.35	3.35

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



<span style="color: blue;">●</span> Personnel Services	<b>\$350,000</b>	53.46%
<span style="color: green;">●</span> Other Charges	<b>\$142,600</b>	21.78%
<span style="color: orange;">●</span> Repairs and Maintenance	<b>\$50,500</b>	7.71%
<span style="color: purple;">●</span> Insurance	<b>\$38,700</b>	5.91%
<span style="color: yellow;">●</span> Supplies and Charges	<b>\$37,400</b>	5.71%
<span style="color: darkblue;">●</span> Contractual Services	<b>\$25,000</b>	3.82%
<span style="color: teal;">●</span> Utilities	<b>\$7,000</b>	1.07%
<span style="color: pink;">●</span> Communications	<b>\$3,500</b>	0.53%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$314,300	\$350,000	11.36%
Insurance	\$32,700	\$38,700	18.35%
Supplies and Charges	\$38,200	\$37,400	-2.09%
Contractual Services	\$25,000	\$25,000	0.00%
Other Charges	\$143,700	\$142,600	-0.77%
Repairs and Maintenance	\$46,000	\$50,500	9.78%
Communications	\$3,500	\$3,500	0.00%
Utilities	\$7,000	\$7,000	0.00%
<b>Total Expenditures</b>	<b>\$610,400</b>	<b>\$654,700</b>	<b>7.26%</b>

# Recycling

## Description

This program provides recycling opportunities for all city residents and surrounding areas. The goal is to provide this service in a cost-effective manner while ensuring compliance with state rules and regulations.

## Objectives

- Continue to achieve goals set by the county for recycling tonnage.
- Provide residents with a safe and effective recycling event each year.

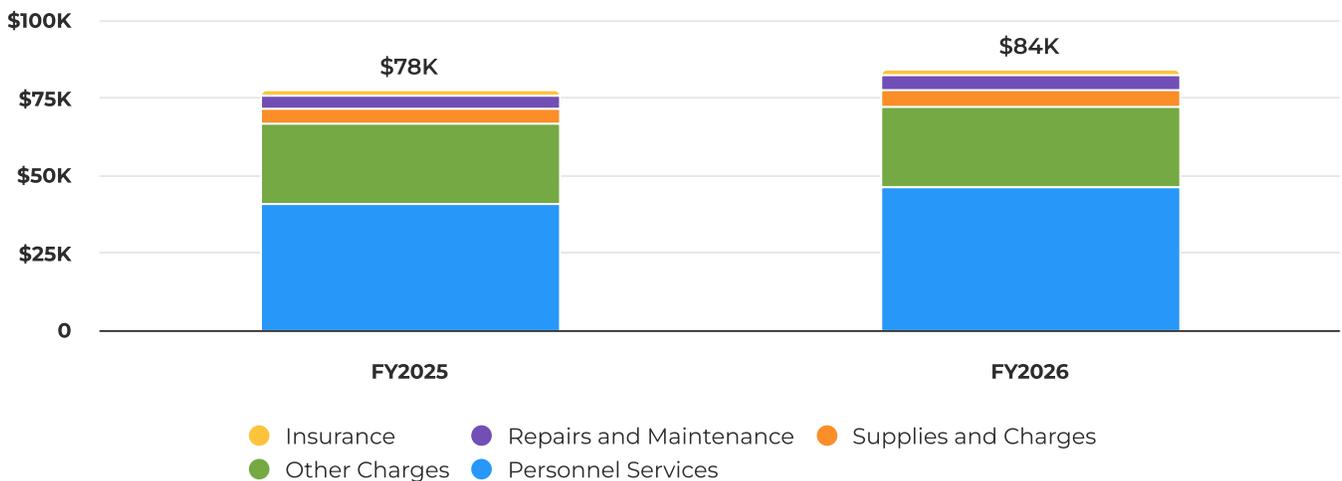
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Recycling events	4	4	4	4
Recycling collection tonnage	951	1026	964	900

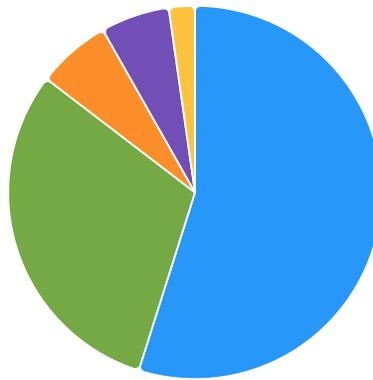
## Personnel Summary

	2022 Actual	2023 Actual	2024 Actual	2025 Projected
Full-Time Equivalent positions	0.4	0.4	0.4	0.4

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



<span style="color: blue;">●</span> Personnel Services	<b>\$46,200</b>	54.87%
<span style="color: green;">●</span> Other Charges	<b>\$25,700</b>	30.52%
<span style="color: orange;">●</span> Supplies and Charges	<b>\$5,400</b>	6.41%
<span style="color: purple;">●</span> Repairs and Maintenance	<b>\$5,000</b>	5.94%
<span style="color: yellow;">●</span> Insurance	<b>\$1,900</b>	2.26%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$40,600	\$46,200	13.79%
Insurance	\$1,900	\$1,900	0.00%
Supplies and Charges	\$5,200	\$5,400	3.85%
Other Charges	\$25,700	\$25,700	0.00%
Repairs and Maintenance	\$4,200	\$5,000	19.05%
<b>Total Expenditures</b>	<b>\$77,600</b>	<b>\$84,200</b>	<b>8.51%</b>

# Parks

## Description

Provides for the overall planning, management and administrative activities of the park facilities and for the maintenance and improvement of park and recreational facilities, including skating rinks, athletic fields, neighborhood parks, community center and pioneer days.

## Objectives

- Improve safety and maintenance throughout the park system.
- Maintain athletic fields through proper irrigation, fertilization and weed control.
- Maintain landscaped areas.

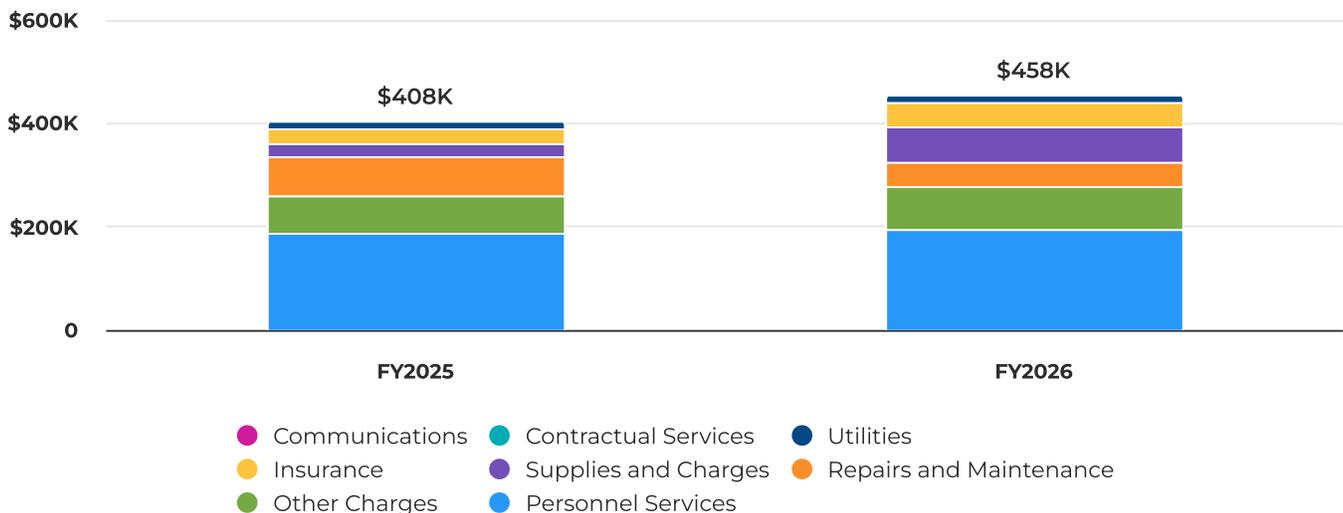
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Number of parks maintained	10	10	10	10
Total acreage mowed	890	1221	1472	1100
Ballfields maintained	2	2	2	2
Number of playgrounds	8	8	8	8
Miles of trail maintained	13	13	13	13

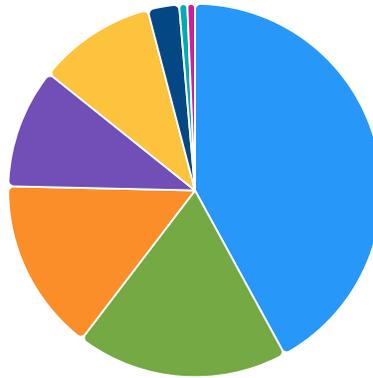
## Personnel Summary

	2022 Actual	2023 Actual	2024 Actual	2025 Projected
Full-Time Equivalent positions	0.4	0.4	0.4	0.4

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Personnel Services	<b>\$192,600</b>	42.04%
● Other Charges	<b>\$83,900</b>	18.31%
● Supplies and Charges	<b>\$68,700</b>	15.00%
● Repairs and Maintenance	<b>\$47,600</b>	10.39%
● Insurance	<b>\$46,600</b>	10.17%
● Utilities	<b>\$12,500</b>	2.73%
● Contractual Services	<b>\$3,200</b>	0.70%
● Communications	<b>\$3,000</b>	0.65%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Personnel Services	\$187,100	\$192,600	2.94%
Insurance	\$29,900	\$46,600	55.85%
Supplies and Charges	\$26,700	\$68,700	157.30%
Contractual Services	\$3,500	\$3,200	-8.57%
Other Charges	\$72,500	\$83,900	15.72%
Repairs and Maintenance	\$73,000	\$47,600	-34.79%
Communications	\$2,500	\$3,000	20.00%
Utilities	\$12,500	\$12,500	0.00%
<b>Total Expenditures</b>	<b>\$407,700</b>	<b>\$458,100</b>	<b>12.36%</b>

# Unallocated

## Description

Contains funding for the unexpected and miscellaneous items not directly associated with a specific program.

## Objectives

N/A

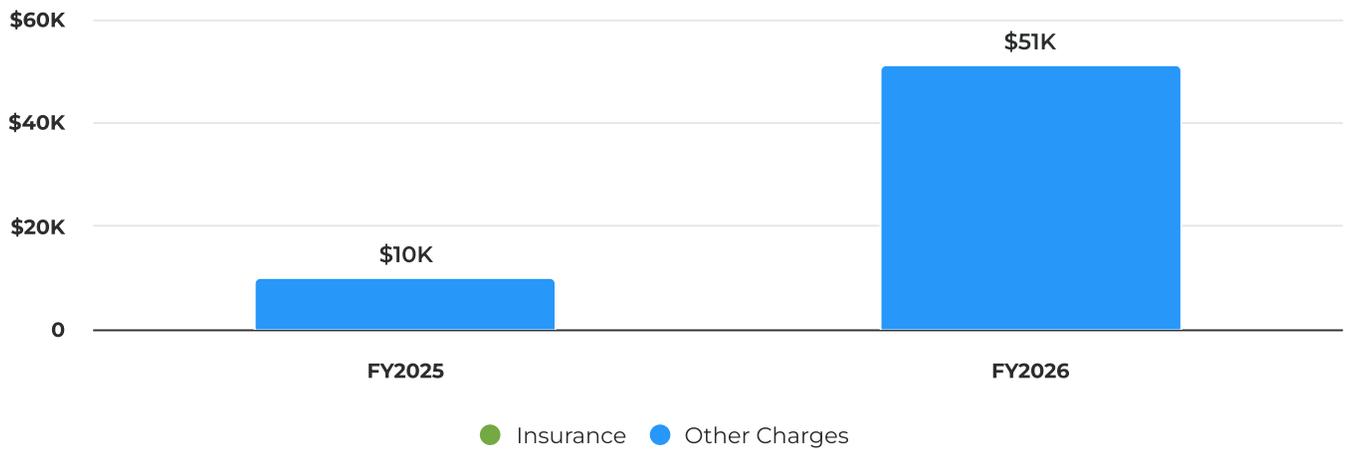
## Performance Measures

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
None	N/A	N/A	N/A	N/A

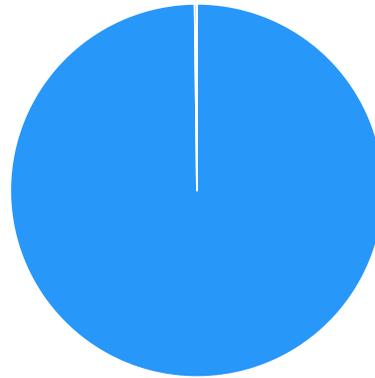
## Personnel Summary

	2023 Actual	2024 Actual	2025 Actual	2026 Projected
Full-Time Equivalent positions	N/A	N/A	N/A	N/A

Historical Expenditures by Expense Account Summary



### FY26 Expenditures by Expense Account Summary



● Other Charges	<b>\$51,110</b>	99.80%
● Insurance	<b>\$100</b>	0.20%

### Expenditures by Classification

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Insurance	\$100	\$100	0.00%
Other Charges	\$9,900	\$51,110	416.26%
<b>Total Expenditures</b>	<b>\$10,000</b>	<b>\$51,210</b>	<b>412.10%</b>

# Appendix

# Glossary

**Abatement:** A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

**Accounting System:** The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**ACFR:** Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** A value assigned to real estate or other property by a government as the basis for levying taxes.

**Assets:** Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Betterments (Special Assessments):** Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or

the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Flow:** The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

**Cash Management:** The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

**Certificate of Deposit (CD):** A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

**Classification of Real Property:** Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

**Compliance:** Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**Debt Burden:** The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equalized Valuations (EQVs):** The determination of the full and fair cash value of all property in the community that is subject to local taxation.

**Equity:** The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

**Estimated Receipts:** A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

- Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.
- Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.
- Financial Statements:** Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.
- Fiscal Year:** The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.
- Fixed Assets:** Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.
- Fixed Costs:** Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.
- Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.
- Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.
- Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.
- Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.
- GAAP:** Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.
- GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.
- GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.
- General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Indirect Cost:** Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

**Internal Controls:** Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Liabilities:** Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Local Aid:** Revenue allocated by the state or counties to municipalities and school districts.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.

**Municipal(s):** (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**Net Income:** The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Performance Budget:** A budget that stresses output both in terms of economy and efficiency.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Proprietary Funds:** Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revaluation:** The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

**Revenues:** Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

**Revenue Anticipation Note (RAN):** A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Revolving Fund:** Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

**Sale of Real Estate Fund:** A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

**Stabilization Fund:** A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax Title Foreclosure:** The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

**Trust Fund:** In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as

directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**Valuation (100 Percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.