



Financial Management Plan

**of the
City of Sartell**

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August, 2009



Executive Summary

It has been said that if you don't know where you are going, then any path will do. The Financial Management Plan (FMP) plots Sartell's course to give staff, elected officials, and citizens a multi-year view of the City, its plans, and the fiscal impacts.

The City's capital improvement plan and implementation of that plan to provide the infrastructure which diversified the City's tax base has been instrumental in the City's bond rating upgrades. The FMP starts with that groundwork and develops a unified financial planning document to ensure the City's financial ability to carry out the comprehensive vision for Sartell's future. The FMP is a working, flexible document that should be the basis or reference point for all major decisions the City makes. It guides the City toward a strong financial future by managing debt and keeping the tax rate and future tax levy increases both predictable and manageable.

In the process of completing the plan, staff and Ehlers identified these issues as noteworthy:

1. The City's use of a Capital Improvement Plan with annual transfers from the General Fund for capital improvements has been very successful. Funds currently receiving annual transfers include the Fire Equipment Fund, Police Equipment Fund, Public Works Equipment Fund, Building Fund, Technology Fund, Civil Defense Fund, and Street Fund. **Continued annual transfers will reduce the City's reliance on debt and save borrowing costs over the longer term.**
2. The City's declining tax rate over recent years of high tax base growth presents a challenge as the City faces years of slower growth but still has the major infrastructure needs driven by years of rapid growth. The City wants a stable tax rate but we have not reached a comfort level with what that stabilized tax rate will be. We recognize that there are many variables that impact future tax rate so we do not intend for any of our exhibits to agree upon actual future fund balances or tax rates – they are simply working tools to help us plan projects and analyze impacts of decisions. This Plan draft shows two working draft scenarios – one with a tax rate around 35% (Exhibit A1) and one with a rate generally between 32% to 33% (Exhibit A2). Budget and tax projections shown in those exhibits are tied to the growth projections shown on Exhibit B, as well as estimates on other revenues and expenses, but Exhibit A2 assumes expenditure inflators at 3.5% to 4% instead of 5% and completion of East Side streets in 2015 instead of 2012 . If additional development occurs from the amount projected in both scenarios, this will increase the fee revenues and tax base above estimates, resulting in less risk to tax payers on existing infrastructure debt and the ability to move forward with priority projects on an earlier timeline. Conversely, if development does not happen as predicted, shortfalls in fee revenues may require the City's use of general tax levy to make up any debt service deficiencies and projects will need to be delayed or completely eliminated. **Each major construction project considered for 2009 and beyond must be weighed against the risk of revenue shortfalls.**
3. The City's Financial Policies provide for maintaining a 40% to 60% fund balance reserve in the General Fund. The FMP does not currently project maintaining that fund balance, but historically has achieved it through higher than anticipated revenues and/or lower than projected expenses. **If that trend does not continue, the City will need to primarily rely on the general property tax to maintain the general fund balance up to the target level (once levy limits are removed).**



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4. Based upon the Council's January, 2009 workshop, this FMP assumes \$0 LGA after 2010 and:
 - Moves Fire Hall/Air Van to 2013.
 - \$500,000 in east/west roadway through the new Pinecone Athletic Complex shown as a possible improvement using entire golf course lease revenues over 20 years.
 - No potential PD/City Hall building needs are funded until at least 2018.
 - Scheduled 2020 Engine 22 replacement is pushed beyond 2020 and will require borrowing, and 2nd Jaws of Life was cut from 2010 funding.
 - Continues Beautification Fund reliance for general fund operations through 2020.
 - One option completes East Side Streets in 2012 and one in 2015, but no annual street reconstruction after that until 2018.
 - Any remaining gap in phase 2 of Heritage, Roberts and 50th is not reflected in this Plan and could result in a tax rate increase. Similarly, funding is not included for Dehler or 23rd, but those options will be included in the Council's final decision on phase 2.
 - No civil defense funding (\$5,000 per year) until 2013 (this funds our new sirens).

Citizen Survey Priorities Met by this Plan:

- The top 5 rankings of the SCSU survey rated Important to Very Important were:
 1. Woodlands: See #2 below
 2. Land Acquisition for Natural Areas, Open Spaces: Golf Course land purchase and planned preservation of Regional Park Funds toward Dehler match
 3. Additional Recreational Trails and Trail Improvements: Heritage/50th connections may be achieved through this Plan; ability of Beautification or Park Funds to make additional trail improvements depends upon LGA receipts or increased taxes
 4. Regional Roadways: Heritage/50th/Roberts may be achieved through this Plan
 5. Improvements to Existing Regional Parks: Val Smith Park 2008 improvements.

Unfunded priorities within the Exhibit A1 and A2 tax rates

- Retrofit of developed township areas with any City cost.
 - Loss of Market Value Credit is not funded.
 - Annual street reconstructions after East Side in 2012 or 2015 are not funded until 2018.
 - 4th Ave connection from Heritage to 2nd St. S.; Roberts Road East and West; Pine Cone Road North, 19th/65th; extension of 23rd or Dehler to connect to 50th (may be developer fronted cost); and Trunk Highway 15 match are all unfunded at this time.
 - Fully funded capital equipment funds are not achieved – department managers have revised their capital funding requests to meet our tax guidelines, but not necessarily the most cost effective rotation in the long term.
 - No service level enhancements are achieved, such as library operations, increased maintenance costs associated with major park improvements, or new service amenities like rinks and pools.
 - No general fund reserve funding or debt service reserve funding is achieved after 2009.
 - We may face some struggle in maintaining existing service levels, depending upon personnel needs funded vs actually required. A prime example of this is unknown police personnel increases required due to 97 acre commercial development with 24/7 open hours.
 - Regional Park Plans remain unfunded.
5. Levy Limits may restrict some of the planned expenditures on this plan, including the annual



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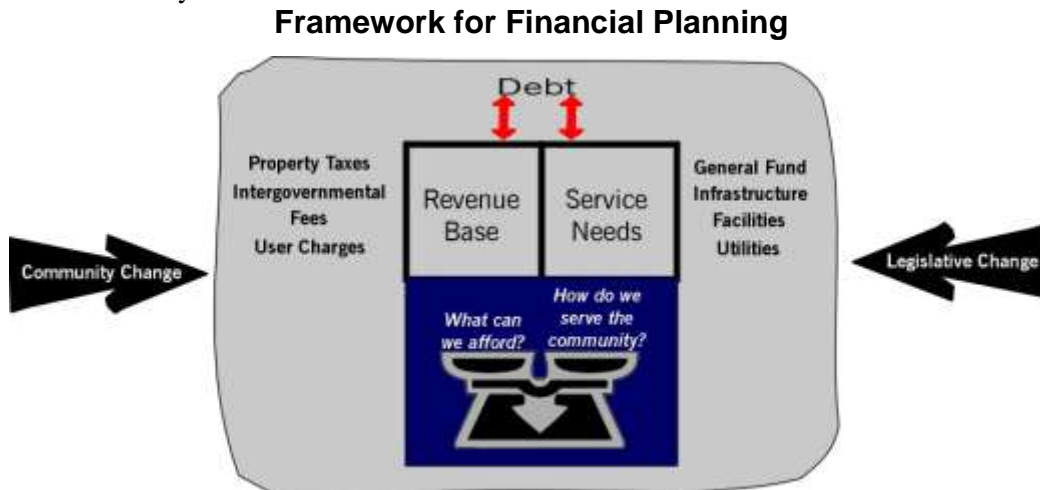
transfers made to various capital funds to reduce future borrowing needs. Since levy limits exempt debt levies, but not planned capital funding to avoid that debt, **levy limit rules will be monitored annually for adjustments needed to this Plan, including shifting from capital funding to debt service levies.**

- 6. Although not directly funded through tax dollars, the City’s utility and other non-tax supported funds are an instrumental part of the City’s financial and capital planning. Shortfalls in projected revenues into these funds can place a demand on the City’s tax levy if needed to fund debt service shortfalls on major water/sewer infrastructure. Likewise, revenues in some non-tax levy supported funds such as the beautification or economic development fund can reduce demand on tax levies by providing services or amenities using non-tax dollars. Details about and impact estimates on the various City funds are outlined within this Plan. **All of the City’s funds need to be monitored as many of them impact each other when they exceed or fall short of projections. Utility Fund projections and rate increases depend upon meeting growth projections and will be updated annually for Council review.**
- 7. The current economy as we adopt this Financial Management Plan places even more importance on continuous monitoring of projections and delinquencies. **Staff will continue to monitor tax and assessment delinquencies, and SAC/WAC and Trunk collections to update the Council on any potential debt service issues.**

Overview

Financial planning for cities often takes an incremental approach by utilizing budgeting and financial reporting focusing on one year periods. In reality, a single year cannot capture the true financial implications of long term decisions. Current financial conditions grow out of historical trends. Financial needs, threats and opportunities lie beyond the end of the next fiscal year. Allocating monies for one project may eliminate resources needed for others. In reality, effective financial planning requires a historical context, a comprehensive approach and a long-term view.

The City of Sartell has a strong history of linking planning and finance to provide a comprehensive examination of the financial issues facing the City of Sartell. The figure below illustrates the framework for financial management planning in Sartell. How the City operates within this framework will shape the future of the community.





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Revenues control many municipal actions. Is funding available? Are the taxpayer/user impacts acceptable? The answers to these questions often shape spending decisions. This plan focuses on the following primary revenue sources for the City:

1. Property taxes and other revenues derived from property valuation
2. Revenues received from the State and other units of government
3. Fees collected by the City for various purposes

Expenditures result from City decisions to meet community needs. The support of community needs falls into three broad categories:

1. The wide range of services financed through the General Fund and Equipment Funds
2. Investments to build and maintain the infrastructure required to support community development
3. Providing public buildings, parks, recreational facilities, and other facilities desired by the residents

Debt ties to both revenues and expenditures. The ability to borrow money allows the City to finance capital investment that cannot be paid for with current revenues. Debt creates a demand on future revenues that competes with services for available funds. Being able to borrow, at the appropriate time and level, at the lowest interest rate possible, allows the most efficient management of the tax levy.

Planning must recognize that the environment for funding municipal activities will change and that the community will change. The form and pace of development influences the demand for public services and facilities and development also shapes the revenue base drawn upon to finance municipal activities. The demographic makeup of the City influences the need for services and the ability to pay and as the community ages, an older population seeks different services and facilities. An aging physical environment requires more investment in rehabilitating existing infrastructure and greater attention to potential community redevelopment.

The other important change factor is legislative change. Many of the essential powers and resources of the City are derived from the State. The property tax system, aid programs, debt authority, and economic development tools are among the essential financial resources derived from the State.

This report compiles the results of this planning process and describes a continuing approach for comprehensive financial management.

Objectives for the Plan

The objectives sought by the City through financial management are as follows:

1. Enhance the City Council's policy-making ability by providing accurate information on the full costs of various service levels.
2. Assist with sound management of the City government by providing accurate and timely information on financial condition.



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3. Provide sound principles to guide the City Council and staff in making decisions that impact the financial future of the community.
4. Set forth operational principles which minimize the cost of local government, to the extent consistent with services desired by the public, and which minimize financial risk.
5. Employ revenue policies and forecasting tools to prevent overly optimistic expectations of revenues; which distribute the costs of municipal services fairly; and which provide adequate funds to operate desired programs.
6. Provide essential public facilities and prevent deterioration of the City's infrastructure including its public facilities and capital infrastructure such as roads and parks.
7. Protect and enhance the City's credit rating.
8. Provide a systematic process for evaluating the effect of proposed significant projects.
9. To stabilize the City's tax rate at a comfortable level.

Through this process we have examined the current and future ability to meet these objectives to answer the question "How do we get there?" The City's FMP will provide a road map into the future and a framework for future decision making.

Assumptions for Financial Planning Process

The following assumptions were utilized to develop the FMP. The model for the FMP was constructed using the revenues and expenditures necessary to fund and maintain the current level of services provided to citizens. It is a snap shot of the costs of government to fund the status quo.

Growth Projections

Sartell will continue to grow due to its proximity to the both St. Cloud and the Twin Cities. With adequate capacity in the City's infrastructure, the City is prepared for future growth. The City has made growth assumptions based upon platted lots and site plan submittals in order to estimate the revenue impact of projected new growth. While single family development is expected to remain slow, commercial and multi-family construction started in 2008 is projected to continue through 2009 and 2010. For the FMP, the growth assumptions detailed in Exhibit B are summarized as follows:

- a. 30 to 40 new homes in 2008 and 2009, approximately 90 new homes in 2010 and an average of 100 new homes a year in 2011-2020. These new homes are estimated to have an average value of \$225,000.
- b. Approximately 1,000 new multi-family units between 2008 and 2014
- c. Substantial new commercial growth based upon staff's most current information on commercial platting and development and the success of the medical campus area
- d. Inflation factor on existing tax base of -2% for 2010, 1% for 2011, 3% for 2012-2015 and 3.5% each year thereafter



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General Fund Operating Needs

Cities provide services primarily through their employees – public safety, public works and administrative services. Therefore, the primary use of general fund dollars is salaries. Sartell is a growth community and will require additional staff. Expenditures necessary to continue existing city services are built into the plan as presented, including additional staffing itemized below and budgeted on Supporting Schedule 1. Staffing levels needed for increased service levels (i.e. major new park amenities or an aquatics park; maintenance of a new library facility; full time fire department staffing; etc) are not included in this FMP. If growth projections are not achieved, these staff additions can be delayed and service levels still maintained.

Year	Department
2009	Fund full year of mechanic/street maintenance hired in 2008 Did not fill vacancies of 1 full time each in Public Works and Police Departments
2010	Shifted 50% Utility FTE to PW
2011	PD clerk to Full Time Police Department – Officer or CSO filled (1FTE) Public Works – Vacancy filled (1 FTE)
2012	Police Department – Officer or CSO filled (1 FTE) Inspections (1 FTE) Public Works (1 FTE)
2013	Police Department – Sergeant (1 FTE)
2014	Utilities (1 FTE)
2015	Police Department – Officer (1 FTE)
2016	Public Works (1 FTE)
2017	None
2018	Police Department – Officer (1 FTE) Admin (1 FTE) Utilities (1 FTE)
2019	Public Works (1 FTE)
2020	Police Department – Officer (1 FTE) Police Department – Clerical (1 FTE)

General Fund Revenues

The ability to raise monies needed to support General Fund operations is a key to financial planning. Understanding the sources and limitations of General Fund revenues is essential.

- In 2008, nearly 72% of the General Fund revenues came from property taxes. In 2009, it is estimated that this amount will decrease to approximately 63% of General Fund revenues. This compares to 57% in 2005, which was a year of very high permit and development revenues. The reduction in property tax reliance from 2008 to 2009 is a result of both an increase in Local Government Aid (LGA) being provided as well as a shift from capital to debt service funding due to the levy limit rules. As the State continues to make LGA changes, the amount of property tax revenue as an overall percent of the total revenues will continue to fluctuate.
- LGA is unlikely to continue as a consistent funding source and Council consensus was to remove



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LGA as a projected revenue source and utilize it solely to build General Fund balance and/or aid other capital funds as needed on a year by year basis without depending on it to meet budget or debt service demands.

- In 2005, approximately 12% of the General Fund revenues came from Building Permit revenue, and this decreased on an annual basis through 2008 where it is budgeted at 8% of the General Fund revenues. It is anticipated that this amount will increase slightly in 2009 to 9%, then decline slightly in 2010 and 2011 before dropping to 4% in 2012 and remaining fairly stable through 2020. This is based upon growth assumptions for residential and commercial development and will change based upon actual permit activity.
- For purposes of projections in the FMP, it is assumed that all non-property tax revenues other than building permits will increase at 3.5 percent annually and we've run working spreadsheets showing expenses increasing at 3.5%-4% per year on one scenario and 5% per year on the other.
- In the 2008 legislative session, the ability to levy general property taxes was statutorily limited (levy limits) over the next three years (through 2011). Further changes may occur for levy limit calculations during the 2009 legislative session. Levy limit rules will be monitored but are currently not incorporated into this Plan since, like LGA, they tend to be changed almost annually.

General Fund Balance

The City's Financial Policies provide for maintaining the General Fund balance at 40% to 60% of the general fund budget. There are many excellent reasons for maintaining a fund balance reserve in this range. In Minnesota, cities typically receive the majority of their revenues, property taxes, at two intervals during the year; in July and December. This means that the City needs to have adequate reserves on hand, at year end, in order to continue city operations and services through the first six months of the year. The percentage range targeted by the City of Sartell is within the recommended standards set by the Government Finance Officers Association (GFOA). At the end of 2007 the City's General Fund Balance was at 47% of the 2007 general fund budget. Absent a well thought out financial plan, this fund balance goal may not be able to be maintained given future pressures on spending and revenues. As stated, a reserve is not consistently budgeted in the Plan but will be monitored annually to see if the necessary growth in the general fund balance is realized through lower than projected expenses and/or higher than projected revenues. If not, a higher levy or spending cuts will need to be considered to maintain a healthy operating reserve.

Financing Capital Investment

Capital investment forms the foundation of the community. Infrastructure, such as roads and utility services, provides the capacity for land to develop. Although many elements of the local infrastructure are built by developers, the City assumes the on-going responsibility for maintenance and many of these maintenance costs are borne by the property tax levy through additional General Fund costs or additional debt levies. As Sartell ages, maintenance needs and expenses will increase. Public facilities and equipment shape the service capacity of the City. Given the cost of many capital improvements, planning is needed to meet needs in a timely manner without placing too great of a financial burden on the community. City staff has prepared a capital improvement plan for infrastructure and equipment needs from 2008 to 2020. To better understand the capital plans, a list of City funds and their purposes is described along with the capital plans:



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Fund 101 - General Fund: All operational revenues (tax levy, licenses and permits, etc) go into this Fund to pay the general operations expenses of the City (police protection, fire department operations, public works services, etc). While most equipment needs of City departments are managed through separate equipment funds itemized later in this FMP, there are two City vehicle acquisitions and replacements currently planned under the General Fund:

Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
Fire Inspections Vehicle: 2000 Crown Vic	2012	\$10,000 used or forfeiture	General Fund
Building Official Vehicle: 2005 Chev Trailblazer	2010 transfer from PW 2015 Replacement	\$0 in 2010 \$10,000 in 2015	General Fund

Fund 211, 260-267 - Park Funds: The City's various park funds have been funded by developer park dedications and Operation Roundup or other donations. Starting in 2009, the City's goal is to make an every other year transfer into Fund 211 using non-election year general fund tax levy money to help fund trail maintenance and other general park improvement needs. The possible East-West road through the new Pinecone Athletic Complex can be funded up to \$500,000 assuming all \$800,000 of 20 year lease revenues is pledged against a bond issue. The Regional Park Funds are currently reserved for use as the State Bonding \$500,000 match to acquire part of the Dehler property. The Park Board has also identified regional park priorities which are unfunded at this time so no completion dates are identified; however, they are prioritized below by a ranking of 1 through 5 with 1 being highest priority. An alphabetical listing of City parks and capital plans follows and cash flows for each Park fund are shown on Exhibit C:

Facility	Year of Install/Replace	Cost Estimate	Source of Funds
Avalon Park			
Celebration Park			
Creekview Preserve Park			
Cypress Park			
Eastside Kiddie Park	2008: Playground	\$25,000	Park District 6
Fox Run Park	2009: Phase II Equip	\$15,000	Park District 4
Fragen Park			
Geoffrey Park	2009: Phase II Equip	\$15,000	Park District 3
Huntington Park	2008/09: Trail, Road, Sign	\$60,000	Park District 1
Linear Park/Zak Property	Priority Level 2: Fishing Pier		Regional Park Fund
Lions Park			Park District 2
Madison Crossing Park			
Meadowlake Park			
Morningstar Park			
Nature's Edge Park			
Newport Park			
Northside Park	2008 Sign and Ballfield Priority Level 1: Evaluate retaining wall	2008: \$12,000 2009: \$15,000 irrigation	Sign: Regional Park Fund Ballfield: Pre-2007 sales tax 2009 Irrigation: Regional Park



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Facility	Year of Install/Replace	Cost Estimate	Source of Funds
	Priority Level 1: Ballfield Irrigation Priority Level 1: Disc Golf Improvements Priority Level 2: Picnic shelter & restrooms Priority Level 5: Champion Ballfield improvements		Fund
Oak Ridge Park			
Oakview Pond Park			
Pine Cone Regional Park	Priority Level 2: Design landscaping		
Pine Lakes Park	2009 Trails	\$50,000	Park District 3
Pine Tree Ponds Park	2010 playground upgrades	\$25,000	Park District 4
Rolling Meadows Park			
Sabre Oaks Park			
Sandstone Park			
Sartell Heights Park			
Stonebrook Estates Park			
Tiffany Meadows Park			
Val Smith Park	2008: Ballfield irrigation, trail, etc 2009: bleachers, benches Priority Level 1: horse shoe pits and bocce ball Priority Level 2: Shelter & restrooms Priority Level 2: Playground improvements Priority Level 2: Skateboard & bituminous field on rink Priority Level 4: Resurface tennis & BB courts	2008: \$105,000 2009: \$3,000	2008: Sales Tax 2009: Regional Park Fund
Veterans Park			
Watab Creek Park	Priority Level 1: Repair Pool Priority Level 2: Trail extensions Priority Level 4: Resurface tennis courts Priority Level 4: Splash pad and pool shelter w/restrooms Priority Level 4: Park shelter & restrooms	2009 Pool Repair: \$25,000	2009: Regional Park Fund
Wilds Park	2009 Wilds & other courts	2009: \$30,000	Park District 4
Sartell Golf Course	2008 Acquisition Priority Level 1: Temporary access Priority Level 1: Evaluate use		



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Facility	Year of Install/Replace	Cost Estimate	Source of Funds
	of fairway area for fields; temp irrigation Priority Level 2: Permanent access Priority Level 3: Explore improvements Priority Level 4: Future improvements		
Additional Land Acquisition (Dehler, etc)	Undetermined	\$1,000,000	\$500,000 State Funds \$500,000 Regional Park Funds

Fund 221 - Beautification Fund: The City’s tower revenues go into this Fund, and it has traditionally subsidized the City’s beautification efforts, including some items that would otherwise be taxpayer funded through the general fund, such as park mowers, seasonal staff, and landscaping supplies. The City’s goal of reduced reliance on this Fund is not achieved within this Plan. Spreadsheet projections of the Beautification Fund are attached as Exhibit D.

Fund 223 - Lodging Tax: 95% of the lodging tax revenues are paid to the St. Cloud Area Convention and Visitor’s Bureau to fund area-wide promotions. The other 5% is used to assist Sartell initiatives such as Sartell’s Centennial celebration and an annual contribution toward SummerFest.

Fund 224 - Economic Development Fund: Funded by a general fund transfer years ago, this fund was used for a number of economic development loans to private business which have been repaid with interest, thereby increasing the fund balance. It has since funded our retail market analysis and this FMP and is available for other economic development initiatives in addition to further revolving loans.

Fund 227 - PEG Fund: This fund is comprised of cable fees and restricted to use to enhance the City’s broadcast of government information. This fund was used in 2008 to replace the Pine Cone Road community message board which routinely advertises our government channel broadcasts and spreadsheet projections are attached as Exhibit E.

Utility Funds: The City routinely updates our comprehensive water and sewer plans and creation of a comprehensive stormwater plan was completed in 2008. The City has established rate structures with the goal of having the appropriate charges pay for their fair share of infrastructure improvements. Each type of utility fund is described below, and our utility infrastructure capital plans follow. Cash flow spreadsheets for each utility fund are attached as Exhibits F1-F6 showing the future rate increases as currently projected.

Fund 225 - SAC Fund: Sewer Access Charges are used for treatment plant capacity purchase/lease, lift stations, and some major conveyance lines.

Fund 226 - WAC Fund: Water Access Charges are used for new construction or expansion of treatment plants, wells, water storage, and related facilities.

Fund 229 - Water Trunk Fund: Water trunk fees are used for installation or expansion of trunk lines.



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Fund 230 - Stormwater Trunk Fund: Stormwater trunk fees are used for installation or expansion of stormwater trunk systems.

Fund 231 - Sewer Trunk Fund: Sewer trunk fees are used for installation or expansion of trunk lines.

Fund 601 - Water Utility Fund: Bi-monthly water charges are used to pay general operational charges for the City's water system, as well as repair and rehabilitation of water facilities required due to depreciation or updated requirements, and not due to new growth capacity demands.

Fund 602 - Sewer Utility Fund: Bi-monthly sewer charges are used to pay general operational charges for the City's sewer system, as well as repair and rehabilitation of sewer facilities required due to depreciation or updated requirements, and not due to new growth capacity demands.

Fund 603 Stormwater Utility Fund: Bi-monthly storm charges are used to pay general operational charges for the City's stormwater system, as well as repair and rehabilitation of storm facilities required due to depreciation or updated requirements, and not due to new growth capacity demands.

Utility Facility	Year of Install/Replace	Cost Estimate	Source of Funds
2002 North Water Treatment Plant: 3.0 MGD	2024 or later Expansion (w/1 MG storage addn)	\$6,200,000	20 year DS budgeted in WAC Fund
Add 1 MGD Storage (w/WTP expansion above)	2024 or later	\$2,000,000	20 year DS budgeted in WAC fund
1992 East Water Treatment Plant: 2.0 MGD	Expansion is development driven; date uncertain	\$4,600,000	20 year DS budgeted in WAC Fund
Add 6 MGD WTP, Wells 14, 15 & 16, and SW Trunk Watermain	2007: Land Purchase & Design 2008: Construct	2007: 720,000 2008: \$11,600,000	2007: Cash out from WAC fund 2008: 20 year DS from WAC fund
Add 1 MGD Storage	2013 or later	\$2,000,000	WAC fund
Well #1 – located remote from WTP	1957: 300 gpm	No longer in use	Wells #2, #4, & 5 abandoned
Well #3 – treated by East WTP	1979: 750 gpm		
Well #6 - located remote from WTP – only used during peak	1985: 300 gpm		
Well #7 – treated by East WTP	1989: 1000 gpm		
Well #8 – treated by East WTP	1989: 1000 gpm		
Well #9 and #10- no longer used – had been leased from Dave Traut			
Well #11 – treated by North WTP	2000: 1300 gpm		
Well #12 – treated by North WTP	2001: 1300 gpm		
Well #13 – treated by North WTP	2004: 1300 gpm		
Add 2 Wells	2019	\$1,200,000	DS from WAC fund
400,000 Gallon Northwest Water Storage Tank	Mid 80's Construction 2010 Maintenance 2020 Rehab	2010: \$75,000 2020: \$275,000	Water Utility Fund



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Utility Facility	Year of Install/Replace	Cost Estimate	Source of Funds
400,000 Gallon East Water Storage Tank	1987 Construction 2005 Maintenance		Water Utility Fund
500,000 Gallon Water Storage Tank – Huntington 1 st	1999 Construction 2015 Maintenance	\$275,000	Water Utility Fund
East Water Plant (Control Room) Desktop	2010/2013	\$2,000	Water Utility Fund
North Water Plant (Control Room) Desktop	2010/2013	\$2,000	Water Utility Fund
North Water Plant Desktop (John)	2008/2011	\$2,000	Water Utility Fund
Water Laptop Computer (Brad)	2008/2011	\$1,500	Water Utility Fund
Water Laptop Computer (John)	2009/2012	\$1,500	Water Utility Fund
Water Laptop Computer (Noel)	2009/2012	\$1,500	Water Utility Fund
St. Cloud WWTP	2012 and 2018 or later	2012: \$13,000,000 2018: \$1,800,000	DS for expansion through SAC fund; rehab through Sewer Utility Fund (i.e. user rates)
Additional Conveyance Capacity from St. Cloud	2018	\$2,000,000	DS from SAC
LS #1 Heims Mill Lift Station	2006 Upgrade & forcemain	\$2,560,000	20 year DS budgeted in SAC Fund
LS #2 SuperAmerica Lift Station	2009 Pump Replacement; 2018 Rebuild	\$50,000 2018: \$600,000	SAC
LS #3 Riverside/7 th Lift Station			
LS #4 Watab Creek Lift Station (east of Rolling Green)			
LS #5 3 rd Ave. N. Lift Station	Eliminated with	2008 street	reconstruction project
LS #6 Ridge Road Lift Station			
LS #7 Riverside 1500 Block Lift Station	2011: Upgrade and forcemain	\$100,000	SAC Fund
LS #8 15 th Ave./3 rd St Lift Station			
Lagoon Effluent Pipe	2007	\$195,466	Assess & Sewer Trunk Fund
LS #9 7 th Ave. S./Edinburgh Lift			
LS #10 (former LS#1)			
LS #11 27 th St. – Water Plant	Old #11 Elim; this is new #11 Countryside	\$900,000 for LS/ main to Countryside?	
LS #12 Watab Creek Lift Station (west of Pine Cone)	2014 Upgrade	\$340,000	SAC Fund
LS #13 (New – Bakers Lake – development driven)	2016?	\$532,000	SAC Fund
River Bank Stabilization Project	2008	\$300,000	Grant & Trunk Sewer
Replace or remove utility bridge; upgrade Sewer Across River	2012	\$600,000?	Sewer Utility DS w/East Side Streets

Fund 240 and 241 - Sales Tax Funds: These funds are restricted to use solely for the items



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approved by voters in each of the respective sales tax referendums. The golf course bonds are paid off in 2013 and the Council's allocation beyond that was:

- \$1,435,000 remaining for land acquisition
- \$700,000 remaining for trails
- \$1,600,000 for community resource facilities; and
- \$3,500,000 for regional roadways

The Council approved \$4,200,000 of sales tax dollars (the \$700,000 trail and \$3,500,000 regional roadway allocations) funding the Heritage Drive/Roberts/50th Ave project in 2009. The other allocations are shown on Exhibit G, and future expenditures will depend upon collections which are very difficult to project at this point.

Fund 402 - PIR Fund: The City maintains a Public Improvement Revolving Fund in order to cash flow public improvement projects prior to bond funds being received or to entirely finance small projects without bonding.

Fund 410 - Building Fund: The City strives to provide adequate community facilities, including City Hall/administration buildings, public safety buildings, public works facilities, parks, trails, and other recreational facilities. Facilities such as water treatment plants are financed with development and utility fees analyzed under another section of this Plan. The Public Works campus underwent new construction in 2005/2006. The Fire Station is scheduled for rehab/expansion in 2013 as outlined under the Fire Equipment Fund Section. The City Hall and Police Department buildings are new/renovated as of 2001 and analysis of their longer term needs will be part of a future Plan update. There is currently no plan for increased service levels (such as a branch library or significant park buildings) within the Building Fund. An annual transfer into this Fund from the General Fund is maintained to fund future City building needs in the most cost effective manner. A list of major buildings and capital plans follows and the cash flow for this Fund is attached as Exhibit H:



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Facility	Year of Install/Replace	Cost Estimate	Source of Funds
City Hall (new in 2001)	Future expansion needs not reviewed yet		20 year tax levy debt service
Police Station (2002 remodel)	Future expansion needs not reviewed yet		Included with City Hall project/debt
Fire Station: Sartell/LeSauk Government Center	2013	\$1,950,000 LeSauk share to cover soft costs/F&F?	Fire Equip Fund
Public Works Building: New in 2006	2006		20 year Bldg Fund debt
Public Utilities Building	Acquired in 2005		
Public Works Cold Storage			
Compost Site Storage Bldg	2011	\$10,000	PW Equip Fund
Sartell Community Center/Library, etc	Future Amenities: \$_____	Future: \$_____	Local Sales Tax? Donations?

Equipment Funds: Annual transfers into the City’s equipment funds from the General Fund make up the major funding sources for each fund, although sales of used equipment and any eligible grant funds are also sources. All departments have fleets of vehicles for which the City has set up planned rotation/replacement schedules. The City’s strategy to replace the equipment based upon these schedules achieves the most cost effective timing of replacement (while there is still a small value to recoup and/or before repair costs outweigh the savings of continuing to use old equipment) and staggers purchases so that there are always some new, extremely reliable models. When purchases are not staggered, too large a share of the fleet ages simultaneously increasing risk of multiple breakdowns and loss of service. It also causes a budgetary strain when too large a percentage of the fleet requires replacement within a short time period. To best accomplish the equipment rotation, department heads make a recommendation on actual purchase based upon how the equipment is performing at the planned replacement time.

The City has used interfund loans to fund some capital purchases. Internal borrowing has the advantage of flexible repayment schedules and eliminating financing costs. However, internal borrowing is a limited resource because it is contingent on the cash flow needs of the contributing fund. The City will continue to evaluate the use of debt to purchase capital equipment as needed. The goal of our equipment funds is to build and maintain a cash balance sufficient to minimize borrowing, especially for smaller purchases. To this end, the FMP shows sufficient transfers in order to build the ending cash balances; however, various funds periodically show deficits since we hope to achieve some savings over estimates and we plan to use those savings to increase fund balances. The annual monitoring of this Plan will allow for flexibility to reduce spending if funds do not achieve these savings and increases in funding are not available within our tax rate goals.

Fund 412 - Police Equipment Fund: The Police Department equipment plan rotates the four to five heavily used patrol vehicles when they are 3 to 4 years old and still have some re-sale value but at the



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point they would begin incurring higher maintenance costs. It also rotates other lower mileage vehicles out when they are 8 to 10 years old and some used squads will actually replace these lower priority vehicles. Replacements are budgeted to factor in trade-ins and use of some quality used vehicles. **The planned purchase of squad cars will need to be adjusted as Crown Vics are planned to be discontinued in 2011 and a more expensive vehicle may become the industry standard.** A list of equipment and capital plans follows and the cash flow for this Fund is attached as Exhibit I:

Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
2005 Tasers			Grant or Other
2006 Laser Speed-Reading Device			Grant or Other
2007 Speed Trailer			Grant or Other
Opticom			Grant or Other
Squad video cameras	New in 2008 – rotation schedule starting in 2015	\$40,000	Police Equip Fund
Added Vehicle #3 (CSO)	Old #13 in 2010 Replace 2013	\$20,000	Police Equip Fund
Added Vehicle #4 (Lt)	2013	\$20,000	Police Equip Fund
Added Vehicle #15	New in 2012 Replace 2015/2018	\$20,000	Police Equip Fund
Added Vehicle #16	New in 2015 Replace 2018	\$20,000	Police Equip Fund
Added Vehicle #17	New in 2017 Replace in 2020	\$20,000	Police Equip Fund
Added Vehicle #18	Beyond 2020?	\$20,000	Police Equip Fund
Added Vehicle #19	Beyond 2020?	\$20,000	Police Equip Fund
Patrol #14 2007 Ford Crown Vic (PDV 26)	2011/2014/2017/ 2020	\$20,000	Police Equip Fund
CSO #7: 1998 Chev Blazer (Fixed asset PDV 7)	No schedule to	replace w/new – circulate	used or forfeiture
Sergeants #8: 2006 Dodge Durango (Fixed asset PDV 8)	2010/2014/2019	\$20,000	Police Equip Fund
Patrol #9: 2008 Ford Crown Vic (Fixed asset PDV 27)	2012/2015/2018	\$20,000	Police Equip Fund
Patrol #10: 2008 Ford Crown Vic (Fixed asset PDV 28)	2011/2013/2016/ 2020	\$20,000	Police Equip Fund
Patrol #11: 2008 Ford Crown Vic (Fixed asset PDV 29)	2011/2014/2017/ 2020	\$20,000	Police Equip Fund
Patrol #12: 2001 Ford Crown Vic (Fixed asset PDV 15)	2010/2013/2016/ 2019	\$20,000	Police Equip Fund
Dep Chief #13: 2002 Ford Explorer (Fixed asset PDV 13)	Gets replaced	With #8	
Chief #1: 2006 Dodge Stratus (Fixed asset PDV 24)	2012	\$20,000	Police Equip Fund
SRO #5: 1994 Buick Regal (Fixed asset PDV 20)	2010/2019	\$20,000	Police Equip Fund



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Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
DARE #6: 1998 GMC Safari Van (Fixed asset PDV 16)	Miller donates for Dare van	We pay maintenance	Police Ops Budget – maint
Gang Strike Force: Leased vehicle	Supplied by GSF		
Investigator #2: 1998 Jeep Grand Cherokee (Fixed asset PDV 25)	No schedule to	replace w/new – circulate	used or forfeiture
Mobile Command #29: 1994 Ford F350 (Fixed asset PDV 19)	2014	\$30,000	Police Equip Fund
Admin #31: 2005 Ford Crown Vic (Fixed asset PDV 14)	Replace w/#12		
Patrol #32: 1992 Polaris Indy Snowmobile (Fixed asset PDV11)	No schedule to	replace w/new – circulate	used or forfeiture

Fund 413 - Fire Equipment Fund: The Fire Department plans to replace vehicles when they are approximately 30 years old. This plan schedules those purchases as well as the projected Fire Hall expansion/upgrade project currently planned for 2013. This building expansion project may need to be delayed further if funding levels can not be maintained due to LGA cuts or demands in other areas caused by slower than projected growth and construction activity. A list of equipment and capital plans follows and the cash flow for this Fund is attached as Exhibit J:

Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
Extricator (Jaws of Life)	2021	\$30,000	Fire Equip Fund if money available
Extricator (Jaws of Life)	Undetermined	\$29,500	Undetermined
Fire Station: Sartell/LeSauk Government Center	2013	\$1,950,000 LeSauk share to cover soft costs/F&F?	20 year DS starting in 2014 from Fire Fund
Rescue #29 2001 Ford F-350 Rescue Truck	2031		Grant or Other Funds
Ladder #28: 2000 Freightliner Pumper Ladder Truck	City owns: 2030	\$400,000	Fire Equip Fund
Unit #18: 1995 EZ Loader	2015		Grant or Other Funds
Unit #19: 1995 Zodiac Boat & Mercury Motor	2015		Grant or Other Funds
Unit 25: 1995 Freightliner Tanker	Town owns: 2026		Township Funds
Unit 26: 1991 Ford F350 4x4 Pickup Grass Rig	City/Town: 2021	Equipment only: \$50,000	DNR: truck Equip: City/Town
Engine 22: 1990 Freightliner Pumper	City/Town: 2022	\$400,000	Fire Equip Fund
Unit 20: 1988 GMC Value Van	City owns: 2012	\$150,000	Combined with Fire Hall DS
Unit 23: 1985 Ford Tanker	Town owns: 2015		Township Funds



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Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
Unit 27: 2008 Ford F350 Pickup Grass Rig	City/Town: 2038	\$60,000	Fire Equip Fund
Engine 24: 2007 Spartan Pumper Fire Truck	2036	\$350,000	Fire Equip Fund
1919 Model T Truck		Won't be	Replaced
2000 Builtright Trailer	From MPCA		Grant or other funds
Unit #17: Polaris 6x6	2006		
2005 Rance Trailer			Fire Relief Donation
Fire Hoses			Fire Ops Budget
Turnout Gear & Airpacks			Fire Ops Budget

Fund 414 - Public Works Equipment Fund: In Public Works, the City has 6 plow trucks, and adds one smaller plow truck in 2012 and another in 2018. The City also utilizes two loaders to serve some of the plowing needs, as well as a rotation of 1 ton pickups with plows. The fleet of pick-up trucks and other utility vehicles are rotated to replace or add a vehicle or two every year. Water/sewer utility funds are used for some pick-up purchases so that those funds pay their fair share of vehicle needs. A flat “equipment replacement” line item of \$10,000 is used annually to replace plow attachments, sanders, or other smaller capital items on an “as needed” basis. A list of equipment and capital plans follows and the cash flow for this Fund is attached as Exhibit K:

Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
2018 Add Plow Truck	2018	\$200,000 (smaller)	PW Equip Fund
2012 Add Plow Truck	2012	\$150,000 (smaller)	PW Equip Fund
2007 Sterling Dump Truck (plow)	2024	\$220,000	PW Equip Fund
2005 Sterling Dump Truck (plow)	2022	\$210,000	PW Equip Fund
2003 Sterling Dump Truck (plow)	2019	\$250,000	PW Equip Fund
2000 Sterling Dump Truck (plow)	2017	\$210,000	PW Equip Fund
1991 Ford Dump Truck (plow)	2013/2031	\$180,000	PW Equip Fund
1991 Isuzu Dump Truck	Acquired in 2008	w/golf course	Purchase
1986 Ford Dump Truck (plow)	2011/2028	\$150,000	PW Equip Fund
2018 Pickup (addition to fleet)	2018	\$35,000	PW Equip Fund
2015 Pickup (addition to fleet)	2015	\$30,000	PW Equip Fund
2012 Pickup (addition to fleet)	2012/2022	\$28,000	PW Equip Fund
2011 Pickup (addition to fleet)	2011/2020	\$25,000	Water/Sewer Funds
2007 Dodge Utility Truck	2016	\$50,000	Water/Sewer Funds
2005 Chevy Silverado 1 ton Pickup	2015	\$35,000	PW Equip Fund
2004 Chevy ¾ Ton Pickup w/plow	2014	\$30,000	PW Equip Fund
2003 Chevy ½ Ton Pickup	2013/2023	\$28,000	PW Equip Fund
2002 Chevy ½ Ton Pickup	2012/2022	\$28,000	Water/Sewer Funds



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Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
2000 Chevy Pickup	2011/2021	\$25,000	PW Equip Fund
1998 GMC 1-Ton Pickup w/dump&plow	2010/2020	\$38,000	PW Equip Fund
2005 Chev Trailblazer	2010-transfer to inspections replace 2019	with pickup in 2010-\$30,000 \$40,000	PW Equip Fund
1996 Chevy 1-Ton Pickup	2008/2018	\$35,000	PW Equip Fund
1992 Chevy Cheyenne ½ Ton Pickup	2008/2018	\$25,000	Water/Sewer Funds
1998 Chevy S-10 Pickup	2014	\$30,000	Water/Sewer Funds
2007 GMC Sierra	2017	\$35,000	PW Equip Fund
1979 Chevy Step Van	Indefinite-alum body		PW Equip Fund
1976 GMC Suburban	2010/2025	\$30,000	Beautification
2004 Elgin Sweeper	2019	\$300,000	PW Equip Fund
2008 Elgin Sweeper	2025	\$300,000	PW Equip Fund
1991 Chevy Crane Truck			PW Equip Fund
2003 DCT Trailer			PW Equip Fund
1988 Felling Trailer			PW Equip Fund
1975 Homemade Trailer			PW Equip Fund
2008 PJ Trailer for Parks		\$5,000	PW Equip Fund
2003 Olympia Millenium Ice Resurfacer			Grant or other
2000 Brush Chipper			Beautification Fund
2003 Sterling Jet Vac 2100	2015	\$250,000	Sewer Fund
Current Year Tractor/Mower	Trade in every year		Beautification or General
Current Year Tractor/Mower	Trade in every year		Beautification or General
Current Year Tractor/Mower	Trade in every year		Beautification or General
2002 Tractor/Mower			Beautification or General
1987 Lawn Mower/Bobcat			PW Equip Fund
Tractor – Ditch cutter		\$60,000	PW Equip Fund
2008 246C Cat Skidsteer			PW Equip Fund
1994 Caterpillar Loader	2015/2030	\$250,000	PW Equip Fund
2008 JD Wheel Loader	2023	\$250,000	PW Equip Fund

Fund 415 - Technology Fund: The City has a goal of sufficient funding for technology purchases to put Sartell in the forefront for automated citizen access to information and services. Use of the City’s PEG fund for some enhancements will help to reduce the demand for increased technology funding in the next couple of years, but increased Tech Fund transfers are hoped to be achieved in later years of the



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Plan. A list of equipment and capital plans follows and the cash flow for this Fund is attached as Exhibit L.

Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
Desktop Computer (Public Works Director)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (PW Mechanic)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (PW – Satellite office)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (PD - Front Desk)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (PD - Front Desk)	2010/2013/2016/2019	\$1,500	Tech Fund
Desktop Computer (Chief gets laptop)	2012/2015/2018/2021	\$3,000	Tech Fund
Desktop Computer (Sergeant)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (Dep Chief gets laptop)	2010/2013/2016/2019	\$3,000	Tech Fund
Desktop Computer (Patrol #1)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (Patrol #2)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (PD Evidence)	2010/2013/2016/2019	\$1,500	Tech Fund
800 mhz radios	Acquired in 2007		
Laptop/MDT (PD Unit #7)	2012/2015/2018/2021	\$3,800	Tech Fund
Laptop/MDT (PD Unit #8)	2010/2013/2016/2019	\$3,800	Tech Fund
Laptop/MDT (PD Unit #9)	2012/2015/2018/2021	\$3,800	Tech Fund
Laptop/MDT (PD Unit #10)	2010/2013/2016/2019	\$3,800	Tech Fund
Laptop/MDT (PD Unit #11)	2010/2013/2016/2019	\$3,800	Tech Fund
Laptop/MDT (PD Unit #12)	2010/2013/2016/2019	\$3,800	Tech Fund
Laptop/MDT (PD Unit #13)	2011/2014/2017/2020	\$3,800	Tech Fund
Laptop/MDT (PD Unit #14)	2011/2014/2017/2020	\$3,800	Tech Fund
Laptop/MDT (PD Unit #4)	2011/2014/2017/2020	\$3,800	Tech Fund
Laptop/MDT (PD Unit #17)	2011/2014/2017/2020	\$3,800	Tech Fund
Laptop/MDT (PD Unit #2)	2012/2015/2018/2021	\$3,800	Tech Fund
Printer			Tech Fund
Copier			Grant or Other
PD Phone System			Tech Fund
Fire Dept File Server	2012	\$8,000	Fire Ops Budg
Fire Dept Desktop Computer	2011/2014/2017/2020	\$1,500	Fire Ops Budg
Fire Dept Desktop Computer	2011/2014/2017/2020	\$1,500	Fire Ops Budg
Fire Dept Desktop Computer	2012/2015/2018/2021	\$1,500	Fire Ops Budg
Admin HP Printer	2008	\$2,000	Tech Fund
Admin Copy Machine	New Leased 2006		Tech Fund
Admin Network File Server	2012/2017	\$13,000	Tech Fund
Admin Fax Machine	2009	\$1,500	Tech Fund
Desktop Computer (City Administrator)	2010/2013/2016/2019	\$1,500	Tech Fund
Desktop Computer (Community Dev Director)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (Planning Assistant)	2010/2013/2016/2019	\$1,500	Tech Fund



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Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
Desktop Computer (Finance Director)	2011/2014/2017/2020	\$1,500	Tech Fund
Desktop Computer (Utility Billing)	2011/2014/2017/2020	\$1,500	Water/Sewer Utility
Desktop Computer (Admin Secretary)	2010/2013/2016/2019	\$1,500	Tech Fund
Desktop Computer (Deputy Clerk)	2010/2013/2016/2019	\$1,500	Tech Fund
Desktop Computer (intern)	Hand me down		
Desktop Computer (Service Counter)	Hand me down		
Fire Marshal Computer	2011/2014/2017/2020	\$1,500	Tech Fund
Building Official Computer	2010/2013/2016/2019	\$1,500	Tech Fund
Permit Tech Computer	2011/2014/2017/2020	\$1,500	Tech Fund
Inspections Desktop Copier/Scanner	2012	\$1,500	Tech Fund
Council Chambers Laptop	2010/2013/2016/2019	\$1,500	Tech Fund
Council Chambers 2 nd Laptop	2011/2014/2017/2020	\$1,500	Tech Fund
Phone System			Tech Fund

Fund 416 - Civil Defense Fund: The civil defense fund is utilized for periodic purchases of sirens. A list of equipment and capital plans follows and the cash flow for this Fund is attached as Exhibit M:

Equipment	Year of Install/Replace	Cost Estimate	Source of Funds
1996 Rotating Siren			
2001 127DB Rotating Siren			
2002 128 DB Rotating Siren			
2006 Celebration Park Siren			
SW Water Treatment Plant Siren	2009/2010	\$20,000	Siren Fund

Fund 417 - Street Fund: The design of a street maintenance plan involves two key elements — street condition and affordability. The goal will be to have the best possible street system with the monies that are available to support street maintenance activities. The City’s public works staff and engineer inventory and assess the condition of the city street system. Most streets can be maintained with crack sealing and seal coating and the City’s rotational plan for that maintenance is attached as Exhibit N. Sealcoating and non-reclamation overlays are currently paid 100% by the City and funding for those street maintenance items is included in the General Fund analysis of this FMP. However, eventually streets will require more extensive maintenance such as mill and overlay or reconstruction. Street construction and reconstruction projects are assessed in whole or part to benefitting properties, but the City’s projected cost share of such projects are also included below and the cash flow for this Fund is attached as Exhibit O:

Project	Year of Install/Replace	Cost Estimate	Source of Funds
2008 Streets: Brookwood Lane	2008	\$4,200,000	Assess, Street Fund, Utility Funds
CR 120/CSAH 1	2009	\$5,357,000	Assess, County, Street Fund? (holding cost)



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Project	Year of Install/Replace	Cost Estimate	Source of Funds
Heritage Drive, Roberts Road (PCR to Heritage) & 50 th	2009/2010	\$8,750,000	Sales Tax, Street Fund, MSA, Assess
County Ditch #16	2009/10 Combine with Heritage Dr	\$60,000	Stormwater funds
County Ditch #50	2019 Maintenance	\$60,000	Stormwater funds
Priority Reconstructs #1: East Side Streets	2012 or 2015	\$8,349,000	Assess, Street & Utility Funds
CR 29 Sewer Line	2012 Combine with East Side Streets	\$120,000	Sewer Funds
Priority Reconstructs #2: West Highview, etc	2018	\$705,000	Assess & Street Fund
Priority Reconstructs #3: 1 st & 2 nd Ave. N. (4 th to 7 th St)	2019	\$2,430,000	Assess, Street & Utility Funds
Priority Reconstructs #4: Sartell St.W.	2020	\$851,000	Assess, Street & Utility Funds
23 rd Street extension to 50 th	Unscheduled	\$1,042,000	100% assessments, but all PFA City needs to front
Dehler extension to 50 th	Unscheduled	\$1,292,000	100% assessments, but some PFA City needs to front
<i>Trunk Highway 15 MNDOT project</i>	<i>2013 – City match required</i>	<i>Unknown</i>	<i>Unscheduled</i>
4 th Ave. S (Heritage to 2 nd St. S.)	Unscheduled		Unfunded at this time
East-West Connector through Athletic Facilities Complex	Unscheduled		Golf Course Lease Revenues?
Roberts Road West (PCR to west of CR 4)	Unscheduled	\$4,636,000	Unfunded at this time
Roberts Road East (Heritage to CR 1)	Unscheduled		Unfunded at this time
Pine Cone Road Reconstruction 15 th to 27 th	Unscheduled	\$2,520,000	Unfunded at this time
19 th Ave./65 th	Unscheduled	\$2,100,000	Unfunded at this time

Debt Service Funds: The City has numerous debt service funds, with a separate fund maintained for each debt issuance into which all corresponding revenues are deposited and reserved for use to pay the related debt service.

TIF Funds: The City has 3 remaining TIF District funds restricted to use as outlined in each respective tax increment financing plan.

Other Capital and Special Revenue Funds: The City has a number of annual capital funds which are used to track that year’s capital infrastructure projects such as street reconstruction or development projects. We also have a few special revenue funds for which the revenues are restricted to a specific purpose such as forfeiture funds, youth programs fund, cemetery fund, and MSA funds.



Fiscal Consultant Recommendations/Findings

Ehlers & Associates worked closely with staff on this Plan and make the following recommendations/findings:

Recommendation #1 – *The City needs to adopt and implement the Financial Management Plan as presented.*

Based upon this FMP, the City has a mechanism to fund its operations and many capital spending priorities while maintaining a tax rate that is still stable and builds the long-term financial health of the City. See spreadsheet summary of projected budgets, levies and tax rates attached as Exhibits A1 and A2. The City's commitment to this process should result in:

- ✓ Less “paycheck to paycheck” or “year to year” thinking, giving staff, elected officials and citizens the “big picture” multi-year view of the community, its future plans and their fiscal impacts
- ✓ Making future projects less controversial
- ✓ Making difficult decisions easier for elected officials
- ✓ Getting projects planned and completed with a thorough planning process in place

The City has a goal of building capital fund balances sufficiently to allow for purchases without borrowing as well as to provide for contingencies and the flexibility to respond to unforeseen events. The current fund projections include replacing and maintaining only those capital items that are currently used for the existing level of service.

Recommendation #2 – *The City needs to annually update the FMP with input from City staff, Council members, and the community at large.*

The FMP is a working, flexible document that should be the basis or reference point for all major decisions the City makes and periodic review of the City's financial plan is important. However, implementing the financial management plan is an on-going activity for staff and the Council. At a minimum, Ehlers recommends that the City:

- ✓ Prepare annual financial management documents as recommended by GFOA best practices (Annual Budget, Comprehensive Annual Financial Report)
- ✓ Continue to prepare annual funding projections and plans for the capital funds
- ✓ Prepare annual update of growth projections
- ✓ Conduct periodic review of all non-tax revenues (monitor new legislation and legal challenges to cities' use of fees for certain revenues, including building permits and conduct review and adjustment of all other fees and charges in intervals of not more than three years)
- ✓ Prepare annual projections of property valuations, tax levies and tax rates so impacts on all taxpayers can be identified before budget and levy decisions are made.
- ✓ Conduct annual review of outstanding debt to determine necessary revenue adjustments and potential to call or refinance bonds.



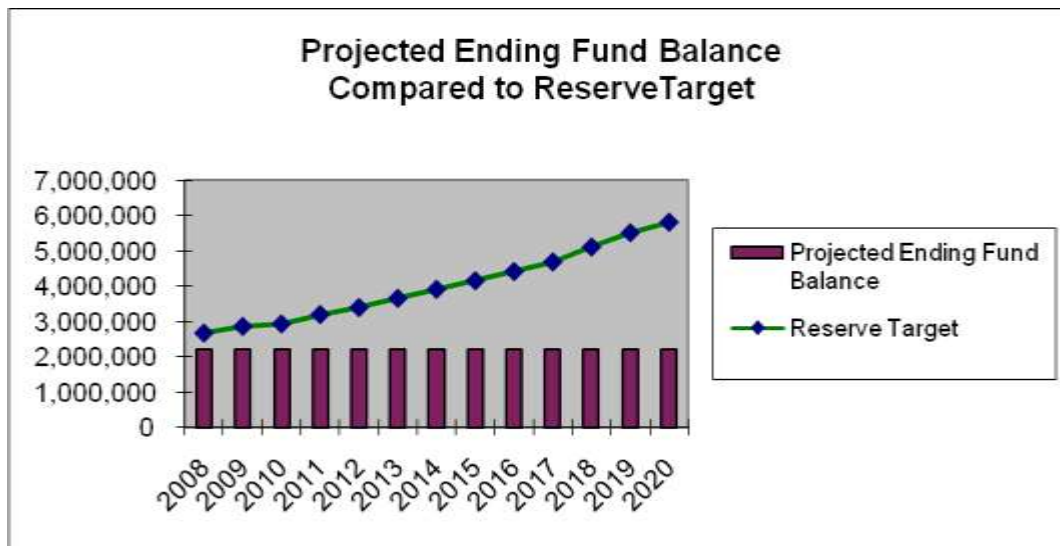
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Recommendation #3 – *The City needs to monitor future City budget approvals using the FMP in order to maintain the 50% Fund Balance Reserve goal. If revenues do not exceed forecasts and/or expenditures are not maintained at or below budget, additional tax levies will be needed to maintain the Fund Balance Reserve goal.*

The General Fund balance is an important tool for financial management and should not be used to offset ongoing deficiencies in operating revenues. The General Fund balance is designed to assist the City in meeting its cash flow management needs, protect the City from unanticipated changes in revenues and expenditures and is an important factor in maintaining the City’s existing bond rating (the rating agency looks at both the size and the trends). In addition, the Office of the State Auditor looks at General Fund balance as a percent of expenditures to determine whether cities are taxing and saving appropriately.

It will become increasingly difficult to fund operations if the fund balance reserve is not maintained. The Financial Management Plan needs to be used as the roadmap for the Council to determine financial direction for the City. This FMP, which includes the amended 2009 budget, is a valuable tool to help the City maintain the Fund Balance goal of 50%. The City has done an excellent job in the past of creating and maintaining a strong balance in the General Fund. However, this will need to be monitored closely for necessary budget adjustments annually as there may be fewer contingency dollars remaining available each year.

As is illustrated in the figure below, in future years, the General Fund may not be able to cash flow a full six months worth of expenditures, which is what would be required to fund operations from January to July, when the first half property taxes are received. This means that the General Fund would essentially run out of cash around March-April and would require an interfund loan.





Policy Decisions

The City Council is responsible for shaping the City. Elected officials are charged with the task of determining the vision for the city and city staff has the responsibility for carrying it out. An overriding policy decision facing the Council will be to determine the level of service provided to the citizens of the City that is desirable, appropriate and affordable.

Any expansion of service will need to be funded through increased property taxes unless another permanent funding source is determined by the City prior to adding the service. The following table shows the impact of different levels of spending decisions on home with a market value of \$225,000.

Expenditure Level	Additional Taxes	Additional Tax Rate
\$50,000	\$8.39	0.37%
\$100,000	\$16.78	0.75%
\$150,000	\$25.17	1.12%

Based on payable 2009 tax capacity

This graph tells us that a home with a market value of \$225,000 will pay an additional \$8.39 annually in property taxes if \$50,000 is added to the property tax levy, using the 2009 tax capacity.

Conclusion

The net result of this process is a unified planning document that incorporates the City's budget, annual financial report, capital improvement program, and planning for growth into one tool for projecting City taxes and their impact on property tax rates and taxpayers. This process should give City officials confidence in their ability to provide services for the citizens of Sartell at a reasonable rate.



List of Exhibits

- A1-A2 Financial Management Plan Summary Spreadsheet
- B Growth Projections
- C Park Funds
- D Beautification Fund
- E PEG Fund
- F1-F6 Utility Funds
- G Sales Tax Fund
- H Building Fund
- I Police Equipment Fund
- J Fire Equipment Fund
- K Public Works Equipment Fund
- L Technology Fund
- M Civil Defense Fund
- N Street Sealcoat Map
- O Street Fund

List of Supporting Schedules

- 1 Personnel Additions