

**2022 BUDGET NARRATIVE  
GENERAL FUND**

**Account No. 101**

**EXPENSES**

<b>Council</b>
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- 41110-103     Council Recorder  
The Recorder duties are performed by the Deputy Clerk through video and audio recordings of the Council meetings.
- 41110-110     Mayor & Council Salaries  
The Council members and Mayor are paid per City Council meeting they attend (\$75/meeting-Council, \$100/meeting-Mayor). There are 23 regular Council meetings per year.
- 41110-122     Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of wages.
- 41110-201     Supplies  
Miscellaneous expenses of paper supplies, document frames, new council nameplates, etc.
- 41110-351     Publishing  
This line item is responsible for publishing costs related to all public hearings for variances and CUP's, election year publication requirements, publishing the financial statement, budget, ordinance public hearing notices, truth in taxation, and all other miscellaneous required public notices.
- 41110-430     Miscellaneous  
Miscellaneous council expenses including appreciation plaques, retirements, etc.
- 41110-433     Memberships & Dues  
The League of Minnesota Cities dues are anticipated to increase 3%. This line item also covers newly elected official training, the drug testing annual membership \$270 and physical testing of new employees (\$220 each).

## 2022 BUDGET NARRATIVE GENERAL FUND

<b>Elections</b>
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- 41410-104     Election Judge Salaries  
Effective 2020 year, there will be three elections. This line item includes election judge pay and the head election judge pay. There are currently 9 election judges and one head election judge. They work three elections (presidential primary, primary and general) days for 14 hours and have an average of (4) four hours training, per judge.
- 41410-122     Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of wages.
- 41410-202     Supplies  
This budget item includes: required yearly optical scanner maintenance agreement with Hennepin County, Help America Vote Act mandates, and other election supplies like ballots, secrecy sleeves, marking pens, etc.

<b>Finance &amp; Administration</b>
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- 41500-100     Financial Administration Salaries  
This includes salary/wages of the City Treasurer (20%), Deputy City Clerk & Intern (45%) and City Administrator (20%).
- 41500-121     Pensions-PERA  
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.
- 41500-122     Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.
- 41500-131     Health/Life/Dental  
In 2018, small employers (less than 50 FTE) were excluded from large employer pools. Moving forward the city will have to purchase its own insurance plans under the small employer options available from carriers
- The final plan options will not be available until after the General Fund is certified to the county in September. Plan options will be made available in October of each year for coverage starting on January 1<sup>st</sup> of the budget year.
- 41500-151     Worker's Compensation Insurance

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Workers Comp Insurance increases are based on League Budget Guides. The City has had a good experience rating in the past. Two recent claims have caused our rates to increase. This will affect our costs for another year. It is allocated as follows: General 50%, Sewer 25%, and Water 25%.

41500-200 Office Supplies

file folders & tabs	staples, rubber bands, paper clips
copy paper	cost of checks
imprinted & plain envelopes	dog tags
laser printer cartridges	adding machine tape
section maps	city letterhead
pens, pencils, markers	minute books
other miscellaneous office supplies	

41500-220 Repairs, Supplies, Maintenance

Annual costs for usage, repairs and maintenance to office copier (copier base maintenance agreement is \$1,000 annually).

41500-301 Auditing

General Fund portion of audit. The City audit estimated at \$9,350 for 2021 and paid for as follows: General 40%, Water Fund 25%, Sewer Fund 25%, Garbage Fund 5%, Recycling Fund 5%.

41500-310 Assessing

Since 2016, the City Council has contracted with Rolf Erickson for county assessing services. He is a state licensed real estate assessor and appraiser. The current contract runs through July 2020. This contract was extended for one year.

41500-322 Postage

Includes all General Fund postage.

41500-331 Mileage

This is mileage reimbursement to office staff for using personal vehicle to attend meetings and other city business. The 2020 IRS rate of reimbursement has been 57.5 cents per mile.

41500-352 Printing

This line item includes quarterly newsletters.

**2022 BUDGET NARRATIVE  
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41500-361

Liability Insurance

Liability insurance is allocated as follows: General 51%, Water 31%, Garbage 7%, Sewer 6%, Recycling 3% and Docks 2%.

41500-436

Computer Services

This line item is all computer related costs. City is now using Office365 software. Also, includes hannual support fees for Utility Billing Software. Regular computer expenses include:

- Internet connection service of \$900 annually
- Banyon software support of \$1,585 annually
- Trend Micro virus protection \$300 annually
- Zoom for council meetings and land use meetings.
- **DTS computer support ??**
  - **Domain, email accounts, annual service, APC replacement (unit failed), Aquos upgrade, Sonicwall licen**
- **MS Office 365 user licenses \$1,060**
- **New computer x 2 (help equalize budget from year to year) \$1,300**

41500-437

Memberships, Conferences

**Membership Fees**

Metro Area Managers Assn	City Administrator	\$45.00
MN City Managers Assn	City Administrator	\$100.00
Int'l City Mgmt Assn	City Administrator	\$500.00

**Conferences**

LMC conference (June)	City Administrator	\$450.00
Managers conference (May)	City Administrator	\$600.00
MCFOA annual conference	Deputy City Clerk or City Treasurer	\$500.00
MCFOA seminar/webinars	Deputy City Clerk or City Treasurer	100.00

**Other Expense**

LMC Safety Seminar	City Administrator	\$20.00
Organizational Coaching	City Administrator	

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41500-438

Miscellaneous

Hennepin County special assessment charge (\$2.50 ea)	\$230.00
Bank fees	\$80.00
Tax Book (now receiving electronically for free)	\$0.00
Safety deposit box	\$75.00
PSN monthly fees	\$135.00

<b>Legal Services</b>
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41600-304

Legal General

Legal work related to private developments or other specific individual matters such as variances is charged back.

41600-305

Legal Prosecutions

Retainer for criminal prosecutions largely generated from the police department. Litigation expenses are unpredictable and therefore are paid for as needed through the general fund reserves.

<b>Engineering</b>
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41900-303

Engineering

Engineering done on private developments is charged back. Expenses towards the design and construction of the Water Tower Improvements and General Engineering Services.

<b>Planning/Zoning</b>
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41910-100

Salaries

35% of City Administrator's salary and 10% of Deputy City Clerk wage.

41910-121

Pensions-PERA

Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.5% of their gross salary. The employer contribution is 7.5%.

41910-122

Pensions-FICA

Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

**2022 BUDGET NARRATIVE  
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41910-131      Health/Life/Dental  
In 2018, small employers (less than 50 FTE) were excluded from large employer pools. Moving forward the city will have to purchase its own insurance plans under the small employer options available from carriers.

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41910-318      Consulting Planner  
All planning done on private developments is charged back to the property owner.

<b>Buildings</b>
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41940-101      Wages  
Allocation of 2% of Public Works time for repair and maintenance of city hall.

41940-121      Pensions-PERA  
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41940-122      Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

41940-131      Health/Life/Dental  
In 2018, small employers (less than 50 FTE) were excluded from large employer pools. Moving forward the city will have to purchase its own insurance plans under the small employer options available from carriers

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41940-220      Repairs, Supplies, Maintenance  
This includes repairs, supplies and maintenance for buildings, including sidewalks, exterior maintenance, interior paint, and office furniture. This includes services for a boom truck to take the holiday lights up and down.

**2022 BUDGET NARRATIVE  
GENERAL FUND**

- 41940-221     Janitorial  
This is a predictable expense that is separate from repairs, supplies, maintenance into this Janitorial item.
- 41940-321     Telephone  
Telephone service for city offices and cell phone reimbursements.
- 41940-380     Utilities  
City buildings (except water plant which is billed to enterprise fund) expense from Xcel (electric), CenterPoint (heat/gas) and water.

**Public Safety**

- 42100-300     Police Budget  
Total for operating budget and building lease.
- 42100-311     Police - Miscellaneous  
This includes court overtime and booking fees.
- 42100-312     Room & Board/Workhouse  
This item covers the cost of individuals incarcerated due to various violations.
- 42200-309     Fire Protection  
Total for operating budget and building lease.

**Building Inspections**

- 42400-100     Building Salaries  
10% of City Administrator salary and 10% of Admin Asst. wages.
- 42400-121     Pensions-PERA  
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.
- 42400-122     Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

**2022 BUDGET NARRATIVE  
GENERAL FUND**

42400-131      Health/Life/Dental  
In 2018, small employers (less than 50 FTE) were excluded from large employer pools. Moving forward the city will have to purchase its own insurance plans under the small employer options available from carriers.

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42400-313      Building Inspection  
This service is contracted with Metro West Inspection Services, 40% of all revenue from permits sold is paid to Metro West.

42400-314      Plan Review  
55% of the fee revenue is paid to Metro West Inspection Services.

<b>Public Works</b>
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43000-101      Public Works Salaries  
This includes 48% of Public Works Superintendent's salary and 37% of the crew's salary.

43000-121      Pensions-PERA  
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43000-122      Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

43000-131      Health/Life/Dental  
In 2018, small employers (less than 50 FTE) were excluded from large employer pools. Moving forward the city will have to purchase its own insurance plans under the small employer options available from carriers.

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43000-212	<u>Gas &amp; Oil</u> This line item reflects 50% of the fuel used. Diesel = 2500 gal. @ \$3.00/gal. and Unleaded = 1400 gal. @ \$3.00/gal. Two 55-gallon barrels of oil for vehicle and equipment at \$1000 each. Unknown variable is fuel for generators, only run when electricity is offline.	
43000-220	<u>Repairs, Supplies, Maintenance</u> This line item represents all vehicle and equipment repair, DOT inspections for trucks, snow plow blades and shop chemicals & supplies.	
43000-222	<u>Tires</u> Tire repairs and replacement on all public works vehicles and equipment.	
43000-223	<u>Uniforms, Safety Shoes, Safety Equip</u> The total cost is divided equally between the General, Water, Sewer and Storm Water funds. Includes reimbursement for safety shoes per Union Contract.	
	Uniforms	\$1,000.00
	Safety shoes	\$225.00
	Safety vests	\$150.00
	Hearing protection, rubber gloves, etc	\$200.00
	Fire extinguisher inspections	\$91.00
43000-321	<u>Telephone</u> This line item includes the on-call phone. Verizon on-call phone	\$390.00
43000-430	<u>Miscellaneous</u> This line item includes the following: State of MN Cooperative Purchasing annual dues, LMC Workshop, and 25% of Safe Assure Consultants. Henn Co emergency radio fleet fee. Physicals for finalists for Public Works positions, seasonal, temporary and regular full-time. Workers' comp claim deductibles.	
	MN Cooperative Purchasing	\$250.00
	LMC Workshop	\$20.00
	Henn Co Info Tech (radio fleet fee) required radio upgrade 2020	\$972.00
	¼ Safe Assure Consultant	\$430.00
	¼ ReadyWatt (siren)	\$0.00
	DVS renewal went up in 2020	\$160.00
	Miscellaneous	\$250.00

**2022 BUDGET NARRATIVE  
GENERAL FUND**

<b>Streets</b>
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43100-226     Street Signs  
Accounts for various sign and post replacement each year.

43100-228     Snow & Ice Removal  
                  1 mixing = 100 tons sand + 25 tons' salt  
We have budgeted for two mixings. We are now using treated salt which works better in colder weather. Cutting edges for plows. Repairs to property (ie. Mailbox and seed).

Salt	50 tons	Est	\$4,700.00	+freight
Sand	150 tons	Est	\$1,500.00	
Cutting edges			\$1,500.00	

43100-381     Electric Utilities/Street Lights

<b>Parks</b>
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45200-101     Salaries  
9% of crew salaries and part-time/seasonal employees for all park activities.

45200-106     Lifeguard Services  
Our two-year contract goes through 2022 season, for Wekota and Crescent Beach services. One half of Crescent is billed to Shorewood.

45200-121     Pensions-PERA  
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.50% of their gross salary. The employer contribution is 7.5%.

45200-122     Pensions-FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.

45200-220     All Parks

- Satellite Services \$1,820
- Weed Control \$2,000
- Xcel Energy – Rink Lighting & Pump station \$1,850
- Playground parts, buoys, parts for mowers \$1,500
- Arctic Fever winter festival event \$850
- Miscellaneous Park Repairs \$1,330
- Hennepin County Beach testing \$950

**2022 BUDGET NARRATIVE  
GENERAL FUND**

- Beach weed removal \$700

**Trees**

- 45204-101     Trees - Salaries  
This is 5% of crew's salary.
- 45204-121     Pensions - PERA  
Public Employees Retirement Association is the mandatory pension program for all qualified employees. The employee contribution is 6.5% of their gross salary. The employer contribution is 7.5%.
- 45204-122     Pensions - FICA  
Federal payroll taxes for Social Security and Medicare are 7.65% of salary.
- 45204-131     Health/Life/Dental  
In 2017, small employers (less than 50 FTE) were excluded from large employer pools. Moving forward the city will have to purchase its own insurance plans under the small employer options available from carriers.
- The final plan options will not be available until after the General Fund is certified to the county in September. Plan options will be made available in October of each year for coverage starting on January 1<sup>st</sup> of the budget year.
- 45204-220     Tree Supplies and Removal  
This item is used for diseased and storm related tree removal. Increase of \$4,500 for match of Hennepin County Tree Canopy Grant Program and subsequent tree removals by contractor.

**Fire Lanes**

- 46100-220     Fire Lanes  
Repairs and maintenance of the fire lanes.

**General Fund Miscellaneous**

- 46101-302     LMCD – Tonka Bay portion of the LMCD Levy.
- 49000-430     Miscellaneous  
Contribution to 4<sup>th</sup> of July fireworks of \$1,500 for Copper Sponsorship (South Lake – Excelsior Chamber).

**2022 BUDGET NARRATIVE  
GENERAL FUND**

<b>Transfer Out</b>
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49300-720

Transfer Out

A transfer to the Capital Improvement Fund from the General Fund.  
In 2021 - \$72,768 will come from General Fund.

**2022 BUDGET NARRATIVE  
GENERAL FUND**

**Account No. 101**

**REVENUE**

<b>Taxes</b>
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31000     Taxes  
Typically received in July and December.

<b>Licenses and Permits – Business</b>
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32110     On-Sale Liquor Licenses  
Hazellewood, Country Club Lanes, Chanhassen Butcher  
(3 x \$5,544 – on sale; 3 x \$200 – Sunday sale)

32111     Set-up Licenses

32112     On-Sale 3.2 Beer License  
Chanhassen Butcher, Country Club Lanes, Hazellewood, Joey Nova  
(4 x \$500)

32113     Off-Sale 3.2 Beer Licenses

32114     Wine Licenses  
Hazellewood, Joey Nova, Chanhassen Butcher  
(3 x \$500)

32115     Cigarette licenses

32116     Off-Sale Intoxicating Liquor

32117     Temporary Liquor Licenses  
This includes temporary liquor licenses which may be part of special event permit requests.

32170     Arcade Permits  
Country Club Lanes

32180     Commercial Marina Licenses  
Caribbean, Lindbo Landing, and Tonka Bay Marina.

**2022 BUDGET NARRATIVE  
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32185      Short Term Rentals  
Short Term Rental permits. \$100 each for two years.

32190      Special Event Permits      **Moved to 407 Park Fund**

32260      Misc. Permits  
This includes permits for: police/fire alarms, right-of-way, de-icing and fireworks.

**Licenses & Permits – Non-Business**

32210      Building Permits  
40% of this is paid from account 42400.313 to the building inspector.

32211      Plan Review  
55% of this is paid from account 42400.314 to building inspector.

32240      Dog Licenses  
Annual dog license for calendar year.

**Intergovernmental Revenue**

33422      State Aid - PERA  
~~Amount provided by state.~~ PERA AID program retired in 2020.

33610      Hennepin County Road Maintenance  
Annual application; amount determined by population and can only be used on streets that intersect with the county road.

**Charges for Services**

34100      General Service Fees  
This includes charges for copies, ordinances/zoning books, and NSF fees.

34109      Application fee - Public Hearings (Variance/CUP, etc.)

34110      Surcharge Income  
We get a portion of the state surcharge on building permits. This number is dependent on the dollar valuation of construction.

34112      Escrow for Public Hearings  
This is applied toward legal, engineering, and planning costs.

**2022 BUDGET NARRATIVE  
GENERAL FUND**

**Fines and Forfeits**

35101

Court Fines  
Fine Revenue

**Miscellaneous Revenues**

34951

Refund and Reimbursement  
Reimbursements from property owners of expenses incurred by the city for public hearings.

36200

Misc. Revenue  
LMCIT dividend on property/casualty insurance premium, miscellaneous rebates or grant programs

36210

Interest Earned  
The 4M money market/checking account interest.

36225

Franchise Revenue  
The City left the LMCC in 2014. As a result, Franchise Fees from Mediacom subscriptions will be collected by the City instead of the LMCC.

39203

Transfer In  
Antenna - From annual lease payments. \$42,000  
Dock – From annual rentals for park improvements. \$10,000

39204

Transfer In – Liquor  
Annual interest earned on liquor fund investment. Resolution 09-23 requires maintaining a fund balance based on our initial investment plus the inflation rate. Our current interest earnings are not keeping up with the consumer price index.

**2022 BUDGET NARRATIVE**  
**PARK FUND**

**Account No. 407**

**EXPENSES**

- 45200.540 Park Improvement  
Park projects for 2022 include Crescent Beach parking lot, Wekota Park security cameras.
  
- 45200.720 Transfer Out  
A transfer to Capital Improvement Fund from Parks Fund  
In 2022 - \$49,000

**REVENUE**

- 34700 Park Dedication Fees  
Fee charged with lot split.
  
- 32190 Special Event Permits  
Charge for holding special events in our parks. This includes MBA's rent on SW Manitou Ballfield.



**2022 BUDGET NARRATIVE  
CAPITAL PURCHASES FUND**

**Account No. 409**

**EXPENSES**

**CITY HALL**

41940-520	<b>Buildings</b>	
	Public Works Salt Shed	\$30,000
	City Hall roof	\$30,000

41940-560	<b>Furniture &amp; Fixtures</b>	

41940-570	<b>Office Equipment</b>	
	Office Equipment – Server	\$12,000
	Copier	\$8,500

**PUBLIC WORKS**

43000-550 Vehicles

43000-570	<b>Equipment</b>	
	Lawn Mower (#1)	\$13,900
	18" Planer	\$14,000
	Asphalt Hot Box	\$15,000

**STREETS**

43100-530	<b>Street Repairs</b>	
	1/5 of the City's roads are seal coated every year. (Henn. Co. Road Aid Allocation revenue offsets \$2,500)	
	Striping and Crack Seal	\$5,264
	General Patching/Misc Repairs	\$14,305
	Seal Coat	\$55,702

**PARKS**

45200-540	<b>Site Improvements</b>	
	Crescent Beach parking lot	\$27,000
	Wekota Park security cameras	\$22,000

**REVENUES**

31001 Certified Road Levy - \$75,271

**2022 BUDGET NARRATIVE**  
**CAPITAL PURCHASES FUND**

An annual levy is certified to property owners to provide funding for street repairs, equipment purchases, repairs and improvements to city buildings, and parks

31001 Certified Park Levy - ??  
Manitou Park Master Plan improvements per study completed in 2021.

39203 **Transfers from Other Funds**  
Park Fund - \$49,000  
Parks fund will reimburse (409) CIP Fund for park projects.

Dock Fund - \$0  
Annual transfers are made for capital purchases.

General Fund Reserves - \$123,400  
General Fund Reserves transfer to capital purchases. This transfer is to cover the cost of the projects for city hall, public works building and equipment.