

2021

CITY OF MONTGOMERY



BUDGET

*“Provide a positive environment where
Families thrive”*



City Offices
201 Ash Avenue SW
Montgomery, MN 56069
Phone: 507.364.8888
Fax: 507.364.5371

Website: www.cityofmontgomerymn.com

January 31, 2021

To: Honorable Mayor, City Council and Residents

It is my honor to present the 2020 City of Montgomery budget covering all the revenue and expenditures for the City of Montgomery as adopted by the Council following the Truth – in – Taxation meeting held December 7, 2020.

This document represents work put in by the Council and Staff beginning in July. The Council continues to make progress toward building a long-range financial plan based on community priorities. The 2021 priorities are listed below:

1. Continued improvement to city streets.
2. Promote programs to expand and retain businesses.
3. Improve city parks and trails.
4. Improve the city's sidewalks.
5. Develop and implement plan to address city facilities.
6. Public Safety

Funding Priorities

Street Improvements

The Council continues to make regular transfers to the dedicated street improvement fund. The allocation in 2020 was \$250,000 and is planned to be \$200,000 for 2021.

The first of many major road projects involving the reconstruction of the road, replacement of water and sewer, and improvements to stormwater will begin in the spring of 2021. The plan calls for a major street improvement project to take place every other year.

In addition to the street reconstruction, general maintenance of existing streets is also important and to that end, the City will be doing regular seal coating. This process involves placing a coat of oil on the road and then covering the oil with trap rock. This process helps preserve the driving surface so more significant maintenance, such as a mill and overlay can be delayed.

Promotion of Business

No funds are proposed to be allocated in 2021 to the Economic Development Authority. However, the Board was very active in 2020, particularly due to the pandemic, and issued over \$45,000 in direct grants to help sustain businesses who were impacted by the shutdown and occupancy restrictions. Looking ahead to 2021, the EDA will be involved in the Rural Entrepreneur Venture initiative and will be partnering with the Chamber to continue to bring business training programs to the community.

Improve Parks and Trails

The Council will allocate \$70,000 to the park improvement fund. This follows a \$70,000 allocation to the improvement fund in 2020. The fund is used to complete improvements and enhancements to the City's parks. The city completed Phase I of the North Ridge Prairie restoration project. This project will restore close to 15 acres of native Prairie and is funded in part by a \$50,000 grant from the DNR. A sledding hill was also created in North Ridge and the City acquired refurbished hockey board in anticipation of moving the hockey rink from the middle school site to Northside Park. This is the primary project focus for 2021.

The park advisory board is in the process of working on a multi-year improvement and development plan for all the city's parks.

Improve the city's sidewalks.

The city will be addressing the sidewalk needs as it progresses with the street reconstruction program. During this process, sidewalk connections will be evaluated, and segment added or removed to make a cohesive and connected community. Throughout this process, an eye toward connecting other neighborhoods and parks will also be considered.

City Facilities

Finding a solution to the current police facility is a priority for the Council in 2021. The council will be working through this process in 2021 with the hope of having a plan for moving forward with improvements in 2022.

Public Safety

The Council increased the public safety allocation (police and fire) by 2.6% This will cover the cost of six full-time police officers, a chief, and office staff. The bulk of the public safety budget is labor cost. The 2021 budget maintains the current staffing and operations for both departments.

2020 BUDGET

REVENUES

Total revenue for 2021 is set at \$5,590,044 of this amount 48.8% is for general fund operations.

The graph below shows the revenue distribution.



The table below shows the change in revenue from 2020 to 2021.

FUND	2020	2021	Difference
	Budget	Budget	
General	\$ 2,633,668	\$ 2,727,647	\$ 93,979
Special	\$ 281,975	\$ 168,500	\$ (113,475)
Debt	\$ 190,852	\$ 189,216	\$ (1,636)
Enterprise	\$ 2,192,497	\$ 2,504,681	\$ 312,184
Total	\$ 5,298,992	\$ 5,590,044	\$ 291,052

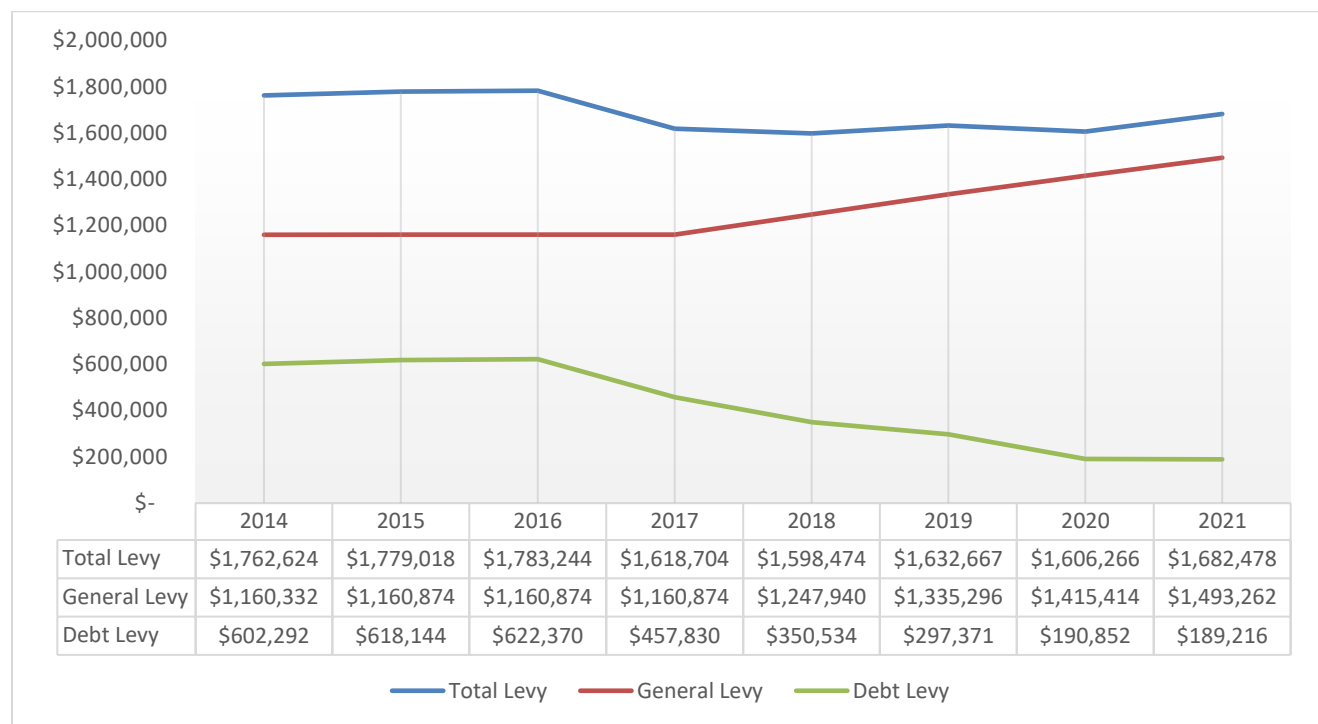
Changes to the General Fund are the result of the following:

- General Levy – the general levy is budgeted to increase 5.5% or \$77,833 over the 2020 levy.
- Building permit fees – the city had a very good year in new housing with 50 permits issued as well as a few commercial permits. We anticipate roughly half that many in 2021.

General Fund Levy

The General Fund is supported primarily through the property tax levy. The 2021 levy will increase \$77,883 over the 2020 levy. Since 2014, the levy has risen 27.48% or 3.4% per year, whereas the total levy – general and debt combined has been decreasing each year since 2014. The 2021 total levy is \$80,146 less than the total levy in 2014.

The graph below shows the relationship between the general fund levy and debt levy.



State Aid

The City receives general state aid (Local Government Aid) and dedicated aid for the police and fire departments. The fire aid goes to support the firefighter's pension, whereas the police aid is general purpose. Total general state aid (LGA) for 2021 is planned to increase by roughly \$28,000 from \$850,000 to \$878,000. There is still some concern regarding the status of LGA due to the state's projected fiscal condition due to the pandemic of 2020. A significant loss in revenue could adversely impact LGA amounts.

The Council is allocating \$345,00 of the allocated LGA for transfers to the street, park, equipment, and facility funds. The remaining \$533,000 is spread to the general fund departments. In general, public safety

is the recipient of the bulk of LGA dollars, where department like planning and zoning has a proportionally lower allocation due to the department's revenue from permit fees.

Any change in the state's financial condition can have a major impact on the City. Working to reduce the reliance on general local government aid will go a long way in securing the city's services are not adversely impacted should the legislature reduce LGA.

Special Revenue

Special Revenue dollars are projected to decrease from 2020. However, the EDA is in the process of marketing a few of the city's parcels and if they are sold, would have a positive impact on EDA resources.

There is no change in the revenue projection for the ambulance.

Debt Service

The debt levy will decrease slightly from 2020. The levy supported bonding continues to decline as more bonds mature. Additionally, the city does not need to levy to cover the principle and interest for the 2012A bond, but will continue to levy an amount equal to past years in order to eliminate the deficit in the general capital fund.

BOND ISSUE	PRINCIPLE INTEREST	MATURITY	LAST LEVY YEAR
2011B	\$30,900	2021	2019
2012A	\$1,425,919	2026	2020
2015A	\$1,505,695	2031	2030
TOTAL	\$2,962,914		

The City will be increasing its debt obligation over the next several years due to the planned street projects. The estimated bond amount for the 2021 street project is \$4.9 million of which about \$2.9 million will be supported by the general fund and the property taxes.

Capital Improvement Funds

The City has four dedicated capital improvement funds – streets, parks, equipment, and municipal facilities. The funds are supported mainly through transfers from the general fund. The street fund also receives revenue from special assessments and small cities street aid when approved by the legislature.

The Street Fund is dedicated to covering the cost of seal coating to reconstructions. Seal coating projects do not result in a special assessment and are paid for with cash on hand. Mill and overlay projects are covered with cash on hand and supported through special assessments. Most other rehabilitation projects are paid for through the issuance of debt and supported by special assessments, annual levy, and existing dollars in the fund.

The Park Fund is dedicated to covering the expenses of improving and expanding the city's park system. Funding comes from general fund transfers, park dedication fees, and grants.

The Equipment Fund sets aside dollars for the replacement of “rolling stock” which includes squad cars, pickup trucks, snowplow trucks, mowers, tractors, and other large equipment.

Municipal Facilities Fund covers needed and necessary maintenance and improvements to the city’s buildings and building components.

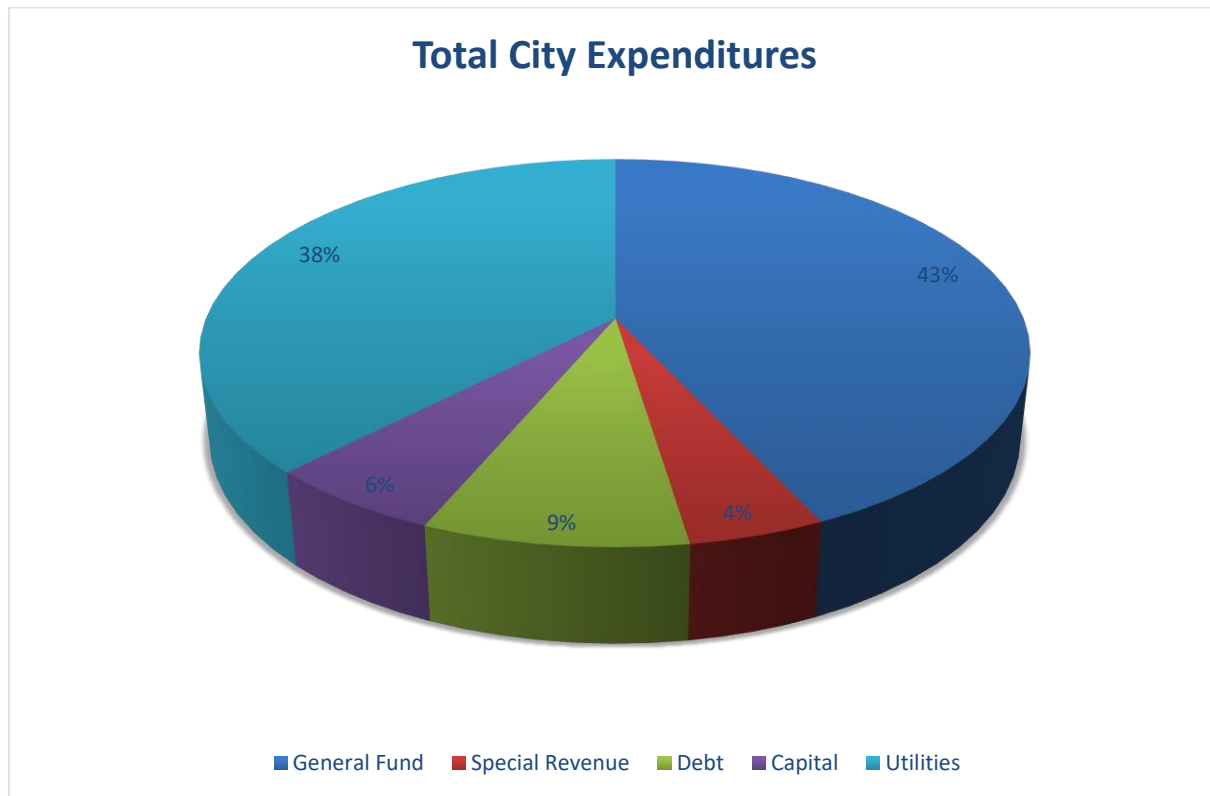
The table below shows where the funds are anticipated to be at the end of 2021.

FUND	ESTIMATED 12/31/20	2021 REVENUE	2021 EXPENDITURE	ESTIMATED 2021 BALANCE
STREET FUND	\$498,829	\$396,325	\$60,000	\$835,154
PARK FUND	\$69,632	\$80,000	\$222,000	\$(72,368)
EQUIPMENT FUND	\$92,500	\$50,000	\$80,000	\$62,500
MUNICIPAL FACILITIES	\$(622)	\$25,000	\$15,000	\$9,378
TOTAL	\$660,339	\$551,325	\$377,000	\$834,664

The street fund data does not include the revenue or expenses related to the 2021 reconstruction project, except for the reimbursement to the fund for engineering, legal, and other costs incurred prior to the issuance of bonds to pay for the project.

EXPENDITURES

Total budgeted expenditures for 2021 are 6,330,904. This is a decrease of \$58,816 from 2020.



The table below provides further illustration to the changes in expenditures in the city budget.

FUND	2021 BUDGET	2020 BUDGET	DIFFERENCE
GENERAL	\$ 2,727,647	\$ 2,633,668	\$ 93,979
SPECIAL	\$ 286,153	\$ 224,330	\$ 61,823
DEBT	\$ 553,738	\$ 529,561	\$ 24,177
CAPITAL	\$ 377,000	\$ 800,601	\$ (423,601)
ENTERPRISE	\$ 2,386,366	\$ 2,201,560	\$ 184,806
TOTAL	\$ 6,330,904	\$ 6,389,720	\$ (58,816)

Overall, the Council adopted a sound budget that continues to focus on the programs and priorities desired by the residents while being sensitive to the impact the cost of these services has on residents through taxes and assessments.

The rest of this document will present the funds in detail.

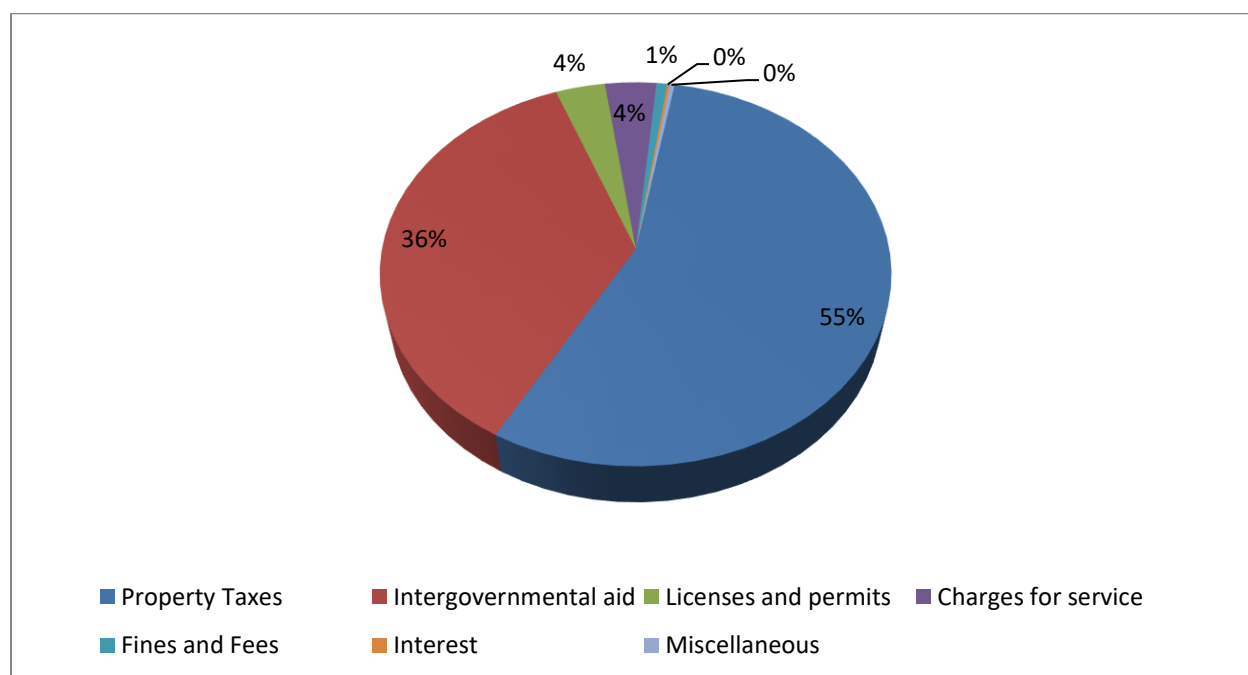
Brian W. Heck,
City Administrator/Zoning Administrator

General Fund

The General Fund is the city's primary fund and supports the following departments:

- General Government (Council, Elections, Administration, Planning and Zoning);
- Public Safety (Police and Fire);
- Public Works (streets);
- Cultural and Recreation (Parks, Recreation and Library); and
- Other (Unallocated and transfers).

Revenue for this fund comes primarily from property taxes and Intergovernmental aid. The graph below illustrates the 2021 revenue.



As can be seen from the graph above, city services are dependent on property taxes and intergovernmental aid. These two revenue sources make up 91% of total general operating funds.

Continued reliance on local government aid from the state for general operations puts the city at risk should there be a change in the state's financial condition. A reduction in local government aid would mean an increase in the levy to make up for the lost revenue, a reduction in services, or both.

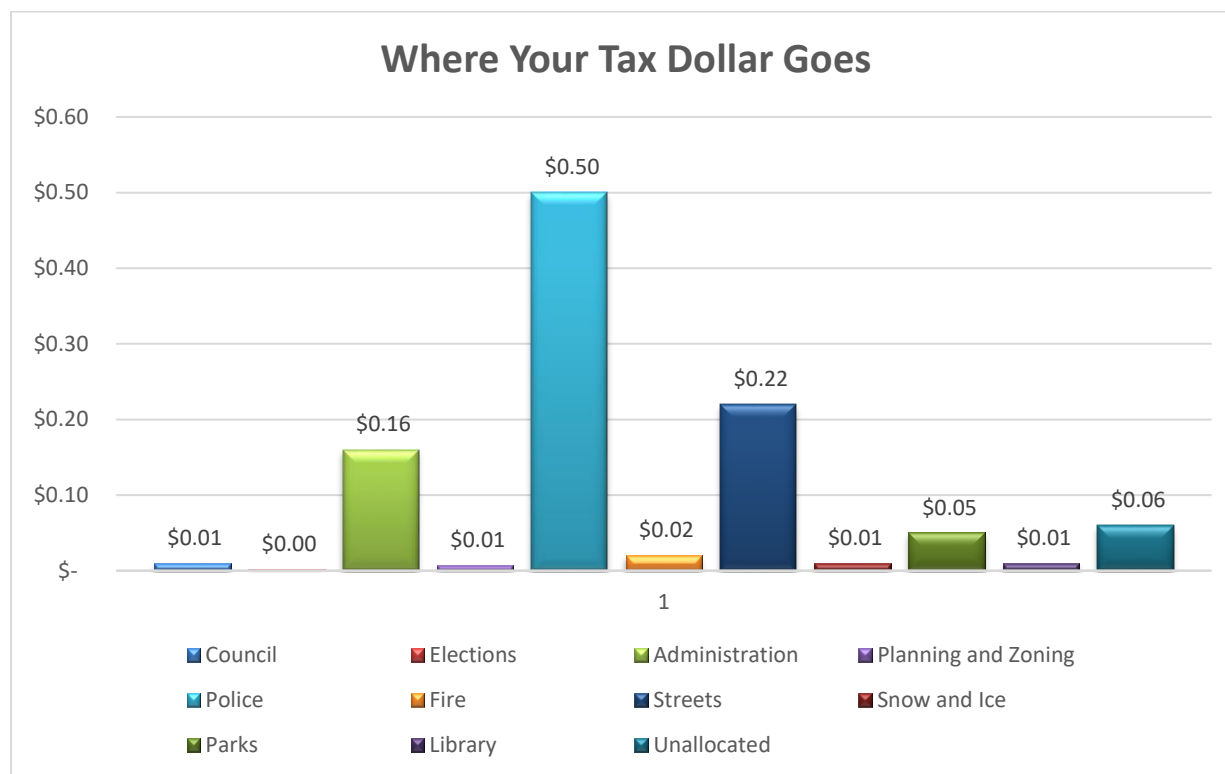
The city will continue to look at ways to lower its reliance on general local government aid.

The table on the next page shows the history of general fund revenue over the past three years.

Revenue Source	2018 Actual	2019 Actual	2020 Unaudited	2021 Budget	Percent of budget
Property taxes	\$1,272,726	\$1,337,143	\$1,639,671	\$1,509,762	55.4%
Assessments/other taxes	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Intergovernmental	\$926,385	\$910,812	\$937,554	\$985,118	36.0%
Licenses and permits	\$164,211	\$110,613	\$78,650	\$96,820	3.5%
Charges for Service	\$38,246	\$58,275	\$101,511	\$100,397	3.7%
Fines and Fees	\$20,322	\$28,888	\$21,883	\$20,900	0.8%
Other	\$49,180	\$92,483	\$240,908	\$9,650	0.4%
Interest	\$9,697	\$21,010	\$4,272	\$5,000	0.2%
Total	2,480,767	2,559,224	\$3,024,449	\$2,727,647	100%

Revenue is planned to increase 3.4% over 2020. The increase is attributable the increase in levy and funds slight anticipated increase in intergovernmental aid.

Expenditures are projected to be \$2,727,647 which is also a 3.4% increase over 2020.



The table below provides a comparison to the actual 2018, 2019, unaudited 2020, and 2021 budget. The bulk of the city's expense is associated with Public Safety.

Expenditures	2018 Actual	2019 Actual	2020 Unaudited	2021 Adopted
General Government	\$524,838	\$517,767	\$519,880	\$505,112
Public Safety	\$964,630	\$999,146	\$1,100,626	\$1,173,674
Public Works	\$403,198	\$478,493	\$455,104	\$462,625
Culture & Recreation	\$50,380	\$87,114	\$84,448	\$136,398
Other	\$70,589	\$105,415	\$353,533	\$104,837
Capital Outlay	\$72,608	\$86,036	\$ -	\$ -
Operating Transfers	\$390,000	\$256,956	\$352,389	\$345,000
Total Expenditures	\$2,086,356	\$2,567,927	\$2,865,980	\$2,727,647

Labor

There are 13.7 Full-Time Equivalent (FTE) positions funded by the General Fund as shown in the table below:

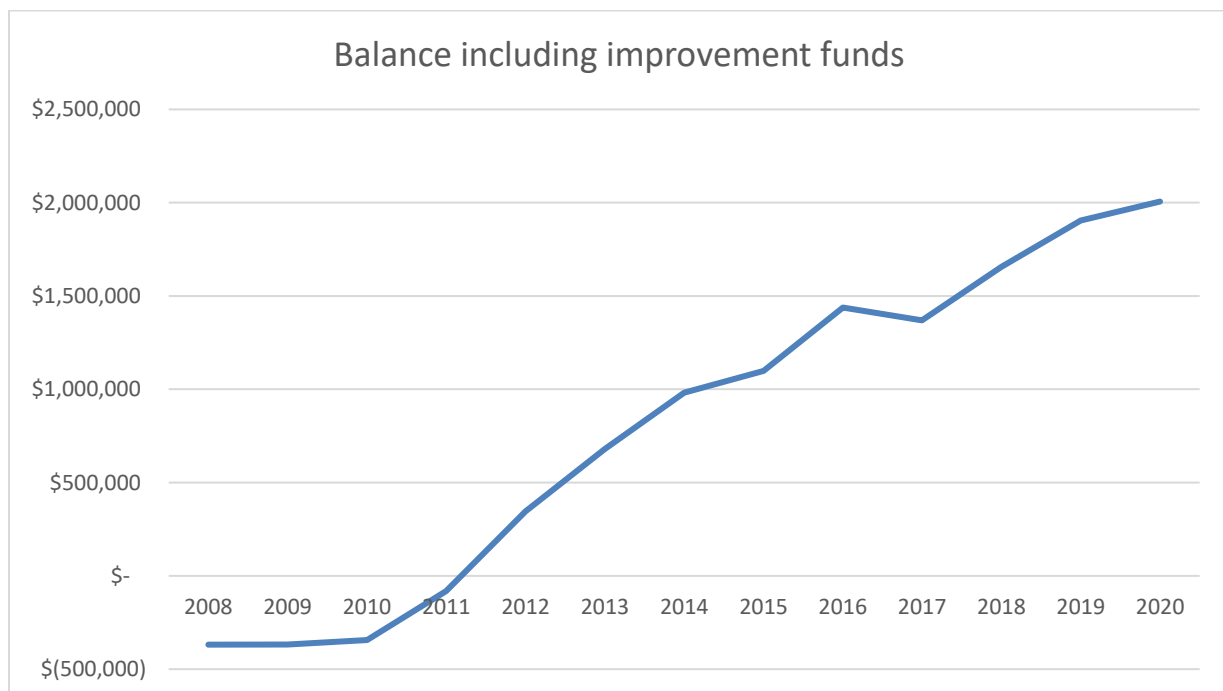
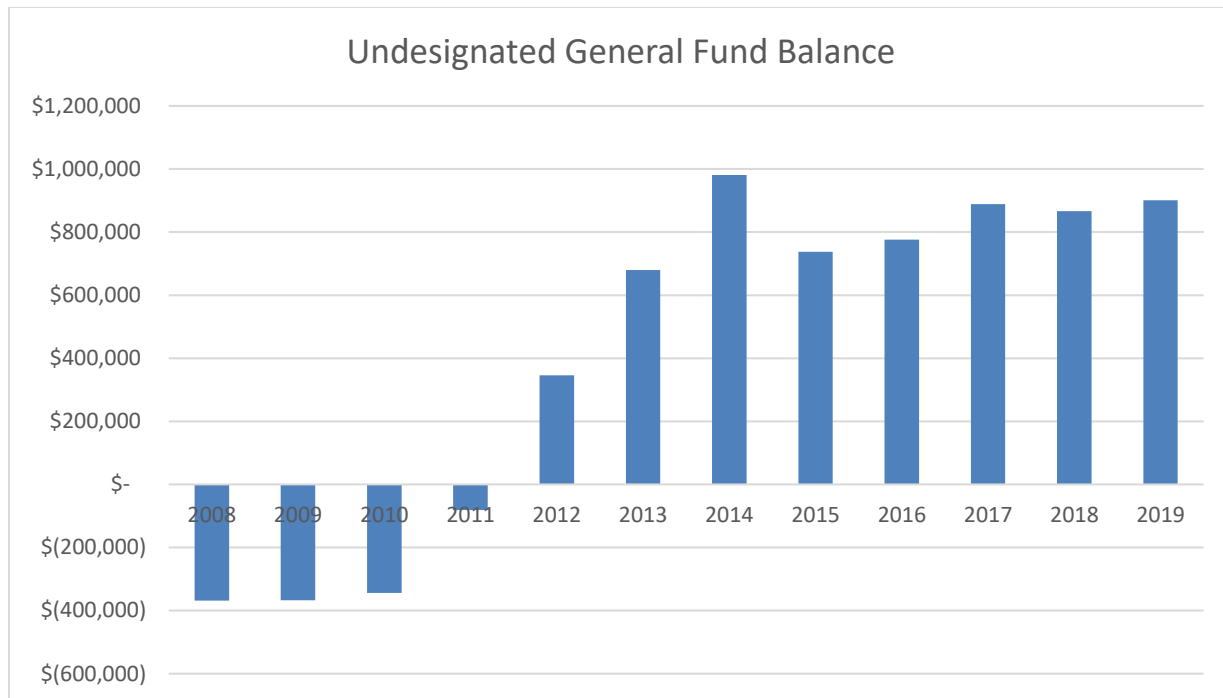
Department	2020 Authorized Staff	2021 Authorized Staff
Administration	2.2	2.1
Planning and Zoning	.4	1
HRA Contract	.6	0
Police	8	8
Public Works	1.75	2.25
Parks	.15	.35
Total	13.1	13.7

Operating Reserves

Maintaining an operating reserve or “Fund Balance” is necessary to ensure the City has adequate resources to cover its obligations between the tax and aid distributions, which happen in May & July and October and December. As a result, the City needs at least 6 months operating cash to cover its obligations. In addition to having operating cash on hand between tax and aid distributions, there are times when unexpected and unbudgeted expenses arise.

The City continues to build the reserves to an adequate level. At the end of 2019, the General Fund had a cash reserve of \$900,299 which is 39.5% of the 2020 operating expenditures less planned transfers. The city’s financial policy calls for a fund balance between 40% and 50% of the next year’s operating expenditures less planned transfers. The graph on the following page shows how much progress has been made since 2008.

The second graph shows the total fund balance including the designated improvement funds (streets, equipment, parks, and facilities) but does not include the deficit in the general capital fund of just over \$777,000 or funds held for repayment of debt.



Continued diligence monitoring the budget will help the city to improve its general fund balance and maintain it at the target of 40% to 50% of the next year's operating expenditures less transfers. The drop-in balance in 2015 is due to the creation of the dedicated capital improvement funds and resulting transfer to capitalize the funds.

GENERAL LEVY SUPPORTED DEBT

The table below shows the current principle for debt supported by the general levy.

BOND ISSUE	PRINCIPLE BALANCE	MATURITY	LAST LEVY YEAR
2011B	\$30,000	2021	2019
2012A	\$970,000	2026	2020
2015A	\$1,195,000	2031	2030
TOTAL	\$2,195,000		

The City has enough funds in reserve to cover the remaining principal and interest payments for the 2012A bonds which is why 2020 is the last year there will be a levy for this bond. However, the city will continue to levy for debt service and allocate it to the general capital funds \$777,000 deficit.

The city will be issuing close to \$5,000,000 in bonds for the 2021 street and utility improvement project and about \$2,900,00 will be added to the general fund debt service beginning in 2022.

ENTERPRISE SUPPORTED DEBT

It is important to show the debt obligation for the Enterprise Funds because this debt is backed by the general property tax should revenue from rates not be enough to cover the debt. The table below shows the debt covered by the Water and Sewer Funds.

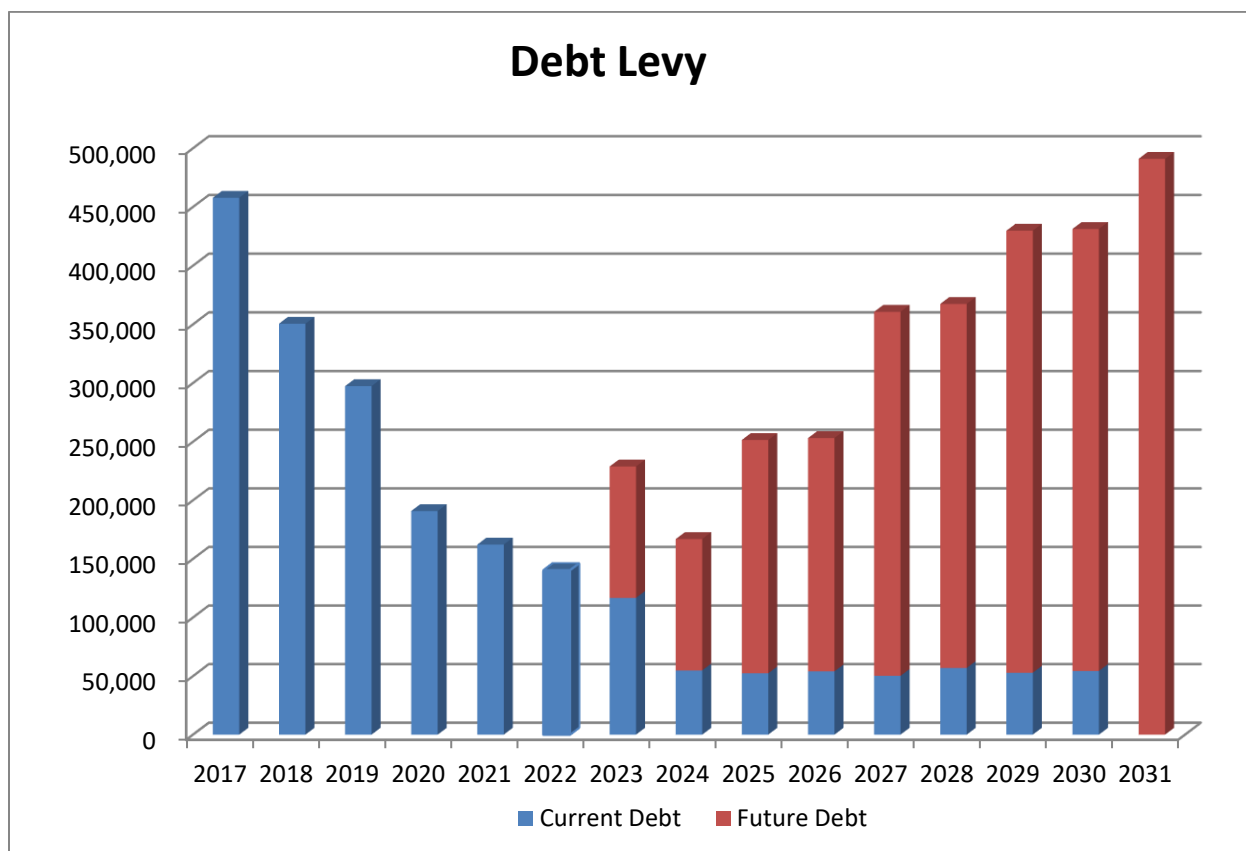
WATER FUND	1/1/21 Principal Balance	Maturity Date
2002B	\$ 125,000	2023
2004 PFA Note	\$ 70,044	2023
2010A	\$ 329,800	2026
2012 A Refunding	\$ 350,000	2026
2016A Refunding (2009A)	\$ 2,342,550	2029
2017A Refunding (2006B)	\$ 886,350	2028
TOTAL	\$ 4,103,744	

SEWER FUND	1/1/20 Principal Balance	Maturity Date
2003 PFA Note	\$ 968,998	2022
2010A	\$ 10,200	2026
2015A 5 th Street	\$ 385,000	2031

2016A Refunding (2009A)	\$	72,450	2029
2017A Refunding (2006B)	\$	923,100	2028
TOTAL	\$	2,359,748	

The total principal debt obligation for the city (general fund and enterprise funds) is \$8,658,492 which works out to be roughly \$2,793 per capita.

With the adoption of the street improvement plan, the city's debt will increase over the next several years. The chart on the next page is a rough estimate of the potential debt as a result of the approved street improvement plan.

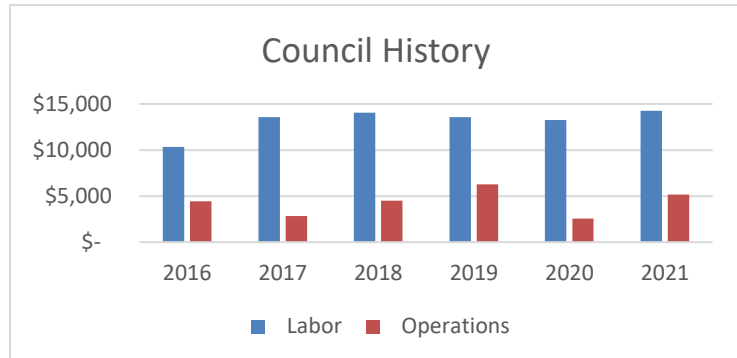


The following pages detail each department's revenue and expenditures in the General Fund.

Mayor and Council

Purpose

The City council consists of a Mayor and four (4) council members elected at large by the residents. The Council establishes overall policy for the city. The Council also adopts the annual budget and spending priorities and makes the final decision related to land use issues. The mayor serves a two (2) year term and council members serve staggered four (4) year terms. The City Council hires staff and contractors to carry-out the established policies and plans.



Budget Summary

<i>Council</i>	<i>2020 Budget</i>	<i>2020 Budget</i>
E 101-41110-100 Wages and Salaries	\$ 13,200	\$ 13,200
E 101-41110-122 FICA	\$ 850	\$ 850
E 101-41110-125 Medicare	\$ 195	\$ 195
E 101-41110-150 Worker s Comp (GENERAL)	\$ -	\$ -
Total Personnel	\$ 14,245	\$ 14,245
E 101-41110-200 Office Supplies (GENERAL)	\$ -	\$ -
E 101-41110-208 Training and Instruction	\$ 2,500	\$ 3,000
E 101-41110-331 Mileage Expenses	\$ 500	\$ 600
E 101-41110-350 Printing & Publishing	\$ 2,500	\$ -
E-101-41110-353 Ordinance Publication		\$ 1,500
E 101-41110-416 Projects/Events	\$ 500	\$ -
E 101-41110-430 Miscellaneous	\$ -	\$ -
E 101-41110-433 Dues and Subscriptions	\$ -	\$ -
E 101-41110-440 Contractual Services	\$ -	\$ -
Services and Charges	\$ 6,000	\$ 5,150
Total Council	\$ 20,245	\$ 19,395

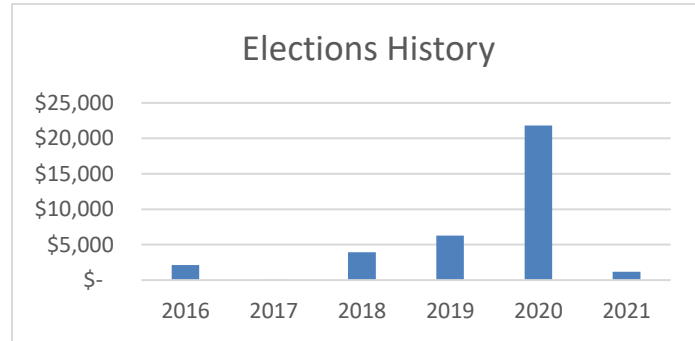
Significant Changes

There is an increase to the training and mileage with decreases in printing and publishing and removal of the projects/events line.

Elections

Purpose

This function is established to ensure elections are carried out in the manner prescribed by law. The City holds even year elections with the positions of Mayor and 2 members of Council up for election in 2020. In 2021 there will not be an election, but we have payments for election equipment to the County.



ELECTIONS	2020 Budget	2021 Budget
E 101-41410-100 Wages and Salaries	\$ 1,700	\$ -
E 101-41410-122 FICA	\$ 50	\$ -
E 101-41410-125 Medicare	\$ 15	\$ -
E 101-41410-331 Mileage Expenses	\$ 200	\$ -
E 101-41410-430 Miscellaneous (GENERAL)	\$ 2,100	\$ 1,200
Total Elections	\$ 4,000	\$ 1,200

Significant Changes

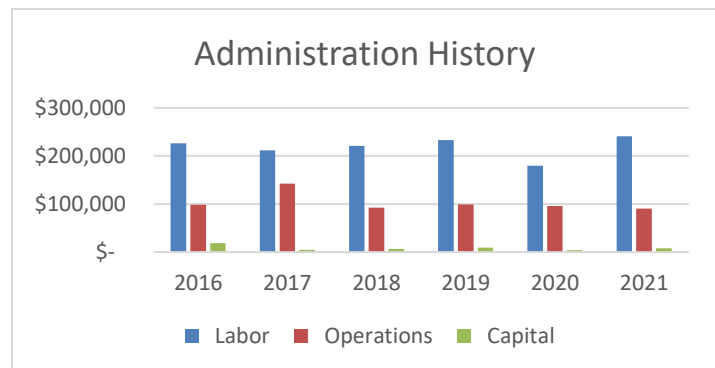
2020 had two primaries and a general and more staff was required to manage the elections, accounting for the substantial actual increase in 2020. We only anticipate having to cover the cost for election equipment in 2021.

Administration

Purpose

The administration department implements council policy, manages the city's finances, and oversees all city functions.

Administration consists of the following positions: City Administrator, City Clerk / Treasurer, and Billing / AP Clerk. For 2021, there will be an additional part-time administrative assistant working 75% time. This expenses related to this position will be spread among several departments. The Administrator is appointed by the Council. All other staff in the city is appointed by the Council on the recommendation of the Administrator.



Budget Summary

Revenue

	2020 Budget	2020 Budget
R 101-41500-31010 Property Tax Levy	\$ 1,415,414	\$ 1,493,262

R 101-41500-31020 Delinquent Property Taxes	\$ 30,000	\$ 15,000
R 101-41500-31900 Payment in lieu of taxes	\$ 1,825	\$ 1,500
R 101-41500-32110 Liquor License	\$ 12,500	\$ 15,000
R 101-41500-33400 State Grants and aids	\$ -	\$ -
R 101-41500-32185 Tobacco Licenses	\$ 400	\$ 400
R 101-41500-33401 Local Government Aid	\$ 848,196	\$ 878,529
R 101-41500-33450 PERA State Aid	\$ -	\$ 1,589
R 101-41500-34010 TIF Administration	\$ 1,000	\$ 1,000
R 101-41500-36200 Miscellaneous Revenues	\$ -	\$ 8,000
R 101-41500-36210 Interest Earnings	\$ 5,000	\$ 5,000
R 101-41500-36230 Contributions and	\$ -	\$ -
R 101-41500-36300 Refunds & Reimbursements	\$ -	\$ -
R-101-41500-36100 Special Ass	\$ -	\$ -
R 101-41500-39101 Sale of Equipment	\$ -	\$ -
Total Administration	\$ 2,314,335	\$ 2,419,280

Expenses

ADMINISTRATION	2020 Budget	2021 Budget
E 101-41500-101 Full-Time Employees Regular	\$ 142,919	\$ 146,729
E-101-41500-102 Full-Time Employee OT	\$ -	\$ 1,000
E 101-41500-103 Part-Time Employees	\$ -	\$ 1,254
E 101-41500-121 PERA	\$ 10,719	\$ 11,220
E 101-41500-122 FICA	\$ 8,675	\$ 9,080
E 101-41500-125 Medicare	\$ 2,087	\$ 2,184
E 101-41500-130 Disability/Life/Dental Insur	\$ 8,290	\$ 8,590
E 101-41500-131 Health Insurance	\$ 39,192	\$ 58,352
E 101-41500-150 Worker s Comp (GENERAL)	\$ 986	\$ 1,100
Total Personnel	\$ 212,868	\$ 241,121
E 101-41500-200 Office Supplies (GENERAL)	\$ 3,000	\$ 2,500
E 101-41500-208 Training and Instruction	\$ 3,100	\$ 3,000
E 101-41500-210 Operating Supplies	\$ 700	\$ 700
E 101-41500-220 Repair/Maint Supply	\$ 500	\$ 500
E 101-41500-300 Professional Svcs	\$ 1,500	\$ -
E 101-41500-301 Auditing and Acct g Services	\$ 27,500	\$ 28,000
E-101-41500-303 Engineer Services	\$ -	\$ -
E 101-41500-304 Legal Fees	\$ 15,000	\$ 15,000
E 101-41500-309 EDP, Software and Design	\$ 9,000	\$ 10,000
E 101-41500-320 Cell Phones	\$ -	\$ -
E 101-41500-321 Telephone	\$ 3,400	\$ 3,500
E 101-41500-322 Postage	\$ 3,000	\$ 2,700
E 101-41500-331 Mileage Expenses	\$ 750	\$ 700
E 101-41500-350 Printing & Publishing	\$ 1,100	\$ 3,000
E 101-41500-381 Electric Utilities	\$ 4,600	\$ 4,500
E 101-41500-383 Gas Utilities	\$ 4,600	\$ 4,600
E 101-41500-401 Repairs/Maint Buildings	\$ 1,800	\$ 2,000
E 101-41500-416 Projects/Events	\$ -	\$ -
E 101-41500-433 Dues and Subscriptions	\$ 2,750	\$ 2,500

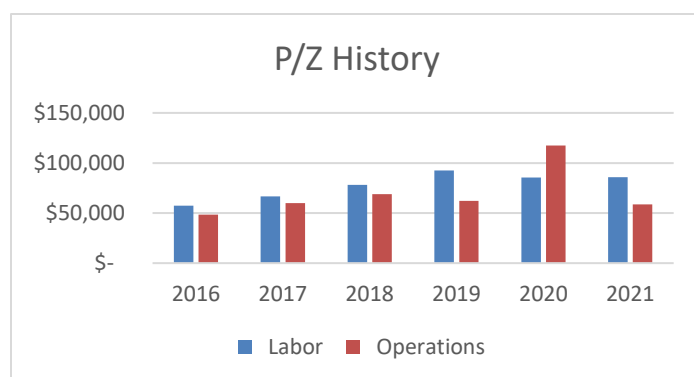
E 101-41500-437 Other Miscellaneous	\$ -	\$ -
E 101-41500-440 Contractual Services	\$ 8,000	\$ 8,000
Other Services and Charges	\$ 90,300	\$ 90,705
E 101-41500-570 Office Equip and Furnishings	\$ 5,000	\$ 5,000
E 101-41500-580 Other Equipment	\$ 1,000	\$ 1,000
E 101-41500-599 Lease Payments	\$ 2,000	\$ 2,000
E 101-41500-720 Operating Transfers	\$ -	\$ -
E 101-41500-722 Reserves Contribution	\$ -	\$ -
E 101-41500-821 Property Tax	\$ 220	\$ 220
Capital	\$ 8,220	\$ 8,220
Total Administration	\$ 311,388	\$ 340,046

Significant Changes

The most significant change is in health coverage, a couple employees went from single to family. The other factor is the addition of a 75% time administrative assistant..

Planning & Zoning

Purpose



The purpose of the planning and zoning department is to ensure organized and planned development of the city by designating land use, establishing rules and regulations regarding land use, evaluating conditional use permits, reviewing building projects and developments in commercial and industrial districts, administering the subdivision code, and reviewing variance requests. The Planning & Zoning

Commission is made up of five citizens appointed by the Council. They review and recommend changes in land use, applications for conditional uses and variances to council. The planning & zoning function is overseen by the city administrator, who serves as the zoning administrator, a planner.

Budget Summary

Revenue

	2020 Budget	2021 Budget
R 101-41910-32100 Business Licenses/Permits	\$ 10,000	\$ 12,000
R 101-41910-32102 Conditional Use Permit	\$ -	\$ -
R 101-41910-32209 Electrical Permits	\$ 7,000	\$ 6,000
R 101-41910-32210 Building Permits	\$ 45,000	\$ 60,000
R 101-41910-32211 State Building Permit Surchg	\$ 3,800	\$ 3,400
R 101-41910-34103 Zoning and Subdivision Fees	\$ 1,500	\$ 1,500
R 101-41910-36300 Refunds & Reimbursements	\$ 51,514	\$ 30,000

Total Planning and Zoning	\$ 118,814	\$ 112,900
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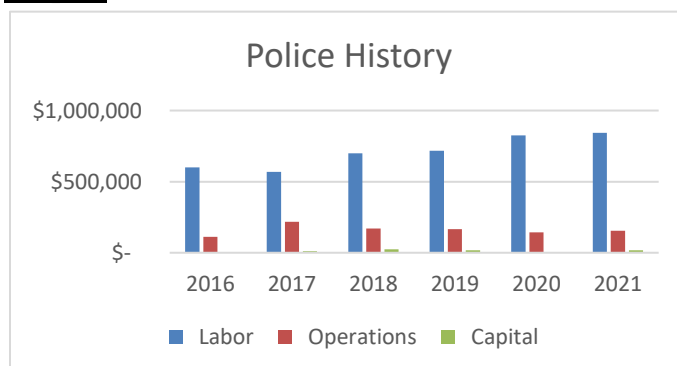
PLANNING AND ZONING	2020 Budget	2021 Budget
E 101-41910-101 Full-Time Employees Regular	\$ 81,456	\$ 62,843
E 101-41910-103 Part-Time Employees Regular	\$ -	\$ 3,582
E 101-41910-121 PERA	\$ 6,109	\$ 4,982
E 101-41910-122 FICA	\$ 4,944	\$ 4,032
E 101-41910-125 Medicare	\$ 1,189	\$ 970
E 101-41910-130 Disability/Life/Dental Insur	\$ 1,229	\$ 1,106
E 101-41910-131 Health Insurance	\$ 8,247	\$ 7,856
E 101-41910-150 Worker s Comp (GENERAL)	\$ 559	\$ 450
Total Labor	\$ 103,734	\$ 85,821
E 101-41910-111 Building Inspec Fees	\$ 35,000	\$ 39,000
E 101-41910-114 Electrical Inspec Fees	\$ 7,000	\$ 5,500
E 101-41910-208 Training and Instruction	\$ 3,000	\$ 1,000
E 101-41910-303 Engineering Fees	\$ 500	\$ 500
E 101-41910-304 Legal Fees	\$ 1,500	\$ 1,500
E 101-41910-309 EDP, Software and Design	\$ 3,000	\$ 2,500
E 101-41910-322 Postage	\$ 100	\$ 100
E 101-41910-350 Printing & Publishing	\$ 200	\$ 300
E 101-41910-351 Legal Notices & Public Info	\$ 1,000	\$ 500
E 101-41910-433 Dues and Subscriptions	\$ 250	\$ 250
E 101-41910-440 Contractual Services	\$ 5,000	\$ 2,500
E 101-41910-460 State surcharge	\$ 5,000	\$ 5,000
E 101-41910-580 Other Equipment	\$ -	\$ -
Operating charges	\$ 61,550	\$ 58,650
Total Planning and Zoning	\$ 165,284	\$ 144,471

Significant Changes

The biggest change for is the hiring of a full-time city planner-economic development specialist. This position is a change from the shared position with the HRA. Due to a staff change, the HRA hired their own full-time executive director and the city will replace the shared position with a full-time position. The other additional change is an allocation of time for the part-time administrative assistant.

Police

Purpose



The police department is charged with providing residents and visitors a safe and secure environment as expressed in the department's mission statement "*The Montgomery Police Department, through teamwork and cooperation, will be responsive to our citizens' needs with a professional level of dedicated service.*"

Officers will display the highest ethics and integrity and regard each citizen with a focused and unbiased attitude. Our citizens will determine our success.” This is accomplished through enforcement of federal, state, and local laws by conducting routine patrols, engaging citizens, and sponsoring crime prevention activities.

Budget Summary

Revenue

	2020 Budget	2021 Budget
R 101-42100-32240 Animal Licenses	\$ 50	\$ 20
R-101-42100-35101 Administrative Fines	\$ -	\$ -
R 101-42100-33416 Training Reimbursement	\$ 5,000	\$ 6,000
R 101-42100-33430 Police State Aid	\$ 45,000	\$ 50,000
R 101-42100-34201 Special Police Service	\$ 1,000	\$ 2,000
R 101-42100-35100 Court Fines	\$ 10,000	\$ 15,000
R 101-42100-35102 Parking Fines	\$ 1,500	\$ 1,500
R 101-42100-36301 police refunds	\$ -	\$ -
R 101-42100-35115 Dog Fines	\$ -	\$ -
R-101-42100-36300 Refunds & reimbursement	\$ 500	\$ -
R 101-42100-36230 Contributions and	\$ 1,400	\$ 1,400
Total Police	\$ 64,450	\$ 75,920

Expenses

POLICE	2020 Budget	2021 Budget
E 101-42100-101 Full-Time Employees Regular	\$ 438,703	\$ 465,161
E 101-42100-102 Full-Time Employees	\$ 10,000	\$ 10,000
E 101-42100-103 Part-Time Employees	\$ 29,892	\$ 30,492
E 101-42100-110 Office Administrator &Secretary	\$ 53,622	\$ 57,294
E 101-42100-120 Employer Contrib Ret	\$ 3,681	\$ 3,948
E 101-42100-121 PERA	\$ 83,154	\$ 87,069
E 101-42100-122 FICA	\$ 3,255	\$ 3,478
E 101-42100-125 Medicare	\$ 7,489	\$ 8,002
E 101-42100-130 Disability/Life/Dental Insur	\$ 13,263	\$ 13,263
E 101-42100-131 Health Insurance	\$ 146,136	\$ 145,118
E 101-42100-150 Worker s Comp (GENERAL)	\$ 21,883	\$ 20,000
Total Personnel	\$ 811,079	\$ 843,824
E 101-42100-200 Office Supplies (GENERAL)	\$ 4,000	\$ 3,500
E 101-42100-201 Uniform Expense	\$ 7,200	\$ 6,500
E 101-42100-208 Training and Instruction	\$ 8,000	\$ 9,000
E 101-42100-210 Operating Supplies	\$ 1,000	\$ 1,000
E 101-42100-212 Motor Fuels	\$ 10,000	\$ 10,000
E 101-42100-222 Tires	\$ 2,500	\$ 2,500
E 101-42100-304 Legal Fees	\$ 40,000	\$ 43,000
E 101-42100-309 EDP, Software and Design	\$ 20,000	\$ 20,000
E 101-42100-320 Cell Phones	\$ 6,800	\$ 6,800
E 101-42100-321 Telephone	\$ 3,000	\$ 3,500

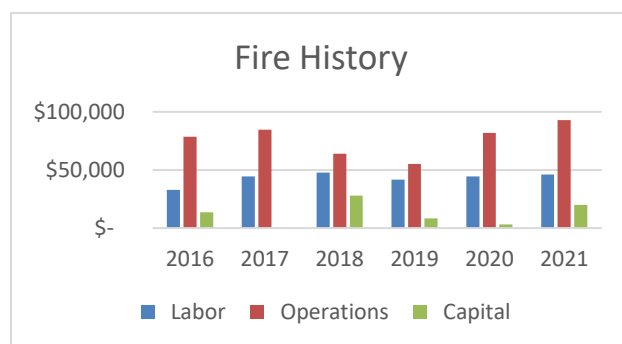
E 101-42100-322 Postage	\$	100	\$	100
E-101-42100-323 Radio Units				
E-101-42100-361 General Liability	\$	-	\$	-
E 101-42100-350 Printing & Publishing	\$	800	\$	500
E 101-42100-381 Electric Utilities	\$	3,200	\$	3,350
E 101-42100-383 Gas Utilities	\$	3,600	\$	3,700
E 101-42100-400 Repairs & Maint Veh/Equip	\$	8,000	\$	9,500
E 101-42100-401 Repairs/Maint Buildings	\$	1,500	\$	1,000
E 101-42100-433 Dues and Subscriptions	\$	1,000	\$	1,000
E 101-42100-439 Refunds and Reimbursements	\$	-	\$	-
E 101-42100-440 Contractual Services	\$	16,000	\$	15,000
E 101-42100-443 License fee	\$	-	\$	-
E 101-42100-470 Animal Control	\$	7,000	\$	7,000
E 101-42100-495 Drug Task Force	\$	7,000	\$	7,000
Other Services and Charges	\$	150,700	\$	153,950
E 101-42100-580 Other Equipment	\$	15,000	\$	15,000
E 101-42100-581 Equipment Fund	\$	-	\$	-
E 101-42100-599 Lease Payments	\$	1,500	\$	2,000
E 101-42100-821 Property Tax				
Capital Outlay	\$	16,500	\$	17,000
Total Police	\$	978,279	\$	1,014,774

Significant Changes

The major change to the 2021 budget is labor, which is going up 3.9%. This is due to having younger officers who receive annual step increases in addition to the annual adjustment. The department will be leasing a squad car through the State of Minnesota rather than purchasing a squad. If this program works out, replacement vehicles in the future will also be leased.

Fire

Purpose



The fire department provides fire suppression and prevention education for the City of Montgomery, Montgomery Township and parts of Lanesburg Township. The department also assists police and ambulance with rescue activities at accident scenes. The fire department is staffed by a group of thirty (30) dedicated paid volunteers.

Budget Summary

Revenue

	2020 Budget	2021 Budget
R 101-42200-33416 Training reimbursement	\$ -	\$ -

R 101-42200-33440 Fire Department State Aid	\$	27,000	\$	27,000
R 101-42200-34202 Special Fire Protection Svcs	\$	70,919	\$	47,000
R 101-42200-34204 Fire Department Revenues	\$	8,000	\$	8,000
R 101-42200-36230 Contributions and	\$	-	\$	-
R 101-42200-36300 Refunds &	\$	-	\$	-
Total Fire	\$	105,919	\$	82,897

Expenditure

FIRE	2020 Budget	2021 Budget
E 101-42200-100 Wages and Salaries	\$ 36,000	\$ 36,000
E 101-42200-122 FICA	\$ 1,650	\$ 1,650
E 101-42200-125 Medicare	\$ 400	\$ 400
E 101-42200-150 Worker s Comp (GENERAL)	\$ 10,000	\$ 8,000
Total Personnel	\$ 48,050	\$ 46,050
E 101-42200-200 Office Supplies (GENERAL)	\$ -	\$ -
E 101-42200-208 Training and Instruction	\$ 14,000	\$ 12,000
E 101-42200-210 Operating Supplies	\$ 5,500	\$ 5,000
E 101-42200-212 Motor Fuels	\$ 2,500	\$ 2,500
E 101-42200-220 Repair/Maint Supply	\$ -	\$ -
E 101-42200-303 Engineering Fees	\$ -	\$ -
E 101-42200-304 Legal Fees	\$ -	\$ -
E 101-42200-309 EDP, Software and Design	\$ 2,000	\$ 2,000
E 101-42200-320 Cell Phones	\$ 875	\$ 900
E 101-42200-321 Telephone	\$ 1,020	\$ 1,020
E 101-42200-322 Postage	\$ 1,000	\$ 500
E 101-42200-331 Mileage Expenses	\$ -	\$ -
E 101-42200-350 Printing & Publishing	\$ 225	\$ 225
E 101-42200-381 Electric Utilities	\$ 350	\$ 325
E 101-42200-383 Gas Utilities	\$ 1,500	\$ 900
E 101-42200-400 Repairs & Maint Veh/Equip	\$ 7,500	\$ 8,500
E 101-42200-430 Miscellaneous (GENERAL)	\$ -	\$ -
E 101-42200-433 Dues and Subscriptions	\$ 1,500	\$ 1,500
E 101-42200-438 Fire Relief Association	\$ 47,500	\$ 47,500
E 101-42200-440 Contractual Services	\$ 13,000	\$ 9,500
Other Services and Charges	\$ 98,470	\$ 92,850
E 101-42200-580 Other Equipment	\$ 10,000	\$ 10,000
E 101-42200-581 Equipment Fund-transfer	\$ 10,000	\$ 10,000
E 101-42200-599 Lease Payments		
Capital	\$ 20,000	\$ 20,000
TOTAL FIRE	\$ 166,520	\$ 158,900

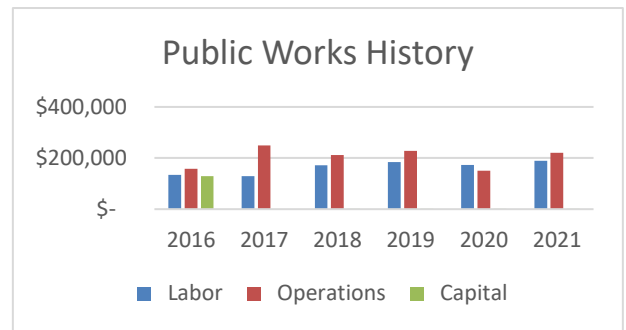
Significant Changes

The main change is the departure of Erin Township from the service area. This will result in a roughly \$8,000 loss in revenue. The Firefighter Relief Association received approval to increase the pension in 2021 – to bring the annual payment for each year of service to \$2,800. Contribution to the equipment fund was kept at \$10,000.

Public Works

Purpose

The General Fund supported functions of Public Works includes streets, parks, sidewalks, trails, and facilities. Three staff are generally assigned to manage these functions with assistance from the two assigned to the water, wastewater, and storm water operations.



Budget Summary

Revenue

	2020 Budget	2021 Budget
R 101-43000-33610 County Grants/Aid for Hwy	\$ 21,000	\$ 22,000
R 101-43000-34303 Other Highway and Street	\$ 5,000	\$ 11,500
R-101-43000-39101 Sale of Equipment	\$ -	\$ -
R 101-43000-36300 Refunds &	\$ -	\$ -
R 101-43000-37310 Refuse/Garbage Fees	\$ 3,000	\$ 2,000
Total Public Works	\$ 29,000	\$ 35,500

Expense

PUBLIC WORKS	2020 Budget	2021 Budget
E 101-43000-101 Full-Time Employees Regular	\$ 107,852	\$ 122,221
E 101-43000-102 Full-Time Employee OT		\$ 500
E 101-43000-103 Part-Time Employees	\$ -	\$ -
E 101-43000-121 PERA	\$ 8,128	\$ 9,260
E 101-43000-122 FICA	\$ 6,992	\$ 7,944
E 101-43000-125 Medicare	\$ 1,575	\$ 1,784
E 101-43000-130 Disability/Life/Dental Insur	\$ 3,479	\$ 3,608
E 101-43000-131 Health Insurance	\$ 31,484	\$ 35,111
E 101-43000-150 Worker s Comp (GENERAL)	\$ 9,922	\$ 9,000
Total Personnel	\$ 169,433	\$ 189,365
E-101-43000-200 Office Supplies	\$ -	\$ -
E 101-43000-201 Uniform Expense	\$ 3,000	\$ 2,500
E 101-43000-208 Training and Instruction	\$ 750	\$ 500
E 101-43000-210 Operating Supplies	\$ 5,500	\$ 4,000
E 101-43000-212 Motor Fuels	\$ 15,000	\$ 13,000
E 101-43000-218 Mosquito Control	\$ 6,000	\$ 14,000
E 101-43000-220 Repair/Maint Supply	\$ 8,000	\$ 6,000
E 101-43000-221 Equipment Parts	\$ 4,000	\$ 4,000
E 101-43000-222 Tires	\$ 4,000	\$ 3,000
E 101-43000-224 Street Maint Materials	\$ 40,000	\$ 45,000
E-101-43000-226 Seal Coating	\$ -	\$ -
E 101-43000-230 Street Signs	\$ 4,000	\$ 2,500
E 101-43000-240 Small Tools and Minor Equip	\$ 4,000	\$ 4,000
E 101-43000-303 Engineering Fees	\$ -	\$ -
E 101-43000-304 Legal	\$ -	\$ -

E 101-43000-309 EDP, Software and Design	\$ 3,200	\$ 3,200
E 101-43000-311 Tree Removal	\$ 5,000	\$ 5,000
E 101-43000-320 Cell Phones	\$ 3,100	\$ 3,000
E 101-43000-321 Telephone	\$ 1,100	\$ 1,000
E-101-43000-322 Wetland Clean-up	\$ -	\$ -
E 101-43000-334 Other Transportation	\$ -	\$ -
E 101-43000-350 Printing & Publishing	\$ -	\$ -
E 101-43000-381 Electric Utilities	\$ 35,000	\$ 32,500
E 101-43000-383 Gas Utilities	\$ 7,000	\$ 5,500
E 101-43000-384 Refuse/Garbage Disposal	\$ 6,500	\$ 7,200
E 101-43000-400 Repairs & Maint Veh/Equip	\$ 20,000	\$ 20,000
E 101-43000-401 Repairs/Maint Buildings	\$ 10,000	\$ 10,000
E 101-43000-403 Improvements Other Than	\$ 25,000	\$ 25,000
E-101-43000-430 Miscellaneous	\$ -	\$ -
E 101-43000-440 Contractual Services	\$ 15,000	\$ 10,000
E 101-43000-443 License Fee	\$ -	\$ 150
Other Services and Charges	\$ 225,150	\$ 221,060
E 101-43000-581 Equipment Fund	\$ -	\$ -
E 101-43000-821 Property Taxes	\$ 700	\$ 700
Total Capital	\$ 700	\$ 700
Total Streets	\$ 394,583	\$ 411,125

Snow and Ice Control	2020 Budget	2021 Budget
E-101-43125-101 - Full-time employee	\$ 14,788	\$ -
E-101-43125-102 - Full-time employee OT	\$ -	\$ 20,000
E 101-43125-121 PERA	\$ 1,241	\$ -
E 101-43125-122 FICA	\$ 942	\$ -
E 101-43125-125 Medicare	\$ 216	\$ -
Total Labor	\$ 17,187	\$ 20,000
E 101-43125-212 Motor Fuels	\$ 500	\$ 500
E 101-43125-222 Tires	\$ -	\$ -
E 101-43125-224 Street Maint Materials	\$ 3,000	\$ 3,000
E 101-43125-400 Repairs & Maint Veh/Equip	\$ 4,000	\$ 8,000
E 101-43125-440 Contractual Services	\$ 10,000	\$ 20,000
Operating costs	\$ 17,500	\$ 31,500
Sub-total snow and ice	\$ 34,687	\$ 51,500
TOTAL PUBLIC WORKS	\$ 412,083	\$ 412,083

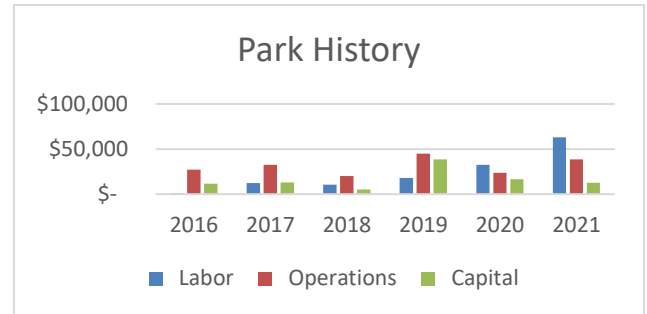
Significant Changes

The allocation of time between the two functions continues to evolve and get refined as we work to allocate costs between the two functions. Rather than allocate a percent of time, an estimate of overtime has been used. The other change is to the mosquito control. This item was increased substantially to reflect actual cost and to allow for contracting this activity.

Parks and Recreation

Purpose

This department provides for the development and maintenance of space dedicated for recreational activities of all types from passive open space to active space with playgrounds and athletic fields. The public works department is charged with ensuring facilities and equipment is clean and well maintained.



Budget Summary

Revenue

	<i>2020 Budget</i>	<i>2021 Budget</i>
R 101-45200-34780 Park Fees	\$ 900	\$ 900
R 101-45200-36200 Miscellaneous Revenues	\$ -	\$ -
R 101-45200-36230 Contributions and	\$ 250	\$ 250
Total Parks	\$ 1,150	\$ 1,150

Expense

<i>PARKS</i>	<i>2020 Budget</i>	<i>2021 Budget</i>
E 101-45200-101 Full-Time Employees Regular	\$ 18,976	\$ 35,194
E 101-45200-102 Full-Time Employees Regular OT	\$ -	\$ -
E 101-45200-103 Part-Time Employees	\$ 13,950	\$ 10,000
E 101-45200-121 PERA	\$ 1,806	\$ 2,490
E 101-45200-122 FICA	\$ 2,300	\$ 2,864
E 101-45200-125 Medicare	\$ 1,101	\$ 1,183
E 101-45200-130 Disability/Life/Dental Insur	\$ 821	\$ 1,103
E 101-45200-131 Health Insurance	\$ 5,333	\$ 8,889
E 101-45200-150 Worker s Comp (GENERAL)	\$ 1,746	\$ 1,300
Total Personnel	\$ 46,033	\$ 63,023
E 101-45200-208 Training and Instruction	\$ -	\$ -
E 101-45200-210 Operating Supplies	\$ 4,000	\$ 2,000
E 101-45200-212 Motor Fuels	\$ 1,000	\$ 750
E 101-45200-216 Chemicals and Chem	\$ 2,000	\$ 2,000
E 101-45200-220 Repair/Maint Supply	\$ 1,500	\$ 1,500
E-101-45200-300 Professional services		
E 101-45200-311 Tree Removal	\$ 5,000	\$ 5,000
E 101-45200-350 Printing & Publishing	\$ -	\$ -
E 101-45200-381 Electric Utilities	\$ 6,000	\$ 6,200
E 101-45200-383 Gas Utilities	\$ 100	\$ 50
E 101-45200-400 Repairs & Maint Veh/Equip	\$ 1,500	\$ 2,000
E 101-45200-401 Repairs/Maint Buildings	\$ 4,000	\$ 4,000
E 101-45200-440 Contractual Services	\$ 15,000	\$ 15,000
Total Other Services and Charges	\$ 40,100	\$ 38,500

E 101-45200-580 Other Equipment	\$	2,500	\$	2,500
E 101-45200-723 Capital improvements	\$	10,000	\$	10,000
Capital outlay	\$	12,500	\$	12,500
Total Parks	\$	98,633	\$	114,633

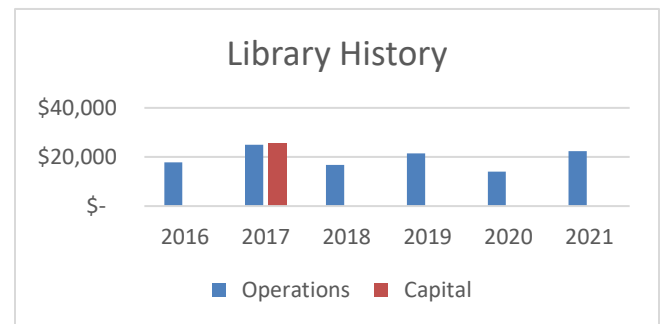
Significant Changes

Labor represents the largest increase in the 2021 budget. The park and recreation advisory board is again recommending funding in contractual services to reimburse Community Education for sponsoring summer youth activities and to provide for the continuation of free music in the park concerts in the summer.

Library

Purpose

The city is responsible for providing and maintaining the building for the County Library system to deliver library services. These services include lending books and audio/visual material, reading programs, and other programs for youth and adults. It also provides a location to access the internet for those who do not have access or a computer.



Budget Summary

Expense

LIBRARY	2020 Budget	2021 Budget
E 101-45500-200 Office Supplies (GENERAL)	\$ 150	\$ 100
E 101-45500-210 Operating Supplies	\$ 100	\$ 275
E 101-45500-220 Repair/Maint Supply	\$ 550	\$ 500
E 101-45500-321 Telephone	\$ 3,400	\$ 3,200
E 101-45500-381 Electric Utilities	\$ 5,100	\$ 5,300
E 101-45500-383 Gas Utilities	\$ 3,000	\$ 3,000
E 101-45500-401 Repairs/Maint Buildings	\$ 3,000	\$ 4,000
E-101-45500-430 Miscellaneous	\$ -	\$ -
E 101-45500-440 Contractual Services	\$ 5,000	\$ 6,000
E 101-45500-580 Other Equipment	\$ -	\$ -
Total Library	\$ 20,300	\$ 22,375

Significant Changes

There are no significant changes to the library account.

Unallocated

Purpose

The Unallocated account contains expenditures benefiting all departments. An example is the safety program; rather than attempt to allocate this cost out to each account in the General Fund; it is expensed from the unallocated account.

Expense

UNALLOCATED	2020 Budget	2021 Budget
E 101-49200-313 Safety Program	\$ 4,300	\$ 4,300
E 101-49200-360 Insurance (GENERAL)	\$ 70,000	\$ 75,000
E 101-49200-433 Dues and Subscriptions	\$ 5,000	\$ 3,000
E 101-49200-439 Refunds and reimbursements	\$ 5,000	\$ 6,500
E-101-49200-440 Contractual Services	\$ 18,135	\$ 15,937
E 101-49200-720 Operating Transfers	\$ 352,389	\$ 345,000
Street Improvement Fund	\$ 250,000	\$ 200,000
Park Improvement Fund	\$ 70,000	\$ 70,000
Equipment Replacement Fund	\$ 32,389	\$ 50,000
Facilities Fund	\$ -	\$ 25,000
Total Unallocated	\$ 454,824	\$ 449,847

Significant Changes

Property and Casualty insurance has been increased and an allocation has been added for the Facilities fund.

Special Revenue Funds

Purpose

Special Revenue Funds are those where revenue is for a specific purpose. What makes special revenue different from an enterprise is that revenue for an Enterprise Fund comes from charges for service where the revenue for special revenue could come from franchise fees, grants, service fees, or a combination of sources. For example, the city receives funds from the cable company through a franchise agreement that is used to provide local programming. Dollars left in these Funds remain with the Fund and do not roll into the General Fund.

Department	Type of activity	Comments
Ambulance	Operational	Covers the operational costs of the ambulance service
Fire Equipment Fund	Capital Improvement	Covers the cost of equipment used by the Fire Department
Economic Development Authority	Loans & Grants	Funds for the EDA revolving loan program
Communications	Operational	Covers the operational and capital for cable channel and other communication activities
Memorial Stadium	Capital improvement	Covers the costs for improvements to Memorial Stadium
Assisted Living TIF	TIF/Loan	Serves the bonds for Traditions
Medical Center TIF	TIF/Loan	Serves the bonds for the medical center
Crime Prevention	Safety education	Funds are generated through grants and donations. Used to hold safety education programs at the schools

The balance available in each of these funds is shown in the table below.

Department	Est 12/31/20 Balance	2021 Est Revenue	2021 Est Expenses	Est. Balance 12/31/21
Ambulance	\$84,810	\$113,761	\$171,150	\$27,421
Fire Equipment	\$330,335	\$30,000	\$50,000	\$310,335
EDA	\$186,986	\$26,500	\$45,467	\$168,019
Communications	\$80,769	\$22,000	\$28,058	\$74,711
Memorial Stadium	\$6,842	\$5,000	\$5,000	\$6,842
Assisted Living TIF	\$3,902	\$24,500	\$24,500	\$3,902
Medical Center TIF	\$1,640	\$10,000	\$10,000	\$1,640
Crime Prevention	\$605	\$1,000	\$1,000	\$605

On the following pages is the detail on each of the Special Revenue funds

Fire Equipment Fund

Purpose

The fire equipment fund provides support for the fire department's capital and other equipment purchases. The department used this fund in 2020 to purchase SCBA

Revenue

FUND 203 FIRE TRUCK FUND	2020 Budget	2020 Budget
R 203-42200-36210 Interest Earning		
R 203-42200-36230 Contributions and donate	\$20,000	\$20,000
R-203-42200-39200 Interfund transfers	\$20,000	\$10,000
R-203-42200-39101 Sale of equipment		
FUND 203 TOTAL	\$40,000	\$30,000

FUND 203 FIRE TRUCK FUND	2020 Budget	2021 Budget
E 203-42200-301 Auditing and accounting	\$5,000	\$5,000
E 203-42200-550 Motor Vehicles		
E-203-42200-580 Other equipment	\$20,000	\$ -
FUND 203 TOTAL	\$25,000	\$5,000

Significant Changes

The department will be looking to replace their turnout gear. It is unknown at this time what the overall coast for this updating of equipment will be.

Ambulance Service

Purpose

The ambulance service provides basic life support emergency care to residents of Montgomery and surrounding areas. The service is staffed by paid volunteers trained as EMT's and First Responders. There are approximately 25 volunteers on the service. The service averages 270 patient contacts per year.

Budget Summary

Revenue

	2020 Budget	2021 Budget
R 204-44100-33416 Training Reimbursement	\$ 1,975	\$ 2,000
R 204-44100-34205 Ambulance Revenues	\$ 100,000	\$ 100,000
R 204-44100-34207 Special Ambulance	\$ 17,550	\$ 11,761
R 204-44100-36210 Interest Earnings	\$ -	\$ -
R 204-44100-36230 Contributions and	\$ -	\$ -
R 204-44100-36300 Refunds &	\$ -	\$ -
R 204-44100-39201 Transfer from General	\$ -	\$ -
	\$ 119,525	\$ 113,761

Expense

AMBULANCE	2020 Budget	2021 Budget
E-204-44100-101 Full-Time Employee	\$ 90,000	\$ 90,000
E-204-44100-122 FICA	\$ 6,000	\$ 6,000
E-204-44100-125 Medicare	\$ 1,300	\$ 1,300
E-204-44100-150 Workers Compensation	\$ 5,100	\$ 5,100
E-204-44100-200 Office Supplies	\$ 500	\$ 500
E-204-44100-201 Uniforms	\$ 3,500	\$ 3,500
E-204-44100-208 Training and Instruction	\$ 9,000	\$ 9,000
E-204-44100-210 Operating Supplies	\$ 8,500	\$ 8,500
E-204-44100-212 Motor Fuels	\$ 2,500	\$ 2,500
E-204-44100-222 Tires	\$ 600	\$ 600
E-204-44100-300 Professional Services	\$ 750	\$ 750
E-204-44100-304 Legal Fees	\$ -	\$ -
E-204-44100-EDP, Software and Computers	\$ 1,000	\$ 1,000
E-204-44100-320 Cell phones	\$ 600	\$ 600
E-204-44100-321 Telephone	\$ 1,000	\$ 1,000
E-204-44100-322 Postage	\$ 500	\$ 500
E-204-44100-350 Printing and publishing	\$ 1,000	\$ 1,000
E-204-44100-360 Insurance (general)	\$ 380	\$ 800
E-204-44100-400 Repairs & Maintenance Veh.	\$ 3,000	\$ 3,000
E-204-44100-433 Dues & Subscriptions	\$ 1,000	\$ 1,000
E-204-44100-439 Refunds & Reimbursements	\$ 1,000	\$ 1,000
E-204-44100-440 Contractual Services	\$ 15,000	\$ 15,000
E-204-44100-581 Equipment Fund	\$ -	\$ -
E-204-44100-599 Lease Payments	\$ 18,500	\$ 18,500
	\$ 170,730	\$ 171,150

Significant Changes

The department will be hiring two (2) full-time EMT's to cover the day shift due to a significant lack of volunteers who are available to covert the day shift. The expenses incurred by adding two full-time staff are not reflected in the budget, as it was done after the budget document was prepared. The run rate for service will also be adjusted to cover the added expense of the staff. Again, this is not reflected in this document.

Economic Development Authority

Purpose

The Economic Development Authority (EDA) was established to develop programs aimed at strengthening the business climate and expanding the tax base in the City of Montgomery. These activities include, but are not limited to, offering recommendations regarding business subsidies, preparing marketing plans, acquiring property for development and to attract, retain and assist current businesses expand their operations.

Funding for the EDA's loan program came from state grants. Additional funding for activities is generated through the sale of property and allocations from the General Fund.

Budget Summary

Revenue

FUND 205 EDA LOAN FUND	2020 Budget	2021 Budget
R 205-49300-34110 General Sales	\$ 26,5000	\$ 26,5000
R 205-49300-36210 Interest Earnings	\$ -	\$ -
R 205-49300-36220 Rents/Lease Revenues	\$ -	\$ -
R 205-49300-39101 Sales of General Fixed	\$ -	\$ -
R 205-49300-39200 Inter-fund Operating	\$ -	\$ -
FUND 205 EDA LOAN FUND	\$ 26,500	\$ 26,500

Expense

FUND 205 EDA LOAN FUND	2020 Actual	2021 Budget
E 205-46500-101 Full-Time Employees Regular		\$ 13,965
E 205-46500-121 PERA		\$ 524
E 205-46500-122 FICA		\$ 424
E 205-46500-125 Medicare		\$ 102
E 205-46500-130 Disability/Life/Dental Insur		\$ 246
E 205-46500-131 Health Insurance		\$ 1,746
E-205-46500-200 Office Supplies		\$ -
E-205-46500-208 Training and Instruction	\$ 300.00	\$ 300.00
E 205-46500-304 Legal Fees	\$ 2,000.00	\$ 2,000.00
E 205-46500-310 Other Professional Services	\$ -	\$ -
E-205-46500-331 Milage	\$ 350.00	\$ 350.00
E-205-46500-433 Dues and Subscriptoins	\$ 300.00	\$ 300.00
E 205-46500-440 Contractural Services	\$ -	\$ -
E 205-49300-494 Loans made	\$ 25,000.00	\$ 25,000.00
E 205-49300-510 Land	\$ -	\$ -
E-205-46500-715 Grants	\$ -	\$ -
E 205-46500-821 Property Taxes	\$ 500.00	\$ 500.00
FUND 205 EDA LOAN FUND	\$ 28,450	\$ 45,457

Significant Changes

The major issue for 2021 is adding a portion of staff time to this function. The position will help to coordinate the REV program and other development opportunities.

Communications

Purpose

The communications fund provides for the expansion and improvement of the city's cable programming, the website, and other related communications activities. Funding comes from a franchise fee assessed to cable television subscribers.

Budget Summary

Revenue

FUND 217 COMMUNICATIONS	2020 Budget	2021 Budget
R 217-41500-32181 T.V. Franchise	\$22,000	\$22,000
FUND 217 COMMUNICATIONS	\$22,000	\$22,000

Expense

E 101-41500-103 Part-Time Employees	\$ -	\$ 1,791
E 101-41500-121 PERA	\$ -	\$ 1,152
E 101-41500-122 FICA	\$ -	\$ 932
E 101-41500-125 Medicare	\$ -	\$ 224
E 101-41500-130 Disability/Life/Dental Insur	\$ -	\$ 501
E 101-41500-131 Health Insurance	\$ -	\$ 4,890
E 217-41500-440 Contractual Services	\$ 5,000	\$ 5,000.00
FUND 217 COMMUNICATIONS	\$ 5,000	\$ 28,058

Significant Changes

The major change in this fund is an allocation of staff time dedicated to maintaining and updating the city's website and other communication activities including the city's cable channel.

Tax Increment Finance Funds

Purpose

The City helped Traditions of Montgomery and the Medical Clinic develop their sites through the use of Tax Increment Finance (TIF) and the sale of bonds. The proceeds from the TIF district are used by the two entities to cover a portion of the annual principle and interest payment on the bonds. When the district expires, the full property tax will be paid to the City, School, and County.

Budget Summary

Revenue

	2020	2021
FUND 227 TIF - ASSISTED LIVING FACILITY	Actual	Budget
R 227-47110-31010 Property Tax Levy	\$24,500	\$24,500
R 227-47110-36210 Interest Earnings	\$50	\$0.00
<i>FUND 227 TIF - ASSISTED LIVING FACILITY</i>	<i>\$24,550.00</i>	<i>\$24,500.00</i>

	2020	2021
FUND 228 TIF - MEDICAL CLINIC	Actual	Budget
R 228-47111-31010 Property Tax Levy	\$9,000.00	\$9,000.00
R 228-47111-36100 Special Assessments	\$0.00	\$0.00
R 228-47111-36210 Interest Earnings	\$20.00	\$0.00
<i>FUND 228 TIF - MEDICAL CLINIC</i>	<i>\$9,020.00</i>	<i>\$9,000.00</i>

Expenditures

	2020	2021
FUND 227 TIF - ASSISTED LIVING FACILITY	Actual	Budget
E 227-47110-444 Assisted Living TIF Payment	\$24,000.00	\$24,000.00
<i>FUND 227 TIF - ASSISTED LIVING FACILITY</i>	<i>\$24,000.00</i>	<i>\$24,000.00</i>

	2020	2021
FUND 228 TIF - MEDICAL CLINIC	Actual	Budget
E 228-47111-445 Medical Clinic TIF Payment	\$10,000.00	\$10,000.00
<i>FUND 228 TIF - MEDICAL CLINIC</i>	<i>\$10,000.00</i>	<i>\$10,000.00</i>

Debt Service Funds

Purpose

Debt Service Funds hold proceeds from bonds the city sells to finance large projects such as road reconstruction and buildings.

Revenue from special assessment, interest, tax levy, etc., is placed in the debt service fund. Annual principle and interest payments are then made from the specific debt service fund.

General Fund Debt

The table below outlines current debt supported by the General Fund as well as the amount due in 2020, the balance remaining on 12/31/20, and maturity date for the debt.

Fund	2021 Principal Payment	2021 Interest Payment	2021 Total	12/31/21 Principal Balance	Maturity
325 – 2011B	\$30,000	\$900	\$3,900	\$-	12/01/2021
326 – 2012A	\$355,000	\$28,818	\$383,818	\$615,000	2/1/2026
327 – 2015A*	\$105,000	\$33,040	\$138,040	\$1,190,000	2/1/2031
Total	\$490,000	\$62,758	\$552,758	\$1,805,000	

*Note – includes the water share of the bond amounting to \$39,910.

Enterprise Fund Debt

The City also carries debt supported by the Enterprise Fund. This debt is supported though the fees charged for water and wastewater services. The first table contains the water debt and the second table is the sewer debt.

Water

Note	2021 Principal Payment	2021 Interest Payment	2021 Total	12/31/21 Principal Balance	Maturity
2002B	\$40,000	\$3,339	\$43,339	\$85,000	2023
2004A PFA	\$23,000	\$1,663	\$24,663	\$47,044	2023
2017A	\$102,900	\$17,291	\$120,191	\$784,000	2028
2016A	\$232,800	\$58,697	\$291,497	\$2,109,750	2029
2010A	\$53,350	\$10,606	\$63,956	\$281,300	2026
2012A	\$55,000	\$10,214	\$65,214	\$295,000	2026
Total	\$507,050	\$101,810	\$606,860	\$3,602,094	

Sewer

Note	2021 Principle Payment	2021 Interest Payment	2021 Total	12/31/21 Principal Balance	Maturity
2003 PFA	\$483,000	\$9,690	\$492,690	\$485,998	2022
2017A	\$107,100	\$17,997	\$125,097	\$816,000	2028
2016A	\$7,200	\$1,815	\$9,015	\$65,250	2029
2010A	\$1,500	\$389	\$1,898	\$8,700	2026
2015A	\$30,000	\$9,510	\$39,510	\$355,000	2031
Total	\$628,800	\$39,401	\$668,201	\$1,730,948	

Total City Debt at the end of 2021 will be \$7,138,042. Overall debt continues to decrease each year by roughly a \$1,000,000.

The City monitors the call date for bond issues and evaluates if the resources allow the bond to be called e.g. paid off or if the bond should be refinanced. The determination to do either of these is based on available cash, estimated savings, and existing terms.

Looking ahead, the city will be issuing close to \$5,000,000 in bonds for the 2021 street and utility improvement project. This will be paid for through special assessments, revenue from the water, sewer, and storm water funds, possible use of street improvement fund, and property tax levy.

Capital Funds

Purpose

Capital Funds are used to cover the cost of major capital projects such as purchasing equipment, construction and improvements to parks, streets, and trails. Dollars in a capital fund carry over from year to year and are dedicated to the specific fund purpose. There are two (2) components to the capital program. The first is the capital improvement plan and the second is the capital budget.

The capital improvement plan (CIP) is a document, or series of documents, outlining planned capital expenditures over the next five to 10 years. The plan helps guide the council in establishing the annual capital budget.

The city has an adopted CIP for streets and the park advisory board is working on a CIP for parks. Staff continues to work on refining the equipment plan and to keep cost down, has begun to look at leasing options through the state cooperative purchasing venture. A squad car will be leased in 2021.

The funding for capital funds comes from planned transfers from the General Fund.

Current Status

The City operates four (4) capital funds: Street Improvements, Park Improvements, Equipment, and municipal facilities fund. The reason for creating these funds is to ensure dedicated dollars are available each year for these important functions. The table below shows the current balance, planned transfer, planned expenditures, and projected balance.

Fund	Est. 12/31/20 Balance	2021 Allocation	2021 Planned Expenditures	2021 Est. Balance
Parks	\$69,632	\$70,000	\$222,000	\$(72,368)
Streets	\$498,829	\$200,000	\$60,000	\$835,154
Equipment	\$92,500	\$50,000	\$80,000	\$62,500
Facilities	\$(622)	\$25,000	\$15,000	\$9,378
General	\$(777,236)	\$138,000	\$ -	\$(639,236)
NET				195,428

For the past several years, the city has been in a deferred maintenance mode as it pertains to the city's infrastructure. Deferred maintenance on streets, sidewalks, parks, buildings, and equipment may be acceptable for a year or two; however, extended periods of deferred maintenance results in greater costs to the community as spot repairs are no longer possible and the only option becomes replacement. In addition, there is a higher risk of major equipment breakdowns and building repairs.

PLANNED EXPENDITURES

Street Program

The Public Works Advisory Board proposed, and the City Council adopted a comprehensive 12-year street rehabilitation program this year. The adopted plan will maintain through regular seal coating and crack-filling 8 miles of roads and reconstruct the other 8 miles of roads during this period. This 12-year program is estimated to cost close to \$30 million; however, at the end of the program, all the city streets will be rebuilt so the only activity for the next 40 to 50 years will be basic maintenance.

2021 Street Projects

The city be reconstructing the street, placing new water main, sewer main, and improving the storm sewer in the circle drive neighborhood and Hickory avenue. The project will also involve a mill and overlay of Rogers Drive and sidewalk placement along the north side of Hickory and up Rogers drive to the parking lot at Northside park. This is roughly a \$4.3 million dollar project.

The city will also be crack-filling and sealcoating the Preserve, East Welco, and Stoneridge neighborhoods at an estimated cost of just over \$102,000.

Equipment Program

The equipment contained in the 2021 program will consume roughly \$57,000 and includes the following items:

Item	Amount
Police Squad lease	\$9,000
Plow Truck Replacement payment	\$48,000
Total	\$57,000

Park Program

The Park and Recreation Advisory Board is working on a 5 to 10 year capital plan. The major project for 2021 is the relocation of the hockey rink. Other projects include the second year of the prairie restoration, seeding of the sledding hill, and improvements to the parking lot at North Ridge Recreation Area.

Facilities

The council will be discussing and planning options for a new police facility during 2021.

Enterprise Funds

Purpose

Enterprise Funds are supported through user fees. The fee is broken into a base fee and usage fee. The base fee covers the capital assets (buildings, pipes, towers, etc.) and long-term debt. The usage fee covers the annual operating costs of the utility. Because these operations are supported by user fees, there is usually little to no impact on the levy.

The city contracted with Bakertilly to conduct a rate analysis for the water, sewer, and storm sewer funds in 2020 and results were provided in early 2021. The study was to look at current rates and project the need for rate increases in the future based on operational costs, future capital expenditures, and the impact of bonding for the road improvement program.

Water Fund

Purpose

The water fund covers the costs to pump, treat, and distribute water to residents. The system consists of four wells, a 500,000-gallon water tower, several miles of water main and laterals, and a treatment plant. The water is treated to remove iron, radium, and manganese. The current hardness of the water is about 21 grains.

Two wells are located near the treatment plant and provide drinking water to the city. The other wells are backups in case there is a water main break or there is need for additional water pressure.

The entire water system has the capacity to service the needs of the city for the next several years. If the population of the city expands beyond 6,500, the plant can be expanded to meet the needs of populations in excess of 13,000.

For several years the water fund ran an operational deficit, and the council took aggressive steps to ensure the water fund operates without a loss. The goal for the fund is to operate at 120% revenue over expenditures.

Budget Summary

Revenue

FUND 601 WATER FUND	2020 Budget	2021 Budget
R 601-49400-36210 Interest Earnings	\$ 1,500	\$ 1,500
R 601-49400-36220 Rents/Lease Revenues	\$ 15,000	\$ 15,000
R 601-49400-37100 Water Sales	\$ 1,161,697	\$ 1,317,808
R 601-49400-37170 WATER TAX	\$ 10,000	\$ 10,000
R 601-49400-37180 SURCHARGE TAX (ST	\$ 15,000	\$ 15,000
R 601-49400-37190 Sales- Meters	\$ 5,000	\$ 5,000

R 601-49400-37251 Water Connect/Reconnect	\$ 15,000	\$ 30,000
R 601-49400-39200 Inter-fund Operating Transfer		
FUND 601 WATER FUND	\$ 1,223,197	\$ 1,394,308

Expense

	2020 Budget	2021 Budget
FUND 601 WATER FUND		
E 601-49400-101 Full-Time Employees Regular	\$ 79,786	\$ 87,059
E 601-49400-102 Full-Time Employees OT	\$	\$ 1,000
E 601-49400-103 Part-Time Employees	\$ -	\$ 2,148
E 601-49400-121 PERA	\$ 12,196	\$ 13,482
E 601-49400-122 FICA	\$ 4,885	\$ 5,318
E 601-49400-125 Medicare	\$ 1,165	\$ 1,271
E 601-49400-130 Disability/Life/Dental Insur	\$ 4,755	\$ 5,706
E 601-49400-131 Health Insurance	\$ 25,424	\$ 27,076
E 601-49400-150 Worker s Comp (GENERAL)	\$ 3,463	\$ 3,933
Total Personnel	\$131,673	\$146,993
E 601-49400-201 Uniforms	\$ 500	\$ 500
E 601-49400-208 Training and Instruction	\$ 1,500	\$ 1,000
E 601-49400-210 Operating Supplies	\$ 8,000	\$ 8,000
E 601-49400-212 Motor Fuels	\$ 4,000	\$ 4,000
E 601-49400-216 Chemicals	\$ 15,000	\$ 18,000
E 601-49400-221 Equipment Parts	\$ 20,000	\$ 20,000
Total Services	\$ 49,000	\$ 51,500
E 601-49400-303 Engineering Fees	\$ 1,500	\$ 1,500
E 601-49400-309 EDP, Software and Design	\$ 5,000	\$ 5,000
E 601-49400-320 Cell Phones	\$ 660	\$ 660
E 601-49400-321 Telephone	\$ 800	\$ -
E 601-49400-322 Postage	\$ 3,200	\$ 3,000
E 601-49400-350 Printing & Publishing	\$ 3,350	\$ 1,500
E 601-49400-360 Insurance (GENERAL)	\$ 9,000	\$ 9,500
E 601-49400-381 Electric Utilities	\$ 30,500	\$ 30,500
E 601-49400-383 Gas Utilities	\$ 4,000	\$ 4,500
E 601-49400-400 Repairs & Maint Veh/Equip	\$ 1,500	\$ 4,500
E 601-49400-401 Repairs/Maint Buildings	\$ 12,000	\$ 12,000
E 601-49400-433 Dues and Subscriptions	\$ 1,200	\$ 1,200
E 601-49400-439 Refunds & Reimbursements	\$ 2,000	\$ 2,000
E 601-49400-440 Contractual Services	\$ 10,000	\$ 1,250
E 601-49400-442 Testing	\$ 2,500	\$ 2,500
E 601-49400-443 License Fees	\$ 1,000	\$ 1,000
E 601-49400-450 Sales Tax	\$ 5,000	\$ 5,000

E 601-49400-460 State surcharge	\$ 15,000	\$ 15,000
<i>Other Services and Charges</i>	<i>\$ 108,210</i>	<i>\$ 108,210</i>
E 601-49400-520 Buildings & Structures	\$ 20,000	\$ 8,000
E 601-49400-550 Vehicles	\$ 13,000	\$ 1,333
E 601-49400-580 Other Equipment	\$ 16,000	\$ 25,000
<i>Total Water Services</i>	<i>\$ 288,883</i>	<i>\$ 332,603</i>
E 601-49439-601 2004 issue	\$ 22,000	\$ 23,000
E 601-49439-611 2004 issue Interest	\$ 2,614	\$ 1,984
E 601-49442-601 2017A Refunding	\$ 100,450	\$ 102,900
E 601-49442-611 2017A Interest	\$ 19,324	\$ 17,291
E 601-49443-601 2002B	\$ 39,000	\$ 40,000
E 601-49443-611 2002B Interest	\$ 5,215	\$ 3,975
E 601-48922-601 2016A Refunded Bond	\$ 227,950	\$ 232,800
E 601-48922-611 2016A Interest	\$ 65,457	\$ 58,697
E 601-48923-601 2010A Bond	\$ 48,500	\$ 48,500
E 601-48923-611 2010A Interest	\$ 14,385	\$ 12,566
E 601-48926-601 2012A Refunding	\$ 55,000	\$ 55,000
E 601-48926-611 2012A Interest	\$ 11,630	\$ 10,214
<i>Total Water Debt</i>	<i>\$ 610,525</i>	<i>\$ 606,928</i>
<i>FUND 601 WATER FUND</i>	<i>\$899,408</i>	<i>\$939,531</i>
<i>Operating surplus/(deficit)</i>	<i>\$323,789</i>	<i>\$454,777</i>

Significant Changes

There is a part-time clerk that will be allocated to the water fund in 2021. As a result of the rate study, additional capital items were included in the budget that were not part of the budget in the past.

There is no plan at this time to adjust the base rate or usage rate for the water fund.

Sewer Fund

Purpose

This Fund covers the cost to collect and treat sewage waste generated by residents and businesses in the community.

The septic system consists of a pre-treatment plant (headworks), two oxidation ditches, two final clarifiers, digesters, and five reed beds. The system is fed by three “neighborhood” lift stations and main lift station. Waste travels through several miles of forced and gravity mains and service laterals.

Maintenance of the system includes regular cleaning of the mains, pulling pumps and mixers, cleaning the pre-treatment flows, emptying and cleaning the oxidation ditches, drawing down the digesters to clean

and maintain, etc. General sewer pipe maintenance requires root removal, regular inspections of flow, and examination and maintenance of lift station pumps and components.

Budget Summary

Revenue

FUND 602 SEWER FUND	2020 Budget	2021 Budget
R 602-49450-36210 Interest Earnings	\$ 1,500	\$ 1,500
R 602-49450-36220 Rents/Lease Revenues	\$ -	\$ -
R 602-49450-36100 Special Assessment	\$ -	\$ -
R 602-49450-37200 Sewer Sales	\$ 823,000.00	\$ 943,073.00
R 602-49450-37250 Sewer Connect/Reconnect	\$ 20,000.00	\$ 40,000.00
R 602-49400-39200 Inter-fund Operating Transfer	\$ -	\$ -
R 602-49450-37270 Septic Revenue	\$ 25,000.00	\$ 25,000.00
FUND 602 SEWER FUND	\$ 869,500.00	\$ 1,009,573

Expense

FUND 602 SEWER FUND	2020 Budget	2021 Budget
E 602-49450-101 Full-Time Employees Regular	\$ 79,786.00	\$ 87,059
E 602-49450-102 Full-Time Employees OT	\$	\$ 1,000
E 602-49450-103 Part-Time Employees	\$	\$ 2,148
E 602-49450-121 PERA	\$ 12,195.00	\$ 13,482
E 602-49450-122 FICA	\$ 4,885.00	\$ 5,318
E 602-49450-125 Medicare	\$ 1,165.00	\$ 1,271
E 602-49450-130 Disability/Life/Dental Ins	\$ 4,755.00	\$ 5,706
E 602-49450-131 Health Insurance	\$ 25,424.00	\$ 27,076
E 602-49450-150 Worker s Comp (GENERAL)	\$ 3,463.00	\$ 4,106
Total Personnel	\$ 131,673.00	\$147,236
E 602-49450-201 Uniform Expense	\$ 500.00	\$ 500.00
E 602-49450-208 Training and Instruction	\$ 1,000.00	\$ 1,000.00
E 602-49450-210 Operating Supplies	\$ 5,000.00	\$ 15,000.00
E 602-49450-212 Motor Fuels	\$ 7,500.00	\$ 5000.00
E 602-49450-216 Chemicals	\$ 30,000.00	\$ 30,000.00
E 602-49450-220 Repair/Maint Supply	\$ 3,000.00	\$ 5,500.00
E 602-49450-221 Equipment Parts	\$ 15,000.00	\$ 15,000.00
Total Supplies	\$ 62,000.00	\$ 75,000.00
E 602-49450-303 Engineering Fees	\$ 1,000.00	\$ 1,000.00
E 602-49450-309 EDP, Software and Design	\$ 5,000.00	\$ 5,500.00
E 602-49450-320 Cell Phones	\$ 660.00	\$ 660.00
E 602-49450-321 Telephone	\$ 7,500.00	\$ 7,000.00
E 602-49450-322 Postage	\$ 3,100.00	\$ 3,100.00
E 602-49450-350 Printing & Publishing	\$ 3,100.00	\$ 3,100.00
E 602-49450-360 Insurance (GENERAL)	\$ 18,000.00	\$ 18,500.00

E 602-49450-381 Electric Utilities	\$ 65,000.00	\$ 60,000.00
E 602-49450-383 Gas Utilities	\$ 16,000.00	\$ 16,000.00
E 602-49450-400 Repairs & Maint Veh/Equip	\$ 2,500.00	\$ 2,500.00
E 602-49450-401 Repairs/Maint Buildings	\$ 10,000.00	\$ 10,000.00
E 602-49450-433 Dues and Subscriptions	\$ 2,500.00	\$ 1,500.00
E 602-49450-439 Refunds & Reimbursements	\$ 1,500.00	\$ 1,500.00
E 602-49450-440 Contractual Services	\$ 35,000.00	\$ 35,000.00
E 602-49450-441 Sludge Disposal	\$ 40,000.00	\$ 40,000.00
E 602-49450-442 Testing	\$ 13,000.00	\$ 13,000.00
E 602-49450-443 License Fees	\$ -	\$ 1,000.00
Other Services and Charges	\$ 205,860.00	\$ 219,360.00
E 602-49450-530 Improvements Other Than	\$ 25,000.00	\$
E 602-49450-550 Vehicles	\$ 13,000.00	\$
E 602-49450-580 Other Equipment	\$ 15,000.00	\$ 168,955
E 602-49450-581 Equipment Fund	\$ -	\$ -
E 602-49450-599 Lease Payments	\$ -	\$ -
Capital Outlay	\$ 53,000.00	\$ 168,955
Total Sewer Operations	\$ 470,533.00	\$ 470,533.00
E 601-48923-601 2010A Bond	\$ 1,500	\$ 1,500
E 601-48923-611 2010A Interest	\$ 444	\$ 389
E 602-48922-601 2016A refunded bond	\$ 7,050	\$ 7,200
E 602-48922-610 2016A Interest	\$ 1,994	\$ 1,816
E 602-49496-601 2003 Note	\$ 478,000	\$ 483,000
E 602-49496-611 2003 Note Interest	\$ 14,470	\$ 9690
E 602-49991-601 2015A Improvement bond	\$ 30,000	\$ 30,000
E 602-49991-611 2015A Interest	\$ 10,110	\$ 9,510
E 602-49499-601 2017A Refunding	\$ 104,550	\$ 107,100
E 602-49499-611 2017A Interest	\$ 20,113	\$ 17,997
Sewer Fund Debt	\$ 668,230	\$ 668,201
TOTAL FUND 602 SEWER FUND	\$1,138,764	\$1,278,752
Operating surplus/(deficit)	\$(135,930)	\$(266,179)

Significant Changes

There is a part-time clerk that will be allocated to the water fund in 2021. As a result of the rate study, additional capital items were included in the budget that were not part of the budget in the past.

The rate study may recommend an increase in the rate, which will not take effect until the second quarter.

Storm Water Fund

Purpose

The Storm Water Fund is designed to cover the repair, maintenance and construction of the city's storm water system. The system consists of several miles of pipe and ditches as well as, catch basins to collect rainwater and discharge the runoff to a series of ponds and ditches. The city is responsible for one large ditch on the west side of town and one smaller segment of ditch on the east side of town. The storm water fund also provides for general education and street sweeping as part of the program.

Budget Summary

Revenue

FUND 604 STORM WATER FUND	2020 Budget	2021 Budget
R 604-00000-39990 Capital Contributions	\$ -	\$ -
R 604-49992-39200 Inter-fund Operating	\$ -	\$ -
R 604-49992-40001 Strom Sewer	\$ 100,400	\$ 100,800
<i>FUND 604 STORM WATER FUND</i>	<i>\$ 100,400.00</i>	<i>\$ 100,800.00</i>

Expense

FUND 604 STORM WATER FUND	2019 Budget	2020 Budget
E 604-49992-101 Full-Time Employees Regular	\$ 37,580	\$ 47,867
E 604-49992-102 Full-Time Employee OT	\$ -	\$ 1,000
E 604-49992-103 Part-Time Employees	\$ -	\$ 2,148
E 604-49992-121 PERA	\$ 4,766	\$ 5,310
E 604-49992-122 FICA	\$ 3,950	\$ 4,394
E 604-49992-125 Medicare	\$ 928	\$ 1,034
E 604-49992-130 Disability/Life/Dental Ins.	\$ 1,000	\$ 1,025
E 604-49992-131 Health Insurance	\$ 13,210	\$ 17,292
E 604-49992-150 Worker s Comp (GENERAL)	\$ 1,805	\$ 2,007
<i>Total Personnel</i>	<i>\$ 63,238</i>	<i>\$ 79,929</i>
E 604-49992-201 Uniforms	\$ 500	\$ 500
E 604-49992-210 Operating Supplies	\$ -	\$ 300
E 604-49992-212 Motor Fuels	\$ 1,500	\$ 1,000
E 604-49992-221 Equipment Parts	\$ 2,500	\$ 3,000
E 604-49992-303 Engineering Fees	\$ -	\$ -
E 604-49992-309 EDP, Software and Design	\$ 4,000	\$ 5,500
E 604-49992-360 Insurance (General)	\$ 650	\$ 650
E 604-49992-400 Repairs & Maint Veh/Equip	\$ 8,000	\$ 8,000
E 604-49992-405 Depreciation (GENERAL)	\$ -	\$ -
E 604-49992-440 Contractual Services	\$ 60,000	\$ 45,000
E 604-49992-550 Vehicles	\$ 13,000	\$ 1,333
E 604-49992-580 Other Equipment	\$ 10,000	\$ 10,000
<i>Other Services and Charges</i>	<i>\$ 100,150</i>	<i>\$ 67,450</i>

<i>TOTAL FUND 604 STORM WATER FUND</i>	\$163,388	\$157,379
<i>Operating surplus/(deficit)</i>	(\$62,588)	(\$56,579)

Significant Change

There is a part-time clerk that will be allocated to the water fund in 2021. As a result of the rate study, additional capital items were included in the budget that were not part of the budget in the past.

The rate study may recommend an increase in the rate, which will not take effect until the second quarter.