

**City of Ramsey**  
**Agenda**  
**City Council Work Session**  
**Tuesday, June 9, 2015**  
**5:30 pm**  
**Lake Itasca Room 7550 Sunwood Drive NW**

- 1. Call to Order**
- 2. Topics for Discussion**
  1. Receive Legislative Update
  2. Review Revised Draft Strategic Planning Documents and Vision Statement
  3. Review 2014 Comprehensive Annual Financial Report (CAFR), Management Report and Special Purpose Audit Reports.
  4. Discussion Regarding Public Safety Administrative Support
- 3. Topics for Future Discussion**
- 4. Mayor/Council/Staff Input**
- 5. Adjournment**

Meeting Date: 06/09/2015

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**Information**

**Title:**

Receive Legislative Update

**Purpose/Background:**

Purpose: To receive a legislative update.

Background: The City's legislative consultant, Elwyn Tinklenberg, of *The Tinklenberg Group*, will present a recap of the legislative session.

**Timeframe:**

**Funding Source:**

**Responsible Party(ies):**

**Outcome:**

Informational only.

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**Attachments**

*No file(s) attached.*

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**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Jo Thieling

Final Approval Date: 06/03/2015

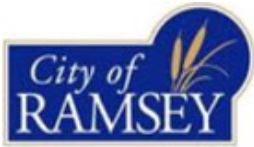
**Reviewed By**

Kurt Ulrich

**Date**

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Our Mission: To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.

**CC Work Session**

**2. 2.**

**Meeting Date:** 06/09/2015

**Submitted For:** Kurt Ulrich,

**By:**

Jo Thieling, Administrative Services

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**Information**

**Title:**

Review Revised Draft Strategic Planning Documents and Vision Statement

**Purpose/Background:**

Purpose: To review the revised DRAFT three-year strategic action plan with the City Council as well as discuss a Vision Statement for the City.

Background: Staff reviewed the DRAFT three-year strategic action plan with the City Council at a work session on March 24, 2015. Following discussion, comments/suggestions and direction of Council, the amended DRAFT three-year strategic action plan was again reviewed on April 28. Following discussion, comments/suggestions and direction of Council, the newly amended DRAFT three-year strategic action plan was reviewed by Council on May 12. Following that discussion, a few more "tweaks" were made to the three-year strategic action plan, and a final version will be distributed prior to the meeting.

Discussions have ensued relating to amending the Vision Statement for the City of Ramsey; however, no statement was decided upon. Consequently, staff will be presenting some statement options for discussion.

**Notification:**

NA

**Observations/Alternatives:**

To review the revised DRAFT three-year strategic action plan and discuss a Vision Statement.

**Funding Source:**

NA

**Recommendation:**

N/A

**Action:**

Provide feedback on the revised DRAFT strategic plan and the Vision Statement.

**NEXT STEP:** Bring the Vision Statement and the 2015-2018 Strategic Action Plan back for final adoption at a regular City Council meeting.

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## Attachments

Red Line Draft Strategic Action Plan

Draft Strategic Action Plan

Vision Statements

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### Form Review

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Final Approval Date: 06/04/2015

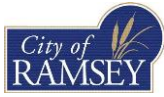
**Reviewed By**

Kurt Ulrich

**Date**

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## Strategic Action Plan 2015 – 2018

### DRAFT 06/09/15

**VISION**  
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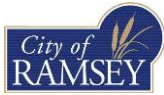
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#### Strategic Imperative I: Financial Stability

Ensure strategic economic development that complements the city's desired quality of life and builds a stable tax base, all while maintaining a low tax levy.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<i>Improve budget preparation to identify operational efficiencies and cost-savings</i>	Finance	1) An all-inclusive integrated budget document developed that will incorporate Strategic Planning items, adopted budgets, CIP, metrics, and trend information.	June 2015	December 2015	None	None	D. Lund	<ul style="list-style-type: none"> <li>Integrated budget completed for 2016</li> <li>Distinguished Budget Award received</li> </ul>
<i>Increase economic growth and development</i>	Administration	2) Sale of City-Owned Parcels that are listed for sale for economic development.	Summer 2015	Summer 2018	<p>No additional in-house human resources required.</p> <p>This will cost between \$10,000 and \$35,000 per certification (six total) in third-party professional consulting fees (legal/title, environmental, engineering, etc.).</p> <p>Staff will propose use of existing dollars from TIF Account #1.</p>	NA	P. Brama	<ul style="list-style-type: none"> <li>City owned land will be positioned: "as-competitive-as-possible" in today's real estate market.</li> <li>Removed development "unknowns" for prospects and significantly improved project timelines.</li> <li>100 % properties shovel-ready certified.</li> <li>Land sale closings above previous three year term.</li> </ul>
<i>Increase economic growth and development (cont.)</i>	Administration	3) Recruit new industry and market-ready major retail businesses to Ramsey	Ongoing	Fall 2017	<p>No additional in-house human resources required. Staff will continue to market properties with CBRE; and attain shovel ready status.</p>		P. Brama	<ul style="list-style-type: none"> <li>Secured two (2) new 30,000+ square foot retail facilities.</li> <li>Secured two (2) new 30,000+ square foot industrial facilities.</li> </ul>

**Three - Year Strategic Action Plan**



## Strategic Action Plan 2015 – 2018

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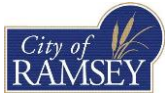
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	Administration	4) Establish new Business Park, west of Armstrong Boulevard	Spring 2016	Summer 2016	No additional in-house human resources required.  This will cost between \$10,000 and \$25,000 per certification (two total) in third-party professional consulting fees (legal/title, environmental, engineering, etc.).  Staff will propose use of existing dollars from TIF Account #1.	NA	P. Brama	<ul style="list-style-type: none"> <li>Business Park will be positioned: "as-competitive-as-possible" in today's real estate market.</li> <li>Removed development "unknowns" for prospects and significantly improved project timelines.</li> <li>Attain State of Minnesota <i>Shovel-Ready</i> Status for Business Park land parcels.</li> </ul>
	Engineering	5) Develop and plan for key infrastructure improvements (AUAR improvements, extensions of municipal utilities, and major transportation corridors): <ul style="list-style-type: none"> <li>Identify and prioritize TIF Infrastructure Improvements, including AUAR and other improvements for The COR</li> <li>Extension of City sewer and water services to 167<sup>th</sup>/Hwy 47 area.</li> <li>Mobility improvements on major transportation corridors (i.e., Highway 10, Highway 47, and County road 5).</li> </ul>	April 2015	December 2017	Anoka County coordination  Consultant expenses  Project Funding Sources – development driven tax increment funding, utility funds, grants, and funding partnerships.	Update traffic and turning movement volumes  Update estimated project costs and complete feasibility analysis	B. Westby	<ul style="list-style-type: none"> <li>Meet the COR AUAR milestones</li> <li>Scheduled prioritized projects in CIP</li> <li>Revised JPA construction schedule - Meet the scheduled milestones.</li> <li>Reviewed possible extension of sewer and water to 167<sup>th</sup> and Hwy 47 area</li> <li>Mobility improvements made to major highway corridors (i.e. US Hwy 10, Hwy 47 and CR 5)</li> </ul>

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**Strategic Action Plan 2015 – 2018**  
**DRAFT 06/09/15**

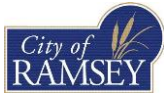
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<i>Leverage outside funding sources</i>	Administration	6) Optimize use of non-city funding through joint projects, grants and partnerships	2015	2018	<a href="#">TBD</a> None	None	K. Ulrich	<ul style="list-style-type: none"> <li>Increased grant awards</li> <li>Reduced reliance on the general fund.</li> <li>Effective grant administration</li> <li>Increased public and private partnerships</li> </ul>



## Strategic Action Plan 2015 – 2018

### DRAFT 04/28/15

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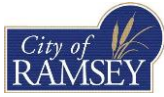
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#### Strategic Imperative II: A Connected Community

Ensure that the city is a connected city that is part of a comprehensive regional transportation system that enables all citizens to easily navigate the community and attracts business development.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<b>Improve the safety and mobility of US Highway 10</b>	Administration	7) Actively lobby State Legislature and Federal Congressional Delegation for \$120M to construct the identified Highway 10 corridor priorities	March 2015	December 2018	\$30-60K annually in Legislative liaison consultant expenses, \$5-10K travel expenses	None	K. Ulrich	<ul style="list-style-type: none"> <li>State and federal funding secured for high priority TH Highway 10 projects.</li> </ul>
	Administration	8) Introduce legislation requesting state funding for highway-rail separation at Ramsey and Sunfish Lake Blvd. rail intersections.	March 2015	May 2015	State bonding and work with City legislative liaison	None	K. Ulrich	<ul style="list-style-type: none"> <li>Allocation of up to \$10 M in state bonding for projects.</li> </ul>
	Administration	9) Initiate a regional effort to complete Preliminary Engineering for complete Preliminary Engineering and Environmental Review for all projects of the Highway 10 Study	March 2015	December 2018	State bonding and other outside funding.	None	K. Ulrich	<ul style="list-style-type: none"> <li>Preliminary Design and Engineering in regard to MNDOT TH10 Access Planning Study projects are commenced.</li> </ul>



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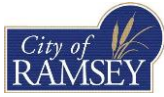
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<i>Improve the safety and mobility of US Highway 10 (Cont.)</i>	Administration	10) Develop a communications strategy in regard to Highway 10 improvements	Summer 2015	Summer 2015	No additional resources required.	This tactic will be included in the City's adopted communications plan.	P. Brama	<ul style="list-style-type: none"> <li>• 1-2 page flyer (marketing material) summary of Highway 10</li> <li>• Created project webpage on City website.</li> <li>• "Support network" of businesses and land owners willing to assist in lobbying established.</li> <li>• "Lobbying List" outlining an inventory of people the City should be communicating with (lobbying) established.</li> </ul>



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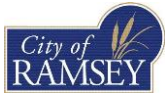
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<a href="#">Improve the safety and mobility of County Highway 5 Corridor</a>	Engineering	11) Conduct CASH 5 Corridor Study (land use and traffic integrate in cooperation with the County	April 2015	October 2017	Professional services - \$50,000 (PIR) Anoka County Coordination Construction funds		B. Westby	<ul style="list-style-type: none"> <li>Corridor study completion</li> <li>Turn-back plan completion</li> <li>Coordinated Highway 10 integration plan completion</li> <li>At least one high priority improvement project completed</li> </ul>
<a href="#">Improve the safety and mobility of MN State Hwy 47 Corridor</a>	Engineering	12) Conduct MN State Hwy 47 Study in cooperation with MNDOT and City of Anoka	April 2015	October 2017	Anoka County & MNDOT coordination Construction Funds			<ul style="list-style-type: none"> <li>Corridor study completion</li> <li>At least one high priority improvement project completed</li> </ul>
<b>Create a diverse and robust offering of recreational opportunities</b>	Public Works	134) Develop a comprehensive recreation plan that inventories existing recreation programs, services, and infrastructure at the local, regional, and national level	5/2015	10/2016	Citizen Survey (2016 - \$15,000) - recreation staffing as identified - park capital costs as identified by district	None	G. Riemer	<ul style="list-style-type: none"> <li>Present findings and recommendations in 2017 as part of budget development for 2018 implementation</li> </ul>

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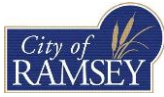
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Community Development	1424) Determine vision/Develop Plan for future parks, trails, and open space capital improvements/Update Master Park and Trail Plan	2015	2016	TBD		T. Gladhill	<ul style="list-style-type: none"> <li>• Completed Master Park and Trail Plan Update</li> <li>• CIP Aligned with Parks Plan</li> <li>• Parks improvements scheduled</li> <li>• Mississippi River Trail extended</li> <li>• Trott Brook Greenway extended</li> <li>• Armstrong Trail Completed</li> </ul>

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#### Strategic Imperative III: Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<a href="#">Improve the safety of the community</a>	<a href="#">Police</a>	15) <a href="#">Reduce illegal drug activity in the community</a>	<a href="#">June 2015</a>	<a href="#">January 2016</a>	<a href="#">Request 1 FTE Police Officer in 2016 budget to allocate to Anoka Hennepin Drug Task Force (AHDTF)</a>	<a href="#">Council approval of JPA with AHDTF</a>	<a href="#">J Katers</a>	<ul style="list-style-type: none"> <li>• <a href="#">Increased number of arrests for drug crimes</a></li> <li>• <a href="#">Maximized collaboration of Anoka Hennepin Drug Task Force by allocating staff to task force</a></li> <li>• <a href="#">Increased intelligence on drug activity</a></li> <li>• <a href="#">Reduced criminal activity in community related to drug use</a></li> <li>• <a href="#">Increased drug community awareness through community engagement of illegal drug activity</a></li> </ul>

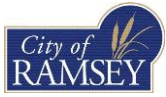
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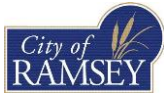
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<i>Improve the safety of the community</i>	Police	15) Consider security cameras to enhance safety and security	June 2015	February 2016	Data connections Software licenses Cameras (2016 Budget)		J. Katers	<ul style="list-style-type: none"> <li>• Visible deterrent to criminal activity</li> <li>• Reduction of Vandalism to city owned property by 40 %</li> <li>• Assisted in identification of criminal suspects</li> <li>• Provided increased sense of security in public spaces.</li> </ul>
	Administration	16) Develop a metric to ensure adequate public safety staffing levels based on quantifiable thresholds of future City's growth factors	June 2015	September 2015	None	None	K. Ulrich	<ul style="list-style-type: none"> <li>• <u>Foot Metrics</u> developed to support 2016 and future public safety staffing requests</li> </ul>



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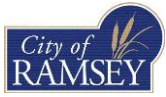
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	Police	17) Consider security cameras to enhance safety and security 17) Reduce illegal drug activity in the community	June 2015 June 2015	February 2016 January 2016	Data connections Software licenses Cameras (2016 Budget) Request 4 FTE Police Officer in 2016 budget to allocate to Anoka Hennepin Drug Task Force	Council approval of JPA with AHDTF	J. Katers	<ul style="list-style-type: none"> <li>• Visible deterrent to criminal activity</li> <li>• Reduction of Vandalism to city owned property by 10 %</li> <li>• Assisted in identification of criminal suspects</li> <li>• Provided increased sense of security in public spaces.</li> <li>• Increased number of arrests for drug crimes</li> <li>• Maximized collaboration of Anoka-Hennepin Drug Task Force by allocating staff to task force</li> <li>• Increased intelligence on drug activity</li> <li>• Reduced criminal activity in community related to drug use</li> </ul>



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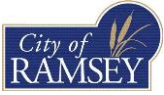
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Improve the safety of the community (cont.)	Fire	18) Expand and improve residential rental licensing program	April 2015	July 2015	None	None	D. Kapler	<ul style="list-style-type: none"> <li>• Cost Benefit analysis <u>completed</u></li> <li>• <u>Improved property maintenance</u></li> <li>• <u>Improved landlord/tenant relationships</u></li> <li>• <u>Improved public safety response must be performed as part of discussion.</u></li> <li>• <u>Where responsibilities for field work/administration would fall.</u></li> <li>• <u>Researched other communities for details of programs and success rates</u></li> <li>• <u>Council decision on Licensing.</u></li> </ul>



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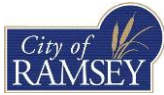
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<b>Create a strong positive image for residential neighborhoods and business districts</b>	Community Development	199) Meet or exceed community expectations in regard to response times for code complaints	2016	2016	Add a Code Enforcement Specialist for public nuisance code enforcement	None	T. Gladhill	<ul style="list-style-type: none"> <li>• <a href="#">Centralized enforcement program with consistent metrics</a></li> <li>• <a href="#">Improved communication of notices of violation</a></li> <li>• <a href="#">Improved stability of position</a></li> <li>• <a href="#">Response times of 14-30 days</a></li> <li>• <a href="#">Enhanced focus on key corridors (Highway 10 and Highway 47)</a></li> <li>• <a href="#">Eliminate duplication in data</a></li> </ul>
<b>Enhance Community Engagement</b>	Administration	2020) Create a program for citizen recognition.	June 2015	December 2015	None	None	K. Ulrich	<ul style="list-style-type: none"> <li>• Implemented citizen recognition program</li> </ul>
	Administration	211) Identify opportunities for community volunteer work	June 2015	December 2015	Volunteer Coordinator staff position	None	K. Ulrich	<ul style="list-style-type: none"> <li>• Increased citizen volunteer hours</li> </ul>

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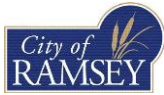
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Enhance Community Engagement (cont'd)	Community Development	22) Increase engagement opportunities in future land use decisions	2015	2018	TBD		T. Gladhill	<ul style="list-style-type: none"> <li>Adopt a citizen engagement framework for 2040 Comprehensive Plan update</li> <li>Determine appropriate scale of update to the City's Comprehensive Plan</li> <li>Complete required 2040 Comprehensive Plan update</li> </ul>
Enhance the level of customer service in Community Development	Administration	23) Evaluate staffing deployment and process effectiveness in Community Development	2016	2016	No increase in FTE. Increased salaries for re-class. Re-class PT to FT Position (\$ impact TBD)	None	C. Lasher	<ul style="list-style-type: none"> <li>10 Business Day Building Permit Plan Review</li> <li>48 Hour Inspection Window</li> <li>Centralized Permits and Licenses Division</li> <li>Improved management and ensured equity of enforcement of City-Owned properties</li> <li>Improved support to Environmental Policy Board (EPB)</li> </ul>

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## Strategic Action Plan 2015 – 2018

### DRAFT 04/28/15

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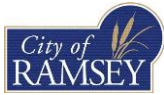
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#### Strategic Imperative III: Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Community Development	24) Improve Customer Experience for Community Development Applications & Increase Effectiveness of Staff Resources	2015	2016	\$25-50,000 for software improvements	\$2,000 for hardware	T. Gladhill	<ul style="list-style-type: none"> <li>Self Service Applications, Scheduling, and Tracking 24/7</li> <li>Immediate issuance of 'over the counter' permits</li> <li>24 Hour Inspection Window</li> <li>Centralized approval of land use requests (permitting, licensing, and code enforcement)</li> <li>Reduced or eliminated duplication of staff resources</li> </ul>
<b>Define and promote Ramsey Brand</b>	Administration	25) Develop strategy with Ramsey Brand as umbrella while still promoting sub-areas of the community (The COR, 167 <sup>th</sup> Avenue, Future Business Park, etc.)	Spring 2015	Summer 2016 Final completion tied to tactic below.	None	This tactic will be included in the City's adopted communications plan	P. Brama	<ul style="list-style-type: none"> <li>Unified marketing/communications with consistent use of Ramsey Brand (refreshed materials and policy).</li> <li>Implementation of Ramsey logo in future COR materials and signage (same for other sub-districts)</li> </ul>



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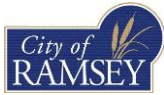
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	<a href="#">Administration</a>	<a href="#">26)</a> Acquire a ZIP Code for Ramsey	<a href="#">Spring 2015</a>	<a href="#">December 2017</a>	<a href="#">None</a>	<a href="#">None</a>	<a href="#">P. Brama</a>	<ul style="list-style-type: none"> <li><a href="#">New and unique ZIP Code assigned to Ramsey</a></li> </ul>
	Community Development	<a href="#">2627)</a> Create a community sign plan that focuses on community gateways and focal points.	2015	2016	<a href="#">None</a>	Adobe Creative Suite (\$2,000)	T. Gladhill	<ul style="list-style-type: none"> <li>Revised zoning code</li> <li>Monument signage plan for the City completed</li> <li>Tenant panel distribution policy completed</li> <li>Funding and Priority Plan</li> </ul>
<b>Improve the image of key corridors (Highway 10, CR5, and Highway 47)</b>	Community Development	<a href="#">2728)</a> Use property-owner/citizen engagement strategies to establish a Corridor Improvement Statement of Goals and Policies	2016	2016			T. Gladhill	<ul style="list-style-type: none"> <li>Adopted Statement of Goals</li> </ul>



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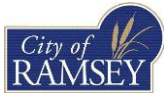
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	Community Development	<del>2829</del> Proactively Implement Corridor Improvements through public investment and code compliance initiatives.	2016	2018	0.5 FTE (Covered in Code Enforcement Section)		T. Gladhill	<ul style="list-style-type: none"> <li>30% of targeted property clean-up per year of plan</li> </ul>
<b>Ensure long-term sustainability of Public Water System</b>	Engineering	<del>2930</del> Work with neighboring cities and regulating agencies to identify regional solution(s) for sustainable water supply/water treatment facility	2015	<del>2019</del> 2018	\$30,000 for engineering consultants (update comprehensive water supply plan, complete pilot study)None	TBD	B. Westby	<ul style="list-style-type: none"> <li>Commitment to regional solution for long-term water supply               <ul style="list-style-type: none"> <li>Updated Comprehensive Water Supply Study</li> </ul> </li> <li>Active participation of neighboring cities/regulating agencies</li> </ul>
	<u>Engineering</u>	<u>31) Develop a Comprehensive Plan for City long-term water supply</u>	<u>2015</u>	<u>2016</u>	<u>None</u>	<u>TBD</u>	<u>B. Westby</u>	<ul style="list-style-type: none"> <li><u>Updated Comprehensive Water Supply Study</u></li> </ul>

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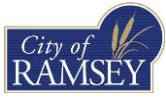
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Maintain a highly functional staff, citizen volunteers, and elected officials and governance structure that meet the increasingly ever-changing needs of the organization

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Required	Tools	Responsible Party	Key Indicators/Metrics	Outcome
<b>Develop a communications plan</b>	Administration	29) Conduct survey of City Council, Boards, Commissions, and Staff regarding desired approach to City's communication efforts.	Summer 2015	Fall 2015	No additional resources required.	None. (Online survey will be targeted)		P. Brama	<ul style="list-style-type: none"> <li>A base of information for staff and Council to utilize for developing and finalizing a formal communications plan for the City of Ramsey. Staff will develop an executive summary of results.</li> </ul>	
	Administration	30) Adopt a Formalized Communications Plan	Winter 2015	Early 2016	No additional resources required for creation of plan. Implementation of plan may require additional resources. The adopted plan will outline if/ when additional resources are needed, and for what.	Requires completion of communications survey.		P. Brama	<ul style="list-style-type: none"> <li>Council adopted communications plan.</li> <li>The adopted plan outlines specific outcome for each specific tactic.</li> </ul>	

**Three - Year Strategic Action Plan**



**Strategic Action Plan 2015 – 2018**  
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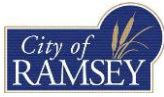
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<i>Develop a communications plan (cont.)</i>	Administration	3433) Develop a Staff recognition program	April 22, 2015 Kick-off	Ongoing				C. Lasher	<ul style="list-style-type: none"> <li>Formal Staff Recognition Program Developed and Implemented</li> <li>Staff feeling recognized and valued by peers</li> <li>Staff promoting positive accountability to our core values by peers</li> <li>Promoted teamwork and brand</li> <li>Sustained or improved morale</li> </ul>	



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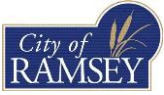
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	Administration	3234 Initiate a strategy to highlight City Employees and job duties (put a face to a name and highlight their contribution to the community)	July/Aug. 2015	Ongoing (monthly)  RR Publications as scheduled	None	None		C. Lasher	<ul style="list-style-type: none"> <li>Increased awareness of Dept. Functions. / increased staff recognition.</li> <li>Increased awareness of specific roles and specific current events / increased staff recognition.</li> <li>Promoted Ramsey Brand / increased staff recognition.</li> </ul>	
<b>Continue to implement process improvement initiatives</b>	Administration	3335 Review existing events and consider reducing where appropriate (i.e. Spring EDA Business Expo)	June 2015	September 2015	None	None		K. Ulrich	<ul style="list-style-type: none"> <li>Status of each City event (i.e., include or not) in 2016 budget determined</li> </ul>	



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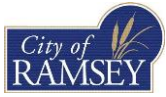
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<i>Plan for public facilities to meet City's growth</i>	Finance	3436 Identify capital cost of PW facility based upon space needs study. Create a funding and implementation plan for a new public works campus	2015	2016	None	None	D. Lund	<ul style="list-style-type: none"> <li>• Decision by Council on timing and amount of debt for the new Public Works facility.</li> <li>• Provided long-term solution for the effective and efficient delivery of Public Works services for Ramsey Residents.</li> <li>• Increased efficiency by consolidation of equipment on one site.</li> <li>• Increased efficiency in equipment maintenance.</li> <li>• Eliminated overcrowding at present site.</li> <li>• Improved security for Public works equipment.</li> <li>• Eliminated outdoor storage</li> </ul>
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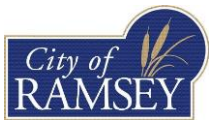
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Required	Tools	Responsible Party	Key Indicators/Metrics	Outcome
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# Strategic Action Plan 2015 – 2018

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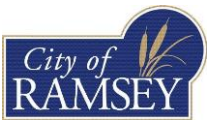
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### Strategic Imperative I: Financial Stability

Ensure strategic economic development that complements the city’s desired quality of life and builds a stable tax base, all while maintaining a low tax levy.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<b>Improve budget preparation to identify operational efficiencies and cost-savings</b>	Finance	1) An all-inclusive integrated budget document developed that will incorporate Strategic Planning items, adopted budgets, CIP, metrics, and trend information.	June 2015	December 2015	None	None	D. Lund	<ul style="list-style-type: none"> <li>Integrated budget completed for 2016</li> <li>Distinguished Budget Award received</li> </ul>
<b>Increase economic growth and development</b>	Administration	2) Sale of City-Owned Parcels that are listed for sale for economic development.	Summer 2015	Summer 2018	<p>No additional in-house human resources required.</p> <p>This will cost between \$10,000 and \$35,000 per certification (six total) in third-party professional consulting fees (legal/title, environmental, engineering, etc.).</p> <p>Staff will propose use of existing dollars from TIF Account #1.</p>	NA	P. Brama	<ul style="list-style-type: none"> <li>City owned land will be positioned: “as-competitive-as-possible” in today’s real estate market.</li> <li>Removed development “unknowns” for prospects and significantly improved project timelines.</li> <li>100 % properties shovel-ready certified.</li> <li>Land sale closings above previous three year term.</li> </ul>
<b>Increase economic growth and development (cont.)</b>	Administration	3) Recruit new industry and market-ready major retail businesses to Ramsey	Ongoing	Fall 2017	<p>No additional in-house human resources required. Staff will continue to market properties with CBRE; and attain shovel ready status.</p>		P. Brama	<ul style="list-style-type: none"> <li>Secured two (2) new 30,000+ square foot retail facilities.</li> <li>Secured two (2) new 30,000+ square foot industrial facilities.</li> </ul>



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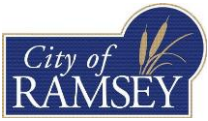
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Administration	4) Establish new Business Park, west of Armstrong Boulevard	Spring 2016	Summer 2016	No additional in-house human resources required.  This will cost between \$10,000 and \$25,000 per certification (two total) in third-party professional consulting fees (legal/title, environmental, engineering, etc.).  Staff will propose use of existing dollars from TIF Account #1.	NA	P. Brama	<ul style="list-style-type: none"> <li>Business Park will be positioned: “as-competitive-as-possible” in today’s real estate market.</li> <li>Removed development “unknowns” for prospects and significantly improved project timelines.</li> <li>Attain State of Minnesota <i>Shovel-Ready</i> Status for Business Park land parcels.</li> </ul>
	Engineering	5) Develop and plan for key infrastructure improvements (AUAR improvements, extensions of municipal utilities, and major transportation corridors.	April 2015	December 2017	Anoka County coordination  Consultant expenses  Project Funding Sources – development driven tax increment funding, utility funds, grants, and funding partnerships.	Update traffic and turning movement volumes  Update estimated project costs and complete feasibility analysis	B. Westby	<ul style="list-style-type: none"> <li>Meet the COR AUAR milestones</li> <li>Scheduled prioritized projects in CIP</li> <li>Revised JPA construction schedule - Meet the scheduled milestones.</li> <li>Reviewed possible extension of sewer and water to 167<sup>th</sup> and Hwy 47 area</li> <li>Mobility improvements made to major highway corridors (i.e. US Hwy 10, Hwy 47 and CR 5)</li> </ul>



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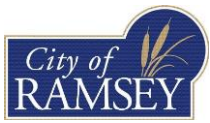
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<i>Leverage outside funding sources</i>	Administration	6) Optimize use of non-city funding through joint projects, grants and partnerships	2015	2018	TBD	None	K. Ulrich	<ul style="list-style-type: none"> <li>• Increased grant awards</li> <li>• Reduced reliance on the general fund.</li> <li>• Effective grant administration</li> <li>• Increased public and private partnerships</li> </ul>



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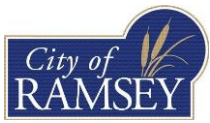
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Ensure that the city is a connected city that is part of a comprehensive regional transportation system that enables all citizens to easily navigate the community and attracts business development.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<i>Improve the safety and mobility of US Highway 10</i>	Administration	7) Actively lobby State Legislature and Federal Congressional Delegation for \$120M to construct the identified Highway 10 corridor priorities	March 2015	December 2018	\$30-60K annually in Legislative liaison consultant expenses, \$5-10K travel expenses	None	K. Ulrich	<ul style="list-style-type: none"> <li>State and federal funding secured for high priority TH Highway 10 projects.</li> </ul>
	Administration	8) Introduce legislation requesting state funding for highway-rail separation at Ramsey and Sunfish Lake Blvd. rail intersections.	March 2015	May 2015	State bonding and work with City legislative liaison	None	K. Ulrich	<ul style="list-style-type: none"> <li>Allocation of up to \$10 M in state bonding for projects.</li> </ul>
	Administration	9) Initiate a regional effort to complete Preliminary Engineering and Environmental Review for all projects of the Highway 10 Study	March 2015	December 2018	State bonding and other outside funding.	None	K. Ulrich	<ul style="list-style-type: none"> <li>Preliminary Design and Engineering in regard to MNDOT TH10 Access Planning Study projects are commenced.</li> </ul>



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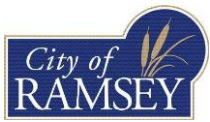
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<i>Improve the safety and mobility of US Highway 10 (Cont.)</i>	Administration	10) Develop a communications strategy in regard to Highway 10 improvements	Summer 2015	Summer 2015	No additional resources required.	This tactic will be included in the City's adopted communications plan.	P. Brama	<ul style="list-style-type: none"> <li>1-2 page flyer (marketing material) summary of Highway 10</li> <li>Created project webpage on City website.</li> <li>"Support network" of businesses and land owners willing to assist in lobbying established.</li> <li>"Lobbying List" outlining an inventory of people the City should be communicating with (lobbying) established.</li> </ul>
<i>Improve the safety and mobility of County Highway 5 Corridor</i>	Engineering	11) Conduct CASH 5 Corridor Study (land use and traffic integrate in cooperation with the County	April 2015	October 2017	Professional services - \$50,000 (PIR)  Anoka County Coordination  Construction funds		B. Westby	<ul style="list-style-type: none"> <li>Corridor study completion</li> <li>At least one high priority improvement project completed</li> </ul>



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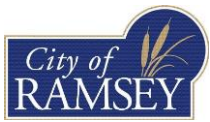
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<i>Improve the safety and mobility of MN State Hwy 47 Corridor</i>	Engineering	12) Conduct MN State Hwy 47 Study in cooperation with MNDOT and City of Anoka	April 2015	October 2017	Anoka County & MNDOT coordination  Construction Funds			<ul style="list-style-type: none"> <li>Corridor study completion</li> <li>At least one high priority improvement project completed</li> </ul>
<i>Create a diverse and robust offering of recreational opportunities</i>	Public Works	13) Develop a comprehensive recreation plan that inventories existing recreation programs, services, and infrastructure at the local, regional, and national level	5/2015	10/2016	Citizen Survey (2016 - \$15,000) - recreation staffing as identified -park capital costs as identified by district	None	G. Riemer	<ul style="list-style-type: none"> <li>Present findings and recommendations in 2017 as part of budget development for 2018 implementation</li> </ul>
	Community Development	14) Develop Plan for future parks, trails, and open space capital improvements	2015	2016	TBD		T. Gladhill	<ul style="list-style-type: none"> <li>Completed Master Park and Trail Plan Update</li> <li>CIP Aligned with Parks Plan</li> </ul>



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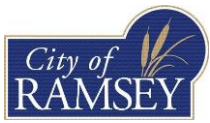
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
Improve the safety of the community	Police	15) Reduce illegal drug activity in the community	June 2015	January 2016	Request 1 FTE Police Officer in 2016 budget to allocate to Anoka Hennepin Drug Task Force (AHDTF)	Council approval of JPA with AHDTF	J Katers	<ul style="list-style-type: none"> <li>Increased number of arrests for drug crimes</li> <li>Maximized collaboration of Anoka Hennepin Drug Task Force by allocating staff to task force</li> <li>Increased intelligence on drug activity</li> <li>Reduced criminal activity in community related to drug use</li> <li>Increased community awareness of illegal drug activity</li> </ul>
	Administration	16) adequate public safety staffing based on City's growth factors	June 2015	September 2015	None	None	K. Ulrich	<ul style="list-style-type: none"> <li>Metrics developed to support 2016 and future public safety staffing requests</li> </ul>



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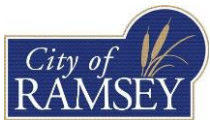
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### Strategic Imperative III: Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment.

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Police	17) Consider security cameras to enhance safety and security	June 2015	February 2016	Data connections Software licenses. Cameras (2016 Budget)		J. Katers	<ul style="list-style-type: none"> <li>Visible deterrent to criminal activity</li> <li>Reduction of Vandalism to city owned property by 10 %</li> <li>Assisted in identification of criminal suspects</li> <li>Provided increased sense of security in public spaces.</li> </ul>
<b>Improve the safety of the community (cont.)</b>	Fire	18) Expand and improve residential rental licensing program	April 2015	July 2015	None	None	D. Kapler	<ul style="list-style-type: none"> <li>Cost Benefit analysis completed</li> <li>Improved property maintenance</li> <li>Improved landlord/tenant relationships</li> <li>Improved public safety response</li> </ul>



# Strategic Action Plan 2015 – 2018

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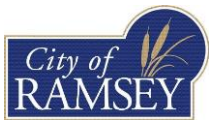
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<b>Create a strong positive image for residential neighborhoods and business districts</b>	Community Development	19) Meet or exceed community expectations in regard to response times for code complaints	2016	2016	Add a Code Enforcement Specialist for public nuisance code enforcement	None	T. Gladhill	<ul style="list-style-type: none"> <li>Centralized enforcement program with consistent metrics</li> <li>Improved communication of notices of violation</li> <li>Response times of 14-30 days</li> <li>Enhanced focus on key corridors (Highway 10 and Highway 47)</li> <li>Eliminate duplication in data</li> </ul>
<b>Enhance Community Engagement</b>	Administration	20) Create a program for citizen recognition.	June 2015	December 2015	None	None	K. Ulrich	<ul style="list-style-type: none"> <li>Implemented citizen recognition program</li> </ul>



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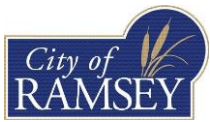
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Administration	21) Identify opportunities for community volunteer work	June 2015	December 2015	Volunteer Coordinator staff position	None	K. Ulrich	<ul style="list-style-type: none"> <li>Increased citizen volunteer hours</li> </ul>
<b>Enhance Community Engagement (cont'd)</b>	Community Development	22) Increase engagement opportunities in future land use decisions	2015	2018	TBD		T. Gladhill	<ul style="list-style-type: none"> <li>Adopt a citizen engagement framework for 2040 Comprehensive Plan update</li> <li>Determine appropriate scale of update to the City's Comprehensive Plan</li> <li>Complete required 2040 Comprehensive Plan update</li> </ul>



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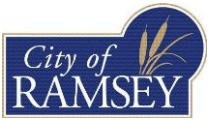
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<b>Enhance the level of customer service in Community Development</b>	Administration	23) Evaluate staffing deployment and process effectiveness in Community Development	2016	2016	Re-class PT to FT Position (\$ impact TBD)	None	C. Lasher	<ul style="list-style-type: none"> <li>• 10 Business Day Building Permit Plan Review</li> <li>• 48 Hour Inspection Window</li> <li>• Centralized Permits and Licenses Division</li> <li>• Improved management and ensured equity of enforcement of City-Owned properties</li> <li>• Improved support to Environmental Policy Board (EPB)</li> </ul>



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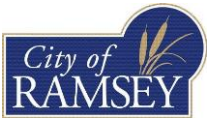
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Community Development	24) Improve Customer Experience for Community Development Applications & Increase Effectiveness of Staff Resources	2015	2016	\$25-50,000 for software improvements	\$2,000 for hardware	T. Gladhill	<ul style="list-style-type: none"> <li>• Self Service Applications, Scheduling, and Tracking 24/7</li> <li>• Immediate issuance of 'over the counter' permits</li> <li>• 24 Hour Inspection Window</li> <li>• Centralized approval of land use requests (permitting, licensing, and code enforcement)</li> <li>• Reduced or eliminated duplication of staff resources</li> </ul>



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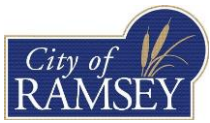
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<b>Define and promote Ramsey Brand</b>	Administration	25) Develop strategy with Ramsey Brand as umbrella while still promoting sub-areas of the community (The COR, 167 <sup>th</sup> Avenue, Future Business Park, etc.)	Spring 2015	Summer 2016  Final completion tied to tactic below.	None	This tactic will be included in the City's adopted communications plan	P. Brama	<ul style="list-style-type: none"> <li>Unified marketing/communications with consistent use of Ramsey Brand (refreshed materials and policy).</li> <li>Implementation of Ramsey logo in future COR materials and signage (same for other sub-districts)</li> </ul>
	Administration	26) Acquire a ZIP Code for Ramsey	Spring 2015	December 2017	None	None	P. Brama	<ul style="list-style-type: none"> <li>New and unique ZIP Code assigned to Ramsey</li> </ul>



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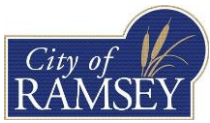
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
	Community Development	27) Create a community sign plan that focuses on community gateways and focal points.	2015	2016	None	Adobe Creative Suite (\$2,000)	T. Gladhill	<ul style="list-style-type: none"> <li>Revised zoning code</li> <li>Monument signage plan for the City completed</li> <li>Tenant panel distribution policy completed</li> <li>Funding and Priority Plan</li> </ul>
<b>Improve the image of key corridors (Highway 10, CR5, and Highway 47)</b>	Community Development	28) Use property-owner/ citizen engagement strategies to establish a Corridor Improvement Statement of Goals and Policies	2016	2016			T. Gladhill	<ul style="list-style-type: none"> <li>Adopted Statement of Goals</li> </ul>
	Community Development	29) Proactively Implement Corridor Improvements through public investment and code compliance initiatives.	2016	2018	0.5 FTE (Covered in Code Enforcement Section)		T. Gladhill	<ul style="list-style-type: none"> <li>30% of targeted property clean-up per year of plan</li> </ul>



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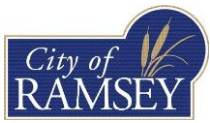
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Tools Required	Responsible Party	Key Outcome Indicators/Metrics
<b>Ensure long-term sustainability of Public Water System</b>	Engineering	30) Work with neighboring cities and regulating agencies to identify regional solution(s) for sustainable water supply/water treatment facility	2015	2018	None	TBD	B. Westby	<ul style="list-style-type: none"> <li>Commitment to regional solution for long-term water supply</li> <li>Active participation of neighboring cities/regulating agencies</li> </ul>
	Engineering	31) Develop a Comprehensive Plan for City long-term water supply	2015	2016	None	TBD	B. Westby	<ul style="list-style-type: none"> <li>Updated Comprehensive Water Supply Study</li> </ul>



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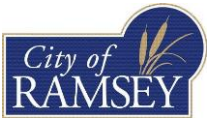
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**Strategic Imperative IV: An Effective Organization**

Maintain a highly functional staff, citizen volunteers, and elected officials and governance structure that meet the increasingly ever-changing needs of the organization

Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Required	Tools	Responsible Party	Key Indicators/Metrics	Outcome
<i>Develop a communications plan</i>										
	Administration	32) Adopt a Formalized Communications Plan	Winter 2015	Early 2016	No additional resources required for creation of plan. Implementation of plan may require additional resources. The adopted plan will outline if/ when additional resources are needed, and for what.	Requires completion of communications survey.		P. Brama	<ul style="list-style-type: none"> <li>Council adopted communications plan.</li> <li>The adopted plan outlines specific outcome for each specific tactic.</li> </ul>	



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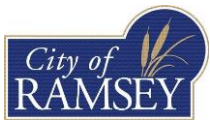
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Required	Tools	Responsible Party	Key Indicators/Metrics	Outcome
<i><b>Develop a communications plan (cont.)</b></i>	Administration	33) Develop a Staff recognition program	April 22, 2015 Kick-off	Ongoing				C. Lasher	<ul style="list-style-type: none"> <li>• Formal Staff Recognition Program Developed and Implemented</li> <li>• Staff feeling recognized and valued by peers</li> <li>• Staff promoting positive accountability to our core values by peers</li> <li>• Promoted teamwork and brand</li> <li>• Sustained or improved morale</li> </ul>	



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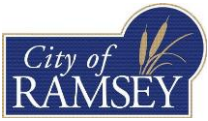
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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Required	Tools	Responsible Party	Key Indicators/Metrics	Outcome
	Administration	34) Initiate a strategy to highlight City Employees and job duties (put a face to a name and highlight their contribution to the community)	July/Aug. 2015	Ongoing (monthly)  RR Publications as scheduled	None	None		C. Lasher	<ul style="list-style-type: none"> <li>Increased awareness of Dept. Functions. / increased staff recognition.</li> <li>Increased awareness of specific roles and specific current events / increased staff recognition.</li> <li>Promoted Ramsey Brand / increased staff recognition.</li> </ul>	
<b>Continue to implement process improvement initiatives</b>	Administration	35) Review existing events and consider reducing where appropriate (i.e. Spring EDA Business Expo)	June 2015	September 2015	None	None		K. Ulrich	<ul style="list-style-type: none"> <li>Status of each City event (i.e., include or not) in 2016 budget determined</li> </ul>	



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Strategic Initiative	Department	Tactics	Initiation Date	Completion Date	Additional Resources Required	Additional Required	Tools	Responsible Party	Key Indicators/Metrics	Outcome
<i>Plan for public facilities to meet City's growth</i>	Finance	36) Identify capital cost of PW facility based upon space needs study. Create a funding and implementation plan for a new public works campus	2015	2016	None	None		D. Lund	<ul style="list-style-type: none"> <li>Decision by Council on timing and amount of debt for the new Public Works facility.</li> </ul>	

MEMO

To: Mayor and City Council

From: Kurt Ulrich, City Administrator

Date: June 9, 2015

Subject: Vision Statement

**Purpose**

The purpose of this case is to discuss and determine a vision statement, or draft vision statement, to be incorporate in the City's recent three-year strategic plan.

**Background**

In 2013, the City Council and staff completed the following visionary structure that included a working mission statement, working vision statement, guiding principles, and organizational values.

VISIONARY STRUCTURE

**In 2006, the City of Ramsey launched Ramsey3, an innovative grassroots initiative dedicated to imagining the future of Ramsey. This collaborative process provided the visionary framework for the city. The Strategic Planning Committee determined that it would be helpful to supplement the City's visions with a visionary structure that was focused on a three to five year period to address the pressing issues facing the city.**

**To address the lack of trust and ensure that the city operates in a transparent and open environment, the following documents were also developed: guiding principles, city's organization values, code of conduct, and roles and responsibilities for elected officials, appointed commission members, staff, and consultants.**

Three-Year Working Mission Statement

***To work together to responsibly grow our community, and to provide quality, cost-effective, and efficient government services.***

Three-Year Working Vision Statement

**Achieve economic vitality with strategic infrastructure investments through market-driven growth.**

#### **OUR GUIDING PRINCIPLES**

**The elected officials, appointed commission members and staff will:**

- 1. Ensure responsiveness to the public (residents, business owners, taxpayers) that fosters an atmosphere of communication within and outside the organization.**
- 2. Ensure alignment of goals and resources.**
- 3. Take personal ownership for the success of the City of Ramsey.**
- 4. Operate with clear roles, responsibilities, authority, and accountability.**
- 5. Operate in a transparent environment.**
- 6. Strive for “win-win” strategic thinking and planning under which interests and objectives of the city, commissions, and departments are considered; avoid personal agendas and department and commission turf protection.**
- 7. Take action based upon objective analysis of the facts.**

#### **OUR CITY’S ORGANIZATIONAL VALUES**

**We commit to:**

##### **ETHICS AND INTEGRITY**

**We believe that ethics and integrity are the foundation blocks of public trust and confidence and that all meaningful relationships are built on these values.**

##### **FISCAL RESPONSIBILITY**

**We believe that fiscal responsibility and the prudent stewardship of public funds are essential for citizen confidence in government.**

##### **COOPERATION AND TEAMWORK**

**We believe that the public is best served when elected officials, departments, commission members, and employees work cooperatively as a team in a trusting environment.**

##### **OPEN AND HONEST COMMUNICATIONS**

**We believe that open and honest communication is essential for an informed and involved citizenry, to build trust, and to foster a positive working environment for employees.**

##### **EXCELLENCE AND QUALITY IN THE DELIVERY OF SERVICES**

**We believe that service to the public is our reason for being and strive to deliver quality services in a highly professional and cost-effective manner.**

##### **TREATING PEOPLE WITH RESPECT AND FAIRNESS**

**We believe that all people are to be treated with courtesy and respect and deserve the best service we can provide. Decisions are to be fair and based upon the interest of the whole community.**

## ADAPTABILITY AND CONTINUOUS LEARNING


We believe that individuals need to be adaptable to changing environments and circumstances. Continuous learning, education and training of our elected and appointed officials and employees enables us to better recognize current opportunities, anticipate change, and prepare for the future.

## 2015 Strategic Planning

During the course of our 2015, the Council and staff leadership team reaffirmed our mission and our major goals of: *financial stability, a connected community, smart, citizen-focused government, and an effective organization.*

Some time was spent discussing and shaping a vision for the community. This work included defining a big, hairy, audacious goal (BHAG), and providing descriptions of what the City would look like if it achieved this big goal 10-30 years from now. However, we stopped short of development a vision statement to include in the plan.

## CITY OF RAMSEY VISION

	TEAM 1	TEAM 2	TEAM 3	TEAM 4
<p><b>BHAG</b></p> <p>Big, hairy, audacious goal that revs up our city (goal that may take 10-30 years to achieve).</p>	<p>Create a community that connects a variety of quality destinations that balance the gifts of natural beauty, rural character and economic vitality.</p>	<p>HUB and sustainable community.</p> 	<p>A national leader in municipal services.</p>	<p>Move the reputation of Ramsey as a sleepy bedroom community toward vibrant workplace destination community.</p>
<p><b>VIVID DESCRIPTIONS</b></p> <p>Paint a picture of what it will be like to achieve the BHAG.</p>	<ul style="list-style-type: none"> <li>• Highways 10, 47 and river crossing.</li> <li>• Sustained tax rate.</li> <li>• Design and viewshed.</li> <li>• Some rural, some urban.</li> <li>• Quiet, safe neighborhoods and privacy.</li> <li>• Trees and yards.</li> <li>• Close, but not too close.</li> <li>• Mix of uses and destinations.</li> <li>• Sustained and well-maintained landscape.</li> <li>• Variety of design.</li> <li>• Pedestrian crossing.</li> <li>• Trust Brook Greenway.</li> <li>• Engaged citizens.</li> </ul>	<ul style="list-style-type: none"> <li>• Safety – maintain level of safety and grade crossings.</li> <li>• Key part MRT and other river recreation activities, athletics, game fair, and golf.</li> <li>• COR developed, vibrant.</li> <li>• In demand business parks.</li> <li>• Transportation corridors upgrade and smoothly – Highways 10 and 47.</li> </ul>	<ul style="list-style-type: none"> <li>• Higher than the national benchmark in all quality of life measures.</li> <li>• Nationally recognized (e.g. money, magazine, #1 “Best Places to Live” Fortune).</li> </ul>	<ul style="list-style-type: none"> <li>• Tax base growth of 3%.</li> <li>• Population growth by X% yearly – influenced by market.</li> <li>• Infrastructure to support safety response in line with growth.</li> <li>• Parks and recreation become life cycle experiences.</li> <li>• Shift the balance ratio of commuter population with workforce population from 80/20 to 60/40.</li> </ul>

## Forming a Vision

The vision statement for the City of Ramsey should be a relatively concise statement of how we see the community in the future (in the next say 10 years), if we have been successful in accomplishing our strategic plan. With that in mind, here are some sample vision statements for Ramsey:

### Vision Statement

- *The City of Ramsey is a progressive community that balances natural beauty with the conveniences and opportunities of modern urban life.*
- *The City of Ramsey is a prosperous and fiscally-sound community committed to providing the highest quality of life for its residents. Ramsey is a City that provides a great place to live in comfort and security, raise a family, and grow a business.*
- *The City of Ramsey is a progressive community committed to creating the highest quality of life for its residents. We provide a great place to raise your family, grow your business, and to live a great life.*
- *Ramsey is a progressive City that balances a unique combination of rural beauty and urban economic vitality to create a sustainable community.*
- *Ramsey is a leader in municipal services and a vibrant community, of rural and suburban character, with well-connected destinations.*
- *Ramsey is a City that has achieved economic vitality with strategic infrastructure investments through market-driven growth.*
- \_\_\_\_\_  
\_\_\_\_\_ (yours)

Obviously, there is no right or wrong answer, but the vision statement should try to capture the essence and character of the future community that we are building now. Attached is an article to provide additional reference for the purpose and scope of a mission statement.

# What Is a Vision Statement?

By Katherine Arline, Business News Daily Contributor December 11, 2014

A carefully crafted vision statement can help you communicate your company's goals to employees and management in a single sentence or a few concise paragraphs. While a well-thought-out statement may take a few days or weeks to craft, the result will be a tool that helps inspire strategic decision making and product development for your business for years to come.

Why is this important if your company is already successful? According to a recent study that appeared in the [Harvard Business Review](#), up to 70 percent of employees do not understand their company's strategy. Failure to understand your company's position can lead to poor decision making at all levels of an organization. For that reason, the first step toward crafting a vision statement is to take a careful look at where you are as a company, your place in the industry and your realistic goals for the intermediate and long term.

Vision statements are aspirational; they lay out the most important primary goals for a company. Unlike [business plans](#), vision statements generally don't outline a plan to achieve those goals. But by outlining the key objectives for a company, they enable the company's employees to develop business strategies to achieve the stated goals. With a single unifying vision statement, employees are all on the same page and can be more productive.

Linsi Brownson, founder and creative director of business strategy group [Spark Collaborative](#), said a vision statement is an opportunity to revisit what first fueled your interest in starting or owning the business. "The best way to begin is to reflect on some of the most significant events or ideas that have impacted the company so far," Brownson said. "It often dates back to the owner's childhood interests or experiences that ignited a passion, which ultimately led to the creation of the company."

So, what should a vision statement contain? "A high-quality and inspiring vision statement for a small business should have two key characteristics: It needs to state where the company wants to be in the near future, and it also must have a level of excitement and motivation to it," said Andrew Schrage, founder and CEO of financial consulting firm [Money Crashers](#). "Use your company-culture description for more details on the goals and direction of your business."

## **Vision statement vs. mission statement**

A vision statement should not be confused with a [mission statement](#). Mission statements are present-based statements designed to convey a sense of why the company exists to both members of the company and the external community. Vision statements are future-based and are meant to inspire and give direction to the employees of the company, rather than to customers. A mission statement answers the question, "Why does my business exist?" while a vision statement answers the question, "Where do I see my business going?"

"I view a 'business vision' as a combination of both aspirational and tangible goals," Brownson said. "A mission statement is intended to clarify the 'what' and 'who' of a company, but a vision statement adds the 'why' and 'how' as well."

As a company grows, its objectives and goals may change. Therefore, vision statements should be revised as needed to reflect the changing business culture as goals are met. However, when you're writing the vision statement, you should approach it as a document that will last at least several years, said [Tiffany Silverberg](#), a professional writer and editor for businesses.

Silverberg noted that a vision statement should go beyond profit margins and internal benefits and look toward the long-term effect they want to have on their customer base, their industry, the economy and/or the environment.

### **How to write a vision statement**

Writing your vision statement is a time for creativity, ambition and fun, but the task should be approached seriously. "There is a process to this, and it's not usually quick or simple," Brownson said. "The best way to begin is to reflect on some of the most significant events or ideas that have impacted the company. It often dates back to the owner's childhood interests or experiences that ignited a passion, which ultimately led to the creation of the company."

To get started, dream big and make a list. Don't worry about practicality for now — what initially looks impossible could be achieved down the road with the right team and technologies. Brainstorm with a group of employees to visualize where you may see yourselves in the midterm and long-term future.

"Identify some core values that have been brought to the organization," Brownson said. "Then, pose the questions, 'What do we do right now that aligns with these values? Where are we not aligned with these values? How can we stay aligned with these values as we grow over the next five years, 10 years?' Those questions address your current situation, for better and worse, and help identify the bigger-picture vision."

Next, ask yourself what problems your company hopes to solve in the next few years. What does your company hope to achieve? Who is your target customer base, and what do you want to do for them?

"Based on your responses to these questions, ask yourself what success will look like if you accomplish those things," said Jené Kapela, owner and founder of [Jené Kapela Leadership Solutions](#). "This answer should shape your vision statement."

Roy Farmer, owner of leisure-product company [Allstate Home Leisure](#), recommends writing an imperfect first draft "from the heart," and then choosing the elements from that draft that really speak to you. Consolidate and review the list, and then rewrite, he said.

"Repeat this process a few times, until you feel like it's done," Farmer told Business News Daily. "Then, take your statement to people you respect and trust. Ask them what they think, but be

prepared for both positive and negative feedback."

Another strategy to follow when writing your vision statement is to imagine that your company will be appearing in a publication in five to 10 years.

"Draft out a short article describing your business in this projected future," advised Neil Desai, director of marketing agency [Dynamic Digital](#). "What has been its biggest accomplishment? How many employees does it have? What is its net worth? How does your company compare to its rivals? Go all out, even if it's unrealistic."

Asking a professional for help might be appropriate in some situations, Brownson added. "People are usually resistant to the first [brainstorming] part of the exercise, but that's actually the easiest and most fun," she said. "The hard part is distilling it into a phrase that is flexible, consistent and concise. Internal issues and marketing or sales issues are often a sign of a vision disconnect. That may be a great time to bring in a professional!"

### **Tips for crafting your vision statement**

Vision statements should stretch the imagination while providing direction and clarity. A good vision statement will help inform direction and set priorities while challenging employees to grow. It's important that the vision statement be compelling not just to the high-level execs of your company, but to all employees.

Here are some tips to keep in mind:

- When describing goals, project five to 10 years in the future.
- Dream big, and focus on success.
- Use the present tense.
- Use clear, concise language.
- Infuse your vision statement with passion and emotion.
- Paint a graphic mental picture of the business you want.
- Have a plan to communicate your vision statement to your employees.
- Be prepared to commit time and resources to the vision you establish.

Your completed vision statement will give your employees a clear idea of your company's path forward. Then, it's up to you to nurture and support that vision and to inspire your employees to do the same.

*Elaine J. Hom also contributed to this story.*

Meeting Date: 06/09/2015

---

**Information**

**Title:**

Review 2014 Comprehensive Annual Financial Report (CAFR), Management Report and Special Purpose Audit Reports.

**Purpose/Background:**

The city's 2014 annual report has been completed. Aaron Nielsen from the auditing firm of MMKR will be present to review the 2014 Comprehensive Annual Financial Report (CAFR), Management Report that provides auditors comments on audit process and the Special Purpose Audit Reports that reports on internal controls and legal compliance.

Mr. Nielsen will also be making a brief presentation of the audit report at the regularly scheduled council meeting.

The receipt of the 2014 CAFR and the request for submittal of the CAFR to the Governmental Finance Officers Association for the Certificate of Achievement in Financial Reporting (upon approval, it will be the 21st consecutive year) has been placed on the Consent Agenda of tonight's meeting.

**Timeframe:**

30 Minutes

**Funding Source:**

Auditing services are funded under the Finance Department's budget.

**Responsible Party(ies):**

Finance

**Outcome:**

Presentation of the CAFR, Management Report and Special Purpose Audit Reports by the City's Auditing Firm - MMKR

---

**Attachments**

[2014 Comprehensive Annual Financial Report \(CAFR\)](#)

[2014 Audit Management Report](#)

[2014 Audit Special Purpose Report](#)

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**Form Review**

**Inbox**

Kurt Ulrich

Form Started By: Diana Lund

Final Approval Date: 06/03/2015

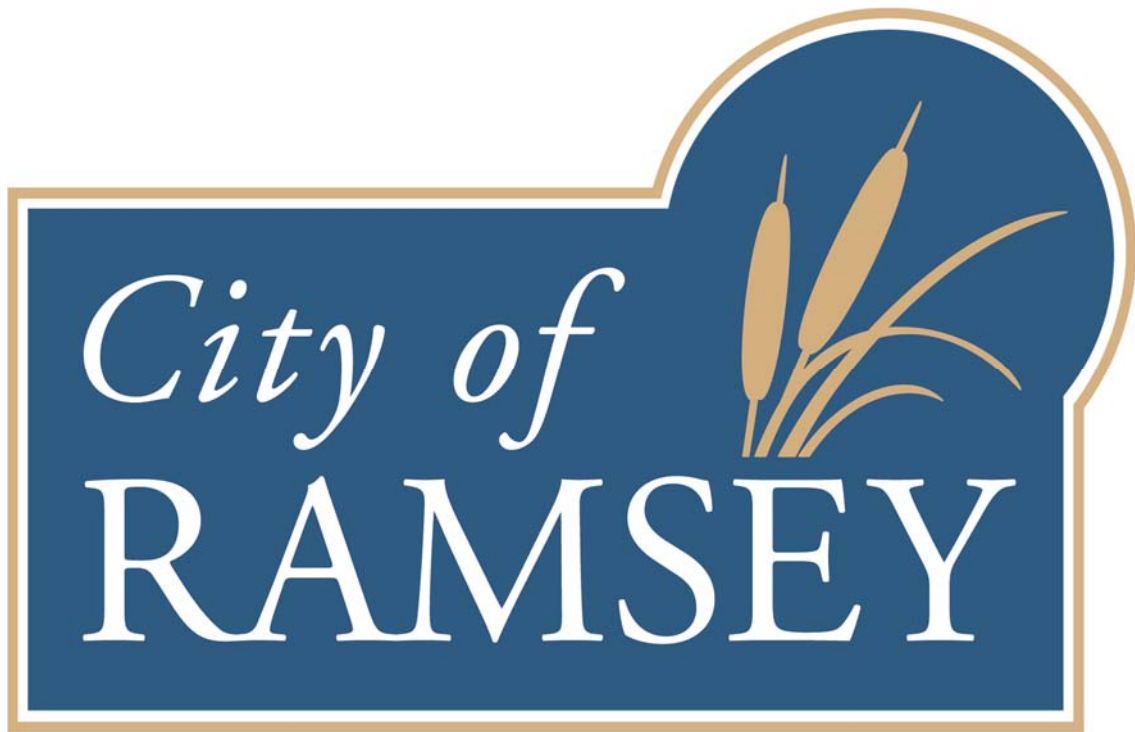
**Reviewed By**

Kurt Ulrich

**Date**

06/03/2015 04:07 PM

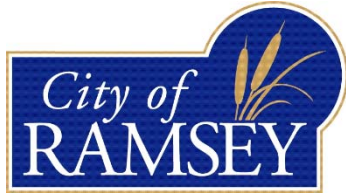
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*Minnesota*

*Comprehensive  
Annual Financial Report*

*For the fiscal year December 31, 2014*



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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

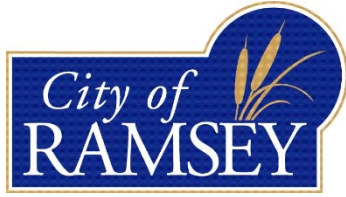
Comprehensive Annual Financial Report  
For Year Ended  
December 31, 2014

Prepared by  
Finance Department

Diana Lund  
Finance Director

and

Denelle McAlpine  
Assistant Finance Director



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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

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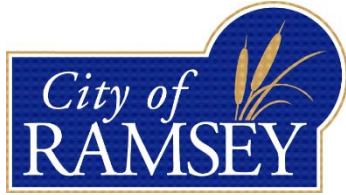
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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

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INTRODUCTORY SECTION



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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

City Council and Other Officials  
Year Ended December 31, 2014

**CITY COUNCIL**

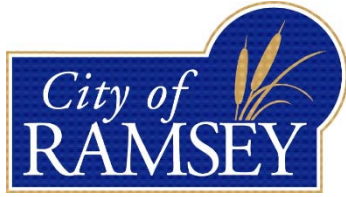
Sarah Strommen	Mayor
Randy Backous	Councilmember
Jill Johns	Councilmember
Mark Kuzma	Councilmember
John LeTourneau	Councilmember
Chris Riley	Councilmember
Jason Tossey	Councilmember

**CITY OFFICIALS**

Kurt Ulrich	City Administrator
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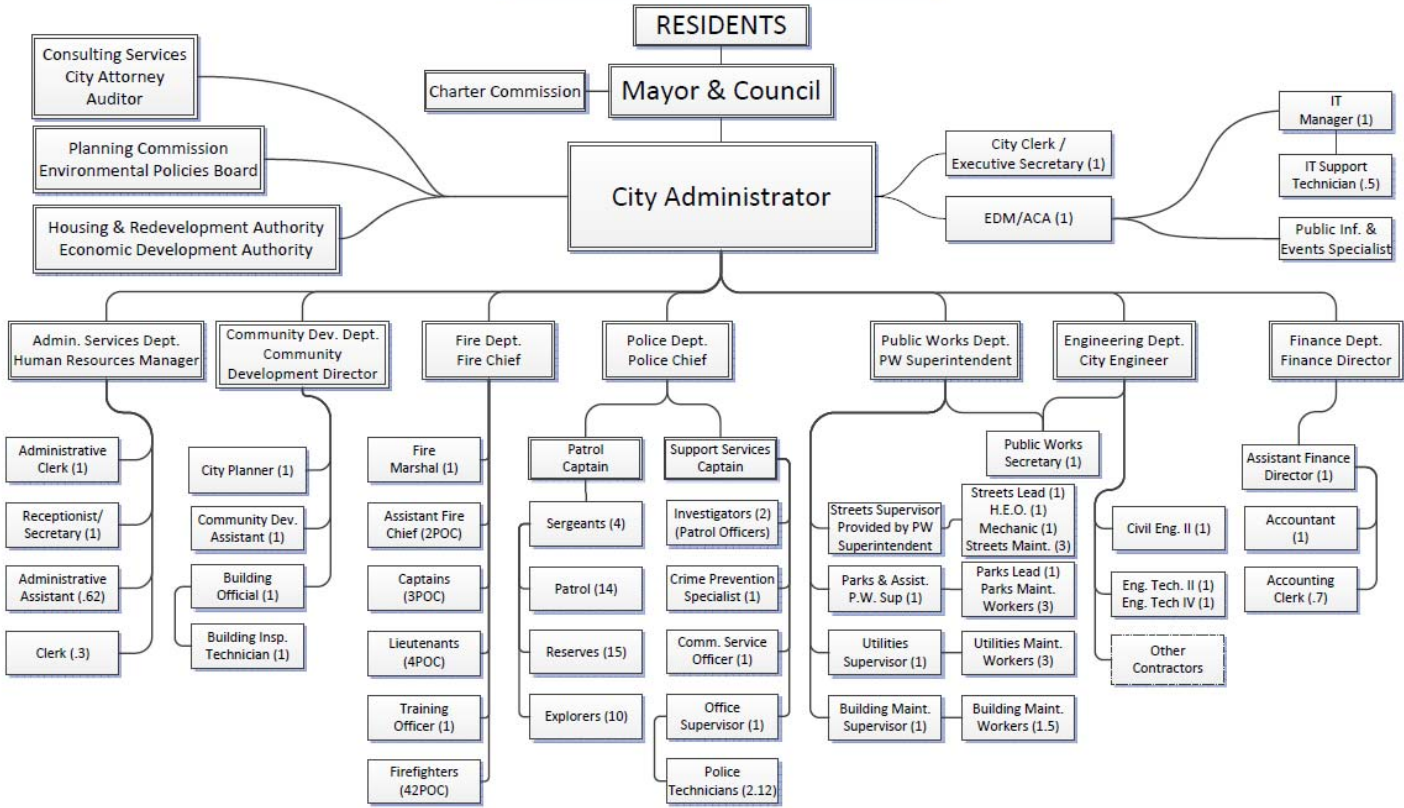
**DEPARTMENT HEADS**

Timothy Gladhill	Community Development Director
Dean Kapler	Fire Chief
Diana Lund	Finance Director
Grant Riemer	Public Works Superintendent
James Way	Chief of Police

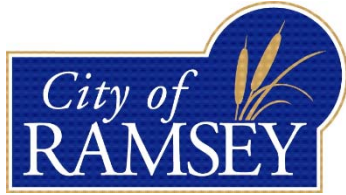


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# City of Ramsey Organizational Chart



Nov. 2014



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## Goals/Imperatives

### *Financial Stability*

Ensure strategic economic development that complements the City's desired quality of life and builds a stable tax base, all while maintaining a low tax levy

### *A Connected Community*

Ensure that the city is a connected city that is part of a comprehensive regional transportation system that enables all to easily navigate the community and attracts business development

### *Smart, Citizen-Focused Government*

Continue the delivery of quality services to ensure the city will have safe and thriving neighborhoods and business districts, and a clean environment

### *An Effective Organization*

Maintain a highly functional staff, citizen volunteers, and elected officials and governance structure that meets the ever-changing, increasing needs of the organization

## Measures for Success

*In order to achieve its mission, the City must be accountable. The City defined what success will look like:*

The City will look at a "Balanced Scorecard" of financial, internal, external and stakeholder metrics in order to measure success

The City will regularly measure and assess stakeholder satisfaction

The City leadership and staff will hold themselves accountable for results

The City will regularly report back to stakeholders about progress toward results

## Core Values

Ethics and Integrity

Fiscal Responsibility

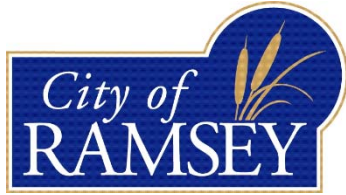
Cooperation and Teamwork

Open and Honest Communications

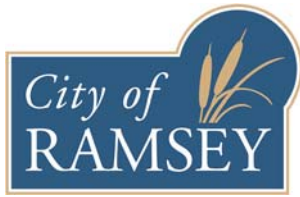
Excellence and Quality in the Delivery of Service

Treating People with Respect and Fairness

Adaptability and Continuous Learning



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7550 Sunwood Drive NW • Ramsey, Minnesota 55303  
City Hall: 763-427-1410 • Fax: 763-427-5543  
[www.cityoframsey.com](http://www.cityoframsey.com)

June 9, 2015

Honorable Mayor and Members of the City Council  
City of Ramsey, Minnesota

The comprehensive annual financial report (CAFR) of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2014 is hereby submitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Minnesota Statutes and the City Charter require an annual audit of all accounts, financial records, and transactions of the City by independent certified public accountants. The accompanying financial statements have been audited by the firm of Malloy, Montague, Karnowski, Radosevich & Co., P.A., Independent Certified Public Accountants. The firm is engaged by the City Council to render an opinion on the City's financial statements in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion has been issued. The independent auditor's report is located at the front of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the auditors.

### **PROFILE OF THE CITY**

Ramsey is located in the southwestern part of Anoka County and is situated approximately 25 miles from Minneapolis. The City has 28.8 square miles within its corporate boundaries and is bordered by two major rivers, the Mississippi River along the southern border and the Rum River along the east.

Ramsey was incorporated as a city in 1974, and is organized as a Home Rule City under a City Charter originally adopted in 1984. The City Council consists of a Mayor and six Councilmembers, and is elected at large on a nonpartisan basis. Elections are held in November of each even numbered year. The terms of office are four years for the Mayor and four years for Councilmembers. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, and appointing the City Administrator, City Attorney, and members of the various advisory boards and commissions. Because the City Council acts as the Board of Directors of the Ramsey Economic Development Authority (EDA) and the Ramsey Housing and Redevelopment Authority (HRA), these organizations are included as blended component units in these financial statements.

The City provides a variety of municipal services. These include a full-time police department, a volunteer fire department, engineering services, street and park maintenance, building inspections, planning and zoning, public improvements, general administrative services, and public water and sewer utilities in the urban service areas.

The City adopts an annual budget for the General Fund, EDA Special Revenue Fund, and HRA Special Revenue Fund. Legal level of control is at the function level. Department heads may transfer resources within a department as they see fit. Transfers between functions, however, need special approval from the City Council.

### **LOCAL ECONOMY**

The City has an unemployment rate of 5.3% in comparison to the state average of 4.5%. Ramsey has an employed labor force of 14,245. Anoka County, in which Ramsey is located, has an employed labor force of 191,090 and an unemployment rate of 4.3%.

There are approximately 6,533 detached single-family homes and 2,103 multifamily units located within the City. In addition, there were 66 single-family homes and no multifamily homes constructed in 2014.

The City has two major industrial districts containing multiple business parks with a combined capacity of 320 acres and 25 businesses. Currently both industrial parks are near capacity. In addition, the city is actively developing a new city center known as The COR (Center of Ramsey). The development vision for this 400 acre area located in the heart of Ramsey is for it to become the region's center of retail, restaurants, service and office space, outdoor entertainment and parks, community amenities and housing.

### **LONG-TERM FINANCIAL PLANNING**

The City of Ramsey prepares a five year capital improvement plan in an attempt to anticipate major capital expenditures in advance of the year in which they are budgeted.

The City has a policy to maintain unrestricted General Fund balance in an amount equal to 50% of the following years adopted operating budget. This policy is designed to establish a fund balance at a level which is sufficient to avoid issuing debt to meet current operating needs.

### **RELEVANT FINANCIAL POLICIES**

The City has a comprehensive set of financial policies that provide the basic framework for the overall fiscal management of the City. The City had no unusual occurrences affecting these policies.

### **MAJOR INITIATIVES**

In 2014, the city (working with Anoka County, the project coordinator), finalized funding and design plans to begin the Highway 10 / Armstrong Blvd interchange project. The project scope includes construction of a full-access, grade-separated interchange. This project is a major step forward in improving emergency response times and traffic operations on Highway 10.

In a continued effort to provide citizens enhanced recreational facilities and amenities, the city neared completion of the Elmcrest Park Community Building. This 4,300 square foot structure includes two large indoor common areas and one large outdoor pavilion. Both were designed to accommodate a variety of social gatherings.

Ramsey is home to hundreds of successful and growing businesses. The city is working to improve this vibrant business community by making a new business park a priority. In 2014, the city identified a new 100 acre parcel of land suited for the private development of a future business park.

### **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to the City for its CAFR for the year ended December 31, 2013. This was the twentieth consecutive year the City has received this prestigious award. Also, the City had previously received the award from 1981 through 1988, after which the City did not participate in the program for several years.

The CAEFR is valid for a period of one year only. We believe our current CAFR continues to meet the CAEFR Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGMENT**

The 2014 CAFR of the City meets the highest professional standards and was prepared in a timely and cost-effective manner. This could never have been accomplished without the excellent work of the entire Finance Department. We would like to express our appreciation to the Finance Department and all members of the City's staff who contributed to its preparation.

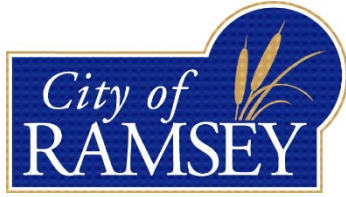
Respectfully submitted,



Kurt Ulrich  
City Administrator



Diana Lund  
Finance Director



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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

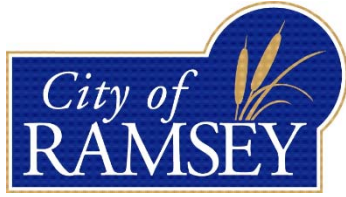
Presented to

**City of Ramsey  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

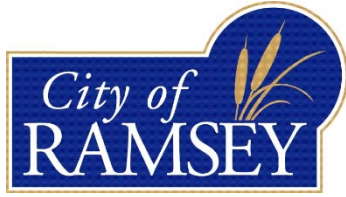
**December 31, 2013**

Executive Director/CEO



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FINANCIAL SECTION



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PRINCIPALS

Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management  
City of Ramsey, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ramsey, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and major special revenue fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **OTHER MATTERS**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress for the Other Post-Employment Benefits Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

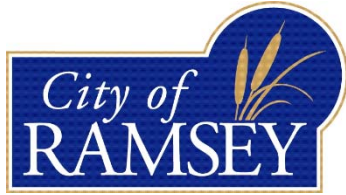
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**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
May 21, 2015



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## CITY OF RAMSEY

### Management's Discussion and Analysis Year Ended December 31, 2014

As management of the City of Ramsey, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector businesses.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows, as applicable, (excluding Fiduciary Funds), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include enterprises for water, sewer, street light, recycling, and storm water utilities.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City are divided into three categories—Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds** – Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

## **Governmental Funds (continued)**

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between Governmental Funds and governmental activities.

The fund financial statements present information for each Major Governmental Fund in separate columns. Data from the Nonmajor Governmental Funds are combined into a single, aggregated presentation. Individual Fund data for each of these Nonmajor Governmental Funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for the General Fund, the Economic Development Authority Special Revenue Fund and the Housing and Redevelopment Authority Special Revenue Fund. Budget-to-actual comparisons are provided in this financial report for these funds.

**Proprietary Funds** – The City maintains two different types of Proprietary Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one Internal Service Fund to accumulate and allocate costs internally among the various city functions. Because the Internal Service Fund is predominantly used by governmental functions, it is included within governmental activities in the city-wide financial statements.

**Fiduciary Funds** – Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources for those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

**Notes to Basic Financial Statements** – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide post-employment benefits to its employees. Required supplementary information can be found following the notes to basic financial statements.

Combining and individual fund statements and schedules for Nonmajor Funds are presented immediately following the required supplementary information. Statistical tables are presented following these statements and schedules.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$146,395,335 at the close of December 2014.

By far, the largest portion of the City's net position (63 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following is a summary of the City's net position:

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and other assets	\$ 36,073,670	\$ 39,649,243	\$ 31,025,768	\$ 29,034,615	\$ 67,099,438	\$ 68,683,858
Capital assets, net of depreciation	63,312,601	62,529,256	50,427,367	50,494,576	113,739,968	113,023,832
<b>Total assets</b>	<b>\$ 99,386,271</b>	<b>\$ 102,178,499</b>	<b>\$ 81,453,135</b>	<b>\$ 79,529,191</b>	<b>\$ 180,839,406</b>	<b>\$ 181,707,690</b>
<b>Liabilities</b>						
Current and other liabilities	\$ 1,091,801	\$ 736,466	\$ 109,936	\$ 64,885	\$ 1,201,737	\$ 801,351
Long-term liabilities	33,242,334	36,831,840	-	-	33,242,334	36,831,840
<b>Total liabilities</b>	<b>\$ 34,334,135</b>	<b>\$ 37,568,306</b>	<b>\$ 109,936</b>	<b>\$ 64,885</b>	<b>\$ 34,444,071</b>	<b>\$ 37,633,191</b>
<b>Net position</b>						
Net investment in capital assets	\$ 41,657,601	\$ 40,374,256	\$ 50,427,367	\$ 50,494,576	\$ 92,084,968	\$ 90,868,832
Restricted	15,273,582	16,128,452	-	-	15,273,582	16,128,452
Unrestricted	8,120,953	8,107,485	30,915,832	28,969,730	39,036,785	37,077,215
<b>Total net position</b>	<b>\$ 65,052,136</b>	<b>\$ 64,610,193</b>	<b>\$ 81,343,199</b>	<b>\$ 79,464,306</b>	<b>\$ 146,395,335</b>	<b>\$ 144,074,499</b>

The City's financial position is the product of many factors. For example, the determination of the City's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus a liberal approach to depreciation estimates, as well as capitalization policies, will produce a very significant difference in the calculated amounts.

The City has taken a conservative financial approach, carefully analyzing revenues and expenditures/expenses to assure operation of a balanced budget. The ongoing management of revenue and expenditures/expenses has resulted in an upgraded bond rating. In November 2009, Standard and Poor's (S&P) upgraded the City's bond rating from an AA- to an AA+ and reaffirmed the rating in December 2014. This has also allowed the City to continue to provide quality public services at a tax rate that is affordable.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following is a summary of the City's changes in net position:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 1,528,139	\$ 1,779,150	\$ 4,457,017	\$ 4,492,104	\$ 5,985,156	\$ 6,271,254
Operating grants and contributions	385,574	1,180,725	65,817	79,358	451,391	1,260,083
Capital grants and contributions	3,023,145	3,208,950	101,107	488,687	3,124,252	3,697,637
General revenues						
Property taxes	9,423,457	10,421,456	-	-	9,423,457	10,421,456
General grants and contributions	3,198	38,577	-	-	3,198	38,577
Sale of capital assets	-	12,940	-	-	-	12,940
Investment earnings (charges)	980,922	(411,446)	870,728	(353,956)	1,851,650	(765,402)
Total revenues	15,344,435	16,230,352	5,494,669	4,706,193	20,839,104	20,936,545
<b>Expenses</b>						
General government	4,087,755	3,735,657	-	-	4,087,755	3,735,657
Public safety	4,079,362	4,074,688	-	-	4,079,362	4,074,688
Highways and streets	4,263,552	5,215,260	-	-	4,263,552	5,215,260
Culture and recreation	1,422,810	1,415,736	-	-	1,422,810	1,415,736
Water utility	-	-	1,221,211	1,293,201	1,221,211	1,293,201
Sewer utility	-	-	1,282,302	1,190,551	1,282,302	1,190,551
Street Light utility	-	-	161,733	176,736	161,733	176,736
Recycling utility	-	-	321,321	308,629	321,321	308,629
Storm Water utility	-	-	509,709	491,370	509,709	491,370
Interest and fiscal charges	1,168,513	1,220,471	-	-	1,168,513	1,220,471
Total expenses	15,021,992	15,661,812	3,496,276	3,460,487	18,518,268	19,122,299
Changes in net position before transfers	322,443	568,540	1,998,393	1,245,706	2,320,836	1,814,246
Transfers	119,500	112,000	(119,500)	(112,000)	-	-
Changes in net position	441,943	680,540	1,878,893	1,133,706	2,320,836	1,814,246
Net Position - beginning	64,610,193	63,929,653	79,464,306	78,330,600	144,074,499	142,260,253
Net Position - ending	\$ 65,052,136	\$ 64,610,193	\$ 81,343,199	\$ 79,464,306	\$ 146,395,335	\$ 144,074,499

**Governmental Activities** – Governmental activities account for \$441,943 of the increase in the City's net position. The general government function experienced a \$352,098 increase (approx. 9 percent) in expenses. The increase in general governmental expenses was due to additional costs related to personnel services. Highway and Street expenses decreased \$951,708 or 18% as a result of a reduction in non-capitalized street project costs.

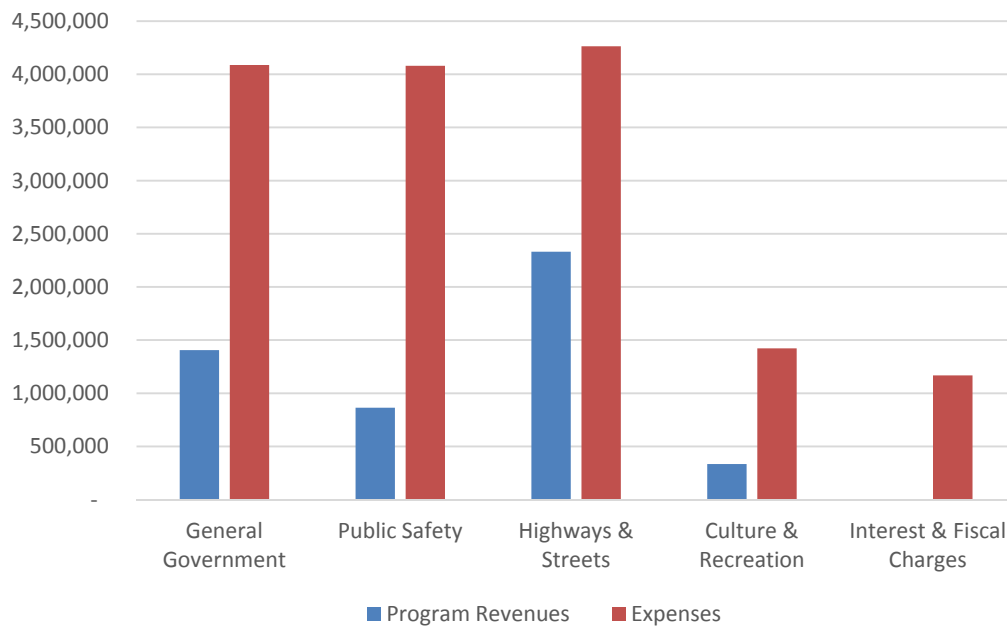
Investment earnings increased \$1,392,368. The city is required per the Governmental Accounting Standards Board to reflect all investments at market value as of December 31<sup>st</sup> of the current year. The city reflects any changes in market value against interest earnings. The investment market was more favorable in 2014 resulting in a significant positive change in interest earnings. Operating grants and contributions decreased \$795,151 or 67% due to a reduction in relevant projects and their respective grant funding.

**Business-Type Activities** – Business-type activities, which are the City’s utility operations of water, sewer, street light, recycling, and storm water, increased the City’s net position by \$1,878,893. Key elements of this increase are as follows.

- Revenues exceeded expenses before transfers by \$1,998,393, increasing \$752,687 from the prior year. Although current year expenses increased \$35,789, the significant increase in revenue from investment earnings resulted in a more positive change in net position before transfers.
- Capital grants and contributions decreased \$387,580 from the prior year. This is primarily due to a reduction in capital contributions for street project water utilities.
- Investment earnings increased \$1,224,684. The city is required per the Governmental Accounting Standards Board to reflect all investments at market value as of December 31<sup>st</sup> of the current year. The city reflects any changes in market value against interest earnings. The investment market was more favorable in 2014 resulting in a significant positive change in interest earnings.

**Governmental Activities** – The following graph illustrates the City’s governmental activities:

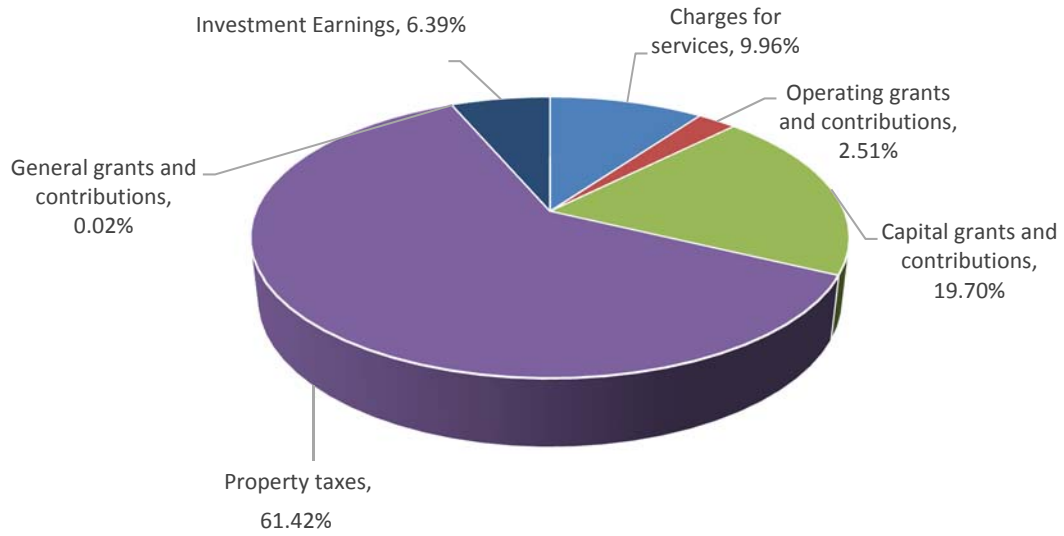
**Expenses and Program Revenues – Governmental Activities**



The graph clearly reflects the need for property taxes to supplement the governmental activities of the City. The trend of property taxes shows an increasing reliance on this source of revenue.

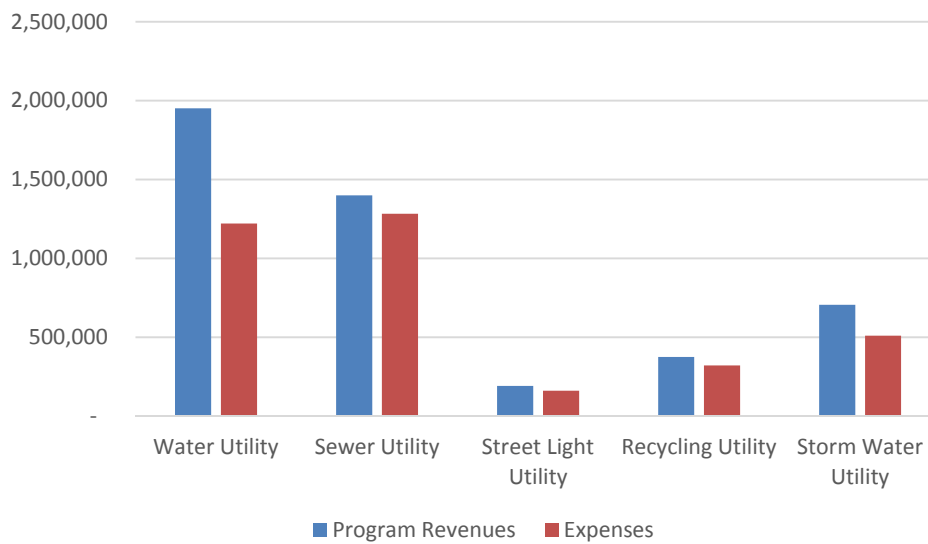
**Governmental Activities** – The following chart illustrates the City’s governmental activities:

**Revenue by Source – Governmental Activities**



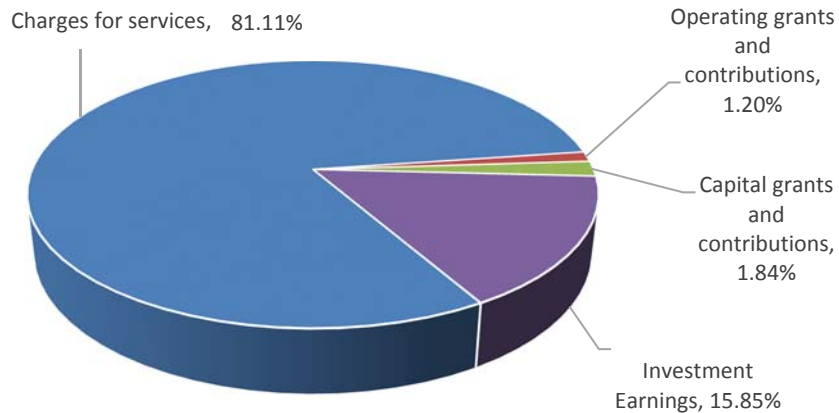
**Business-Type Activities** – The following graph illustrate the City’s business-type activities:

**Expenses and Program Revenues – Business-Type Activities**



**Business-Type Activities** – The following graph illustrate the City’s business-type activities:

**Revenues By Source – Business-Type Activities**



The business-type activities, which represent the Utility Funds, all received revenues in excess of expenses. Charges for services are the main source of revenue (81.11%) for all Utility Funds.

**Governmental Funds** – At the end of the fiscal year, the City’s Governmental Funds reported combined ending fund balances of \$33,562,488, a decrease of \$3,722,997 in comparison with the prior year. The decrease was mostly attributable to payment on refunded debt in the 2005B/2011 Refund G.O. Improvements Bonds, Debt Service Fund.

**General Fund** – The General Fund operating results can be summarized as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>	<u>% Over (Under) Budget</u>
Revenue	\$ 8,788,649	\$ 9,151,809	\$ 9,154,981	\$ 3,172	0.03%
Expenditures	<u>9,750,135</u>	<u>9,323,517</u>	<u>9,257,530</u>	<u>(65,987)</u>	-0.71%
Excess (deficiency) of revenue over expenditures	(961,486)	(171,708)	(102,549)	69,159	
Other financing sources (uses)	<u>961,486</u>	<u>245,034</u>	<u>313,724</u>	<u>68,690</u>	
Net change in fund balances	<u>\$ -</u>	<u>\$ 73,326</u>	211,175	<u>\$ 137,849</u>	
Fund balances					
Beginning of year			<u>6,771,394</u>		
End of year			<u>\$ 6,982,569</u>		

The actual operating results ended close to the amount projected in the final budget.

The change in budget from the original to the final can be attributed to decisions made by city council throughout the year. Final budgeted expenditures were amended to be \$426,618 less than what was originally budgeted. The decrease was mostly attributed to personnel expenditure savings from retirements and positions not yet refilled during the year and several budgeted expenditures coming in lower than requested. Actual revenue was higher than final budget due to unanticipated accounting reallocations.

**Tax Increment Fund** – This Special Revenue Fund had a year-end fund balance of \$2,895,711 which reflects a \$229,274 decrease from 2013. The decrease was due to the decertification of Tax Increment Financing District #2 in 2013.

**Housing and Redevelopment Authority Fund** – This Special Revenue Fund had a year-end fund balance of \$8,111,761. The decrease of \$118,958 is attributed to costs associated with marketing and developing The COR.

**2012A G.O. Improvement Bond Refund Fund** – This Debt Service Fund had a year-end fund balance of \$720,349 with current year tax levies and investment earnings exceeding debt service expenditures.

**Public Improvement Revolving Fund** – This Capital Project Fund saw an overall increase in fund balance of \$597,255 which was attributed to the excess revenue transfer per the city’s policy and decrease in highway and streets expenditures.

**Landfill Fund** – This Capital Project Fund showed an overall increase in fund balance of \$68,865, which is attributable to a significant increase in investment earnings. This fund was originally established to account for certain landfill-related revenue and the expenditures the City may incur in relation to the landfill. The landfill is now closed and per state statute, funds may be used for expenditures related to improvements that provide a benefit to the entire city.

**Equipment Revolving Fund** – This Capital Project Fund reported a year-end fund balance of \$1,481,955. The decrease of \$537,331 in fund balance was largely attributable to the purchase of a new fire truck.

**Public Improvement Revolving The COR Fund** – This capital project fund increased overall fund balance \$189,870. The increase is attributable to transfers in exceeding expenditures related to the development of The COR including, legal fees, development management fees, platting fees, and public improvements to the area.

**Proprietary Funds** – The City’s Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. The City’s Enterprise Funds had a combined net position balance of \$81,343,199 at December 31, 2014. The financial activities of these funds have been summarized in previous charts within this discussion.

The Enterprise Funds consist of the Water Utility Fund, Sewer Utility Fund, Street Light Utility Fund, Recycling Utility Fund, and Storm Water Utility Fund. The growth in net position reflects the ongoing expansion and provision of services to the various service areas of the utilities.

**Capital Assets** – The City’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2014 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,772,024	\$ 6,772,024	\$ 868,513	\$ 868,513	\$ 7,640,537	\$ 7,640,537
Construction in progress	1,681,968	649,547	1,199,546	-	2,881,514	649,547
Buildings and structures	26,636,674	25,748,275	6,058,847	6,058,847	32,695,521	31,807,122
Improvements other than buildings	11,385,776	10,898,296	12,986,835	12,958,987	24,372,611	23,857,283
Office equipment	657,196	683,468	-	-	657,196	683,468
Motor vehicles	3,886,182	3,882,172	-	-	3,886,182	3,882,172
Machinery and equipment	5,755,478	4,846,837	594,401	540,275	6,349,879	5,387,112
Infrastructure	28,922,328	28,922,328	-	-	28,922,328	28,922,328
Water and sewer lines	-	-	45,346,485	45,346,485	45,346,485	45,346,485
	<u>85,697,626</u>	<u>82,402,947</u>	<u>67,054,627</u>	<u>65,773,107</u>	<u>152,752,253</u>	<u>148,176,054</u>
Less accumulated depreciation	<u>22,385,025</u>	<u>19,873,691</u>	<u>16,627,260</u>	<u>15,278,531</u>	<u>39,012,285</u>	<u>35,152,222</u>
Total capital assets, net of depreciation	<u>\$ 63,312,601</u>	<u>\$62,529,256</u>	<u>\$50,427,367</u>	<u>\$50,494,576</u>	<u>\$ 113,739,968</u>	<u>\$ 113,023,832</u>
Depreciation expense	<u>\$ 2,896,805</u>	<u>\$ 2,814,949</u>	<u>\$ 1,461,349</u>	<u>\$ 1,339,200</u>	<u>\$ 4,358,154</u>	<u>\$ 4,154,149</u>

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2014 amounts to almost \$114 million (net of accumulated depreciation).

The governmental activities show an increase of \$783,345 in capital assets attributable to an increase in capitalized projects. Business-type activities show a decrease of \$67,209 in capital assets. This decrease is attributable to depreciation surpassing current year additions causing a reduction in capital assets. Additional details of capital asset activity for the year can be found in Note 4 of the notes to basic financial statements.

**Long-Term Liabilities** – The Debt Service Funds account for the accumulation of resources to finance all of the City’s general obligation bonds. The revenue sources for these funds include annual tax levies and special assessments. At year-end, major debt service fund balance was \$720,349 and non-major debt service fund balance was \$1,194,123 for a total of \$1,914,472 in fund balance restricted for debt service.

The following table summarizes the City’s long-term liabilities:

	Governmental Activities	
	2014	2013
Bonds	\$ 30,615,000	\$ 35,030,000
Capital equipment certificates	1,450,000	635,000
Compensated absences	772,779	819,833
Other Post-Employment Benefits (OPEB)	404,555	347,007
Total	<u>\$ 33,242,334</u>	<u>\$ 36,831,840</u>

During the current fiscal year, the City saw a decrease of \$3,600,000 in bonds and certificates. The City had only one debt issuance during the current fiscal year which was \$875,000 in capital equipment certificates. Series 2005B G.O. Improvement Bonds were called on December 15, 2014 which accounts for the primary reduction in bonds and certificates. The \$875,000 General Obligation Capital Equipment Certificate of Indebtedness were issued to finance 50% of the acquisition costs of capital equipment for years 2015-2017. The compensated absence liability decreased \$47,054 due to a reduction in eligible employees. Other Post-Employment Benefits (OPEB) increased \$57,548 due to the annual OPEB costs exceeding contributions as actuarially determined with the parameters of GASB Statement Nos. 43 and 45.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total assessed valuation. The current legal debt margin for the City is \$36,769,180.

The City has sufficient funds on hand to make all required bond payments, and anticipates an ongoing stream of revenue to make future bond payments.

Additional details of the long-term debt activity for the year can be found in Note 5 of the notes to basic financial statements.

#### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the City of Ramsey is currently 5.3%, which is an increase from a rate of 5.0% a year ago. The state of Minnesota shows an average unemployment rate of 4.5%, whereas, nationally the unemployment rate is 5.6%.
- The number of foreclosures in the City of Ramsey decreased from 49 units in 2013 to 35 in 2014. In comparison, the State of Minnesota saw a decrease in foreclosures from 11,843 in 2013 to 8,309 in 2014.
- Inflationary trends in the region compare favorably to national indices.
- The city is expecting steady residential and commercial growth within the next three years, spurred by access to the Ramsey Station for the Minnesota Northstar commuter rail and continued development with The COR.

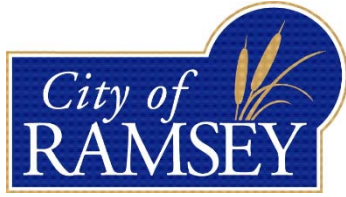
All of these factors were considered in preparing the City of Ramsey's budget for the 2015 fiscal year.

The water and storm water utility rates were increased for the 2015 budget year. The water utility, which has a tiered rate structure, will increase by an average of 2% for all customers. The storm water utilities will increase an average of 9%. The increased rates are to not only offset current maintenance costs and depreciation, but to help finance a future water treatment plant and 2015 storm utility projects.

#### **REQUESTS FOR INFORMATION**

Questions concerning any of the information provided in this report or requests for additional information should be addressed by writing to the City of Ramsey, 7550 Sunwood Drive Northwest, Ramsey, MN 55303 or by calling (763) 427-1410.

BASIC FINANCIAL STATEMENTS



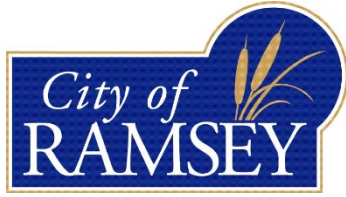
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CITY OF RAMSEY

Statement of Net Position  
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and temporary investments	\$ 25,864,044	\$ 23,799,475	\$ 49,663,519
Receivables			
Unremitted taxes	70,541	-	70,541
Delinquent taxes	264,053	-	264,053
Unremitted special assessments	4,326	-	4,326
Delinquent special assessments	9,584	25,606	35,190
Deferred special assessments	774,089	242,556	1,016,645
Accounts	133,227	1,190,335	1,323,562
Notes	26,981	-	26,981
Interest	163,869	-	163,869
Internal balances	(5,716,920)	5,716,920	-
Due from other governmental units	986,776	-	986,776
Prepays	4,805	50,876	55,681
Land held for resale	12,985,657	-	12,985,657
Restricted assets – temporarily restricted			
Cash and investments for debt service	502,638	-	502,638
Capital assets			
Land	6,772,024	868,513	7,640,537
Construction in progress	1,681,968	1,199,546	2,881,514
Buildings and structures	26,636,674	6,058,847	32,695,521
Improvements other than buildings	11,385,776	12,986,835	24,372,611
Office equipment	657,196	-	657,196
Motor vehicles	3,886,182	-	3,886,182
Machinery and equipment	5,755,478	594,401	6,349,879
Infrastructure	28,922,328	-	28,922,328
Water and sewer lines	-	45,346,485	45,346,485
Less accumulated depreciation	(22,385,025)	(16,627,260)	(39,012,285)
Total capital assets, net of depreciation	<u>63,312,601</u>	<u>50,427,367</u>	<u>113,739,968</u>
Total assets	<u>\$ 99,386,271</u>	<u>\$ 81,453,135</u>	<u>\$ 180,839,406</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 689,996	\$ 88,889	\$ 778,885
Salaries and benefits payable	292,483	-	292,483
Accrued interest payable	96,138	-	96,138
Due to other governmental units	13,184	19,381	32,565
Unearned revenue	-	1,666	1,666
Long-term liabilities			
Due within one year	2,137,306	-	2,137,306
Due in more than one year	31,105,028	-	31,105,028
Total long-term liabilities	<u>33,242,334</u>	<u>-</u>	<u>33,242,334</u>
Total liabilities	34,334,135	109,936	34,444,071
<b>Net Position</b>			
Net investment in capital assets	41,657,601	50,427,367	92,084,968
Restricted for			
Capital improvements	854,982	-	854,982
Debt service	1,846,460	-	1,846,460
Economic development	1,276,345	-	1,276,345
Housing and redevelopment	8,118,163	-	8,118,163
Lawful gambling	149,440	-	149,440
Public safety	81,400	-	81,400
Solid waste management	15,615	-	15,615
Tax increment	2,931,177	-	2,931,177
Unrestricted	8,120,953	30,915,832	39,036,785
Total net position	<u>65,052,136</u>	<u>81,343,199</u>	<u>146,395,335</u>
Total liabilities and net position	<u>\$ 99,386,271</u>	<u>\$ 81,453,135</u>	<u>\$ 180,839,406</u>

See notes to basic financial statements



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CITY OF RAMSEY

Statement of Activities  
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>							
General government	\$ 4,087,755	\$ 461,538	\$ 149,326	\$ 795,718	\$ (2,681,173)	\$ -	\$ (2,681,173)
Public safety	4,079,362	626,844	234,684	3,355	(3,214,479)	-	(3,214,479)
Highways and streets	4,263,552	266,447	1,088	2,063,155	(1,932,862)	-	(1,932,862)
Culture and recreation	1,422,810	173,310	476	160,917	(1,088,107)	-	(1,088,107)
Interest and fiscal charges	1,168,513	-	-	-	(1,168,513)	-	(1,168,513)
Total governmental activities	15,021,992	1,528,139	385,574	3,023,145	(10,085,134)	-	(10,085,134)
<b>Business-type activities</b>							
Water utility	1,221,211	1,860,380	-	91,045	-	730,214	730,214
Sewer utility	1,282,302	1,393,157	-	6,162	-	117,017	117,017
Street light utility	161,733	188,185	-	3,900	-	30,352	30,352
Recycling utility	321,321	309,160	65,817	-	-	53,656	53,656
Storm water utility	509,709	706,135	-	-	-	196,426	196,426
Total business-type activities	3,496,276	4,457,017	65,817	101,107	-	1,127,665	1,127,665
Total governmental and business-type activities	\$18,518,268	\$ 5,985,156	\$ 451,391	\$ 3,124,252	(10,085,134)	1,127,665	(8,957,469)
<b>General revenues</b>							
Property taxes					9,423,457	-	9,423,457
General grants and contributions					3,198	-	3,198
Investment earnings					980,922	870,728	1,851,650
Transfers					119,500	(119,500)	-
Total general revenues and transfers					10,527,077	751,228	11,278,305
Change in net position					441,943	1,878,893	2,320,836
Net position – beginning					64,610,193	79,464,306	144,074,499
Net position – ending					\$ 65,052,136	\$ 81,343,199	\$ 146,395,335

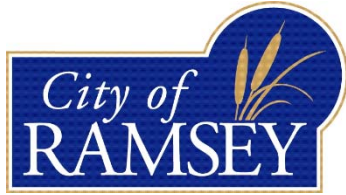
See notes to basic financial statements

CITY OF RAMSEY  
Balance Sheet  
Governmental Funds  
December 31, 2014

	Special Revenue Funds			Debt Service Fund	Public Improvement Revolving
	General	Tax Increment	Housing and Redevelopment Authority	2012A G.O. Improvement Bond Refund	
<b>Assets</b>					
Cash and temporary investments	\$ 7,987,134	\$ 2,892,011	\$ 442,385	\$ 713,137	\$ 3,192,000
Cash and investments held by trustee	-	-	-	-	-
<b>Receivables</b>					
Unremitted taxes	52,488	7,379	1,203	7,212	-
Delinquent taxes	189,733	35,466	6,402	23,063	-
Unremitted special assessments	-	-	-	-	4,326
Delinquent special assessments	-	-	-	-	9,584
Deferred special assessments	-	-	-	-	774,089
Accounts	82,212	-	-	-	-
Notes	-	-	-	-	-
Interest	163,869	-	-	-	-
Due from other funds	-	-	-	-	316,400
Due from other governmental units	15,815	-	-	-	-
Prepays	4,805	-	-	-	-
Land held for resale	-	-	12,044,761	-	-
Advances to other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 8,496,056</b>	<b>\$ 2,934,856</b>	<b>\$ 12,494,751</b>	<b>\$ 743,412</b>	<b>\$ 4,296,399</b>
<b>Liabilities</b>					
Accounts and contracts payable	\$ 170,522	\$ -	\$ 1,740	\$ -	\$ -
Salaries and benefits payable	292,483	-	-	-	-
Due to other governmental units	9,430	3,679	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	851,319	-	4,374,848	-	-
<b>Total liabilities</b>	<b>1,323,754</b>	<b>3,679</b>	<b>4,376,588</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	189,733	35,466	6,402	23,063	-
Unavailable revenue - special assessments	-	-	-	-	783,673
Unavailable revenue - notes receivable	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>189,733</b>	<b>35,466</b>	<b>6,402</b>	<b>23,063</b>	<b>783,673</b>
<b>Fund balances (deficits)</b>					
Nonspendable	4,805	-	-	-	-
Restricted	-	2,895,711	8,111,761	720,349	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	3,512,726
Unassigned	6,977,764	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>6,982,569</b>	<b>2,895,711</b>	<b>8,111,761</b>	<b>720,349</b>	<b>3,512,726</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,496,056</b>	<b>\$ 2,934,856</b>	<b>\$ 12,494,751</b>	<b>\$ 743,412</b>	<b>\$ 4,296,399</b>

See notes to basic financial statements

Capital Project Funds				
Landfill	Equipment Revolving	Public Improvement Revolving The COR	Nonmajor	Totals
\$ 1,859,256	\$ 1,492,460	\$ -	\$ 6,844,514	\$ 25,422,897
-	-	-	502,638	502,638
-	-	-	2,259	70,541
-	-	-	9,389	264,053
-	-	-	-	4,326
-	-	-	-	9,584
-	-	-	-	774,089
-	-	-	51,015	133,227
-	-	-	26,981	26,981
-	-	-	-	163,869
-	-	-	444,207	760,607
-	-	-	970,961	986,776
-	-	-	-	4,805
-	-	-	940,896	12,985,657
56,557	-	-	-	56,557
<u>\$ 1,915,813</u>	<u>\$ 1,492,460</u>	<u>\$ -</u>	<u>\$ 9,792,860</u>	<u>\$ 42,166,607</u>
\$ -	\$ 10,505	\$ 551	\$ 506,343	\$ 689,661
-	-	-	-	292,483
-	-	-	75	13,184
-	-	46,284	714,323	760,607
-	-	-	547,310	5,773,477
-	10,505	46,835	1,768,051	7,529,412
-	-	-	9,389	264,053
-	-	-	-	783,673
-	-	-	26,981	26,981
-	-	-	36,370	1,074,707
-	-	-	-	4,805
-	-	-	3,567,579	15,295,400
-	-	-	743,944	743,944
1,915,813	1,481,955	-	3,741,060	10,651,554
-	-	(46,835)	(64,144)	6,866,785
<u>1,915,813</u>	<u>1,481,955</u>	<u>(46,835)</u>	<u>7,988,439</u>	<u>33,562,488</u>
<u>\$ 1,915,813</u>	<u>\$ 1,492,460</u>	<u>\$ -</u>	<u>\$ 9,792,860</u>	<u>\$ 42,166,607</u>



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CITY OF RAMSEY

Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
December 31, 2014

Total fund balances – Governmental Funds \$ 33,562,488

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in Governmental Funds.

Cost of capital assets	85,697,626
Less accumulated depreciation	(22,385,025)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bonds and capital equipment certificates	(32,065,000)
Compensated absences payable	(772,779)

Certain revenues (including delinquent taxes and special assessments) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.

1,074,707

Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.

(96,138)

Net other postemployment benefit obligations reported in the statement of net position do not require the use of current financial resources and are not reported as liabilities in governmental funds until actually due.

(404,555)

Internal Service Funds are used to manage insurance-related activity. The assets and liabilities of the Internal Service Funds (including capital assets) are included in governmental activities in the Statement of Net Position.

440,812

Total net position – governmental activities \$ 65,052,136

See notes to basic financial statements

CITY OF RAMSEY

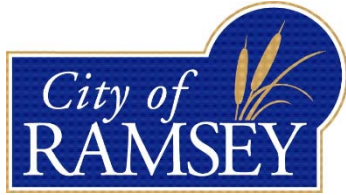
Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended December 31, 2014

	Special Revenue Funds			Debt Service Fund	
	General	Tax Increment	Housing and Redevelopment Authority	2012A G.O. Improvement Bond Refund	Public Improvement Revolving
<b>Revenue</b>					
Property taxes	\$ 7,272,007	\$ 668,181	\$ 207,293	\$ 1,009,722	\$ -
Special assessments	-	-	-	-	255,050
Licenses and permits	458,532	-	-	-	-
Intergovernmental revenue	432,476	-	58	-	-
Charges for services	636,213	-	-	-	33,364
Fines and forfeits	72,216	-	-	-	-
Other revenue					
Investment earnings (charges)	216,405	119,267	17,441	29,079	115,988
Miscellaneous	67,132	-	123,256	-	2,754
Total revenue	<u>9,154,981</u>	<u>787,448</u>	<u>348,048</u>	<u>1,038,801</u>	<u>407,156</u>
<b>Expenditures</b>					
Current					
General government	2,242,119	237,620	246,587	-	-
Public safety	3,809,209	-	-	-	-
Highways and streets	1,838,115	-	-	-	59,661
Culture and recreation	824,042	-	-	-	-
Capital outlay	456,679	192,102	-	-	-
Debt service					
Principal retirement	-	-	-	495,000	-
Interest and fiscal charges	87,366	-	-	523,063	-
Total expenditures	<u>9,257,530</u>	<u>429,722</u>	<u>246,587</u>	<u>1,018,063</u>	<u>59,661</u>
Excess (deficiency) of revenue over expenditures	(102,549)	357,726	101,461	20,738	347,495
<b>Other financing sources (uses)</b>					
Debt issued	-	-	-	-	-
Payment on refunded debt	-	-	-	-	-
Transfers in	1,000,624	-	-	-	274,760
Transfers (out)	(686,900)	(587,000)	(220,419)	-	(25,000)
Total other financing sources (uses)	<u>313,724</u>	<u>(587,000)</u>	<u>(220,419)</u>	<u>-</u>	<u>249,760</u>
Net change in fund balances	211,175	(229,274)	(118,958)	20,738	597,255
<b>Fund balances (deficits)</b>					
Beginning of year	<u>6,771,394</u>	<u>3,124,985</u>	<u>8,230,719</u>	<u>699,611</u>	<u>2,915,471</u>
End of year	<u>\$ 6,982,569</u>	<u>\$ 2,895,711</u>	<u>\$ 8,111,761</u>	<u>\$ 720,349</u>	<u>\$ 3,512,726</u>

See notes to basic financial statements

Capital Project Funds

Landfill	Public Improvement		Nonmajor	Totals
	Equipment Revolving	Revolving The COR		
\$ -	\$ -	\$ -	\$ 387,568	\$ 9,544,771
-	-	-	71,415	326,465
-	-	-	-	458,532
-	-	6,247	2,177,070	2,615,851
-	-	-	297,374	966,951
-	-	-	-	72,216
73,521	76,416	(1,513)	318,778	965,382
644	104,889	-	297,533	596,208
<u>74,165</u>	<u>181,305</u>	<u>4,734</u>	<u>3,549,738</u>	<u>15,546,376</u>
-	16,440	-	433,193	3,175,959
-	-	-	-	3,809,209
-	-	35,283	997,085	2,930,144
-	-	-	180,708	1,004,750
-	491,474	-	2,548,697	3,688,952
-	-	-	1,085,000	1,580,000
-	-	-	569,430	1,179,859
<u>-</u>	<u>507,914</u>	<u>35,283</u>	<u>5,814,113</u>	<u>17,368,873</u>
74,165	(326,609)	(30,549)	(2,264,375)	(1,822,497)
-	-	-	875,000	875,000
-	-	-	(2,895,000)	(2,895,000)
-	241,676	220,419	592,060	2,329,539
<u>(5,300)</u>	<u>(452,398)</u>	<u>-</u>	<u>(233,022)</u>	<u>(2,210,039)</u>
<u>(5,300)</u>	<u>(210,722)</u>	<u>220,419</u>	<u>(1,660,962)</u>	<u>(1,900,500)</u>
68,865	(537,331)	189,870	(3,925,337)	(3,722,997)
<u>1,846,948</u>	<u>2,019,286</u>	<u>(236,705)</u>	<u>11,913,776</u>	<u>37,285,485</u>
<u>\$ 1,915,813</u>	<u>\$ 1,481,955</u>	<u>\$ (46,835)</u>	<u>\$ 7,988,439</u>	<u>\$ 33,562,488</u>



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CITY OF RAMSEY

Reconciliation of the Statement of  
Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
Year Ended December 31, 2014

Total net change in fund balances – Governmental Funds \$ (3,722,997)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	3,688,952
Disposals	(8,802)
Depreciation expense	(2,896,805)

Issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term liabilities is an expenditure in the Governmental Funds. Neither transaction, however, has any effect on net position.

Issuance of new debt	(875,000)
Repayment of principal on long-term debt	4,475,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

11,346

Certain revenues (including delinquent taxes, special assessments, and notes receivable) are included in the change in net position, but are excluded from the change in fund balances until they are available to liquidate liabilities of the current period.

(236,347)

Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in the fund balances.

Governmental activities – compensated absences payable	47,054
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Net other postemployment benefit obligations reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.

(57,548)

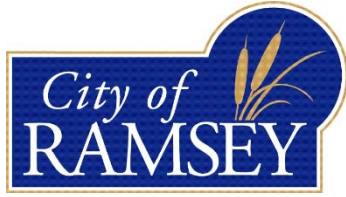
Internal Service Funds are used to charge the cost of certain activities, such as insurance to individual funds. This amount represents the change in net position of the Internal Service Fund, which is reported with governmental activities.

17,090

Change in net position – governmental activities

\$ 441,943

See notes to basic financial statements



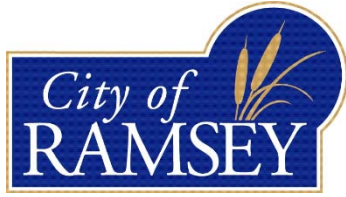
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CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances  
 General Fund – Budget and Actual  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenue</b>				
Property taxes	\$ 7,181,730	\$ 7,272,007	\$ 7,272,007	\$ –
Licenses and permits	504,185	451,323	458,532	7,209
Intergovernmental revenue	400,126	432,476	432,476	–
Charges for services	541,108	643,048	636,213	(6,835)
Fines and forfeits	76,000	72,216	72,216	–
<b>Other revenue</b>				
Investment earnings	75,000	209,969	216,405	6,436
Miscellaneous	10,500	70,770	67,132	(3,638)
Total revenue	<u>8,788,649</u>	<u>9,151,809</u>	<u>9,154,981</u>	<u>3,172</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,440,090	2,259,327	2,242,119	(17,208)
Public safety	4,086,885	3,845,911	3,809,209	(36,702)
Highways and streets	1,807,747	1,849,554	1,838,115	(11,439)
Culture and recreation	801,578	824,681	824,042	(639)
Capital outlay	481,950	456,679	456,679	–
<b>Debt service</b>				
Interest and fiscal charges	131,885	87,365	87,366	1
Total expenditures	<u>9,750,135</u>	<u>9,323,517</u>	<u>9,257,530</u>	<u>(65,987)</u>
Excess (deficiency) of revenue over expenditures	(961,486)	(171,708)	(102,549)	69,159
<b>Other financing sources (uses)</b>				
Transfers in	961,486	931,934	1,000,624	68,690
Transfers (out)	–	(686,900)	(686,900)	–
Total other financing sources (uses)	<u>961,486</u>	<u>245,034</u>	<u>313,724</u>	<u>68,690</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ 73,326</u>	211,175	<u>\$ 137,849</u>
<b>Fund balances</b>				
Beginning of year			<u>6,771,394</u>	
End of year			<u>\$ 6,982,569</u>	

See notes to basic financial statements



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CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances  
Housing and Redevelopment Authority – Budget and Actual  
Year Ended December 31, 2014

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 207,802	\$ 207,293	\$ 207,293	\$ –
Intergovernmental revenue	–	58	58	–
Other revenue				
Investment earnings	2,500	17,441	17,441	–
Miscellaneous	–	123,256	123,256	–
Total revenue	<u>210,302</u>	<u>348,048</u>	<u>348,048</u>	<u>–</u>
Expenditures				
Current				
General government	<u>207,802</u>	<u>246,587</u>	<u>246,587</u>	<u>–</u>
Excess of revenue over expenditures	2,500	101,461	101,461	–
Other financing sources (uses)				
Transfers (out)	<u>–</u>	<u>(220,419)</u>	<u>(220,419)</u>	<u>–</u>
Net change in fund balances	<u>\$ 2,500</u>	<u>\$ (118,958)</u>	<u>(118,958)</u>	<u>\$ –</u>
Fund balances				
Beginning of year			<u>8,230,719</u>	
End of year			<u>\$ 8,111,761</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position  
 Proprietary Funds  
 December 31, 2014

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
<b>Assets</b>			
Current assets			
Cash and temporary investments	\$ 13,364,688	\$ 7,917,658	\$ 1,214,904
Receivables			
Delinquent special assessments	12,803	12,803	–
Deferred special assessments	121,278	121,278	–
Accounts	401,910	420,320	61,212
Prepays	–	50,876	–
Total current assets	<u>13,900,679</u>	<u>8,522,935</u>	<u>1,276,116</u>
Noncurrent assets			
Advances to other Funds	2,734,734	2,982,186	–
Capital assets			
Land	868,513	–	–
Construction in progress	841,725	199,250	–
Buildings and structures	6,058,847	–	–
Improvements other than buildings	430,070	20,881	867,291
Machinery and equipment	133,568	432,913	–
Water and sewer lines	24,117,279	21,229,206	–
	<u>32,450,002</u>	<u>21,882,250</u>	<u>867,291</u>
Less accumulated depreciation	7,699,449	6,236,427	423,913
Net capital assets	<u>24,750,553</u>	<u>15,645,823</u>	<u>443,378</u>
Total noncurrent assets	<u>27,485,287</u>	<u>18,628,009</u>	<u>443,378</u>
Total assets	<u>\$ 41,385,966</u>	<u>\$ 27,150,944</u>	<u>\$ 1,719,494</u>
<b>Liabilities</b>			
Current liabilities			
Accounts and contracts payable	\$ 75,437	\$ 12,920	\$ 36
Due to other governmental units	19,381	–	–
Unearned revenue	–	–	1,666
Total current liabilities	<u>94,818</u>	<u>12,920</u>	<u>1,702</u>
<b>Net Position</b>			
Investment in capital assets	24,750,553	15,645,823	443,378
Unrestricted	16,540,595	11,492,201	1,274,414
Total net position	<u>41,291,148</u>	<u>27,138,024</u>	<u>1,717,792</u>
Total liabilities and net position	<u>\$ 41,385,966</u>	<u>\$ 27,150,944</u>	<u>\$ 1,719,494</u>

See notes to basic financial statements

Recycling Utility	Storm Water Utility	Totals	Governmental Activities Internal Service
\$ 287,237	\$ 1,014,988	\$ 23,799,475	\$ 441,147
-	-	25,606	-
-	-	242,556	-
93,273	213,620	1,190,335	-
-	-	50,876	-
<u>380,510</u>	<u>1,228,608</u>	<u>25,308,848</u>	<u>441,147</u>
-	-	5,716,920	-
-	-	868,513	-
-	158,571	1,199,546	-
-	-	6,058,847	-
-	11,668,593	12,986,835	-
-	27,920	594,401	-
-	-	45,346,485	-
-	11,855,084	67,054,627	-
-	2,267,471	16,627,260	-
-	9,587,613	50,427,367	-
<u>-</u>	<u>9,587,613</u>	<u>56,144,287</u>	<u>-</u>
<u>\$ 380,510</u>	<u>\$ 10,816,221</u>	<u>\$ 81,453,135</u>	<u>\$ 441,147</u>
\$ 27	\$ 469	\$ 88,889	\$ 335
-	-	19,381	-
-	-	1,666	-
<u>27</u>	<u>469</u>	<u>109,936</u>	<u>335</u>
-	9,587,613	50,427,367	-
380,483	1,228,139	30,915,832	440,812
<u>380,483</u>	<u>10,815,752</u>	<u>81,343,199</u>	<u>440,812</u>
<u>\$ 380,510</u>	<u>\$ 10,816,221</u>	<u>\$ 81,453,135</u>	<u>\$ 441,147</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position  
 Proprietary Funds  
 Year Ended December 31, 2014

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	1,860,380	1,391,384	188,185
Sewer access surcharge	-	1,773	-
Other	-	-	-
Total operating revenue	<u>1,860,380</u>	<u>1,393,157</u>	<u>188,185</u>
Operating expenses			
Personal services	299,105	127,512	-
Supplies	109,951	21,885	-
Service charges			
Disposal charges	-	623,618	-
Other	185,031	57,464	13,890
Depreciation	<u>627,124</u>	<u>451,823</u>	<u>147,843</u>
Total operating expenses	<u>1,221,211</u>	<u>1,282,302</u>	<u>161,733</u>
Operating income (loss)	639,169	110,855	26,452
Nonoperating revenue			
Intergovernmental revenue	-	-	-
Investment earnings	<u>486,312</u>	<u>295,531</u>	<u>42,900</u>
Total nonoperating revenue	<u>486,312</u>	<u>295,531</u>	<u>42,900</u>
Income before contributions and transfers	1,125,481	406,386	69,352
Capital contributions	91,045	6,162	3,900
Transfers out	<u>(37,000)</u>	<u>(31,000)</u>	<u>(16,000)</u>
Change in net position	1,179,526	381,548	57,252
Net position			
Beginning of year	<u>40,111,622</u>	<u>26,756,476</u>	<u>1,660,540</u>
End of year	<u><u>41,291,148</u></u>	<u><u>27,138,024</u></u>	<u><u>1,717,792</u></u>

See notes to basic financial statements

<u>Recycling Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	<u>Governmental Activities Internal Service</u>
309,160	706,135	4,455,244	-
-	-	1,773	-
-	-	-	22,294
<u>309,160</u>	<u>706,135</u>	<u>4,457,017</u>	<u>22,294</u>
6,488	140,977	574,082	-
12,402	17,400	161,638	-
-	-	623,618	-
302,431	116,773	675,589	20,744
-	234,559	1,461,349	-
<u>321,321</u>	<u>509,709</u>	<u>3,496,276</u>	<u>20,744</u>
(12,161)	196,426	960,741	1,550
65,817	-	65,817	-
8,705	37,280	870,728	15,540
<u>74,522</u>	<u>37,280</u>	<u>936,545</u>	<u>15,540</u>
62,361	233,706	1,897,286	17,090
-	-	101,107	-
<u>(9,500)</u>	<u>(26,000)</u>	<u>(119,500)</u>	<u>-</u>
52,861	207,706	1,878,893	17,090
<u>327,622</u>	<u>10,608,046</u>	<u>79,464,306</u>	<u>423,722</u>
<u>380,483</u>	<u>10,815,752</u>	<u>81,343,199</u>	<u>440,812</u>

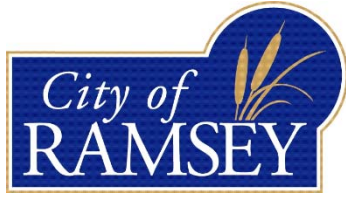
CITY OF RAMSEY

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended December 31, 2014

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 1,962,747	\$ 1,444,255	\$ 188,221
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(233,641)	(707,767)	(24,211)
Paid to employees	(299,105)	(127,512)	–
Net cash flows from operating activities	<u>1,430,001</u>	<u>608,976</u>	<u>164,010</u>
Cash flows from capital and related financing activities			
Capital contributions	91,045	6,162	3,900
Acquisition of capital assets	(924,255)	(253,995)	(1,988)
Net cash flows from capital and related financing activities	<u>(833,210)</u>	<u>(247,833)</u>	<u>1,912</u>
Cash flows from investing activities			
Interest received on investments	486,312	295,531	42,900
Cash flows from noncapital financing activities			
Intergovernmental revenue	–	–	–
Transfers (out)	(37,000)	(31,000)	(16,000)
Advances to other funds	142,444	154,585	–
Net cash flows from noncapital financing activities	<u>105,444</u>	<u>123,585</u>	<u>(16,000)</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	1,188,547	780,259	192,822
Cash and temporary investments/cash equivalents			
Beginning of year	<u>12,176,141</u>	<u>7,137,399</u>	<u>1,022,082</u>
End of year	<u>\$ 13,364,688</u>	<u>\$ 7,917,658</u>	<u>\$ 1,214,904</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 639,169	\$ 110,855	\$ 26,452
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	627,124	451,823	147,843
Change in assets and liabilities			
Receivables			
Deferred special assessments	34,425	34,424	–
Accounts	67,942	16,674	(454)
Prepays	–	1,092	–
Accounts payable	67,929	(5,892)	(10,073)
Unearned revenue	–	–	490
Due to other governmental units	(6,588)	–	(248)
Net cash flow from operating activities	<u>\$ 1,430,001</u>	<u>\$ 608,976</u>	<u>\$ 164,010</u>

See notes to basic financial statements

Recycling Utility	Storm Water Utility	Totals	Governmental Activities Internal Service
\$ 311,232	\$ 712,783	\$ 4,619,238	\$ -
-	-	-	22,294
(307,224)	(134,496)	(1,407,339)	(20,409)
(6,488)	(140,977)	(574,082)	-
<u>(2,480)</u>	<u>437,310</u>	<u>2,637,817</u>	<u>1,885</u>
-	-	101,107	-
-	(213,902)	(1,394,140)	-
<u>-</u>	<u>(213,902)</u>	<u>(1,293,033)</u>	<u>-</u>
8,705	37,280	870,728	15,540
65,817	-	65,817	-
(9,500)	(26,000)	(119,500)	-
-	-	297,029	-
<u>56,317</u>	<u>(26,000)</u>	<u>243,346</u>	<u>-</u>
62,542	234,688	2,458,858	17,425
<u>224,695</u>	<u>780,300</u>	<u>21,340,617</u>	<u>423,722</u>
<u>\$ 287,237</u>	<u>\$ 1,014,988</u>	<u>\$ 23,799,475</u>	<u>\$ 441,147</u>
\$ (12,161)	\$ 196,426	\$ 960,741	\$ 1,550
-	234,559	1,461,349	-
-	-	68,849	-
2,072	6,648	92,882	-
-	-	1,092	-
(244)	(323)	51,397	335
-	-	490	-
<u>7,853</u>	<u>-</u>	<u>1,017</u>	<u>-</u>
<u>\$ (2,480)</u>	<u>\$ 437,310</u>	<u>\$ 2,637,817</u>	<u>\$ 1,885</u>



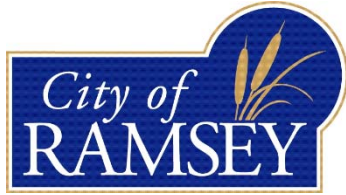
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CITY OF RAMSEY

Statement of Fiduciary Net Position  
December 31, 2014

	<u>Agency Fund</u>
Assets	
Cash and temporary investments	\$ 440,653
Receivables	
Accounts	43,029
Assets held for resale	<u>12,734,868</u>
Total assets	<u>\$ 13,218,550</u>
Liabilities	
Accounts payable	\$ 6,583
Deposits payable	477,099
Loans Payable to Met Council	<u>12,734,868</u>
Total liabilities	<u>\$ 13,218,550</u>

See notes to basic financial statements



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## CITY OF RAMSEY

Notes to Basic Financial Statements  
December 31, 2014

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

#### A. Organization

The City of Ramsey, Minnesota (the City) operates under the Home Rule Charter City form of government as defined in Minnesota Statutes. Under this plan, the government of the City is run by a City Council composed of an elected Mayor and elected Councilmembers. The City Council exercises legislative authority and determines all matters of policy. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

#### B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's Board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

##### 1. Blended Component Units

The Ramsey Economic Development Authority (EDA) and the Ramsey Housing and Redevelopment Authority (HRA) are included as blended component units of the City (primary government). Financial data is reflected as separate Special Revenue Funds. The basis for blending the EDA includes: 1.) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. Voting authority rests with the City Council. The basis for blending the HRA includes: 1.) the component units governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the HRA. Both of these organizations are considered blended component units of the City and reported as though its funds were funds of the City. Separate financial reporting for these units is not produced in addition to this report.

##### 2. Jointly Governed Organization

The City is a member of Local Governmental Information Systems (LOGIS), a consortium of Minnesota municipalities that provides data processing services and support to its members. LOGIS is a legally separate entity that is financially independent of the City. Further, the City does not appoint a voting majority of LOGIS' Board of Directors. Therefore, it has not been incorporated into the City's reporting entity. During the 2014 fiscal year, the City paid LOGIS approximately \$146,290 for services and equipment provided.

#### C. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's Enterprise Funds and other functions are not eliminated as that would distort the direct costs and program revenues reported in those functions. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on long-term debt for governmental activities is considered an indirect expense and is reported separately on the Statement of Activities.

### D. Fund Financial Statement Presentation

Separate fund financial statements are provided for Governmental, Proprietary, and Fiduciary Funds. Major individual Governmental and Enterprise Funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining Nonmajor Governmental Funds is reported in a single column in the fund financial statements. A single column is presented in the Proprietary Fund statements to report Internal Service Fund activity. Fiduciary Funds are presented in the Fiduciary Fund financial statements by fund type. Since, by definition, Fiduciary Fund assets are held for the benefit of a third party and cannot be used for activities or obligations of the City, these funds are excluded from the government-wide statements.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered measurable and available only when cash is received by the City. Proceeds of long-term debt is reported as other financing sources.

Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt, compensated absences, and OPEB, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the Governmental Funds.

Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds and Internal Service Funds are charges to customers for sales and services. The operating expenses for the Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's Fiduciary Fund is an Agency Fund, which uses the accrual basis of accounting, but has no measurement focus.

Information for the Internal Service Fund is reported in a single column in the Proprietary Fund financial statements. Because the principal user of the internal services is the City's governmental activities, the financial statements of the Internal Service Fund are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

### Description of Funds

The City reports the following Major Governmental Funds:

**General Fund** – This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Tax Increment Special Revenue Fund** – This fund is used to account for resources received from general property taxes in the form of tax increments.

**Housing and Redevelopment Authority Special Revenue Fund** – This fund is used to account for revenues and expenditures associated with housing and redevelopment activities within the City. The primary revenue source is property tax levies.

**2012A G.O Improvement Bond Refund Debt Service Fund** – The 2005A Public Project Lease Revenue Bond was issued to finance the construction of the city's municipal center. Series 2012A G.O. Capital Improvement Bond was used to refund this original bond issue.

**Public Improvement Revolving Capital Project Fund** – This fund is used to account for the resources to be used to finance the City's share of the annual street maintenance program.

**Landfill Capital Project Fund** – This fund is used to account for certain landfill-related revenue, the expenditures the City may incur in relation to the landfill, and any other expenditures for improvements providing a benefit to the entire city. The fund does not present a potential liability for landfill closure and post closure care costs as defined by GASB Statement No. 18 as the landfill is not owned by the City.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Equipment Revolving Capital Project Fund** – This fund is used to account for resources to finance the replacement of city equipment, vehicles, and/or building facilities.

**Public Improvement Revolving The COR Capital Project Fund** – This fund is used to account for all costs associated with the construction of public improvements related to The COR project.

The City reports the following Major Proprietary Funds:

**Water Utility Fund** – This fund is used to account for the operation of the city-owned water system.

**Sewer Utility Fund** – This fund is used to account for the operation of the city-owned sewer system.

**Street Light Utility Fund** – This fund is used to account for the operation of city-owned streetlights within subdivisions and the priority streetlights throughout the City.

**Recycling Utility Fund** – This fund is used to account for the operation of the City’s curbside recycling program and annual recycling days.

**Storm Water Utility Fund** – This fund is used to account for the operation of the city-owned storm water system repair and upkeep.

The City also reports the following fund types:

**Internal Service Fund** – This fund is used to account for the City’s insurance refunds, dividends, and other miscellaneous insurance related revenues, and to provide for self-insuring the deductible portions of the City’s insurance policies.

**Agency Fund** – This fund is used to account for assets held by the City in the capacity of agent. The City maintains one Agency Fund to account for deposits held for developers as security for various services. In addition it accounts for property purchased on behalf of the state and the related liability for future state highway improvements.

### E. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in short-term investments. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes, such as bond indentures held by trustee established for certain bonds. Interest earned on these investments is allocated directly to the escrow account.

The City generally reports investments at fair value. The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC), but follows the same regulatory rules of the SEC under rule 2a7. The City’s investment in this fund is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **F. Receivables**

All miscellaneous accounts receivable are presented net of an allowance for doubtful accounts. Since the City is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on these receivables. The only receivables not expected to be fully collected within one year are property taxes and special assessments receivable.

### **G. Property Taxes**

Property tax levies are set by the City Council by December of each year and are certified to the County Auditor for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. A portion of the property taxes levied is paid by the state of Minnesota through various tax credits, which is included in intergovernmental revenue in the financial statements.

The county spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts several times a year. Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable.

### **H. Special Assessments**

Special assessments represent the financing for public improvements paid for by the benefiting property owners. These assessments are recorded as delinquent (levied but unremitted) or deferred (certified but not yet levied) special assessments receivable.

### **I. Prepaid items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaids are recognized by the consumption method, proportionately over the periods that service is provided.

### **J. Interfund Receivables and Payables**

Activity between funds that is representative of lending or borrowing arrangements is reported as either “due to/from other funds” (current portion) or “advances to/from other funds.” All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

### **K. Deferred Inflows of Resources**

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **L. Land Held for Resale**

Land held for resale represents various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or net realizable value.

### **M. Capital Assets**

Capital assets, which include property, buildings, improvements, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$5,000 or more for governmental activities and \$1,000 for Proprietary Funds and business-type activities with an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by accounting principles generally accepted in the United States of America, the City has elected not to retroactively capitalize the infrastructure of its governmental activities acquired prior to January 1, 2004.

Capital assets are recorded in the government-wide and Proprietary Fund financial statements, but are not reported in the Governmental Fund financial statements. Interest incurred during the construction phase of capital assets for business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. Useful lives vary from 15 to 50 years for buildings and improvements, 5 to 10 years for machinery, vehicles, and equipment, and 20 to 50 years for collection and distribution systems and other infrastructure.

### **N. Compensated Absences Payable**

Certain city employees earn personal time off, vacation, compensation time, and sick leave at various rates based on longevity. These compensated absences are paid to an employee leaving in good standing, at their current rate of pay, with the exception of sick leave. A minimum of one third (based on longevity), is paid to the departing employee if they have completed 5 or more years of service prior to termination. Compensated absences payable are accounted for as long-term liabilities as described in the following section.

### **O. Long-Term Liabilities**

In the government-wide and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities. If they are material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the Governmental Fund financial statements, long-term debt and other long-term obligations are not reported as liabilities until due. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### P. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities, deferred inflows/outflows as applicable. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.
- **Unrestricted Net Position** – All remaining net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

### Q. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.
- **Committed** – Consists of amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- **Assigned** – Consists of internally imposed constraints for amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by an official to which the City Council delegates the authority. Pursuant to City Council Resolution, the City’s Finance Director is authorized to establish assignments of fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, the City first uses restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, the City uses resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **R. Restricted Assets**

Restricted assets are cash and cash equivalents and the related interest receivable whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements these assets have been reported as “cash and investments held by trustee” and the interest receivable is included within “accounts and interest receivable”.

### **S. Budgets and Budgetary Accounting**

Each fall the City Council adopts a General Fund budget for the following fiscal year beginning January 1. In addition, an annual budget is legally adopted for the Economic Development Authority, a non major special revenue fund, and the Housing and Redevelopment Authority (HRA) a major special revenue fund. The City has established budgetary control at the function level based upon GAAP serving as the basis of budgeting. Budget appropriations lapse at year-end.

The government’s department heads may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the council. All the appropriations for the Housing and Redevelopment Authority are approved by their governing board. The Economic Development Authority budget is recommended by their board and final approval comes from City Council.

### **T. Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The Proprietary Funds’ portion in the government-wide cash and investment management pool is considered to be cash equivalent.

### **U. Self-Insurance Plan and Risk Management**

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers’ compensation, and other miscellaneous insurance coverages. LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The City has elected higher deductibles through LMCIT in order to keep premiums at a minimum. To supplement the commercial coverages, the City established the Self-Insurance Internal Service Fund. This fund is funded primarily through dividend paybacks from LMCIT. Expenditures from this fund consist solely of payments of those insurance related costs that are below the individual and/or commutative deductible amounts. Premiums for LMCIT policies are not paid from the Self-Insurance Internal Service Fund, but rather are budgeted and paid from the respective operating funds. The City does not retain significant uncovered risk.

The City also carries commercial insurance for certain other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in the City’s insurance coverage in 2014.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### V. Loans payable to Met Council

The City entered into a loan agreement with the Metropolitan (Met) Council to acquire property within the proposed right-of-way of highways designated as a part of the metropolitan highway system plan. State Highway 10, within Ramsey, is part of that highway system plan. The loans bear no interest, and are to be repaid upon the acquisition of the property by the State of Minnesota.

### W. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

### X. Comparative data/reclassifications

Comparative data for the prior year has been presented only for management discussion and analysis. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### Y. Future Change in Accounting Standards

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to employer governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement will be effective for fiscal years beginning after June 15, 2014. The City has not yet determined the financial statement impact of adopting this new standard.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$	4,401,415
Investments		46,204,895
Cash on hand		<u>500</u>
Total	\$	<u>50,606,810</u>

Cash and investments are presented in the financial statements as follows:

Cash and temporary investments - Statement of Net Position	\$	49,663,519
Restricted cash and investments for debt service - Statement of Net Position		502,638
Cash and temporary investments - Statement of Fiduciary Net Position		<u>440,653</u>
Total	\$	<u>50,606,810</u>

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

**Custodial credit risk** – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk.

At year end, the carrying amount of the City's deposits was \$4,401,415 while the balance on the bank records was \$4,908,229. At December 31, 2014, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

### C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Interest Risk- Maturity Duration in Years					Total
	Rating	Agency	Less Than 1	1 to 5	6 to 10	11 to 15	>15	
U.S. Treasuries	N/A	N/A	\$ -	\$ -	\$ 4,087	\$ -	\$ -	\$ 4,087
U.S. Agencies	AA+	S&P	-	3,700,127	6,210,057	4,187,496	9,054	14,106,734
Municipal Bonds	Aa1- Ba3	Moody's	653,719	3,838,198	1,916,576	806,683	-	7,215,176
Municipal Bonds	A- AAA	S&P	1,938,465	5,044,338	1,817,461	-	-	8,800,264
Negotiable Certificates of Deposit	N/A	N/A	2,982,043	7,521,530	-	150,000	-	10,653,573
Investment pools								
Minnesota Municipal Money Market	N/R	N/A	5,425,061	-	-	-	-	5,425,061
Total Investments								<u>\$ 46,204,895</u>

N/A Not Applicable

N/R Not Rated

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial credit risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Credit risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; commercial paper issued by the United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of the United States banks and Guaranteed Investment Contracts guaranteed by a United States commercial bank or domestic branch of a foreign bank, or a United States insurance company, or their Canadian subsidiary, and with a credit quality in one of the top two highest categories by a nationally recognized rating agency. The City’s investment policies do not further address credit risk.

**Concentration risk** – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding United States guaranteed investments (such as Treasuries), investment pools and mutual funds. The City’s investment policies do not limit the concentration of investments. At year end, the City’s investment portfolio included 23% concentration in Federal Home Loan Banks and 6% in Federal National Mortgage Association.

**Interest rate risk** – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

**NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**A. Short-Term Interfund Receivables/Payables**

Individual interfund due from and to other funds at year-end were as follows:

Receivable Fund	Payable Fund	Amount
Major Governmental Fund Public Improvement Revolving Fund Capital Project Fund	Major Governmental Fund Public Improving Revolving The COR Fund Capital Project Fund	\$ 46,284
Major Governmental Fund Public Improvement Revolving Fund Capital Project Fund	Nonmajor Governmental Fund Center Street Fund Capital Project Fund	270,116
Nonmajor Governmental Fund Economic Development Authority Special Revenue Fund	Nonmajor Governmental Fund RALF Funded Project Fund Capital Project Fund	18,450
Nonmajor Governmental Fund State-Aid Construction Capital Project Fund	Nonmajor Governmental Fund 2012 Riverdale Drive Capital Project Fund	425,757
		<u>\$ 760,607</u>

These internal loans were utilized for cash flow purposes.

**NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**B. Advances To and From Other Funds**

Individual interfund advances to and from other funds at year-end were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Major Capital Project Fund; Landfill	General Fund	\$ 56,557	Internally finance facility loan
Major Proprietary Fund; Sewer Utility	General Fund	794,762	Internally finance facility loan
Major Proprietary Fund; Water Utility	Major Special Revenue Fund; HRA	2,187,424	Internally finance development land purchase
Major Proprietary Fund; Sewer Utility	Major Special Revenue Fund; HRA	2,187,424	Internally finance development land purchase
Major Proprietary Fund; Water Utility	Nonmajor Capital Project Fund; Public Facilities Construction Fund	547,310	Internally finance facility loan
		<u>\$ 5,773,477</u>	

**C. Interfund Transfers**

Transfers Out	Transfers In					Total
	General Fund	Public Improvement Revolving Capital Project Fund	Equipment Revolving Capital Project Fund	Public Improvement Revolving The COR Capital Project Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 274,760	\$ 241,676	\$ -	\$ 170,464	686,900
Tax Increment Special Revenue Fund	275,000	-	-	-	312,000	587,000
Housing and Redevelopment Authority Special Revenue Fund	-	-	-	220,419	-	220,419
Public Improvement Revolving Capital Projects Fund	25,000	-	-	-	-	25,000
Landfill Capital Project Fund	-	-	-	-	5,300	5,300
Equipment Revolving Capital Project Fund	452,398	-	-	-	-	452,398
Nonmajor Governmental Funds	128,726	-	-	-	104,296	233,022
Water Utility Proprietary Fund	37,000	-	-	-	-	37,000
Sewer Utility Proprietary Fund	31,000	-	-	-	-	31,000
Street Light Utility Proprietary Fund	16,000	-	-	-	-	16,000
Recycling Utility Proprietary Fund	9,500	-	-	-	-	9,500
Storm Water Utility Proprietary Fund	26,000	-	-	-	-	26,000
	<u>\$ 1,000,624</u>	<u>\$ 274,760</u>	<u>\$ 241,676</u>	<u>\$ 220,419</u>	<u>\$ 592,060</u>	<u>\$ 2,329,539</u>

Transfers are used to move revenues from the funds in which they are collected to the funds where they are to be spent in accordance with statutory, budgetary or contractual requirements. Transfers are made in accordance with the budget or as approved by the City Council.

## NOTE 4 – CAPITAL ASSETS

### A. Changes in Capital Assets Used in Governmental Activities

	Balance – Beginning of Year	Additions	Completed Construction	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 6,772,024	\$ -	\$ -	\$ -	\$ 6,772,024
Construction in progress	649,547	2,809,924	(1,777,503)	-	1,681,968
Capital assets, depreciated					
Buildings and structures	25,748,275	33,853	854,546	-	26,636,674
Improvements other than buildings	10,898,296	231,652	308,328	(52,500)	11,385,776
Office equipment	683,468	-	-	(26,272)	657,196
Motor vehicles	3,882,172	86,715	-	(82,705)	3,886,182
Machinery and equipment	4,846,837	526,808	614,629	(232,796)	5,755,478
Infrastructure	28,922,328	-	-	-	28,922,328
Total capital assets	<u>82,402,947</u>	<u>3,688,952</u>	<u>-</u>	<u>(394,273)</u>	<u>85,697,626</u>
Less accumulated depreciation on					
Buildings and structures	(4,970,503)	(563,268)	-	-	(5,533,771)
Improvements other than buildings	(2,647,409)	(608,896)	-	50,491	(3,205,814)
Office equipment	(295,853)	(33,056)	-	23,406	(305,503)
Motor vehicles	(2,725,432)	(275,291)	-	82,705	(2,918,018)
Machinery and equipment	(2,550,219)	(350,249)	-	228,869	(2,671,599)
Infrastructure	(6,684,275)	(1,066,045)	-	-	(7,750,320)
Total accumulated depreciation	<u>(19,873,691)</u>	<u>(2,896,805)</u>	<u>-</u>	<u>385,471</u>	<u>(22,385,025)</u>
Net capital assets	<u>\$ 62,529,256</u>	<u>\$ 792,147</u>	<u>\$ -</u>	<u>\$ (8,802)</u>	<u>\$ 63,312,601</u>

### B. Changes in Capital Assets Used in Business-Type Activities

	Balance – Beginning of Year	Additions	Completed Construction	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 868,513	\$ -	\$ -	\$ -	\$ 868,513
Construction in progress	-	1,199,546	-	-	1,199,546
Capital assets, depreciated					
Buildings and structures	6,058,847	-	-	-	6,058,847
Improvements other than buildings	12,958,987	139,848	-	(112,000)	12,986,835
Machinery and equipment	540,275	54,746	-	(620)	594,401
Water and sewer lines	45,346,485	-	-	-	45,346,485
Total capital assets	<u>65,773,107</u>	<u>1,394,140</u>	<u>-</u>	<u>(112,620)</u>	<u>67,054,627</u>
Less accumulated depreciation on					
Buildings and structures	(1,016,319)	(121,091)	-	-	(1,137,410)
Improvements other than buildings	(2,416,257)	(399,219)	-	112,000	(2,703,476)
Machinery and equipment	(235,627)	(36,342)	-	620	(271,349)
Water and sewer lines	(11,610,328)	(904,697)	-	-	(12,515,025)
Total accumulated depreciation	<u>(15,278,531)</u>	<u>(1,461,349)</u>	<u>-</u>	<u>112,620</u>	<u>(16,627,260)</u>
Net capital assets	<u>\$50,494,576</u>	<u>\$ (67,209)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,427,367</u>

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

**C. Depreciation Expense by Function**

Governmental activities	
General government	\$ 882,966
Public safety	280,692
Highways and streets	1,324,953
Culture and recreation	408,194
Total depreciation expense – governmental activities	<u>\$ 2,896,805</u>
Business-type activities	
Water Utility	\$ 627,124
Sewer Utility	451,823
Street Light Utility	147,843
Storm Water Utility	234,559
Total depreciation expense – business-type activities	<u>\$ 1,461,349</u>

**NOTE 5 – LONG-TERM DEBT**

**A. Components of Long-Term Debt**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Balance – End of Year</u>
Governmental activities					
Bonds payable					
General Obligation Tax Increment Bonds Series 2012B	\$ 7,320,000	1.00–3.00%	6/5/2012	6/1/2024	\$ 7,320,000
General Obligation Capital Improvement Capital Improvement Refunding Bonds, Series 2004A	\$ 1,480,000	1.80–4.00%	11/1/2004	2/1/2017	390,000
General Obligation Improvement Bonds					
Series 2009A	\$ 1,340,000	.85–4.50%	3/1/2007	4/1/2019	690,000
Series 2011A	\$ 4,365,000	2.00–3.15%	9/7/2011	2/1/2032	3,880,000
Series 2011B	\$ 3,090,000	2.00–2.70%	12/29/2011	12/15/2025	3,090,000
Series 2012A	\$ 16,875,000	3.00–3.75%	6/7/2012	12/15/2031	15,245,000
Total general obligation improvement bonds					<u>22,905,000</u>
Total bonds payable					<u>30,615,000</u>
Capital Equipment Certificates					
Capital Equipment Certificates of Indebtedness, Series 2013A	\$ 635,000	.50-3.00%	9/5/2013	9/1/2023	575,000
Series 2014A	\$ 875,000	.60-2.35%	12/3/2014	12/15/2024	875,000
Total capital equipment certificates					<u>1,450,000</u>
Compensated absences payable					772,779
OPEB					404,555
Total governmental activities debt					<u>\$ 33,242,334</u>

## NOTE 5 – LONG-TERM DEBT (CONTINUED)

### B. Descriptions of Long-Term Debt

- **Tax Increment Bonds –**

The \$7,320,000 Series 2012B are Taxable General Obligation Tax Increment bonds that were issued to pay for certain qualified costs related to the construction of The Residence at the COR Apartments within Tax Increment District 14 in the city.

- **Capital Improvement Refunding Bonds Series 2004A –** These bonds were issued to finance Fire Station #1 and will be repaid via ad valorem levies.

- **General Obligation Improvement Bonds –**

The 2009A Series bonds will be repaid with annual allotments of Municipal State Aid and interest will be subsidized up to 35% through the Build America bond program.

The Series 2011A bonds will be repaid with annual allotments of Municipal State Aid and an annual assessment per the assessment agreement between the city of Ramsey and Hageman Holdings for the improvements that were necessary for the future Legacy School.

The Series 2011B were Improvement Crossover Refunding bonds that were issued to refund the 2005B Series bonds that were called on December 15, 2014. The proceeds of this issue were used to call in advance the remaining principal of the 2005B GO Bonds and the City will assume the principal and interest payments on the 2011 issue. This refunding reduced the City's total future debt payments by \$186,544 and resulted in a present value savings of \$153,959.

The Series 2012A bonds were issued to refund Public Facility Lease Revenue Bonds Series 2005A, dated June 1, 2005, issued by the Economic Development Authority (EDA) of the city of Ramsey.

- **Capital Equipment Certificates –**

Series 2013A certificates were issued to finance various capital equipment purchases and will be repaid via ad valorem levies.

Series 2014A certificates were issued to finance various capital equipment purchases and will be repaid via ad valorem levies.

- **Compensated Absences –** The liability represents vested benefits earned by Governmental Fund employees through the end of the year which will be paid or used in future periods. The General Fund is the primary fund used to liquidate this liability.
- **Other Post-Employment Benefits (OPEB) Liability –**The liability represents non-pension benefits provided after the termination of employment. Governmental entities have traditionally accounted for OPEB on a pay-as-you-go basis. OPEB liability is accrued as service is provided by employees. The General Fund is the primary fund used to liquidate this liability.

**NOTE 5 – LONG-TERM DEBT (CONTINUED)**

**C. Changes in Long-Term Debt**

	Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
G.O. Tax Increment Bonds	\$ 7,620,000	\$ –	\$ 300,000	\$ 7,320,000	\$ 175,000
G.O. Capital Improvement Bonds	515,000	–	125,000	390,000	125,000
G.O. Improvement Bonds	26,895,000	–	3,990,000	22,905,000	1,195,000
Capital Equipment Certificates	635,000	875,000	60,000	1,450,000	140,000
Compensated absences payable	819,833	466,519	513,573	772,779	502,306
OPEB	347,007	62,922	5,374	404,555	–
	<u>\$ 36,831,840</u>	<u>\$ 1,404,441</u>	<u>\$ 4,993,947</u>	<u>\$ 33,242,334</u>	<u>\$ 2,137,306</u>

**D. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire bonds and capital equipment certificates are as follows:

Year Ending December 31,	Governmental Activities Bonded and Capital Equipment Certificate Debt	
	Principal	Interest
2015	1,635,000	891,190
2016	2,365,000	847,848
2017	2,410,000	791,827
2018	2,340,000	732,920
2019	2,420,000	671,025
2020-2024	11,955,000	2,350,130
2025-2029	6,190,000	1,020,193
2030-2032	2,750,000	141,650
	<u>\$ 32,065,000</u>	<u>\$ 7,446,783</u>

**E. Revenue Pledged**

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
Tax increment bonds	Street & Building improvements	Tax increment financing	100%				\$ 285,421
Series 2012B				2012–2024	\$ 8,302,140	\$ 155,415	

**NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION**

**A. Classifications**

City had the following classifications of fund balances in its Governmental Funds:

	Special Revenue Funds			Debt Service Fund	Capital Project Fund					Total
	General	Tax Increment	Housing and Redevelopment Authority	2012A G.O. Improvement Bond Refund	Public Improvement Revolving	Landfill	Equipment Revolving	Public Improvement Revolving The COR	Nonmajor	
Fund balances										
Nonspendable										
Prepays	\$ 4,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,805
Restricted for										
Capital improvements	-	-	-	-	-	-	-	-	854,982	854,982
Debt service	-	-	-	720,349	-	-	-	-	1,194,123	1,914,472
Economic development	-	-	-	-	-	-	-	-	1,272,019	1,272,019
Housing and redevelopment	-	-	8,111,761	-	-	-	-	-	-	8,111,761
Lawful gambling	-	-	-	-	-	-	-	-	149,440	149,440
Public safety	-	-	-	-	-	-	-	-	81,400	81,400
Solid waste management	-	-	-	-	-	-	-	-	15,615	15,615
Tax increment	-	2,895,711	-	-	-	-	-	-	-	2,895,711
	-	2,895,711	8,111,761	720,349	-	-	-	-	3,567,579	15,295,400
Committed										
Capital improvements	-	-	-	-	-	-	-	-	360,154	360,154
Community/business programs	-	-	-	-	-	-	-	-	383,790	383,790
	-	-	-	-	-	-	-	-	743,944	743,944
Assigned										
Capital improvements	-	-	-	-	3,512,726	-	1,481,955	-	1,954,043	6,948,724
Cemetery	-	-	-	-	-	-	-	-	41,160	41,160
Landfill	-	-	-	-	-	1,915,813	-	-	-	1,915,813
Park improvement	-	-	-	-	-	-	-	-	1,642,406	1,642,406
RALF funded projects	-	-	-	-	-	-	-	-	62,244	62,244
Parking ramp	-	-	-	-	-	-	-	-	41,207	41,207
	-	-	-	-	3,512,726	1,915,813	1,481,955	-	3,741,060	10,651,554
Unassigned	6,977,764	-	-	-	-	-	-	(46,835)	(64,144)	6,866,785
Total fund balances	<u>\$ 6,982,569</u>	<u>\$ 2,895,711</u>	<u>\$ 8,111,761</u>	<u>\$ 720,349</u>	<u>\$ 3,512,726</u>	<u>\$ 1,915,813</u>	<u>\$ 1,481,955</u>	<u>\$ (46,835)</u>	<u>\$ 7,988,439</u>	<u>\$ 33,562,488</u>

**NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION (CONTINUED)**

**B. Fund Balance Policy**

When actual revenues exceed actual expenditures in a given year, the excess shall be allocated as follows:

- a) Any excess shall be first allocated to "unassigned" fund balance to bring that portion of fund balance to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior-year encumbrances (if any) plus compensated absences.
- b) Any excess after complying with fund balance requirements in step "a" shall be allocated to equipment replacement, park trust, public facilities construction, and public improvement revolving funds in the following manner:

- Ten percent (10%) to Fund #234 - Equipment Revolving Fund
- Ten percent (10%) to Fund #810 – Park Maintenance Fund (reported in General Fund)
- Forty percent (40%) to Fund #412 – Public Facilities Construction Fund
- Forty percent (40%) to Fund #400 - Public Improvement Revolving Fund

When actual expenditures exceed actual revenues in a given year, the deficit shall be treated as follows:

- a) "Unassigned" fund balance shall first be adjusted to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior year encumbrances (if any) plus compensated absences.
- b) If shortage after complying with fund balance requirement in step "a" shall draw funds in the following manner:

- Ten percent (10%) to Fund #234 - Equipment Revolving Fund
- Ten percent (10%) to Fund #810 – Park Maintenance Fund (reported in General Fund)
- Forty percent (40%) to Fund #412 – Public Facilities Construction Fund
- Forty percent (40%) to Fund #400 - Public Improvement Revolving Fund

At December 31, 2014, the city fund has met its general fund balance policy.

**NOTE 7 – INDIVIDUAL FUND DISCLOSURES**

**Fund Deficits**

The following funds have a fund balance deficit at December 31, 2014:

Public Improvement Revolving The COR, Major Capital Project Fund	\$ (46,835)
2012 Riverdale Drive, Non Major Capital Project Fund	\$ (62,924)
Center Street, Non Major Capital Project Fund	\$ (1,220)

The City intends to fund these deficits through future tax levies, special assessment levies, tax increments, transfers from other funds, grants, utility revenues, and various other sources.

## **NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE**

### **A. Plan Description**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees' Retirement Fund (GERF) and the Public Employees' Police and Fire Fund (PEPFF) which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service for members who started before July 1, 2010 and five years of credited service for members who started on or after July 1, 2010. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years of service and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of the average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service.

For PEPFF members, the annuity accrual rate is 3% for each year of service. For all PEPFF members and for GERF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members, and 65 for GERF Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the web at [mnpera.org](http://mnpera.org), by writing to PERA at Public Employees' Retirement Association, Retirement System of Minnesota Building, 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**

**B. Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Coordinated Plan members were required to contribute 6.25% of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. The City is required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERP members, and 15.3% for PEPFF members.

The City’s contributions for the past three years ending December 31, which were equal to the contractually required contributions for each year as set by state statute, were as follows:

	GERP	PEPFF	Total
2014	\$ 208,741	\$ 288,041	\$ 496,782
2013	\$ 187,503	\$ 260,529	\$ 448,032
2012	\$ 192,807	\$ 269,743	\$ 462,550

Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5 percent for members and 7.5 percent for employers) and the PEPFF (10.8 percent for members and 16.2 percent for employers).

**NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN – STATE-WIDE**

All City Council members are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA with two members participating. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specified the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary, which is matched by the elected official’s employer.

For salaried employees, employer contributions must be a fixed percentage of salary. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and 4/10 of 1 percent of the assets in each member’s account annually. Total contributions made by the City during fiscal year 2014 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$900	\$900	5.0%	5.0%	5.0%

**NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN – FIRE RELIEF ASSOCIATION**

**A. Plan Description**

Volunteer firefighters of the City are members of the Ramsey Firefighter’s Relief Association (the Association). The Association is a single-employer defined contribution pension plan that operates under the provisions of Minnesota Statutes § 69 and 424, as amended. It is governed by a Board of six officers and trustees elected by the members of the Association for three year terms. The chief of the Ramsey Volunteer Fire Department, the Mayor, and the Finance Director of the City are ex-officio members of the Board of Trustees. The City’s payroll for members of the Association for the year ended December 31, 2014 was \$171,009, compared to a total city payroll of \$5,699,557.

## **NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN – FIRE RELIEF ASSOCIATION (CONTINUED)**

For financial reporting purposes, the Association’s financial statements are not included in the City’s financial statements because it is not a component unit of the City. The Association issues a publicly available financial report. A copy of the report may be obtained at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303.

### **B. Pension Benefits**

Minnesota Statutes Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. In order to be entitled to a pension benefit, a firefighter must have completed a minimum of 10 years of service with the fire department, 10 years membership in the Association, and attain the age of 50 years. The firefighter will then be 60% vested with every year after that at 4% per year until the 20th year when 100% vesting will occur. Because this plan is a defined contribution plan, the amount of the retirement benefit is not predetermined, but rather is based on the individual member’s allocable portion of contributions made during the participation period.

Firefighters also have the availability of other pensions such as deferred pension, disability pension, death benefits, and supplemental death benefits. Each of these other pensions are determined based on age and years of service.

### **C. Contributions Required and Contributions Made**

Contributions to the plan include State Fire Aid pursuant to Minnesota Statutes Chapter 69. In addition, the City is allowed to make voluntary contributions of other public funds pursuant to Minnesota Statutes Chapter 69. The City’s contribution to the Association in 2014, including both city and state fire aid passed through the City totaled \$158,789. This contribution represents nearly 93% of the current 2014 covered payroll of \$171,009.

There were no current year changes in plan provisions.

## **NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS PLAN**

### **A. Plan Description**

The City provides post-employment healthcare benefits as required by Minnesota Statute 471.61 subdivision 2b. Active employees, who retire from the City when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the City health benefits program. Retirees are required to pay 100% of the total group rate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees, whose costs are statistically higher than the group average, are receiving an implicit rate “subsidy”.

The City has used the alternative valuation method set forth in GASB Statement No. 45 to determine the materiality of Other Post-Employment Benefits, OPEB. The plan does not issue a publicly available financial report.

### **B. Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements. The City Council may change the funding policy at any time.

**NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

**C. Annual OPEB Cost and Net OPEB Obligation**

The City’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the City, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement Nos. 43 and 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City’s net OPEB obligation to the plan:

Annual required contribution	\$ 60,408
Interest on net OPEB obligation	15,615
Adjustment to annual required contribution	<u>(13,101)</u>
Annual OPEB cost (expense)	62,922
Contributions made	<u>(5,374)</u>
Increase in net OPEB obligation	57,548
Net OPEB obligation - beginning of year	<u>347,007</u>
Net OPEB obligation - end of year	<u><u>\$ 404,555</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Plan Sponsor Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2012	\$ 72,531	\$ 7,636	11%	\$ 279,642
December 31, 2013	\$ 75,531	\$ 8,166	11%	\$ 347,007
December 31, 2014	\$ 62,922	\$ 5,374	9%	\$ 404,555

**D. Funded Status and Funding Progress**

As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$463,871 as the plan is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$4,344,941, and the ratio of the UAAL to the covered payroll was 11%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and ARC’s of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## **NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)**

### **E. Actuarial Methods**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

### **F. Actuarial Assumptions**

OPEB benefits were calculated using the percentage of projected payroll method, a 4.50% discount rate, Pay-As-You-Go funding, Projected Unit Credit actuarial cost method, 30-year open amortization of the UAAL increasing at 3.75% per year (the payroll growth rate). OPEB benefits were attributed linearly to each assumed decrement age based on the ratio of a participant's accrued service on the valuation date to their projected service at each decrement age. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) based on the City's own investments, a 3.0% general inflation rate, and an annual healthcare trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 5.0 percent after 12 years. Both rates include a 3.75% payroll growth rate assumption.

## **NOTE 12 – FLEXIBLE BENEFIT PLAN**

The City has a flexible benefit plan which is classified as a "cafeteria plan" (the Plan) under § 125 of the Internal Revenue Code. All full-time and part-time regular employees of the City are eligible. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the Plan for health and dental care, dependent care, life insurance premiums, and disability insurance benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the plan year, which is from January 1 to December 31, each participant designates a total amount of pre-tax dollars to be contributed to the Plan during the year. At December 31, the City is contingently liable for claims against the total amount of participants' annual contributions to the health and dental care portion of the Plan, whether or not such contributions have been made.

The City serves as trustee and utilized the service of Americas Veba Solutions - Genesis to handle all plan record keeping. The Plan is included within the General Fund in the financial statements.

All property of the Plan and income attributable to that property is solely the property of the City subject to the claims of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**NOTE 13 – TAX INCREMENT FINANCING REVENUE NOTES**

The City has entered into several private development agreements regarding certain tax increment properties. Reimbursements to developers for special trunk assessments were contemplated in the development agreements. The vehicle used for this reimbursement is called a tax increment revenue note.

These notes provide for the payment of principal, equal to the developer’s costs, plus interest at various rates. In each case, payments on the loans will be made at the lesser of the note payment or the actual net tax increment received (or a reduced percentage received in certain cases) during specific years as stated in the agreement. Payments are first applied to accrued interest and then to principal balances. The notes are cancelled at the end of the agreement term, whether or not they have been repaid. Any additional tax increments received in years following the term are retained by the City.

The outstanding principal balance as of December 31, 2014 for all of these agreements was \$344,759. This amount is not included in long-term debt because of the nature of these notes in that repayment is required only if sufficient tax increments are received. The City’s position is that these are obligations to assign future and uncertain revenue sources and these obligations are not actual debt in substance.

**NOTE 14 – DEPOSITS PAYABLE**

Platting and performance deposits are accounted for in the City’s Agency Fund. A summary of the 2014 changes in deposits is as follows:

Total deposits payable at January 1, 2014	\$ 393,406
Add deposits received	567,107
Less payments from deposit account	<u>(483,414)</u>
Total deposits payable at December 31, 2014	<u>\$ 477,099</u>

**NOTE 15 – INDUSTRIAL AND LEASE REVENUE BONDS**

From time to time, the City has issued Industrial Revenue Bonds and Lease Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the state of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2014, there was one series of Industrial Revenue Bonds and one Lease Revenue Bond outstanding with aggregate principal amounts payable of \$2,485,000 and \$10,685,000 respectively.

**NOTE 16 – COMMITMENTS AND CONTINGENCIES**

**A. Commitments for Construction**

At December 31, 2014, the City is committed to various construction contracts for the improvement of city property. The City’s remaining commitment under these contracts is \$581,924. The City has resources available to cover these commitments.

## NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

### B. Federal and State Revenue

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

### C. Legal Claims

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

### D. Tax Increment Districts

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

## NOTE 17 – OPERATING LEASE

The City is the lessor of an operating lease. In February 2010, the City of Ramsey entered into a five-year agreement to lease approximately 2200 square feet of office space on the ground floor of the Ramsey Municipal Center to Anoka County for the operation of a license center. The lease is due to terminate on June 30, 2015. As part of the original lease, the tenant may extend the contract for three (3) five (5) year terms. Anoka County authorized a five (5) year extension in March 2015. The cost of the leased spaced is included in the total municipal center building cost of \$12,856,588, of which \$2,056,998 has been depreciated to date. These amounts are recorded in the City's capital assets. The City of Ramsey collected \$45,181 in lease revenue for the fiscal year ended December 31, 2014. The following is an estimate of the future lease payments:

<u>Year Ending December 31,</u>	<u>Lease Payments</u>
2015	\$ 46,049
2016	46,970
2017	47,909
2018	48,867
2019	49,845
January 1 -June 30, 2020	25,169
Total	<u>\$ 264,809</u>

Lease payments may increase each year based on the increase in the Consumer Price Index – U.S. City Averages for ALL Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor for Urban Wage Earners and Clerical Workers for All Items (CPI-W).

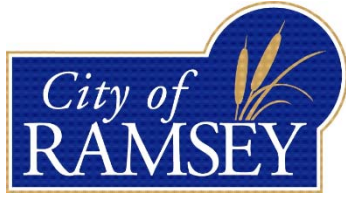
## **NOTE 18 – SUBSEQUENT EVENTS**

The city held a public hearing in March 2015 to issue \$4,200,000 in Capital Improvement Plan Bonds with a bond sale adoption date of May 2015. This debt will fund the construction of Fire Station #2, a new 12,000 square foot, one-story building which will replace the existing Fire Station #2 building that has exceeded its useful life.

In April 2012, the city sold \$7,320,000 Taxable General Obligation Tax Increment Bonds, Series 2012B to provide financing for a 230-unit market rate apartment complex known as the Residence at the COR. The bond was structured for principal debt service payments to begin in June 2015 as well as an early call feature in the event the apartment complex was sold or refinanced by the developer. The apartment complex was sold in April 2015 and the Series 2012B Taxable General Obligation Tax Increment Bonds were fully redeemed by the city.

\$1,235,000 in General Obligation Street Reconstruction Plan Bonds were sold in May 2015. This debt will fund road improvements including sealcoats, overlays, and reconstruction for projects included in the Five-Year Street Reconstruction Overlay Plan 2015-2019. Annual debt service payments will be paid through a combination of tax levy and assessments to benefiting properties.

REQUIRED SUPPLEMENTARY INFORMATION



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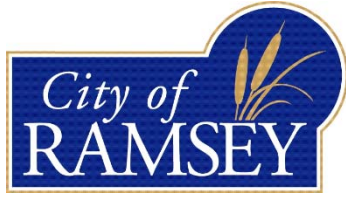
CITY OF RAMSEY

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

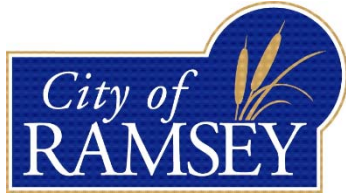
Other Post-Employment Benefits Plan

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2009	\$ 553,972	\$ -	\$ 553,972	0.00%	\$ 6,067,829	9.13%
January 1, 2012	\$ 539,281	\$ -	\$ 539,281	0.00%	\$ 4,555,326	11.84%
January 1, 2014	\$ 463,871	\$ -	\$ 463,871	0.00%	\$ 4,344,941	10.68%



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

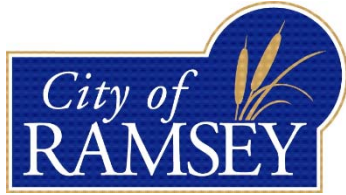


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CITY OF RAMSEY

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Totals</u>
<b>Assets</b>				
Cash and temporary investments	\$ 1,771,242	\$ 689,902	\$ 4,383,370	\$ 6,844,514
Cash and investments held by trustee	-	502,638	-	502,638
<b>Receivables</b>				
Unremitted taxes	676	1,583	-	2,259
Delinquent taxes	4,326	5,063	-	9,389
Accounts	3,703	-	47,312	51,015
Notes	26,981	-	-	26,981
Due from other funds	18,450	-	425,757	444,207
Due from other governmental units	-	-	970,961	970,961
Land held for resale	470,448	-	470,448	940,896
<b>Total assets</b>	<b><u>\$ 2,295,826</u></b>	<b><u>\$ 1,199,186</u></b>	<b><u>\$ 6,297,848</u></b>	<b><u>\$ 9,792,860</u></b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 2,101	\$ -	\$ 504,242	\$ 506,343
Due to other governmental units	-	-	75	75
Due to other funds	-	-	714,323	714,323
Advances from other funds	-	-	547,310	547,310
<b>Total liabilities</b>	<b><u>2,101</u></b>	<b><u>-</u></b>	<b><u>1,765,950</u></b>	<b><u>1,768,051</u></b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	4,326	5,063	-	9,389
Unavailable revenue - notes receivable	26,981	-	-	26,981
<b>Total deferred inflows of resources</b>	<b><u>31,307</u></b>	<b><u>5,063</u></b>	<b><u>-</u></b>	<b><u>36,370</u></b>
<b>Fund balances (deficits)</b>				
Restricted	1,518,474	1,194,123	854,982	3,567,579
Committed	743,944	-	-	743,944
Assigned	-	-	3,741,060	3,741,060
Unassigned	-	-	(64,144)	(64,144)
<b>Total fund balance (deficits)</b>	<b><u>2,262,418</u></b>	<b><u>1,194,123</u></b>	<b><u>4,531,898</u></b>	<b><u>7,988,439</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 2,295,826</u></b>	<b><u>\$ 1,199,186</u></b>	<b><u>\$ 6,297,848</u></b>	<b><u>\$ 9,792,860</u></b>

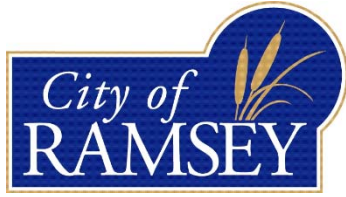


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CITY OF RAMSEY

Nonmajor Governmental Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2014

	Special Revenue	Debt Service	Capital Project	Totals
<b>Revenue</b>				
Property taxes	\$ 121,402	\$ 221,646	\$ 44,520	\$ 387,568
Special assessments	-	71,415	-	71,415
Intergovernmental revenues	50,976	805,941	1,320,153	2,177,070
Charges for services	-	-	297,374	297,374
<b>Other revenue</b>				
Investment earnings	69,196	33,395	216,187	318,778
Miscellaneous	138,498	-	159,035	297,533
Total revenue	<u>380,072</u>	<u>1,132,397</u>	<u>2,037,269</u>	<u>3,549,738</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	334,789	-	98,404	433,193
Highways and streets	-	-	997,085	997,085
Culture and recreation	-	-	180,708	180,708
Capital outlay	290,199	-	2,258,498	2,548,697
<b>Debt service</b>				
Principal retirement	-	1,085,000	-	1,085,000
Interest and fiscal charges	-	533,806	35,624	569,430
Total expenditures	<u>624,988</u>	<u>1,618,806</u>	<u>3,570,319</u>	<u>5,814,113</u>
Excess (deficiency) of revenue over expenditures	(244,916)	(486,409)	(1,533,050)	(2,264,375)
<b>Other financing sources (uses)</b>				
Debt issued	-	-	875,000	875,000
Payment on refunded debt	-	(2,895,000)	-	(2,895,000)
Transfers in	-	312,000	280,060	592,060
Transfers (out)	(60,036)	-	(172,986)	(233,022)
Total other financing sources (uses)	<u>(60,036)</u>	<u>(2,583,000)</u>	<u>982,074</u>	<u>(1,660,962)</u>
Net change in fund balances	(304,952)	(3,069,409)	(550,976)	(3,925,337)
<b>Fund balances</b>				
Beginning of year	<u>2,567,370</u>	<u>4,263,532</u>	<u>5,082,874</u>	<u>11,913,776</u>
End of year	<u>\$ 2,262,418</u>	<u>\$ 1,194,123</u>	<u>\$ 4,531,898</u>	<u>\$ 7,988,439</u>



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## NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor Special Revenue Funds are used to account for revenue derived from specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

**Landfill Tipping Fee Fund** – used to account for landfill tipping fees received by the City in accordance with Ordinance 84-14, Chapter 130.10 of the Ramsey City Code, as authorized by Minnesota Statutes § 115A.921 of the Solid Waste Management Act. This revenue is for the purpose of mitigating and compensating for local risks, cost, and other adverse effects of landfill facilities. The landfill is no longer in operation.

**Revolving Loan Fund** – used to account for loans authorized by the City to prospective private businesses in accordance with Chapter 469 of the Minnesota Statutes.

**Future Sealcoating Fund** – used to account for contributions from developers/owners for sealcoating. The city is no longer collecting contributions from developers/owners as per a change in city policy.

**Lawful Gambling Fund** – used to account for lawful gambling revenues received by the City as authorized by Minnesota State Statutes Chapter 349.

**Peace Officers Fund** – used to account for post-board reimbursement and other restricted revenues which must be used exclusively for in-service training and other expenditures as specified.

**Developer's Fees Fund** – used to account for demand fees that will be used for storm water management.

**General Govt Special Projects Fund** – used to account for resources accumulated and expenditures related to special General Government projects.

**Economic Development Authority Fund** – used to account for revenues and expenditures associated with economic development activities within the City.

CITY OF RAMSEY

Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2014

	<u>Landfill Tipping Fee</u>	<u>Revolving Loan</u>	<u>Future Sealcoating</u>	<u>Lawful Gambling</u>
<b>Assets</b>				
Cash and temporary investments	\$ 15,615	\$ 287,787	\$ 95,402	\$ 146,737
Receivables				
Unremitted taxes	-	-	-	-
Delinquent taxes	-	-	-	-
Accounts	-	-	-	3,703
Notes	-	26,981	-	-
Due from other funds	-	-	-	-
Land held for resale	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 15,615</u>	<u>\$ 314,768</u>	<u>\$ 95,402</u>	<u>\$ 150,440</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 1,000
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - notes receivable	-	26,981	-	-
Total deferred inflows of resources	<u>          </u>	<u>26,981</u>	<u>          </u>	<u>          </u>
<b>Fund balances</b>				
Restricted	15,615	-	-	149,440
Committed	-	287,787	95,402	-
Total fund balances	<u>15,615</u>	<u>287,787</u>	<u>95,402</u>	<u>149,440</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,615</u>	<u>\$ 314,768</u>	<u>\$ 95,402</u>	<u>\$ 150,440</u>

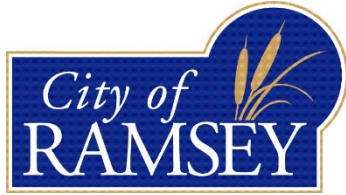
<u>Peace Officers</u>	<u>Developer's Fees</u>	<u>General Govt Special Projects</u>	<u>Economic Development Authority</u>	<u>Totals</u>
\$ 81,400	\$ 264,752	\$ 96,003	\$ 783,546	\$ 1,771,242
-	-	-	676	676
-	-	-	4,326	4,326
-	-	-	-	3,703
-	-	-	-	26,981
-	-	-	18,450	18,450
-	-	-	470,448	470,448
<u>\$ 81,400</u>	<u>\$ 264,752</u>	<u>\$ 96,003</u>	<u>\$ 1,277,446</u>	<u>\$ 2,295,826</u>
\$ -	\$ -	\$ -	\$ 1,101	\$ 2,101
-	-	-	4,326	4,326
-	-	-	-	26,981
-	-	-	4,326	31,307
81,400	-	-	1,272,019	1,518,474
-	264,752	96,003	-	743,944
<u>81,400</u>	<u>264,752</u>	<u>96,003</u>	<u>1,272,019</u>	<u>2,262,418</u>
<u>\$ 81,400</u>	<u>\$ 264,752</u>	<u>\$ 96,003</u>	<u>\$ 1,277,446</u>	<u>\$ 2,295,826</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2014

	<u>Landfill Tipping Fee</u>	<u>Revolving Loan</u>	<u>Future Sealcoating</u>	<u>Lawful Gambling</u>
<b>Revenue</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Other revenue				
Investment earnings	2,552	10,254	-	5,578
Miscellaneous	-	5,130	-	52,427
Total revenue	<u>2,552</u>	<u>15,384</u>	<u>-</u>	<u>58,005</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	20,311
Capital outlay	-	-	-	42,280
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,591</u>
Excess (deficiency) of revenue over expenditures	2,552	15,384	-	(4,586)
Other financing sources (uses)				
Transfers (out)	<u>(60,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(57,484)	15,384	-	(4,586)
<b>Fund balances</b>				
Beginning of year	<u>73,099</u>	<u>272,403</u>	<u>95,402</u>	<u>154,026</u>
End of year	<u>\$ 15,615</u>	<u>\$ 287,787</u>	<u>\$ 95,402</u>	<u>\$ 149,440</u>

<u>Peace Officers</u>	<u>Developer's Fees</u>	<u>General Govt Special Projects</u>	<u>Economic Development Authority</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 121,402	\$ 121,402
38,737	-	-	12,239	50,976
2,569	17,498	3,388	27,357	69,196
16,042	18,819	45,882	198	138,498
<u>57,348</u>	<u>36,317</u>	<u>49,270</u>	<u>161,196</u>	<u>380,072</u>
28,344	-	36,665	249,469	334,789
-	247,919	-	-	290,199
<u>28,344</u>	<u>247,919</u>	<u>36,665</u>	<u>249,469</u>	<u>624,988</u>
29,004	(211,602)	12,605	(88,273)	(244,916)
-	-	-	-	(60,036)
<u>29,004</u>	<u>(211,602)</u>	<u>12,605</u>	<u>(88,273)</u>	<u>(304,952)</u>
52,396	476,354	83,398	1,360,292	2,567,370
<u>\$ 81,400</u>	<u>\$ 264,752</u>	<u>\$ 96,003</u>	<u>\$ 1,272,019</u>	<u>\$ 2,262,418</u>

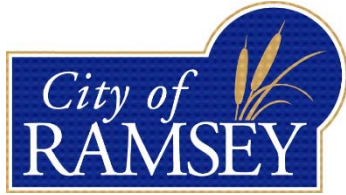


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CITY OF RAMSEY

Schedule of Revenue, Expenditures, and Changes in Fund Balances  
 Economic Development Authority – Budget and Actual  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 121,788	\$ 121,402	\$ 121,402	\$ -
Intergovernmental revenue	-	12,239	12,239	-
Other revenue				
Investment earnings	3,000	27,357	27,357	-
Miscellaneous	-	198	198	-
Total revenue	<u>124,788</u>	<u>161,196</u>	<u>161,196</u>	<u>-</u>
Expenditures				
Current				
General government	<u>128,050</u>	<u>98,767</u>	<u>249,469</u>	<u>150,702</u>
Net change in fund balances	<u>\$ (3,262)</u>	<u>\$ 62,429</u>	(88,273)	<u>\$ (150,702)</u>
Fund balances				
Beginning of year			<u>1,360,292</u>	
End of year			<u>\$ 1,272,019</u>	



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## NONMAJOR DEBT SERVICE FUNDS

Nonmajor Debt Service Funds are used to account for the accumulation of resources used for the payment of principal and interest on long term debt.

**2001B/2007B Tax Increment Bonds** – The \$920,000 General Obligation Tax Increment Bond is to finance public improvements on the Makens parcel in TIF District No. 8. The original issue was refunded with a \$945,000 General Obligation Tax Increment Refunding Bond in 2007.

**2004A Capital Improvement Refunding Bonds** – The \$1,480,000 General Obligation Capital Improvement Refunding Bond was to refund the Public Facility Lease Revenue Bond of 1999A.

**2005B/2011 Refund GO Improvement Bonds** – The \$4,335,000 General Obligation Improvement Bonds of 2005B is to finance the County's portion of the AUAR roadway improvements around The COR. In 2011, \$3,090,000 Series 2011B Improvement Crossover Refunding bonds were issued to refund the 2005B Series bonds that were called on December 15, 2014.

**2009A State Aid Road Bond** – The \$1,340,000 General Obligation Tax State Aid Road Bond is to finance the construction of Sunfish Lake Boulevard.

**2011A Armstrong/Bunker Bond** – The \$4,365,000 Series 2011A bonds will be repaid with annual allotments of Municipal State Aid and an annual assessment per the assessment agreement between the city of Ramsey and Hageman Holdings for the improvements that were necessary for the future Legacy School.

**2012B Residence at the COR Bond** – The \$7,320,000 Series 2012B were Taxable General Obligation Tax Increment bonds that were issued to pay for certain qualified costs related to the construction of The Residence at the COR Apartments within Tax Increment District 14 in the city.

**2013A Capital Equipment Certificates** – The Series 2013A \$635,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

CITY OF RAMSEY

Nonmajor Debt Service Funds  
 Combining Balance Sheet  
 December 31, 2014

	2001B/2007B Tax Increment Bonds	2004A Capital Improvement Refunding Bonds	2005B/2011 Refund G.O. Improvement Bonds	2009A State Aid Road Bond
Assets				
Cash and temporary investments	\$ -	\$ 203,559	\$ 79,923	\$ 63,998
Cash and investments held by trustee	-	-	-	-
Receivables				
Unremitted taxes	-	1,047	-	-
Delinquent taxes	-	3,347	-	-
	<u>-</u>	<u>3,347</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 207,953</u>	<u>\$ 79,923</u>	<u>\$ 63,998</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	\$ -	\$ 3,347	\$ -	\$ -
Fund balances				
Restricted	<u>-</u>	<u>204,606</u>	<u>79,923</u>	<u>63,998</u>
Total deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 207,953</u>	<u>\$ 79,923</u>	<u>\$ 63,998</u>

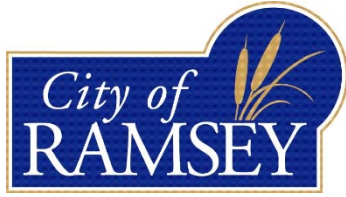
2011A Armstrong/Bunker Bond	2012B Residence at the COR Bond	2013A Capital Equipment Certificates	Totals
\$ 324,640	\$ -	\$ 17,782	\$ 689,902
-	502,638	-	502,638
-	-	536	1,583
-	-	1,716	5,063
<u>\$ 324,640</u>	<u>\$ 502,638</u>	<u>\$ 20,034</u>	<u>\$ 1,199,186</u>
\$ -	\$ -	\$ 1,716	\$ 5,063
<u>324,640</u>	<u>502,638</u>	<u>18,318</u>	<u>1,194,123</u>
<u>\$ 324,640</u>	<u>\$ 502,638</u>	<u>\$ 20,034</u>	<u>\$ 1,199,186</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2014

	2001B/2007B Tax Increment Bonds	2004A Capital Improvement Refunding Bonds	2005B/2011 Refund G.O. Improvement Bonds	2009A State Aid Road Bond
<b>Revenue</b>				
Property taxes	\$ -	\$ 146,533	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental revenue	-	-	338,510	169,461
Other revenue				
Investment earnings	-	4,068	23,001	2,132
Total revenue	<u>-</u>	<u>150,601</u>	<u>361,511</u>	<u>171,593</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	300,000	125,000	205,000	130,000
Interest and fiscal charges	12,000	18,314	204,695	29,790
Total expenditures	<u>312,000</u>	<u>143,314</u>	<u>409,695</u>	<u>159,790</u>
Excess (deficiency) of revenue over expenditures	(312,000)	7,287	(48,184)	11,803
<b>Other financing sources (uses)</b>				
Payment on refunded debt	-	-	(2,895,000)	-
Transfers in	312,000	-	-	-
Total other financing sources (uses)	<u>312,000</u>	<u>-</u>	<u>(2,895,000)</u>	<u>-</u>
Net change in fund balances	-	7,287	(2,943,184)	11,803
<b>Fund balances</b>				
Beginning of year	<u>-</u>	<u>197,319</u>	<u>3,023,107</u>	<u>52,195</u>
End of year	<u>\$ -</u>	<u>\$ 204,606</u>	<u>\$ 79,923</u>	<u>\$ 63,998</u>

2011A Armstrong/Bunker Bond	2012B Residence at the COR Bond	2013A Capital Equipment Certificates	Totals
\$ -	\$ -	\$ 75,113	\$ 221,646
71,415	-	-	71,415
297,970	-	-	805,941
<u>2,077</u>	<u>1,827</u>	<u>290</u>	<u>33,395</u>
<u>371,462</u>	<u>1,827</u>	<u>75,403</u>	<u>1,132,397</u>
265,000	-	60,000	1,085,000
<u>102,035</u>	<u>155,415</u>	<u>11,557</u>	<u>533,806</u>
<u>367,035</u>	<u>155,415</u>	<u>71,557</u>	<u>1,618,806</u>
4,427	(153,588)	3,846	(486,409)
-	-	-	(2,895,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>312,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,583,000)</u>
4,427	(153,588)	3,846	(3,069,409)
<u>320,213</u>	<u>656,226</u>	<u>14,472</u>	<u>4,263,532</u>
<u>\$ 324,640</u>	<u>\$ 502,638</u>	<u>\$ 18,318</u>	<u>\$ 1,194,123</u>



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## NONMAJOR CAPITAL PROJECTS FUNDS

Nonmajor Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**State-Aid Construction Fund** – used to account for state -aid allotments used by the City for improvement projects to thoroughfare roads within the City.

**Revolving Acquisition Loan Fund (RALF) Funded Project Fund** – This fund is used to account for resources and expenditures related to the purchase of property for future state road development.

**Public Facilities Construction Fund** – used to account for the resources to be used for land acquisition and the construction of public facilities.

**Trott Brook Cemetery Perpetual Care Fund** – used to account for perpetual care fees collected on the sale of cemetery plots in Trott Brook Cemetery.

**Park Improvement Fund** – used to account for all park dedication fees to be used for land acquisition and park development.

**Parking Ramp Maintenance Fund** – used to account for all expenditures that the City incurs to operate, maintain, and repair the parking ramp with costs to be allocated to the affected users.

**2012 Riverdale Drive Fund** – used to account for all costs that are associated with reconstructing Riverdale Drive.

**North Commons Park Fund** – used to account for resources and expenditures related to the development of the North Commons Park located in The COR.

**Sunwood Drive Realignment Fund** – used to account for all costs that are associated within the realignment of Sunwood Drive with The COR.

**2013 Capital Equipment Fund** – used to account for resources and expenditures related to the 2013 purchases of capital equipment.

**Center Street Fund** – used to account for all costs that are associated with construction of Center Street.

**2014 Capital Equipment Fund** – used to account for resources and expenditures related to the 2014 purchases of capital equipment.

CITY OF RAMSEY

Nonmajor Capital Project Funds  
 Combining Balance Sheet  
 December 31, 2014

	<u>State-Aid Construction</u>	<u>RALF Funded Projects</u>	<u>Public Facilities Construction</u>	<u>Trott Brook Cemetery Perpetual Care</u>
<b>Assets</b>				
Cash and temporary investments	\$ 429,225	\$ 82,012	\$ 777,085	\$ 41,160
Receivables				
Accounts	-	2,293	-	-
Due from other funds	425,757	-	-	-
Due from other governmental units	-	-	-	-
Land held for resale	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 854,982</u>	<u>\$ 84,305</u>	<u>\$ 777,085</u>	<u>\$ 41,160</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ 3,611	\$ 36,519	\$ -
Due to other governmental units	-	-	-	-
Due to other funds	-	18,450	-	-
Advances from other funds	-	-	547,310	-
Total liabilities	<u>          </u>	<u>22,061</u>	<u>583,829</u>	<u>          </u>
<b>Fund balances (deficits)</b>				
Restricted	854,982	-	-	-
Assigned	-	62,244	193,256	41,160
Unassigned	-	-	-	-
Total fund balances	<u>854,982</u>	<u>62,244</u>	<u>193,256</u>	<u>41,160</u>
	<u>\$ 854,982</u>	<u>\$ 84,305</u>	<u>\$ 777,085</u>	<u>\$ 41,160</u>
Total liabilities and fund balance	<u>\$ 854,982</u>	<u>\$ 84,305</u>	<u>\$ 777,085</u>	<u>\$ 41,160</u>

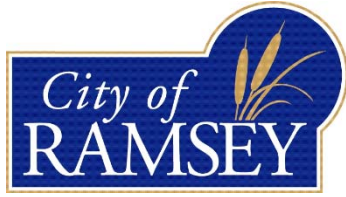
<u>Park Improvement</u>	<u>Parking Ramp Maintenance</u>	<u>2012 Riverdale Drive</u>	<u>North Commons Park</u>	<u>Sunwood Drive Realignment</u>
\$ 1,763,496	\$ 53	\$ -	\$ -	\$ 450,963
-	45,019	-	-	-
-	-	-	-	-
-	-	702,000	-	-
-	-	-	-	470,448
<u>\$ 1,763,496</u>	<u>\$ 45,072</u>	<u>\$ 702,000</u>	<u>\$ -</u>	<u>\$ 921,411</u>
\$ 121,090	\$ 3,865	\$ 339,092	\$ -	\$ -
-	-	75	-	-
-	-	425,757	-	-
-	-	-	-	-
<u>121,090</u>	<u>3,865</u>	<u>764,924</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
1,642,406	41,207	-	-	921,411
-	-	(62,924)	-	-
<u>1,642,406</u>	<u>41,207</u>	<u>(62,924)</u>	<u>-</u>	<u>921,411</u>
<u>\$ 1,763,496</u>	<u>\$ 45,072</u>	<u>\$ 702,000</u>	<u>\$ -</u>	<u>\$ 921,411</u>

(continued)

CITY OF RAMSEY

Nonmajor Capital Project Funds  
 Combining Balance Sheet  
 December 31, 2014

	2013 Capital Equipment	Center Street	2014 Capital Equipment	Totals
<b>Assets</b>				
Cash and temporary investments	\$ -	\$ -	\$ 839,376	\$ 4,383,370
Receivables				
Accounts	-	-	-	47,312
Due from other funds	-	-	-	425,757
Due from other governmental units	-	268,961	-	970,961
Land held for resale	-	-	-	470,448
	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,448</u>
Total assets	<u>\$ -</u>	<u>\$ 268,961</u>	<u>\$ 839,376</u>	<u>\$ 6,297,848</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ 65	\$ -	\$ 504,242
Due to other governmental units	-	-	-	75
Due to other funds	-	270,116	-	714,323
Advances from other funds	-	-	-	547,310
Total liabilities	<u>-</u>	<u>270,181</u>	<u>-</u>	<u>1,765,950</u>
<b>Fund balances (deficits)</b>				
Restricted	-	-	-	854,982
Assigned	-	-	839,376	3,741,060
Unassigned	-	(1,220)	-	(64,144)
Total fund balances	<u>-</u>	<u>(1,220)</u>	<u>839,376</u>	<u>4,531,898</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 268,961</u>	<u>\$ 839,376</u>	<u>\$ 6,297,848</u>



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CITY OF RAMSEY

Nonmajor Capital Project Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2014

	State-Aid Construction	RALF Funded Projects	Public Facilities Construction	Trott Brook Cemetery Perpetual Care
<b>Revenue</b>				
Property taxes	\$ -	\$ -	\$ 44,520	\$ -
Intergovernmental revenue	238,694	-	-	-
Charges for services	-	146,885	-	-
Other revenue				
Investment earnings	43,132	-	21,258	1,304
Miscellaneous	-	-	-	6,300
Total revenue	<u>281,826</u>	<u>146,885</u>	<u>65,778</u>	<u>7,604</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Highways and streets	505,067	103,176	27,872	-
Culture and recreation	-	-	-	-
Capital outlay	112,412	-	105,778	-
Debt service				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>617,479</u>	<u>103,176</u>	<u>133,650</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(335,653)	43,709	(67,872)	7,604
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	-
Transfers in	-	-	274,760	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>274,760</u>	<u>-</u>
Net change in fund balances	(335,653)	43,709	206,888	7,604
<b>Fund balances (deficits)</b>				
Beginning of year	<u>1,190,635</u>	<u>18,535</u>	<u>(13,632)</u>	<u>33,556</u>
End of year	<u>\$ 854,982</u>	<u>\$ 62,244</u>	<u>\$ 193,256</u>	<u>\$ 41,160</u>

<u>Park Improvement</u>	<u>Parking Ramp Maintenance</u>	<u>2012 Riverdale Drive</u>	<u>North Commons Park</u>	<u>Sunwood Drive Realignment</u>
\$ -	\$ -	\$ -	\$ -	\$ -
110,498	-	702,000	-	-
150,489	-	-	-	-
131,402	-	(5,538)	-	25,767
14,180	137,730	825	-	-
<u>406,569</u>	<u>137,730</u>	<u>697,287</u>	<u>-</u>	<u>25,767</u>
-	98,404	-	-	-
-	-	1,854	2,465	355,176
180,708	-	-	-	-
1,043,370	-	729,370	-	-
-	-	-	-	-
<u>1,224,078</u>	<u>98,404</u>	<u>731,224</u>	<u>2,465</u>	<u>355,176</u>
(817,509)	39,326	(33,937)	(2,465)	(329,409)
-	-	-	-	-
-	-	-	5,300	-
-	-	-	-	-
-	-	-	5,300	-
(817,509)	39,326	(33,937)	2,835	(329,409)
2,459,915	1,881	(28,987)	(2,835)	1,250,820
<u>\$ 1,642,406</u>	<u>\$ 41,207</u>	<u>\$ (62,924)</u>	<u>\$ -</u>	<u>\$ 921,411</u>

(continued)

CITY OF RAMSEY

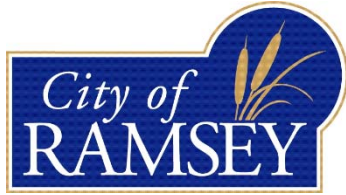
Nonmajor Capital Project Funds  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances  
 Year Ended December 31, 2014

	2013 Capital Equipment	Center Street	2014 Capital Equipment	Totals
<b>Revenue</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 44,520
Intergovernmental revenue	-	268,961	-	1,320,153
Charges for services	-	-	-	297,374
<b>Other revenue</b>				
Investment earnings	-	(1,138)	-	216,187
Miscellaneous	-	-	-	159,035
Total revenue	<u>-</u>	<u>267,823</u>	<u>-</u>	<u>2,037,269</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	98,404
Highways and streets	-	1,475	-	997,085
Culture and recreation	-	-	-	180,708
Capital outlay	-	267,568	-	2,258,498
<b>Debt service</b>				
Interest and fiscal charges	-	-	35,624	35,624
Total expenditures	<u>-</u>	<u>269,043</u>	<u>35,624</u>	<u>3,570,319</u>
Excess (deficiency) of revenue over expenditures	-	(1,220)	(35,624)	(1,533,050)
<b>Other financing sources (uses)</b>				
Debt issued	-	-	875,000	875,000
Transfers in	-	-	-	280,060
Transfers (out)	(172,986)	-	-	(172,986)
Total other financing sources (uses)	<u>(172,986)</u>	<u>-</u>	<u>875,000</u>	<u>982,074</u>
Net change in fund balances	(172,986)	(1,220)	839,376	(550,976)
<b>Fund balances (deficits)</b>				
Beginning of year	<u>172,986</u>	<u>-</u>	<u>-</u>	<u>5,082,874</u>
End of year	<u>\$ -</u>	<u>\$ (1,220)</u>	<u>\$ 839,376</u>	<u>\$ 4,531,898</u>

## **AGENCY FUND**

The Agency Fund is used to account for assets held by the City in the capacity of agent.

**Agency Fund** – This fund is used to account for deposits held for developers as security for various services. In addition it accounts for property purchased on behalf of the state and the related liability for future state highway improvements.

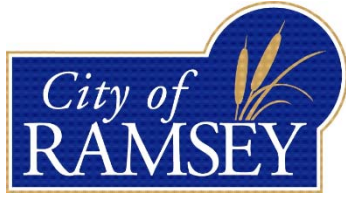


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CITY OF RAMSEY

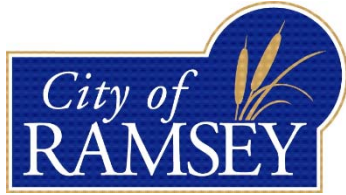
Agency Fund  
 Statement of Changes in Assets and Liabilities  
 Year Ended December 31, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Assets</b>				
Cash and temporary investments	\$ 357,957	\$ 313,442	\$ 230,746	\$ 440,653
Receivables				
Accounts	41,160	3,740	1,871	43,029
Assets held for resale	<u>12,734,868</u>	<u>—</u>	<u>—</u>	<u>12,734,868</u>
Total assets	<u><u>\$ 13,133,985</u></u>	<u><u>\$ 317,182</u></u>	<u><u>\$ 232,617</u></u>	<u><u>\$ 13,218,550</u></u>
<b>Liabilities</b>				
Accounts payable	\$ 5,711	\$ 184,358	\$ 183,486	\$ 6,583
Deposits payable	393,406	567,107	483,414	477,099
Loans Payable to Met Council	<u>12,734,868</u>	<u>—</u>	<u>—</u>	<u>12,734,868</u>
Total liabilities	<u><u>\$ 13,133,985</u></u>	<u><u>\$ 751,465</u></u>	<u><u>\$ 666,900</u></u>	<u><u>\$ 13,218,550</u></u>



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STATISTICAL SECTION (UNAUDITED)



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## STATISTICAL SECTION

This part of the City of Ramsey's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	<u>128-133</u>
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	<u>134-137</u>
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	<u>138-141</u>
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	<u>142-143</u>
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	<u>144-146</u>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Ramsey**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 12,267,296	\$ 23,424,366	\$ 27,548,267	\$ 31,255,476	\$ 34,736,969	\$ 38,466,812	\$ 39,794,321	\$ 41,998,822	\$ 40,374,256	\$ 41,657,601
Restricted	18,296,241	13,860,707	16,626,010	20,919,497	21,780,289	21,604,295	22,103,948	14,632,006	16,128,452	15,273,582
Unrestricted	19,265,380	18,428,817	17,500,206	18,403,564	16,902,526	14,450,911	14,433,838	7,298,825	8,107,485	8,120,953
<b>Total governmental activities net position</b>	<b>\$ 49,828,917</b>	<b>\$ 55,713,890</b>	<b>\$ 61,674,483</b>	<b>\$ 70,578,537</b>	<b>\$ 73,419,784</b>	<b>\$ 74,522,018</b>	<b>\$ 76,332,107</b>	<b>\$ 63,929,653</b>	<b>\$ 64,610,193</b>	<b>\$ 65,052,136</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 36,311,701	\$ 47,334,422	\$ 49,173,058	\$ 49,355,232	\$ 51,823,362	\$ 52,500,049	\$ 51,748,092	\$ 50,843,868	\$ 50,494,576	\$ 50,427,367
Unrestricted	17,013,900	17,739,362	20,926,874	22,525,196	21,633,010	22,845,759	23,764,060	27,486,732	28,969,730	30,915,832
<b>Total business-type activities net position</b>	<b>\$ 53,325,601</b>	<b>\$ 65,073,784</b>	<b>\$ 70,099,932</b>	<b>\$ 71,880,428</b>	<b>\$ 73,456,372</b>	<b>\$ 75,345,808</b>	<b>\$ 75,512,152</b>	<b>\$ 78,330,600</b>	<b>\$ 79,464,306</b>	<b>\$ 81,343,199</b>
<b>Total government</b>										
Net investment in capital assets	\$ 48,578,997	\$ 70,758,788	\$ 76,721,325	\$ 80,610,708	\$ 86,560,331	\$ 90,966,861	\$ 91,542,413	\$ 92,842,690	\$ 90,868,832	\$ 92,084,968
Restricted	18,296,241	13,860,707	16,626,010	20,919,497	21,780,289	21,604,295	22,103,948	14,632,006	16,128,452	15,273,582
Unrestricted	36,279,280	36,168,179	38,427,080	40,928,760	38,535,536	37,296,670	38,197,898	34,785,557	37,077,215	39,036,785
<b>Total government net position</b>	<b>\$ 103,154,518</b>	<b>\$ 120,787,674</b>	<b>\$ 131,774,415</b>	<b>\$ 142,458,965</b>	<b>\$ 146,876,156</b>	<b>\$ 149,867,826</b>	<b>\$ 151,844,259</b>	<b>\$ 142,260,253</b>	<b>\$ 144,074,499</b>	<b>\$ 146,395,335</b>

**City of Ramsey**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,093,819	\$ 10,515,659	\$ 3,878,438	\$ 4,862,284	\$ 4,690,824	\$ 4,998,807	\$ 5,559,732	\$ 18,976,842	\$ 3,735,657	\$ 4,087,755
Public safety	3,422,844	3,780,436	3,809,016	4,313,520	4,438,324	4,153,361	4,307,045	4,218,066	4,074,688	4,079,362
Highways and streets	1,637,803	1,892,391	2,689,259	3,756,861	4,795,460	5,791,896	6,129,272	5,659,428	5,215,260	4,263,552
Culture and recreation	719,591	887,158	977,766	1,064,587	1,067,125	1,048,690	1,267,292	1,216,583	1,415,736	1,422,810
Interest and fiscal charges	756,527	1,437,427	1,415,874	1,342,305	1,330,224	1,316,893	1,302,228	2,555,567	1,220,471	1,168,513
<b>Total governmental activities expenses</b>	<b>13,630,584</b>	<b>18,513,071</b>	<b>12,770,353</b>	<b>15,339,557</b>	<b>16,321,957</b>	<b>17,309,647</b>	<b>18,565,569</b>	<b>32,626,486</b>	<b>15,661,812</b>	<b>15,021,992</b>
Business-type activities:										
Water utility	851,196	906,795	912,094	1,247,248	1,291,952	1,295,721	1,358,050	1,228,012	1,293,201	1,221,211
Sewer utility	740,917	771,870	838,452	883,214	1,076,451	1,101,554	1,149,318	1,152,760	1,190,551	1,282,302
Street light utility	88,881	110,837	123,839	123,839	148,140	158,369	163,758	165,651	176,736	161,733
Recycling utility	196,654	232,052	283,746	300,755	298,631	307,662	302,947	302,936	308,629	321,321
Storm water utility	279,824	258,731	440,697	300,444	358,522	350,521	410,666	496,309	491,370	509,709
<b>Total business-type activities</b>	<b>2,157,472</b>	<b>2,278,087</b>	<b>2,585,826</b>	<b>2,855,500</b>	<b>3,173,696</b>	<b>3,213,827</b>	<b>3,384,739</b>	<b>3,345,668</b>	<b>3,460,487</b>	<b>3,496,276</b>
<b>Total government expenses</b>	<b>\$ 15,788,056</b>	<b>\$ 20,791,158</b>	<b>\$ 15,356,179</b>	<b>\$ 18,195,057</b>	<b>\$ 19,495,653</b>	<b>\$ 20,523,474</b>	<b>\$ 21,950,308</b>	<b>\$ 35,972,154</b>	<b>\$ 19,122,299</b>	<b>\$ 18,518,268</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 220,619	\$ 138,500	\$ 395,697	\$ 347,633	\$ 303,122	\$ 344,922	\$ 313,195	\$ 416,152	\$ 479,970	\$ 461,538
Public safety	1,825,878	1,133,013	654,796	1,048,086	802,196	979,828	918,296	1,177,840	901,570	626,844
Highways and streets	601,448	759,143	537,660	494,996	284,026	487,507	738,136	81,159	239,234	266,447
Culture and recreation	1,312,641	623,523	668,521	6,905	19,763	27,016	9,910	628,571	158,376	173,310
Operating grants and contributions	14,044,119	1,892,686	3,025,480	2,201,372	614,816	326,986	298,077	2,008,709	1,180,725	385,574
Capital grants and contributions	4,201,673	7,944,042	522,815	5,122,028	2,700,471	2,828,240	4,187,265	3,866,331	3,208,950	3,023,145
<b>Total governmental activities program revenues</b>	<b>22,206,378</b>	<b>12,490,907</b>	<b>5,804,969</b>	<b>9,221,020</b>	<b>4,724,394</b>	<b>4,994,499</b>	<b>6,464,879</b>	<b>8,178,762</b>	<b>6,168,825</b>	<b>4,936,858</b>
Business-type activities:										
Charges for services:										
Water utility	1,062,524	1,317,203	1,440,658	1,539,665	1,693,581	1,633,461	1,821,386	2,131,460	1,997,302	1,860,380
Sewer utility	939,478	1,044,271	1,100,948	1,208,843	1,214,953	1,261,609	1,236,771	1,324,342	1,341,674	1,393,157
Street light utility	144,882	167,548	173,541	183,560	172,897	179,272	178,850	179,124	177,158	188,185
Recycling utility	202,060	251,224	291,152	332,682	284,515	294,617	297,226	296,358	298,034	309,160
Storm water utility	438,214	475,548	503,553	566,506	578,666	617,598	617,579	647,169	677,936	706,135
Operating grants and contributions	-	-	-	-	59,963	49,873	50,279	57,239	79,358	65,817
Capital grants and contributions	7,199,843	9,694,600	2,242,294	373,612	102,512	310,040	88,349	1,315,030	488,687	101,107
<b>Total business-type activities program revenues</b>	<b>9,987,001</b>	<b>12,950,394</b>	<b>5,752,146</b>	<b>4,204,868</b>	<b>4,107,087</b>	<b>4,346,470</b>	<b>4,290,440</b>	<b>5,950,722</b>	<b>5,060,149</b>	<b>4,623,941</b>
<b>Total government program revenues</b>	<b>\$ 32,193,379</b>	<b>\$ 25,441,301</b>	<b>\$ 11,557,115</b>	<b>\$ 13,425,888</b>	<b>\$ 8,831,481</b>	<b>\$ 9,340,969</b>	<b>\$ 10,755,319</b>	<b>\$ 14,129,484</b>	<b>\$ 11,228,974</b>	<b>\$ 9,560,799</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ 8,575,794	\$ (6,022,164)	\$ (6,965,384)	\$ (6,118,537)	\$ (11,597,563)	\$ (12,315,148)	\$ (12,100,690)	\$ (24,447,724)	\$ (9,492,987)	\$ (10,085,134)
Business-type activities	7,829,529	10,672,307	3,166,320	1,349,368	933,391	1,132,643	905,701	2,605,054	1,599,662	1,127,665
<b>Total government net expense</b>	<b>\$ 16,405,323</b>	<b>\$ 4,650,143</b>	<b>\$ (3,799,064)</b>	<b>\$ (4,769,169)</b>	<b>\$ (10,664,172)</b>	<b>\$ (11,182,505)</b>	<b>\$ (11,194,989)</b>	<b>\$ (21,842,670)</b>	<b>\$ (7,893,325)</b>	<b>\$ (8,957,469)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 8,807,253	\$ 10,409,249	\$ 11,562,407	\$ 12,345,279	\$ 13,019,854	\$ 12,144,908	\$ 11,671,760	\$ 11,454,519	\$ 10,421,456	\$ 9,423,457
General grants and contributions	250,483	48,331	508,664	310,111	204,752	114,692	120,932	9,175	38,577	3,198
Investment earnings (charges)	1,139,598	1,686,095	1,648,318	1,736,468	1,116,588	1,283,533	903,786	474,076	(411,446)	980,922
Sale of capital assets	15,237	26,585	24,795	57,975	5,816	-	14,716	-	12,940	-
Transfers	(162,092)	(263,123)	(818,207)	572,758	91,800	(125,751)	1,199,585	107,500	112,000	119,500
<b>Total governmental activities</b>	<b>10,050,479</b>	<b>11,907,137</b>	<b>12,925,977</b>	<b>15,022,591</b>	<b>14,438,810</b>	<b>13,417,382</b>	<b>13,910,779</b>	<b>12,045,270</b>	<b>10,173,527</b>	<b>10,527,077</b>
Business-type activities:										
Investment earnings (charges)	388,682	812,753	1,041,621	1,003,886	734,353	631,042	460,228	320,894	(353,956)	870,728
Transfers	162,092	263,123	818,207	(572,758)	(91,800)	125,751	(1,199,585)	(107,500)	(112,000)	(119,500)
<b>Total business-type activities</b>	<b>550,774</b>	<b>1,075,876</b>	<b>1,859,828</b>	<b>431,128</b>	<b>642,553</b>	<b>756,793</b>	<b>(739,357)</b>	<b>213,394</b>	<b>(466,956)</b>	<b>751,228</b>
<b>Total government</b>	<b>\$ 10,601,253</b>	<b>\$ 12,983,013</b>	<b>\$ 14,785,805</b>	<b>\$ 15,453,719</b>	<b>\$ 15,081,363</b>	<b>\$ 14,174,175</b>	<b>\$ 13,171,422</b>	<b>\$ 12,258,664</b>	<b>\$ 9,707,571</b>	<b>\$ 11,278,305</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 18,626,273	\$ 5,884,973	\$ 5,960,593	\$ 8,904,054	\$ 2,841,247	\$ 1,102,234	\$ 1,810,089	\$ (12,402,454)	\$ 680,540	\$ 441,943
Business-type activities	8,380,303	11,748,183	5,026,148	1,780,496	1,575,944	1,889,436	166,344	2,818,448	1,133,706	1,878,893
<b>Total government</b>	<b>\$ 27,006,576</b>	<b>\$ 17,633,156</b>	<b>\$ 10,986,741</b>	<b>\$ 10,684,550</b>	<b>\$ 4,417,191</b>	<b>\$ 2,991,670</b>	<b>\$ 1,976,433</b>	<b>\$ (9,584,006)</b>	<b>\$ 1,814,246</b>	<b>\$ 2,320,836</b>

**City of Ramsey**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment</u>	<u>Total</u>
2005	\$ 6,015,874	\$ 2,791,379	\$ 8,807,253
2006	7,491,431	2,917,818	10,409,249
2007	8,501,628	3,060,779	11,562,407
2008	9,032,267	3,313,012	12,345,279
2009	9,494,094	3,525,760	13,019,854
2010	8,531,043	3,613,865	12,144,908
2011	8,048,173	3,623,587	11,671,760
2012	8,750,754	2,703,765	11,454,519
2013	8,186,852	2,234,604	10,421,456
2014	8,755,276	668,181	9,423,457

**City of Ramsey**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	
General fund											
Reserved	\$ 5,039	\$ 2,340	\$ 109,775	\$ 5,351	\$ 6,794	\$ 14,115	\$ -	\$ -	\$ -	\$ -	-
Unreserved	5,580,227	6,118,854	6,902,495	6,973,197	7,010,159	6,045,644	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	9,929	4,042	50,561	4,805	-
Assigned	-	-	-	-	-	-	125,015	142,419	175,008	-	-
Unassigned	-	-	-	-	-	-	6,253,688	6,578,822	6,545,825	6,977,764	-
Total general fund	<u>\$ 5,585,266</u>	<u>\$ 6,121,194</u>	<u>\$ 7,012,270</u>	<u>\$ 6,978,548</u>	<u>\$ 7,016,953</u>	<u>\$ 6,059,759</u>	<u>\$ 6,388,632</u>	<u>\$ 6,725,283</u>	<u>\$ 6,771,394</u>	<u>\$ 6,982,569</u>	-
All other governmental funds											
Reserved	\$ 15,845,592	\$ 1,921,969	\$ 1,028,346	\$ 2,864,874	\$ 12,898,120	\$ 12,906,280	\$ -	\$ -	\$ -	\$ -	-
Unreserved, reported in:											
Special revenue funds	6,122,329	5,255,220	6,994,395	9,131,758	5,973,123	6,632,439	-	-	-	-	-
Debt service funds	2,184,019	1,754,262	2,001,431	2,393,118	2,344,463	2,524,951	-	-	-	-	-
Capital projects funds	14,401,743	13,477,202	13,721,728	13,190,165	12,777,036	10,291,562	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	304	-	590	-	-
Restricted	-	-	-	-	-	-	25,032,219	17,606,291	19,148,705	15,295,400	-
Committed	-	-	-	-	-	-	819,839	946,312	927,557	743,944	-
Assigned	-	-	-	-	-	-	10,552,354	9,962,381	10,719,398	10,651,554	-
Unassigned	-	-	-	-	-	-	(853,086)	(456,692)	(282,159)	(110,979)	-
Total all other governmental funds	<u>\$ 38,553,683</u>	<u>\$ 22,408,653</u>	<u>\$ 23,745,900</u>	<u>\$ 27,579,915</u>	<u>\$ 33,992,742</u>	<u>\$ 32,355,232</u>	<u>\$ 35,551,630</u>	<u>\$ 28,058,292</u>	<u>\$ 30,514,091</u>	<u>\$ 26,579,919</u>	-

Note: The City implemented GASB Statement No. 54 in fiscal year 2011. Redefined fund balance for categories nonspendable, restricted, committed, assigned, and unassigned is not available for previous fiscal years.

**City of Ramsey**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2008</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>
<b>Revenues</b>										
Property taxes	\$ 8,421,955	\$ 9,880,606	\$ 11,359,235	\$ 12,101,523	\$ 13,238,885	\$ 12,151,317	\$ 11,709,649	\$ 11,545,803	\$ 10,490,825	\$ 9,544,771
Special assessments	3,771,480	1,057,724	597,562	503,718	446,452	492,870	545,764	436,854	370,791	326,465
Licenses and permits	1,266,111	797,491	680,717	855,914	373,462	412,071	368,153	534,910	718,875	458,532
Intergovernmental revenue	4,124,766	4,944,306	1,763,110	2,622,219	1,733,329	2,029,558	3,140,747	3,736,095	2,919,701	2,615,851
Charges for services	2,560,089	1,760,007	1,401,329	609,223	947,307	1,319,586	1,517,320	1,681,400	877,849	966,951
Fines and forfeits	108,014	113,337	130,325	126,559	113,661	100,199	105,833	75,562	73,110	72,216
Investment earnings (charges)	1,128,984	1,665,885	1,623,146	1,715,220	1,102,245	1,269,263	895,184	468,032	(403,836)	965,382
Miscellaneous	1,523,182	836,441	1,910,172	4,041,273	1,422,878	838,148	746,505	1,909,229	1,402,508	596,208
<b>Total Revenues</b>	<b>\$ 22,904,581</b>	<b>\$ 21,055,797</b>	<b>\$ 19,465,596</b>	<b>\$ 22,575,649</b>	<b>\$ 19,378,219</b>	<b>\$ 18,613,012</b>	<b>\$ 19,029,155</b>	<b>\$ 20,387,885</b>	<b>\$ 16,449,823</b>	<b>\$ 15,546,376</b>
<b>Expenditures</b>										
General government	\$ 7,008,854	\$ 10,234,225	\$ 3,955,708	\$ 4,227,391	\$ 3,933,652	\$ 4,280,825	\$ 4,847,669	\$ 18,291,512	\$ 2,837,610	\$ 3,175,959
Public safety	3,053,299	3,414,823	3,822,983	3,941,648	3,945,154	3,779,318	3,886,613	3,860,697	3,740,132	3,809,209
Highways and streets	1,312,903	1,449,249	1,904,031	2,868,137	2,282,505	2,753,505	4,944,097	4,391,415	3,883,519	2,930,144
Culture and recreation	632,253	743,016	820,780	901,042	861,406	817,538	857,927	836,452	1,013,089	1,004,750
Capital outlay	13,775,696	18,206,034	4,165,759	4,484,807	4,429,123	6,353,954	6,589,201	3,370,128	705,383	3,688,952
Debt service										
Principal	2,929,000	1,780,000	1,702,000	2,010,000	3,430,000	2,235,000	1,810,000	1,485,000	1,315,000	1,580,000
Interest	444,862	1,960,137	1,412,972	1,352,656	1,331,563	1,322,871	1,220,906	2,681,176	1,213,120	1,179,859
<b>Total Expenditures</b>	<b>\$ 29,156,867</b>	<b>\$ 37,787,484</b>	<b>\$ 17,784,233</b>	<b>\$ 19,785,681</b>	<b>\$ 20,213,403</b>	<b>\$ 21,543,011</b>	<b>\$ 24,156,413</b>	<b>\$ 34,916,380</b>	<b>\$ 14,707,853</b>	<b>\$ 17,368,873</b>
Excess of revenues over (under) expenditures	\$ (6,252,286)	\$ (16,731,687)	\$ 1,681,363	\$ 2,789,968	\$ (835,184)	\$ (2,929,999)	\$ (5,127,258)	\$ (14,528,495)	\$ 1,741,970	\$ (1,822,497)
<b>Other financing sources (uses)</b>										
Bonds issued	\$ 24,280,000	\$ 1,035,000	\$ 1,735,000	\$ -	\$ 1,340,000	\$ -	\$ 4,365,000	\$ 7,320,000	\$ 635,000	\$ 875,000
Refunding bonds issued	-	-	-	-	-	-	3,090,000	16,875,000	-	-
Premium/(Discount) on debt issues	209,229	-	-	-	(25,125)	-	(22,036)	284,907	-	-
Payments on refunded bonds	-	-	(920,000)	-	-	-	-	(17,227,352)	-	(2,895,000)
Proceeds on sale of capital assets	16,794	26,585	24,795	57,975	28,545	8,361	19,980	11,753	12,940	-
Transfers in	4,899,448	5,166,609	4,169,062	4,364,931	5,620,998	7,782,837	3,864,855	6,237,727	2,606,637	2,329,539
Transfers (out)	(4,845,748)	(5,105,609)	(4,461,897)	(3,412,581)	(5,529,198)	(7,455,903)	(2,665,270)	(6,130,227)	(2,494,637)	(2,210,039)
<b>Total other financing sources (uses)</b>	<b>\$ 24,559,723</b>	<b>\$ 1,122,585</b>	<b>\$ 546,960</b>	<b>\$ 1,010,325</b>	<b>\$ 1,435,220</b>	<b>\$ 335,295</b>	<b>\$ 8,652,529</b>	<b>\$ 7,371,808</b>	<b>\$ 759,940</b>	<b>\$ (1,900,500)</b>
Special item	-	-	-	-	5,851,196	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 18,307,437</b>	<b>\$ (15,609,102)</b>	<b>\$ 2,228,323</b>	<b>\$ 3,800,293</b>	<b>\$ 6,451,232</b>	<b>\$ (2,594,704)</b>	<b>\$ 3,525,271</b>	<b>\$ (7,156,687)</b>	<b>\$ 2,501,910</b>	<b>\$ (3,722,997)</b>
Debt service as a percentage of noncapital expenditures	21.94%	19.10%	22.87%	21.98%	30.17%	23.42%	17.25%	13.21%	18.05%	20.17%

**City of Ramsey**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<u>Fiscal Year</u>		<u>Property Tax</u>		<u>Tax Increment</u>		<u>Total</u>
2005	\$	5,630,576	\$	2,791,379	\$	8,421,955
2006		6,962,788		2,917,818		9,880,606
2007		8,298,456		3,060,779		11,359,235
2008		8,788,511		3,313,012		12,101,523
2009		9,713,125		3,525,760		13,238,885
2010		8,537,452		3,613,865		12,151,317
2011		8,086,062		3,623,587		11,709,649
2012		8,842,038		2,703,765		11,545,803
2013		8,256,221		2,234,604		10,490,825
2014		8,876,590		668,181		9,544,771

**City of Ramsey**  
**Taxable Market Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended Dec 31</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Total Taxable Market Value</b>	<b>Tax Capacity Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Market Value as a Percentage of Actual Value</b>
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other</b>					
2005	\$ 1,408,912,900	\$ 196,311,700	\$ 15,244,800	\$ 1,620,469,400	\$ 15,892,622	38.182%	\$ 1,681,213,200	96.39%
2006	1,629,842,600	227,059,300	15,096,100	1,871,998,000	18,847,207	39.352%	1,921,741,700	97.41%
2007	1,880,483,000	269,566,300	15,262,600	2,165,311,900	22,640,697	39.222%	2,210,610,800	97.95%
2008	1,966,005,400	306,596,800	15,820,200	2,288,422,400	23,857,278	39.282%	2,336,127,900	97.96%
2009	2,005,067,600	347,622,600	16,932,200	2,369,622,400	25,040,188	39.263%	2,408,464,200	98.39%
2010	1,845,420,600	327,882,200	17,277,000	2,190,579,800	23,787,900	37.811%	2,232,018,600	98.14%
2011	1,659,908,100	301,333,900	18,253,100	1,979,495,100	20,609,005	39.801%	2,015,100,000	98.23%
2012	1,606,421,000	282,627,300	17,640,900	1,906,689,200	19,881,220	44.174%	1,939,707,200	98.30%
2013	1,498,299,700	257,979,400	18,811,000	1,775,090,100	18,068,054	44.290%	1,806,808,800	98.24%
2014	1,500,637,400	245,491,800	17,567,700	1,763,696,900	19,356,717	44.237%	1,795,975,400	98.20%

Source: Anoka County records were the source of taxable market value and estimated actual values.

**City of Ramsey  
Property Tax Rates (1)  
Direct and Overlapping (2) Governments  
Last Ten Fiscal Years**

Fiscal Year	City of Ramsey			County	School District		Other	Total	
	General Operating Levy	Debt Service Levy	Total City Levy	Anoka County	ISD No 11	ISD No 728	Special Taxing Districts (3)	Direct & Overlapping Rates-ISD No 11	Direct & Overlapping Rates-ISD No 728
Tax rates per \$100 of tax capacity									
2005	35.206	2.976	38.182	33.080	21.492	32.848	4.955	97.709	109.065
2006	35.447	3.905	39.352	33.869	20.046	35.950	4.382	97.649	113.553
2007	33.234	5.988	39.222	32.391	19.353	33.208	4.016	94.982	108.837
2008	35.093	4.189	39.282	33.888	16.983	32.344	3.967	94.120	109.481
2009	34.685	4.578	39.263	33.563	18.247	36.088	3.803	94.876	112.717
2010	33.080	4.731	37.811	36.855	19.939	39.967	4.961	99.566	119.594
2011	35.840	3.961	39.801	41.708	23.999	43.489	4.905	110.413	129.903
2012	37.186	6.988	44.174	43.298	23.325	45.548	4.124	114.921	137.144
2013	41.500	2.790	44.290	45.453	26.751	51.290	4.146	120.640	145.179
2014	37.073	7.164	44.237	44.495	28.265	51.286	6.031	123.028	146.049

Source: Anoka County records

- (1) Information reflects total tax rates levied by each entity. Tax rates are expressed as a percent of "net tax capacity." A property's tax capacity is determined by multiplying its taxable market value by a state-determined class rate. Class rates vary by property type and change periodically based on state legislation.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City of Ramsey. Not all overlapping rates apply to all City of Ramsey property owners (e.g., the rates for special districts may apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)
- (3) Other taxing districts include the Metropolitan Council, Regional Transit Area, Mosquito Control, and the Anoka County Regional Railroad Authority.

**City of Ramsey  
Principal Property Taxpayers  
Current Year And Nine Years Ago**

Taxpayer	2014			2005		
	Taxable Market Value	Rank	Percentage of Total Taxable Market Value	Taxable Market Value	Rank	Percentage of Total Taxable Market Value
Connexus Energy/Anoka Electric Co-op	\$ 10,285,467	1	0.58%	\$17,459,200	2	1.08%
S & A Partners, LLC	5,908,267	2	0.33%	12,017,700	3	0.74%
Brunswick Corporation	4,653,333	3	0.26%	8,637,000	4	0.53%
PSD LLC	4,607,300	4	0.26%	-	-	NA
Northstar Marketplace Station	4,463,867	5	0.25%	-	-	NA
Minnegasco	4,019,133	6	0.23%	4,588,900	6	0.28%
F&C Ramsey Apartments LLC	3,827,933	7	0.22%	-	-	NA
Insight Equity APX LP	3,618,933	8	0.21%	6,675,400	5	0.41%
Zero Zone Refrigeration, LLC	2,772,933	9	0.16%	4,117,200	7	0.25%
Knoll Properties	2,535,800	10	0.14%	3,656,200	9	0.23%
Ramsey Town Center	-	-	NA	24,330,100	1	1.50%
GB Properties LLC	-	-	NA	3,832,300	8	0.24%
Old Castle Precast	-	-	NA	3,503,600	10	0.22%

Source: County Board of Equalization and Assessment

**City of Ramsey**  
**Property Tax Levies and Collections (1)**  
**Last Ten Fiscal Years**

<u>Fiscal Year Ended December 31</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (2)</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	\$ 6,068,121	5,800,683	95.59%	267,433	6,068,116	100.00%
2006	7,416,753	7,150,100	96.40%	265,160	7,415,260	99.98%
2007	8,880,134	8,677,815	97.72%	199,458	8,877,273	99.97%
2008	9,371,616	8,917,124	95.15%	449,206	9,366,330	99.94%
2009	9,831,529	9,374,414	95.35%	443,057	9,817,471	99.86%
2010	8,994,443	8,432,354	93.75%	540,776	8,973,130	99.76%
2011	8,497,158	7,975,431	93.86%	489,897	8,465,328	99.63%
2012	8,782,330	8,616,750	98.11%	113,694	8,730,444	99.41%
2013	8,782,330	8,616,750	98.11%	118,097	8,734,847	99.46%
2014	8,772,143	8,649,053	98.60%	-	8,649,053	98.60%

(1) Includes general, debt service and HRA levy. Does not include property tax revenue in the form of tax increments.

(2) Includes property tax credit collections shown in intergovernmental revenue.

**City of Ramsey**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income(1)</b>	<b>Per Capita(1)</b>
	<b>General Obligation Bonded Debt</b>	<b>Capital Equipment Certificates</b>			
2005	\$ 31,380,000	\$ 1,617,000	\$ 32,997,000	4.14%	\$ 1,434
2006	30,990,000	1,262,000	32,252,000	4.05%	1,402
2007	29,675,000	1,690,000	31,365,000	3.46%	1,301
2008	28,235,000	1,120,000	29,355,000	3.14%	1,218
2009	26,570,000	695,000	27,265,000	2.80%	1,122
2010	24,695,000	335,000	25,030,000	2.64%	1,058
2011	30,505,000	170,000	30,675,000	3.34%	1,294
2012	36,345,000	-	36,345,000	5.02%	1,525
2013	35,030,000	635,000	35,665,000	4.69%	1,467
2014	30,615,000	1,450,000	32,065,000	4.04%	1,286

Note: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**City of Ramsey**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund (3)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property(1)</u>	<u>Per Capita(2)</u>
2005	\$ 31,380,000	\$ 2,184,019	\$ 29,195,981	1.74%	\$ 1,269
2006	30,990,000	1,754,262	29,235,738	1.52%	1,244
2007	29,675,000	2,001,431	27,673,569	1.25%	1,148
2008	28,235,000	2,393,118	25,841,882	1.11%	1,072
2009	26,570,000	2,344,463	24,225,537	1.01%	997
2010	24,695,000	2,524,951	22,170,049	0.99%	937
2011	30,505,000	5,753,130	24,751,870	1.23%	1,044
2012	36,345,000	5,618,631	30,726,369	1.58%	1,289
2013	35,030,000	4,963,143	30,066,857	1.66%	1,237
2014	30,615,000	1,914,472	28,700,528	1.60%	1,151

Note: Details regarding the city's outstanding debt can be found in the notes to the basic financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

(3) The City is using governmental fund net position restricted for debt service. We believe this to be the best amount available to present a consistent net amount when refunding bonds are held for payment, which are not restricted on entity-wide statements due to conversion for full accrual accounting.

**City of Ramsey  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Anoka County	\$ 118,390,000	7.13%	\$ 8,441,207
ISD No. 11, Anoka-Hennepin	72,239,061	9.66%	6,978,293
ISD No. 728, Elk River	153,830,000	3.61%	5,553,263
Metropolitan Council	196,680,000	0.65%	<u>1,278,420</u>
Subtotal, overlapping debt			<u>22,251,183</u>
City of Ramsey direct debt	32,065,000	100.00%	<u>32,065,000</u>
Total direct and overlapping debt			<u>\$ 54,316,183</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ramsey. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable assessed value.

**City of Ramsey  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<u>Fiscal Year 2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit*	\$ 33,624,264	\$ 38,434,834	\$ 43,306,238	\$ 68,652,672	\$ 71,088,672	\$ 65,717,394	\$ 59,384,853	\$ 57,200,676	\$ 53,252,703	\$ 52,910,907
Total net debt applicable to limit	<u>20,027,702</u>	<u>19,572,702</u>	<u>20,073,569</u>	<u>19,046,615</u>	<u>17,825,537</u>	<u>16,465,049</u>	<u>12,206,870</u>	<u>15,675,147</u>	<u>15,993,070</u>	<u>16,141,727</u>
Legal debt margin	<u>\$ 13,596,562</u>	<u>\$ 18,862,132</u>	<u>\$ 23,232,669</u>	<u>\$ 49,606,057</u>	<u>\$ 53,263,135</u>	<u>\$ 49,252,345</u>	<u>\$ 47,177,983</u>	<u>\$ 41,525,529</u>	<u>\$ 37,259,633</u>	<u>\$ 36,769,180</u>
Total net debt applicable to limit as a percentage of debt limit	59.56%	50.92%	46.35%	27.74%	25.08%	25.05%	20.56%	27.40%	30.03%	30.51%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Taxable Market value	\$ 1,763,696,900
Debt limit (3%* of market value)	52,910,907
Debt applicable to limit:	
Total bonded debt	\$ 32,065,000
Less:	
Obligations issued with special assessments	(7,660,000)
Obligations issued with tax increments	(7,320,000)
Amounts available in respective Debt Service Funds	(943,273)
Total deductions	<u>(15,923,273)</u>
	<u>16,141,727</u>
Legal debt margin	<u>\$ 36,769,180</u>

Note: Under state finance law, the City of Ramsey's outstanding general obligation debt should not exceed 3 percent of total taxable market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

\* The statutory limit on debt of Minnesota municipalities increased June 30, 2008 from 2 to 3 percent.

**City of Ramsey  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2005	23,008	\$ 796,383,601	\$ 34,613	3,725	3.0
2006	23,500	837,537,203	35,640	3,570	3.4
2007	24,100	905,557,500	37,575	3,769	4.2
2008	24,100	933,730,400	38,744	3,757	6.7
2009	24,300	974,430,972	40,100 *	3,818	7.8
2010	23,668	949,086,800	40,100 **	5,503	7.3
2011	23,702	917,504,420	38,710	3,757	6.7
2012	23,835	724,488,660	30,396	3,714	5.2
2013	24,306	760,381,280	31,754	4,979	5.0
2014	24,935	793,032,740	31,804	5,012	5.3

(1) Years 2005-2009 population based on combination of Metropolitan Council estimates and City of Ramsey estimates generated from building permit data. In 2010, the United States Census Bureau completed its decennial census showing continued growth; however, the 2010 census revealed a lower persons per household than used in population estimates based on building permit data by the city. 2011-current year data based off of 2010 census and City of Ramsey estimates.

(2) Calculated based on Per Capita Personal Income (Anoka County average) times Ramsey population.

(3) U.S. Department of Commerce, Bureau of Economic Analysis - Anoka County Average.

(4) Anoka-Hennepin School District No. 11 and Elk River School District #728 in addition to private schools as reported by the U.S. Census Bureau

(5) Minnesota Department of Employment and Economic Development

\* Estimated based on state annual increase

\*\* Used prior year as best estimated

**City of Ramsey  
Principal Employers  
Current Year And Nine Years Ago**

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u> <u>(1)</u>	<u>Rank</u>	<u>Percentage of</u> <u>Total City</u> <u>Employment</u>	<u>Employees</u> <u>(1)</u>	<u>Rank</u> <u>(2)</u>	<u>Percentage of</u> <u>Total City</u> <u>Employment</u>
Life Fitness (Parabody Inc.)	400	1	2.81%	280	2	1.97%
BMC Vision Ease Lens	300	2	2.11%	400	1	2.81%
Sign Zone	252	3	1.77%	-	-	0.00%
Connexus Energy/Anoka Electric	250	4	1.76%	230	3	1.61%
Anderson & Dahlen (Knoll Properties)	150	5	1.05%	160	4	1.12%
ISD No. 11 (Anoka-Hennepin)	130	6	0.91%	120	5	0.84%
Coborns Superstore	130	7	0.91%	-	-	0.00%
Ham Lake Haulers, Inc.	104	8	0.73%	-	-	0.00%
RJM Enterprises	100	9	0.70%	-	-	0.00%
City of Ramsey	84	10	0.59%	-	-	0.00%
Altron Inc.	-	-	0.00%	104	6	0.73%
Command Tooling Systems	-	-	0.00%	84	7	0.59%

Source: State Department of Employment and Economic Development

(1) Full-time equivalent

(2) 2005 data is based upon the availability of information. Data was only available for the top seven (7) employers.

**City of Ramsey**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</b>									
	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
General government	21.97	22.77	23.02	23.02	21.22	20.22	19.10	18.60	16.00	20.00
Public safety										
Police										
Officers	22.00	23.00	24.00	25.00	23.00	23.00	23.00	23.00	22.00	22.00
Civilians	3.50	3.50	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.50
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58
Civilians	0.50	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50
Protective Inspections	7.00	7.00	7.00	7.00	3.00	2.00	1.00	1.00	2.00	3.25
Highways and streets										
Engineering	6.48	7.48	8.48	8.48	7.48	6.48	6.60	6.60	6.30	6.30
Streets	7.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Maintenance	6.00	6.00	7.00	7.00	6.00	6.00	5.00	5.00	5.00	5.00
Culture and recreation	4.22	4.22	4.22	4.22	2.47	2.47	3.47	3.47	5.47	3.97
Water	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	4.00	3.00
<b>Total</b>	<b>89.25</b>	<b>93.55</b>	<b>97.30</b>	<b>98.30</b>	<b>87.75</b>	<b>84.75</b>	<b>82.75</b>	<b>81.75</b>	<b>82.85</b>	<b>86.10</b>

Source: City Budget documents

**City of Ramsey  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Number of arrests	481	534	642	574	437	352	463	416	465	377
Parking violations	336	270	383	451	545	465	631	471	493	279
Traffic violations	2,917	2,544	2,156	2,913	2,875	4,008	3,488	3,292	4,453	4,182
Fire										
Number of calls answered	501	496	489	491	453	481	483	459	443	486
Inspections	272	559	527	163	194	177	260	303	205	177
Highways and streets										
Street resurfacing (miles)	19.29	17.26	20.70	17.90	15.65	16.59	14.86	22.00	14.50	14.25
Culture and recreation										
Park Acreage maintained	565	565	565	565	565	565	565	565	571	571
Trails/sidewalks maintained (miles)	30	30	30	30	30	40	45	45	46	50
Water										
Number of connections	3,306	3,542	3,709	3,850	3,914	3,962	4,013	4,087	4,228	4,308
Water main breaks	-	-	-	-	-	-	2	-	-	-
Average daily consumption (gallons)	1,575,342	1,753,425	1,917,808	1,717,808	1,754,130	1,753,425	1,616,376	1,890,290	1,697,771	1,610,006

Source: Various City departments

Note: Indicators are not available for the general city functions.

**City of Ramsey  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year 2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	6	6	6	6	6
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles)	159.85	159.85	167.80	168.00	168.00	168.00	168.00	172.88	172.88	172.88
Streetlights	504	552	603	603	626	626	631	659	659	1,060
Culture and recreation										
Parks acreage	565	565	565	565	565	565	565	565	565	565
Parks *	35	35	35	35	35	35	35	35	38	38
Tennis courts	16	16	16	16	16	12	12	10	10	10
Water										
Water mains (miles)	55	55	87	87	87	87	89	90	90	91
Fire hydrants	562	562	1,000	1,000	1,000	1,000	1,020	1,030	1,030	1,045
Maximum daily capacity **	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	5,256,000	5,256,000	5,256,000
Sewer										
Sanitary sewers (miles)	38	38	48	48	48	48	63	63	63	64
Storm sewers (miles)	15	15	15	15	15	15	15	15	15	15

Source: Various City departments

Note: Indicators are not available for the general city functions.

\* The city has 38 total parks with 32 receiving some form of maintenance

\*\* Maximum water city is able to produce in 12 hour period

Management Report  
for  
City of Ramsey, Minnesota  
December 31, 2014

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PRINCIPALS

Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

To the City Council and Management  
City of Ramsey, Minnesota

We have prepared this management report in conjunction with our audit of the City of Ramsey, Minnesota's (the City) financial statements for the year ended December 31, 2014. The purpose of this report is to provide comments resulting from our audit process and to communicate information relevant to city finances in Minnesota. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Legislative Updates
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*

Minneapolis, Minnesota  
May 21, 2015

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## AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

### **OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2014, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

### **PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

### **AUDIT OPINION AND FINDINGS**

Based on our audit of the City's financial statements for the year ended December 31, 2014:

- We have issued an unmodified opinion on the City's basic financial statements.
- We reported no deficiencies involving the City's internal control over financial reporting that we consider to be material weaknesses.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported two findings based on our testing of the City's compliance with Minnesota laws and regulations. These findings, as further detailed in the City's Special Purpose Audit Reports, include the following:
  1. Withholding Affidavit
  2. Payroll Payment Declaration

### **AUDIT COMMENTS**

**Land Held for Resale** – The City currently holds a material amount of land for resale, which management reports at the lower of cost or net realizable value. City staff has also prepared a schedule comparing the current carrying value of these properties to estimated market values provided by Anoka County to support these values. We recognize the City is working on an ongoing basis to utilize these assets in the best interest of the City. We recommend that the City continue to review these property values and related internal loans on an ongoing basis to ensure a proper reporting of city assets and financial activity between funds is accurately presented.

## **SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended December 31, 2014.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## **ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- **Value of Land Held for Resale** – These assets are stated at the lower of cost or net realizable value based on management's estimates.
- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.
- **Net Other Post-Employment Benefit (OPEB) Liabilities** – Actuarial estimates of the net OPEB obligation is based on eligible participants, estimated future health insurance premiums, and estimated retirement dates.
- **Compensated Absences** – Management's estimate is based on current rates of pay and unused compensated absence balances.

We evaluated the key factors and assumptions used by management to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Where applicable, management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management, when applicable, were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

## **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

## **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated May 21, 2015.

## **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this report, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **OTHER MATTERS**

We applied certain limited procedures to Management's Discussion and Analysis and the Schedule of Funding Progress for the City's Other Post-Employment Benefits Plan, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, reported as supplementary information accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and the statistical section which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

## GOVERNMENTAL FUNDS OVERVIEW

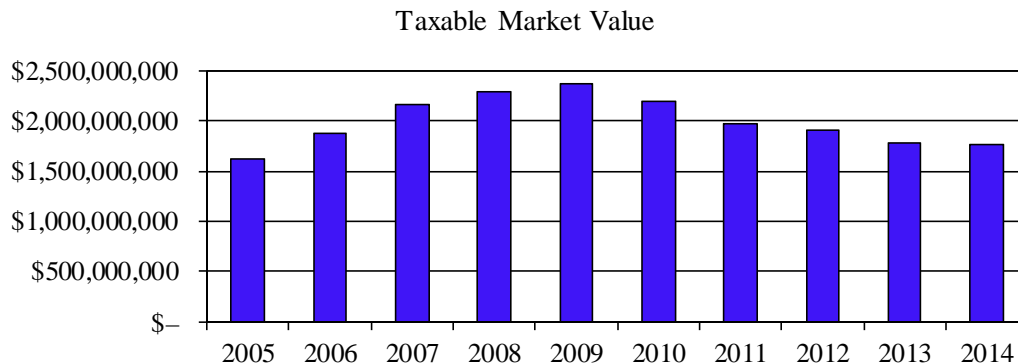
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City's financial statements focuses on budgetary compliance, and the sufficiency of each governmental fund's current assets to finance its current liabilities.

### PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2013 fiscal year, local property tax levies provided 41.1 percent of the total governmental fund revenues for cities over 2,500 in population, and 35.5 percent for cities under 2,500 in population. Property tax levies certified by Minnesota cities for 2014 increased about 1.6 percent over 2013, compared to an increase of 2.3 percent the prior year. This moderate increase was due in part to a one-year levy limit for 2014 imposed on cities over 2,500 in population.

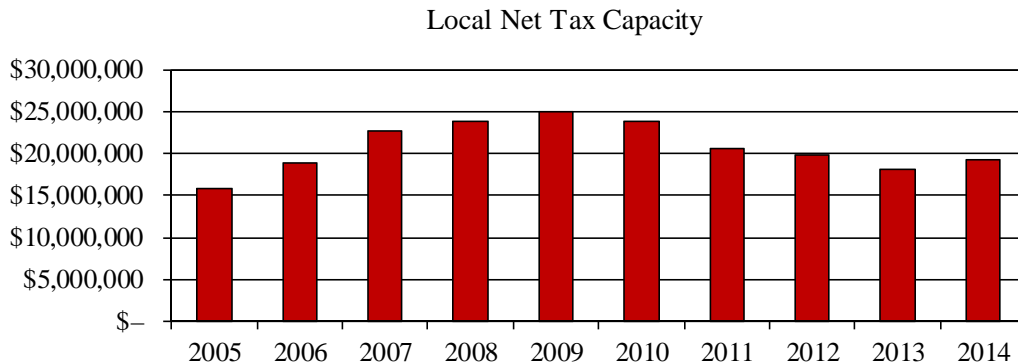
The total market value of Minnesota cities increased about 1.1 percent for the 2014 levy year, ending a four-year trend of declining market values that began in 2010 and peaked with a state-wide decline of about 8.8 percent for levy year 2012. Market values showed modest increases in all property categories for 2014, with the largest gains in agricultural and non-homestead residential properties. Because the assessed valuation used for levying property taxes is based on values from the previous fiscal year (e.g. the market value for taxes payable in 2014 is based on estimated values as of January 1, 2013), market value improvement has lagged behind recent upturns in the housing market and the economy in general.

The City's taxable market value decreased 6.9 percent for taxes payable in 2013 and 0.6 percent for taxes payable in 2014. The following graph shows the City's changes in taxable market value over the past 10 years:



Tax capacity is considered the actual base available for taxation. It is calculated by applying the state’s property classification system to each property’s market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city’s total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of the City’s tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City’s tax capacity decreased 9.1 percent for 2013 and increased 9.1 percent in 2014. The City had a large tax increment financing district that was decertified at the end of 2013, contributing to the increase in the 2014 taxable tax capacity presented in the graph below.

The following graph shows the City’s change in tax capacities over the past 10 years:



The following table presents the average tax rates applied to city residents for each of the last two levy years, along with comparative state-wide and metro area rates.

Rates expressed as a percentage of net tax capacity						
	All Cities State-Wide		Seven-County Metro Area		City of Ramsey	
	2013	2014	2013	2014	2013	2014
<b>Average tax rate</b>						
City	48.8	48.8	46.1	46.0	<b>44.2</b>	<b>44.2</b>
County	48.5	47.6	47.1	46.6	<b>44.8</b>	<b>43.6</b>
School	28.5	28.9	30.3	30.9	<b>29.7</b>	<b>30.8</b>
Special taxing	<u>7.2</u>	<u>7.3</u>	<u>9.4</u>	<u>9.5</u>	<b><u>4.9</u></b>	<b><u>6.9</u></b>
Total	<u>133.0</u>	<u>132.6</u>	<u>132.9</u>	<u>133.0</u>	<b><u>123.6</u></b>	<b><u>125.5</u></b>

The school tax rate for the City represents an average of Independent School District (ISD) No. 11, Anoka-Hennepin and ISD No. 728, Elk River Area Schools.

As presented in the table above, the average tax rates for the City and other taxing authorities are similar to the state-wide and metro area averages. In total, the City is below both averages for both the current year and prior year presented.

## GOVERNMENTAL FUND BALANCES

The following table summarizes the changes in the fund balances of the City's governmental funds during the year ended December 31, 2014, presented both by fund balance classification and by fund:

<b>Governmental Fund Changes in Fund Balance</b>			
	Fund Balance as of December 31,		Increase (Decrease)
	<u>2014</u>	<u>2013</u>	
Fund balances of governmental funds			
Total by classification			
Nonspendable	\$ 4,805	\$ 51,151	\$ (46,346)
Restricted	15,295,400	19,148,705	(3,853,305)
Committed	743,944	927,557	(183,613)
Assigned	10,651,554	10,894,406	(242,852)
Unassigned	<u>6,866,785</u>	<u>6,263,666</u>	<u>603,119</u>
Total – governmental funds	<u>\$ 33,562,488</u>	<u>\$ 37,285,485</u>	<u>\$ (3,722,997)</u>
Total by fund			
Major funds			
General	\$ 6,982,569	\$ 6,771,394	\$ 211,175
Special revenue funds			
Tax Increment	2,895,711	3,124,985	(229,274)
Housing and Redevelopment Authority	8,111,761	8,230,719	(118,958)
Debt Service Fund			
2012A G.O. Improvement Bond Refund	720,349	699,611	20,738
Capital Project Fund			
Public Improvement Revolving	3,512,726	2,915,471	597,255
Landfill	1,915,813	1,846,948	68,865
Equipment Revolving	1,481,955	2,019,286	(537,331)
Public Improvement Revolving The COR	(46,835)	(236,705)	189,870
Nonmajor funds	<u>7,988,439</u>	<u>11,913,776</u>	<u>(3,925,337)</u>
Total – governmental funds	<u>\$ 33,562,488</u>	<u>\$ 37,285,485</u>	<u>\$ (3,722,997)</u>

As reflected in the table above, total governmental fund balance decreased by \$3,722,997. The largest changes occurred with a decrease in restricted fund balance in nonmajor funds. The decrease was primarily due to the use of restricted for Debt Service Fund balance to refund \$2,895,000 of Series 2005B bonds in the current year.

## GOVERNMENTAL FUND REVENUES

The following table presents the per capita revenue of the City's governmental funds for the past three years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting the City's data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as the City's stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year due to the effect of inflation and changes in the City's operation. Also, certain data on these tables may be classified differently than how it appears on the City's financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of your city. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the Management's Discussion and Analysis. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

<b>Governmental Funds Revenue per Capita</b>						
With State-Wide Averages by Population Class						
Year	State-Wide			City of Ramsey		
	December 31, 2013			2012	2013	2014
Population	2,500–10,000	10,000–20,000	20,000–100,000	23,835	24,306	24,935
Property taxes	\$ 422	\$ 388	\$ 423	\$ 371	\$ 340	\$ 356
Tax increments	30	42	40	113	92	27
Franchise and other taxes	31	39	34	–	–	–
Special assessments	63	58	72	18	15	13
Licenses and permits	27	26	38	22	30	18
Intergovernmental revenues	253	268	148	157	120	105
Charges for services	109	84	91	71	36	39
Other	56	33	30	103	44	66
Total revenue	<u>\$ 991</u>	<u>\$ 938</u>	<u>\$ 876</u>	<u>\$ 855</u>	<u>\$ 677</u>	<u>\$ 624</u>

A city's stage of development, along with the way a city finances various capital projects, will impact the mix of revenue sources it receives.

The City's governmental fund revenues for 2014 were \$15,546,376, a decrease of \$903,447 (5.5 percent) from the prior year. On a per capita basis, the City received \$624 in governmental fund revenue for 2014, a decrease of \$53 from the prior year.

The City has generally generated less revenue per capita than the average City. The largest change in the table above occurred in the "tax increments" category of revenues, which decreased \$65 per capita from the prior year. This decrease was caused by the decertification of a large tax increment financing district at the end of 2013, which reduced the amount of tax increment collected in 2014. The second largest change in the table above occurred in the "other" category, which increased \$22 per capita from the prior year. This increase was caused in part by the unrealized gain on marking investments to market at year-end in accordance with Governmental Accounting Standards Board (GASB) standards.

## GOVERNMENTAL FUND EXPENDITURES

The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City's circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources such as taxes and intergovernmental revenues.
- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented, and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.
- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

The City's expenditures per capita of its governmental funds for the past three years, together with state-wide averages, are presented in the following table:

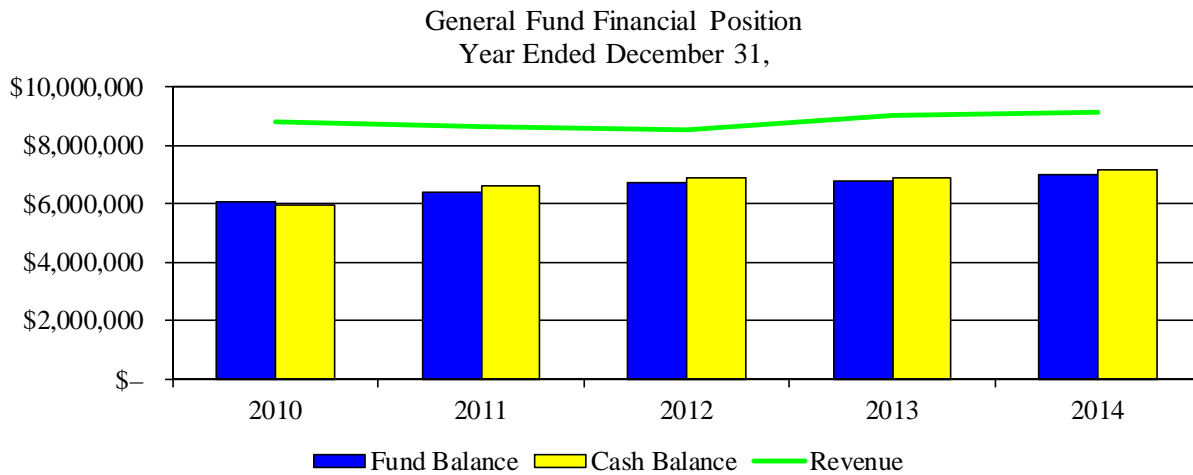
<b>Governmental Funds Expenditures per Capita</b> With State-Wide Averages by Population Class						
Year	State-Wide			City of Ramsey		
	December 31, 2013			2012	2013	2014
Population	2,500–10,000	10,000–20,000	20,000–100,000	23,835	24,306	24,935
<b>Current</b>						
General government	\$ 129	\$ 100	\$ 83	\$ 767	\$ 117	\$ 127
Public safety	244	235	239	162	154	153
Street maintenance and lighting	123	121	91	184	160	118
Parks and recreation	83	99	85	35	42	40
All other	66	73	91	–	–	–
	<u>645</u>	<u>628</u>	<u>589</u>	<u>1,148</u>	<u>473</u>	<u>438</u>
Capital outlay and construction	303	288	219	141	29	148
<b>Debt service</b>						
Principal	164	133	102	62	54	63
Interest and fiscal	55	43	39	112	50	47
	<u>219</u>	<u>176</u>	<u>141</u>	<u>174</u>	<u>104</u>	<u>110</u>
Total expenditures	<u>\$ 1,167</u>	<u>\$ 1,092</u>	<u>\$ 949</u>	<u>\$ 1,463</u>	<u>\$ 606</u>	<u>\$ 696</u>

The City has historically and consistently used limited expenditure functions for financial statement reporting purposes. As the City has grown and increased spending for community development and other areas, we encourage the City to review the format and level of functional detail presented in future comprehensive annual financial reports. We believe this will enhance comparisons to state-wide averages and improve financial statement transparency, identifying changes from year-to-year.

Total expenditures in the City's governmental funds for 2014 were \$17,368,873, an increase of \$2,661,020 (18.1 percent) from the prior year. On a per capita basis, the City expended a total of \$696 in 2014. Current expenditures decreased \$35 per capita from last year. This decrease was primarily in street maintenance and lighting expenditures for joint project costs incurred in the prior year. Capital outlay expenditures were \$119 more per capita than the prior year due to a larger street construction and park improvement expenditures in the current year. The change in debt service activity was due to scheduled debt repayment plans.

## GENERAL FUND

The City's General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, streets and highway maintenance, and culture and recreation. The graph below illustrates the change in the General Fund financial position over the last five years. Fund balance and cash balance are typically used as indicators of financial health or equity, while annual revenue is often used to measure the size of the operation.



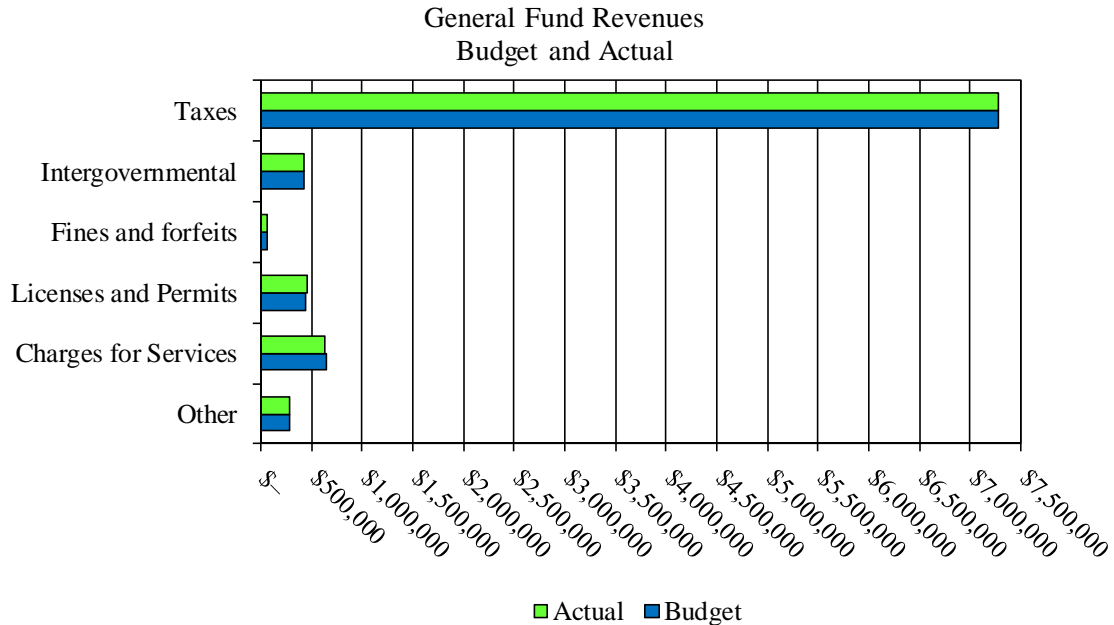
The City's General Fund cash and investments balance (net of interfund borrowing) at December 31, 2014 was \$7,135,815, an increase of \$263,420 from the previous year. Total fund balance at year-end was \$6,982,569, an increase of \$211,175 from the prior year.

The stability of the General Fund's financial position is greatly attributed to the City's "Fund Balance and Excess Revenue Policy" as well as the general budgeting policies. These policies have allowed the City to provide funding for equipment replacement and recurring capital maintenance programs without disrupting the General Fund's financial position. This is an important factor because a government, like any organization, requires a certain amount of equity to operate. The amount of required equity increases as the size of the operation increases. Increase in the size of the operation is natural, caused by such things as inflation, population growth, desired increases in services, and—something which has impacted cities significantly in recent years—mandated increases in services and administrative requirements.

Generally, a healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and can be a factor in determining the City's bond rating and resulting interest costs.

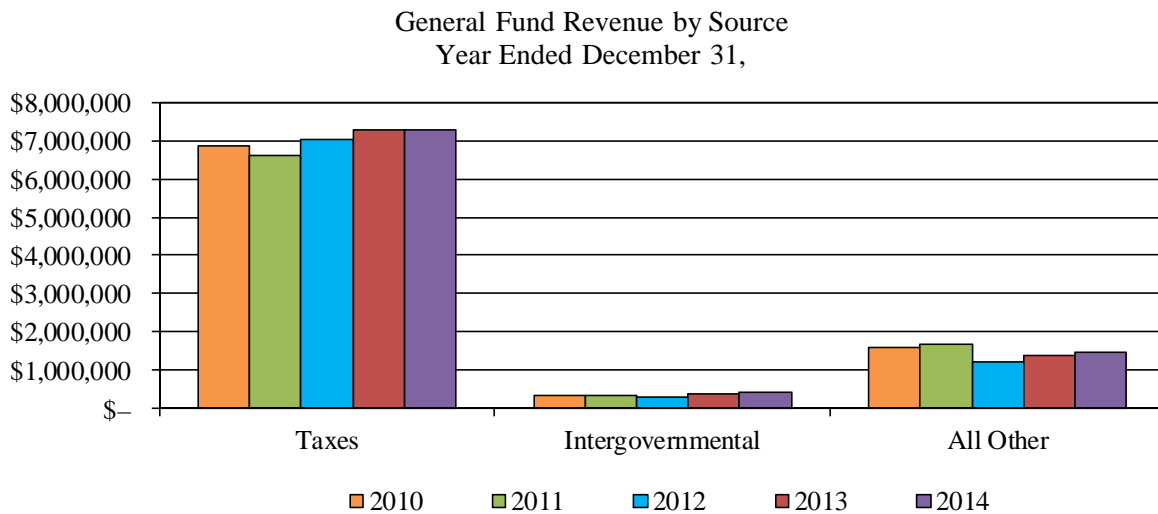
A trend that is typical to Minnesota local governments, especially the General Fund of cities, is the unusual cash flow experienced throughout the year. The City's General Fund cash disbursements are made fairly evenly during the year other than the impact of seasonal services such as snowplowing, street maintenance, and park activities. Cash receipts of the General Fund are quite a different story. Property taxes comprise about 79 percent of the fund's total annual revenue. Approximately half of these revenues are received by the City in July and the rest in December. Consequently, the City needs to have adequate cash reserves to finance its everyday operations between these payments.

The following graph reflects the City's General Fund revenues, budget and actual, for 2014:



Total General Fund revenues for 2014 were \$9,154,981, an increase of \$124,271 (1.4 percent) from the previous year and \$3,172 more than budget. Actual results were very close to final projections as reflected in the graph above.

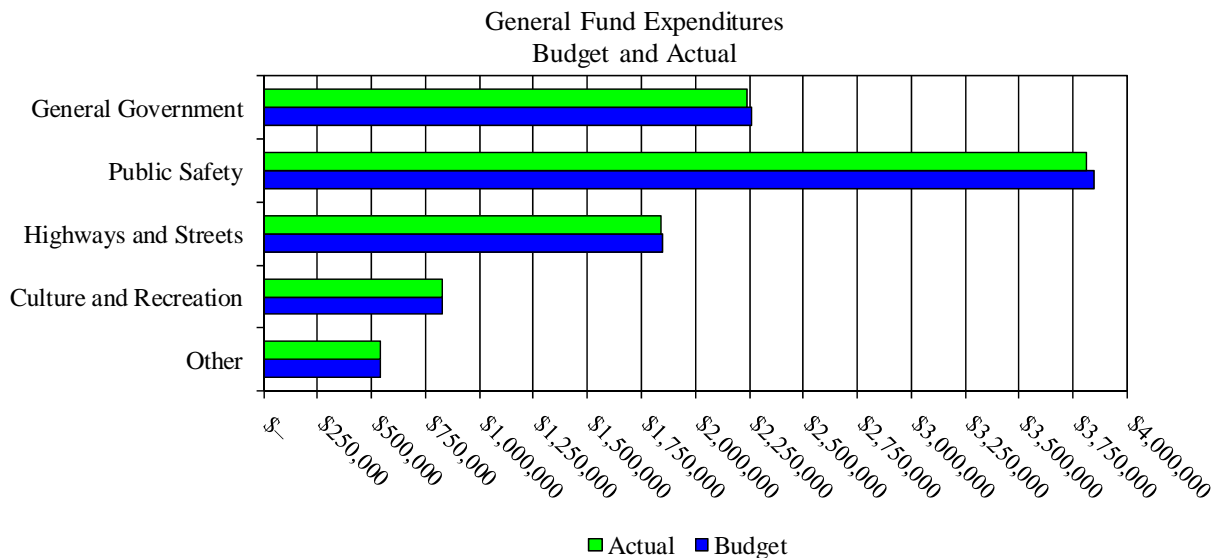
The following graph presents the City's General Fund revenues by source for the last five years:



The trend of increased reliance on tax revenue and decreasing intergovernmental (primarily state revenue) is typical to Minnesota cities. As presented in the graph above, property taxes account for 79.4 percent of General Fund revenues. The City has received a significant amount of other revenue in the form of licenses, permits, and charges for services relating to new development in past years, but these sources have leveled off in recent years.

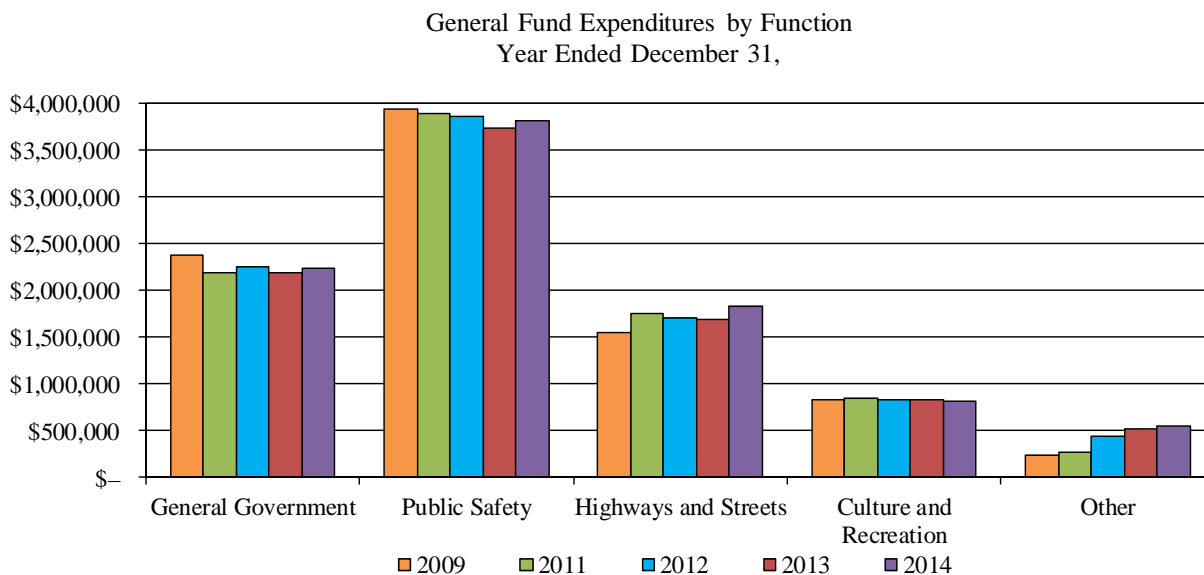
During 2014, tax sources reflect an increase of \$1,266. The City received \$69,159 more intergovernmental revenue in 2014, due to an increase in local government aid received in the current year. The 2014 increase in the category for "all other" (\$53,846) above includes an increase in investment earnings as previously discussed for the improved market value of investments.

The following graph reflects the City's General Fund expenditures, budget and actual, for 2014:



General Fund expenditures totaled \$9,257,530 in 2014, an increase of \$293,070 (or 3.3 percent) from the prior year, and were \$65,987 (or 0.7 percent) under the final budget. During the year, the City amended the final expenditure budget for open positions that were not filled during the year and for department efforts to control costs. Actual expenditures, like revenues, were also close to final amounts approved in the final budget.

The following graph shows General Fund expenditures for the last five years:



The graph shows that the largest share of General Fund expenditures is for public safety, while general government expenditures make up the second largest expenditure category. As the graph displays, expenditures increased in all categories presented above, with the exception of culture and recreation, which decreased \$5,683.

## ENTERPRISE FUNDS OVERVIEW

The City maintains several enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City's enterprise funds, which includes the Water Utility, Sewer Utility, Street Light Utility, Recycling Utility, and Storm Water Utility Funds.

The utility funds comprise a considerable portion of the City's activities. These funds help to defray overhead and administrative costs and provide additional support to general government operations by way of annual transfers. We understand that the City is proactive in reviewing these activities on an ongoing basis and we want to reiterate the importance of continually monitoring these operations. Over the years, we have emphasized to our city clients the importance of these utility operations being self-sustaining, preventing additional burdens on general governmental funds. This would include the accumulation of net position for future capital improvements and to provide a cushion in the event of a negative trend in operations.

### ENTERPRISE FUNDS FINANCIAL POSITION

The following table summarizes the changes in the financial position of the City's enterprise funds during the year ended December 31, 2014, presented both by classification and by fund:

<b>Enterprise Funds Change in Financial Position</b>			
	Net Position as of December 31,		Increase (Decrease)
	2014	2013	
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 50,427,367	\$ 50,494,576	\$ (67,209)
Unrestricted	<u>30,915,832</u>	<u>28,969,730</u>	<u>1,946,102</u>
Total – enterprise funds	<u>\$ 81,343,199</u>	<u>\$ 79,464,306</u>	<u>\$ 1,878,893</u>
Total by fund			
Water Utility	\$ 41,291,148	\$ 40,111,622	\$ 1,179,526
Sewer Utility	27,138,024	26,756,476	381,548
Street Light Utility	1,717,792	1,660,540	57,252
Recycling Utility	380,483	327,622	52,861
Storm Water Utility	<u>10,815,752</u>	<u>10,608,046</u>	<u>207,706</u>
Total – enterprise funds	<u>\$ 81,343,199</u>	<u>\$ 79,464,306</u>	<u>\$ 1,878,893</u>

In total, the net position of the City's enterprise funds increased by \$1,878,893 during the year ended December 31, 2014. Capital contribution receipts and positive operating results contributed to the total overall increase in enterprise funds. Depreciation expense on capital assets in excess of current year additions reduced the overall net investment in capital assets in enterprise fund operations.

The following table presents five years of comparative operating results for each of the City's utility enterprise funds:

	2010	2011	2012	2013	2014
<b>Utility enterprise funds</b>					
<b>Water</b>					
Operating revenue	\$ 1,633,461	\$ 1,821,386	\$ 2,131,460	\$ 1,997,302	\$ 1,860,380
Operating expenses	<u>1,295,721</u>	<u>1,358,050</u>	<u>1,228,012</u>	<u>1,293,201</u>	<u>1,221,211</u>
Operating income	<u>\$ 337,740</u>	<u>\$ 463,336</u>	<u>\$ 903,448</u>	<u>\$ 704,101</u>	<u>\$ 639,169</u>
Operating income as a % of operating revenue	<u>20.7 %</u>	<u>25.4 %</u>	<u>42.4 %</u>	<u>35.3 %</u>	<u>34.4 %</u>
<b>Sewer</b>					
Operating revenue	\$ 1,261,609	\$ 1,236,771	\$ 1,324,342	\$ 1,341,674	\$ 1,393,157
Operating expenses	<u>1,101,554</u>	<u>1,149,318</u>	<u>1,152,760</u>	<u>1,190,551</u>	<u>1,282,302</u>
Operating income	<u>\$ 160,055</u>	<u>\$ 87,453</u>	<u>\$ 171,582</u>	<u>\$ 151,123</u>	<u>\$ 110,855</u>
Operating income as a % of operating revenue	<u>12.7 %</u>	<u>7.1 %</u>	<u>13.0 %</u>	<u>11.3 %</u>	<u>8.0 %</u>
<b>Street Light</b>					
Operating revenue	\$ 179,272	\$ 178,850	\$ 179,124	\$ 177,158	\$ 188,185
Operating expenses	<u>158,369</u>	<u>163,758</u>	<u>165,651</u>	<u>176,736</u>	<u>161,733</u>
Operating income	<u>\$ 20,903</u>	<u>\$ 15,092</u>	<u>\$ 13,473</u>	<u>\$ 422</u>	<u>\$ 26,452</u>
Operating income as a % of operating revenue	<u>11.7 %</u>	<u>8.4 %</u>	<u>7.5 %</u>	<u>0.2 %</u>	<u>14.1 %</u>
<b>Recycling</b>					
Operating revenue	\$ 294,617	\$ 297,226	\$ 296,358	\$ 298,034	\$ 309,160
Operating expenses	<u>307,662</u>	<u>302,947</u>	<u>302,936</u>	<u>308,629</u>	<u>321,321</u>
Operating income (loss)	<u>\$ (13,045)</u>	<u>\$ (5,721)</u>	<u>\$ (6,578)</u>	<u>\$ (10,595)</u>	<u>\$ (12,161)</u>
Operating income as a % of operating revenue	<u>(4.4) %</u>	<u>(1.9) %</u>	<u>(2.2) %</u>	<u>(3.6) %</u>	<u>(3.9) %</u>
<b>Storm Water</b>					
Operating revenue	\$ 617,598	\$ 617,579	\$ 647,169	\$ 677,936	\$ 706,135
Operating expenses	<u>350,521</u>	<u>410,666</u>	<u>496,309</u>	<u>491,370</u>	<u>509,709</u>
Operating income	<u>\$ 267,077</u>	<u>\$ 206,913</u>	<u>\$ 150,860</u>	<u>\$ 186,566</u>	<u>\$ 196,426</u>
Operating income as a % of operating revenue	<u>43.2 %</u>	<u>33.5 %</u>	<u>23.3 %</u>	<u>27.5 %</u>	<u>27.8 %</u>

As displayed in the table above, each of the individual enterprise funds was able to report positive operating results for the year ended December 31, 2014, with the exception of the Recycling Fund. This loss was covered by the County Recycling Grant which typically subsidizes these operations.

Overall operating revenues totaled \$4,457,017 in 2014 compared to \$4,492,104 in the prior year. Increases for rate adjustments were offset by decreased consumption contributing to the steady level of revenues compared to the prior year. Expenses were also similar to the prior year, with \$3,496,276 in 2014 compared to \$3,460,487 of spending incurred in 2013.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

### STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what your city owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, net position is divided into three components: net investment in capital assets, restricted, and unrestricted.

The following table presents the components of City's net position as of December 31, 2014 and 2013, for governmental activities and business-type activities:

	As of December 31,		Increase (Decrease)
	2014	2013	
Net position			
Governmental activities			
Net investment in capital assets	\$ 41,657,601	\$ 40,374,256	\$ 1,283,345
Restricted	15,273,582	16,128,452	(854,870)
Unrestricted	8,120,953	8,107,485	13,468
Total governmental activities	<u>65,052,136</u>	<u>64,610,193</u>	441,943
Business-type activities			
Net investment in capital assets	50,427,367	50,494,576	(67,209)
Unrestricted	30,915,832	28,969,730	1,946,102
Total business-type activities	<u>81,343,199</u>	<u>79,464,306</u>	1,878,893
Total net position	<u>\$ 146,395,335</u>	<u>\$ 144,074,499</u>	<u>\$ 2,320,836</u>

Net position for governmental activities increased by \$441,943 in the current year as presented above. The City's net investment in capital assets increased \$1,283,345 this year. The change in this category of net position typically depends on the relationship of the rate at which the City is adding additional capital assets, the rate capital assets are being depreciated, and how that relates to the rate at which the City is repaying the debt issued to purchase or construct those assets. The restricted portion of the City's net position decreased \$854,870, due to a decrease in the restriction for capital improvements and tax increments.

The change in the net position for business-type activities is consistent with our earlier discussion for the utility operations which are presented under the same, full accrual, basis of accounting.

## STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City's yearly revenues and expenses, as well as any other transactions that increase or reduce total net position. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in the net position of the City for the years ended December 31, 2014 and 2013:

	2014		2013	
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	\$ 4,087,755	\$ 1,406,582	\$ (2,681,173)	\$ (771,473)
Public safety	4,079,362	864,883	(3,214,479)	(2,941,530)
Highways and streets	4,263,552	2,330,690	(1,932,862)	(3,346,783)
Culture and recreation	1,422,810	334,703	(1,088,107)	(1,212,730)
Interest and fiscal charges	1,168,513	–	(1,168,513)	(1,220,471)
Business-type activities				
Water utility	1,221,211	1,951,425	730,214	1,086,040
Sewer utility	1,282,302	1,399,319	117,017	234,471
Street light utility	161,733	192,085	30,352	23,822
Recycling utility	321,321	374,977	53,656	68,763
Storm water utility	509,709	706,135	196,426	186,566
Total net (expense) revenue	<u>\$ 18,518,268</u>	<u>\$ 9,560,799</u>	(8,957,469)	(7,893,325)
General revenues				
Property taxes			9,423,457	10,421,456
General grants and contributions			3,198	38,577
Investment earnings (charges)			1,851,650	(765,402)
Sale of capital assets			–	12,940
Total general revenues			<u>11,278,305</u>	<u>9,707,571</u>
Change in net position			<u>\$ 2,320,836</u>	<u>\$ 1,814,246</u>

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City's governmental and business-type operations are financed. The table clearly illustrates the dependence of the City's governmental operations on general revenues, such as property taxes and unrestricted grants. In contrast, the City's business-type activities tend to rely more heavily on program revenues like charges for services (sales) and program specific grants to cover expenses. This is critical given the current downward pressures on the general revenue sources.

## LEGISLATIVE UPDATES

The 2014 legislative session began with a projected budget excess for the remainder of the biennium of \$1.09 billion, later revised upward to a projected excess of \$1.23 billion in the February 2014 economic forecast. The Legislature utilized a portion of the projected excess to bolster the state's financial condition; repaying \$246 million "borrowed" from K-12 education through previous financing shifts, and using \$150 million to replenish the state "Rainy Day Fund" budget reserve. The Legislature also approved increases to future funding for local government aid, and expanded the sales tax exemption approved for cities in 2013 to include joint powers entities and other instrumentalities of local government.

The following is a summary of recent legislation affecting Minnesota cities in 2014 and into the future:

**Local Government Aid (LGA)** – The Legislature completely overhauled the LGA formula for fiscal year 2014 and thereafter, creating a three-tiered formula that includes separate "need factor" calculations for cities with populations under 2,500, between 2,500 and 10,000, or over 10,000. The new formula simplified the LGA calculation, and reduced the volatility of the LGA distribution by limiting the amount it may decline in a given year. Under the new formula, the minimum LGA 2014 distribution for each city was an amount equal to their 2013 LGA. Beginning in 2015, any reduction to a city's calculated LGA distribution will be limited to the lesser of \$10 per capita, or 5 percent of their previous year net tax levy. For cities that gain under the new formula, the increases will be distributed proportionate to their unmet need, as determined by the new "need factor" calculations. The state-wide LGA appropriation was \$507.6 million for fiscal 2014, \$516.9 million for 2015, and \$519.4 million for fiscal 2016 and thereafter.

**Sales Tax Exemption** – Cities are exempted from paying sales tax on qualifying purchases, effective for purchases made on or after January 1, 2014. Purchases of goods or services by an exempt local government for a publically provided liquor store, gas or electric utility, golf course, marina, campground, café, laundromat, solid waste hauling or recycling operation, or landfill will remain taxable. The definition of "cities" for this statute include both home-rule and statutory cities.

The 2014 Legislature extended the definition of tax exempt local government to include all special district; city, county, or township instrumentalities; economic development authorities; housing and redevelopment authorities; and all joint power boards or organizations. However, this expanded exemption list is not effective until January 1, 2016.

**Proposed Property Tax Levy Certification Date** – The deadline for cities to certify their proposed annual tax levies was extended from September 15 to September 30.

**Agricultural Homestead Market Value Credit** – The rate of agricultural homestead market value was increased to a maximum of \$490 at a market value of \$270,000 and over.

**Capital Investment Act Requirements** – The Legislature approved capital improvement projects totaling about \$1.1 billion under two separate capital investment (bonding) acts. Both require that, to the extent practicable, a public entity receiving an appropriation of public money for a project under these acts must assure those facilities are built with American-made steel.

**Authority to Inspect Public Buildings and State-Licensed Facilities** – A formal delegation process was established that must be used by the state Department of Labor and Industry (DLI) when delegating the authority to inspect public buildings and state-licensed facilities to local building officials. The new provisions did not alter the circumstances under which the DLI is required to delegate this authority in most circumstances, only the process to be followed. However, for certain smaller construction projects designated as "reserved projects," the DLI is now required to delegate inspection authority to any municipality with a designated building official without going through the formal delegation process.

**Open Meeting Law** – A change was made to the Open Meeting Law to clarify that the use of social media by members of a public body does not violate the Open Meeting Law if the use is limited to exchanges open to the public. The new statute specifically excludes email but does not otherwise define the term social media.

**Deputy Registrar Residency** – The statutory requirement that an individual appointed as deputy registrar for a statutory or home-rule charter city be a resident of the county in which the city is located was repealed.

**Local Campaign Finance** – Changes were made to increase the campaign contribution limits for local elections. For candidates in a territory with a population of 100,000 or less, the contribution limits were raised to \$600 in an election year and \$250 in a non-election year. For candidates in a territory with a population over 100,000, the limits were raised to \$1,000 in an election year and \$250 in a non-election year. In addition, all campaign finance reports required to be filed with a local government must now be published on the local government’s website, if the local government maintains a website.

**Data Practices** – Several changes were made to address unauthorized access of private data by public employees, requiring local governments to: establish security measures to help ensure private data is only accessible to public employees whose work assignment reasonably requires access to the data, and that the data is only being accessed by those individuals for the purposes of their work assignment; follow the data breach reporting requirements that were previously only applicable to state agencies; and perform annual security assessments of personal information maintained by the entity. The statute also states that accessing private data without authorization is a misdemeanor, and willful violation by a public employee constitutes just cause for suspension without pay or dismissal.

**Part-Time Peace Officers** – A change in the statutes now prohibits law enforcement agencies from hiring new part-time peace officers, existing part-time peace officers from transferring to new agencies, and the Peace Officer Standards and Training Board from licensing new part-time peace officers. Part-time peace officers that are currently employed may continue to serve indefinitely with their current employer, but must turn in their license upon leaving their current place of employment or otherwise becoming unemployed.

**Responsible Contractor Requirement** – Contractors who bid on public contracts in excess of \$50,000 are now required to certify that they are a “responsible bidder” in order to be awarded a contract as the lowest responsible bidder or best value alternative. A responsible contractor must be in compliance with various state and federal requirements for income tax, workers’ compensation, unemployment insurance, minimum wage, and safety. City solicitations for bid must include: the definition of “responsible contractor,” which may include criteria in addition to the statutory requirements established by the city, or reference to the statutory definition; a statement that a contractor failing to meet the criteria or verify compliance is ineligible to be awarded or perform work on the contract; a statement that submitting a false verification renders the contractor ineligible and can result in termination of the contract; and a statement requiring the contractor to provide copies of verification forms for all subcontractors upon request. Cities are not obligated to verify any of the information in the contractor verification; and have no liability if reasonably relying on the certification when awarding the contract, or declining to award the contract based on a reasonable determination that a contractor failed to verify compliance.

**Disaster Assistance Contingency Fund** – A new state account was created to provide emergency cash flow for local governments located in counties declared federal disaster areas. The fund may be used to meet non-federal fund matching requirements to speed the availability of federal funds.

**Pensions** – A number of changes to the Public Employees Retirement Association (PERA) General Plan were adopted, including:

- The minimum salary threshold for inclusion into the PERA General Plan was changed from \$425 in any one month to \$5,100 on any year for non-school employees or \$3,800 in any year for school employees.
- Employers are required to provide written notice to any employee excluded from membership in the PERA General Plan within two weeks of the determination on a form prescribed by the PERA executive director.
- PERA contribution rates for both employees and employers were increased by 0.25 percent of salary effective January 1, 2015.

## ACCOUNTING AND AUDITING UPDATES

### **GASB STATEMENT NO. 68 – ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS—AN AMENDMENT OF GASB STATEMENT NOS. 27 AND 50**

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of GASB Statement Nos. 27 and No. 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of GASB Statement Nos. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement.

This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. In addition, this statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

Included in this statement are major changes in how employers that participate in cost-sharing pension plans, such as the Teachers' Retirement Association (TRA) and PERA, account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability of all employers with benefits provided through the pension plan. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all active and inactive employees that are provided with pensions through the pension plan.

### **GASB STATEMENT NO. 72 – FAIR VALUE MEASURE AND APPLICATION**

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The requirements of this statement are intended to enhance comparability among government financial statements by requiring certain assets and liabilities be reported at fair value, using a consistent definition of fair value and accepted valuation techniques. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, with earlier application encouraged.

GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are generally assumed to take place in the government's principal or most advantageous market, taking into account the highest and best use for a nonfinancial asset, and assuming market participants would act in their economic best interest. The statement requires a government to use measurement techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value; consistent with a market, (replacement) cost, or income approach. It also establishes a hierarchy of inputs to be used in valuation techniques.

The statement establishes or clarifies the applicability of fair value measurement for certain assets and liabilities. Fair value is generally required for investments, defined as securities or other assets held primarily for the purpose of generating income, or which have a present service capacity based solely on their ability to generate cash. The statement requires measurement at acquisition value for donated capital assets, donated works of art, historical treasures, and capital assets received through a service concession arrangement. The statement also outlines the required financial statement disclosures about fair value measurements, valuation techniques, and the hierarchy of inputs used for valuation.

#### **CHANGES TO REQUIREMENTS FOR FEDERAL GRANTS**

In December 2013, the OMB issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*, which supersedes all or parts of eight OMB circulars; consolidating federal cost principles, administrative principles, and audit requirements in one document. The “Super Circular” includes a number of significant changes to the federal Single Audit process, including: an increase in dollar threshold for requiring a Single Audit from \$500,000 to \$750,000; changes to the thresholds and process used for determining major programs; reductions in the percentages of expenditures required to be covered by a Single Audit from 50 percent to 40 percent for high-risk auditees and from 25 percent to 20 percent for low-risk auditees; revised criteria for determining low-risk auditees; and an increase in the threshold for reporting questioned costs from \$10,000 to \$25,000. Auditees are required to implement the administrative requirements of the new “Super Circular” by December 26, 2014. The revised audit requirements will be effective for fiscal year 2015 city audits, with an optional one-year grace period for implementing the new procurement standards included in this guidance.

## **COSO INTERNAL CONTROL FRAMEWORK**

The clarified auditing standards applicable to governmental audits incorporate a definition of internal control that is based on the internal control integrated framework developed and issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In May 2013, COSO issued an updated framework which supersedes the original after December 15, 2014. The new COSO framework retains the basic definition of internal control and its five components established in its original framework, along with the fundamental requirements to consider these five components and to use judgment when assessing and evaluating the effectiveness of a system of internal controls. The new COSO framework enhances and clarifies a number of concepts from the original framework to make it easier to use and apply. One of the more significant enhancements was the establishment of 17 principles, associated with the 5 components of internal control, intended to assist users in understanding the requirements of effective internal control and designing effective systems of internal control.

The 5 components of internal control and 17 underlying principles are as follows:

### **Control Environment –**

1. Organization demonstrates a commitment to integrity and ethical values.
2. Governing body is independent from management and exercises oversight control.
3. Management establishes structure, reporting lines, authority, and responsibilities.
4. Organization demonstrates a commitment to the competence of individuals involved with internal control.
5. Organization holds individuals accountable for internal control responsibilities.

### **Risk Assessment –**

6. Organization specifies clear objectives for the identification and assessment of risks.
7. Organization identifies and analyzes risk.
8. Organization assesses the potential for fraud risks.
9. Organization identifies and assesses significant changes that could impact internal control.

### **Control Activities –**

10. Organization selects and develops control activities to mitigate risks.
11. Organization selects and develops general IT controls.
12. Organization establishes and implements control policies and procedures.

### **Information and Communication –**

13. Organization uses relevant, quality information to support internal control.
14. Organization communicates internal control information internally.
15. Organization communicates internal control information externally.

### **Monitoring –**

16. Organization conducts ongoing and/or separate internal control evaluations.
17. Organization evaluates and communicates deficiencies to responsible parties for corrective action.

COSO defines an effective system of internal control as one that reduces to an acceptable level the risk of failing to achieve an organizational objective in the areas of operations, compliance, or reporting. According to the new framework, an organization can achieve effective internal control by applying all of the principles listed above. To achieve this, each of these five components and the relevant principles must be present and functioning, and the five components must operate in an integrated manner. Local governments should be reviewing their internal control systems to assure these principles have been incorporated and implemented.

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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

Special Purpose Audit Reports

Year Ended  
December 31, 2014

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CITY OF RAMSEY  
ANOKA COUNTY, MINNESOTA

Special Purpose Audit Reports  
Year Ended December 31, 2014

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PRINCIPALS

Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management  
City of Ramsey, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ramsey, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 21, 2015.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(continued)

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Malloy, Montague, Karnowski, Radosevich & Co., P. A.*  
Minneapolis, Minnesota  
May 21, 2015

INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management  
City of Ramsey, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ramsey, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 21, 2015.

**MINNESOTA LEGAL COMPLIANCE**

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the Office of the State Auditor pursuant to Minnesota Statute § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, except as described in the Schedule of Findings and Responses as items 2014-001 and 2014-002. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

**CITY'S RESPONSES TO FINDINGS**

The City's responses to the legal compliance findings identified in our audit have been included in the Schedule of Findings and Responses. The City's responses were not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

*Malloy, Montague, Karnowski, Radosevich & Co., P.A.*  
Minneapolis, Minnesota  
May 21, 2015

CITY OF RAMSEY

Schedule of Findings and Responses  
Year Ended December 31, 2014

**FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT**

**2014-001 WITHHOLDING AFFIDAVIT**

**Criteria** – Minnesota Statute § 270C.66.

**Condition** – Minnesota Statute requires political subdivisions, before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor or subcontractors, to obtain a certificate from the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding requirements of Minnesota Statute § 290.92.

**Context** – One contract we tested was not in compliance with this statute. This is a current year finding.

**Cause** – This was an oversight by city personnel.

**Effect** – One contract undertaken in 2014 was not in compliance with this statute.

**Recommendation** – We recommend that the City of Ramsey, Minnesota (the City) review current procedures in place to ensure that certificates are obtained prior to making final settlements.

**Management Response** – There is no disagreement with the audit finding. The City will review its procedures to ensure that certificates are obtained in the future.

**2014-002 PAYROLL PAYMENT DECLARATION**

**Criteria** – Minnesota Statute § 412.271, Subd. 2.

**Condition** – Prior to making payments for wages, the City is required to obtain a written declaration indicating the facts recited on the payroll are correct to the best of the declarant's information and belief. This declaration was not obtained for one payroll disbursement tested that was paid during the year ended December 31, 2014.

**Context** – The required declaration was not obtained for 1 of 25 payroll disbursements tested. This is a current year finding.

**Cause** – The City's Fire Department was using time reports that did not include the declaration.

**Effect** – The City made payroll disbursements for which it did not obtain the required statutory declarations.

**Recommendation** – We recommend that the City obtain these signed declarations for all future payroll claims by having the declaration preprinted above the endorsement line of all timesheets.

**Management Response** – There is no disagreement with the audit finding. The City will review its procedures to ensure that appropriate declarations are obtained in the future.

Meeting Date: 06/09/2015

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### Information

**Title:**

Discussion Regarding Public Safety Administrative Support

**Purpose/Background:**

The purpose of this discussion is to request the City Council's direction for staff to proceed with a recruiting effort to fill the immediate and long-term administrative support needs in both the Fire Department and the Police Department.

As a result of two recent staffing changes in the Police Department, both the Police and Fire Departments currently have greatly reduced administrative support capacity. As the City Council is aware, two part-time Police Technicians (one 20-hour and one 25-hour) are no longer working in that capacity. One of the Police Technicians is now working as a Ramsey Community Service Officer and the other is no longer employed with the City. This change has left the Police Department short by 40 hours per week and the Fire Department short by 5 hours per week. The interim support needs are being handled by the Police Department Office Supervisor and a Police Captain, taking turns working at the front desk area taking calls and assisting customers; as well as the Fire Chief & Fire Marshal picking up as much of the work as they can.

**City's Recruiting Policy:**

For previously approved/budgeted positions, it is the City's policy to conduct needed recruitment and to bring a case forward to the City Council to request authorization to hire. However, in this case, staff would like to discuss alternative staffing options (rather than conducting recruitment based on the current vacancies) in order to restructure; best meeting the needs of the City and the goals of the Strategic Plan.

**Fire Department:**

Staff would like to begin a recruitment for a 20-hour per week Fire Technician to fill the administrative support role within the Fire Department. For the last couple of years the administrative support functions for the Fire Department have been handled in the Police Department at just 5-hours per week (5-hours of the 25-hour per week technicians's schedule under the direction of 2 supervisors). The 5-hour weekly schedule came about in response to the need to reduce personnel costs; prior to that the position was 40-hours per week for several years. There have been many changes in the Fire Department that speak to the need for additional hours of administrative support (including but not limited to payroll processing changes and other record keeping needs); along with a need to better utilize the Fire Chief's and the Fire Marshal's time to be more specifically focused on higher level public safety activities, and to provide more responsive customer service. In addition to the attached documentation, staff is prepared to discuss the needs of the Fire Department with the City Council as part of this case.

**Police Department:**

Staff would like to begin a recruitment for a 40-hour per week Lead Records Technician. Changing from two part-time employees to one lead full-time employee will help to provide consistency and continuity of service. In addition, it is the City's goal to operate under a 3-deep staffing plan and to practice proactive succession planning. Employing a lead support person will provide a link between the front desk support staff and the Police Department Office Supervisor. Currently, a Police Captain must serve as the Police Department Office Supervisor's back-up. In addition to the attached documentation, staff is prepared to discuss the needs of the Police Department with the City Council as part of this case.

In summary, City staff continues to be cautiously prudent with regard to maintaining a reduced personnel budget and have carefully considered the staffing needs of both departments, and have determined that the City would be

better able to meet the goals of the strategic plan, especially with regard to strategic imperative of "Smart Citizen-Focused Government" and providing for a more "An Effective Organization".

**Timeframe:**

10 to 30 minutes.

**Funding Source:**

The 2015 funding required for a part-time Fire Technician is estimated to be approximately \$9,508 (\$23,418 on an annual basis in 2016). The 2015 funding required for a full-time Lead Police Records Technician is estimated to be approximately \$30,506.00. (\$67,183 on an annual basis in 2016). However, with the savings from earlier Police Department staffing changes, the 2015 difference with adding a part-time Fire Technician and a full-time Lead Police Records Technician comes to a savings of \$17,116 over what was originally budgeted for 2015.

**Responsible Party(ies):**

Colleen Lasher, Human Resources Manager in cooperation with Dean Kapler, Fire Chief and Jeff Katers, Police Chief.

**Outcome:**

For the City Council to direct staff to conduct recruitment as outlined above in order to fulfill the City's staffing needs.

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**Attachments**

[Fire Technician Justification](#)

[Lead Police Records Tech Justification](#)

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Dean Kapler	Colleen Lasher	06/03/2015 10:29 AM
Colleen Lasher (Originator)	Colleen Lasher	06/03/2015 10:30 AM
Dean Kapler	Jo Thieling	06/03/2015 10:32 AM
Jeff Katers	Jeff Katers	06/03/2015 10:45 AM
Colleen Lasher (Originator)	Jo Thieling	06/03/2015 10:47 AM
Dean Kapler	Dean Kapler	06/03/2015 11:10 AM
Colleen Lasher (Originator)	Colleen Lasher	06/04/2015 09:29 AM
Kurt Ulrich	Kurt Ulrich	06/04/2015 03:12 PM
Kurt Ulrich	Kurt Ulrich	06/04/2015 03:17 PM
Form Started By: Colleen Lasher		Started On: 06/01/2015 11:46 AM
Final Approval Date: 06/04/2015		

## Evaluation Criteria for Vacant and New Positions

### Fire Technician – New Position

By: Dean Kapler, Fire Chief

#### 1. Is the position essential?

As with other departments, record keeping is an activity that will continue through time. The Public Safety Data System (PSDS) has given public safety an incredible tool to capture and analyze data, but the data entry portion remains.

#### 2. Is the position critical?

- **Explain how this position is key to achieving the strategic goals identified by the City Council.**

As part of the city's Strategic Plan, this key position will ensure that we continue to be an effective organization through proper documentation kept for incident reports, details of responses, periodic reporting, insurance premium information, staff certifications, payroll entering, time off/vacation leaves and other general administrative duties.

- **Can the duties be re-engineered or automated? Please explain.**

With the PSDS, the original goal was to substantially reduce the efforts of entering data. Although there are many "hands free" data gathering tools available, there still remains a substantial amount of entry, gathering and analysis that needs to happen on a periodic basis.

- **Can the duties be reassigned temporarily or permanently? Please explain.**

Police and Fire did combine these efforts in the past and the end results were favorable. With the PSDS, a more specialized effort is needed in both departments rather than a general Public Safety presence. Currently fire command staff (Fire Marshal and Fire Chief) are completing these tasks, keeping in mind that the PSDS is only partially implemented at this time.

- **Can the position remain unfilled temporarily or permanently? Please explain.**

The position cannot remain unfilled without management staff completing the work assignments. Staff feels the management positions need to concentrate more efforts on higher level activities (code enforcement, preplanning, public education, recruitment, etc.)

- **Can the position be filled internally?**

Staff would recommend an internal recruitment to see if a qualified individual on staff would apply.

- **What is the impact (i.e., to residents, business owners, employees, and/or operations) if the position is not filled?**

With Ramsey's business community continuing to grow, it is essential to have consistent code compliance efforts in place. The current structure is limiting the amount of "field time" the Fire Marshal can spend on code compliance.

- **Can the service provided be reduced, eliminated, or contracted out?**

The level of involvement this position would provide would be considered the average to complete the needed activity. As far as contracting out, this proposal is a part-time request, thus greatly limiting the cost to the city.

- **What is the budgetary impact if the position is not filled (e.g., additional overtime/compensatory time off costs)**

Some overtime by the Fire Marshal position. Note the "What is the impact if the position is not filled".

- **What are the circumstances that warrant the creation of this new position?**

History of this position: This position was first proposed as a 20 hr./week in April 2005. It was changed to a full-time position in December 2005. Through a layoff, a qualified person was "bumped" in an effort to eliminate another administrative position. The reassignment was eventually changed to a shared position within the Police department to provide assistance to both Police and Fire Departments.

**3. What is the total annual cost of the position (e.g., salary, taxes, benefits, equipment, etc.)?**

2015 -- \$9,508.00 using funds budgeted for positions that have been vacant

2016 -- \$23,418.00 budgeted as part of the initial 2016 budgeting process

No additional equipment necessary

## Evaluation Criteria for Vacant and New Positions

### Lead Police Record Technician – New Position

by Jeff Katers, Chief of Police

#### 1. Is the position essential?

This position is essential to maintain our staffing level and to provide direction to clerical staff. A Lead Records Technician will assist the Office Supervisor in day to day work assignments, balancing workloads between staff members. This position will increase the clerical staffing levels by four (4) hours per day, ensuring that there is leadership throughout the workday for staff.

#### 2. Is the position critical?

- **Explain how this position is key to achieving the strategic goals identified by the City Council.**

As part of the city's Strategic Plan, this key position would effectively ensure sustainable staffing at a supervisory level for the clerical unit in the next three to five years.

- **Can the duties be re-engineered or automated? Please explain.**

The clerical staff needs direction on a daily basis. The Office Supervisor is required to perform more complex duties that cannot be delegated or redirected. This reduces the opportunity to assist with work assignments and balancing the workload for the clerical staff.

- **Can the duties be reassigned temporarily or permanently? Please explain.**

In the very short term, the duties of this position have been temporarily reassigned to the Police Department Office Supervisor along with a Police Captain providing some customer service at the counter and over the phone. The duties cannot be permanently reassigned. Additionally, the amount of software training required to fill this position is not conducive of temporary employees filling the vacancy.

- **Can the position remain unfilled temporarily or permanently? Please explain.**

The position cannot remain unfilled, as there are state and federal reporting requirements that the police department is obligated to provide. Without adequate staffing the city could be subject to sanctions by the FBI.

- **Can the position be filled internally?**

Unlikely, the required certifications for this position can only come from someone currently working in a law enforcement agency; staff is not aware of current employees working for another agency (firefighters, reserve officers, active seasonals, etc.). Also, this position's minimum qualifications include three (3) years experience in a police records environment, including one (1) year supervising or leading staff. However, an internal recruitment will be conducted for five days.

- **What is the impact (i.e., to residents, business owners, employees, and/or operations) if the position is not filled?**

Police reports are made available for insurance purposes when there is a car accident or another type of loss. Without adequate staffing, there would be delays in providing this information to our residents.

- **Can the service provided be reduced, eliminated, or contracted out?**

This service cannot be reduced, eliminated or contracted out.

- **What is the budgetary impact if the position is not filled (e.g., additional overtime/compensatory time off costs)**

We would have to provide overtime hours to the full-time records clerk and medical benefits to the part-time records clerk.

- **What are the circumstances that warrant the creation of this new position?**

This position is essential to maintain our staffing level and to provide direction to clerical staff. A Lead Records Technician will assist the Office Supervisor in day to day work assignments, balancing workloads between staff members. This key position will ensure that there is leadership throughout the workday and this position would be part of the police department's succession plan.

**3. What is the total annual cost of the position (e.g., salary, taxes, benefits, equipment, etc.)?**

- The 2015 wages and benefit costs for this position are 30,506.00; however, including the cost of hiring a Fire Technician, there is a savings of \$17,116.00 over what was originally budgeted for 2015 due to staffing changes.
- The 2016 preliminary budget amount is \$67,183
- No additional equipment necessary