

City of Ramsey
Agenda
City Council Work Session
Tuesday, June 8, 2021

5:30 pm
Lake Itasca Room, 7550 Sunwood Drive NW

This meeting is being held in accordance with Minnesota Statutes 13D.021. Due to the COVID-19 Pandemic, it is not practical and prudent for all members of this board to attend in person. Current Minnesota law requires certain social distancing standards that impacts the capacity of the Council Chambers. For these reasons, it is not practical and prudent to have this meeting exclusively in person. Members of the public are welcome to attend in person or remotely.

Remote Attendance available at www.cityoframsey.com/meetings. To maximize social distancing due to the COVID-19 Pandemic, those that can join remotely are encouraged to do so. Those joining remotely and requesting to speak are asked to use a webcam when speaking.

1. Call to Order

2. Topics for Discussion

1. Liability Coverage Update
2. Discussion Regarding the Pending Deputy City Administrator/Community Development Director Vacancy and the Process to Fill the Position
3. Review Union Contract Negotiations Schedule and Process
4. Discussion Regarding Updating the Employee Telecommuting Policy.
5. Review 2020 Comprehensive Annual Financial Report, Management Report and Special Purpose Audit Reports
6. Continue Discussion of Action Item “Implement a Pavement Management Funding Program” under the strategy “Identify and Implement Operational Efficiencies, Cost Savings and Additional Funding Sources.”

3. Topics for Future Discussion

1. Review Future Topics/Calendar

4. Mayor/Council/Staff Input

5. Adjournment

CC Work Session**2. 1.****Meeting Date:** 06/08/2021

Information**Title:**

Liability Coverage Update

Purpose/Background:

Mark Lenz, the city's insurance agent, will be giving a brief update about the city's current liability coverage (\$2M) with the League of MN Cities and the availability of purchasing excess liability coverage.

The cost of additional excess liability coverage (2021 rates) is as follows:

Limit	Premium
\$1M	\$ 28,079
\$2M	\$ 42,118
\$3M	\$ 49,138
\$4M	\$ 52,648
\$5M	\$ 54,403

Timeframe:

15 minutes

Funding Source:**Responsible Party(ies):**

City's insurance agent - Mark Lenz

Outcome:

Update city council of the city's current insurance policy as it relates to liability coverage.

Attachments*No file(s) attached.*

Form Review**Inbox**

Kurt Ulrich
Diana Lund (Originator)
Kurt Ulrich
Form Started By: Diana Lund
Final Approval Date: 06/03/2021

Reviewed By

Diana Lund
Diana Lund
Kurt Ulrich

Date

06/03/2021 08:58 AM
06/03/2021 09:03 AM
06/03/2021 02:13 PM
Started On: 05/20/2021 02:08 PM

Meeting Date: 06/08/2021

Information

Title:

Discussion Regarding the Pending Deputy City Administrator/Community Development Director Vacancy and the Process to Fill the Position

Purpose/Background:

This case appeared on the May 25, 2021 agenda; however, due to time constraints, was not presented. Since that time, revisions have been made to more closely mirror that attached resolution which provides a detailed account of "non employee" interview panel members, an updated date for Mr. Gladhill's last day with the City and an updated recruitment timeline.

As the City Council is aware, Deputy City Administrator/Community Development Director Tim Gladhill has submitted a letter of resignation. In the letter, Mr. Gladhill stated that his last day with the City of Ramsey will be near the end of June. Since that time, Mr. Gladhill stated that he will work through the end of the Council meeting on June 22, 2021.

This is a key staff position that has a significant impact on the City. Staff is committed to filling this position with the best possible candidate, a candidate that demonstrates the qualities necessary to meet the City's mission, core values, and guiding principles.

Recruitment Process:

Staff recommends conducting an external, open competitive recruitment. Any internal candidates would be considered in one collective recruitment process along with external candidates. At this time, staff does not plan to seek assistance from an external recruitment firm. Staff will discuss the pros and cons of outsourcing this recruitment, including but not limited to costs and differing recruitment timeline.

Interview Rounds

First interviews will include the the Administrative Services Director and most likely the division heads of Planning Division, Economic Development Division and Building Inspections Division.

Second interviews is proposed to include three (3) interview panels, due to the critical nature and high profile of this position.

Panel	Participants
Community Development Department	Community Development Staff
Leadership	Department Heads + 2-3 Councilmembers (Note: <u>If 4 or more Councilmembers attend, the interview will be open to the public.</u>) <i>Maybe a Neighboring Community Community Development Director</i>

Community	~~2 Planning Commissioners~~ Chair and/or Vice Chair of the Planning Commission ~~2 EDA Members~~ Chair and/or the Vice Chair of the EDA 1-2 Business Owners 1-2 Developers

A final interview of 1-3 finalists would be conducted by the City Council. (Note: If 4 or more Councilmembers attend, the interview will be a open to the public.)

Interim Community Development Director / Timelines

Staff will have an interim Community Development Director secured for Council consideration as soon as possible. In addition, since Mr. Gladhill is the City's Deputy City Administrator, staff will identify an interim back-up to the City Administrator as well.

The proposed / tentative recruitment timeline is as follows:

- 6-9 to 7-9-21 Application period
- 7-19-21 (week of) First Interviews
- 7-26-21 (week of) Second Interviews
- 8-2-21 (week of) Leadership Assessment with In-basket and role playing exercise
- 8-16-21 (week of) Final Interviews
- 8-20-21 Offer to move ahead in the process
- 8-23-21 (week of) Background Check / Reference Checks
- 8-30-21 Contingent job offer
- 9-10-21 Medical appointment
- 9-14-21 Council authorization to hire
- 10-4 to 10-18-21 Start working

Timeframe:

This case is expected to take 10 minutes.

Funding Source:

There is no funding required at this time.

Responsible Party(ies):

Colleen Lasher, Administrative Services Director
Kurt Ulrich, City Administrator

Outcome:

The intended outcome of this work-session is for the City Council to provide staff, by consensus, feedback as to if the City Council agrees with the stated course of action to fill the position of the the Deputy City Administrator/Community Development Director.

Attachments

Resolution Interview Panel

Deputy City Admin CD Director Job Description

Form Review

Inbox
Kurt Ulrich

Reviewed By
Colleen Lasher

Date
05/20/2021 05:26 AM

Colleen Lasher (Originator)	Colleen Lasher	05/20/2021 06:21 AM
Tim Gladhill	Tim Gladhill	05/20/2021 09:34 AM
Colleen Lasher (Originator)	Colleen Lasher	05/20/2021 10:49 AM
Kurt Ulrich	Kurt Ulrich	05/20/2021 03:50 PM
Colleen Lasher (Originator)	Colleen Lasher	06/03/2021 02:38 PM
Form Started By: Colleen Lasher		Started On: 05/18/2021 12:42 PM
Final Approval Date: 06/03/2021		

Councilmember Tossey introduced the following resolution and moved for its adoption:

RESOLUTION #13-06-091

**RESOLUTION TO ESTABLISH A POLICY REGARDING NON-EMPLOYEE
INTERVIEW PANEL PARTICIPANTS**

WHEREAS; a City policy that addresses the make-up of the interview panel will create clarity and increase efficiencies during the employment recruitment process; and

WHEREAS, the City intends to include non-employee participants for the following types of positions: City Administrator, Department Heads, and positions serving as a liaison to a board or commission; and

WHEREAS; non-employee participants will include: Council Member(s) and the Chair or Vice-chair of the respective board or commission; and

WHEREAS; non-employee participants may also include outside professionals with advance knowledge of the respective skill sets desired for the given position; and

WHEREAS, the specific make-up of the non-employee interview panel will be defined ahead of time at a Personnel Committee meeting or a City Council work-session.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:**

- 1) Confirms the recommendation of the Personnel Committee to do the following:

Motion to approve resolution #13-06-091, to include non-employee interview panel participants for the following types of City positions: City Administrator, Department Heads, and positions serving as a liaison to a board or commission; the specific make-up of the non-employee interview panel will be defined ahead of time at a Personnel Committee meeting or a City Council work-session.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Kuzma, and upon vote being taken thereon, the following voted in favor thereof:

Mayor Strommen
Councilmember Tossey
Councilmember Kuzma
Councilmember LeTourneau
Councilmember Riley

and the following voted against the same:

None

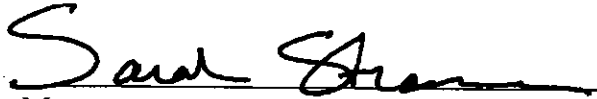
and the following abstained:

None

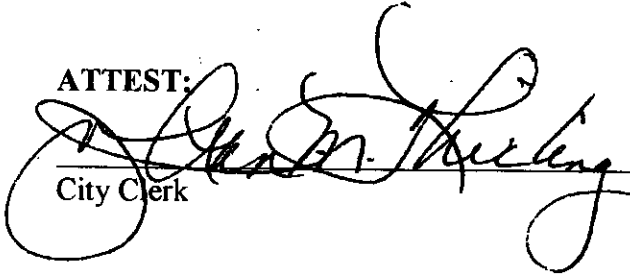
and the following were absent:

Councilmember Backous

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 25th day of June 2013.


Mayor

ATTEST:


City Clerk

Job Description
Deputy City Administrator

Position Title: Deputy City Administrator/Community Development Director

Department: Community Development

FLSA Status: Exempt

Primary Objective of Position

The Deputy City Administrator is responsible for the planning and implementation of assistance programs for development and redevelopment of residential, commercial and industrial land that help shape a vibrant, sustainable community. In addition, the Deputy City Administrator works to provide cross functional administrative project leadership, capital development project administration, and management analysis for the organization. This position description is not a complete description of the role of the Deputy City Administrator/Community Development Director.

Essential Functions of the Position

1. Provide Leadership to the Community Development Department, including the Planning Division, Economic Development Division and Building Safety Inspection Division.
2. Assist the City Administrator with a variety of special projects, especially strategic planning and capital planning projects.
3. Serve as the Acting City Administrator in the absence of the City Administrator.
4. Represent the City in a variety of settings, especially land use developers, building contractors, real estate brokers and business owners.
5. Coach projects through the Planning and Zoning approval process.
6. Advance the City Council's strategic goals for community planning and economic development.
7. Prepare, implement and monitor annual department budgets and work plans.

General Leadership for Community Development Department

1. Prepare Annual Budget and Work Plans for Planning Division, Economic Development Division and Building Inspection Division.
2. Ensure that the Department Structure effectively delivers services consistent with the City Council's Strategic Plan.
3. Provide support for Staff Liaisons for the Planning Division, Economic Development Authority (EDA) and Environmental Policy Board (EPB).
4. Attend all City Council Meetings.
5. Attend all EDA Meetings.
6. Attend Planning Commission and EPB as needed.

Planning and Zoning Administration/Development Review

1. Chair the multi-departmental Development Review Committee.
2. Monitor and implement the City's Comprehensive Plan, including coordination with the Metropolitan Council.
3. Manage long-range planning projects such as corridor plans and small area plans.
4. Ensure that goals and metrics for Land Use Applications, Building Permits and Inspections meet the expectations of the community.
5. Demonstrate planning skills of developing healthy, mixed-use residential strategies for a City.
6. Research and keep abreast of economic trends; monitor local, state and federal legislation and regulations that impact community development.
7. Provide timely issuance of building permits and completion of inspections to ensure code compliance.
8. Negotiate and implement development agreements for new and redevelopment agreements including coordination of housing subsidy requirements, property acquisition, relocation efforts, site preparation, and related actions.
9. Advance the City's housing goals and ability to assemble funding sources.

Economic Development

1. Provide leadership and guidance to the Economic Development Manager in administering economic development goals and policies, including Tax Increment Financing (TIF), Revolving Loan Fund (RLF) and Business Retention and Expansion (BRE) Program.
2. Maintain knowledge of available public and private financing resources including local bank financing, state assistance, and other funding sources.
3. Oversee submittal of grant applications and other funding opportunities to further the city's community development

Code Enforcement

1. Provide general support to the Senior Planner and/or his/her/their designee related to Code Enforcement Case management, Mediation and Resolution.
2. Administer the Appeals Process to Notice of Violations.

Special Projects and Public Finance

1. Assist the City Administrator in Annual Strategic Planning Session.
2. Assist the City Administrator with public facilities capital improvements implementation.
3. Serve as Acting City Administrator in the absence of the City Administrator.
4. Demonstrate knowledge of budgeting, accounting, and government financing, particularly capital improvement financing mechanisms

Knowledge, Skill and Abilities

- Proven effective delegation skills.
- Proven ability to manage execution.

Deputy City Administrator/Community Development Director

- Knowledge of management and operation's principles and practices as they apply to the public sector.
- Ability to staff effectively; build a team whose members have complementary strengths.
- Ability to recruit and maintain excellent employees; matching individuals to jobs.
- Ability to anticipate long-term staffing needs.
- Ability to communicate effectively orally and in writing with architects, contractors, developers, builders, residents, commercial business owners, the public, staff, Planning Commission and City Council.
- Ability to prepare communication articles for website and City newsletter.
- Ability to develop community development materials that are easy to read and informative.
- Ability to execute outstanding client-driven services.
- Ability to design/redesign processes that deliver cost-effective programs/services.
- Proven experience of delivering timely and detailed submittal of review projects.
- Proven negotiation skills.
- Demonstrate decisive and effective decision-making skills.
- Demonstrate a high level of interpersonal skills; effective listening and provide timely responses.
- Ability to build relations; tolerance for differing points of view and personalities.
- Ability to work effectively with staff and government agencies and strategic partners (Metropolitan Council, Anoka County, State Legislature, Minnesota Housing Finance Agency and others).
- Ability to comply with all reporting and statutory requirements.

General Breakdown of Activity Levels

General Leadership	20%
Planning/Zoning Administration/Development Review	40%
Code Enforcement	5%
Economic Development	30%
Special Project Management	5%

Minimum Qualifications

Bachelor's degree in Urban Planning, Land Use Planning, Public Administration, or a closely related field and at least one of the following:

- more than five years' professional experience in leading/managing development and marketing initiatives within a community;
- more than five years' experience related to Community Development, Planning/Zoning or Economic Development;
- more than five years' experience in municipal planning and development.

Desired Qualifications

- Master's degree in Urban Planning or a closely related field and proven municipal planning or economic development experience.
- AICP (American Institute of Certified Planners), EDFP (Economic Development Finance Professional), or CEcD (Certified Economic Developer) Certification.

Supervision of Others

Reports to the City Administrator; exercises significant collaboration with Leadership Team staff and strategic partnerships, and manages the Community Development Department.

Equipment/Job Locations

The work environment characteristics described are representative of those an employee encounters while performing the essential functions of the job. This position works mostly indoors with some outdoor work to view projects or code violations.

Conditions of Employment

- Must comply with organizational and department policies
- Valid State of Minnesota driver's license with a good driving record or the ability to obtain a Minnesota driver's license within 90 days. Traveling throughout the City for site inspections is required.

This position description does not constitute an employment agreement between the employer and the employee and is subject to change by the employer as the needs of the city and requirements of the job change.

The City of Ramsey is an Equal Opportunity Employer in compliance with the Americans with Disabilities Act. It will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

JOB ACTIVITY REQUIREMENTS
Community Development Director

Job activity requirements					
	Physical Activities	Very Important	Important	Slightly Important	Not Important
1	Standing		x		
2	Sitting		x		
3	Walking		x		
4	Lifting			x	
5	Pushing / Pulling			x	
6	Carrying		x		
7	Climbing				x
8	Kneeling				x
9	Crawling				x
10	Crouching			x	
11	Bending at waist			x	
12	Reaching	x			
13	Handling Objects	x			
14	Repetitive Hand Motion	x			
15	Use of Arm Muscles over Extended Periods			x	
16	Use of Leg Muscles over Extended Periods			x	
17	Overhead Work				x
18	Stationary desk or bench work	x			

This job requires employees to be able to lift and carry up to 24 pounds without assistance.

Job working conditions		
	Yes	No
1	Working Outdoors (occasionally)	x
2	Working Indoors	x
3	Operating forklifts or dangerous equipment	x
4	Providing work direction to other employees	x
5	Working with chemicals	x
6	Working near fumes and vapors	x
7	Driving a City vehicle or personal vehicle	x
8	Driving is an essential function of this job	x
9	Subject to random DOT drug and alcohol testing	x

Meeting Date: 06/08/2021

Information

Title:

Review Union Contract Negotiations Schedule and Process

Purpose/Background:

The purpose of this discussion is to receive feedback from the City Council regarding the pending contract negotiations schedule and process.

Background:

Note: This evening's discussion is not to include discussions pertaining to wages or any other contract item; those conversations will occur during closed meetings.

The City has four unions: *AFSCME* with 43 employees, *LELS Patrol* with 21 employees, *LELS Sergeants* with 4 employees, and *LELS Captains* with 2 employees. There are also 27 non-union employees. (LELS stands for Law Enforcement Labor Services.) AFSCME (American Federation of State, County, and Municipal Employees) is made up of many different positions, including but not limited to PW Maintenance Workers (Building, Parks, Streets, and Utilities) Administrative Assistants, Police and Fire Technicians, the Accounting Clerk, Permit Technicians, the Zoning Code Enforcement Officer, the Community Development Assistant, and more. City unions must operate within the Public Employment Labor Relations Act (**PELRA**) which is the Minnesota state law that regulates labor relations between public employers, their employees, and the labor organizations that represent their employees. The Act and all four contracts are attached.

All four union contracts will expire on December 31, 2021. It is staff's goal to proactively work to have all of the contracts settled and ready for adoption at or prior to the December 14, 2021, Council meeting. Staff has meetings set up with all four groups in June. Additional meetings will be held and staff will schedule work sessions with the City Council to provide updates and seek Council direction as we progress through the negotiations process.

It has been suggested that the City Council may want to have a member from City Council present during the negotiation meetings. Mayor Kuzma was suggested for this role at the time. Staff is looking for direction (by consensus) in regard to a Council representative and we will schedule accordingly. Note: The member selected must have daytime availability. Periodic meetings (closed sessions) are held with the Council to provide updates and to receive direction during the negotiation process.

The first City budget discussion is scheduled for July 13th. Council meetings to discuss the contracts (closed to the public) will begin at the same time and will likely run through the end of November, occurring every 4-6 weeks or as needed.

Timeframe:

Approximately 10 minutes.

Funding Source:

Not applicable at this time.

Responsible Party(ies):

Colleen Lasher, Administrative Services Director (Head of Human Resources)

Outcome:

The intended outcome for this evening is for the City Council to select, by consensus, a Council Member to attend union negotiations meetings and to provide feedback regarding the negotiations schedule.

Attachments

AFSCME Contract

Patrol Contract

Sergeant Contract

Captain Contract

MN Labor Relations Act

Form Review**Inbox**

Kurt Ulrich

Colleen Lasher (Originator)

Form Started By: Colleen Lasher

Final Approval Date: 06/03/2021

Reviewed By

Kurt Ulrich

Colleen Lasher

Date

05/20/2021 04:05 PM

06/03/2021 08:54 AM

Started On: 05/18/2021 10:53 AM

LABOR AGREEMENT BETWEEN
CITY OF RAMSEY &
AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES

2021

Prepared by Colleen Lasher, Administrative Services Director

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ARTICLE 1 PREAMBLE AND PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the City of Ramsey, hereinafter referred to as the EMPLOYER, and Local No. 2454 affiliated with Council No. 5 of the American Federation of State, County and Municipal Employees, AFL-CIO, hereinafter referred to as the UNION.

The intent and purpose of this AGREEMENT is to:

- 1.1 Place in written form the Parties' full AGREEMENT on terms and conditions of employment contained herein for the stated duration of this AGREEMENT;
- 1.2 Establish procedures for the resolution of disputes concerning this AGREEMENT'S interpretation and/or application;
- 1.3 Prevent interruptions of work, work stoppages, strikes, or other interferences with the efficient and effective rendering of services to the public during the life of the AGREEMENT; and
- 1.4 Promote harmonious relations between the EMPLOYER and its EMPLOYEES represented by the UNION.

ARTICLE 2 DEFINITIONS

- 2.1 UNION: The American Federation of State, County and Municipal Employees, Council No. 5, Local No. 2454, AFL-CIO.
- 2.2 UNION MEMBER: A member of the American Federation of State, County and Municipal Employees, Council No. 5, Local No. 2454, AFL-CIO.
- 2.3 UNION OFFICER: Official elected or appointed by the American Federation of State, County and Municipal Employees, Council No. 5, Local No. 2454, AFL-CIO.
- 2.4 EMPLOYEE: A member of the exclusively recognized bargaining unit.
- 2.5 EMPLOYER: The City of Ramsey, Minnesota.
- 2.6 GRIEVANCE: A dispute or disagreement as to the interpretation or application of the specific terms and conditions of this AGREEMENT.
- 2.7 DAYS: Unless otherwise indicated, means calendar days.
- 2.8 WEEK: Seven (7) days.
- 2.9 MONTH: Thirty (30) days.
- 2.10 YEAR: Three hundred sixty-five (365) days.

- 2.11 REGULAR FULL-TIME EMPLOYEE: Any employee working a regularly scheduled work week of 30 hours per week. This employee is eligible for vacation time, sick leave, holiday pay and health and life insurance coverage.

REGULAR PART-TIME EMPLOYEE: Any employee working a regularly scheduled work week, averaging at least 14 hours per week. This employee is eligible for holiday pay, and vacation and sick leave based on the number of hours worked during any given pay period. This employee is not eligible for health and life insurance.

TEMPORARY FULL-TIME EMPLOYEE: Any non-student employee working a regularly scheduled work week of 30 hours per week, up to a maximum of 640 hours in a calendar year. This employee is not eligible for vacation time, sick leave, holiday pay or health and life insurance. Students may work up to 100 days per calendar year and still be considered temporary employees.

TEMPORARY PART-TIME EMPLOYEE: Any non-student employee working on an on-call basis up to a maximum of 640 hours per calendar year. This employee banks no vacation time, sick leave, or holiday pay, and is not eligible for health and life insurance.

TEMPORARY FULL-TIME AND/OR TEMPORARY PART-TIME DUES PAYING EMPLOYEE: Any employee working as temporary maintenance worker for up to a maximum of 180 calendar days between April 1 and October 31 each year. Employees who are scheduled to work up to a maximum of 180 days in a calendar year will be subject to paying union dues beginning the first day of their employment. Any temporary full-time and/or part-time dues paying employee is not eligible for vacation time, sick leave, holiday pay, health insurance, life insurance or any other fringe benefit. Said employees will be paid at a rate of 80% of step one of the maintenance worker wage scale and will not be eligible for step changes.

At the time of initial employment, transfer or reemployment, the EMPLOYER shall identify the status of the vacancy to be filled as either regular full-time, temporary full-time, regular part-time or temporary part-time.

ARTICLE 3 RECOGNITION

- 3.1 The EMPLOYER recognizes the UNION as the exclusive representative under Minnesota Statutes, Section 179A.03, Subdivision 8 in an appropriate bargaining unit as identified by the Bureau of Mediation Services, Certification of Exclusive Representative dated April 1, 1985, Case No. 85-PR-569-A, (clarified per BMS case No. 87-pr-612, order dated May 19, 1987).

All EMPLOYEES of the City of Ramsey, Ramsey, Minnesota, who are public EMPLOYEES within the meaning of Minnesota Statutes 179A.03, Subdivision 14, excluding supervisory, confidential, professional and essential EMPLOYEES.

- 3.2 The EMPLOYER, in accordance with the provisions of M. S. 179A.03, Subd. 8, agrees not to enter into any AGREEMENTS covering terms and conditions of employment with members of the bargaining unit covered by this AGREEMENT, either individually or collectively, which in any way conflict with the terms and conditions set forth in this AGREEMENT, except through the certified representative.

ARTICLE 4 UNION SECURITY

- 4.1 The EMPLOYER shall deduct from the wages of EMPLOYEES who authorize such a deduction in writing an amount necessary to cover monthly UNION dues. Such monies shall be remitted to the UNION.
- 4.2 The UNION agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this ARTICLE.
- 4.3 The UNION may designate up to three EMPLOYEES from the bargaining unit to act as negotiating team members and shall, within five (5) days of such designation, certify to the EMPLOYER in writing of such a choice, and the designation of a successor to the former members. The UNION shall also certify to the EMPLOYER a complete and current list of its officers and representatives.
- A. The negotiation team members may not be a newly hired or rehired EMPLOYEE who is on probation.
- B. The negotiating team members may not be paid by the EMPLOYER for meetings for UNION business except as provided in ARTICLE 7.
- 4.4 The UNION agrees there shall not be solicitation for membership, signing up members, collection of initiation fees, dues, fines or assessments, meetings or other UNION activities on the EMPLOYEES' work time.
- 4.5 The EMPLOYER recognizes the authority and responsibility of the UNION as provided in Minnesota Statute 179A.06, Subdivision 3 as it may be from time-to-time amended, to wit:

"FAIR SHARE FEE. An exclusive representative may require EMPLOYEES who are not members of the exclusive representative to contribute a fair share fee for services rendered by the exclusive representative. The fair share fee shall be equal to the regular membership dues of the exclusive representative, less the cost of benefits financed through the dues and available only to members of the exclusive representative. In no event shall the fair share fee exceed 85 percent of the regular membership dues. The exclusive representative shall provide advance written notice of the amount of the fair share fee to the Commissioner of the Bureau of Mediation Services, the EMPLOYER, and to unit EMPLOYEES who will be

assessed the fee. The EMPLOYER shall provide the exclusive representative with a list of all unit EMPLOYEES.

A challenge by an EMPLOYEE or by a person aggrieved by the fee shall be filed in writing with the Commissioner, the public EMPLOYER, and the exclusive representative within 30 days after receipt of the written notice. All challenges shall specify those portions of the fee challenged and the reasons for the challenge. The burden of proof relating to the amount of the fair share fee is on the exclusive representative. The Commissioner shall hear and decide all issues in these challenges.

The EMPLOYER shall deduct the fee from the earnings of the EMPLOYEE and transmit the fee to the exclusive representative 30 days after the written notice was provided. If a challenge is filed, the deductions for a fair share fee shall be held in escrow by the EMPLOYER pending a decision by the Commissioner.

4.6 The EMPLOYER agrees that space for a designated bulletin board shall be made available in City Hall to be used by EMPLOYEES for posting notices of the following type:

1. Notice of UNION recreational and social affairs;
2. Notice of UNION elections;
3. Notice of UNION appointments and results of UNION elections;
4. Notices of UNION meetings;
5. Notices of UNION committee reports; and
6. Other notices as may be agreed upon by the EMPLOYER.

Further, the bulletin board shall not be used for posting or distributing pamphlets of political or religious matter of any kind or for advertising. Under no circumstances shall the use of the bulletin board conflict with the operation of the EMPLOYER.

ARTICLE 5 EMPLOYER SECURITY

The UNION agrees that during the life of this AGREEMENT neither the UNION, its officers or agents, nor any of the EMPLOYEES covered by this AGREEMENT will engage in, encourage, sanction, support or suggest any strike, slowdown, mass resignations, mass absenteeism, the willful absence from one's position, the stoppage of work or the abstinence in whole or part of the full, faithful and proper performance of duties of employment for the purpose of inducing, influencing, or coercing a change in the conditions, compensation or the rights, privileges or obligations of employment.

ARTICLE 6

EMPLOYER AUTHORITY

- 6.1 The EMPLOYER retains the full and unrestricted right to operate and manage all staff, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules; and to perform any inherent managerial function not specifically limited by this AGREEMENT.
- 6.2 Any term and condition of employment not specifically established or modified by this AGREEMENT shall remain solely within the discretion of the EMPLOYER to modify, establish, or eliminate.
- 6.3 Nothing in this AGREEMENT shall prohibit or restrict the right of the EMPLOYER from subcontracting work performed by EMPLOYEES covered by this AGREEMENT.

ARTICLE 7

EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

The EMPLOYER will recognize a representative designated by the UNION as the GRIEVANCE representative of the bargaining unit having the duties and responsibilities established by this ARTICLE. The UNION shall notify the EMPLOYER in writing of the name of such UNION representative and of the representative's successor when so designated.

7.1 PROCESSING OF A GRIEVANCE

It is recognized and accepted by the UNION and the EMPLOYER that the processing of GRIEVANCES as hereinafter provided is limited by the job duties and responsibilities of the EMPLOYEES and shall therefore be accomplished during normal working hours only when consistent with such EMPLOYEE duties and responsibilities. The aggrieved EMPLOYEE and the UNION representative shall be allowed a reasonable amount of time without loss of pay when a GRIEVANCE is investigated and presented to the EMPLOYER during normal working hours provided the EMPLOYEE and the UNION representative have notified and received the prior approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the EMPLOYER.

7.2 PROCEDURE

GRIEVANCES, as defined in ARTICLE 2, Section 2.6, shall be resolved in conformance with the following procedure:

Step 1. An EMPLOYEE claiming a violation concerning the interpretation or application of this AGREEMENT shall, within twenty-one (21) calendar days after such alleged violation has occurred, present such GRIEVANCE to the EMPLOYEE'S supervisor as designated by the EMPLOYER. The EMPLOYER-designated representative will discuss and give an answer to such Step 1 GRIEVANCE within ten (10) calendar days after receipt. A GRIEVANCE not resolved by the operation of Step 1 of the grievance procedure may be appealed by the Union by filing a notice to that effect with the EMPLOYER designated representative. Such notice shall set forth the nature of the GRIEVANCE, the facts on which it is based, the provision or provisions of the AGREEMENT allegedly violated, and the remedy requested. Such notice shall be filed within ten (10) calendar days after the EMPLOYER-designated representative's final answer in Step 1. Any GRIEVANCE not appealed in writing to Step 2 by the UNION within ten (10) calendar days shall be considered waived.

Step 2. If appealed, the EMPLOYER designated representative shall conduct a conference with the union and the EMPLOYEE in an attempt to resolve the grievance. At such conference, the union shall present the grievance in writing signed by the affected EMPLOYEE and the union. The EMPLOYER-designated representative shall give the UNION the EMPLOYER'S Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 GRIEVANCE. A GRIEVANCE not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the EMPLOYER-designated representative's final Step 2 answer. Any GRIEVANCE not appealed in writing to Step 3 by the UNION within ten (10) calendar days shall be considered waived.

Step 3. A GRIEVANCE unresolved in Step 2 and appealed in Step 3 may be submitted to the Minnesota Bureau of Mediation Services. A GRIEVANCE not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the EMPLOYER'S final answer in Step 3.

Step 4. A GRIEVANCE unresolved in Step 3 and appealed to Step 4 shall be submitted to arbitration before a single arbitrator to be selected from a list to be supplied by the Bureau of Mediation Services pursuant to its rules. Any GRIEVANCE not appealed in writing to Step 4 by the UNION within ten (10) calendar days shall be considered waived.

7.3 ARBITRATOR'S AUTHORITY

- A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of AGREEMENT. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and the UNION, and shall have no authority to make a decision on any other issue not so submitted.
- B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modify or vary in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission

of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and the UNION and shall be based solely on the arbitrator's interpretation or application of the express terms of this AGREEMENT and to the facts of the GRIEVANCE presented.

- C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and the UNION provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

7.4 WAIVER OF GRIEVANCE

If a GRIEVANCE is not presented within the time limits set forth above, it shall be considered "waived". If a GRIEVANCE is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the EMPLOYER'S last answer. If the EMPLOYER does not answer a GRIEVANCE or an appeal thereof within the specified time limits, the UNION may elect to treat the GRIEVANCE as denied at that step and immediately appeal the GRIEVANCE to the next step. The time limit in each step may be extended by mutual AGREEMENT of the EMPLOYER and the UNION.

ARTICLE 8 WORK SCHEDULES - PREMIUM PAY

This ARTICLE is intended only to define the normal hours of work. Nothing herein shall be construed as a guarantee of hours of work per day or per week.

- 8.1 The sole authority in work schedules is the EMPLOYER. The normal work day for an EMPLOYEE shall be eight (8) hours. The normal work week shall be forty (40) hours, Monday through Friday. The normal work week for premium pay purposes shall begin at 12:01 A.M. Saturday. EMPLOYEES shall be given a two week posted or written notice of exceptions or changes in the normal work week start time. In the event that work is required because of unusual circumstances such as, but not limited to, fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given.
- 8.2 In order to provide service to the public, the EMPLOYER may require the establishment of shifts for some EMPLOYEES on a daily, weekly, seasonal, or annual basis other than the normal work day or work week.
- 8.3 Each EMPLOYEE has an obligation to work overtime or callbacks if requested. Overtime will first be offered by the EMPLOYER on a voluntary basis. Employees who are on vacation leave that has been requested and approved according to normal department procedures are not obligated to respond to callbacks.

8.4 Every regular EMPLOYEE shall be granted a thirty (30) minute lunch break without pay. Also, every regular EMPLOYEE, when working under conditions where a break period is practicable, shall be granted a fifteen (15) minute break period with pay in each half of the EMPLOYEE'S shift. Each department head shall schedule rest periods so as not to interfere with work requirements.

8.5 EMPLOYEES who are not exempt from the Fair Labor Standards Act (FLSA), working in excess of forty (40) hours within the work week, shall be compensated for such over-time at the rate of one and one-half (1-1/2) times the EMPLOYEE'S regular rate of pay in accordance to FLSA. The formula used for payment herein shall be the same regardless of operation of equipment at HEO, LEO or other rates of pay. As an alternative to compensation at premium rates for time worked in excess of forty (40) hours within the work week, the Employee may request compensatory time off in lieu of over-time pay compensatory time off to an EMPLOYEE, to be taken at a later date, which shall be computed at one and one-half (1-1/2) the time worked in excess of forty (40) hours within a work week.

For the purposes of calculating overtime, an employee using paid holidays, vacation leave, sick leave, or compensatory time off is considered to be working.

8.6 Neither compensation for over-time nor accumulation of compensatory time off will be granted unless the work is performed at the direction of, or with the prior written approval of, the EMPLOYEE'S supervisor.

8.7 Neither compensation at over-time rates nor accumulation of compensatory time off will be paid for time not worked except as provided in this section. Time worked for the purpose of calculating over-time shall be actual time worked plus holidays recognized in Article 10, plus vacation time scheduled at least one week in advance of its use, plus sick leave, and compensatory time off. Unpaid leave shall not be counted as time worked for the purpose of calculating over-time.

8.8 When an EMPLOYEE accrues one hundred and twenty (120) hours of unused compensatory time off, further accumulation of compensatory time off is prohibited, and the EMPLOYEE shall be paid for overtime in accordance with this Article.

The EMPLOYER reserves the right to payout any compensatory time off hours in excess of 80 hours, as deemed necessary by the EMPLOYER.

The EMPLOYER agrees to allow employees to cash out up to a maximum 40 hours of compensatory time off annually; to be paid out up to twice annually, January 1 through January 15, and November 1 through November 15 of each year, to total a maximum payout of 40 hours of compensatory time off. Note: upon terminating employment with the City, all compensatory time off will be paid out at 100% of the accrued balance.

8.9 An EMPLOYEE shall be permitted to use accrued compensatory time within a reasonable period after it is requested if to do so would not unduly disrupt the

operations of the EMPLOYER. Prior approval of the EMPLOYEE'S supervisor is required for the use of compensatory time-off.

- 8.10 A regular EMPLOYEE who is called out to perform work services on other than the EMPLOYEE'S scheduled shift shall receive a minimum of two (2) hours pay. The two hour minimum shall count toward worked hours for the purpose of calculation of overtime. An extension of a shift or an early start to a shift shall not be considered a call back for purposes of this section.

8.11 On Call Policy: Public Works Maintenance staff only

This policy does not apply to snow plow duties. This on call policy applies to unexpected emergencies and weekend well and lift station checks. Employees who wish to be added to the on call list for the calendar year may make this request to his/her supervisor on a *voluntary basis at the beginning of each year. Those who are approved as on call employees will rotate on a weekly (seven days) basis. During an employee's week of assigned on call duty, employees will be reimbursed for mileage as calculated from the employee's home to the Public Works campus and back home again. The rate of reimbursement is payable per the IRS mileage reimbursement schedule. Employees must be expressly assigned to on call duty by the department head in order to be compensated under this policy. Employees must also be able to respond to the appropriate public works facility within 30 minutes and must be skilled in the areas of streets, parks and utilities maintenance work, as determined by the Public Works Superintendent, in order to be a member of the on call pool

On call employees will be assigned to a seven-day schedule. On call hours shall begin at 3:30pm and shall end at 7:00am on the next regularly scheduled work day. On-call employees will not be required to perform lift station and well checks; unless on-call employees receive an alert/alarm/page indicating that a response is required or the Public Works Superintendent or his/her designee directs that a lift station and well check is necessary.

On call Pay: On call employees will receive one hour of over-time pay for each day of assigned on call duty Monday through Friday; two hours of over-time pay for each Saturday and Sunday; and four hours of over-time pay for each approved holiday

Pay when responding: The employer agrees that, upon responding to a call, the employee will not forfeit their on call pay. Upon responding to a call for service, an on call employee will be paid as per Section 8.10 (Call-back Policy) receiving a minimum of two hours pay. On call employees who are called back to work on an approved holiday will be compensated as per Section 10.2 (Holidays) and will be paid four hour

On call employees that respond to a call may require assistance in order to safely and effectively complete the necessary work. If so, the on call employee may call another regular Public Works employee to provide assistance, without

receiving immediate authorization from a supervisor. Said employee will be compensated as per section 8.10.

* All Public Works Maintenance employees hired after January 1, 2014 are required to participate in the on call policy.

ARTICLE 9 SICK LEAVE

- 9.1 Every probationary and regular EMPLOYEE is entitled to accrue sick leave with pay at a rate of eight (8) hours for each calendar month of full-time service or major fraction thereof. The EMPLOYER may compute sick leave on an hourly basis equivalent to 96 hours per 2080 hours of compensated time, exclusive of overtime.
- 9.2 Sick leave may be accrued to a maximum of 960 hours at a rate established in Section 9.1. Unused sick leave in excess of 960 hours at the end of a calendar year (January 1st) may be converted to vacation at a rate of one hour vacation for each two hours of sick leave in excess of 960 hours.
- 9.3 Sick leave may be authorized, when the EMPLOYEE is unable to perform work duties due to illness, disability, the necessity for medical, dental, or chiropractic care, childbirth, or exposure to contagious disease where such exposure may endanger the health of others with whom the EMPLOYEE would come in contact in the course of performing work duties. Sick leave may also be authorized, when the EMPLOYEE'S presence is necessary, for actual illness, injury, legal quarantine, or medical treatment for serious illness in the EMPLOYEE'S immediate family. Immediate family, for the purposes of this ARTICLE, shall be defined as spouse, parent, step-parent, children, step-children, brother, sister, grandparents, grandchildren or a like member of EMPLOYEE'S spouse's family.
- 9.4 Employees are allowed funeral leave up to 24 hours (three 8-hour days or two 12-hour days) twice annually per occurrence (a maximum of 48 hours annually) for a death in the immediate family as defined under Article 9.3. That time is not chargeable against any accrued vacation, sick or compensatory time. Hours must be taken within five (5) calendar days from start to finish per occurrence. Additional funeral leave may be taken (with prior approval from a supervisor) and is deductible from sick leave (up to three (3) consecutive days), vacation or compensatory time as the EMPLOYEE may choose and have available.
- 9.5 EMPLOYEES are able to use accrued leave or compensatory time (with prior approval from a supervisor) for family members not considered immediate family members under ARTICLE 9.3. To be eligible for sick leave with pay, an EMPLOYEE shall:
 - (1) report as soon as possible to the EMPLOYEE'S department head the need for sick leave and whether the sick leave is for the EMPLOYEE, EMPLOYEE'S child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, grandparent or stepparent;

- (2) keep the EMPLOYEE'S department head informed of the need for continued sick leave if the absence is of more than three (3) days duration;
- (3) submit a medical certificate for any absence if required by the City Administrator;
- (4) provide the EMPLOYER with sufficient information needed in order to comply with the Family and Medical Leave Act.

9.6 Using or claiming sick leave for a purpose not authorized by this ARTICLE may be cause for disciplinary action.

9.7 For the purpose of accumulating additional sick leave, an EMPLOYEE using earned vacation leave, paid holidays or sick leave is considered to be working.

9.8 Regular part-time EMPLOYEES shall be entitled to sick leave computed by converting their part-time employment to equivalent adjusted full-time service.

ARTICLE 10

HOLIDAYS

10.1 Holidays with pay are defined as:

New Year's Day	January 1st
Martin Luther King Jr. Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving Day	Friday after Thanksgiving Day
Christmas Eve	December 24th
Christmas Day	December 25 th
Floating Holiday	Eight (8) hours to be used within calendar year

10.2 All EMPLOYEES in regular positions are entitled to time off with full pay on the holidays defined in this ARTICLE. City hall shall be closed for business on each such holiday, but EMPLOYEES may be required to work on paid holidays when the nature of their duties or other conditions require. An EMPLOYEE required to work on a holiday shall receive their full pay for the holiday as defined in this ARTICLE. In addition, employees shall receive 1-1/2 times the EMPLOYEE'S base hourly pay rate for the time they work on such holiday or compensatory time off.

10.3 When New Year's Day, Independence Day or Christmas Day falls on Sunday, the following Monday is considered the paid holiday and if any such day falls on Saturday, the preceding Friday is considered the paid holiday. When Christmas Eve falls on Sunday, the preceding Friday is considered the paid holiday. Each holiday commences at the beginning of the first shift on the day on which the holiday occurs and continues for twenty-four (24) hours thereafter.

10.4 In order to be eligible for paid holidays as defined in this Article, EMPLOYEES must work the day before and the day after such holiday, unless on vacation, other paid leave, or excused in advance by the City Administrator.

10.5 In addition to meeting the foregoing criteria, regular part-time EMPLOYEES are entitled to be paid for a holiday defined in this ARTICLE, computed by converting their annualized part-time employment to equivalent adjusted full-time service.

ARTICLE 11**VACATION LEAVE**

- 11.1 Every regular EMPLOYEE shall be entitled to the vacation based upon the following schedule:

Years of consecutive full-time employment	Hours of vacation earned for each calendar month of full-time employment or major fraction thereof	Annual equivalent in 8 hr. days
After 0	6.6667	10
After 1	6.6667	10
After 2	6.6667	10
After 3	6.6667	10
After 4	6.6667	10
After 5	6.6667	10
After 6	10.0000	15
After 7	10.0000	15
After 8	10.0000	15
After 9	10.0000	15
After 10	10.0000	15
After 11	10.0000	15
After 12	13.3333	20

After 16 years of service, a qualifying employee shall receive one additional day of vacation each year in excess of sixteen (16) years of service to a maximum of 25 days per year.

The EMPLOYER may compute vacation accrual on an hourly basis on a ratio equal to the appropriate annual equivalent compared to 2080 hours of compensated time, exclusive of overtime.

- 11.2 An EMPLOYEE'S accrual or "banked" vacation leave may not exceed two times the yearly accrual at any point in time.
- 11.3 Vacation leave may be used as earned subject to approval by the department head prior to the time at which said vacation is to be taken and subject to the provisions in ARTICLE 18.
- 11.4 Any EMPLOYEE leaving the municipal service in good standing after giving proper notice of such termination of employment shall be compensated for vacation leave accrued and unused to the date of separation.
- 11.5 For the purpose of accumulating additional vacation leave, an EMPLOYEE using earned vacation leave, paid holidays, sick leave, or compensatory time off is considered to be working.

- 11.6 Regular part-time EMPLOYEES shall be entitled to paid vacations computed by converting their annualized part-time employment to equivalent adjusted full-time service.

ARTICLE 12 INSURANCE

- 12.1 The EMPLOYER shall contribute to EMPLOYEE health and life insurance as stated in the attached Memorandum of Understanding.
- 12.2 Neither regular part-time EMPLOYEES nor temporary EMPLOYEES shall be entitled to group health insurance including dependent coverage.
- 12.3 Annually during the month of December, or upon termination, the EMPLOYER will calculate the difference between the insurance allowance and the actual insurance cost for the calendar year. If the insurance allowance exceeds the cost of insurance benefits referred to in 12.1, EMPLOYER will remit the difference between the insurance allowance and the actual cost, net of all taxes, to the EMPLOYEE.
- 12.4 The EMPLOYER agrees to provide for a Labor Management Committee which will provide input to the EMPLOYER on issues such as safety, insurance and recognition programs. Three members of the bargaining unit appointed by the bargaining unit will serve on this Committee along with management's appointed representatives.
- 12.5 The EMPLOYER, effective January 1, 2018, agrees to contribute the dollar value equivalent to the cost of the monthly employee only dental premium as established by the EMPLOYER. Credit in lieu of coverage will not be granted.

ARTICLE 13 LEAVES

- 13.1 The EMPLOYER may grant any EMPLOYEE a Leave of Absence without pay for a period not exceeding ninety (90) days, except that it may extend such leaves to a maximum period of one (1) year in case the EMPLOYEE is disabled or where extraordinary circumstances, in its judgment, warrant such extension.
- 13.2 Every EMPLOYEE to whom Minnesota Statutes Section 192.26 or 192.261 applies (Military Leave) is entitled to the benefits afforded by those sections, subject to the conditions therein prescribed.
- 13.3 An EMPLOYEE required to serve as a juror or under subpoena as a witness in court for job related purposes, shall be granted leave of absence with pay while serving in such capacity. Such EMPLOYEE shall receive the amount of the difference between the EMPLOYEE'S regular salary and Jury Duty pay or fees received for service. An EMPLOYEE cannot receive more than the EMPLOYEE'S normal take-home pay as a result of any EMPLOYER pay supplemented to Jury Duty pay.

If the jury is dismissed prior to the end of the EMPLOYEE'S work day, the EMPLOYEE will report to work if practicable.

- 13.4 Every EMPLOYEE to whom Minnesota Statutes 181.940 through 181.943 applies (Parenting Leave) is entitled to the benefits afforded by those sections, subject to the conditions therein prescribed.
- 13.5 Every EMPLOYEE to whom the Family Medical Leave Act applies is entitled to the benefits afforded by the Act, subject to the conditions therein prescribed.

ARTICLE 14 SENIORITY

14.1 Seniority is defined as:

- A. EMPLOYER SENIORITY: length of continuous service with the EMPLOYER.
- B. JOB CLASSIFICATION SENIORITY: length of continuous service in a job classification.

14.2 On January 1st of each year, the EMPLOYER shall establish seniority lists showing each EMPLOYEE'S accumulated EMPLOYER seniority and job classification seniority. A copy of the seniority lists shall be furnished to the UNION upon request.

ARTICLE 15 JOB VACANCIES

Job Classification positions which are vacant because of separation from employment, a promotion, or the creation of a new position, and which the EMPLOYER intends to fill, shall be posted for five (5) working days. This requirement does not apply to position reclassifications.

ARTICLE 16 LAY OFF

16.1 EMPLOYEES shall be laid off on the basis of job classification seniority only when the job relevant qualification factors between EMPLOYEES are equal. After at least two (2) weeks notice to the EMPLOYEE, the EMPLOYER may lay off any EMPLOYEE when such action is necessary because of shortage of work or funds, the abolition of a position, or changes in the organization. No regular or probationary EMPLOYEE shall be laid off while there is a temporary EMPLOYEE serving in the same class of position for which the regular or probationary employee is qualified, eligible, and available.

16.2 EMPLOYEES laid off by the EMPLOYER shall retain recall rights for a period of one (1) year. The EMPLOYER shall notify EMPLOYEES on layoff by registered mail to return to work at the EMPLOYEE'S last known address. The EMPLOYEE

must return to work within three (3) weeks of receipt of this order to be eligible for reemployment.

16.3 Notwithstanding any of the foregoing provisions of this ARTICLE, all recall rights and all other rights under this AGREEMENT shall be lost if any of the following occurs:

- A. An EMPLOYEE quits of EMPLOYEE'S own accord; or
- B. An EMPLOYEE is dismissed for cause; or
- C. An EMPLOYEE does not return to work when recalled after lay-offs, in accordance with this ARTICLE; or
- D. An EMPLOYEE is absent from the payroll due to lay-off continuously for fifty-two (52) weeks or more.

16.4 In the event the EMPLOYER chooses to subcontract over 51% of a position(s) which would result in a lay off of EMPLOYEE(S), the EMPLOYER shall notify the affected EMPLOYEE(S) no less than ninety (90) days prior to the effective date of lay off. At no time shall the notice of layoff for other reasons be less than 45 days.

ARTICLE 17 PROBATIONARY PERIODS

17.1 NEW HIRE, REHIRE PROBATIONARY PERIOD: All newly hired or rehired EMPLOYEES shall serve a six (6) months probationary period. During the probationary period such probationary EMPLOYEE may be terminated at the sole discretion of the EMPLOYER.

17.2 PROMOTIONAL PROBATIONARY PERIOD: All promoted EMPLOYEES shall serve a six (6) months probationary period in any job in which the promoted EMPLOYEE has not successfully completed a probationary period. Any EMPLOYEE who does not successfully complete the promotional probationary period shall be returned to the EMPLOYEE'S pre-promotion job classification. Such EMPLOYER decisions shall not be subject to the GRIEVANCE procedure.

17.3 USE OF ACCRUED VACATION LEAVE AND SICK LEAVE: During the probationary period following original appointment or promotional appointment, an EMPLOYEE is entitled to use accrued vacation leave and accrued sick leave. The use of both accrued vacation leave and accrued sick leave must comply with the respective contract language in the applicable articles.

ARTICLE 18 JOB SAFETY

18.1 It shall be the responsibility of the EMPLOYER, the UNION and the EMPLOYEE to cooperate in programs to promote safety to themselves and the public and to comply with rules promulgated to insure safety. This responsibility shall include the provision of safe equipment and the proper use of all equipment in accordance with recognized safety procedures.

- 18.2 Whenever an EMPLOYEE is injured on the job, such employee shall report the injury to the EMPLOYEE'S supervisor immediately, if possible. The supervisor shall, if reasonably possible, first secure needed medical aid for the injured EMPLOYEE and then shall promptly file an accident report with the appropriate insurance carrier giving full particulars.
- 18.3 The EMPLOYER shall furnish to each of its EMPLOYEES conditions of employment and a place of employment free from recognized hazards, that are not by nature characteristic hazards of the EMPLOYEE'S chosen profession, but are causing or likely to cause death or serious injury or harm to its EMPLOYEES.

ARTICLE 19 DISCIPLINE

- 19.1 EMPLOYEES will be disciplined only for just cause. The seriousness or frequency of misconduct will be factors in determining whether discharge rather than some other disciplinary action is warranted.
- 19.2 Disciplinary actions will be in the form of:
- A. Oral reprimand;
 - B. Written reprimand;
 - C. Suspension;
 - D. Demotion; or
 - E. Discharge.
- 19.3 EMPLOYEES who receive a written reprimand or who are suspended, demoted, or discharged shall have the right to appeal such disciplinary actions through the grievance procedure as established by ARTICLE 7 (EMPLOYEE Rights - Grievance Procedure).
- 19.4 Suspensions, demotions, and discharges shall be in writing and shall specify the charges, a copy of which shall be sent to the EMPLOYEE and the EMPLOYEE'S personnel file.
- 19.5 Prior to discharging an EMPLOYEE who has completed the probation period, the EMPLOYER shall notify the EMPLOYEE and the union, in writing, that the EMPLOYEE is to be discharged, the reason(s) therefore, the EMPLOYEE'S right to a hearing in accordance with this Article and the effective date of the discharge. The EMPLOYEE may request an opportunity to hear an explanation of the evidence against him/her and to present his/her explanation of issues and circumstances related to the EMPLOYEE'S discharge to the EMPLOYER'S representative. The EMPLOYEE is entitled to union representation at such meeting, upon request. The right of such meeting shall expire at the end of the next scheduled work day of the EMPLOYEE after the notice of discharge is delivered to the EMPLOYEE unless the EMPLOYER and EMPLOYEE agree otherwise. The discharge shall not become effective during the period when the meeting may

occur. However, the EMPLOYEE may be suspended without pay during the time between the notice of discharge and the expiration of the pre-termination meeting. Any further appeal of the discharge may be initiated by the UNION at Step 2 of the GRIEVANCE procedure provided that the written appeal is signed by the EMPLOYEE and the UNION. It is agreed that the availability of this appeal procedure satisfies all due process requirements for a pre-termination hearing.

- 19.6 EMPLOYEES may examine their own personnel file at reasonable times under the direct supervision of a representative of the EMPLOYER.
- 19.7 The EMPLOYER shall have the right to revoke or reduce a discharge penalty at any time.

ARTICLE 20 WAGES

- 20.1 EMPLOYEES shall be compensated in accordance with the wage schedules and text attached hereto as Appendix A. Appendix A reflects a two and three-quarter percent (2.75%) cost of living adjustment (COLA) over 2020 wages, effective January 1, 2021.
- 20.2 Public Works Maintenance Workers or Building Inspectors expressly assigned in writing by the supervisor or department director to perform the duties of an interim lead worker due to the absence of a supervisor shall receive an interim lead worker differential of one dollar (\$1.00) per hour. Interim Lead pay will be paid for all hours assigned and worked in the interim lead worker capacity. Interim lead workers will not be assigned for project-based work. The department head may or may not assign an interim lead at his/her sole discretion.

ARTICLE 21 UNIFORMS

- 21.1 The EMPLOYER shall furnish uniforms and cleaning of such uniforms for EMPLOYEES in the Public Works Department, this includes Building Maintenance Workers.
- 21.2 Public Works Maintenance employees and Engineering Technicians may choose to opt out of the contract uniform service by January 15 of each year. Contract uniform services will be cancelled by February 1 of each year for employees who opt out.
- 21.3 All uniform items provided by the EMPLOYER shall remain the property of the EMPLOYER and as each item is either discarded or replaced, the discarded or replaced items shall be returned to the EMPLOYER. In the event any such items are lost or damaged through the negligence of the EMPLOYEE possessing said property, (reasonable wear and depreciation expected), such EMPLOYEE shall be financially responsible for the replacement of said negligently lost or destroyed item.
- 21.4 The EMPLOYER shall designate the standard uniform required while on duty.

21.5 Public Works Maintenance Workers, Engineering Technicians, Building Maintenance Workers and Building Inspectors may submit an original store receipt to the EMPLOYER for a one time reimbursement per year, as follows:

- A) Work boots up to \$150 annually (includes 1 or more boots)
- B) Work clothes up to \$350 annually (excludes employees participating in the contract uniform service)
- C) Embroidery up to \$25.00 annually (excludes employees participating in the contract uniform service)

21.6 The EMPLOYER shall provide required personal protective equipment as determined by Occupational Safety and Health Administration.

ARTICLE 22 SEVERANCE PAY

EMPLOYEES shall receive a lump sum payment upon termination of employment with the EMPLOYER based upon thirty-three percent (33%) of said EMPLOYEE'S unused accumulated sick leave after five (5) years of continuous employment. Severance pay shall not be available in any sum to an EMPLOYEE if that EMPLOYEE is discharged for just cause; severance pay shall not be paid if an EMPLOYEE voluntarily terminates his or her employment prior to five (5) years of continuous employment service; or the EMPLOYEE voluntarily terminates his or her employment without giving the EMPLOYER fourteen (14) days written notice. After fifteen (15) years of continuous employment service, the EMPLOYEE will receive thirty-five percent (35%) of said EMPLOYEE'S unused, accumulated sick leave. After twenty (20) years of continuous employment service, the EMPLOYEE will receive thirty-seven percent (37%) of unused, accumulated sick leave. After twenty-five (25) years of continuous employment service the EMPLOYEE will receive forty percent (40%) of said EMPLOYEE'S unused, accumulated sick leave.

Receipt of severance pay terminates all seniority rights and ends all EMPLOYER'S liability for other benefits.

ARTICLE 23 POST EMPLOYMENT HEALTH CARE SAVINGS PLAN

23.1 Purpose

The purpose of this program is to help employees defray some of the costs of post employment health insurance premiums using pre-tax dollars.

23.2 Effective Date

Participation in the Post Employment Health Care Savings Plan (PEHCSP) is available to full- and part-time regular employees who are members of the AFSCME unit and who meet the eligibility requirements described below on their termination date. For the purposes of the PEHCSP, the termination date is the last date an employee performed services for the City. This includes, but is not limited to, the employee's retirement date.

This PEHCSP is effective November 1, 2008.

23.3 Eligibility Requirements

In order to be eligible for participation in the PEHCSP, the following terms and conditions must be met:

1. The individual must be a regular employee and a current member of the AFSCME bargaining unit.
2. The employee must have been continuously employed by the City of Ramsey for ten years. There shall be no partial years and no aggregation of separate periods of employment.

23.4 Benefits

Under the PEHCSP, eligible employees will contribute 100% of eligible sick leave hours to the PEHCSP. City employees are eligible to accrue a maximum of 960 hours of sick leave and may receive a percentage of the 960 hours of sick leave depending upon their years of service.

For the purposes of this PEHCSP, as per Article 22 of the AFSCME labor agreement, "eligible sick leave hours" is 33% of unused accumulated sick leave after 10 years of continuous employment; 35% of unused accumulated sick leave after 15 years of continuous employment; 37% of unused accumulated sick leave after 20 years of continuous employment; and 40% of unused accumulated sick leave after 25 years of continuous employment.

Per Article 22 of the AFSCME labor agreement, severance pay shall not be available in any sum to an employee if that employee is discharged for just cause, or if the employee voluntarily terminates his or her employment without giving the employer fourteen (14) days written notice.

23.5 Fees

Fees are paid by employees (or former employees) when the individual begins making contributions to the plan.

ARTICLE 24 SICK LEAVE FOR WELLNESS

Please see Appendix C.

ARTICLE 25 WAIVER

- 25.1 Any and all prior AGREEMENTS, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this AGREEMENT, are hereby superseded.
- 25.2 The parties mutually acknowledge that during the negotiations which resulted in this AGREEMENT, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All AGREEMENTS and understandings arrived at by the parties are set forth in writing in this AGREEMENT for the stipulated duration of this AGREEMENT.
- 25.3 The EMPLOYER and the UNION each voluntarily and unqualifiedly waive the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this AGREEMENT or with respect to any term or condition of employment not specifically referred to or covered by this AGREEMENT, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

ARTICLE 26 SAVINGS CLAUSE

This AGREEMENT is subject to law. In the event any provision of this AGREEMENT shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of this AGREEMENT shall continue in full force and effect. The voided provision shall be renegotiated at the request of either party.

ARTICLE 27 DURATION

- 27.1 This AGREEMENT shall be effective as of the day of signing and shall remain in full force and effect through December 31, 2021 unless changed or terminated in the manner provided by this ARTICLE.

27.2 Either party desiring to change or terminate this AGREEMENT must notify the other in writing at least sixty (60) calendar days prior to the date specified in Section 27.1 of this ARTICLE. Whenever notice is given for changes, the nature of the changes desired must be specified in the notice. Until a satisfactory conclusion is reached concerning such changes, the original provisions of this AGREEMENT shall remain in full force and effect. Notice by either party of a desire to terminate this AGREEMENT shall follow the same procedure as a proposed change.

27.3 This AGREEMENT shall take effect from January 1, 2021 through the effective date specified in Section 27.1 of this ARTICLE.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on this ____ day ____.

FOR THE CITY OF RAMSEY,
MINNESOTA:



Mayor



Attest: City Administrator

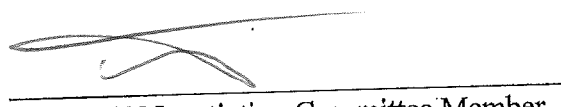
FOR THE AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL
EMPLOYEES, COUNCIL NO: 5, LOCAL NO.
2454, AFL-CIO:



AFSCME Field Representative:



AFSCME Negotiating Committee Member



AFSCME Negotiating Committee Member

AFSCME Negotiating Committee Member

APPENDIX A1 COMPENSATION PLANS

The compensation plans are based on "steps" that are four percent apart based on maximum market salaries represented in the Step 6 (100%) column. Steps 1 through 5 equal 80%, 84%, 88%, 92%, and 96% of the maximum respectively.

If approved by the City Council, maximum salaries may be adjusted by a Cost of Living Adjustment (COLA). Therefore, if approved the entire plan adjusts in value each year while the percentage between steps stays constant at 4%.

Initial placement in the plan may be at any step because it depends on the employee's knowledge, skills, and abilities, as well as City Council approval.

When an employee reaches the maximum salary for his/her position (Step 6), he/she stays on that step. However, a salary increase may be received, if approved by the City Council. The maximum salaries would then increase by the approved Cost Of Living Adjustment made to the plan as a whole.

Progression through the compensation plan for all City of Ramsey employees will be based on satisfactory performance. Employee performance will be evaluated annually. Cost of Living increases will occur on January 1, and step increases will occur on an employee's anniversary date, dependent on the employee's performance evaluation.

An employee's anniversary date of employment refers to his/her start date of regular full-time or regular part-time employment. This does not include temporary or seasonal employment.

Employees who receive an overall performance rating of "Meets Standards" or "Exceeds Standards" will move to the next highest salary step for their respective position classification.

Employees who receive an overall performance rating of "Below Standards" or "Unsatisfactory" will remain at their existing salary step and receive only the Cost of Living Adjustment.

Employees who receive an overall performance rating of "Below Standards" or "Unsatisfactory" will be re-evaluated in six months. If, at that time, overall performance is rated "Meets Standards" or "Exceeds Standards" the employee will move to the next highest salary step for their respective position classification.

This process is grievable, but not arbitrable, under Article VII of the Union grievance procedure.

Created by: HAN 062502
Revised November 2011

APPENDIX A2**Wage Scales**

AFSCME 2021 Wages	Step 1 Hourly	Step 2 Hourly	Step 3 Hourly	Step 4 Hourly	Step 5 Hourly	Step 6 Hourly
Administrative Assistant	22.585	23.714	24.843	25.972	27.102	28.231
Administrative Clerk	22.585	23.714	24.843	25.972	27.102	28.231
Auto Mechanic	25.723	27.010	28.296	29.582	30.868	32.154
Building Maintenance Worker	19.776	20.765	21.754	22.743	23.732	24.721
Community Development Assistant	26.215	27.526	28.836	30.147	31.458	32.769
Communications and Events Coordinator	25.106	26.361	27.616	28.872	30.127	31.382
Community Service Officer	21.095	22.150	23.205	24.260	25.314	26.369
Engineering Technician 2	27.342	28.709	30.077	31.444	32.811	34.178
Engineering Technician 4	32.143	33.751	35.358	36.965	38.572	40.179
Fire Technician	21.727	22.813	23.900	24.986	26.072	27.159
Permit Technician	24.102	25.307	26.512	27.717	28.922	30.127
Police Technician	21.727	22.813	23.900	24.986	26.072	27.159
Police Technician - Lead	23.444	24.616	25.789	26.961	28.133	29.305
Public Works Maintenance Worker 1	23.679	24.863	26.047	27.231	28.415	29.599
Public Works Maintenance Worker - Lead	27.227	28.589	29.950	31.312	32.673	34.034
Recreation Specialist	22.585	23.714	24.843	25.972	27.102	28.231
Secretary/Receptionist	21.727	22.813	23.900	24.986	26.072	27.159
Senior Accounting Clerk	23.444	24.616	25.789	26.961	28.133	29.305

APPENDIX B

ANNIVERSARY DATES FOR REGULAR EMPLOYEES

Name of Employee	Title	Current Position Anniversary Date	Original Anniversary Date
Eric Benson	Building Maint. Worker	September 23, 2020	September 23, 2020
Scott Berscheid	Public Works Maint. Worker	December 13, 2017	December 13, 2017
Emmah Beardsley	Lead Police Records Technician	October 2, 2017	October 2, 2017
Michael Breiter	Public Works Maint. Worker	June 10, 2019	June 10, 2019
AnnMarie Busack	Fire Technician	August 31, 2015	August 31, 2015
Andy Blood	Public Works Maint. Worker	March 1, 2018	March 1, 2018
Terry Byron, Jr.	Public Works Maint. Worker	April 28, 2005	April 28, 2005
Logan Czech	Engineering Technician II	September 3, 2019	September 3, 2019
Jerome Dube	Public Works Maint. Worker	January 12, 2005	October 2, 2000
Jeff Erickson	Public Works Maint. Worker	February 28, 2007	February 28, 2007
Trudie Falk	Build. Insp. Adm. Assistant	September 24, 2020	September 24, 2020
Nolan Goebel	Community Service Officer	February 12, 2020	February 12, 2020
Matt Graf	Public Works Maint. Worker	February 26, 2014	February 26, 2014
Randy Heaton	Building Maint. Worker	April 10, 2017	April 10, 2017
Jamie Hedburg	Police Technician	January 25, 2017	January 25, 2017
Vaughn Ihrke	Public Works Maint. Worker	April 24, 2019	April 24, 2019
Evan Johnson	Public Works Maint. Worker	April 8, 2015	April 8, 2015
Jennifer Johnson	Police Technician	November 3, 2016	August 29, 2012
Ellen Krueger	Permit Technician	January 1, 2017	March 25, 2015
Greg Lind	Public Works Mechanic	January 1, 2016	August 31, 1999
Jackie Lipski	Senior Accounting Clerk	January 1, 2016	August 30, 2004
Aaron Madsen	Engineering Technician II	May 10, 2004	November 12, 2002
Nick Maras	Public Works Mechanic	December 29, 2004	December 29, 2004
Jacob Marks	Public Works Maint. Worker	July 23, 2018	July 23, 2018
Brian McCann	Planning Technician	March 25, 2020	March 25, 2020
Katie McNally	Community Service Officer	February 25, 2019	February 25, 2019
Don Meyenburg	Building Maintenance Worker	August 28, 2006	August 28, 2006
Pam Miller	Receptionist/Secretary	May 25, 1999	May 25, 1999
Todd Nelson	Public Works Maint. Worker	February 9, 2005	February 9, 2005
Mike Nielsen	Public Works Maint. Worker	April 24, 2006	April 24, 2006

Abby Proulx	Recreation Specialist	September 19, 2019	September 19, 2019
Alejandra Sanchez	Permit Technician	September 4, 2018	September 4, 2018
Kathy Schmitz	Administrative Clerk	June 13, 2013	February 1, 1988
Wendy Schlueter	Econ. Dev. Administrative Assistant	November 29, 2018	November 29, 2018
JoAnn Shaw	Community Development Assistant	January 1, 2014	October 15, 1996
Greg Talbot	Public Works Maint. Worker	January 18, 1988	January 18, 1988
Megan Thorstad	Communications and Events Coordinator	June 18, 2018	June 18, 2018
Shane Turner	Public Works Maint. Worker	September 25, 2014	September 25, 2014
Mary Jo Warner	Parks & PW/Administrative Assistant	August 6, 2001	August 6, 2001
Marsha Weidner	Engineering Administrative Assistant	February 2, 2018	February 2, 2018

APPENDIX C: SICK LEAVE FOR WELLNESS

Use of Sick Leave for Wellness Activities: Employees who have been employed with the City of Ramsey for at least five years and who have accrued a minimum sick leave balance of 300 hours will be allowed to use up to 24 hours of sick leave annually for cash reimbursement for approved wellness activities. Sick leave used for wellness activities will be reimbursed according to the City's sick leave severance schedule based on the employee's years of service and wage at the time the request for reimbursement is made. For example, an employee with ten years of service who earns \$25 per hour is eligible to receive 7.92 hours of sick leave at a rate of \$25 per hour for approved activities. The City's severance schedule at the time of this writing is as follows: 33% after five years of service; 35% after 15 years of service; 37% after 20 years of service; and 40% after 25 years of service.

Reimbursements will be taxable income to the employee unless otherwise indicated.

Required Documentation

Claims will be accepted June 1-15 and December 1-15 and will be processed in July and January, respectively, unless otherwise indicated. An activity for which reimbursement is requested must have occurred in the same calendar year in which the request for reimbursement is made. All claims shall be submitted to Human Resources via a Request for Reimbursement Form accompanied by proper documentation for each activity. The sick leave used to fund a reimbursement for wellness activities will be based on the employee's years of service and wage at the time the request for reimbursement is made.

Approved Medical and Dental Expenses

Sick leave may be used to reimburse employees for the employee's medical and dental expenses not covered by the City's insurance plans. Accumulated sick leave used for this purpose will be reimbursed according to the City's sick leave severance schedule based on the employee's years of service and wage at the time the request for reimbursement is made. To receive the reimbursement, the employee will fill out a Request for Reimbursement Form and submit proof of the expense to the Human Resources Manager.

Approved Wellness-Related Activities

Approved wellness activities include the following:

- a. Individual employee memberships in approved health clubs and/or a sum equal to an individual membership for those employees holding family memberships which include the employee. An approved health club would be one that provides facilities for aerobic and strength training activities.
- b. Programs designed to improve health such as classes on weight loss, smoking cessation or stress management are also allowed. This includes jazzercise, exercise classes, learning to eat, and weight watchers.

- c. Regular (meaning at least once a week) fitness activities resulting in a moderate to high aerobic benefit and their fees and memberships will also be eligible for reimbursement. This includes activities such as singles tennis, racquetball, handball, court fees associated with these sports, basketball, exercise classes, hockey, soccer, martial arts training, skating, cross country skiing and gymnastics.
- d. Fitness/exercise equipment (e.g., stationary bikes, treadmill, stair stepper, rowing machine, ice/inline skates, skis)

The following are not eligible for reimbursement:

- a. Activities and equipment with a relatively low aerobic benefit, such as bowling, golf, dancing, horseback riding, archery, and baseball/softball. Also excluded are whirlpools, saunas, and massage therapy.
- b. Any clothing costs, competitive registration fees or costs for food will not qualify for reimbursement.
- c. Membership fees for clubs that are primarily social in nature (i.e., country clubs, golf/tennis clubs)
- d. Accessory items (e.g., book holders, water bottles/holders, bike racks), assembly charges, shipping fees and maintenance contracts.

Employees are advised to have a physical examination by their physician if they are beginning a new program of physical activity.

Employee may not participate in any Sick Leave for Wellness eligible program on City time.

Sports, activities and equipment not listed will be evaluated on a case by case basis by the Human Resources Manager.

Approved Deferred Compensation Contributions

Eligible employees will be allowed to convert accumulated sick leave to deferred compensation deposits. Deposits in combination with all other payments to the deferred compensation accounts are subject to maximum deferral regulations. Accumulated sick leave used for deferred compensation contributions will be reimbursed according to the City's sick leave severance schedule based on the employee's years of service and wage at the time that the contribution to deferred compensation is requested. Requests for contributions under this section must be submitted to Human Resources by November 15. Contributions will be made to deferred compensation plans via payroll deduction in December pre-tax.

Employees who are in the process of terminating employment are not eligible for reimbursements under this program. All requests for reimbursement under this program must be approved by the Human Resources Manager.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME)

ARTICLE 12 M.O.U. INSURANCE

January 1, 2021 to December 31, 2021 as described below:

1) City total monthly contributions for 2021 health insurance, as follows:

The employer will make the following contributions toward group health insurance coverage for employees enrolled in the City's health plan during 2021 . In addition, the City will purchase \$20,000 of basic life insurance for full-time regular employees.

The City's monthly contribution to health insurance in 2021, including the contribution to the health insurance premium and the H.R.A./V.E.B.A. or H.S.A. (total city contribution per month) are listed below.

Total Monthly City Contributions

- Employee only (single) City contribution from: \$949.00 to \$1034.50
- Employee and Children City contribution: \$1246.00 Employee and Spouse City contribution: \$1300.30
- Family City contribution: \$1603.80

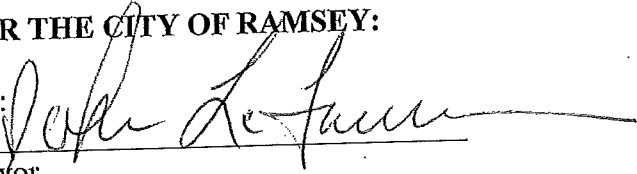
Total monthly city contributions listed above include the H.R.A./V.E.B.A. or H.S.A. shown below, as follows:

- Single plans with a \$4000 deductible receive \$194.00 per month toward the H.R.A./V.E.B.A. or H.S.A.
- Other single plans receive \$130.00 per month toward the H.R.A./V.E.B.A. or H.S.A.
- All employee + children and employee + spouse plans will receive \$160.00 per month toward the H.R.A./V.E.B.A. or H.S.A.
- All family plans will receive \$192.00 per month toward the H.R.A./V.E.B.A. or H.S.A.

Or

Provide cash in lieu of City's insurance contribution of \$370 per month in. Employees receiving the waiving benefit prior to 2013 will continue to be grandfathered in to the waiving benefit. Other employees to the program are subject to the following terms: Employee must show proof of other coverage and agrees to the terms of the waiving benefit as described within the City's policy, signing the acknowledgement form

FOR THE CITY OF RAMSEY:

BY: 

Mayor

12-29-2020
Date

ATTEST: 

City Administrator

2-2-2021
Date

FOR AFSCME

BY: 

Negotiating Team Member

1/4/21
Date

BY: 

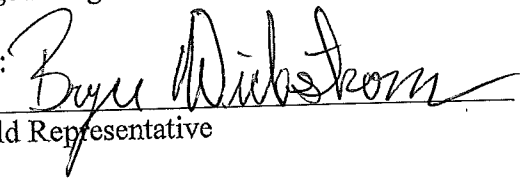
Negotiating Team Member

2-1-21
Date

BY: _____

Negotiating Team Member

Date

BY: 

Field Representative

1/27/21
Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND AMERICAN FEDERATION OF
STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME)

ARTICLE 21 M.O.U. UNIFORMS

This Memorandum of Understanding is made between the City of Ramsey and AFSCME; and

WHEREAS, the City and the Union are parties to a 2021 collective bargaining agreement; and

WHEREAS; Section 21.3 and Section 21.5 of the labor agreement, shall be null and void while this MOU is in effect; and

WHEREAS, certain EMPLOYEES wear clothing that is considered taxable under state and federal law, if provided by the City; and

WHEREAS, the annual uniform stipend will be paid to these EMPLOYEES in one payment through their regular biweekly payroll disbursement on the second payroll in March. This stipend will be included in the EMPLOYEES' taxable earnings and applicable taxes will be withheld according to Internal Revenue Service; and

WHEREAS; in the event any such items are lost or damaged through the negligence of the EMPLOYEE possessing said property, (reasonable wear and depreciation expected), such EMPLOYEE shall be financially responsible for the replacement of said negligently lost or destroyed item; and

WHEREAS, members utilizing the City's uniform service are ineligible for the stipend; and

WHEREAS, the following information is an excerpt from the City's Personnel Policy and all EMPLOYEES are expected to adhere to the following:

The dress and appearance of City employees has a direct reflection on the professionalism of our services. A neat, well-groomed employee will present a positive image of the City and demonstrate the pride of our City employees. Our appearance and attire have a definite impact on the way we are perceived by others and the confidence that customers have in our ability to provide quality services.

Therefore, the parties met, negotiated and agreed upon the following:

For 2021, the City will provide a monetary uniform stipend to the EMPLOYEES in the following positions at the amounts listed:

a.	Building Maintenance Workers *	\$393.75
b.	Engineering Technicians*	\$393.75
c.	Parks, Streets and Utilities Maintenance Workers*	\$393.75
	i. The above listed stipends include any costs associated with embroidery; any costs greater than the above listed stipend shall be the EMPLOYEES responsibility.	

*Denotes job classifications that receive vouchers for the purchase of OSHA approved safety boots.

Lastly, all Parks, Streets, and Utilities maintenance workers shall adhere to the following protocol:

- 1) Approved Uniforms
Approved work pants shall be either jeans or uniform style work pants; approved shorts are permitted during the summer and shall be of a solid color -- no patterned material allowed. Approved shirts shall be uniform shirts or polo shirts purchased from an approved City vendor; solid color work short-sleeve shirts and solid color work long-sleeve shirts; and solid color crew-neck work sweatshirts.
- 2) Unapproved Clothing
Unapproved clothing includes, but may not be limited to clothing with advertisements or logos larger than 2" (other than City logos); sleeveless shirts, athletic wear such as sweatpants, sweat-suits, workout clothes, and tennis shoes are not allowed. If EMPLOYEES are uncertain as to whether or not a clothing item will be allowed they should consult with their supervisor.
- 3) Condition of Clothing
Clothing must always be neat, clean, and not overly worn, faded, or in disrepair. EMPLOYEES must maintain this standard or, at the discretion of the Department Head, will be ineligible to receive future stipends and transferred to the City's uniform service.

This Memorandum of Understanding sunsets on December 31, 2021.
FOR THE CITY OF RAMSEY:

BY: _____

Mayor

12-22-2020

Date

ATTEST: _____

City Administrator

2-2-2021

Date

FOR AFSCME

BY: [Signature]
Negotiating Team Member

7/4/21
Date

BY: [Signature]
Negotiating Team Member

2-1-21
Date

BY: _____
Negotiating Team Member

Date

BY: [Signature]
Field Representative

1/27/21
Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND AMERICAN FEDERATION OF
STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME)

January 1, 2021 to December 31, 2021 as described below:

M.O.U. PUBLIC WORKS MAINTENANCE WORKER CAREER
LADDER PROGRAM

The purpose of this Memorandum of Understanding (MOU) is to memorialize the agreement between the City of Ramsey (the EMPLOYER) and the American Federation of State, County, and Municipal Employees (AFSCME) concerning Public Works Maintenance Workers' participation in the City's Career Ladder Program.

The Program:

The Career Ladder Program includes specific criteria for eligibility and advancement as established and maintained in policy by the City.

Educational Expenses:

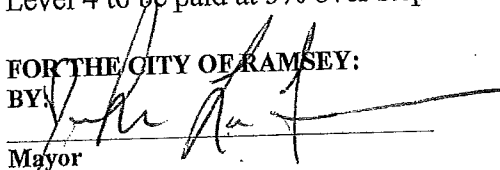
Training and tuition expenses incurred as a result of the Career Ladder Program will be paid and/or reimbursed as defined in the City Personnel Policy.

Wages:

Upon completion of each of the following career ladder levels employees will be compensated as follows:

Level 2 to be paid at 1% over the step 6 base wage
Level 3 to be paid at 1.5% over the step 6 base wage
Level 4 to be paid at 3% over step 6 base wage

FOR THE CITY OF RAMSEY:

BY: 

Mayor

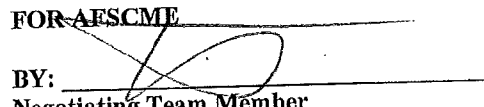
12-29-2020
Date

ATTEST: 

City Administrator

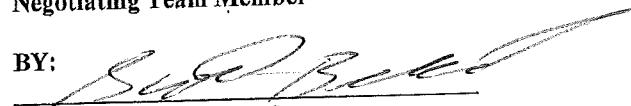
2-2-2021
Date

FOR AFSCME

BY: 

Negotiating Team Member

1/4/21
Date

BY: 

Negotiating Team Member

2-1-21
Date

BY:

Negotiating Team Member

BY:

Field Representative

Byron M. D. [Signature]

Date

1/27/21

Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND AMERICAN FEDERATION OF
STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME)

January 1, 2021 to December 31, 2021 as described below:

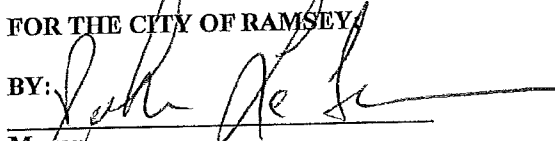
M.O.U. TEMPORARY EMPLOYEES

The purpose of this Memorandum of Understanding (MOU) is to memorialize the agreement between the City of Ramsey (the EMPLOYER) and the American Federation of State, County, and Municipal Employees (AFSCME) concerning temporary employees as defined in Article 2 of the Collective Bargaining Agreement; TEMPORARY FULL-TIME AND/OR TEMPORARY PART-TIME UNION MEMBERS.

The EMPLOYER may hire up to six (6) temporary maintenance workers including two (2) EMPLOYEES in the Parks Division, two (2) EMPLOYEES in the Streets Division, and two (2) EMPLOYEES in the Utilities Division. The terms and conditions of employment for TEMPORARY FULL-TIME AND/OR TEMPORARY PART-TIME UNION MEMBERS include, but are not limited to the following:

1. shall be scheduled to work up to a maximum of 210 days in a calendar year and will be a union member beginning the first day of their employment; and
2. shall not be eligible for vacation time, sick leave, holiday pay, health insurance, life insurance or any other fringe benefit unless otherwise dictated by the Affordable Care Act; and
3. shall be paid at a rate of 80% of step one of the maintenance worker wage scale and will not be eligible for step changes; and
4. shall not be entitled to protections under Article 16 - Layoffs, including rights to recall; and
5. shall not be entitled to the protections Under Article 19 - Discipline; and
6. may be terminated at the sole discretion of the EMPLOYER during the entire period of temporary employment, regardless of whether the length of temporary employment exceeds the six month probationary period provided for in Article 17.1; and
7. shall, in the event of being hired as a regular employee, have no time credited toward probation.

FOR THE CITY OF RAMSEY:

BY: 

Mayor

ATTEST: 

City Administrator

12-29-2020
Date

2-2-2021
Date

FOR AFSCME
BY: *Evan Bales*
Negotiating Team Member

2-121
Date

Negotiating Team Member

Date _____

2-2-21
Date

BY: Bryce Wickstrom
Field Representative

Date 1/27/21
Date

MEMORANDUM OF UNDERSTANDING

**BETWEEN THE CITY OF RAMSEY AND AMERICAN FEDERATION OF
STATE,**

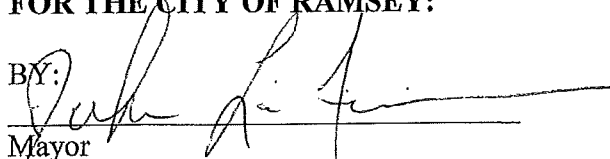
COUNTY AND MUNICIPAL EMPLOYEES (AFSCME)

M.O.U. MEET AND CONFER

January 1, 2021 to December 31, 2021 as described below:

The purpose of this Memorandum of Understanding (MOU) is to memorialize the agreement between the City of Ramsey (the EMPLOYER) and the American Federation of State, County, and Municipal Employees (AFSCME) to meet and confer during the course of the agreement to discuss (and potential revise) Article 14 – Seniority.

FOR THE CITY OF RAMSEY:

BY: 

Mayor

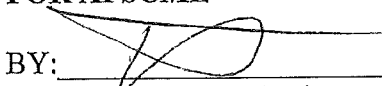
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Date

ATTEST: 

City Administrator

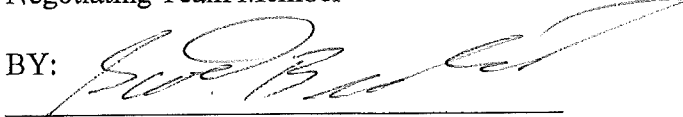
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BY: 

Negotiating Team Member

1/4/21
Date

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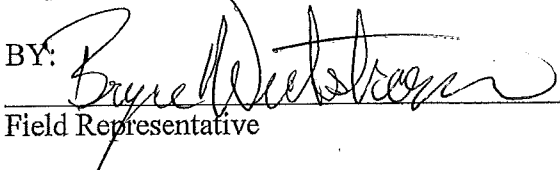
Negotiating Team Member

2-1-21
Date

BY: _____

Negotiating Team Member

Date

BY: 

Field Representative

1/27/21
Date

LABOR AGREEMENT BETWEEN
CITY OF RAMSEY AND
LAW ENFORCEMENT LABOR SERVICES, INC.
LICENSED PATROL OFFICERS

January 1, 2021 – December 31, 2021

Prepared by Colleen Lasher, Administrative Services Director

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ARTICLE ONE (1) PURPOSE OF AGREEMENT

THIS AGREEMENT is entered into as of January 1, 2021, between the CITY OF RAMSEY, hereinafter called the Employer, and LAW ENFORCEMENT LABOR SERVICES, INC., hereinafter called LELS.

It is the intent and purpose of this Agreement to:

- 1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application; and
- 1.3 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.

The Employer and LELS, through this Agreement, shall continue their dedication to the highest quality of police service and protection to the residents of the City of Ramsey. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE TWO (2) RECOGNITION

- 2.1 The Employer recognizes LELS as the exclusive representative under Minnesota Statutes, Section 179A.03, Subdivision 8, for all patrol officers.
- 2.2 In the event the Employer and LELS are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

ARTICLE THREE (3) DEFINITIONS

- 3.1 LELS. Law Enforcement Labor Services, Inc.
- 3.2 LELS Member. A member of Law Enforcement Labor Services, Inc.
- 3.3 Employee. A member of the exclusively recognized bargaining unit.
- 3.4 Department. The Ramsey Police Department.
- 3.5 Employer. The City of Ramsey.
- 3.6 Chief. The Chief of the Ramsey Police Department.

- 3.7 LELS Officer. Officer elected or appointed by Law Enforcement Labor Services, Inc.
- 3.8 Overtime. Work performed at the express authorization of the Employer in excess of the employee's scheduled shift.
- 3.9 Scheduled Shift. A consecutive work period including two rest breaks and a lunch break.
- 3.10 Rest Breaks. Two periods during the Scheduled Shift during which the employee remains on continual duty and is responsible for assigned duties.
- 3.11 Lunch Break. A period during the Scheduled Shift during which the employee remains on continual duty and is responsible for assigned duties.
- 3.12 Strike. Concerted Action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions or compensation or the rights, privileges or obligations of employment.

ARTICLE FOUR (4)

EMPLOYER AUTHORITY

- 4.1 Employer retains the full and unrestricted right to operate and manage all staff, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules and to perform any inherent managerial function not specifically limited by this Agreement.
- 4.2 Any term and condition of employment not specifically established or modified by this Agreement shall remain solely within the discretion of the Employer to modify, establish or eliminate.

ARTICLE FIVE (5)

UNION SECURITY

- 5.1 The Employer shall deduct from the wages of employees who authorize such a deduction in writing an amount necessary to cover monthly LELS dues. Such monies shall be remitted as directed by LELS.
- 5.2 LELS may designate employees from the bargaining unit to act as a representative and an alternate and shall inform the Employer in writing of such choice and changes in the position of representative and/or alternate.

- 5.3 The Employer shall make space available on the employee bulletin board for posting LELS notice(s) and announcement(s).
- 5.4 LELS agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders or judgments brought or issued against the Employer as a result of any action taken or not taken by the Employer under the provisions of this ARTICLE.

ARTICLE SIX (6) EMPLOYEE RIGHTS-GRIEVANCE PROCEDURE

- 6.1 Definition of a Grievance. A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.
- 6.2 LELS Representatives. The Employer will recognize Representatives designated by LELS as the grievance representatives of the bargaining unit having the duties and responsibilities established by this ARTICLE. LELS shall notify the Employer in writing of the names of such LELS Representatives and of their successors when so designated as provided by Article 5.2 of this Agreement.
- 6.3 Processing of a Grievance. It is recognized and accepted by LELS and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the Employees and shall, therefore, be accomplished during normal working hours only when consistent with such Employee duties and responsibilities. The aggrieved Employee and a LELS Representative shall be allowed a reasonable amount of time without loss of pay when a grievance is investigated and presented to the Employer during normal working hours, provided that the Employee and the LELS representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.
- 6.4 Procedure. Grievances, as defined by Article 6.1, shall be resolved in conformance with the following procedure:

Step 1. An Employee claiming a violation concerning the interpretation or application of the Agreement shall, within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the Employee's supervisor as designated by the Employer. The Employer designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by LELS within ten (10) calendar days shall be considered waived.

Step 2. If appealed, the written grievance shall be presented by LELS and discussed with the Employer designated Step 2 representative. The Employer designated representative shall

give LELS the Employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by LELS within ten (10) calendar days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by LELS and discussed with the Employer designated Step 3 representative. The Employer designated representative shall give LELS the Employer's answer in writing within ten (10) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the Employer designated representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by LELS within ten (10) calendar days shall be considered waived.

Step 3A. A grievance unresolved in Step 2 and appealed to Step 3 by LELS may be submitted to mediation subject to Public Employees Labor Relations Act (PELRA).

Step 4. A grievance unresolved in Step 3 or 3A and appealed to Step 4 by LELS shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by state law.

6.5 Arbitrator's Authority.

A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and LELS, and shall have no authority to make a decision on any other issue not so submitted.

B. The arbitrator shall be without power to make decisions contrary to or inconsistent with or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and LELS and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and LELS provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

6.6 Waiver. If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time

limits, LELS may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual written agreement of the Employer and LELS in each step.

6.7 Choice of Remedy. If, as a result of the written Employer response in Step 3, the grievance remains unresolved and if the grievance involves the suspension, demotion or discharge of any employee who has completed the required probationary period, the grievance may be appealed either by Step 4 of ARTICLE Six (6) or a procedure such as: Veteran's Preference or Fair Employment. If appealed to any procedure other than Step 4 of ARTICLE Six (6), the grievance is not subject to the arbitration procedure as provided in Step 4 of ARTICLE Six (6). The aggrieved employee shall indicate in writing which procedure is to be utilized - Step 4 of ARTICLE five (five) or another appeal procedure - and shall sign a statement to the effect that the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through Step 4 of ARTICLE six (6).

ARTICLE SEVEN (7)

SENIORITY

- 7.1 Seniority shall be determined by the Employee's length of continuous employment with the Police Department and may be posted in an appropriate location. Seniority rosters may be maintained by the Chief on the basis of time in grade and time within specific classifications.
- 7.2 During the one year probationary period, a newly hired or rehired Employee may be discharged at the sole discretion of the Employer. During the one year probationary period, a promoted or reassigned Employee may be replaced in his/her previous position at the sole discretion of the Employer.
- 7.3 A reduction of work force will be accomplished on the basis of seniority. Employees shall be recalled from layoff on the basis of seniority. An Employee on layoff shall have an opportunity to return to work within two (2) years of the time of his/her layoff before any new Employee is hired.
- 7.4 Annual leave shall be selected according to the following procedure:

Employees shall submit first and second choices for continuous vacation periods by March 1 of each year. By April 1 the City shall approve Employee's first and second choices based on seniority. Senior Employees shall have preference over junior Employees for their first choice. Then, senior Employees shall have preference in their second choice. In no event shall senior Employees' second choice supersede the first choice of junior Employees unless the senior Employees' first choice was not granted. Senior employees shall have preference for shift bid at the start of each calendar year. Holidays, when approved, shall be selected on the basis of seniority up until ten (10) days prior to the requested day off. Thereafter, holidays, when approved, will be granted on a first-come first-served basis.

ARTICLE EIGHT (8)

DISCIPLINE

- 8.1 The Employer will discipline Employees for just cause only. Discipline will be in one or more of the following forms:
- a) Oral reprimand;
 - b) Written reprimand;
 - c) Suspension;
 - d) Demotion; or
 - e) Discharge
- 8.2 Suspensions, demotions and discharges will be in written form.
- 8.3 Written reprimands, notices of suspension and notices of discharge which are to become part of an Employee's personnel file shall be read and acknowledged by signature of the Employee. Employees and LELS will receive a copy of such reprimands and/or notices.
- 8.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.
- 8.5 A five (5) day (regularly scheduled consecutive work days) suspension, without pay, will precede any discharge order, except for those employees who are defined as Veterans pursuant to Minnesota Statutes Annotated 197.46.
- 8.6 An Employee will not be questioned concerning an investigation of disciplinary action against that Employee unless said Employee has been given an opportunity to have an LELS representative present at such questioning.
- 8.7 Grievances relating to this ARTICLE shall be initiated by LELS in Step 3 of the grievance procedure under ARTICLE Six (6).

ARTICLE NINE (9)

WORK SCHEDULES

- 9.1 The normal work year for full-time Employees shall consist of the number of Monday through Friday days in each calendar year multiplied by eight (8) hours. These hours are to be accounted for by each Employee through:
- a) Scheduled hours of work;
 - b) Scheduled department meetings;
 - c) Holidays;
 - d) Authorized training; and
 - e) Authorized leave time; and
 - f) Authorized compensatory time off.

9.2 Nothing contained in this or any other ARTICLE shall be interpreted to be a guarantee of a minimum or maximum number of hours the Employer may assign Employees.

9.3 Employees are scheduled to work over 2080 hours during the year. Because of this, the employee will earn "KELLY TIME" at the rate of 4 hours per pay period. Employees will not be allowed to take any time off that they have not yet earned, other than the last pay period of the year. Employees will be able to bank up to a total of 48 hours. Employees are expected to manage their own time off and be responsible for not going over the cap.

All accrued Kelly time and projected earned Kelly Time, will need to be entered on the duty Schedule by December 1st or it will be assigned by Ramsey Police Administration.

ARTICLE TEN (10) OVERTIME/COMPENSATORY TIME

10.1 Employees will be compensated at one and one-half (1 ½) times the Employee's regular base pay rate for working beyond their regular shift and for hours worked in excess of the Employee's regularly scheduled shift. Changes of shifts do not qualify an Employee for overtime under this ARTICLE.

10.2 Overtime will be distributed as equally as practicable.

10.3 Overtime offered and refused by Employees will, for record purposes under ARTICLE 10.2, be considered as unpaid overtime worked.

10.4 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked; for the purpose of computing overtime compensation, an Employee using earned vacation leave, compensatory time off, sick leave or paid holidays is considered to be working.

10.5 Overtime will be calculated to the nearest fifteen (15) minutes.

10.6 Employees have the obligation to work overtime or call backs if requested by the Employer unless unusual circumstances prevent the Employees from so working.

10.7 Employees may elect to take compensatory time off in lieu of receiving overtime compensation except for the following: 1) Court time will be paid as overtime, 2) Hold-overs will be paid as overtime, 3) Early shift starts over two hours to cover the schedule will be paid as overtime (two hours and under may be taken as compensatory time off or overtime) 4) Scheduled overtime will be paid as overtime.

Compensatory time off is computed at one and one-half (1 ½) times the time worked. Accrued and banked compensatory time off shall not exceed 36 hours at any time and employees may not earn more than 60 hours of compensatory time off annually

Compensatory time off may only be used with prior approval from the employee's department head. Upon separation from employment, accrued and unused compensatory

time off will be paid to the employee at the then current rate. Compensatory time off will be approved pending scheduling. Pay back time must be satisfied before compensatory time off will be approved.

10.8 For the purpose of computing overtime compensation and/or compensatory time off, Employees who are scheduled and attend training on a scheduled day off and the training is less than six hours (6 hours), the Employee will earn compensatory time off or overtime.

10.9 Employees who are scheduled and attend training on a scheduled day off and the training is six hours (6 hours) or more, the Employee will earn "Training time off" at straight time (hour for hour). Training time off must be used by the end of the calendar year.

ARTICLE ELEVEN (11)

COURT TIME

11.1 An Employee who is required to appear in Court during his/her scheduled off-duty time shall receive a minimum of three (3) hours pay at one and one-half (1-1/2) times the Employee's base pay rate. An extension or early report to a regularly scheduled shift for Court appearance does not qualify the Employee for the three (3) hour minimum.

11.2 An Employee who is required to appear in court within twelve (12) hours of the end of a scheduled shift and within twelve (12) hours of the start of a scheduled shift shall receive a minimum of three (3) hours pay at Two (2) times the Employees base pay rate.

ARTICLE TWELVE (12)

STANDBY TIME

12.1 If the Employer requires any Police Department Employee (Patrol Officer or Investigator) to standby, the Employee shall receive one hundred dollars (\$100.00) pay. If the Employee is called into court after being on standby, he or she will forfeit the standby pay and shall receive the three (3) hour minimum court overtime payment instead. The Employer shall notify any Employee on standby when said Employee is no longer on such duty status.

ARTICLE THIRTEEN (13)

CALL BACK TIME

13.1 An Employee who is called to duty during his/her scheduled off-duty time shall receive a minimum of three (3) hours pay at one and one-half (1-1/2) times the Employee's base pay rate. An extension or early report to a regularly scheduled shift for duty does not qualify the Employee for the three (3) hour minimum.

ARTICLE FOURTEEN (14)

VACATION

14.1 Every regular Employee having less than six (6) years consecutive full-time service shall earn vacation leave at the rate of 5/6ths of a working day for each calendar month of full-

time service. Each regular Employee with at least six (6), but less than twelve (12), consecutive years of full-time service shall earn vacation leave at the rate of 1.25 working days for each calendar month of full-time service. Each regular Employee with at least twelve (12), but less than seventeen (17), years of consecutive full-time service shall earn vacation leave at the rate of 1.666 working days for each calendar month of full-time service. After sixteen years of service, each regular Employee will receive one additional day of vacation each year in excess of sixteen (16) years of service, to a maximum of 25 days per year.

- 14.2 An Employee's accrued or "banked" vacation leave must be equal to or less than two times the yearly accrual by December 31st of each year; any accruals exceeding this amount will be forfeited.
- 14.3 Vacation leave may be used as earned subject to approval by the department head at the time at which it may be taken.
- 14.4 Any Employee leaving the municipal service in good standing after giving a proper notice of at least fourteen days advance notice of such termination of employment, shall be compensated for vacation leave accrued and unused to the date of separation.
- 14.5 For the purpose of accumulating additional vacation leave, an Employee using earned vacation leave, sick leave or paid holidays is considered to be working.

ARTICLE FIFTEEN (15)

SICK LEAVE

- 15.1 Every probationary and regular Employee is entitled to sick leave with pay at the rate of 1 day for each calendar month of full-time service or major fraction thereof. Sick leave may be accumulated to a maximum of 960 hours and may be granted in units of not less than 2 hours. Unused sick leave in excess of 960 hours at the end of a calendar year (January 1st) shall be converted to vacation at a rate of one hour vacation for each two hours of sick leave in excess of 960 hours.
- 15.2 Sick leave may be granted by the Employee's Department Head when the Employee has communicated the request to a Police Supervisor, and is unable to perform work duties due to illness, disability, the necessity for medical, dental or chiropractic care, childbirth or exposure to contagious disease where such exposure may endanger the health of others with whom the Employee could come in contact in the course of performing work duties. Sick leave may also be authorized when the Employee's presence is necessary, for actual illness, injury, legal quarantine, or medical treatment in the Employee's immediate family. Immediate family, for the purposes of this Article, shall be defined as spouse, parent, step-parent, children, step-children, brother, sister, grandparents, grandchildren or a like member of Employee's spouse's family.
- 15.3 Employees are allowed funeral leave up to 24 hours twice annually per occurrence (a maximum of 48 hours annually) for a death in the immediate family as defined under Article 15.2. That time is not chargeable against any accrued vacation, sick or compensatory time. Hours must be taken within 5 (five) calendar days from start to finish

per occurrence. Additional funeral leave may be taken (with prior approval from a supervisor) and is deductible from sick leave (up to three (3) consecutive days), vacation or compensatory time as the EMPLOYEE may choose and have available.

- 15.4 To be eligible for sick leave with pay, an Employee shall:
- 1) report as soon as possible to the employee's immediate supervisor the reason for the absence;
 - 2) keep the employee's immediate supervisor informed of such employee's condition;
 - 3) for any absence that exceeds three consecutive days, upon the employee's return to work, submit a medical certificate from a physician 1) when the nature of the illness warranted being seen by a health care professional or 2) at a minimum, the employee must submit his or her own written documentation with a brief explanation of the nature of the absences;
 - 4) if requested by the City Administrator or the Chief of Police, submit a medical certificate from a physician for absence.
- 15.5 Using or claiming sick leave for a purpose not authorized by Article 15.2 shall be cause for disciplinary action.
- 15.6 For the purpose of accumulating additional sick leave, an Employee using earned vacation leave, sick leave, compensatory time off or paid holidays is considered to be working.
- 15.7 EMPLOYEES shall receive a lump sum payment upon termination of employment with the EMPLOYER based upon thirty-three percent (33%) of said EMPLOYEE'S unused accumulated sick leave after five (5) years of continuous employment. Severance pay shall not be available in any sum to an EMPLOYEE if that EMPLOYEE is discharged for just cause; severance pay shall not be paid if an EMPLOYEE voluntarily terminates his or her employment prior to five (5) years of continuous employment service; or the EMPLOYEE voluntarily terminates his or her employment without giving the EMPLOYER fourteen (14) days written notice. After fifteen (15) years of continuous employment service, the EMPLOYEE will receive thirty-five percent (35%) of said EMPLOYEE'S unused, accumulated sick leave. After twenty (20) years of continuous employment service, the EMPLOYEE will receive thirty-seven percent (37%) of unused, accumulated sick leave. After twenty-five (25) years of continuous employment service the EMPLOYEE will receive forty percent (40%) of said EMPLOYEE'S unused, accumulated sick leave.

ARTICLE SIXTEEN (16)

INJURY ON DUTY (IOD)

- 16.1 Employees injured during the performance of their duties for the EMPLOYER and thereby rendered unable to work for the EMPLOYER will be paid the difference between the Employee's regular pay and Worker's Compensation insurance payments for a period not to exceed ninety (90) working days per injury, not charged to the Employee's vacation, sick leave or other accumulated paid benefits, after a three (3) working day initial waiting period per injury. The three (3) working day waiting period shall be charged to the employee's sick leave account less Worker's Compensation insurance payments. Employees drawing Workers' Compensation benefits will not receive supplementary IOD pay or sick leave pay,

which provides for more after-tax pay than the Employee made while working.

ARTICLE SEVENTEEN (17) HOLIDAYS

- 17.1 Employees will receive or be given credit in the work schedule for ninety-six (96) holiday hours per year; including the holiday's listed in 17.3, plus a Floating Holiday.
- 17.2 Employees may take holiday time only with specific scheduled permission of the Employer.
- 17.3 Employees required to work on any of the holidays of:

New Year's Day
Martin Luther King's Day
President's Day
Memorial Day
Independence Day (4th of July)
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Eve Day
Christmas Day

shall receive an additional 1/2 time for the time they work on such holiday. All holidays specified in this paragraph will be paid in dollars, rather than time accumulation. An employee who is required to work overtime on a holiday shall receive pay at two (2) times the Employees base pay rate for that time worked in addition to their regular shift.

- 17.4 Each Employee shall have the option to sell any or all of his/her holiday hours back to the employer at his/her current rate of pay. This holiday buy back option may be taken during two time periods annually: January 1 through January 15, and November 1 through November 15. In any event, no holiday hours shall carry over to the next year.
- 17.5 Employees who leave employment prior to December 31st will only be paid for unused holiday hours from holidays that occurred prior to the termination date.

Employees who use holiday hours or receive compensation for holiday hours before the holiday occurs and leave employment prior to December 31st, must pay the City back holiday hours for any holiday that has not occurred prior to the termination date. Funds owed to the City must be paid prior to ending the employment relationship.

ARTICLE EIGHTEEN (18) FITNESS-ON-DUTY

- 18.1 The purpose of this Article is to give each Officer the option to exercise while on duty. This is a voluntary Fitness-on-Duty program which provides an opportunity for employees engaged in stressful and somewhat sedentary jobs an opportunity to: 1) Improve job

performance, 2) Reduce health risks, 3) Reduce job-related injuries, 4) Reduce absenteeism, and 5) Improve overall fitness.

- 18.2 This program is subject to the following terms and conditions: The employee will be given the option to work out one hour per shift. The average should not exceed six hours of workout time over two weeks. This option is available if allowed by shift's minimums set forth by the Chief of Police and call load. The workout time will consist to thirty minutes of the employees daily break time and up to thirty minutes of regular duty time.
- 18.3 Employees will earn one hour of "training time off" for each fitness testing event the Employee scores in the "excellent" range or above based on the Employee's age level category as determined by the Cooper Institute chart. Earned training time off will not exceed twelve hours per calendar year.
- 18.4 Any employee participating in the program will partake in semi-annual fitness testing. The standards for testing will be set by the fitness coordinator and approved by the Chief of Police. All participants will adhere to the department Physical Fitness Program policy and testing standards.

ARTICLE NINETEEN (19) INSURANCE

- 19.1 The EMPLOYER shall contribute to EMPLOYEE health and life insurance as stated in the attached Memorandum of Understanding.
- 19.2 The EMPLOYER, agrees to contribute the dollar value equivalent to the cost of the monthly employee only dental premium as established by the EMPLOYER. Credit in lieu of coverage will not be granted.

ARTICLE TWENTY (20) CLOTHING AND UNIFORMS

- 20.1 The Employer shall provide uniforms (including boots) and equipment and replacement as outlined by the department policy that currently exists.

ARTICLE TWENTY ONE (21) PROFICIENCY PAY PROGRAM

- 21.1 The Employer and Employees mutually agree to a program whereby it will be recognized that during their years of employment as peace officers, the Employees' accumulation and assimilation of experience and training has enhanced their intrinsic worth. The length of service and its corresponding applicable rate of pay in dollars per month for purposes of this Proficiency Pay Program shall be pursuant to Exhibit A.

ARTICLE TWENTY TWO (22) SAVINGS CLAUSE

- 22.1 This Agreement is subject to the laws of the United States, the State of Minnesota and the City of Ramsey. In the event any provision of this Agreement shall be held contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provisions shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provisions shall be renegotiated at the written request of either party.

ARTICLE TWENTY THREE (23) SALARIES

- 23.1 The Employees' wages payable during the term of this Agreement shall be in accord with the salary schedule attached hereto as Exhibit "A" and incorporated herein by reference. Employees reaching Top Patrol are subject to the proficiency pay steps as follows:

After 5, 8, 12 and 16 years of service.

- 23.2 Employer to pay license fees for officer's POST license.
- 23.3 Field Training Officer Supplemental Pay: Employees assigned in writing by the Employer to fulfill this assignment shall receive \$3.00 per hour over base pay while working in that capacity.
- 23.4 The EMPLOYER will pay to the person(s) assigned to Investigator positions \$250.00/month.

ARTICLE TWENTY FOUR (24) WAIVER

- 24.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement are hereby superseded.
- 24.2 The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and LELS each voluntarily and unqualifiedly waive the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement even though such terms or conditions may not have been within the knowledge or contemplation of either or both of the parties at the time this Agreement was negotiated or executed.

ARTICLE TWENTY FIVE (25) DURATION

Except as herein provided, this Agreement shall be in effect commencing January 1, 2021 and shall remain in full force and effect through and including December 31, 2021, and thereafter until modified or amended by mutual agreement of the parties.

IN WITNESS WHEREOF, The parties hereto have executed this Agreement on this 2nd day of Feb. 2021; per resolution #21-034.

FOR THE CITY OF RAMSEY:

BY: Mark Elkus
Mayor

1-26-2021
Date

ATTEST: [Signature]
City Administrator

2-2-2021
Date

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY: Nicholas Dahlberg
Nicholas Dahlberg, Steward

2-1-21
Date

BY: Adam Burnside
Adam Burnside, LELS

2-1-2021
Date

ARTICLE TWENTY THREE (23) SALARIES--EXHIBIT "A" SALARY SCHEDULE

2021 Wages

- As a result of a Cost of Living Adjustment of 2.75% and a wage adjustment of 1%, wages will increase by 3.75% over the 2020 wage scale. The following salaries are calculated for January 1, 2021 through December 31, 2021 adding 3.75% to December 31, 2020 wages, effective on January 1, 2021.

January 1 to December 31, 2021 Wages

		Hourly	Monthly	Annually
First Year	70% of Top Patrol	\$28.350	\$4,914	\$58,968
Second Year	80% of Top Patrol	\$32.400	\$5,616	\$67,391
Third Year	90% of Top Patrol	\$36.450	\$6,318	\$75,815
Fourth Year	95% of Top Patrol	\$38.475	\$6,669	\$80,027
Top Patrol	100% of Top Patrol	\$40.500	\$7,020	\$84,239

Pro-pay per the terms in Article 20:

After 5 years of service / 2% Over Top Patrol	\$41.310	\$7,160	\$85,924
After 8 years of service / 4% Over Top Patrol	\$42.120	\$7,301	\$87,609
After 12 years of service / 6% Over Top Patrol	\$42.930	\$7,441	\$89,294
After 16 years of service / 8% Over Top Patrol	\$43.740	\$7,582	\$90,978

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY
AND
LAW ENFORCEMENT LABOR SERVICES - PATROL

ARTICLE SEVENTEEN (17) M.O.U. HOLIDAYS

For 2021 only, the following changes apply to Article 17, Section and 17.4 of the 2017/2018 LELS Patrol Labor Agreement:

Section 17.4 Each employee shall have the option to sell a maximum of 54 of his/her holiday hours back to the employer at his/her current rate of pay. This holiday buy back option may be taken during two times annually: January 1 through January 15, and November 1 through November 15. In any event, no holiday hours shall carry over to the next year.

All other provisions of Article Seventeen (17) shall apply normally.

This Memorandum of Understanding will sunset on December 31, 2021

FOR THE CITY OF RAMSEY:

BY: _____

Mayor

Date

ATTEST: _____

City Administrator

Date

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY: _____

Nicholas Dahlberg, Steward

Date

BY: _____

Adam Burnside, Business Agent

Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY
AND
LAW ENFORCEMENT LABOR SERVICES - PATROL

ARTICLE NOT ASSIGNED M.O.U. POST EMPLOYMENT HCSP

January 1, 2021 to December 31, 2021 as described below:

This Memorandum of Understanding is made between the City of Ramsey ("City") and Law Enforcement Labor Services ("Union.")

WHEREAS, the City and the Union are parties to a 2020 collective bargaining agreement; and

WHEREAS, Law Enforcement Labor Services Patrol Union employees are eligible to participate in the Minnesota Post Employment Health Care Savings Plan (HCSP) established under Minnesota Statutes, section 352.98 (Minn. Supp. 2001) and as outlined in the Minnesota State Retirement System's Trust and Plan Documents; and

WHEREAS, all funds collected by the employer (City of Ramsey) on the behalf of the employee will be deposited into the employee's post-employment health care savings plan account; and

WHEREAS, all LELS-Patrol Officers have agreed to contribute an ongoing percent of pay and shall contribute 2% of gross pay; and

WHEREAS, employees will be responsible for the administrative fees.

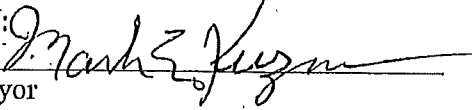
THEREFORE, the parties met, negotiated and agreed upon the following:

Effective January 1, 2021– December 31, 2021 Law Enforcement Labor Services Patrol Union employees are eligible to participate in the Minnesota Post Employment Health Care Savings Plan (HCSP) established under Minnesota Statutes, section 352.98 (Minn. Supp. 2001) and as outlined in the Minnesota State Retirement System's Trust and Plan Documents. All funds collected by the employer (City of Ramsey) on the behalf of the employee will be deposited into the employee's post-employment health care savings plan account. All related fees will be paid by the employees. Employees have agreed to contribute an ongoing percent of pay as described below:

All employees shall contribute 2% of pay.

This Memorandum of Understanding sunsets on December 31, 2021.

FOR THE CITY OF RAMSEY:

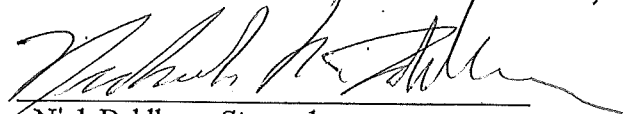
BY: 
Mayor

1-26-2021
Date

ATTEST: 
City Administrator

2-2-2021
Date

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY: 
Nick Dahlberg, Steward

2-1-2021
Date

BY: 
Adam Burnside, Business Agent

2/1/2021
Date

MEMORANDUM OF UNDERSTANDING

**BETWEEN THE CITY OF RAMSEY
AND
LAW ENFORCEMENT LABOR SERVICES - PATROL**

ARTICLE NINETEEN (19) M.O.U. INSURANCE

January 1, 2021 to December 31, 2021 as described below:

The City will make the following contributions toward group health insurance coverage for employees working 30 hours per week or more; as well as to purchase \$20,000 of basic life insurance for full-time regular employees working 30 hours per week.

- a. 2021 monthly health insurance contributions, including the health reimbursement or health savings account contributions as follows; Employee Only (Single) \$942.00 to \$1,034.50, Employee and Children at \$1,246.00, Employee and Spouse at \$1,300.30, and Family at \$1,603.80; and
- b. 2021 City payment toward the Waiver/Credit in lieu of Coverage will remain at \$370.00 per month.

FOR THE CITY OF RAMSEY:

BY:

Mark E. Kuzm
Mayor

1-26-2021
Date

ATTEST:

[Signature]
City Administrator

2-2-2021
Date

FOR LELS - PATROL

BY:

Nicholas Dahlberg
Nicholas Dahlberg, Steward

2-1-2021
Date

BY:

Adam Burnside
Adam Burnside, Business Agent

2/1/2021
Date

**LABOR AGREEMENT BETWEEN
CITY OF RAMSEY AND
LAW ENFORCEMENT LABOR SERVICES, INC.
LOCAL 313: LICENSED SERGEANTS**

January 1, 2021– December 31, 2021

Prepared by Colleen Lasher, Administrative Services Director

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ARTICLE 1: PURPOSE OF AGREEMENT

THIS AGREEMENT is entered into between the CITY OF RAMSEY, hereinafter called the Employer, and LAW ENFORCEMENT LABOR SERVICES, INC., hereinafter called LELS.

It is the intent and purpose of this Agreement to:

- 1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application; and
- 1.3 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.

The Employer and LELS, through this Agreement, shall continue their dedication to the highest quality of police service and protection to the residents of the City of Ramsey. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE 2: RECOGNITION

- 2.1 The Employer recognizes LELS as the exclusive representative for "All essential licensed Sergeants employed by the City of Ramsey Police Department, Ramsey, Minnesota, who are public employees within the meaning of Minn. Stat. 179A.03, subd. 14, excluding confidential and all other employees.
- 2.2 In the event the Employer and LELS are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

ARTICLE 3: DEFINITIONS

- 3.1 LELS. Law Enforcement Labor Services, Inc.
- 3.2 LELS Member. A member of Law Enforcement Labor Services, Inc.
- 3.3 Employee. A member of the exclusively recognized bargaining unit.
- 3.4 Department. The Ramsey Police Department.
- 3.5 Employer. The City of Ramsey.
- 3.6 Chief. The Chief of the Ramsey Police Department.

- 3.7 LELS Officer. Officer elected or appointed by Law Enforcement Labor Services, Inc.
- 3.8 Overtime. Work performed at the express authorization of the Employer in excess of the employee's scheduled shift.
- 3.9 Scheduled Shift. A consecutive work period including two rest breaks and a lunch break.
- 3.10 Rest Breaks. Two periods during the Scheduled Shift during which the employee remains on continual duty and is responsible for assigned duties.
- 3.11 Lunch Break. A period during the Scheduled Shift during which the employee remains on continual duty and is responsible for assigned duties.
- 3.12 Strike. Concerted Action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions of compensation or the rights, privileges or obligations of employment.

ARTICLE 4: EMPLOYER AUTHORITY

- 4.1 Employer retains the full and unrestricted right to operate and manage all staff, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules and to perform any inherent managerial function not specifically limited by this Agreement.
- 4.2 Any term condition of employment not specifically established or modified by this Agreement shall remain solely within the discretion of the Employer to modify, establish or eliminate.

ARTICLE 5: UNION SECURITY

- 5.1 The Employer shall deduct from the wages of employees who authorize such a deduction in writing an amount necessary to cover monthly LELS dues. Such monies shall be remitted as directed by LELS.
- 5.2 LELS may designate employees from the bargaining unit to act as a representative and an alternate and shall inform the Employer in writing of such choice and changes in the position of representative and/or alternate.
- 5.3 The Employer shall make space available on the employee bulletin board for posting LELS notice(s) and announcement(s).

- 5.4 LELS agrees to indemnify and hold the Employer harmless against any and all claims, suits orders or judgments brought or issued against the Employer as a result of any action taken or not taken by the Employer under the provision of this ARTICLE.

ARTICLE 6: EMPLOYEE RIGHTS – GRIEVANCE PROCEDURE

- 6.1 Definition of a Grievance. A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.
- 6.2 LELS Representatives. The Employer will recognize Representatives designated by LELS as the grievance representatives of the bargaining unit having the duties and responsibilities established by this ARTICLE. LELS shall notify the Employer in writing of the names of such LELS Representatives and of their successors when so designated as provided by Article 5.2 of this Agreement.
- 6.3 Processing of a Grievance. It is recognized and accepted by LELS and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the Employees and shall, therefore, be accomplished during normal working hours only when consistent with such Employee duties and responsibilities. The aggrieved Employee and a LELS Representative shall be allowed a reasonable amount of time without loss of pay when a grievance is investigated and presented to the Employer during normal working hours, provided that the Employee and the LELS representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.
- 6.4 Procedure. Grievances, as defined by Article 6.1, shall be resolved in conformance with the following procedure:

Step 1. An Employee claiming a violation concerning the interpretation or application of the Agreement shall, within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the Employee's direct supervisor as designated by the Employer. The Employer designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by LELS within ten (10) calendar days shall be considered waived.

Step 2. If appealed, the written grievance shall be presented by LELS and discussed with the Chief of Police, who is the designated Step 2 representative. The Employer designated representative shall give LELS the Employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar

days following the Employer designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by LELS within ten (10) calendar days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by LELS and discussed with the Ramsey City Administrator who is the Employer's designated Step 3 representative. The Employer designated representative shall give LELS the Employer's answer in writing within ten (10) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the Employer designated representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by LELS within ten (10) calendar days shall be considered waived.

Step 3A. A grievance unresolved in Step 2 and appealed to Step 3 by LELS may be submitted to mediation subject to Public Employees Labor Relations Act (PELRA).

Step 4. A grievance unresolved in Step 3 or 3A and appealed to Step 4 by LELS shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by state law.

6.5 Arbitrator's Authority

- A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and LELS, and shall have no authority to make a decision on any other issue not so submitted.
- B. The arbitrator shall be without power to make decisions contrary to or inconsistent with or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and LELS and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.
- C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and LELS provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

- 6.6 Waiver. If a grievance is not presented within the time limits set forth above, it shall be considered "waived". If a grievance is not appealed to the next step within the specified time limit or any agree extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, LELS may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual written agreement of the Employer and LELS in each step.
- 6.7 Choice of Remedy. If, as a result of the written Employer response in Step 3, the grievance remains unresolved and if the grievance involves the suspension, demotion or discharge of any employee who has completed the required probationary period, the grievance may be appealed either by step 4 of ARTICLE 6 or a procedure such as: Veteran's Preference or Fair Employment. If appealed to any procedure other than Step 4 of ARTICLE 6, the grievance is not subject to the arbitration procedure as provided in Step 4 of ARTICLE 6. The aggrieved employee shall indicate in writing which procedure is to be utilized -- Step 4 of ARTICLE 6 or another appeal procedure -- and shall sign a statement to the effect that the choice of any other hearing precludes the aggrieved employee from making a subsequent appeal through step 4 of ARTICLE 6.

ARTICLE 7: SENIORITY

- 7.1 Seniority shall be determined by the Employee's time in grade and may be posted in an appropriate location. Seniority rosters shall be maintained by the Chief on the basis of time in grade and time within specific classifications.
- 7.2 During the one year probationary period, a newly hired or rehired Employee may be discharged at the sole discretion of the Employer. During the six month probationary period, a promoted or reassigned Employee may be replaced in the employee's previous position at the sole discretion of the Employer.
- 7.3 A reduction of work force will be accomplished on the basis of seniority. Employees shall be recalled from layoff on the basis of seniority. An Employee on layoff shall have an opportunity to return to work within two (2) years of the time of the employee's layoff before any new Employee is hired.
- 7.4 Annual leave shall be selected according to the following procedure:
- Employees shall submit first and second choices for continuous vacation periods by March 1 of each year. By April 1 the City shall approve Employee's first and second choices based on seniority. Senior Employees shall have preference over junior Employees for their first choice. Then, senior Employees shall have preference in their second choice. In no event shall senior Employee's second choice supersede the first choice of junior Employees unless the senior Employees' first choice was not granted. Senior employees shall have preference for shift bid at the start of each calendar year.

Holidays, when approved, shall be selected on the basis of seniority up until (10) days prior to the requested day off. Thereafter, holidays when approved, will be granted on a first-come first-served basis.

ARTICLE 8: DISCIPLINE

- 8.1 The Employer will discipline Employees for just cause only. Discipline will be in one or more of the following forms:
- a) Oral reprimand;
 - b) Written reprimand;
 - c) Suspension;
 - d) Demotion; or
 - e) Discharge
- 8.2 Suspensions, demotions and discharges will be in written form.
- 8.3 Written reprimands, notices of suspension and notices of discharge which are to become part of an Employee's personnel file shall be read and acknowledged by signature of the Employee. Employees and LELS shall receive a copy of such reprimands and/or notices.
- 8.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.
- 8.5 A five (5) day (regularly scheduled consecutive work days) suspension, without pay, will precede any discharge order, except for those employees who are defined as Veterans pursuant to Minnesota Statutes Annotated 197.46.
- 8.6 An Employee will not be questioned concerning an investigation of disciplinary action against that Employee unless said Employee has been given an opportunity to have an LELS representative present at such questioning.
- 8.7 Grievances relating to this ARTICLE shall be initiated by LELS in Step 3 of the grievance procedure under ARTICLE 6.

ARTICLE 9: WORK SCHEDULES

- 9.1 The normal work year for full-time Employees shall consist of the number of Monday through Friday days in each calendar year multiplied by eight (8) hours. These hours are to be accounted for by each Employee through:
- a) Scheduled hours of work;
 - b) Scheduled department meetings;
 - c) Holidays;
 - d) Authorized training;

- e) Authorized leave time; and
- f) Authorized compensatory time off

9.2 Nothing contained in this or any other ARTICLE shall be interpreted to be a guarantee of a minimum or maximum number of hours the Employer may assign Employees.

9.3 Employees are scheduled to work over 2080 hours during the year. Because of this, the employee will earn "Kelly Time" at the rate of 4 hours per pay period. Employees will not be allowed to take any time off that they have not yet earned, other than the last pay period of the year. Employees will be able to bank up to a total of 48 hours. Employees are expected to manage their own time off and be responsible for not going over the cap.

All accrued Kelly Time and projected earned Kelly Time, will need to be entered on the duty Schedule by December 1st or it will be assigned by Ramsey Police Administration

ARTICLE 10: OVERTIME

10.1 Employees will be compensated at one and one-half (1 ½) times the Employee's regular base pay rate for hours worked in excess of the Employee's regularly scheduled shift. Changes of shifts do not qualify an Employee for overtime under this ARTICLE.

10.2 Overtime will be distributed as equally as practicable.

10.3 Overtime offered and refused by Employees will, for record purposes under ARTICLE 10.2, be considered as unpaid overtime worked.

10.4 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked.

10.5 Overtime will be calculated to the nearest fifteen (15) minutes.

10.6 Employees have the obligation to work overtime or call backs if requested by the Employer unless unusual circumstances prevent the Employees from so working.

10.7 Employees will be compensated at one and one-half (1 ½) times the Employee's regular base pay rate for working beyond their regular shift.

10.8 For the purposes of calculating overtime, an EMPLOYEE using paid holidays, vacation leave, sick leave, or compensatory time off is considered to be working.

10.9 Employees may elect to take compensatory time off in lieu of receiving overtime compensation except for the following: 1) Court time will be paid as overtime, 2) Hold-overs will be paid as overtime, 3) Early shift starts over two hours to cover the

schedule will be paid as overtime (two hours and under may be taken as compensatory time off or overtime) 4) Scheduled overtime will be paid as overtime.

Compensatory time off is computed at one and one-half (1 ½) times the time worked. Accrued and banked compensatory time off shall not exceed 36 hours at any time and employees may not earn more than 60 hours of compensatory time off annually.

Compensatory time off may only be used with prior approval from the employee's department head. Upon separation from employment, accrued and unused compensatory time off will be paid to the employee at the then current rate. Compensatory time off will be approved pending scheduling. Payback time must be satisfied before compensatory time off will be approved.

- 10.10 For the purpose of computing overtime compensation and/or compensatory time off, Employees who are scheduled and attend training on a scheduled day off and the training is less than six hours, the Employee will earn compensatory time off or overtime.
- 10.11 Employees who are scheduled and attend training on a scheduled day off and the training is six hours or more, the Employee will earn "Training time off" at straight time (hour for hour). Training time off must be used by the end of the calendar year.

ARTICLE 11: COURT TIME

- 11.1 An Employee who is required to appear in Court during their scheduled off-duty time shall receive a minimum of three (3) hours pay at one and one-half (1½) times the Employee's base pay rate. An extension or early report to a regularly scheduled shift for Court appearance does not qualify the Employee for the three (3) hour minimum.
- 11.2 An Employee who is required to appear in court within twelve (12) hours of the end of a scheduled shift and within twelve (12) hours to the start of a scheduled shift shall receive a minimum of three (3) hours pay at two (2) times the Employees base pay rate.

ARTICLE 12: STANDBY TIME

- 12.1 If the Employer requires an Employee to standby, the Employee shall receive one hundred dollars (\$ 100.00) pay. If the Employee is called into court after being on standby, he or she will forfeit the standby pay and shall receive the three (3) hour minimum court overtime payment instead. The Employer shall notify any Employee on standby when said Employee is no longer on such duty status.

ARTICLE 13: CALL BACK TIME

- 13.1 An Employee who is called to duty during their scheduled off-duty time shall receive a minimum of three (3) hours pay at one and one-half (1 ½) times the Employee's base pay rate. An extension or early report to a regularly scheduled shift for duty does not qualify the Employee for the three (3) hour minimum.

ARTICLE 14: VACATION

- 14.1 Every regular Employee having less than six (6) years consecutive full-time service shall earn vacation leave at the rate of 5/6ths of a working day for each calendar month of full-time service. Each regular Employee with at least six (6), but less than twelve (12), consecutive years of full-time service shall earn vacation leave at the rate of 1.25 working days for each calendar month of full-time service. Each regular Employee with at least twelve (12), but less than seventeen (17), years of consecutive full-time service shall earn vacation leave at the rate of 1.666 working days for each calendar month of full-time service. After sixteen years of service, each regular Employee will receive one additional day of vacation each year in excess of sixteen (16) years of service, to a maximum of 25 days per year.

For the purpose of accumulating additional vacation, an Employee using paid holidays, earned vacation leave or sick leave is considered to be working.

- 14.2 An Employee's accrued or "banked" vacation leave must be equal to or less than two times the yearly accrual by December 31st of each year; any accruals exceeding this amount will be forfeited.
- 14.3 Vacation leave may be used as earned subject to approval by the department head at the time at which it may be taken.
- 14.4 Any Employee leaving the municipal service in good standing after giving proper notice of such termination of employment shall be compensated for vacation leave accrued and unused to the date of separation.

ARTICLE 15: SICK LEAVE

- 15.1 Every probationary and regular Employee is entitled to sick leave with pay at the rate of 1 day for each calendar month of full-time service or major fraction thereof. Sick leave may be accumulated to a maximum of 960 hours and may be granted in units of not less than 2 hours. Unused sick leave in excess of 960 hours at the end of a calendar year (January 1st) shall be converted to vacation at a rate of one hour vacation for each two hours of sick leave in excess of 960 hours.

- 15.2 Sick leave may be granted by the Employee's Department Head when the Employee is unable to perform work duties due to illness, disability, the necessity for medical, dental

or chiropractic care, childbirth or exposure to contagious disease where such exposure may endanger the health of others with whom the Employee could come in contact in the course of performing work duties. Sick leave may also be authorized when the Employee's presence is necessary, for actual illness, injury, legal quarantine or medical treatment in the Employee's immediate family. Immediate family, for the purposes of this Article, shall be defined as spouse, parent, step parent, children, step children, brother, sister, grandparents, grandchildren or a like member of the Employee's spouse's family. The employee shall, when taking sick leave, make sure that the department duty schedule is adjusted as to maintain the department's minimal coverage requirements during the time the Employee is on sick leave.

15.3 Employees are allowed funeral leave up to 24 hours twice annually per occurrence (a maximum of 48 hours annually) for a death in the immediate family as defined under Article 15.2. That time is not chargeable against any accrued vacation, sick or compensatory time. Hours must be taken within five (5) calendar days from start to finish per occurrence. Additional funeral leave may be taken (with prior approval from a supervisor) and is deductible from sick leave (up to three (3) consecutive days), vacation or compensatory time as the EMPLOYEE may choose and have available.

15.4 To be eligible for sick leave with pay, an Employee shall:

- 1) report as soon as possible to the employee's immediate supervisor the reason for the absence;
- 2) keep the employee's immediate supervisor informed of such employee's condition;
- 3) for any absence that exceeds three (3) consecutive days, upon the employee's return to work, submit a medical certificate from a physician 1) when the nature of the illness warranted being seen by a health care professional or 2) at a minimum, the employee must submit his or her own written documentation with a brief explanation of the nature of the absences;
- 4) if requested by the City Administrator or the Chief of Police, submit a medical certificate from a physician for absence.

15.5 Using or claiming sick leave for a purpose not authorized by Article 15.2 shall be cause for disciplinary action.

15.6 For the purpose of accumulating additional sick leave, an Employee using paid holidays, earned vacation leave or sick leave is considered to be working.

15.7 EMPLOYEES shall receive a lump sum payment upon termination of employment with the EMPLOYER based upon thirty-three percent (33%) of said EMPLOYEE'S unused accumulated sick leave after five (5) years of continuous employment. Severance pay shall not be available in any sum to an EMPLOYEE if that EMPLOYEE is discharged for just cause; severance pay shall not be paid if an EMPLOYEE voluntarily terminates his or her employment prior to five (5) years of continuous employment service; or the EMPLOYEE voluntarily terminates his or her employment

without giving the EMPLOYER fourteen (14) days written notice. After fifteen (15) years of continuous employment service, the EMPLOYEE will receive thirty-five percent (35%) of said EMPLOYEE'S unused, accumulated sick leave. After twenty (20) years of continuous employment service, the EMPLOYEE will receive thirty-seven percent (37%) of unused, accumulated sick leave. After twenty-five (25) years of continuous employment service the EMPLOYEE will receive forty percent (40%) of said EMPLOYEE'S unused, accumulated sick leave.

ARTICLE 16: INJURY ON DUTY (IOD)

- 16.1 Employees injured during the performance of their duties for the EMPLOYER and thereby rendered unable to work for the EMPLOYER will be paid the difference between the Employee's regular pay and Worker's Compensation insurance payments for a period not to exceed ninety (90) working days per injury, not charged to the Employee's vacation, sick leave or other accumulated paid benefits, after a three (3) working day initial waiting period per injury. The three (3) working day waiting period shall be charged to the employee's sick leave account less Worker's Compensation insurance payments. In the event that the three (3) day working waiting period is waived by the Worker's Compensation carrier, IOD pay will begin immediately. Employees drawing Worker's Compensation benefits will not receive supplementary IOD pay or sick leave pay, which provides for more after-tax pay than the Employee made while working.

ARTICLE 17: HOLIDAYS

- 17.1 Employees will receive or be given credit in the work schedule for ninety-six (96) holiday hours per year; including the holidays listed in 17.3, plus a Floating Holiday.
- 17.2 Employees may take holiday time only when the duty schedule allows for the time off while maintaining the department minimum staffing levels for the time the Employee takes the holiday.
- 17.3 Employees required to work on any of the holidays of:

- New Year's Day
- Martin Luther King's Day
- President's Day
- Memorial Day
- Independence Day (4th of July)
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Christmas Eve Day
- Christmas Day

shall receive an additional ½ time for the time they work on such holiday. All holidays specified in this paragraph will be paid in dollars, rather than time accumulation. An employee who is required to work overtime on a holiday shall receive pay at two (2) times the EMPLOYEES base pay for that time worked in addition to their regular shift.

17.4 Each Employee shall have the option to sell up to a maximum of forty (40) of the Employee's holiday hours back to the employer at the Employee's current rate of pay. This holiday buy back option may be taken during two time periods annually: January 1 through January 15, and November 1 through November 15. In any event, no holiday hours shall carry over to the next year.

17.5 Employees shall receive credit for 96 holiday hours at the beginning of each year. The City will buy back holiday hours in January and November of each year.

Employees who leave employment prior to December 31st will only be paid for unused holiday hours from holidays that occurred prior to the termination date.

Employees who use holiday hours or receive compensation for holiday hours before the holiday occurs and leave employment prior to December 31st, must pay the City back holiday hours for any holiday that has not occurred prior to the termination date. Funds owed to the City must be paid prior to ending the employment relationship.

ARTICLE 18: FITNESS-ON-DUTY

18.1 The purpose of this Article is to give each Officer the option to exercise while on duty. This is a voluntary Fitness-on-Duty program which provides an opportunity for employees engaged in stressful and somewhat sedentary jobs an opportunity to: 1) Improve job performance, 2) Reduce health risks, 3) Reduce job-related injuries, 4) Reduce absenteeism, and 5) Improve overall fitness.

18.2 This program is subject to the following terms and conditions: The employee will be given the option to work out one hour per shift. The average should not exceed six hours of workout time over two weeks. This option is available if allowed by shift's minimums set forth by the Chief of Police and call load. The workout time will consist of thirty minutes of the employee's daily break time and up to thirty minutes of regular duty time.

18.3 Employees will earn one hour of "training time off" for each fitness testing event the Employee scores in the "excellent" range or above based on the Employee's age level category as determined by the Cooper Institute chart. Earned training time off will not exceed twelve hours per calendar year.

- 18.4 Any employee participating in the program will partake in semi-annual fitness testing. The standards for testing will be set by the fitness coordinator and approved by the Chief of Police. All participants will adhere to the department Physical Fitness Program policy and testing standards.

ARTICLE 19: INSURANCE

- 19.1 The EMPLOYER shall contribute to EMPLOYEE health and life insurance as stated in the attached Memorandum of Understanding.
- 19.2 The EMPLOYER, effective January 1, 2018, agrees to contribute the dollar value equivalent to the cost of the monthly employee only dental premium as established by the EMPLOYER. Credit in lieu of coverage will not be granted.

ARTICLE 20: CLOTHING AND UNIFORMS

- 20.1 The EMPLOYER shall provide uniforms (including boots) and equipment and replacement as outlined by the department policy that currently exists.

ARTICLE 21: SAVINGS CLAUSE

- 21.1 This Agreement is subject to the laws of the United States, the State of Minnesota and the City of Ramsey. In the event any provision of this Agreement shall be held contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provisions shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provisions shall be renegotiated at the written request of either party.

ARTICLE 22: SALARIES

22.1 The Employees' wages payable during the term of this Agreement shall be as follows;

2021 Wages

- As a result of a Cost of Living Adjustment, wages will increase by 2.75% over the 2020 wage scale. The following salaries are calculated for January 1, 2021 through December 31, 2021, adding 2.75% to December 31, 2020 wages effective on January 1, 2021.

In addition to being paid pursuant to the following wage grid, each Employee shall be paid a one-time, off-schedule payment of \$850.00 to be paid within 30 days of this Agreement being executed by all parties.

	January 1, 2021 through December 31, 2021		
	Hourly	Monthly	Annually
Step 1.....(85%)	\$41.713	\$7,230	\$86,764
Step 2.....(88%)	\$43.186	\$7,485	\$89,826
Step 3.....(91%)	\$44.658	\$7,741	\$92,888
Step 4.....(94%)	\$46.130	\$7,996	\$95,950
Step 5.....(97%)	\$47.602	\$8,251	\$99,013
Step 6.....(100%)	\$49.074	\$8,506	\$102,075

Longevity Effective January 1, 2021	Hourly	Monthly	Annually
After 5 Years in Bargaining Unit: 2% Increase over Step 6	\$50.056	\$8,676	\$104,116
After 8 Years in Bargaining Unit: 4% Increase over Step 6	\$51.037	\$8,846	\$106,158
After 12 Years in Bargaining Unit: 6% Increase over Step 6	\$52.019	\$9,017	\$108,199

- 22.2 Employer will pay POST license fees for all licensed sergeants.
- 22.3 The EMPLOYER will pay to the person(s) assigned to the Administrative Sergeant position \$200.00 per month compensation.
- 22.4 Field Training Officer Supplemental Pay: Employees assigned in writing by the Employer to fulfill this assignment shall receive \$3.00 per hour over base pay while working in that capacity.

ARTICLE 23: WAIVER

23.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement are hereby superseded.

23.2 The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and LELS each voluntarily and unqualifiedly waive the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement even though such terms or conditions may not have been within the knowledge or contemplation of either or both of the parties at the time this Agreement was negotiated or executed.

ARTICLE 24: DURATION

Except as herein provided, this Agreement shall be in effect commencing January 1, 2021 and shall remain in full force and effect through and including December 31, 2021, and thereafter until modified or amended by mutual agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 1st day of Feb 2021, per resolution # 21-034

FOR THE CITY OF RAMSEY:

BY: Mark E. Kuzma
Mayor

1-26-2021
Date

ATTEST: [Signature]
City Administrator

2-2-2021
Date

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY: [Signature]
Richard Webb, Steward

2-1-2021
Date

BY: [Signature]
Mr. Rick Mathwig LELS, Business Agent

2-1-2021
Date

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY
AND
LAW ENFORCEMENT LABOR SERVICES - SERGEANTS

M.O.U. POST EMPLOYMENT HCSP

January 1, 2021 to December 31, 2021 as described below:

This Memorandum of Understanding is made between the City of Ramsey ("City") and Law Enforcement Labor Services ("Union.")

WHEREAS, the City and the Union are parties to a 2021 collective bargaining agreement; and

WHEREAS, Law Enforcement Labor Services Patrol Union employees are eligible to participate in the Minnesota Post Employment Health Care Savings Plan (HCSP) established under Minnesota Statutes, section 352.98 (Minn. Supp. 2001) and as outlined in the Minnesota State Retirement System's Trust and Plan Documents; and

WHEREAS, all funds collected by the employer (City of Ramsey) on the behalf of the employee will be deposited into the employee's post-employment health care savings plan account; and

WHEREAS, all LELS Sergeants have agreed to contribute an ongoing percent of pay and shall contribute 2% of gross pay effective January 1, 2021 through December 31, 2021; and

WHEREAS, employees will be responsible for the administrative fees.

THEREFORE, the parties met, negotiated and agreed upon the following:

Effective January 1, 2021 – December 31, 2021 Law Enforcement Labor Services Sergeants Union employees are eligible to participate in the Minnesota Post Employment Health Care Savings Plan (HCSP) established under Minnesota Statutes, section 352.98 (Minn. Supp. 2001) and as outlined in the Minnesota State Retirement System's Trust and Plan Documents. All funds collected by the employer (City of Ramsey) on the behalf of the employee will be deposited into the employee's post-employment health care savings plan account. All related fees will be paid by the employees. Employees have agreed to contribute an ongoing percent of pay as described below:

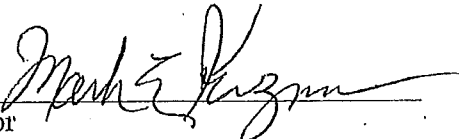
All employees shall contribute 2% of gross pay effective January 1, 2021 through December 31, 2021

This Memorandum of Understanding sunsets on December 31, 2021.

FOR THE CITY OF RAMSEY:

BY:

Mayor



Date

1-26-2021

ATTEST:

City Administrator



Date

2-2-2021

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY:

Rich Webb, Steward

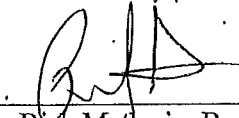


Date

2-1-2021

BY:

Rick Mathwig, Business Agent



Date

2-1-2021

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND LAW
ENFORCEMENT LABOR SERVICES - SERGEANTS**

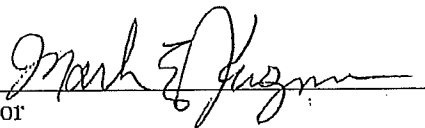
M.O.U.

INSURANCE

The City will make the following contributions toward group health insurance coverage for employees working 30 hours per week or more; as well as to purchase \$20,000 of basic life insurance for full-time regular employees working 30 hours per week.

- a. 2021 monthly health insurance contributions, including the health reimbursement or health savings account contributions as follows; Employee Only (Single) \$942.00 to \$1,034.50, Employee and Children at \$1,246.00, Employee and Spouse at \$1,300.30, and Family at \$1,603.80; and
- b. 2021 City payment toward the Waiver/Credit in lieu of Coverage will remain at \$370.00 per month.

FOR THE CITY OF RAMSEY:

BY: 

Mayor

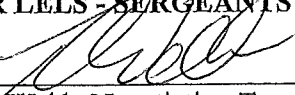
1-26-2021
Date

ATTEST: 

City Administrator

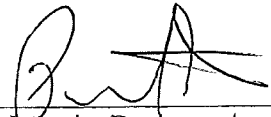
2-2-2021
Date

FOR LELS - SERGEANTS

BY: 

Rich Webb, Negotiating Team Member

2-1-2021
Date

BY: 

Rick Mathwig, Business Agent

2-1-2021
Date

AGREEMENT BETWEEN

CITY OF RAMSEY

AND

**LAW ENFORCEMENT LABOR SERVICES, INC.
(LOCAL # 408)**



LICENSED CAPTAINS

January 1, 2021– December 31, 2021

Prepared by Colleen Lasher, Administrative Services Director

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ARTICLE 1: PURPOSE OF AGREEMENT

THIS AGREEMENT is entered into between the CITY OF RAMSEY, hereinafter called the EMPLOYER, and LAW ENFORCEMENT LABOR SERVICES, INC., hereinafter called LELS.

It is the intent and purpose of this Agreement to:

- 1.1 Assure sound and mutually beneficial working and economic relationships between the parties hereto;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application; and
- 1.3 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.

The EMPLOYER and LELS, through this Agreement, shall continue their dedication to the highest quality of police service and protection to the residents of the City of Ramsey. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE 2: RECOGNITION

- 2.1 The EMPLOYER recognizes LELS as the exclusive representative for "All essential licensed Captains employed by the City of Ramsey Police Department, Ramsey, Minnesota, who are public employees within the meaning of Minn. Stat. 179A.03, subd. 14, excluding confidential and all other EMPLOYEES as determined by the Bureau of Mediation's Certification of Representation dated March 8, 2017.
- 2.2 In the event the EMPLOYER and LELS are unable to agree as to the inclusion or exclusion of a new or modified job class, the issue shall be submitted to the Bureau of Mediation Services for determination.

ARTICLE 3: DEFINITIONS

- 3.1 LELS. Law Enforcement Labor Services, Inc.
- 3.2 LELS Member. A member of Law Enforcement Labor Services, Inc
- 3.3 Employee. A member of the exclusively recognized bargaining unit.
- 3.4 Department. The Ramsey Police Department.
- 3.5 Employer. The City of Ramsey.

- 3.6 Chief. The Chief of the Ramsey Police Department.
- 3.7 LELS Officer. Officer elected or appointed by Law Enforcement Labor Services, Inc.
- 3.8 Strike. Concerted Action in failing to report for duty, the willful absence from one's position, the stoppage of work, slowdown or abstinence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions of compensation or the rights, privileges or obligations of employment.

ARTICLE 4: EMPLOYER AUTHORITY

- 4.1 EMPLOYER retains the full and unrestricted right to operate and manage all staff, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules and to perform any inherent managerial function not specifically limited by this Agreement.
- 4.2 Any term condition of employment not specifically established or modified by this Agreement shall remain solely within the discretion of the EMPLOYER to modify, establish or eliminate.

ARTICLE 5: UNION SECURITY

- 5.1 The EMPLOYER shall deduct from the wages of EMPLOYEES who authorize such a deduction in writing an amount necessary to cover monthly LELS dues. Such monies shall be remitted as directed by LELS, in writing to the EMPLOYER, the current amount of regular dues to be withheld.
- 5.2 LELS may designate no more than two EMPLOYEES from the bargaining unit to act as a representative and an alternate and shall inform the EMPLOYER in writing of such choice and changes in the position of representative and/or alternate.
- 5.3 The EMPLOYER shall make space available on the EMPLOYEE bulletin board for posting LELS notice(s) and announcement(s).
- 5.4 LELS agrees to indemnify and hold the EMPLOYER harmless against any and all claims, suits orders or judgments brought or issued against the EMPLOYER as a result of any action taken or not taken by the EMPLOYER under the provision of this ARTICLE.

ARTICLE 6: EMPLOYEE RIGHTS – GRIEVANCE PROCEDURE

- 6.1 Definition of a Grievance. A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

6.2 LELS Representatives. The EMPLOYER will recognize Representatives designated by LELS as the grievance representatives of the bargaining unit having the duties and responsibilities established by this ARTICLE. LELS shall notify the EMPLOYER in writing of the names of such LELS Representatives and of their successors when so designated as provided by Article 5.2 of this Agreement.

6.3 Processing of a Grievance. It is recognized and accepted by LELS and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the Employees and shall, therefore, be accomplished during normal working hours only when consistent with such Employee duties and responsibilities. The aggrieved Employee and a LELS Representative shall be allowed a reasonable amount of time without loss of pay when a grievance is investigated and presented to the Employer during normal working hours, provided that the Employee and the LELS representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

6.4 Procedure. Grievances, as defined by Article 6.1, shall be resolved in conformance with the following procedure:

Step 1. An EMPLOYEE claiming a violation concerning the interpretation or application of the Agreement shall, within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the EMPLOYEE'S direct supervisor as designated by the EMPLOYER. The EMPLOYER designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the EMPLOYER designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by LELS within ten (10) calendar days shall be considered waived.

Step 2. If appealed, the written grievance shall be presented by LELS and discussed with the Chief of Police or his/her designee, who is the designated Step 2 representative. The Chief of Police shall give LELS the EMPLOYER'S Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Chief of Police's final Step 2 answer. Any grievance not appealed in writing to Step 3 by LELS within ten (10) calendar days shall be considered waived.

Step 3. If appealed, the written grievance shall be presented by LELS and discussed with the Ramsey City Administrator or his/her designee who is the EMPLOYER'S designated Step 3 representative. The City Administrator shall give LELS the EMPLOYER'S answer in writing within ten (10) calendar days after receipt of such Step 3 grievance. A grievance not resolved in Step 3 may be appealed to Step

4 within ten (10) calendar days following the City Administrator's final answer in Step 3. Any grievance not appealed in writing to Step 4 by LELS within ten (10) calendar days shall be considered waived

Step 3A. A grievance unresolved in Step 2 and appealed to Step 3 by LELS may be submitted to mediation with the Minnesota Bureau of Mediation Services, subject to Public Employment Labor Relations Act (PELRA).

Step 4. A grievance unresolved in Step 3 or 3A and appealed to Step 4 by LELS shall be submitted to arbitration subject to the provisions of the PELRA as amended. The selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" as established by the Minnesota Bureau of Mediation Services.

6.5 Arbitrator's Authority

- A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to or subtract from the provisions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the EMPLOYER and LELS, and shall have no authority to make a decision on any other issue not so submitted.
- B. The arbitrator shall be without power to make decisions contrary to or inconsistent with or modifying or varying in any way the application of laws, rules or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the EMPLOYER and LELS and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.
- C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the EMPLOYER and LELS provided that each party shall be responsible for compensating its own representatives, attorneys, and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

- 6.6 Waiver. If a grievance is not presented within the time limits set forth above, it shall be considered waived. If a grievance is not appealed to the next step within the specified time limit or any agree extension thereof, it shall be considered settled on the basis of the EMPLOYER'S last answer. If the EMPLOYER does not answer a grievance or an appeal thereof within the specified time limits, LELS may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit

in each step may be extended by mutual written agreement of the EMPLOYER and LELS in each step.

- 6.7 Choice of Remedy. If, as a result of the written EMPLOYER response in Step 3, the grievance remains unresolved and if the grievance involves the suspension, demotion or discharge of any EMPLOYEE who has completed the required probationary period, the grievance may be appealed either by step 4 of ARTICLE 6 or a procedure such as: Veteran's Preference or Fair Employment. If appealed to any procedure other than Step 4 of ARTICLE 6, the grievance is not subject to the arbitration procedure as provided in Step 4 of ARTICLE 6. The aggrieved EMPLOYEE shall indicate in writing which procedure is to be utilized – Step 4 of ARTICLE 6 or another appeal procedure – and shall sign a statement to the effect that the choice of any other hearing precludes the aggrieved EMPLOYEE from making a subsequent appeal through step 4 of ARTICLE 6.

ARTICLE 7: SENIORITY

- 7.1 Seniority shall be determined by the EMPLOYEE'S time in grade and may be posted in an appropriate location. Seniority rosters shall be maintained by the Chief on the basis of time in grade and time within specific classifications.
- 7.2 All newly hired EMPLOYEES shall serve a one-year probationary period. All promoted or reassigned EMPLOYEES shall serve a six-month probationary period. During the one-year probationary period, a newly hired or rehired EMPLOYEE may be discharged at the sole discretion of the EMPLOYER. During the six-month probationary period, a promoted or reassigned EMPLOYEE may be replaced in the EMPLOYEE'S previous position at the sole discretion of the EMPLOYER.
- 7.3 A reduction of work force will be accomplished on the basis of seniority. EMPLOYEES shall be recalled from layoff on the basis of seniority. An EMPLOYEE on layoff shall have an opportunity to return to work within two (2) years of the time of the EMPLOYEE'S layoff before any new EMPLOYEE is hired.

ARTICLE 8: DISCIPLINE

- 8.1 The EMPLOYER will discipline EMPLOYEES for just cause only. Discipline will be in one or more of the following forms.
- a) Oral reprimand;
 - b) Written reprimand;
 - c) Suspension;
 - d) Demotion; or
 - e) Discharge

- 8.2 Disciplinary actions need not be taken in the order indicated in this Article. Suspensions, demotions and discharges will be in written form.
- 8.3 Written reprimands, notices of suspension, notices of demotion, and notices of discharge which are to become part of an EMPLOYEE's personnel file shall be read and acknowledged by signature of the EMPLOYEE. EMPLOYEES and LELS shall receive a copy of such reprimands and/or notices.
- 8.4 EMPLOYEES may examine their own individual personnel files at reasonable times under the direct supervision of the EMPLOYER.
- 8.5 A five (5) day (regularly scheduled consecutive work days) suspension, without pay, will precede any discharge order, except for those employees who are defined as Veterans pursuant to Minnesota Statutes Annotated 197.46.
- 8.6 An EMPLOYEE will not be questioned concerning an investigation of disciplinary action against that EMPLOYEE unless said EMPLOYEE has been given an opportunity to have an LELS representative present at such questioning.
- 8.7 Grievances relating to this ARTICLE shall be initiated by LELS in Step 3 of the grievance procedure under ARTICLE 6.

ARTICLE 9: WORK SCHEDULES

- 9.1 The normal work year for full-time EMPLOYEES shall consist of the number of Monday through Friday days in each calendar year multiplied by eight (8) hours. These hours are to be accounted for by each EMPLOYEE through:
- a) Scheduled hours of work;
 - b) Scheduled department meetings;
 - c) Holidays;
 - d) Authorized training;
 - e) Authorized leave time
- 9.2 Nothing contained in this or any other ARTICLE shall be interpreted to be a guarantee of a minimum or maximum number of hours the EMPLOYER may assign EMPLOYEES.

ARTICLE 10: VACATION

Full-Time Captains Vacation Accrual Schedule		
Effective Date	Bi-weekly Accrual Rate	Vacation Days/Year
Start date	4.62 hours/pay period	15 days
6 th Anniversary	5.54 hours/pay period	18 days
8 th Anniversary	5.85 hours/pay period	19 days
10 th Anniversary	6.15 hours/pay period	20 days
12 th Anniversary	6.46 hours/pay period	21 days
16 th Anniversary	6.77 hours/pay period	22 days
17 th Anniversary	7.08 hours/pay period	23 days
18 th Anniversary	7.38 hours/pay period	24 days
19 th Anniversary	7.69 hours/pay period	25 days

For the purpose of accumulating additional vacation, an EMPLOYEE using paid holidays, earned vacation leave or sick leave is considered to be working.

- 10.1 An EMPLOYEE'S accrued or "banked" vacation leave must be equal to or less than two times the yearly accrual by December 31st of each year; any accruals exceeding this amount will be forfeited.
- 10.2 Vacation leave may be used as earned subject to approval by the department head at the time at which it may be taken.
- 10.3 Any EMPLOYEE leaving the EMPLOYER's service in good standing after giving at least fourteen (14) calendar days' notice of such termination of employment shall be compensated for vacation leave accrued and unused to the date of separation. Upon separation pursuant to this Section, 100% of this compensation shall be deposited into the EMPLOYEE'S post-employment healthcare savings plan.

ARTICLE 11: SICK LEAVE

- 11.1 Every probationary and regular EMPLOYEE is entitled to sick leave with pay at the rate of eight hours for each calendar month of full-time service. Sick leave may be accumulated to a maximum of 960 hours and may be granted in units of not less than 2 hours. Unused sick leave in excess of 960 hours at the end of a calendar year (January 1st) shall be deposited into the health care savings plan (HCSP) at the EMPLOYEE'S

current hourly rate at a two to one ratio (50%) of sick leave in excess of 960 hours, subject to Article 14.1.

11.2 Sick leave may be granted by the EMPLOYEE'S Department Head when the EMPLOYEE is unable to perform work duties due to illness, disability, the necessity for medical, dental or chiropractic care, childbirth or exposure to contagious disease where such exposure may endanger the health of others with whom the EMPLOYEE could come in contact in the course of performing work duties. Sick leave may also be authorized when the EMPLOYEE'S presence is necessary; for actual illness, injury, legal quarantine or medical treatment in the EMPLOYEE'S immediate family. Immediate family, for the purposes of this Article, shall be defined as spouse, parent, step parent, children, step children, brother, sister, grandparents, grandchildren or a like member of the EMPLOYEE'S spouse's family; and for any person or persons for whom sick time can be used to provide care under applicable state and federal statutes. The EMPLOYEE shall, when taking sick leave, make sure that the department duty schedule is adjusted as to maintain the department's minimal coverage requirements during the time the EMPLOYEE is on sick leave.

11.3 EMPLOYEES are allowed funeral leave up to 24 hours twice annually per occurrence (a maximum of 48 hours annually) for a death in the immediate family. For purposes of this Section, the term immediate family is defined as an EMPLOYEE's spouse, parent, step-parent, child, step-child, brother, sister, grandparent, grandchild, or a like member of the EMPLOYEE'S spouse's family as defined under Article 15.2. That time is not chargeable against any accrued vacation or sick leave. Funeral leave must be taken within five (5) calendar days from start to finish per occurrence. Additional funeral leave may be taken (with prior approval from a supervisor) and is deductible from sick leave (up to three (3) consecutive days), vacation or compensatory time as the EMPLOYEE may choose and have available.

11.4 To be eligible for sick leave with pay, an EMPLOYEE shall:

- 1) report as soon as possible to the EMPLOYEE'S immediate supervisor the reason for the absence;
- 2) keep the EMPLOYEE'S immediate supervisor informed of such EMPLOYEE'S condition;
- 3) for any absence that exceeds three (3) consecutive days, upon the EMPLOYEE'S return to work, submit a medical certificate from a physician 1) when the nature of the illness warranted being seen by a health care professional or 2) at a minimum, the EMPLOYEE must submit his or her own written documentation with a brief explanation of the nature of the absences;
- 4) if requested by the City Administrator or the Chief of Police, submit a medical certificate from a physician for absence.

11.5 Using or claiming sick leave for a purpose not authorized by Article 15.2 shall be cause for disciplinary action.

- 11.6 For the purpose of accumulating additional sick leave, an EMPLOYEE using paid holidays, earned vacation leave or sick leave is considered to be working.
- 11.7 Upon voluntary separation, 100% of any eligible unused sick leave is to be deposited into EMPLOYEE'S post-employment healthcare savings plan. Upon termination of employment with the EMPLOYER, eligible sick leave is based upon thirty-three percent (33%) of said EMPLOYEE'S unused accumulated sick leave after five (5) years of continuous employment. Severance pay shall not be available in any sum to an EMPLOYEE if that EMPLOYEE is discharged for just cause; severance pay shall not be paid if an EMPLOYEE voluntarily terminates his or her employment prior to five (5) years of continuous employment service; or the EMPLOYEE voluntarily terminates his or her employment without giving the EMPLOYER fourteen (14) days written notice. After fifteen (15) years of continuous employment service, the EMPLOYEE will receive thirty-five percent (35%) of said EMPLOYEE'S unused, accumulated sick leave. After twenty (20) years of continuous employment service, the EMPLOYEE will receive thirty-seven percent (37%) of unused, accumulated sick leave. After twenty-five (25) years of continuous employment service the EMPLOYEE will receive forty percent (40%) of said EMPLOYEE'S unused, accumulated sick leave.

ARTICLE 12: INJURY ON DUTY (IOD)

- 12.1 EMPLOYEES injured during the performance of their duties for the EMPLOYER and thereby rendered unable to work for the EMPLOYER will be paid the difference between the EMPLOYEE'S regular pay and Worker's Compensation insurance payments for a period not to exceed ninety (90) working days per injury, not charged to the EMPLOYEE'S vacation, sick leave or other accumulated paid benefits, after a three (3) working day initial waiting period per injury. The three (3) working day waiting period shall be charged to the EMPLOYEE'S sick leave account less Worker's Compensation insurance payments. In the event that the three (3) day working waiting period is waived by the Worker's Compensation carrier, IOD pay will begin immediately. EMPLOYEES drawing Worker's Compensation benefits will not receive supplementary IOD pay or sick leave pay, which provides for more after-tax pay than the EMPLOYEE made while working.

ARTICLE 13: HOLIDAYS

- 13.1 The following twelve (12) days are recognized as holidays:

New Year's Day
Martin Luther King's Day
President's Day
Memorial Day
Independence Day (4th of July)
Labor Day
Veteran's Day
Thanksgiving Day

Day after Thanksgiving
Christmas Eve Day
Christmas Day
Eight Hour Floating Holiday (to be used Jan 1 to Dec. 31)

EMPLOYEES are entitled to time-off with full pay on holidays. When New Year's Day, Independence Day, Veteran's Day, Christmas Eve or Christmas Day falls on Sunday, the following Monday is considered the paid holiday and if any such day falls on Saturday, the preceding Friday is considered the paid holiday.

ARTICLE 14 FITNESS-ON-DUTY

- 14.1 The purpose of this Article is to give each Officer the option to exercise while on duty. This is a voluntary Fitness-on-Duty program which provides an opportunity for EMPLOYEES engaged in stressful and somewhat sedentary jobs an opportunity to: 1) Improve job performance, 2) Reduce health risks, 3) Reduce job-related injuries, 4) Reduce absenteeism, and 5) Improve overall fitness.
- 14.2 This program is subject to the following terms and conditions: The EMPLOYEE will be given the option to work out 1 hour per shift. The average should not exceed 6 hours of workout time over 2 weeks.
- 14.3 All participants will adhere to the department Physical Fitness Program policy.

ARTICLE 15: INSURANCE

- 15.1 The EMPLOYER shall contribute to EMPLOYEE health and life insurance as stated in the attached Memorandum of Understanding.
- 15.2 The EMPLOYER, effective January 1, 2018, agrees to contribute the dollar value equivalent to the cost of the monthly EMPLOYEE only dental premium as established by the EMPLOYER. Credit in lieu of coverage will not be granted.

ARTICLE 16: CLOTHING, UNIFORMS AND VEHICLE

- 16.1 The EMPLOYER shall provide uniforms (including boots) and equipment and provide for the replacement of same as outlined by department policy.
- 16.2 The EMPLOYER shall provide take-home vehicles to the members of the bargaining unit. EMPLOYEES shall follow the EMPLOYER'S department policies regarding take-home vehicle use. Any changes to these policies will be negotiated.

ARTICLE 17: SAVINGS CLAUSE

- 17.1 This Agreement is subject to the laws of the United States, the State of Minnesota and the City of Ramsey. In the event any provision of this Agreement shall be held contrary to law by a court of competent jurisdiction from whose final judgment or decree no

appeal has been taken within the time provided, such provisions shall be voided. All other provisions of this Agreement shall continue in full force and effect. The voided provisions shall be renegotiated at the written request of either party.

ARTICLE 18: SALARIES

18.1 The EMPLOYEES' wages payable during the term of this Agreement shall be as follows:

2021 Wages

As a result of a Cost of Living Adjustment, wages will increase by 2.75% over the 2020 wage scale. The following salaries are calculated for January 1, 2021 through December 31, 2021 adding 2.75% to December 31, 2020 wages effective on January 1, 2021.

In addition to being paid pursuant to the following wage grid, each Employee shall be paid a one-time, off-schedule payment of \$1,450 to be paid by January 31, 2021.

Police Captain	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
2021 Wages	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
	44.909	47.154	49.400	51.645	53.890	56.136

18.2 EMPLOYEES; working outside of their regularly assigned duties will be entitled to overtime pay at time and one-half (1 ½) their regular rate of pay. In addition to working outside of their regularly assigned duties, EMPLOYEES are also entitled to overtime pay for working events where an outside funding source pays for the EMPLOYEES' wages. Examples include, but are not limited to, State funded safe and sober shifts:

18.3 EMPLOYEES will earn longevity pay as follows:

Effective January 1, 2021
Longevity Pay: After 5 Years in Bargaining Unit: 2% Increase over Step 6
Longevity Pay: After 8 Years in Bargaining Unit: 4% increase over Step 6
Longevity Pay: After 12 Years in Bargaining Unit: 6 % increase over Step 6
Longevity Pay: After 16 Years in Bargaining Unit: 8% increase over Step 6

- 18.4 EMPLOYEE will contribute the following amounts of gross pay to the EMPLOYEE'S individual Post Employment Health Care Savings Account (HCSP):

2% of gross pay to HCSP until 5 years prior to normal retirement age (55), at which time ongoing contributions will be 4% of salary.

- 18.5 EMPLOYER will pay POST license fees for all licensed Captains.
- 18.6 EMPLOYER will reimburse EMPLOYEE for annual Minnesota Police and Peace Officers Association and Legal Defense Fund in the amount of \$204.00 per year.

ARTICLE 19: WAIVER

- 19.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment to the extent inconsistent with the provisions of this Agreement are hereby superseded.
- 19.2 The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any term or condition of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The EMPLOYER and LELS each voluntarily and unqualifiedly waive the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement even though such terms or conditions may not have been within the knowledge or contemplation of either or both of the parties at the time this Agreement was negotiated or executed.

ARTICLE 20: DURATION

Except as herein provided, this Agreement shall be in effect commencing January 1, 2021 and shall remain in full force and effect through and including December 31, 2021, and thereafter until modified or amended by mutual agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 2nd day of Feb. 2020 ; per resolution 20-316.

FOR THE CITY OF RAMSEY:

BY: John De Luca
Mayor

12-20-2020
Date

ATTEST: [Signature]
City Administrator

2-2-2021
Date

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY: Brad Bluml
Brad Bluml, Steward

1-11-2021
Date

BY: Tim Frankfurth
Tim Frankfurth, Steward

1/11/2021
Date

BY: J. Mabin
Jessica Mabin LELS, Business Agent

1/11/2021
Date

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND LAW
ENFORCEMENT LABOR SERVICES -CAPTAINS**

M.O.U. INSURANCE

January 1, 2021 to December 31, 2021 as described below:

1) City total monthly contributions for 2021 health insurance, as follows:

The employer will make the following contributions toward group health insurance coverage for employees enrolled in the City's health plan during 2021. In addition, the City will purchase \$20,000 of basic life insurance for full-time regular employees.

The City's monthly contribution to health insurance in 2021, including the contribution to the health insurance premium and the H.R.A./V.E.B.A. or H.S.A. (total city contribution per month) are listed below.

Total Monthly City Contributions

- Employee only (single) City contribution from: \$949.00 to \$1034.50
- Employee and Children City contribution: \$1246.00
- Employee and Spouse City contribution: \$1300.30
- Family City contribution: \$1603.80

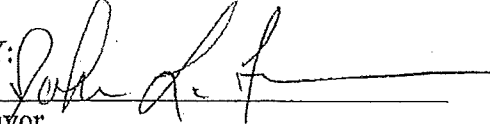
Total monthly city contributions listed above include the H.R.A./V.E.B.A. or H.S.A. shown below, as follows:

- Single plans with a \$4000 deductible receive \$194.00 per month toward the H.R.A./V.E.B.A. or H.S.A.
- Other single plans receive \$130.00 per month toward the H.R.A./V.E.B.A. or H.S.A.
- All employee + children and employee + spouse plans will receive \$160.00 per month toward the H.R.A./V.E.B.A. or H.S.A.
- All family plans will receive \$192.00 per month toward the H.R.A./V.E.B.A. or H.S.A.

Or

Provide cash in lieu of City's insurance contribution of \$370 per month in 2021. Employees receiving the waiving benefit prior to 2013 will continue to be grandfathered in to the waiving benefit. Other employees to the program are subject to the following terms: Employee must show proof of other coverage and agrees to the terms of the waiving benefit as described within the City's policy, signing the acknowledgement form

FOR THE CITY OF RAMSEY:

BY: 
Mayor

12-20-2020
Date

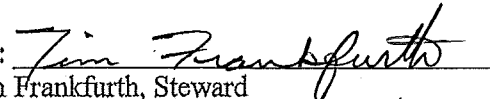
ATTEST: 
City Administrator

2-2-2021
Date

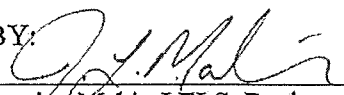
FOR LELS - CAPTAINS

BY: 
Brad Bluml, Steward

1-11-2021
Date

BY: 
Tim Frankfurth, Steward

1/17/2021
Date

BY: 
Jessica Mabin LELS, Business Agent

1/11/2021
Date

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RAMSEY AND LAW
ENFORCEMENT LABOR SERVICES - CAPTAINS**

M.O.U. CRITICAL INCIDENT COUNSELING SERVICES

January 1, 2021 to December 31, 2021 as described below:

This agreement is made between the City of Ramsey ("City") and Law Enforcement Labor Services Local 408 - Captains ("Union"). The City and the Union are hereinafter referred to collectively as the "parties," and individually as a "party."

WHEREAS, it is in the City's interest to provide counseling services to police officers involved in "critical incidents," as described herein; and

WHEREAS, the Union is amenable to allowing the City to provide such counseling.

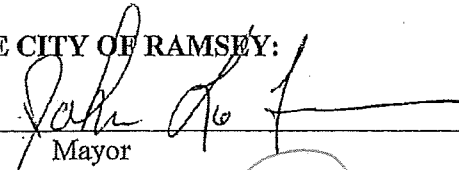
THEREFORE, the parties met, negotiated, and agreed upon the following:

1. **Definition.** For purposes of this agreement, a peace officer is involved in a "critical incident" if the officer's on-duty conduct leads to any event that has a stressful impact sufficient enough to overwhelm the usually effective coping skills of an individual. "Critical incidents" are abrupt, powerful events that fall outside the range of ordinary human experiences.
2. **Counseling Services.** The City, at its discretion, may contract with an outside entity or individual to provide grief or trauma counseling services to any officer involved in a critical incident. The City's provision of such services is subject to the following provisions.
 - A. The Officer may select the outside individual or entity responsible for providing services pursuant to this agreement. The individual or entity must be a recognized counseling business.
 - B. The City will only offer counseling services to an officer involved in a critical incident if it determines that such services would improve the officer's ability to perform his or her job duties.

- C. The City will not offer counseling services to any officer involved in a critical incident if the City's Workers Compensation provider agrees to pay for mental health services arising out of the same critical incident.
- D. All counseling services offered pursuant to this agreement must be utilized within two years of an officer's involvement in a critical incident.
- E. The officer may attend counseling appointments while on-duty, without using accrued paid leave time.
3. **Financial Limitations.** The City will pay up to a maximum of \$2,500 towards any counseling service for an individual officer involved in a critical incident. If an individual officer chooses to receive additional counseling, that officer is responsible for paying for such counseling.
4. **Authorization Required.** As a condition of receiving counseling services pursuant to this agreement, an officer must bring a signed note from the counselor to inform the City's Human Resources Manager of the date and time the officer received such services.
5. **Relationship with Counselor.** It is the parties' intention that any officer who seeks counseling services pursuant to this Agreement will be considered to be the patient or the client of the individual or entity selected to provide those services, regardless of the City's financial contribution towards the cost of such services.
6. **Data Privacy.** All data collected, created, received, maintained, or disseminated by the City pursuant to this Agreement shall be classified pursuant to the Minnesota Government Data Practices Act. The City acknowledges and agrees that, to the extent that it provides data to the individual or entity selected to provide counseling services, its contract with such individual or entity is governed by Minnesota Statutes, section 13.05, subdivision 6.

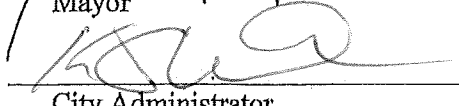
FOR THE CITY OF RAMSEY:

BY:


Mayor

12-28-2020
Date

ATTEST:


City Administrator

2-2-2021
Date

FOR LAW ENFORCEMENT LABOR SERVICES, INC.

BY: Brad Bluml
Brad Bluml, Steward

1-11-2021
Date

BY: Tim Frankfurth
Tim Frankfurth, Steward

1/11/2021
Date

BY: Jessica Mabin
Jessica Mabin LELS, Business Agent

1/11/2021
Date

CHAPTER 179

LABOR RELATIONS

	MINNESOTA LABOR RELATIONS ACT	179.257	APPLICATION.
179.01	DEFINITIONS; MINNESOTA LABOR RELATIONS ACT.		CERTAIN REPRESENTATION DISPUTES; STRIKES, BOYCOTTS PROHIBITED
179.02	BUREAU OF MEDIATION SERVICES.	179.26	DEFINITIONS; CERTAIN REPRESENTATION DISPUTES.
179.03	POLITICAL ACTIVITIES FORBIDDEN.	179.27	STRIKES OR BOYCOTTS PROHIBITED.
179.04	EXPENSES; FEES.	179.28	RECOVERY FOR TORT.
179.06	COLLECTIVE BARGAINING AGREEMENTS.	179.29	DISTRICT COURT HAS JURISDICTION.
179.07	LABOR DISPUTE AFFECTING PUBLIC INTERESTS; PROCEDURE.		HOSPITALS; STRIKES PROHIBITED, COMPULSORY ARBITRATION REQUIRED
179.08	POWERS OF COMMISSION APPOINTED BY COMMISSIONER.	179.35	DEFINITIONS; HOSPITAL NO STRIKE AND ARBITRATION ACT.
179.083	JURISDICTIONAL CONTROVERSIES.	179.36	STRIKES PROHIBITED.
179.09	ARBITRATION.	179.37	LOCKOUTS PROHIBITED.
179.10	JOINING LABOR ORGANIZATIONS; UNITING FOR COLLECTIVE BARGAINING.	179.38	ARBITRATION MANDATORY.
179.11	UNFAIR LABOR PRACTICES BY EMPLOYEES.	179.39	SECTIONS NOT APPLICABLE.
179.12	EMPLOYERS' UNFAIR LABOR PRACTICES.		SECONDARY BOYCOTTS PROHIBITED
179.121	OPERATION OF VEHICLE WHERE DISPUTE IS IN PROGRESS.	179.40	SECONDARY BOYCOTT; DECLARATION OF POLICY.
179.13	INTERFERENCES WHICH ARE UNLAWFUL.	179.41	SECONDARY BOYCOTT DEFINED.
179.135	PROTECTION OF COLLECTIVE BARGAINING AGREEMENTS.	179.42	UNLAWFUL ACT AND UNFAIR LABOR PRACTICE.
179.14	INJUNCTIONS; TEMPORARY RESTRAINING ORDERS.	179.43	ILLEGAL COMBINATION; VIOLATION OF PUBLIC POLICY.
179.15	VIOLATORS NOT ENTITLED TO BENEFITS OF CERTAIN SECTIONS.	179.44	UNFAIR LABOR PRACTICE.
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179.17	CITATION, LABOR RELATIONS ACT.	179.46	LIMITATIONS; FEDERAL ACT.
	MINNESOTA LABOR UNION DEMOCRACY ACT	179.47	CONSTRUCTION OF SECTIONS 179.40 TO 179.47.
179.18	DEFINITIONS; MINNESOTA LABOR UNION DEMOCRACY ACT.		PROHIBITING COERCION OF EMPLOYEE
179.19	ELECTION OF OFFICERS OF LABOR ORGANIZATION.	179.60	INTERFERING WITH EMPLOYEE OR MEMBERSHIP IN UNION.
179.20	NOTICE OF ELECTIONS GIVEN.		LABOR-MANAGEMENT COMMITTEE GRANT PROGRAM
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179.231	VIOLATIONS.	179.83	ACTION ON APPLICATION.
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179.254	CONSTRUCTION WORKERS INSURANCE BENEFIT FUNDS; DEFINITIONS.	179.85	FUNDING LIMITATIONS.
179.255	PAYMENTS INTO HOME BENEFIT FUND.		PACKINGHOUSE WORKERS BILL OF RIGHTS
179.256	NOTIFICATION.	179.86	PACKINGHOUSE WORKERS BILL OF RIGHTS.
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MINNESOTA LABOR RELATIONS ACT**179.01 DEFINITIONS; MINNESOTA LABOR RELATIONS ACT.**

Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of sections 179.01 to 179.17, shall be given the meanings subjoined to them.

Subd. 2. **Person.** "Person" includes individuals, partnerships, associations, corporations, trustees, and receivers.

Subd. 3. **Employer.** "Employer" includes all persons employing others and all persons acting in the interest of an employer, but does not include the state, or any political or governmental subdivision thereof, nor any person subject to the Federal Railway Labor Act, as amended from time to time, nor the state or any political or governmental subdivision thereof except when used in section 179.13.

Subd. 4. **Employee.** "Employee" includes, in addition to the accepted definition of the word, any employee whose work has ceased because of any unfair labor practice, as defined in section 179.12, on the part of the employer or because of any current labor dispute and who has not obtained other regular and substantially equivalent employment, but does not include any individuals employed in agricultural labor or by a parent or spouse or in domestic service of any person at the person's own home.

Subd. 5. **Representative of employees.** "Representative of employees" means a labor organization or one or more individuals selected by a group of employees as provided in section 179.16.

Subd. 6. **Labor organization.** "Labor organization" means any organization of employees which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances or terms or conditions of employment.

Subd. 7. **Labor dispute.** "Labor dispute" includes any controversy concerning employment, tenure or conditions or terms of employment or concerning the association or right of representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms, tenure, or other conditions of employment, regardless of whether or not the relationship of employer and employee exists as to the disputants.

Subd. 8. **Strike.** "Strike" means the temporary stoppage of work by the concerted action of two or more employees as a result of a labor dispute.

Subd. 9. **Lockout.** "Lockout" is the refusal of the employer to furnish work to employees as a result of a labor dispute.

Subd. 10. **Commission.** "Commission" means the commission of three members which may be appointed by the governor to conduct hearings under this chapter.

Subd. 11. **Unfair labor practice.** "Unfair labor practice" means an unfair labor practice defined in sections 179.11 and 179.12.

Subd. 12. **Competent evidence.** "Competent evidence" means evidence admissible in a court of equity and such other evidence other than hearsay as is relevant and material to the issue and is of such character that it would be accepted by reasonable persons as worthy of belief.

Subd. 13. **Agricultural products.** "Agricultural products" includes, but is not restricted to, horticultural, viticultural, dairy, livestock, poultry, bee, and any farm products.

Subd. 14. **Processor.** "Processor" means the person who first processes or prepares agricultural products, or manufactures products therefrom, for sale after receipt thereof from the producer.

Subd. 15. **Marketing organization.** "Marketing organization" means any organization of producers or processors organized to engage in any activity in connection with the marketing or selling of agricultural products or with the harvesting, preserving, drying, processing, canning, packing, grading, storing, handling, shipping or utilization thereof, or the manufacturing or marketing of the by-products thereof, or in connection with the manufacturing, selling or supply of machinery, equipment, or supplies for their members or patrons.

Subd. 16. **Professional strikebreaker.** "Professional strikebreaker" means any person who:

(a) makes an offer to an employer at whose place of business a labor dispute is presently in progress to work as a replacement for an employee or employees involved in such labor dispute; and

(b) during a period of five years immediately preceding such offer, has, on more than one occasion, made an offer to employers to work as a temporary employee to personally replace employees involved in labor disputes. For the purposes of this subdivision, "work" shall mean the rendering of services for wages or other consideration. For the purposes of this subdivision, "offer" shall include arrangements made for or on behalf of employers by any person.

History: (4254-21) 1939 c 440 s 1; 1943 c 624 s 1,5; 1973 c 149 s 1; 1986 c 444

179.02 BUREAU OF MEDIATION SERVICES.

Subdivision 1. **Establishment.** There is established a Bureau of Mediation Services under the supervision and control of a commissioner. The commissioner shall be appointed by the governor under the provisions of section 15.06.

Subd. 2. **Special mediators.** The commissioner may, from time to time, appoint special mediators to aid in the settlement of particular labor disputes or controversies who shall have the same power and authority as the commissioner with respect to such dispute and such appointment shall be for the duration only of the particular dispute. Such special mediators shall be paid a per diem allowance as determined by the commissioner, while so engaged and their necessary expenses.

Subd. 3. **Rules.** The commissioner shall adopt rules to govern proceedings before the commissioner under the provisions of this chapter.

Subd. 4. **Roster of arbitrators.** The commissioner shall maintain a roster of persons suited and qualified by training and experience to act as arbitrators of labor disputes and shall provide parties to a labor dispute with the names of persons on the roster upon written request. The commissioner shall adopt rules governing appointments to, removals from, and administration of this roster.

Subd. 5. **Labor-management committees.** The commissioner may provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between unions and employers at area, industry, or work-site levels.

Subd. 6. **Receipt of gifts, money; appropriation.** (a) The commissioner may apply for, accept, and disburse gifts, bequests, grants, or payments for services from the United States, the state, private foundations, or any other source.

(b) Money received by the commissioner under this subdivision must be deposited in a separate account in the state treasury and invested by the State Board of Investment. The amount deposited, including investment earnings, is appropriated to the commissioner to carry out duties of the commissioner.

(c) The commissioner must post and maintain, on the Bureau of Mediation Services website, a list of the sources of funds and amounts received under this subdivision.

History: (4254-22) 1939 c 440 s 2; 1949 c 739 s 14; 1951 c 713 s 17; 1969 c 1129 art 2 s 1; 1977 c 305 s 25; 1987 c 45 s 1,2; 1987 c 186 s 15; 1989 c 255 s 1; 1990 c 546 s 1; 1999 c 221 s 4; 2014 c 312 art 3 s 8

179.03 POLITICAL ACTIVITIES FORBIDDEN.

Any mediator, under the provisions of sections 179.01 to 179.17, who exerts personal influence, directly or indirectly, to induce any other person to adopt the mediator's political views, or to favor any particular candidate for office, or to contribute funds for political purposes shall forthwith be removed from office or position by the appointing authority; provided, that before removal the commissioner of mediation services shall be entitled to a hearing before the governor, and any other employee shall be entitled to a similar hearing before the commissioner of mediation services.

History: (4254-23) 1939 c 440 s 3; 1969 c 1129 art 2 s 2; 1974 c 139 s 1; 1986 c 444; 1987 c 186 s 15

179.04 EXPENSES; FEES.

Subdivision 1. **Travel and other expenses.** The commissioner of mediation services and employees, or any special mediator, shall be paid their actual and necessary traveling and other expenses incurred in the performance of their duties. Vouchers for such expenses shall be itemized and sworn to by the person incurring the expense.

Subd. 2. **Seminar and workshop fees.** The commissioner shall charge a fee to each participant at a labor relations education seminar or workshop so that all expenditures except salaries of bureau employees are reimbursed at least 100 percent. Receipts shall be credited to the general fund.

History: (4254-24) 1939 c 440 s 4; 1969 c 1129 art 2 s 3; 1979 c 333 s 89; 1986 c 444; 1987 c 186 s 15

179.05 [Repealed, 1987 c 45 s 9]

179.06 COLLECTIVE BARGAINING AGREEMENTS.

Subdivision 1. **Notices.** When any employee, employees, or representative of employees, or labor organization shall desire to negotiate a collective bargaining agreement, or make any change in any existing agreement, or shall desire any changes in the rates of pay, rules or working conditions in any place of employment, it shall give written notice to the employer of its demand, which notice shall follow the employer if the place of employment is changed, and it shall thereupon be the duty of the employer and the representative of employee or labor organization to endeavor in good faith to reach an agreement respecting such demand. An employer shall give a like notice to employees, representative, or labor organizations of any intended change in any existing agreement. If no agreement is reached at the expiration of ten days after service of such notice, any employees, representative, labor organization, or employer may at any time thereafter petition the commissioner of mediation services to take jurisdiction of the dispute and it shall be unlawful for any labor organization or representative to institute or aid in the conduct of a strike or for an employer to institute a lockout, unless such petition has been served by the party taking such action upon the commissioner and the other parties to the labor dispute at least ten days before the strike or lockout becomes effective. Unless the strike or lockout is commenced within 90 days from the date of service of the petition upon the commissioner, it shall be unlawful for any of the parties to institute or aid in the conduct of a strike or lockout without serving a new petition in the manner prescribed for the service of the original petition,

provided that the 90-day period may be extended by written agreement of the parties filed with the commissioner.

A petition by the employer shall be signed by the employer or a duly authorized officer or agent; and a petition by the employees shall be signed by their representative or its officers, or by the committee selected to negotiate with the employer. In either case the petition shall be served by delivering it to the commissioner in person or by sending it by certified mail addressed to the commissioner at the commissioner's office. The petition shall state briefly the nature of the dispute and the demands of the party who serves it. Upon receipt of a petition, the commissioner shall fix a time and place for a conference with the parties to the labor dispute upon the issues involved in the dispute, and shall then take whatever steps the commissioner deems most expedient to bring about a settlement of the dispute, including assisting in negotiating and drafting a settlement agreement. It shall be the duty of all parties to a labor dispute to respond to the summons of the commissioner for joint or several conferences with the commissioner and to continue in such conference until excused by the commissioner, not beyond the ten-day period heretofore prescribed except by mutual consent of the parties.

[See Note.]

Subd. 2. Commissioner, powers and duties. The commissioner may at the request of either party to a labor dispute render assistance in settling the dispute without the necessity of filing the formal petition referred to in subdivision 1. If the commissioner takes jurisdiction of the dispute as a result of such a request, the commissioner shall then proceed as provided in subdivision 1.

History: (4254-26) 1939 c 440 s 6; 1941 c 469 s 1; 1955 c 837 s 1; 1969 c 1129 art 2 s 5; 1986 c 444; 1987 c 186 s 15

NOTE: The part of subdivision 1 that prohibits a strike or a lockout until ten days after service of a petition to the commissioner of mediation services was preempted under federal law by *Faribault Daily News, Inc. v. International Typographical Union*, 53 N.W.2d 36 (Minn. 1952).

179.07 LABOR DISPUTE AFFECTING PUBLIC INTERESTS; PROCEDURE.

If the dispute is in any industry, business, or institution affected with a public interest, which includes, but is not restricted to, any industry, business, or institution engaged in supplying the necessities of life, safety, or health, so that a temporary suspension of its operation would endanger the life, safety, health, or well-being of a substantial number of people of any community, the provisions of section 179.06 shall apply. The commissioner may appoint a fact finding commission composed of three members to conduct a hearing and make a report on the issues involved and the merits of the respective contentions of the parties to the dispute. If the commissioner decides to appoint a commission, the commissioner shall immediately notify the parties to the labor dispute. The members of such commission shall on account of vocations, employment, or affiliations be representatives of employees, employers, and the public, respectively. If and when the commissioner notifies the parties of the decision to appoint a commission, neither party to the dispute shall make any change in the situation affecting the dispute and no strike or lockout shall be instituted until 30 days after the commissioner's notification to the parties. If the commissioner fails to appoint a commission within five days after notification to the parties, this limitation on the parties shall be suspended and inoperative. If the commissioner thereafter appoints a commission, no strike or lockout having been instituted in the meantime, the limitation shall again become operative, but in no case for more than the original 30-day period. The 30-day period may be extended by stipulation of the parties to the labor dispute, which shall be filed with the commissioner. The commission shall meet within five days of its appointment by the commissioner and conduct the hearings which are necessary to render its report on the issues involved and

merits of the contentions of the parties. The report of the commission shall be filed with the commissioner not less than five days prior to the end of the 30-day period set forth above or any extension thereof. The commissioner shall provide copies of the report to the parties to the dispute and may make the report public.

History: (4254-27) 1939 c 440 s 7; 1941 c 469 s 2; 1969 c 1129 art 2 s 6; 1986 c 444; 1987 c 45 s 3; 1987 c 186 s 15

179.08 POWERS OF COMMISSION APPOINTED BY COMMISSIONER.

(a) The commission appointed by the commissioner pursuant to the provisions of section 179.07 shall have the power to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence which relates to any matter involved in any such hearing, and may by its chair administer oaths and affirmations, and may examine witnesses. Such attendance of witnesses and the production of such evidence may be required from any place in the state at any designated place of hearing, but whenever practical hearings shall be held in a county where the labor dispute has arisen or exists.

(b) In case of contumacy or refusal to obey a subpoena issued under paragraph (a), the district court of the state for the county where the proceeding is pending or in which the person guilty of such contumacy or refusal to obey is found, or resides, or transacts business, or application by the commission shall have jurisdiction to issue to such person an order requiring such person to appear before the commission, there to produce evidence as so ordered, or there to give testimony touching the matter under investigation or in question, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

(c) Any party to or party affected by the dispute may appear before the commission in person or by attorney or by their representative, and shall have the right to offer competent evidence and to be heard on the issues before the report of the commission is made.

Any commissioners so appointed shall be paid a per diem allowance not to exceed that established for arbitrators in section 179A.16, subdivision 8, and their necessary expenses while serving.

History: (4254-28) 1939 c 440 s 8; 1941 c 469 s 3; 1969 c 1129 art 2 s 7; 1986 c 444; 1987 c 45 s 4; 1987 c 186 s 15

179.083 JURISDICTIONAL CONTROVERSIES.

Whenever two or more labor organizations adversely claim for themselves or their members jurisdiction over certain classifications of work to be done for any employer or in any industry, or over the persons engaged in or performing such work and such jurisdictional interference or dispute is made the ground for picketing an employer or declaring a strike or boycott against the employer, the commissioner may appoint a labor referee to hear and determine the jurisdictional controversy. If the labor organizations involved in the controversy have an agreement between themselves defining their respective jurisdictions, or if they are affiliated with the same labor federation or organization which has by the charters granted to the contending organizations limited their jurisdiction, the labor referee shall determine the controversy in accordance with the proper construction of the agreement or of the provisions of the charters of the contending organizations. If there is no agreement or charter which governs the controversy, the labor referee shall make such decision as, in consideration of past history of the organization, harmonious operation of the industry, and most effective representation for collective bargaining, will best promote industrial peace. If the labor organizations involved in the controversy so desire, they may submit the controversy to a tribunal of the federation or labor organization which has granted their charters or to arbitration before a tribunal selected by themselves, provided the controversy is so submitted prior to the appointment by the governor of a labor referee to act in the controversy. After the appointment of the labor referee by the governor, or the submission of the

controversy to another tribunal as herein provided, it shall be unlawful for any person or labor organization to call or conduct a strike or boycott against the employer or industry or to picket any place of business of the employer or in the industry on account of such jurisdictional controversy.

History: 1943 c 624 s 6; 1969 c 1129 art 2 s 8; 1986 c 444; 1987 c 45 s 5; 1987 c 186 s 15

179.09 ARBITRATION.

When a labor dispute arises which is not settled by mediation such dispute may, by written agreement of the parties, be submitted to arbitration on such terms as the parties may specify, including among other methods the arbitration procedure under the terms of sections 572B.01 to 572B.31 and arbitration under the Voluntary Industrial Arbitration Tribunal of the American Arbitration Association. If such agreement so provides, the commissioner of mediation services may act as a member of any arbitration tribunal created by any such agreement and, if the agreement so provides, the commissioner may appoint one or more of such arbitrators. Either or both of the parties to any such agreement or any arbitration tribunal created under any such agreement may apply to the commissioner to have the tribunal designated as a temporary arbitration tribunal and, if so designated, the temporary arbitration tribunal shall have power to administer oaths to witnesses and to issue subpoenas for the attendance of witnesses and the production of evidence, which subpoenas shall be enforced in the same manner as subpoenas issued by the commission under section 179.08. Any such temporary arbitration tribunal shall file with the commissioner a copy of its report, duly certified by its chair.

History: (4254-29) 1939 c 440 s 9; 1957 c 633 s 24; 1969 c 1129 art 2 s 9; 1986 c 444; 1987 c 186 s 15; 2010 c 264 art 2 s 4

179.10 JOINING LABOR ORGANIZATIONS; UNITING FOR COLLECTIVE BARGAINING.

Subdivision 1. **Employees' right of self-organization.** Employees shall have the right of self-organization and the right to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in lawful, concerted activities for the purpose of collective bargaining or other mutual aid or protection; and such employees shall have the right to refrain from any and all such activities.

Subd. 2. **Employers associations.** Employers have the right to associate together for the purpose of collective bargaining.

History: (4254-30) 1939 c 440 s 10; 1941 c 469 s 4

179.11 UNFAIR LABOR PRACTICES BY EMPLOYEES.

It shall be an unfair labor practice:

(1) for any employee or labor organization to institute a strike if such strike is a violation of any valid collective agreement between any employer and its employees or labor organization and the employer is, at the time, in good faith complying with the provisions of the agreement, or to violate the terms and conditions of such bargaining agreement;

(2) for any employee or labor organization to institute a strike if the calling of such strike is in violation of sections 179.06 or 179.07;

(3) for any person to seize or occupy property unlawfully during the existence of a labor dispute;

(4) for any person to picket or cause to be picketed a place of employment of which place the person is not an employee while a strike is in progress affecting the place of employment, unless the majority of persons engaged in picketing the place of employment at these times are employees of the place of employment;

(5) for more than one person to picket or cause to be picketed a single entrance to any place of employment where no strike is in progress at the time;

(6) for any person to interfere in any manner with the operation of a vehicle or the operator thereof when neither the owner nor operator of the vehicle is at the time a party to a strike;

(7) for any employee, labor organization, or officer, agent, or member thereof, to compel or attempt to compel any person to join or to refrain from joining any labor organization or any strike against the person's will by any threatened or actual unlawful interference with the person, or immediate family member, or physical property, or to assault or unlawfully threaten any such person while in pursuit of lawful employment;

(8) unless the strike has been approved by a majority vote of the voting employees in a collective bargaining unit of the employees of an employer or association of employers against whom such strike is primarily directed, for any person or labor organization to cooperate in engaging in, promoting or inducing a strike. Such vote shall be taken by secret ballot at an election called by the collective bargaining agent for the unit, and reasonable notice shall be given to all employees in the collective bargaining unit of the time and place of election; or

(9) for any person or labor organization to hinder or prevent by intimidation, force, coercion or sabotage, or by threats thereof, the production, transportation, processing or marketing by a producer, processor or marketing organization, of agricultural products, or to combine or conspire to cause or threaten to cause injury to any processor, producer or marketing organization, whether by withholding labor or other beneficial intercourse, refusing to handle, use or work on particular agricultural products, or by other unlawful means, in order to bring such processor or marketing organization against its will into a concerted plan to coerce or inflict damage upon any producer; provided that nothing in this subsection shall prevent a strike which is called by the employees of such producer, processor or marketing organization for the bona fide purpose of improving their own working conditions or promoting or protecting their own rights of organization, selection of bargaining representative or collective bargaining.

The violation of clauses (2), (3), (4), (5), (6), (7), (8) and (9) are hereby declared to be unlawful acts.

History: (4254-31) 1939 c 440 s 11; 1941 c 469 s 7; 1943 c 624 s 2,3; 1986 c 444

179.12 EMPLOYERS' UNFAIR LABOR PRACTICES.

It is an unfair labor practice for an employer:

(1) to institute a lockout of its employees in violation of a valid collective bargaining agreement between the employer and its employees or labor organization if the employees at the time are in good faith complying with the provisions of the agreement, or to violate the terms and conditions of the bargaining agreement;

(2) to institute a lockout of its employees in violation of section 179.06 or 179.07;

(3) to encourage or discourage membership in a labor organization by discrimination in regard to hire or tenure of employment or any terms or conditions of employment; provided, that this clause does not apply to the provisions of collective bargaining agreements entered into voluntarily by an employer and its

employees or a labor organization representing the employees as a bargaining agent, as provided by section 179.16;

(4) to discharge or otherwise to discriminate against an employee because the employee has signed or filed an affidavit, petition, or complaint or given information or testimony under this chapter;

(5) to spy directly or through agents or any other persons upon activities of employees or their representatives in the exercise of their legal rights;

(6) to distribute or circulate a blacklist of individuals exercising a legal right or of members of a labor organization for the purpose of preventing individuals who are blacklisted from obtaining or retaining employment;

(7) to engage or contract for the services of a person who is an employee of another if the employee is paid a wage that is less than the wage to be paid by the engaging or contracting employer under an existing union contract for work of the same grade or classification;

(8) willfully and knowingly to utilize a professional strikebreaker to replace an employee or employees involved in a strike or lockout at a place of business located within this state; or

(9) to grant or offer to grant the status of permanent replacement employee to a person for performing bargaining unit work for an employer during a lockout of employees in a labor organization or during a strike of employees in a labor organization authorized by a representative of employees.

The violation of clause (2), (4), (5), (6), (7), (8), or (9) is an unlawful act.

History: (4254-32) 1939 c 440 s 12; 1941 c 469 s 8; 1955 c 669 s 1; 1973 c 149 s 2; 1986 c 444; 1991 c 239 s 1; 1999 c 86 art 1 s 44

NOTE: Clause (9) was preempted under federal law by *Midwest Motor Express Inc. v. International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Local 120*, 512 N.W.2d 881 (Minn. 1994).

179.121 OPERATION OF VEHICLE WHERE DISPUTE IS IN PROGRESS.

Any person who operates a motor vehicle which is entering or leaving a place of business or employment where there is a clear notice that a labor dispute is in progress, and who fails to bring the vehicle to a full stop at the entrance to or exit from that place, or who fails to exercise caution in entering or leaving that place, is guilty of a misdemeanor.

History: 1979 c 331 s 1

179.13 INTERFERENCES WHICH ARE UNLAWFUL.

Subdivision 1. **Unlawful acts.** It shall be unlawful for any person at any time to interfere with the free and uninterrupted use of public roads, streets, highways or methods of transportation or conveyance or to wrongfully obstruct ingress to and egress from any place of business or employment.

Subd. 2. **Unfair labor practice.** It is an unfair labor practice for any employee or labor organization to commit an unlawful act as defined in subdivision 1.

History: (4254-33) 1939 c 440 s 13; 1943 c 624 s 4

179.135 PROTECTION OF COLLECTIVE BARGAINING AGREEMENTS.

Subdivision 1. **Agreement protected from intervention.** No employer holding a valid collective bargaining agreement with any labor organization recognized or certified by the commissioner of mediation services or the National Labor Relations Board as the accredited bargaining representative for the employees or any group of employees of such employer shall be required to enter into negotiations with any other labor organization respecting the employees covered by the existing union agreement, so long as the existing agreement remains in full force and effect in accordance with its terms except where a successor labor organization has been certified as the representative of the employees covered by such agreement by the commissioner of mediation services or the National Labor Relations Board and recognized by the employer.

Subd. 2. **Prohibition against violation.** The violation of the provisions of this section by any officer, business agent, employee or other representative of any labor organization is prohibited.

History: 1947 c 593 s 1,2; 1969 c 1129 art 2 s 10; 1987 c 186 s 15

179.14 INJUNCTIONS; TEMPORARY RESTRAINING ORDERS.

When any unfair labor practice is threatened or committed, a suit to enjoin such practice may be maintained in the district court of any county wherein such practice has occurred or is threatened. In any suit to enjoin any of the unfair labor practices set forth in sections 179.11 and 179.12, the provisions of sections 185.02 to 185.19 shall not apply. No court of the state shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of the violation of sections 179.11 and 179.12, as herein defined, except after hearing the testimony of witnesses in open court, with opportunity for cross-examination, in support of the allegations made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court to the effect that the acts set forth in sections 179.11 and 179.12 have been threatened and will be committed unless restrained, or have been committed and will be continued unless restrained. No temporary restraining order may be issued under the provisions of sections 179.01 to 179.17 except upon the testimony of witnesses produced by the applicant in open court and upon a record being kept of such testimony nor unless the temporary restraining order is returnable within seven days from the time it is granted which shall be noted on the order of the court. It shall be the duty of the court to give the trial or hearing of any suits or proceedings arising under this section precedence over all other civil suits which are ready for trial. Failure of the trial court to decide a motion for a temporary injunction within seven days from the date the hearing thereon is concluded shall dissolve any restraining order issued therein without further order of the court. Failure of the trial court to decide any suit brought under this section within 45 days from the date the trial was ended shall dissolve any restraining order or temporary injunction issued therein without further order of the court.

History: (4254-34) 1939 c 440 s 14; 1941 c 469 s 5; 1943 c 658 s 1

179.15 VIOLATORS NOT ENTITLED TO BENEFITS OF CERTAIN SECTIONS.

Any employer, employee, or labor organization who has violated any of the provisions of sections 179.01 to 179.17 with respect to any labor dispute shall not be entitled to any of the benefits of sections 179.01 to 179.17 respecting such labor disputes and such employer, employee, or labor organization shall not be entitled to maintain in any court of this state an action for injunctive relief with respect to any matters growing out of that labor dispute, until good faith use is made of all means available under the laws of the state of Minnesota for the peaceable settlement of the dispute.

History: (4254-35) 1939 c 440 s 15; 1986 c 444

179.16 REPRESENTATIVES FOR COLLECTIVE BARGAINING.

Subdivision 1. **To be exclusive.** Representatives designated or selected for the purpose of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment, provided, that any individual employee or group of employees shall have the right at any time to present grievances to their employer in person or through representatives of their own choosing.

Subd. 2. **Certification of group representative by commissioner.** When a question concerning the representative of employees is raised by an employee, group of employees, labor organization, or employer the commissioner of mediation services or any person designated by the commissioner shall, at the request of any of the parties, investigate such controversy and certify to the parties in writing, the name or names of the representatives that have been designated or selected. The commissioner shall decide in each case whether, in order to insure to employees the full benefit of their right to self-organization and to collective bargaining and otherwise to effectuate the purpose of this chapter, the unit appropriate for the purpose of collective bargaining shall be the employer unit, craft unit, plant unit; provided, that any larger unit may be decided upon with the consent of all employers involved, and provided that when a craft exists, composed of one or more employees then such craft shall constitute a unit appropriate for the purpose of collective bargaining for such employee or employees belonging to such craft and a majority of such employees of such craft may designate a representative for such unit. Two or more units may, by voluntary consent, bargain through the same agent or agents with an employer or employers, their agent or agents. Supervisory employees shall not be considered in the selection of a bargaining agent. In any such investigation, the commissioner may provide for an appropriate hearing, and may take a secret ballot of employees or utilize any other suitable method to ascertain such representatives, but the commissioner shall not certify any labor organization which is dominated, controlled, or maintained by an employer. If the commissioner has certified the representatives as herein provided, the commissioner shall not be required to again consider the matter for a period of one year unless it appears to the commissioner that sufficient reason exists.

Subd. 3. **Witnesses; powers of commissioner.** In the investigation of any controversy concerning the representative of employees for collective bargaining, the commissioner of mediation services shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence which relates directly to any matter involved in any such hearing, and the commissioner or representative may administer oaths and affirmations, and may examine witnesses. Such attendance of witnesses and the production of such evidence may be required from any place in the state at any designated place of hearing, but hearings shall be held in a county where the question has arisen or exists.

Subd. 4. **Contempt of court.** In case of contumacy or refusal to obey a subpoena issued under this section, the district court of the county where the proceeding is pending or in which the person guilty of such contumacy or refusal to obey is found or resides shall have jurisdiction to issue to such person an order requiring such person to appear and testify or produce evidence, as the case may require, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

History: (4254-36) 1939 c 440 s 16; 1941 c 469 s 6; 1969 c 1129 art 2 s 11,12; 1986 c 444; 1987 c 186 s 15

179.17 CITATION, LABOR RELATIONS ACT.

Sections 179.01 to 179.17 may be cited as the Minnesota Labor Relations Act.

History: 1939 c 440 s 19

MINNESOTA LABOR UNION DEMOCRACY ACT**179.18 DEFINITIONS; MINNESOTA LABOR UNION DEMOCRACY ACT.**

Subdivision 1. **Persons.** "Persons" includes individuals, partnerships, associations, corporations, trustees, and receivers.

Subd. 2. **Labor organization.** "Labor organization" means any organization of employees or of persons seeking employment which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances or terms or conditions of employment, but shall not include any labor organization subject to the Federal Railway Labor Act, as amended from time to time.

Subd. 3. **Employer.** "Employer" includes all persons employing others and all persons acting in the interest of an employer, but does not include the state or any political or governmental subdivision thereof, nor any person subject to the Federal Railway Labor Act, as amended from time to time.

Subd. 4. **Employee.** "Employee" includes, in addition to the accepted definition of the word, any employee whose work has ceased because of any unfair labor practice as defined in section 179.12 on the part of the employer or because of any current labor dispute and who has not obtained other regular and substantially equivalent employment, but does not include any individuals employed in agricultural labor or by a parent or spouse or in domestic service of any person at the person's own home.

Subd. 5. **Representative of employees.** "Representative of employees" means any person acting or asserting the right to act for employees or persons seeking employment in collective bargaining or dealing with employers concerning grievances or terms or conditions of employments.

Subd. 6. **Competent evidence.** "Competent evidence" means evidence admissible in a court of equity and such other evidence other than hearsay as is relevant and material to the issue and is of such character that it would be accepted by reasonable persons as worthy of belief.

History: 1943 c 625 s 1; 1986 c 444

179.19 ELECTION OF OFFICERS OF LABOR ORGANIZATION.

The officers of every labor organization shall be elected for such terms, not exceeding four years, as the constitution or bylaws may provide. The election shall be by secret ballot. The constitution or bylaws may provide for multiple choice voting, nomination by primaries or runoff elections, or other method of election by which selection by a majority may be obtained. In the absence of such provision, the candidate for any office receiving the largest number of votes cast for that office shall be declared elected. It is the duty of every labor organization and the officers thereof to hold an election for the purpose of electing the successor of every such officer prior to the expiration of a term. Any employee who is elected to a full time position in a labor organization shall be given a leave of absence for the duration of time holding such office, without losing seniority or entitlement to any rights acquired as a result of employment.

History: 1943 c 625 s 2; 1969 c 853 s 1; 1986 c 444

179.20 NOTICE OF ELECTIONS GIVEN.

Subdivision 1. **Publication.** No election required hereunder shall be valid unless reasonable notice thereof shall have been given to all persons eligible to vote thereat. Proof of publication of notice of an election in a trade union paper of general circulation among the membership of the union holding such election shall be conclusive proof of reasonable notice as required in this subdivision.

Subd. 2. **Plurality required.** No result of an election required hereunder shall be valid unless a plurality of the eligible persons voting thereat shall have cast their votes by secret ballot in favor of such result.

History: 1943 c 625 s 3

179.21 REPORTS OF RECEIPTS AND DISBURSEMENTS.

It is hereby made the duty of the officer of every labor organization who is charged with responsibility of money and property thereof to furnish to the members thereof in good standing a statement of the receipts and disbursements of the labor organization from the date of the next preceding statement and the assets and liabilities thereof to the date of the current statement. Such statement shall be furnished by such officer at the time prescribed by the constitution or laws of the labor organization, or it shall be furnished not later than the 1st day of July next following such calendar year.

History: 1943 c 625 s 4

179.22 LABOR REFEREE.

The commissioner may from time to time appoint labor referees for particular disputes under sections 179.18 to 179.25. Such appointment shall be for the duration only of the particular dispute. Such labor referees shall be paid a per diem allowance not to exceed that established for arbitrators in section 179A.16, subdivision 8, while so engaged, and their necessary expenses. When approved by the commissioner, the commissioner shall cause to be paid, from the appropriation to the commissioner, the amount due to the labor referees for services and expenses.

History: 1943 c 625 s 5; 1969 c 1129 art 2 s 13; 1986 c 444; 1987 c 45 s 6; 1987 c 186 s 15

179.23 [Repealed, 1987 c 45 s 9]

179.231 VIOLATIONS.

Subdivision 1. **Commissioner may appoint referee.** Whenever it reasonably appears to the commissioner that a labor organization has failed to comply with any of the requirements of sections 179.18 to 179.25, the commissioner may appoint a labor referee to act in the dispute.

Subd. 2. **Hearing.** Within ten days of appointment, the labor referee shall fix a time and place for a hearing upon the matter and send written notice thereof to the labor organization, and its officers who are charged in the complaint, the complainant, and to other persons who are parties to the dispute.

Subd. 3. **Appearance; evidence.** A party to or party affected by the dispute may appear at the hearing before the labor referee in person, by attorney, or by other representative. The party has the right to offer competent evidence and to be heard on the issues before an order is made by the referee. Within 30 days of the close of the hearing, the referee shall prepare and file with the commissioner findings of fact and an order sustaining or dismissing the charges. If the charges are sustained, a labor organization may be suspended from acting as the representative of employees by the commissioner until the basis for the failure to comply with the requirements of sections 179.18 to 179.25 has been removed as provided in subdivision 4. The commissioner shall suspend a labor organization which does not act affirmatively to remove the basis of sustained charges within 30 days of the filing of the referee's order with the commissioner.

Subd. 4. **Removal of suspension.** A labor organization which has had charges sustained against it under this section, whether suspended from acting as the representative of employees or not, may remove the basis for the charges or suspension by applying to the commissioner and submitting proof that the basis for the charges has been removed or corrected. Upon receipt of the application, the commissioner shall notify all

parties to the hearing before the referee of the filing of the application. If within 20 days after providing notice, written objection by one of the parties to the removal of the basis or suspension is received by the commissioner, the matter shall be referred for additional investigation by a referee under this section. If no objection is so filed, the commissioner shall provide written notice of the removal of the basis for the original complaint and remove any suspension imposed.

Subd. 5. **Powers of labor referee.** A labor referee appointed by the commissioner under this section shall have the same powers as provided to commissions under section 179.08.

History: 1987 c 45 s 7; 1987 c 186 s 15

179.24 [Repealed, 1987 c 45 s 9]

179.25 CITATION, LABOR UNION DEMOCRACY ACT.

Sections 179.18 to 179.25 may be cited as the Minnesota Labor Union Democracy Act.

History: 1943 c 625 s 8

179.254 CONSTRUCTION WORKERS INSURANCE BENEFIT FUNDS; DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179.254 to 179.256, the following terms shall have the meanings subscribed to them.

Subd. 2. **Benefit fund.** "Benefit fund" means any trust fund established and operated for the purpose of providing medical, hospitalization, and other types of insurance, and other health, welfare and pension benefits for construction workers.

Subd. 3. **Construction worker.** "Construction worker" means any laborer or member of a trade who is employed in the building or construction industry and who is engaged in, but not limited to, any of the following occupations: carpenters, electricians, plumbers, bricklayers, masons, steamfitters, pipefitters, iron workers, sheet metal workers, cement finishers, laborers, operating engineers, lathers, plasterers, painters, pipe coverers, and glaziers.

Subd. 4. **Member.** "Member" means any construction worker who is qualified to receive benefits from a benefit fund under the rules of that fund.

History: 1974 c 50 s 1; 1976 c 232 s 1; 1986 c 444

179.255 PAYMENTS INTO HOME BENEFIT FUND.

Whenever a construction worker who is a member of a benefit fund works temporarily in a location such that contributions are made by or for the worker into another benefit fund, the trustees of the fund, or their agent, shall pay all such money to the trustees of the fund to which the construction worker is a member, except that such payment shall not exceed the rate of contribution to the fund in which the construction worker is a member. Payments may be made by check and shall be made promptly and regularly, at least once every 30 days. Each such payment from the trustees of one fund to the trustees of another shall be accompanied by a written statement including the name, address, and Social Security number of each construction worker for whom payment is made, the amount being paid for each worker, and the number of hours of work for which payment is being made.

History: 1974 c 50 s 2; 1986 c 444

179.256 NOTIFICATION.

Whenever a construction worker may qualify for the reimbursement of benefit payments to a home benefit fund as described in section 179.255, the trustees of the benefit fund of which the worker is a member, or their agent, shall so notify the trustees of the benefit fund to which payments will be made during the temporary period of work. Such notification shall be made promptly in writing and shall include the name, address, and Social Security number of the construction worker and the starting date of the temporary period of work.

History: 1974 c 50 s 3; 1986 c 444

179.257 APPLICATION.

The provisions of sections 179.254 to 179.256 requiring the transfer of payments between benefit funds shall apply only to those benefit funds which are established, located and maintained within this state. However nothing contained herein shall be construed to discourage the legislature of another state or to prohibit the trustees of a benefit fund which is located in another state from providing, in accordance with sections 179.254 to 179.257 and on a wholly reciprocal basis, transfers between such foreign benefit fund or funds and a benefit fund located within the state of Minnesota.

History: 1974 c 50 s 4

**CERTAIN REPRESENTATION DISPUTES;
STRIKES, BOYCOTTS PROHIBITED****179.26 DEFINITIONS; CERTAIN REPRESENTATION DISPUTES.**

When used in sections 179.26 to 179.29, unless the context clearly indicates otherwise, each of the following words: employee, labor organization, strike, and lockout shall have the meaning ascribed to it in section 179.01.

History: 1945 c 414 s 1; 1949 c 299 s 1

179.27 STRIKES OR BOYCOTTS PROHIBITED.

When certification of a representative of employees for collective bargaining purposes has been made by proper federal or state authority, it is unlawful during the effective period of such certification for any employee, representative of employees or labor organization to conduct a strike or boycott against the employer of such employees or to picket any place of business of the employer in order, by such strike, boycott or picketing, (1) to deny the right of the representative so certified to act as such representative or (2) to prevent such representative from acting as authorized by such certification, or (3) to interfere with the business of the employer in an effort to do either act specified in clauses (1) and (2) hereof.

History: 1945 c 414 s 2

179.28 RECOVERY FOR TORT.

Any employer injured through commission of any unlawful act as provided in section 179.27 shall have a cause of action against any employees, representative of employees, or labor organization committing such unlawful act, and shall recover in a civil action all damages sustained by the employer from such injury.

History: 1945 c 414 s 3; 1986 c 444

179.29 DISTRICT COURT HAS JURISDICTION.

The district court of any county in which the employer does any business shall have jurisdiction to entertain an action arising under sections 179.26 to 179.29. Such action shall be tried by the court with a jury unless a jury be waived.

History: 1945 c 414 s 4

**HOSPITALS; STRIKES PROHIBITED,
COMPULSORY ARBITRATION REQUIRED****179.35 DEFINITIONS; HOSPITAL NO STRIKE AND ARBITRATION ACT.**

Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms and phrases, for the purposes of sections 179.35 to 179.39, shall be given the meanings subjoined to them.

Subd. 2. **Charitable hospital.** "Charitable hospital" includes all county and municipal hospitals and any hospital no part of the net income of which inures to the benefit of any private member, stockholder, or individual.

Subd. 3. **Hospital employee.** "Hospital employee" includes any person employed in any capacity by a charitable hospital, except an employee whose services are performed exclusively in connection with the operation of a commercial or industrial enterprise owned or operated by the charitable hospital for the production of profit, irrespective of the purposes to which such profit may be applied, and not engaged in any activity affecting the essential functions of the hospital.

Subd. 4. **Labor dispute.** "Labor dispute" includes any controversy concerning employment, tenure, conditions, or terms of employment or concerning the association or right of representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms, tenure, or other conditions of employment, regardless of whether or not the relationship of employer and employee exists as to the disputants.

Subd. 5. **Strike.** "Strike" means the temporary stoppage of work by the concerted action of two or more hospital employees as a result of a labor dispute.

Subd. 6. **Lockout.** "Lockout" means the refusal of a charitable hospital to furnish work to employees as a result of a labor dispute.

History: 1947 c 335 s 1; 1973 c 626 s 1

179.36 STRIKES PROHIBITED.

It is unlawful for any hospital employee or representative of the employee, as defined in Minnesota Statutes 1945, section 179.01, subdivision 5, to encourage, participate in, or cause any strike or work stoppage against or directly involving a charitable hospital.

History: 1947 c 335 s 2

179.37 LOCKOUTS PROHIBITED.

It is contrary to public policy and is hereby declared to be unlawful for any charitable hospital to institute, cause, or declare any lockout.

History: 1947 c 335 s 3

179.38 ARBITRATION MANDATORY.

In the event of the existence of any labor dispute which cannot be settled by negotiation between the charitable hospital employers and their employees, either such employers or employees may petition and avail themselves of the provisions of sections 179.01 to 179.17, insofar as sections are not inconsistent with the provisions of sections 179.35 to 179.39. If such dispute is not settled within ten days after submission to mediation, any unsettled issue concerning terms and conditions of employment, and other conditions of employment concerning union security shall, upon service of written notice by either party upon the other party and the commissioner, be submitted to the determination of a board of arbitrators whose determination shall be final and binding upon the parties. For public employers, "terms and conditions of employment" has the meaning given it in section 179A.03, subdivision 19. The board of arbitrators shall be selected and proceed in the following manner, unless otherwise agreed between the parties: the employers shall appoint one arbitrator, the employees shall appoint one arbitrator, and the two arbitrators so chosen shall appoint a third arbitrator who shall act as chair and who shall receive reasonable compensation for the work; but if said arbitrators are unable to agree upon the appointment of such third arbitrator within five days after submission to arbitration, the commissioner shall submit five names to the parties and the parties shall select the third arbitrator, who shall act as chair, from the five submitted by the commissioner. The selection of the third arbitrator shall be by the process of elimination, with the parties taking turns at striking names from the list of five submitted by the commissioner, until only one name remains. If the parties are unable to agree with respect to which party shall take the first turn for the purpose of striking a name, it shall be decided by the flip of a coin. Each party shall be responsible for compensating the arbitrator of their choice, and the parties shall share equally the compensation paid to the third arbitrator. The board of arbitrators shall serve as a temporary arbitration tribunal and shall have the powers provided for commissioners under section 179.08. The board of arbitrators shall make its determination with all due diligence and shall file a copy of its report with the commissioner.

History: 1947 c 335 s 4; 1969 c 1129 art 2 s 19; 1973 c 723 s 1; 1986 c 444; 1987 c 45 s 8; 1987 c 186 s 15; 1996 c 382 s 1

179.39 SECTIONS NOT APPLICABLE.

The provisions of Minnesota Statutes 1945, sections 185.02 to 185.19, shall not apply in the case of a threatened or existing strike or other work stoppage by hospital employees or in the case of a lockout by a charitable hospital, and such threatened or existing strike or other work stoppage or lockout may be enjoined by a court of equity.

History: 1947 c 335 s 5

SECONDARY BOYCOTTS PROHIBITED**179.40 SECONDARY BOYCOTT; DECLARATION OF POLICY.**

As a guide to the interpretation and application of sections 179.40 to 179.47, the public policy of this state is declared to be:

To protect and promote the interests of the public, employees and employers alike, with due regard to the situation and to the rights of the others;

To promote industrial peace, regular and adequate income for employees, and uninterrupted production of goods and services; and

To reduce the serious menace to the health, morals and welfare of the people of this state arising from economic insecurity due to stoppages and interruptions of business and employment.

It is recognized that whatever may be the rights of disputants with respect to each other in any controversy, they should not be permitted, in their controversy, to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life by lawful means and free from molestation, interference, restraint or coercion. The legislature, therefore, declares that, in its considered judgment, the public good and the general welfare of the citizens of this state will be promoted by prohibiting secondary boycotts and other coercive practices in this state.

History: 1947 c 486 s 1

179.41 SECONDARY BOYCOTT DEFINED.

As used in sections 179.40 to 179.47, the term "secondary boycott" means any combination, agreement, or concerted action;

(1) to refuse to handle goods or to perform services for an employer because of a labor dispute, agreement, or failure of agreement between some other employer and its employees or a bona fide labor organization; or

(2) to cease performing or to cause any employees to cease performing any services for an employer, or to cause loss or injury to such employer or to its employees, for the purpose of inducing or compelling such employer to refrain from doing business with, or handling the products of, any other employer because of a dispute, agreement, or failure of agreement between the latter and its employees or a labor organization; or

(3) to cease performing or to cause any employer to cease performing any services for another employer, or to cause any loss or injury to such other employer, or to its employees, for the purpose of inducing or compelling such other employer to refrain from doing business with, or handling the products of, any other employer because of an agreement, dispute, or failure of agreement between the latter and its employees or a labor organization.

History: 1947 c 486 s 2; 1986 c 444

179.42 UNLAWFUL ACT AND UNFAIR LABOR PRACTICE.

It is an unlawful act and an unfair labor practice for any person or organization to combine with another, to cause loss or injury to an employer, to refuse to handle or work on particular goods or equipment or perform services for an employer, or to withhold patronage, or to induce, or to attempt to induce, another to withhold patronage or other business intercourse, for the purpose of inducing or coercing such employer to persuade or otherwise encourage or discourage its employees to join or to refrain from joining any labor union or organization or for the purpose of coercing such employer's employees to join or refrain from joining any labor union or organization.

History: 1947 c 486 s 3; 1986 c 444

179.43 ILLEGAL COMBINATION; VIOLATION OF PUBLIC POLICY.

A secondary boycott as hereinbefore defined is hereby declared to be an illegal combination in restraint of trade and in violation of the public policy of this state.

History: 1947 c 486 s 4

179.44 UNFAIR LABOR PRACTICE.

The violation of any provision of section 179.41 is hereby declared to be an unfair labor practice and an unlawful act.

History: 1947 c 486 s 5

179.45 RIGHTS AND REMEDIES.

Any person who shall be affected by, or subjected to, or threatened with a secondary boycott, or any of the acts declared to be unlawful by sections 179.40 to 179.47, shall have all the rights and remedies provided for in Minnesota Statutes 1945, chapter 179, but shall not be restricted to such remedies.

History: 1947 c 486 s 6

179.46 LIMITATIONS; FEDERAL ACT.

Nothing in sections 179.40 to 179.47 shall be construed as requiring any person to work or perform services against the person's will for any other person, nor to prohibit a strike, picketing or bannering which is otherwise lawful under the statutes and laws of this state; nothing in sections 179.40 to 179.47 shall be construed to apply to the refusal by an employee to enter upon the premises of an employer other than the employee's own employer when the employees of such other employer are engaged in a strike which is not an unfair labor practice, but does not include any person subject to the Federal Railway Labor Act as amended from time to time.

History: 1947 c 486 s 7; 1986 c 444

179.47 CONSTRUCTION OF SECTIONS 179.40 TO 179.47.

Nothing contained in sections 179.40 to 179.47 is intended or shall be construed to repeal sections 179.01 to 179.13 and 179.14 to 179.39, or any part or parts thereof.

History: 1947 c 486 s 9

179.50 [Repealed, Ex1971 c 33 s 17]

179.51 [Repealed, Ex1971 c 33 s 17]

179.52 [Repealed, Ex1971 c 33 s 17]

179.521 [Repealed, Ex1971 c 33 s 17]

179.522 [Repealed, Ex1971 c 33 s 17]

179.53 [Repealed, Ex1971 c 33 s 17]

179.54 [Repealed, Ex1971 c 33 s 17]

179.55 [Repealed, Ex1971 c 33 s 17]

179.56 [Repealed, Ex1971 c 33 s 17]

179.57 [Repealed, Ex1971 c 33 s 17]

179.571 [Repealed, Ex1971 c 33 s 17]

179.572 [Repealed, Ex1971 c 33 s 17]

179.58 [Repealed, Ex1971 c 33 s 17]

PROHIBITING COERCION OF EMPLOYEE

179.60 INTERFERING WITH EMPLOYEE OR MEMBERSHIP IN UNION.

It shall be unlawful for any person, company, or corporation, or any agent, officer, or employee thereof, to coerce, require, or influence any person to enter into any agreement, written or verbal, not to join, become, or remain a member of any lawful labor organization or association, as a condition of securing or retaining employment with such person, firm, or corporation. It shall be unlawful for any person, company, or corporation, or any officer or employee thereof, to coerce, require, or influence any person to contribute or pay to any person, company, or corporation, or any officer or employee thereof, any sum of money or other valuable thing for the sole purpose of securing or retaining employment with such person, firm, or corporation. It shall be unlawful for any two or more corporations or employers to combine, to agree to combine, or confer together for the purpose of interfering with any person in procuring, or in preventing the person from procuring, employment, or to secure the discharge of any employee by threats, promises, circulating blacklists, or any other means whatsoever. It shall be unlawful for any company or corporation, or any agent or employee thereof, to blacklist any discharged employee, or by word or writing seek to prevent, hinder, or restrain a discharged employee, or one who has voluntarily left its employ, from obtaining employment elsewhere. Every person and corporation violating any of the foregoing provisions shall be guilty of a misdemeanor.

History: (10378) *RL s 5097; 1921 c 389 s 1; 1986 c 444*

179.61 [Repealed, 1984 c 462 s 28]

179.62 [Repealed, 1984 c 462 s 28]

179.63 [Repealed, 1984 c 462 s 28]

179.64 [Repealed, 1984 c 462 s 28]

179.65 [Repealed, 1984 c 462 s 28]

179.66 [Repealed, 1984 c 462 s 28]

179.67 [Repealed, 1984 c 462 s 28]

179.68 [Repealed, 1984 c 462 s 28]

179.69 [Repealed, 1984 c 462 s 28]

179.691 [Repealed, 1984 c 462 s 28]

179.692 [Repealed, 1984 c 462 s 28]

179.70 [Repealed, 1984 c 462 s 28]

179.71 [Repealed, 1984 c 462 s 28]

179.72 [Repealed, 1984 c 462 s 28]

179.73 [Repealed, 1984 c 462 s 28]

179.74 [Repealed, 1984 c 462 s 28]

179.741 [Repealed, 1984 c 462 s 28]

179.7411 [Repealed, 1984 c 462 s 28]

179.742 [Repealed, 1984 c 462 s 28]

179.743 [Repealed, 1984 c 462 s 28]

179.75 [Repealed, 1984 c 462 s 28]

179.76 [Repealed, 1984 c 462 s 28]

179.77 [Repealed, 1973 c 635 s 37]

LABOR-MANAGEMENT COMMITTEE GRANT PROGRAM

179.81 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179.81 to 179.85, the terms defined in this section have the meanings given them.

Subd. 2. **Area labor-management committee or committee.** "Area labor-management committee" or "committee" means a committee formed by and composed of multiple employers and multiple labor organizations within a geographic area or statewide employment sector, for the purpose of improving labor-management relations and enhancing economic development within a given geographic jurisdiction or sector through labor-management cooperation.

Subd. 3. **Bureau.** "Bureau" means the Bureau of Mediation Services.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Bureau of Mediation Services.

History: *1Sp1985 c 13 s 282; 1988 c 480 s 1,2*

179.82 GRANT PROGRAM CREATED; APPLICATIONS.

Subdivision 1. **Creation.** An area labor-management committee grant program is created within the bureau to be administered by the commissioner.

Subd. 2. **Rules.** Applications for area/statewide industry labor-management committee grants must be submitted to the bureau under rules adopted by the commissioner.

History: *1Sp1985 c 13 s 283; 1988 c 480 s 3*

179.83 ACTION ON APPLICATION.

Subdivision 1. **Standard for approval.** Following an established calendar, the commissioner shall review the applications. Grants must be awarded on a competitive basis based on the appropriateness of the proposal, the attainability of the goals, the evidence of interest in the proposal among representatives of

labor and management in the area within the committee's jurisdiction, and the thoroughness of the financial plan presented. Successful applicants shall be notified of the award no later than December 1 of each year.

Subd. 2. [Repealed, 1988 c 480 s 7]

History: *1Sp1985 c 13 s 284; 1988 c 480 s 4*

179.84 GENERAL CONDITIONS AND TERMS OF GRANTS.

Subdivision 1. **Requirements.** For each grant awarded the commissioner shall:

(1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures; and

(2) annually review the operating performance of each area labor-management committee receiving state money under this program.

Subd. 2. [Repealed, 1988 c 480 s 7]

History: *1Sp1985 c 13 s 285; 1988 c 480 s 5; 1990 c 546 s 2*

179.85 FUNDING LIMITATIONS.

A new or existing area labor-management committee may apply for a maximum grant of \$75,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in the following ratio of state and nonstate money: in the first year, 90 percent state and ten percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year and beyond, 50 percent state and 50 percent nonstate.

History: *1Sp1985 c 13 s 286; 1988 c 480 s 6; 1990 c 546 s 3*

PACKINGHOUSE WORKERS BILL OF RIGHTS

179.86 PACKINGHOUSE WORKERS BILL OF RIGHTS.

Subdivision 1. **Definition.** For the purpose of this section, "employer" means an employer in the meatpacking industry.

Subd. 2. **Right to adequate equipment.** An employer must furnish its employees with equipment to safely perform their jobs under OSHA standards.

Subd. 3. **Information provided to employee by employer.** (a) An employer must provide an explanation in an employee's native language of the employee's rights and duties as an employee either person to person or through written materials that, at a minimum, include:

- (1) a complete description of the salary and benefits plans as they relate to the employee;
- (2) a job description for the employee's position;
- (3) a description of leave policies;
- (4) a description of the work hours and work hours policy; and
- (5) a description of the occupational hazards known to exist for the position.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

- (1) the right to organize and bargain collectively and refrain from organizing and bargaining collectively;
- (2) the right to a safe workplace; and
- (3) the right to be free from discrimination.

Subd. 4. **Commissioner duties.** The commissioner of labor and industry in consultation with the commissioner of human rights must develop and implement a strategy to assist employers in providing adequate notice and education to employees of their rights under this section. The commissioner shall assign the duty to implement the strategy to a specific identified position in the department. The position, along with contact information, must be included on printed materials the department prepares and distributes to carry out the commissioner's duties under this section.

History: 2007 c 135 art 2 s 19

179.90 OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.

The commissioner of mediation services shall establish an Office of Collaboration and Dispute Resolution within the bureau. The office must:

(1) promote the broad use of community mediation in the state, ensuring that all areas of the state have access to services by providing grants to private nonprofit entities certified by the state court administrator under chapter 494 that assist in resolution of disputes;

(2) assist state agencies, offices of the executive, legislative, and judicial branches, and units of local government in improving collaboration and dispute resolution;

(3) support collaboration and dispute resolution in the public and private sector by providing technical assistance and information on best practices and new developments in dispute resolution options;

(4) educate the public and governmental entities on dispute resolution options; and

(5) promote and utilize collaborative dispute resolution models and processes based on documented best practices including, but not limited to, the Minnesota Solutions model:

(i) establishing criteria and procedures for identification and assessment of dispute resolution projects;

(ii) designating projects and appointing impartial convenors by the commissioner or the commissioner's designee;

(iii) forming multidisciplinary conflict resolution teams; and

(iv) utilizing collaborative techniques, processes, and standards through facilitated meetings until consensus among parties is reached in resolving a dispute.

History: 2013 c 85 art 5 s 32

179.91 GRANTS.

Subdivision 1. **Authority.** The commissioner of mediation services shall to the extent funds are appropriated for this purpose, make grants to private nonprofit community mediation entities certified by the state court administrator under chapter 494 that assist in resolution of disputes. The commissioner shall

establish a grant review committee to assist in the review of grant applications and the allocation of grants under this section.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a nonprofit organization must meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

Subd. 3. **Conditions and exclusions.** A nonprofit entity receiving a grant must agree to comply with guidelines adopted by the state court administrator under section 494.015, subdivision 1. Sections 16B.97 and 16B.98 and policies adopted under those sections apply to grants under this section. The exclusions in section 494.03 apply to grants under this section.

Subd. 4. **Reporting.** Grantees must report data required under chapter 494 to evaluate quality and outcomes.

History: 2013 c 85 art 5 s 33

Information

Title:

Discussion Regarding Updating the Employee Telecommuting Policy.

Purpose/Background:

The purpose of this discussion is for the City Council to consider expanding the telecommuting policy to certain union positions.

The current policy has been in place for many years. As written, only non-union employees are eligible to apply for the program. A marked up draft policy is attached to this case. In summary, staff would like the City Council to consider expanding the policy to union employees that work in the office or primarily work in the office. As a reminder, the City Administrator and Department Head must agree to all telecommuting arrangements and the arrangement may be revoked at any time if there are problems with performance or the City's needs change.

Telecommuting is a management strategy where employees work a combination of off and on site. Regardless of location, a remote worker remains responsible for all job duties, responsibilities and obligations associated with their position. They complete their work and are evaluated on performance, not presence, focusing on results. Staff feels telecommuting increases the organization's performance while creating the right climate for people to manage all the demands in their lives; always driven by a focus on results. Staff feels the following information summarizes the benefits of expanding the telecommuting policy:

- Temporary expansion of the telecommuting policy has proven how effective remote work is and many employees would like to continue such a policy into the future
- Telecommuting has a very strong focus on efficiency
- Maximizing employee efficiency and eliminating downtime due to weather, illness, traffic and other factors
- A strong, positive impact on employee engagement, satisfaction, and retention
- Ability to attract candidates from a broader geographic range
- Saving on city workspace needs and associated maintenance
- Reducing traffic and associated maintenance
- Positive environmental impacts from reduced car travel
- Telecommuting may help retain long-term employees that would otherwise consider early retirement, causing a loss of institutional knowledge. It may also allow greater freedom in succession planning.
- It has become increasingly clear that our employees want to see results and efficiency, have greater autonomy, and take ownership of their work in the environment that is most conducive to productivity.

Timeframe:

Approximately 10 minutes.

Funding Source:

Not applicable at this time.

Responsible Party(ies):

Colleen Lasher, Administrative Services Director

Tim Gladhill, Deputy City Administrator/Community Development Director

Outcome:

For the City Council to, by consensus, direct staff to update/expand the City's telecommuting policy and bring it back to a future Council meeting for formal adoption.

Attachments

Draft Policy

Form Review

Inbox

Kurt Ulrich

Colleen Lasher (Originator)

Form Started By: Colleen Lasher

Final Approval Date: 06/03/2021

Reviewed By

Kurt Ulrich

Colleen Lasher

Date

05/20/2021 02:59 PM

06/03/2021 01:34 PM

Started On: 05/18/2021 10:51 AM

11.1 Telecommuting Policy

Telecommuting is a work arrangement where the employee works from home or another remote work site away from the primary traditional work place.

Purpose/Consideration

Consideration for telecommuting arrangements may be made on a ~~case-by-case~~case-by-case basis and only in situations where the employee can demonstrate a benefit to the City. Telecommuting is not appropriate for all employees, it is not a City wide benefit or entitlement, in no way changes the terms and conditions of employment with the City and is not a substitute for dependent care.

Benefits of Telecommuting

Telecommuting offers ~~Recent events have demonstrated~~ a wide range of benefits to the City and its employees. In ~~an~~ allowing telecommuting, the City has witnessed:-

- ☐ More efficient employees
- ☐ Improved morale
- ☐ Employee recruitment and retention advantages
- ☐ More efficient meetings with outside groups due to reduced need for conference rooms
- ☐ Better work/life balance, especially for employees with Council/Commission liaison responsibilities
- ☐ More flexible use of office space
- ☐

Participation

~~Full-time~~All employees, ~~except those under collective bargaining agreements,~~ may apply to participate if their job class allows for telecommuting. Employees must have successfully completed probation, received a satisfactory rating on their last performance evaluation and not had ~~any~~ documented disciplinary action taken against them during the past year. Seniority will not be a basis for selecting employees to participate in this program.

Eligible Employees: Employees working in the office as their primary role.

Ineligible Employees: Employees working in the field as their primary role.

Note: Both eligible and ineligible job classes to be determined if a revised policy is to be considered.

Application Process

The telecommuting application must be completed indicating how the telecommuting will benefit the City. All applications must be signed by the Department Head and then forwarded to Human Resources. The Department Head, Human Resources and the City Administrator will evaluate the application to determine whether or not the application will be approved or denied, at the sole discretion of the City Administrator. The Department Head will then meet with the employee regarding the determination. The Department Head is responsible for ensuring

adequate coverage in the office.

Telecommuting Program

It is recommended that employees who telecommute do so for a maximum of two days per week, or on a short-term project basis. The telecommuter and the Department Head should agree upon a regular schedule of work hours and work location. Following the regular work schedule is necessary to ensure maximum accessibility. However, the employee must be willing and able to return to the primary work place at the request of the Department Head for any reason with minimal notice, but not greater than 48 hours' notice. An employee's salary, benefits and job responsibilities will not be affected by participating in telecommuting. Overtime must have prior approval. A remote work site is considered a City work space and the employee, therefore, continues to be governed by applicable City policies, procedures, or practices.

The employee ~~must is to~~ be available for ~~telephone, computer and/or fax communication~~ virtual meetings with a webcam with the City at the times as agreed by the signers on the application, as well as impromptu meetings that may arise. ~~The telecommuter must also be available for telephone, email or other communication required by the Department Head and/or City Administrator.~~ The employee will respond to telephone calls at the telecommuting work location, and will respond to telephone messages left for the employee at the employee's City work location.

The Department Head and telecommuter must establish an agreed upon schedule where the telecommuter contacts the office to report progress.

The telecommuting projects must have measurable objectives. For example, writing a section of a manual, working on a special project, processing regular business (such as permits, licenses, A/P, etc.) or preparing spreadsheets and financial analysis where being out of the "office environment" could lead to its accomplishment in a more timely manner.

Telecommuters may be assigned a different workstation space at the office if it is determined that coverage is better suited by an office rearrangement as a result of the telecommuting agreement.

Equipment

If an employee is approved for telecommuting and the project requires the use of a computer, the City shall provide the telecommuter a City-Issued computer with Virtual Private Network (VPN) as well as soft phone software that allows the telecommuter to make and receive phone calls from their City assigned office phone number. The telecommuter must have access to any required technology to complete their task such as virtual meeting software and hardware, permit/license software, financial software, agenda software, etc. If the telecommuter desires a printer or other computer equipment, the cost of the equipment, maintenance repair of the equipment, equipment insurance, electricity, and/or phone lines/internet subscriptions are the employee's responsibility, unless otherwise approved by the City Administrator.

The cost of installing and licensing software will be at the City's expense as long as a software license already exists for that particular user.

City Supplied Software/Hardware

- ☐ Computer (desktop or laptop)
- ☐ Virtual Private Network (VPN)
- ☐ Softphone or Cell Phone 'twinned' with Office Phone
- ☐ Customary software on desktop

~~In the case where an employee owns a personal computer, the employee must provide a copy of the appropriate documents to verify that the software being used is legally licensed and receive virus detection training from the IT Division. The City assumes no liability for loss, damage or wear of employee owned equipment. Due to security concerns, the telecommuter shall not use a personal computer for purposes of telecommuting. The City assumes no liability for loss, damage or wear of employee owned equipment. If the IT Division determines that the telecommuter is using a computer that is not with software installed that is not properly licensed and/or does not receive virus detection protection, the telecommuting agreement may be terminated.~~

Telecommuters will take all precautions necessary to secure confidential and/or proprietary information and prevent unauthorized access into any City system.

Insurance

The employee will be covered by Worker's Compensation while working at the telecommuting work address during the hours of work as indicated on the Telecommuting Application. The city of Ramsey's liability is limited to injuries resulting directly from the work and only if the injury occurs in the designated work area. Any claims will be handled according to regular Workers Compensation procedures. If injured while telecommuting, the employee should follow the appropriate procedures for reporting the injury. Other family members or visitors to the telecommuting work address are not covered by the City's Worker's Compensation program. The city of Ramsey is not liable for any injuries to family members, visitors, or others in the employee's home. Employees should consider carrying insurance to cover these instances.

Telecommuters working at home will have a designated space maintained by the employee. With advance notice, the employer may visit the work site to ensure that safe work conditions exist. For projects involving extensive computer use, staff may request an ergonomics evaluation of the work area.

Expenses

The City will not reimburse the employee for any expenses the employee incurs to participate in telecommuting. This includes equipment, utilities, supplies and furniture. The City will provide a small and reasonable number of office supplies (such as pens, paper, post-it notes, and paper clips) for use by the telecommuter.

Travel time from the home to the workplace is not compensatory, even if the employee reports to the regular workplace on a day scheduled for telecommuting.

Meeting Date: 06/08/2021

Information

Title:

Review 2020 Comprehensive Annual Financial Report, Management Report and Special Purpose Audit Reports

Purpose/Background:

The City's 2020 annual report has been completed. Aaron Nielsen from the auditing firm of MMKR will be present to review the 2020 Comprehensive Annual Financial Report and Management Report that provides auditors comments on audit process and the Special Purpose Audit 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 2020 Comprehensive Annual Financial Report and the request for submittal of the Comprehensive Annual Financial Report to the Governmental Finance Officers Association for the Certificate of Achievement in Financial Reporting 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 Director

Outcome:

Presentation of the Comprehensive Annual Financial Report, Management Report and Special Purpose Reports by the City's auditing firm - MMKR.

Attachments

2020 Management Report

2020 Special Purpose Report

2020 Comprehensive Annual Financial Report

Form Review

Inbox

Kurt Ulrich

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Reviewed By

Kurt Ulrich

Date

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Management Report

for

City of Ramsey
Anoka County, Minnesota

December 31, 2020

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PRINCIPALS

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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, 2020. 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 18, 2021

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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, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

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, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, 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, 2020:

- We have issued an unmodified opinion on the City's basic financial statements.
- We reported no deficiencies in the City's internal control over financial reporting that we consider to be material weaknesses. It should be understood that internal controls are never perfected, and those controls, which protect the City's funds from such things as fraud and accounting errors, need to be continually reviewed by your management and modified as necessary.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported that the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements.
- The results of our tests indicate that the City has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no deficiencies in the City's internal controls over compliance that we considered to be material weaknesses with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.
- We reported no findings based on our testing of the City's compliance with Minnesota laws and regulations.

OTHER OBSERVATIONS AND RECOMMENDATIONS

Land Held for Resale

The City currently holds a material amount of land for resale, which management reports at the lower of cost or acquisition value. City staff has also prepared a schedule comparing the current carrying value of these properties to estimated fair 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.

Electronic Funds Transfers Fraud

As the use of electronic funds transfers and payment methods has become more prevalent, we have seen increases in both the incidences of fraud related to these transactions and the dollar amounts involved. Operational changes related to the COVID-19 pandemic, including greater reliance on technology and more employees working remotely, have tended to increase risk in this area. We urge cities to carefully review controls over these transactions, and consider best practices to address these risks, such as:

- Ensuring segregation of duties over these transactions by involving more than one employee in the process.
- Requiring multi-factor authentication of requests for electronic payments from new vendors or for changes in wiring instructions for existing vendors. It is recommended that changes for existing vendors be verified through trusted contact information used previously for that vendor, not as provided in the change request, to verify the accuracy of the change.
- Educate employees on the controls in place to protect the organization's financial assets and ensure management is supportive and accepting of the processes in place. Attempted fraudulent transactions are often initiated using the profile of a supervisor. Employees must be comfortable questioning unusual transactions or requests, and instructed not to circumvent internal control procedures regardless of whom they believe initiated the transaction.
- Recommended cyber security measures, such as limiting network access and requiring robust passwords that are changed regularly, should be implemented and followed by all city employees, not just those directly involved with financial transactions.
- Review insurance policies to understand the coverage provided for financial losses due to cybersecurity risks and evaluate whether they provide adequate coverage based on management's assessment of these risks.

Uniform Guidance Written Controls and Micro-Purchase Threshold

Federal Uniform Guidance requires that nonfederal entities must have and use documented procurement procedures consistent with 2CFR § 200.317-320 for the acquisition of property or services required under a federal award or subaward. Effective August 31, 2020, the federal micro-purchase threshold, which is the threshold that allows for procurements without soliciting competitive price or rate quotations given certain conditions, was increased from \$3,500 to \$10,000 in the Federal Acquisition Regulations (FAR).

Effective November 12, 2020, the Uniform Guidance was also revised to allow nonfederal entities to establish a micro-purchase threshold higher than the \$10,000 threshold established in the FAR under certain circumstances. The nonfederal entity may self-certify a micro-purchase threshold up to \$50,000 if the requirements in 2CFR § 200.320(a)(1)(iv) are followed. Requirements include an **annual** self-certification and clear documentation of the justification to support the increase in the threshold.

Acceptable reasons for justification must meet **one** of the following criteria:

- A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit,
- An annual internal institutional risk assessment to identify, mitigate, and manage financial risks, or,
- A higher threshold consistent with state law.

This flexibility would allow Minnesota local governments to increase and align their federal procurement procedures, specifically the micro-purchase threshold, with state law, which allows for procurements below \$25,000 to be made without competitive price or rate quotations.

We recommend that the City review its current federal procurement policy. If the micro-purchase threshold in your currently adopted policy is below the allowable FAR limit of \$10,000, you would need to make a one-time amendment to the policy to adopt the \$10,000 FAR limit before using it. If you prefer to increase your federal micro-purchase threshold to \$25,000 to align it with state law, in addition to amending your federal procurement policy, you would need to annually certify the higher threshold and the justification for using the higher threshold.

Uniform Guidance Written Controls and Subrecipient Monitoring

Federal Uniform Guidance requires nonfederal entities to have and use documented subrecipient monitoring and management procedures consistent with 2CFR § 200.331-333 for disbursements of federal funds determined to be a federal subaward. A subaward is an agreement between the City and an outside party for the purpose of carrying out a portion of a federal award, which creates a federal assistance relationship with the subrecipient. The Uniform Guidance requirements for pass-through entities include, but are not limited to:

- Providing the subrecipient with the best information available to describe the key identifiers and terms of the federal award and subaward;
- A written risk assessment evaluating each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring;
- Written documentation of monitoring activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that the subaward performance goals are achieved; and
- Written procedures verifying that every subrecipient is audited as required by the Uniform Guidance Subpart F when it is expected that the subrecipient's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2CFR § 200.501.

During our audit, we noted that the City had developed and adopted written federal grant procedures (including subrecipient monitoring); however, these could be improved to ensure they fully address procedures specific to subrecipient monitoring as it relates to federal awards. We recommend that the City review its current federal grant procedures to ensure they include and are consistent with the subrecipient requirements specified in 2CFR § 200.332.

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 year ended December 31, 2020.

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** – Management's estimates of these assets are based on net realizable value (lower of cost or acquisition value).
- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.
- **Compensated Absences** – Management's estimate is based on current rates of pay, compensated absence balances, and the likelihood that sick leave will ultimately be paid at termination.
- **Total Other Post-Employment Benefit (OPEB) and Net Pension Liabilities** – The City has recorded liabilities and activity for pension benefits and OPEB. These obligations are calculated using actuarial methodologies described in Governmental Accounting Standards Board Statement Nos. 68 and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

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

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, a disagreement with management is 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 REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated May 18, 2021.

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 the management's discussion and analysis (MD&A) and the remaining required supplementary information (RSI) that supplements 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 supplemental information accompanying the financial statements, and the separately issued Schedule of Expenditures of Federal Awards, which are not RSI. With respect to this supplemental 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 supplemental 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 and statistical sections, which accompany the financial statements, but are not RSI. Such information has 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 it.

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GOVERNMENTAL FUNDS OVERVIEW

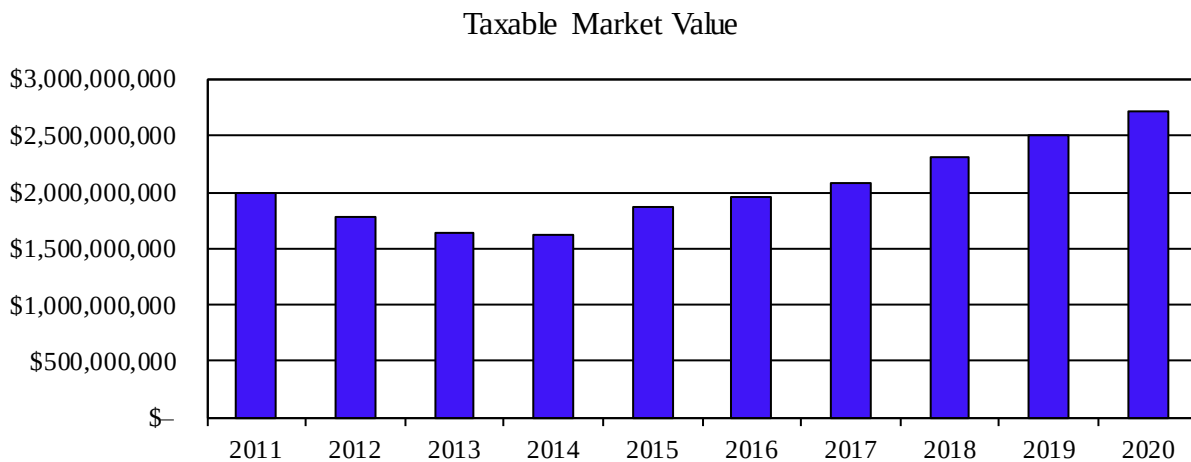
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its 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 2019 fiscal year, local ad valorem property tax levies provided 40.8 percent of the total governmental fund revenues for cities over 2,500 in population, and 37.6 percent for cities under 2,500 in population. Total property taxes levied by all Minnesota cities for taxes payable in 2020 increased 6.1 percent from the prior year.

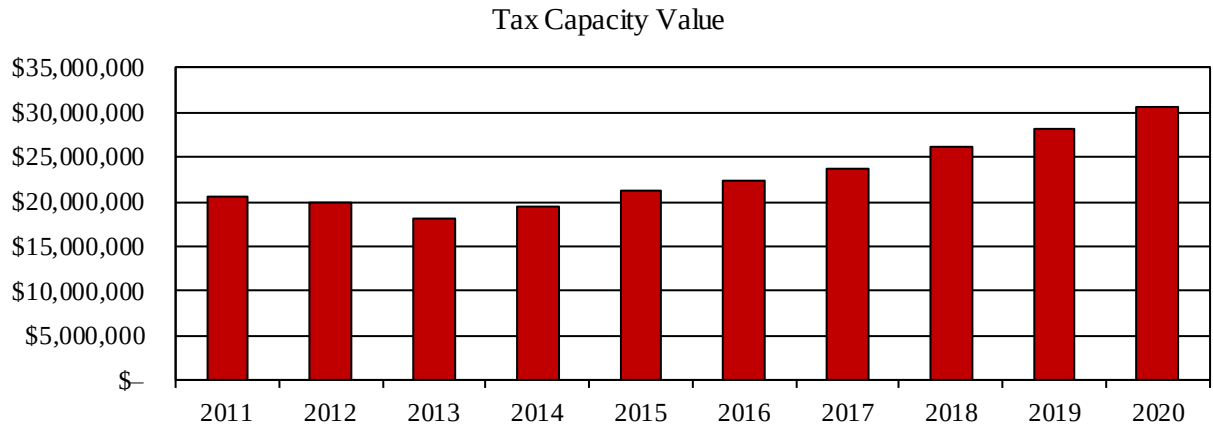
The total tax capacity value of property in Minnesota cities increased about 6.5 percent for the 2020 levy year. The tax capacity values used for levying property taxes are based on the assessed market values for the previous fiscal year (e.g., tax capacity values for taxes levied in 2020 were based on assessed market values as of January 1, 2019), so the trend of change in these tax capacity values lags somewhat behind the housing market and economy in general.

The City's taxable market value increased 7.8 percent for taxes payable in 2019 and 8.6 percent for taxes payable in 2020. 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 a its 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 increased 8.2 percent for 2019 and 8.4 percent for 2020.

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 three levy years:

Rates Expressed as a Percentage of Net Tax Capacity			
	City of Ramsey		
	2018	2019	2020
Average tax rate			
City	41.7	40.4	39.6
County	35.8	34.9	33.5
School	18.4	16.3	16.9
Special taxing	4.9	4.6	4.4
Total	100.8	96.2	94.4

The school tax rate for Independent School District No. 11, Anoka-Hennepin, was used for the above table.

The improvement in tax capacity values previously discussed, contributed to the decrease in the City's average tax rate presented in the table above.

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, 2020, presented both by fund balance classification and by fund:

Governmental Fund Changes in Fund Balance			
	Fund Balance as of December 31,		
	2020	2019	Change
Fund balances of governmental funds			
Total by classification			
Nonspendable	\$ 17,144	\$ 25,441	\$ (8,297)
Restricted	27,518,666	19,957,595	7,561,071
Committed	1,326,070	1,184,262	141,808
Assigned	18,886,283	15,297,043	3,589,240
Unassigned	10,073,204	8,856,806	1,216,398
Total governmental funds	<u>\$ 57,821,367</u>	<u>\$ 45,321,147</u>	<u>\$ 12,500,220</u>
Total by fund			
Major funds			
General	\$ 10,090,053	\$ 8,880,446	\$ 1,209,607
Special revenue funds			
Tax Increment	5,308,619	4,849,174	459,445
COR Land	8,148,079	8,629,937	(481,858)
Private Developer	—	—	—
Debt Service Fund			
2011A Armstrong/Bunker Bond	—	1,355,204	(1,355,204)
Capital Project Fund			
Public Improvement Revolving	4,858,510	4,326,318	532,192
Public Works Campus	13,133,106	—	13,133,106
Nonmajor funds	16,283,000	17,280,068	(997,068)
Total governmental funds	<u>\$ 57,821,367</u>	<u>\$ 45,321,147</u>	<u>\$ 12,500,220</u>

As reflected in the table above, total governmental fund balance increased by \$12,500,220. The increase is due in part to continued development in the City and favorable operating results of the General Fund in the current year. The change was spread across several funds, including the new Public Works Campus Capital Project Fund, which increased \$13,133,106. The increase in this fund was due to transfers from enterprise funds for their contribution to the new public works facility and from bonds issued at year-end to finance the remaining portion of the project.

GOVERNMENTAL FUNDS REVENUE

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 a 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 its operation. Also, certain data in these tables may be classified differently than how they appear in 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 the City. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the MD&A. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

Governmental Funds Revenue per Capita With State-Wide Averages by Population Class					
Year Population	State-Wide		City of Ramsey		
	2018 20,000–100,000	2019 20,000–100,000	2018 26,462	2019 27,051	2020 27,263
Property taxes	\$ 493	\$ 512	\$ 432	\$ 436	\$ 457
Tax increments	43	44	37	40	45
Franchise fees	50	50	–	–	16
Special assessments	57	53	21	38	18
Licenses and permits	47	51	39	33	31
Intergovernmental revenues	157	201	111	56	212
Charges for services	112	115	89	70	46
Other	49	79	52	81	70
Total revenue	<u>\$ 1,008</u>	<u>\$ 1,105</u>	<u>\$ 781</u>	<u>\$ 754</u>	<u>\$ 895</u>

The City's governmental funds have generated significantly less revenue per capita in total than other Minnesota cities in its population class. 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 2020 were \$24,378,410, an increase of \$3,977,504 from the prior year. On a per capita basis, the City received \$895 in governmental fund revenue for 2020, an increase of \$141 from the prior year. The largest change was the \$156 per capita increase in intergovernmental revenues, due to the City receiving a \$2,038,029 federal Coronavirus Relief Fund (CRF) grant entitlement in 2020 to provide assistance to the community and fund unanticipated COVID-19-related expenses. An increase in the approved property tax levy and the City's implementation of franchise fees for the pavement management program, also contributed to the increase in total revenues per capita in the current year.

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:

Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class					
Year Population	State-Wide		City of Ramsey		
	2018 20,000–100,000	2019 20,000–100,000	2018 26,462	2019 27,051	2020 27,263
Current					
General government	\$ 104	\$ 107	\$ 159	\$ 161	\$ 178
Public safety	294	306	181	198	219
Public works	106	119	90	93	76
Recreation	104	106	49	47	54
All other	78	97	–	–	18
	<u>686</u>	<u>735</u>	<u>479</u>	<u>499</u>	<u>545</u>
Capital outlay and construction	307	355	135	56	272
Debt service					
Principal	109	88	79	84	148
Interest and fiscal	29	28	35	32	32
	<u>138</u>	<u>116</u>	<u>114</u>	<u>116</u>	<u>180</u>
Total expenditures	<u>\$ 1,131</u>	<u>\$ 1,206</u>	<u>\$ 728</u>	<u>\$ 671</u>	<u>\$ 997</u>

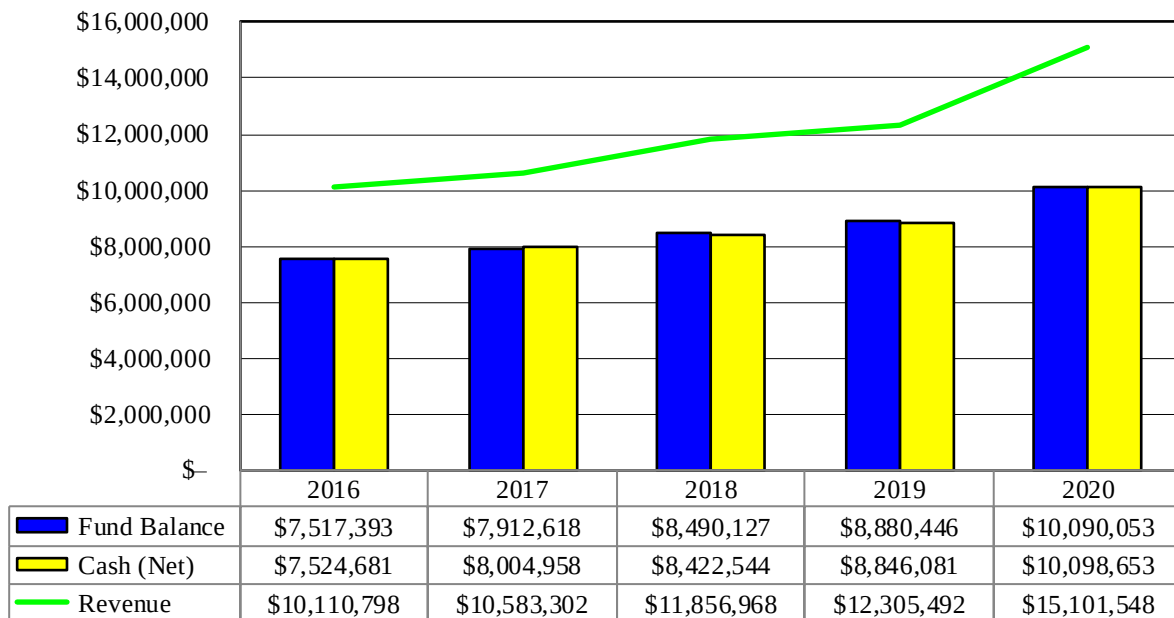
The City has historically used limited expenditure functions for financial statement reporting purposes. As the City has grown and increased spending for community development and other areas, we encourage the City to continue to review the format and level of functional detail presented in all funds in future 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 2020 were \$27,169,329, an increase of \$9,001,040 from the prior year. On a per capita basis, the City expended a total of \$997 in 2020. Current expenditures increased \$46 per capita over the prior year, with more public safety and COVID-19 personal protective equipment spending in the current year. With more projects in the current year, including the public works campus project, capital spending was \$216 more per capita than the prior year. Debt service spending increased by \$64 per capita as planned, with debt financing agreements and the prepayment of the 2011A bonds in the current year. Like revenues, the City's per capita expenditures have typically been less than the state-wide averages.

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 parks and recreation. The graph below illustrates the change in the General Fund financial position over the last five years. We have also included a line representing annual revenues to reflect the change in the size of the General Fund operation over the same period.

General Fund Financial Position
Year Ended December 31,



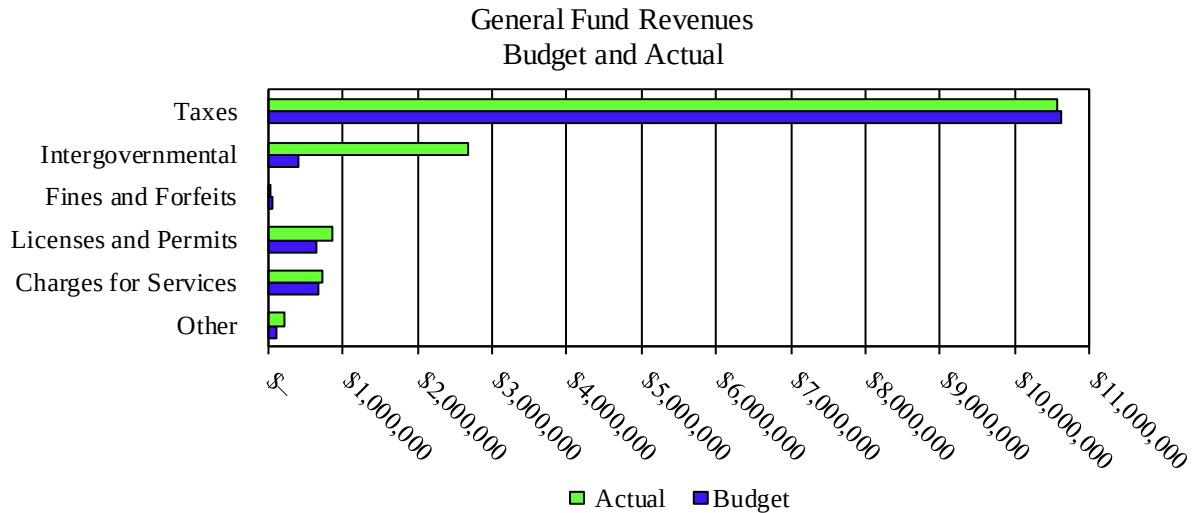
The City's General Fund cash and investments balance at December 31, 2020 was \$10,098,653, an increase of \$1,252,572 from the previous year. Total fund balance at year-end was \$10,090,053, an increase of \$1,209,607 from the prior year.

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. An 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.

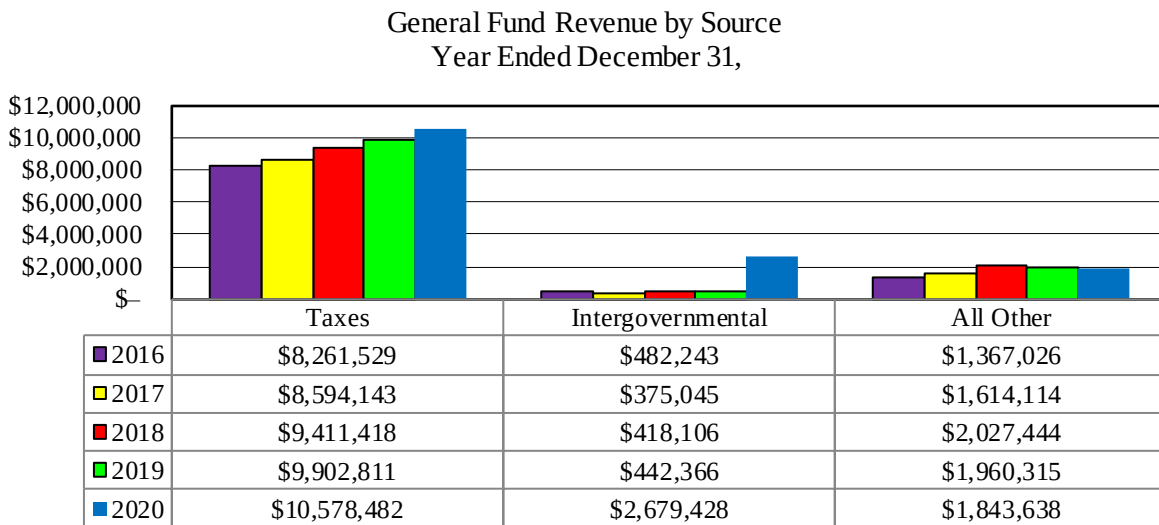
A trend that is typical to Minnesota local governments, especially the General Fund of cities, is the unusual cash flow experienced throughout the year. The City's General Fund cash disbursements are made fairly evenly during the year, other than the impact of seasonal services, such as snowplowing, street maintenance, and park activities. Cash receipts of the General Fund are quite a different story. Property taxes comprise 70.0 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 revenue sources for 2020 compared to budget:



Total General Fund revenues for 2020 were \$15,101,548, an increase of \$2,796,056 (23.7 percent) from the previous year, and \$2,593,959 (20.7 percent) more than budget. Intergovernmental revenue exceeded budget by \$2,273,833, mainly due to the majority of the CRF federal grant funds, which was not budgeted, being used to finance General Fund expenditures. The City's practice to conservatively budget for licenses and permits, charges for services, and other local categories also contributed to revenues surpassing budget.

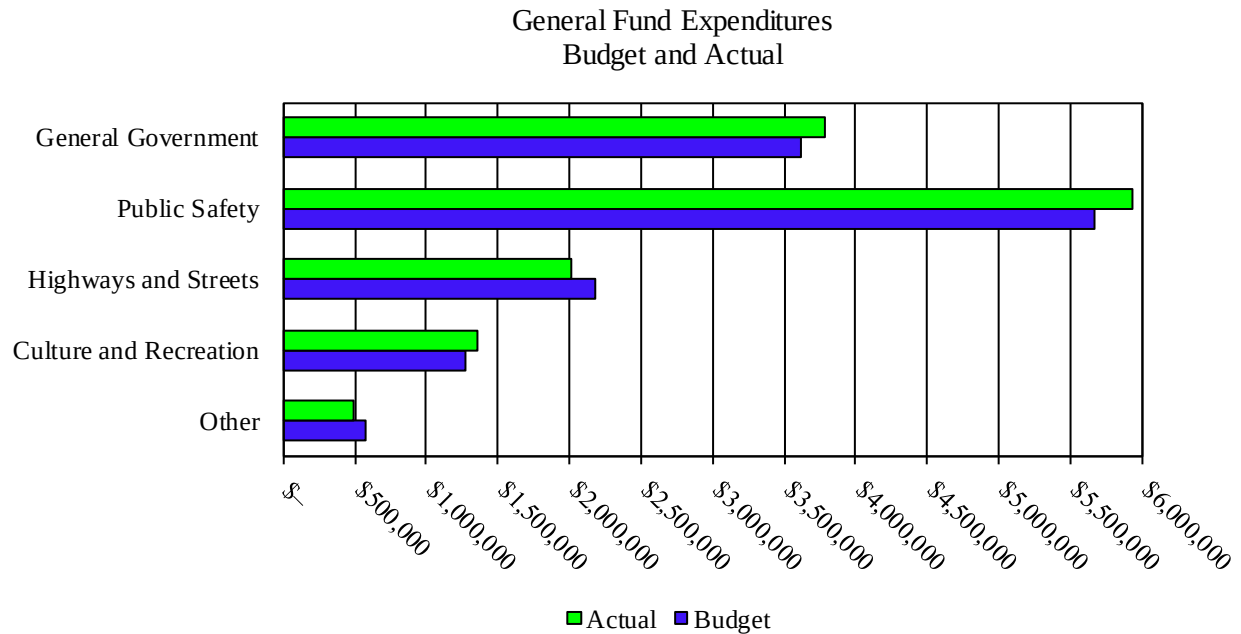
The following graph presents the City's General Fund revenues by source for the last five years:



As presented in the graph above, property taxes account for 70.0 percent of General Fund revenues, which is down, as a percent, from prior years, due to the unanticipated receipt of pandemic-related federal funding.

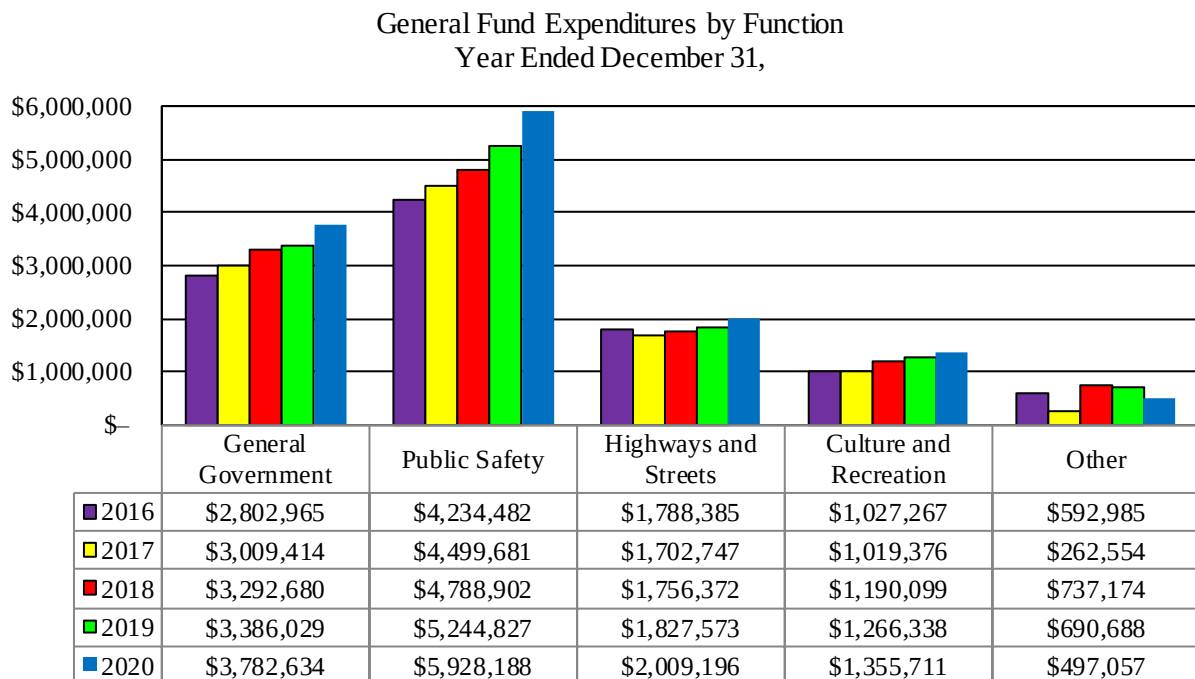
During 2020, tax sources increased by \$675,671, due to an increase in the approved General Fund levy. Intergovernmental revenues increased \$2,237,062 from last year, mainly due to the federal CRF grant revenue, as discussed above.

The following graph illustrates the components of General Fund spending for 2020 compared to budget:



General Fund expenditures totaled \$13,572,786 in 2020, an increase of \$1,157,331 (or 9.3 percent) from the prior year, and were \$269,197 (or 2.0 percent) over the final budget. The variance to budget was primarily related to COVID-19-related spending caused by the pandemic.

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



As the graph displays, the increase in expenditures was spread across most categories as anticipated in the budget. Natural inflationary increases and the continued growth in development in the City contributed to the overall increase in expenditures. A slight decrease in capital spending and interest charges accounted for the change in the “other” category presented above. Additional COVID-19-related spending also increased spending in the current year.

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 include the Water, Sewer, Street Light, Recycling, 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. 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, 2020, presented both by classification and by fund:

Enterprise Funds Change in Financial Position			
	Net Position as of December 31,		
	2020	2019	Change
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 56,166,921	\$ 55,575,211	\$ 591,710
Unrestricted	44,568,513	46,993,793	(2,425,280)
Total enterprise funds	<u>\$ 100,735,434</u>	<u>\$ 102,569,004</u>	<u>\$ (1,833,570)</u>
Total by fund			
Water Utility	\$ 52,736,670	\$ 52,913,246	\$ (176,576)
Sewer Utility	30,186,399	31,986,824	(1,800,425)
Street Light Utility	1,738,463	1,922,241	(183,778)
Recycling Utility	430,956	422,225	8,731
Storm Water Utility	15,642,946	15,324,468	318,478
Total enterprise funds	<u>\$ 100,735,434</u>	<u>\$ 102,569,004</u>	<u>\$ (1,833,570)</u>

In total, the net position of the City's enterprise funds decreased by \$1,833,570 as presented in the table above. The current year decrease was due to the approved transfer of \$6,362,000 to governmental funds in the current year. The majority of this transfer was to finance a portion of the new public works campus.

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

	Operating Results – Fiscal Year Ended December 31,				
	2016	2017	2018	2019	2020
Utility enterprise funds					
Water					
Operating revenue	\$ 1,953,478	\$ 2,772,003	\$ 3,484,687	\$ 2,138,209	\$ 2,541,651
Operating expenses	1,489,070	1,396,021	1,590,737	1,481,163	1,657,356
Operating income	<u>\$ 464,408</u>	<u>\$ 1,375,982</u>	<u>\$ 1,893,950</u>	<u>\$ 657,046</u>	<u>\$ 884,295</u>
Operating income as a percentage of operating revenue	<u>23.8 %</u>	<u>49.6 %</u>	<u>54.4 %</u>	<u>30.7 %</u>	<u>34.8 %</u>
Sewer					
Operating revenue	\$ 1,458,250	\$ 1,784,755	\$ 2,182,944	\$ 1,672,072	\$ 1,714,469
Operating expenses	1,438,141	1,535,664	1,523,670	1,628,839	1,723,238
Operating income	<u>\$ 20,109</u>	<u>\$ 249,091</u>	<u>\$ 659,274</u>	<u>\$ 43,233</u>	<u>\$ (8,769)</u>
Operating income as a percentage of operating revenue	<u>1.4 %</u>	<u>14.0 %</u>	<u>30.2 %</u>	<u>2.6 %</u>	<u>(0.5) %</u>
Street Light					
Operating revenue	\$ 196,253	\$ 204,418	\$ 211,360	\$ 217,169	\$ 216,545
Operating expenses	176,732	159,378	160,952	171,619	169,463
Operating income	<u>\$ 19,521</u>	<u>\$ 45,040</u>	<u>\$ 50,408</u>	<u>\$ 45,550</u>	<u>\$ 47,082</u>
Operating income as a percentage of operating revenue	<u>9.9 %</u>	<u>22.0 %</u>	<u>23.8 %</u>	<u>21.0 %</u>	<u>21.7 %</u>
Recycling					
Operating revenue	\$ 308,052	\$ 310,471	\$ 317,090	\$ 319,940	\$ 319,664
Operating expenses	359,418	373,775	380,055	380,192	366,764
Operating income (loss)	<u>\$ (51,366)</u>	<u>\$ (63,304)</u>	<u>\$ (62,965)</u>	<u>\$ (60,252)</u>	<u>\$ (47,100)</u>
Operating income (loss) as a percentage of operating revenue	<u>(16.7) %</u>	<u>(20.4) %</u>	<u>(19.9) %</u>	<u>(18.8) %</u>	<u>(14.7) %</u>
Storm Water					
Operating revenue	\$ 1,034,552	\$ 958,960	\$ 1,057,705	\$ 1,168,494	\$ 1,164,868
Operating expenses	742,043	633,101	573,878	588,224	777,252
Operating income	<u>\$ 292,509</u>	<u>\$ 325,859</u>	<u>\$ 483,827</u>	<u>\$ 580,270</u>	<u>\$ 387,616</u>
Operating income as a percentage of operating revenue	<u>28.3 %</u>	<u>34.0 %</u>	<u>45.7 %</u>	<u>49.7 %</u>	<u>33.3 %</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, 2020, with the exception of the Sewer and Recycling Funds. These losses were covered by nonoperating sources, including investment earnings and the county recycling grant.

Overall operating revenues totaled \$5,957,197 in 2020, compared to \$5,515,884 in the prior year. An increase in consumption with more households and modest rate adjustments contributed to the change over prior year. The significant change in operating revenues beginning in 2019 was due to a reporting change to present developer connection fees as capital contributions. This reporting change primarily impacted the water and sewer utility operations. Overall operating expenses totaled \$4,694,073 in 2020, compared to \$4,250,037 in the prior year. Spending was up in all areas of personal services, supplies, service charges (including disposal charges), and depreciation, with an increase in population and households serviced by the City's utility system.

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 the 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.

- **Net Investment in Capital Assets** – The portion of net position reflecting equity in capital assets (i.e., capital assets minus related debt).
- **Restricted Net Position** – The portion of net position equal to resources whose use is legally restricted minus any noncapital-related liabilities payable from those same resources.
- **Unrestricted Net Position** – The residual balance of net position after the elimination of *net investment in capital assets* and *restricted net position*.

The following table presents the components of the City's net position as of December 31, 2020 and 2019, for governmental activities and business-type activities:

	As of December 31,		Change
	2020	2019	
Net position			
Governmental activities			
Net investment in capital assets	\$ 52,756,077	\$ 44,658,317	\$ 8,097,760
Restricted	18,957,706	21,006,537	(2,048,831)
Unrestricted	22,499,652	16,759,261	5,740,391
Total governmental activities	94,213,435	82,424,115	11,789,320
Business-type activities			
Net investment in capital assets	56,166,921	55,575,211	591,710
Unrestricted	44,568,513	46,993,793	(2,425,280)
Total business-type activities	100,735,434	102,569,004	(1,833,570)
Total net position	<u>\$ 194,948,869</u>	<u>\$ 184,993,119</u>	<u>\$ 9,955,750</u>

Net position increased by \$9,955,750 in the current year as presented above. At the end of the current fiscal year, the City is able to present positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The increase in net position within governmental activities presents the overall operating results of the governmental funds, as previously discussed, along with the continued development and investment in infrastructure within the City. The change in net position of business-type activities is consistent with the change of the utility enterprise operations.

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, 2020 and 2019:

	2020			2019
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	\$ 5,640,679	\$ 1,473,207	\$ (4,167,472)	\$ (3,428,684)
Public safety	6,468,397	1,555,090	(4,913,307)	(4,356,156)
Highways and streets	4,028,294	4,203,434	175,140	(1,890,207)
Culture and recreation	1,917,228	444,218	(1,473,010)	(732,939)
Economic development	481,858	—	(481,858)	—
Interest and fiscal charges	839,444	—	(839,444)	(845,651)
Business-type activities				
Water utility	1,657,356	3,379,710	1,722,354	2,272,274
Sewer utility	1,723,238	2,258,630	535,392	722,969
Street light utility	169,463	216,545	47,082	45,550
Recycling utility	366,764	366,164	(600)	6,958
Storm water utility	777,252	1,477,351	700,099	875,004
Total net (expense) revenue	<u>\$ 24,069,973</u>	<u>\$ 15,374,349</u>	(8,695,624)	(7,330,882)
General revenues				
Property taxes			13,744,948	12,894,388
Franchise fees			423,045	—
General grants and contributions			2,053,933	5,617
Investment earnings			2,427,076	2,584,698
Gain on sale of capital assets			2,372	8,428
Total general revenues			<u>18,651,374</u>	<u>15,493,131</u>
Change in net position			<u>\$ 9,955,750</u>	<u>\$ 8,162,249</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. It also shows that, for the most part, the City's business-type activities are generating sufficient program revenues (service charges and program-specific grants) to cover expenses. This is critical given the current downward pressures on the general revenue sources.

The increase in general grants and contributions reflects the federal CRF grant received in 2020. The net change in highways and streets, when compared to prior year, was largely due to an increase in capital grants received to finance street projects of the City. The economic development function was added in the current year and will be used moving forward to record the City's spending for economic development purposes.

LEGISLATIVE UPDATES

The 2020 legislative session, coming in the second half of the state's fiscal biennium, was expected to be a typical short session focused primarily on making relatively minor modifications to the biennial budget. Given a projected budget surplus of \$1.5 billion going into the session, consideration of a substantial capital investment and bonding bill was also a potential focus.

The start of the legislative session in February was followed by a series of significant events that changed the course of the session, including a world-wide health pandemic, the death of George Floyd while in police custody and the ensuing protests and unrest, and a hotly contested national election. On March 13, 2020, the Governor issued an executive order declaring a peacetime emergency, giving his administration the ability to quickly impose restrictions and measures aimed at mitigating the COVID-19 outbreak. By early May, the state's budget outlook had changed from a robust surplus to a projected deficit of \$2.4 billion. The legislative session ultimately encompassed an unprecedented seven special sessions, more than double the previous state record of three, with the final special session in mid-December.

In the end, a \$1.87 billion omnibus bonding bill was passed that included \$1.36 billion in general obligation state bonding for capital improvements, \$31.0 million in supplemental General Fund budget spending, and provisions for tax relief and economic assistance. The session also yielded a new Police Accountability Act, and a \$217.0 million economic relief package to help businesses negatively impacted by the pandemic. The following is a brief summary of legislative changes from the 2020 session or previous legislative sessions potentially impacting Minnesota cities.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – The CARES Act provided federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Minnesota received approximately \$2.2 billion in funding under the CARES Act.

When the first legislative special session ended without an agreement on the distribution of approximately \$841.5 million of federal Coronavirus Relief Fund (CRF) funding earmarked for Minnesota local governments, the Governor distributed the funds by executive order based on the framework of the legislative agreement debated during the first special session. This resulted in \$350.4 million being distributed directly to Minnesota cities with populations equal to or greater than 200. The funds were authorized for use for unbudgeted costs related to the COVID-19 pandemic, but not to replace lost revenues. In accordance with CARES Act provisions, the CRF funding was available to cover costs that:

- 1) were necessary expenditures incurred due to the public health emergency related to COVID-19;
- 2) were not accounted for in the entity's budget most recently approved as of March 27, 2020; and
- 3) were incurred during the period from March 1, 2020 through December 31, 2020 (the availability period end date was revised by the state to November 15, 2020 for Minnesota cities).

Emergency Small Business Assistance Program – The Legislature created a program to appropriate \$60.0 million of federal CRF funding to make grants available through the Minnesota Department of Employment and Economic Development for eligible small businesses impacted by COVID-19. Small businesses employing up to 50 full-time employees are eligible to receive grants of up to \$10,000. The allocation is split between the metro area and greater Minnesota, with specific allocations for businesses owned by minorities, veterans, and women. \$18.0 million of the allocation is earmarked for businesses with 6 or less employees.

Workers' Compensation Claims – COVID-19 Presumption – The Legislature adopted several new provisions to state unemployment statutes related to COVID-19, including a presumption that an employee who contracts COVID-19 has an "occupational disease" arising out of, and in the course of, employment if the employee works in one of the specified occupations and has a confirmed case of COVID-19. Covered occupations include nurses, healthcare workers, and workers required to provide childcare for first responders and healthcare workers under Executive Orders 20-02 and 20-19. The COVID-19 presumption provision sunsets on May 1, 2021.

Bonding Bill – The 2020 bonding bill provided financing for approximately \$1.36 billion of projects. Some of the more significant appropriations for local infrastructure included: \$105 million in undesignated grants for local road improvement and bridge replacement; \$100 million for water infrastructure and point source implementation grants; \$25 million for state match of federal grants for public facilities improvements, \$20 million for natural resource asset preservation, \$17 million for flood control mitigation, \$15 million for the Local Government Roads Wetlands Replacement Program; \$5 million for Metropolitan Council inflow and infiltration grants; and \$5 million for metropolitan regional parks and trails. The bill also included funding for a number of state initiatives, including: \$300 million in trunk highway bonds for the improvement of the state trunk highway system; \$145 million in appropriation bonds to fund the infrastructure and capital needs of the Minnesota Housing Finance Agency, Minnesota Pollution Control Agency, and Minnesota Public Television; \$30 million for state agency projects aimed at promoting racial equity, \$29.5 million for the state Emergency Operations Center; and \$16 million for the Minnesota Housing Finance Agency.

The bill provides authority for eligible local governments to own and operate childcare facilities, and permits local governments to enter into management agreements with licensed childcare providers to operate in publicly-owned facilities. It also makes cities, counties, school districts, and joint powers boards located outside of the seven-county metro area eligible to apply for grants through the Greater Minnesota Childcare Facility Capital Grant Program.

The bill also included a provision extending the equal pay certificate of compliance requirement to contracts by any public entity, including political subdivisions, using state general obligation bond proceeds for all or part of a capital project. Local governments will be responsible for requiring that bids include proper certification on applicable projects, which applies to projects for goods or services valued at more than \$1 million utilizing appropriated bond proceeds on or after January 1, 2022.

Elections – A number of measures were passed to help ensure the safe and secure conduct of the 2020 state primary and general elections, including; allowing for the processing of absentee ballots to begin 14 days prior to the date of the election, extending the period during which absentee ballots could be processed for 2 days following the election, accepting electronic filings for affidavits of candidacy or nominating petitions, and specifying that municipalities were to use schools as polling places only when no other public or private location was reasonably available. Funds from the federal Help America Vote Act were made available for modernizing, securing, and improving election facilities, a portion of which was made available for grants to local governments to fund activities prescribed by this program.

Minors Operating Lawn Care Equipment – Effective May 28, 2020, Minnesota Statutes lowered the employment age for operating lawn care equipment to age 16. Minors aged 16 and 17 must be trained in the safe operation of the equipment and wear appropriate personal protective equipment when operating the lawn care equipment. The exception under this statute applies only to minors directly employed by golf courses, resorts, rental property owners, or municipalities to perform lawn care on golf courses, resort grounds, rental property, or municipal grounds.

Open Meeting Law Exception – The interactive television provision of the Minnesota Open Meeting Law was amended to allow for participation in meetings by interactive electronic means, such as Skype or Zoom, without requiring that an elected official be advised to do so by a healthcare professional for personal or family medical reasons. This allowance is available only when a national security or peacetime emergency has been declared and may be used up to 60 days after the emergency declaration has been lifted. Whenever public meetings are held via interactive electronic means of this type, votes must be conducted by roll call and be recorded in the minutes.

Expanded Authority for Electronic Signatures During COVID-19 – Effective May 17, 2020, cities are allowed to accept certain documents, signatures, or filings electronically, by mail, or facsimile during the COVID-19 pandemic, including; planning and zoning applications and permits; land use documents; documents requiring the signature of licensed architects, engineers, land surveyors, geoscientists, or interior designers; applications for birth or death certificates; or recording notary commissions. This accommodation expires January 16, 2021, or 60 days following the termination of the peacetime public health emergency.

Solid Waste Recycling Exemption – The requirement that not more than 15 percent of mixed municipal solid waste received by recycling or composting facilities be disposed of, rather than recycled or composted, is suspended as long as the need for the exception is triggered by operational changes implemented to address the COVID-19 pandemic.

Pension Changes – Effective January 1, 2021, the maximum lump-sum pension amount for volunteer firefighters is increased from \$10,000 to \$15,000 per year of service. Municipalities are permitted to split state fire aid received between its career firefighters and its affiliated volunteer firefighters, but only if the amount allocated to the career firefighters is approved by the membership of the volunteer firefighter relief association. Any aid allocated to career firefighters must be used to pay the Public Employees Retirement Association (PERA) employer contributions on their behalf within 18 months of the transfer or be returned to the relief association.

Police Accountability Act – The Legislature passed the Police Accountability Act, which enacted a number of changes to laws governing police conduct, training, and oversight. Among the more significant changes adopted were:

- Defined and authorized “public safety peer counseling” and “critical incident stress management,” and classifies information shared in these settings as private data.
- Established an Independent Use of Force Investigations Unit within the Bureau of Criminal Apprehension to investigate all officer-involved deaths in the state, as well as criminal sexual assault allegations against peace officers, effective August 1, 2020.
- Authorized statutory or home rule charter cities to offer incentives to encourage a person hired as a peace officer to be a resident of the city.
- Limited the use of certain restraint methods by peace officer unless the use of deadly force is authorized in a given situation.
- Established and modified provisions related to law enforcement use of deadly force.
- Defined and prohibited “warrior-style” training for peace officers.
- Established a 15-member “Ensuring Police Excellence and Improving Community Relations Advisory Council” under the Police Officer Standards and Training (POST) Board, to assist the POST Board in maintaining policies and regulating peace officers in a manner that ensures the protection of civil and human rights.
- Established a duty for peace officers to intercede when another officer is using excessive force and report incidents of excessive force to supervisors.

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ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years. Due to the COVID-19 pandemic, the GASB has delayed the original implementation dates of these and other standards as described below.

GASB Statement No. 87, *Leases*

A lease is a contract that transfers control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Governments enter into leases for many types of assets. Under the previous guidance, leases were classified as either capital or operating depending on whether the lease met any of the four tests. In many cases, the previous guidance resulted in reporting lease transactions differently than similar nonlease financing transactions.

The goal of this statement is to better meet the information needs of users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Under this statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

To reduce the cost of implementation, this statement includes an exception for short-term leases, defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

This statement also addresses arrangements, often characterized as leases, that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third party obligors in the course of their activities.

This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post-employment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post-employment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

An SBITA is defined as a contract that conveys control of the right to use another party's (an SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

This statement provides an exception for short-term SBITAs with a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this statement that (1) exempt primary governments that perform the duties that a government board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this statement.

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Special Purpose Audit Reports

Year Ended
December 31, 2020

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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Special Purpose Audit Reports
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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, 2020, 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 18, 2021.

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) as a basis for designing 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 a 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 financial statements. 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 18, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the City Council and Management
City of Ramsey, Minnesota

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the City of Ramsey, Minnesota's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

(continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

(continued)

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 18, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Minneapolis, Minnesota
May 18, 2021

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

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, 2020, 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 18, 2021.

MINNESOTA LEGAL COMPLIANCE

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 contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters. 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, insofar as they relate to accounting matters.

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 18, 2021

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CITY OF RAMSEY

Schedule of Findings and Questioned Costs Year Ended December 31, 2020

A. SUMMARY OF AUDIT RESULTS

This summary is formatted to provide federal granting agencies and pass-through agencies answers to specific questions regarding the audit of federal awards.

Financial Statements

What type of auditor's report is issued?

<u> X </u>	Unmodified
<u> </u>	Qualified
<u> </u>	Adverse
<u> </u>	Disclaimer

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal controls over major federal award programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None reported

Type of auditor's report issued on compliance for major programs?

U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)?	<u> </u> Yes	<u> X </u> No

Programs tested as major programs:

<u>Program or Cluster</u>	<u>CFDA No.</u>
U.S. Department of Treasury – COVID-19 – Coronavirus Relief Fund	21.019
Threshold for distinguishing between type A and B programs:	<u>\$ 750,000</u>

Does the auditee qualify as a low-risk auditee?	<u> </u> Yes	<u> X </u> No

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CITY OF RAMSEY

Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2020

B. FINANCIAL STATEMENT FINDINGS

None.

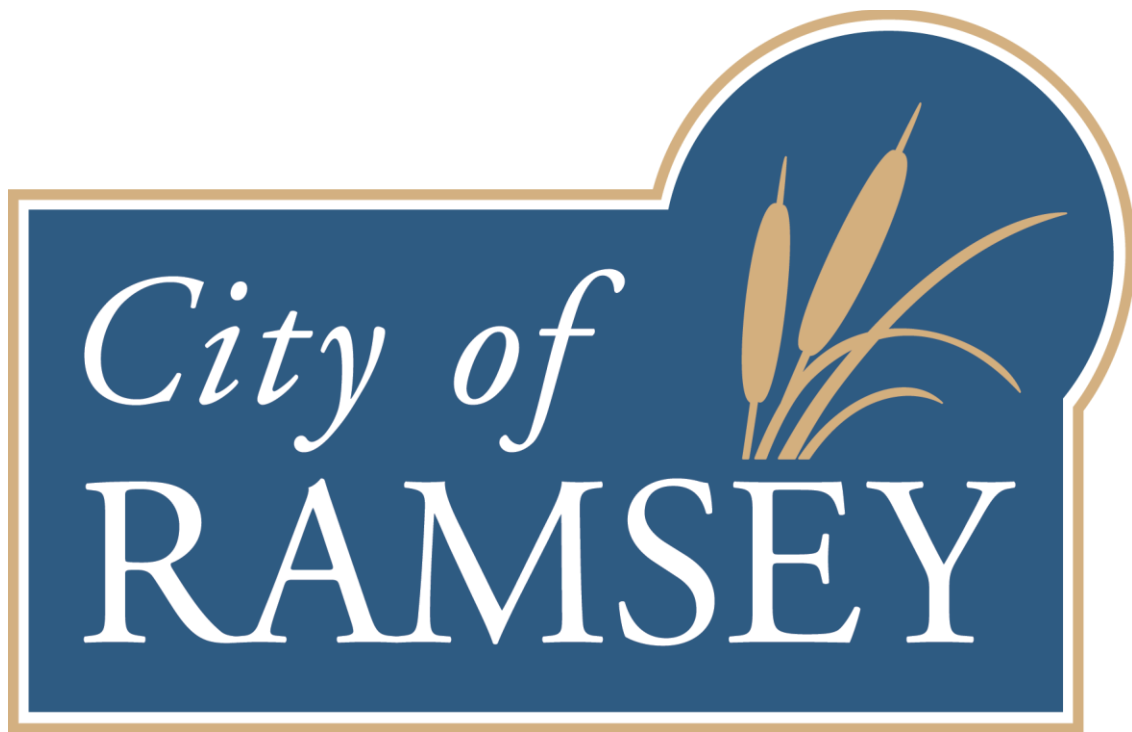
C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

D. MINNESOTA LEGAL COMPLIANCE FINDINGS

None.

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Minnesota

*Comprehensive
Annual Financial Report*

For the fiscal year December 31, 2020

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Comprehensive Annual Financial Report
For Year Ended
December 31, 2020

Prepared by
Finance Department

Diana Lund
Finance Director

and

Angela McIntire
Assistant Finance Director



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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

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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, 2020

CITY COUNCIL

John LeTourneau	Mayor
Mark Kuzma	Councilmember
Jeff Menth	Councilmember
Debra Musgrove	Councilmember
Chris Riley	Councilmember
Dan Specht	Councilmember
Vacant	Councilmember

CITY OFFICIALS

Kurt Ulrich	City Administrator

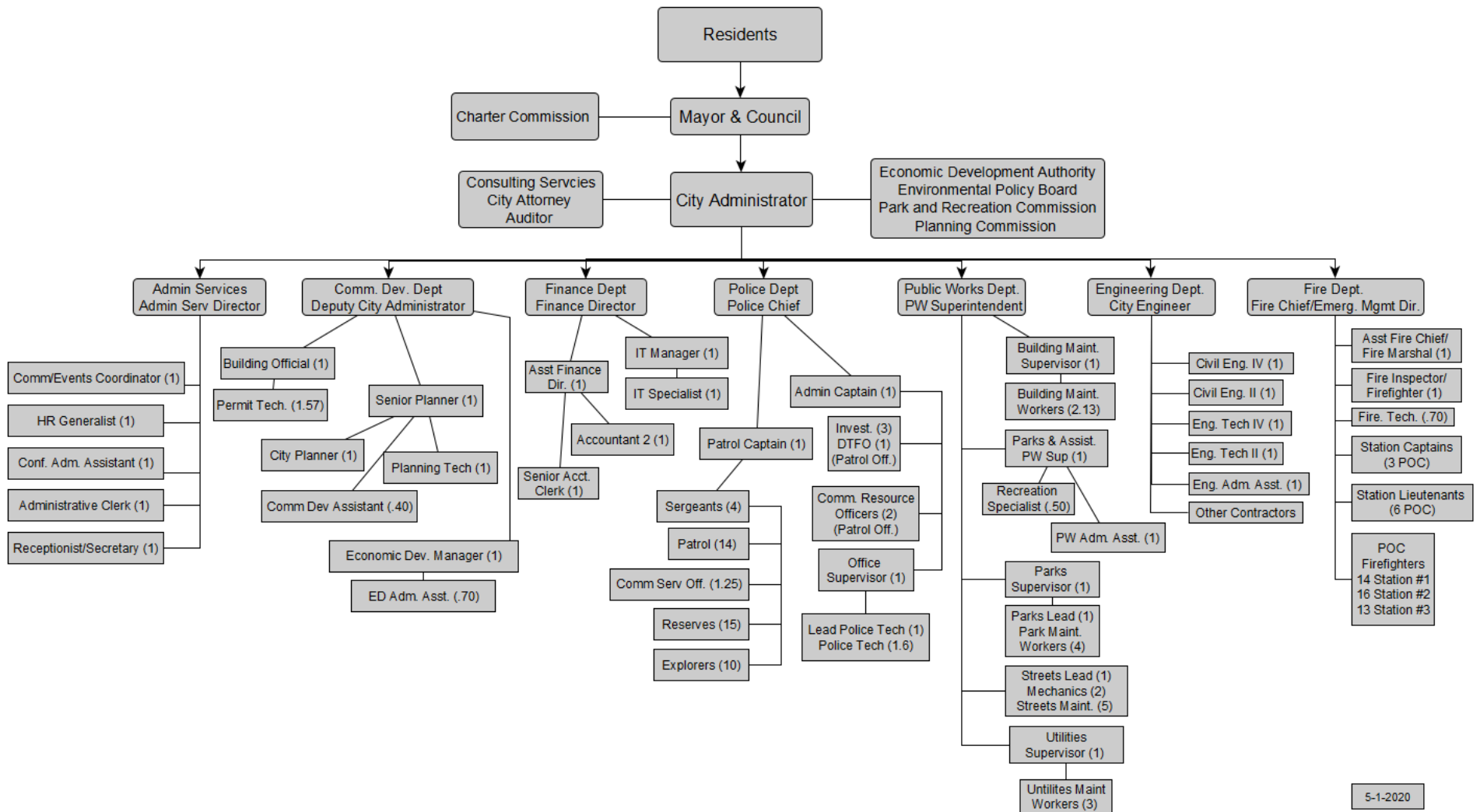
DEPARTMENT HEADS

Timothy Gladhill	Deputy City Administrator/ Community Development Director
Matthew Kohner	Fire Chief/ Emergency Management Director
Jeff Katers	Police Chief
Diana Lund	Finance Director
Grant Riemer	Public Works Superintendent
Bruce Westby	City Engineer
Colleen Lasher	Administrative Services Director



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City of Ramsey Organizational Chart



5-1-2020



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Goals/Imperatives

Financial Stability

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

A Balance of Rural Character & Urban Growth

Continue to respect the balance and connectivity between our unique urban, rural, and natural environment for current and future generations.

An Active & 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 of 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

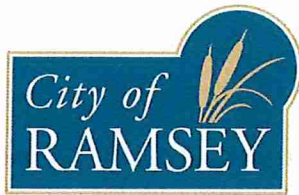
Excellence and Quality in
the Delivery of Service

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

May 18, 2021

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

The comprehensive annual financial report of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2020 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) this organization is included as a blended component unit 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 and the EDA 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 4.4% in comparison to the state average of 4.9%. Ramsey has an employed labor force of 15,247. Anoka County, in which Ramsey is located, has an employed labor force of 191,964 and an unemployment rate of 4.8%.

There are approximately 7,145 detached single-family homes and 2,498 multifamily units located within the City. In addition, there were 200 single-family homes constructed in 2020. Delta Mod Tech was constructed adding 230,000 square feet of new industrial space in Ramsey. An additional 115,000 square feet of industrial space was added to existing industrial businesses in 2020. Suite Living, a 33-unit assisted living and memory care facility and The Sapphire - a 118- unit market-rate apartment both opened their doors in 2020.

Five hundred and fifty-two businesses call Ramsey home; those businesses employ nearly 7,000 people.

The city began the construction on a new 92,300 square foot public works campus in the fall of 2020. When completed, the campus will house all operations of streets, park and utilities. Opening is scheduled for fall 2021.

The City has two major industrial districts containing multiple business parks with a combined capacity of 320 acres and 25 businesses. A 115-acre business park, west of Armstrong Boulevard, began construction in 2017. The business park is estimated to generate about two million dollars in total annual property taxes and create about 3,000 jobs. Through 2020, approximately 500 new jobs have been created as a result of this business park. In addition, the city is actively developing a 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 ten-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

The City continued working with the State and County in what is termed the Ramsey Gateway Project. The Ramsey Gateway Project will provide grade separations of US Highway 10/169 and the BNSF Railway. Highway 10 improvements at Sunfish Lake and Ramsey Boulevard are part of the project plan. To date, \$80 million of the \$138 million needed to fund these improvements has been secured.

The City implemented a stable/dedicated funded source for its Pavement Management Program. This funding source was the collection of a franchise fee on all gas and electric customers. It is estimated that \$2 million will be generated annually and to be used strictly for the reconstruction and overlays of road as outlined in the City's Pavement Management Plan.

The City completed a feasibility study of a water treatment facility. Planning is on-going with possible construction of the facility in late fall of 2021.

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 Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the twenty-sixth 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 Comprehensive Annual Financial Report 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 2020 Comprehensive Annual Financial Report 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, 2019

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Ramsey, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying 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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General 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 required supplementary information (RSI), 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 RSI 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, combining and individual fund statements and schedules, and 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 information is 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.

(continued)

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2021 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 solely 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 the effectiveness of the City's 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 18, 2021



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CITY OF RAMSEY

Management's Discussion and Analysis Year Ended December 31, 2020

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, 2020. The discussion and analysis is intended to be considered in conjunction with the additional information that we have furnished in our letter of transmittal, located earlier in this report, and the City's financial statements contained within this report.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$194,948,869 (net position).
- Government-wide revenues totaled \$34,025,723 and were \$9,955,750 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$57,821,367, an increase of \$12,500,220 from the prior fiscal year.
- At the end of the current fiscal year the General Fund balance of \$10,090,053 included \$16,849 of nonspendable fund balance and \$10,073,204 of unassigned fund balance.

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, culture and recreation, and economic development. The business-type activities of the City include enterprises for water, sewer, street light, recycling, and storm water utilities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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 and the Economic Development 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 insurance 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 government-wide financial statements.

Fiduciary Funds – Fiduciary Funds are used to account for resources held for the benefit of parties outside of the City. 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, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules (presented as supplementary information) referred to earlier in connection with nonmajor governmental funds, which are presented immediately following the basic financial statements.

Further, a statistical section has been included as part of the comprehensive annual financial report to facilitate additional analysis, and is the third and final section of the report.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$194,948,869 at the close of December 2020. Total net position increased by \$9,955,750 from current year operating results.

By far, the largest portion of the City's net position (56 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 is 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.

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

	Summary Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 66,140,545	\$ 51,956,945	\$ 45,267,792	\$ 47,582,978	\$ 111,408,337	\$ 99,539,923
Capital assets, net of depreciation	71,275,456	66,783,317	56,166,921	55,575,211	127,442,377	122,358,528
Total assets	<u>\$ 137,416,001</u>	<u>\$ 118,740,262</u>	<u>\$ 101,434,713</u>	<u>\$ 103,158,189</u>	<u>\$ 238,850,714</u>	<u>\$ 221,898,451</u>
Deferred outflows of resources						
OPEB plan deferments	\$ 65,284	\$ 27,297	\$ -	\$ -	\$ 65,284	\$ 27,297
Pension plan deferments	2,118,987	2,745,148	62,276	128,436	2,181,263	2,873,584
Total deferred outflows of resources	<u>\$ 2,184,271</u>	<u>\$ 2,772,445</u>	<u>\$ 62,276</u>	<u>\$ 128,436</u>	<u>\$ 2,246,547</u>	<u>\$ 2,900,881</u>
Liabilities						
Current and other liabilities	\$ 6,417,792	\$ 4,601,510	\$ 226,705	\$ 113,771	\$ 6,644,497	\$ 4,715,281
Long-term liabilities	36,499,319	35,007,416	509,015	544,044	37,008,334	35,551,460
Total liabilities	<u>\$ 42,917,111</u>	<u>\$ 39,608,926</u>	<u>\$ 735,720</u>	<u>\$ 657,815</u>	<u>\$ 43,652,831</u>	<u>\$ 40,266,741</u>
Deferred inflows of resources						
OPEB plan deferments	\$ 365,833	\$ 37,433	\$ -	\$ -	\$ 365,833	\$ 37,433
Pension plan deferments	2,103,893	4,043,743	25,835	59,806	2,129,728	4,103,549
Total deferred inflows of resources	<u>\$ 2,469,726</u>	<u>\$ 4,081,176</u>	<u>\$ 25,835</u>	<u>\$ 59,806</u>	<u>\$ 2,495,561</u>	<u>\$ 4,140,982</u>
Net position						
Net investment in capital assets	\$ 52,756,077	\$ 44,658,317	\$ 56,166,921	\$ 55,575,211	\$ 108,922,998	\$ 100,233,528
Restricted	18,957,706	21,006,537	-	-	18,957,706	21,006,537
Unrestricted	22,499,652	16,759,261	44,568,513	46,993,793	67,068,165	63,753,054
Total net position	<u>\$ 94,213,435</u>	<u>\$ 82,424,115</u>	<u>\$ 100,735,434</u>	<u>\$ 102,569,004</u>	<u>\$ 194,948,869</u>	<u>\$ 184,993,119</u>

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. The City's AA+ bond rating was reaffirmed by Standard and Poor's (S&P) in December 2020. This has also allowed the City to continue to provide quality public services at a tax rate that is affordable.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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.

Changes in the City's proportionate share of state-wide pension obligations contributed to the differences in amounts presented as deferred outflows, noncurrent liabilities, and deferred inflows in the previous table. The City also issued debt in the current year to finance a portion of the ongoing construction of a new public works facility, which changed assets, liabilities, and net position components.

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

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 2,142,064	\$ 2,878,991	\$ 5,957,197	\$ 5,515,884	\$ 8,099,261	\$ 8,394,875
Operating grants and contributions	603,389	461,826	57,865	67,961	661,254	529,787
Capital grants and contributions	4,930,496	3,434,344	1,683,338	2,596,210	6,613,834	6,030,554
General revenues						
Property taxes	13,744,948	12,894,388	-	-	13,744,948	12,894,388
Franchise fees	423,045	-	-	-	423,045	-
General grants and contributions	2,053,933	5,617	-	-	2,053,933	5,617
Investment earnings	1,035,274	1,122,573	1,391,802	1,462,125	2,427,076	2,584,698
Gain on sale of capital assets	2,372	8,428	-	-	2,372	8,428
Total revenues	24,935,521	20,806,167	9,090,202	9,642,180	34,025,723	30,448,347
Expenses						
General government	5,640,679	5,139,352	-	-	5,640,679	5,139,352
Public safety	6,468,397	5,844,265	-	-	6,468,397	5,844,265
Highways and streets	4,028,294	4,442,720	-	-	4,028,294	4,442,720
Culture and recreation	1,917,228	1,756,810	-	-	1,917,228	1,756,810
Economic development	481,858	-	-	-	481,858	-
Interest and fiscal charges	839,444	845,651	-	-	839,444	845,651
Water utility	-	-	1,657,356	1,483,584	1,657,356	1,483,584
Sewer utility	-	-	1,723,238	1,631,260	1,723,238	1,631,260
Street light utility	-	-	169,463	171,619	169,463	171,619
Recycling utility	-	-	366,764	380,192	366,764	380,192
Storm water utility	-	-	777,252	590,645	777,252	590,645
Total expenses	19,375,900	18,028,798	4,694,073	4,257,300	24,069,973	22,286,098
Changes in net position before transfers	5,559,621	2,777,369	4,396,129	5,384,880	9,955,750	8,162,249
Transfers	6,229,699	(506,494)	(6,229,699)	506,494	-	-
Changes in net position	11,789,320	2,270,875	(1,833,570)	5,891,374	9,955,750	8,162,249
Net position - beginning	82,424,115	80,153,240	102,569,004	96,677,630	184,993,119	176,830,870
Net position - ending	\$ 94,213,435	\$ 82,424,115	\$ 100,735,434	\$ 102,569,004	\$ 194,948,869	\$ 184,993,119

Governmental Activities – Governmental activities account for an \$11,789,320 increase in the City's net position. Charges for services decreased by \$736,927 to reflect the decrease in park dedication fees collected. Capital grants and contributions increased by \$1,496,152 due to the City being reimbursed for a major road project – Variolite Street Reconstruction in 2020.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Investment earnings decreased \$87,299. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings. Property tax collections saw an increase of \$850,560 or 7% which was attributed to the city increasing their 2020 tax levy by almost 6% over the 2019 adopted levy. The city implemented franchise fees in October 2020, generating a one-quarter franchise fee collection of \$423,045. General grants and contributions increased \$2,048,316 which was attributed to the city receiving Coronavirus Relief Funds. Transfers in the amount of \$6,229,699 was attributed to funding for the new public works campus from the Water Utility, Sewer Utility, Street Light Utility and Storm Water Utility.

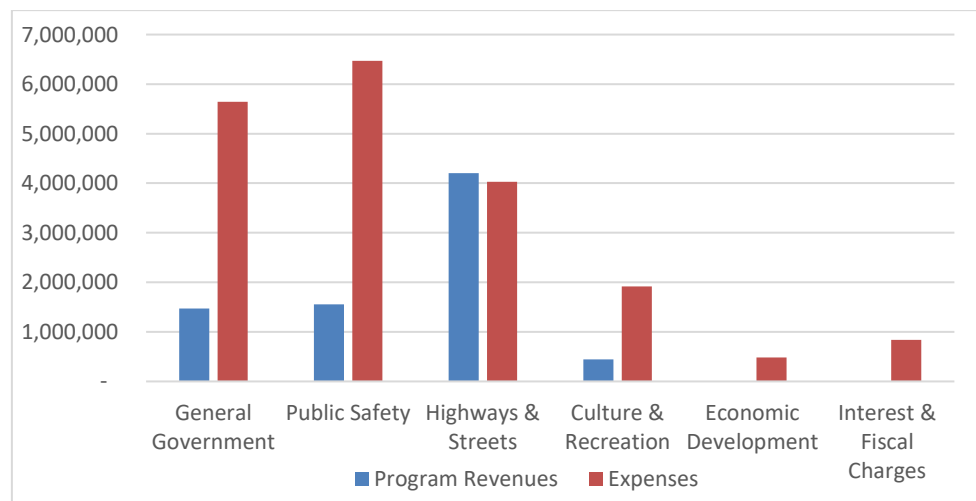
The general government function experienced a \$501,327 expense increase due largely to Covid pandemic expenses. An increase in personnel costs in the police and fire departments contributed to the \$624,132 increase in public safety. Highways and streets expense decreased by \$414,426 due to reduced spending for road improvements in 2020. The economic development function was added in 2020 to record the \$481,858 write-down to fair value for land held for resale in the COR area.

Business-Type Activities – Business-type activities, which are the City’s utility operations of water, sewer, street light, recycling, and storm water, decreased the City’s net position by \$1,833,570. Key elements of this decrease are as follows.

- Revenues exceeded expenses before transfers by \$4,396,129, with this excess decreasing \$988,751 from the prior year.
- Charges for services increased \$441,313 from the prior year. This is primarily due to an increase in utility rates.
- Capital grants and contributions decreased by \$912,872 from the prior year. This is primarily due to a reduction in capital contributions from developers for water and sewer utility improvements.
- Investment earnings decreased \$70,323. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings.
- Transfers out in the amount of \$6,229,699 was attributed to funding for the new public works campus.

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

Expenses and Program Revenues – Governmental Activities

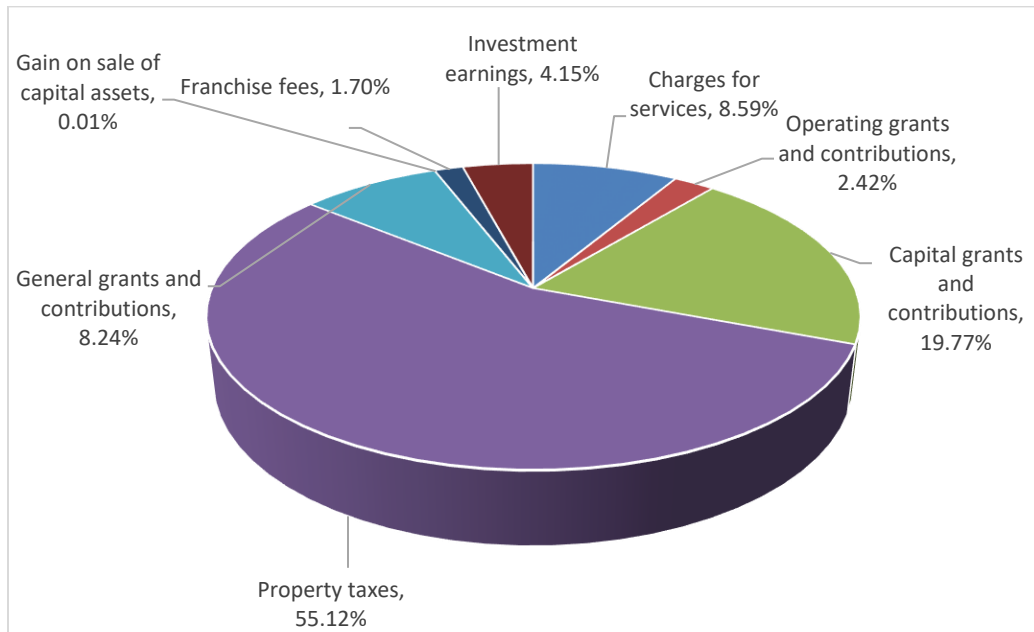


The graph clearly reflects the need for property taxes to supplement the governmental activities of the City. The trend of property taxes shows an increasing reliance on this source of revenue.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

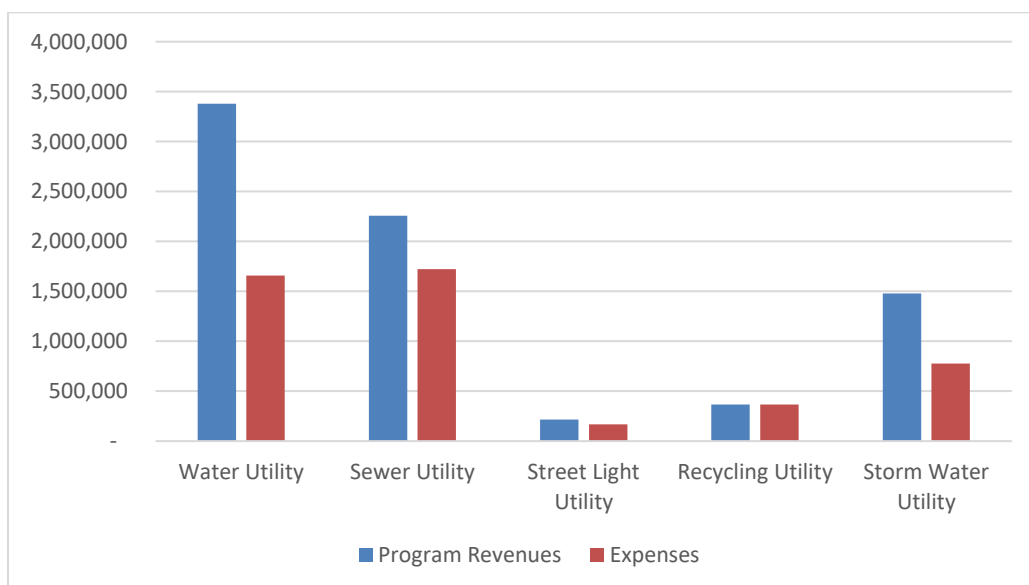
Governmental Activities – The following chart illustrates the City’s governmental activities revenues:

Revenue by Source – Governmental Activities



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

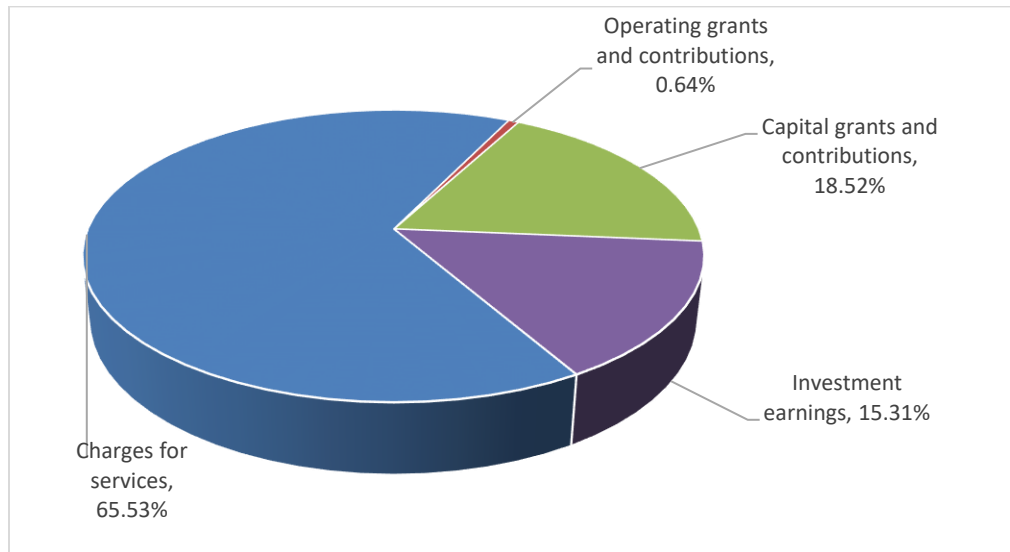
Expenses and Program Revenues – Business-Type Activities



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

Revenues By Source – Business-Type Activities



Charges for services (65.53%) and Capital grants and contributions (18.52%) are the main sources of revenue for the business-type activities, which represent the Utility Funds.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental Funds – At the end of the fiscal year, the City’s Governmental Funds reported combined ending fund balances of \$57,821,367, an increase of \$12,500,220 in comparison with the prior year. The General Fund reported a fund balance increase of \$1,209,607 in the current year. The increase is attributed to the City’s fund balance policy which states that ending fund balance shall be equal to fifty percent (50%) of the next years adopted operating budget, plus prior-year encumbrances (if any) plus compensated absences.

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

	Original Budget	Final Budget	Actual	Over (Under) Final Budget	% Over (Under) Budget
Revenue	\$ 12,507,589	\$ 12,507,589	\$ 15,101,548	\$ 2,593,959	20.74%
Expenditures	13,303,589	13,303,589	13,572,786	269,197	2.02%
Excess (deficiency) of revenue over expenditures	(796,000)	(796,000)	1,528,762	2,324,762	
Other financing sources (uses)	796,000	796,000	(319,155)	(1,115,155)	
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	1,209,607	<u>\$ 1,209,607</u>	
Fund balances					
Beginning of year			8,880,446		
End of year			<u>\$ 10,090,053</u>		

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

General Fund Budgetary Highlights

The city does not formally amend its original budget during the calendar year except for extraordinary circumstances. Budget to actual reports are reported monthly to City Council and responsible staff.

The city experienced a favorable revenue variance in that actual revenues exceeded budgeted revenues by \$2,593,959. The majority of the variance was attributed to the Coronavirus Relief Funds received.

The difference between the final expenditure budget and actual was a difference of \$269,197 and is attributed to the COVID-19 expenditures that occurred due to the pandemic.

Overall fund balance increased by \$1,209,607 to an ending fund balance of \$10,090,053. The city's ending fund balance increase of \$1,209,607 is determined by its fund balance policy which for year ending 2020 is summarized as follows:

- \$539,880 increase based on 50% increase in next years adopted budget
- \$524,564 increase in prior year encumbrances related to public safety personnel costs, worker's compensation, general liabilities and capital maintenance transfer
- \$145,163 increase in compensated absences liability

Tax Increment Fund – This Special Revenue Fund had a year-end fund balance of \$5,308,619 which reflects an increase of \$459,445 from 2019. The increase was due to additional property tax increments received for the current year.

COR Land Fund – This Special Revenue Fund had a reduction in fund balance of \$481,858 due to a write down in land held for resale to reflect current market conditions. The year-end fund balance was \$8,148,079.

Private Developer Fund – This Special Revenue Fund was previously reported as an Agency fund in years prior to 2019. There is no fund balance recorded for 2020.

2011A Armstrong/Bunker Bond Fund – This Debt Service Fund had a year-end fund balance of \$0. This debt issue was paid off early and retired in 2020.

Public Improvement Revolving Fund – This Capital Project Fund saw an overall increase in fund balance of \$532,192, with revenues and other financing sources exceeding expenditures and other financing uses in the current year.

Public Works Campus Fund – This Capital Project Fund was established in 2020 and had a year-end fund balance of \$13,133,106. The ending fund balance was an accumulation of transfers from the utility funds and bond proceeds that will be used to construct the new public works campus.

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 \$100,735,434 at December 31, 2020. The financial activities of these funds have been summarized in previous charts within this discussion. The City's Internal Service Fund had an ending net position of \$481,851.

The Enterprise Funds consist of the Water Utility Fund, Sewer Utility Fund, Street Light Utility Fund, Recycling Utility Fund, and Storm Water Utility Fund.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets – The City’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2020 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Capital Assets - Not Depreciated	\$ 14,002,341	\$ 7,565,372	\$ 1,506,096	\$ 2,169,011	\$ 15,508,437	\$ 9,734,383
Capital Assets - Depreciated	57,273,115	59,217,945	54,660,825	53,406,200	111,933,940	112,624,145
Total capital assets, net of depreciation	<u>\$ 71,275,456</u>	<u>\$ 66,783,317</u>	<u>\$ 56,166,921</u>	<u>\$ 55,575,211</u>	<u>\$ 127,442,377</u>	<u>\$ 122,358,528</u>
Depreciation expense	<u>\$ 3,618,521</u>	<u>\$ 3,556,745</u>	<u>\$ 1,686,932</u>	<u>\$ 1,612,989</u>	<u>\$ 5,305,453</u>	<u>\$ 5,169,734</u>

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to approximately \$127 million (net of accumulated depreciation).

The governmental activities show a net increase of \$4,492,139 in capital assets attributable to the construction of the public works campus. Business-type activities show a net increase of \$591,710 in capital assets. The increase is attributable to developer contributions to the City’s utility system as part of their private developments. 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 governmental activity general obligation bonds. The revenue sources for these funds include annual tax levies and special assessments. At year-end, fund balance was \$1,422,444 restricted for debt service.

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

	2020	2019
Governmental Activities		
G.O. improvement bonds	\$ 28,325,000	\$ 23,165,000
Capital equipment certificates	575,000	725,000
Compensated absences payable	1,093,863	948,700
Net pension liability	6,043,916	4,867,794
Total OPEB liability	<u>461,540</u>	<u>699,412</u>
Subtotal	36,499,319	30,405,906
Business-type Activities		
Net pension liability	<u>509,015</u>	<u>544,044</u>
Total	<u>\$ 37,008,334</u>	<u>\$ 30,949,950</u>

During the current fiscal year, the City saw an increase of \$5,010,000 in bonds and certificates. The City had one debt issuance during the current year. The series 2020A, were \$9,055,000 General Obligation Capital Improvement Plan Bonds used to finance the construction of the new public works campus. Due to higher wages and employees retaining larger balances at year end, the compensated absence liability increased by \$145,163. Net pension liability saw an increase of \$1,141,093 to reflect the change in the City’s proportionate share of the state-wide PERA pension plan obligation. Other Post-Employment Benefits (OPEB) decreased \$237,872 due to the annual OPEB contributions exceeding costs as actuarially determined with the parameters of GASB Statement No. 75.

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 \$58,243,785.

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

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 4.4%, which is an increase from a rate of 3.2% a year ago. The state of Minnesota shows an average unemployment rate of 4.9%, whereas, nationally the unemployment rate is 6.5%.
- The number of foreclosures in the City of Ramsey decreased from 32 units in 2019 to 5 in 2020. Due to the Covid-19 pandemic, there has been a moratorium on foreclosures and evictions.
- Inflationary trends in the region compare favorably to national indices.
- The COVID-19 pandemic caused substantial volatility in the economy and changes to the City's operations in 2020, and is expected to continue to impact the City's finances and operations in fiscal 2021 and beyond. Significant uncertainty remains about the breadth and duration of the pandemic. At this time, the City is unable to determine what effect this may have on its future financial condition.

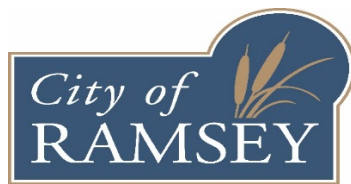
All of these factors were considered in preparing the City of Ramsey's budget for the 2021 fiscal year.

The water and recycling utility rates were increased for the 2021 budget year. The water utility, which has a tiered rate structure, will increase by an average of 2.5% for all customers. The recycling utility, which has a flat rate structure and charges residential accounts only, will see an increase of 35%. The city contracts with Ace to provide recycling service throughout the city. The recycling rate had not been increased since 2008. The increased rates are to not only offset current maintenance costs and depreciation, but to help finance future utility improvements that are documented in the City's ten-year Capital Improvement Plan.

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, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and temporary investments	\$ 55,755,985	\$ 42,662,308	\$ 98,418,293
Receivables			
Unremitted taxes	366,613	—	366,613
Delinquent taxes	181,791	—	181,791
Unremitted special assessments	4,688	—	4,688
Delinquent special assessments	2,836	18,443	21,279
Deferred special assessments	1,264,769	214,256	1,479,025
Accounts	470,728	1,487,600	1,958,328
Interest	240,098	—	240,098
Internal balances	(789,473)	789,473	—
Due from other governmental units	22,338	24,964	47,302
Prepays	17,144	70,748	87,892
Land held for resale	8,603,028	—	8,603,028
Capital assets			
Not depreciated	14,002,341	1,506,096	15,508,437
Depreciated	57,273,115	54,660,825	111,933,940
Total capital assets, net of depreciation	<u>71,275,456</u>	<u>56,166,921</u>	<u>127,442,377</u>
Total assets	137,416,001	101,434,713	238,850,714
Deferred outflows of resources			
OPEB plan deferments	65,284	—	65,284
Pension plan deferments	2,118,987	62,276	2,181,263
Total deferred outflows of resources	<u>2,184,271</u>	<u>62,276</u>	<u>2,246,547</u>
Total assets and deferred outflows of resources	<u>\$ 139,600,272</u>	<u>\$ 101,496,989</u>	<u>\$ 241,097,261</u>
Liabilities			
Accounts and contracts payable	\$ 2,140,470	\$ 119,850	\$ 2,260,320
Salaries and benefits payable	302,216	—	302,216
Accrued interest payable	29,861	—	29,861
Deposits payable	3,940,242	—	3,940,242
Due to other governmental units	5,003	57,459	62,462
Unearned revenue	—	49,396	49,396
Long-term liabilities			
Due within one year	2,641,011	—	2,641,011
Due in more than one year	33,858,308	509,015	34,367,323
Total long-term liabilities	<u>36,499,319</u>	<u>509,015</u>	<u>37,008,334</u>
Total liabilities	42,917,111	735,720	43,652,831
Deferred inflows of resources			
OPEB plan deferments	365,833	—	365,833
Pension plan deferments	2,103,893	25,835	2,129,728
Total deferred inflows of resources	<u>2,469,726</u>	<u>25,835</u>	<u>2,495,561</u>
Net Position			
Net investment in capital assets	52,756,077	56,166,921	108,922,998
Restricted for			
Road improvements	1,932,311	—	1,932,311
Debt service	1,747,835	—	1,747,835
Economic development	1,443,838	—	1,443,838
Housing and redevelopment	8,148,079	—	8,148,079
Recreation/community programs	322,320	—	322,320
Law enforcement programs	47,346	—	47,346
Tax increment	5,315,977	—	5,315,977
Unrestricted	22,499,652	44,568,513	67,068,165
Total net position	<u>94,213,435</u>	<u>100,735,434</u>	<u>194,948,869</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 139,600,272</u>	<u>\$ 101,496,989</u>	<u>\$ 241,097,261</u>

See notes to basic financial statements



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CITY OF RAMSEY

Statement of Activities
Year Ended December 31, 2020

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
Governmental activities							
General government	\$ 5,640,679	\$ 534,279	\$ 27,101	\$ 911,827	\$ (4,167,472)	\$ –	\$ (4,167,472)
Public safety	6,468,397	974,955	576,288	3,847	(4,913,307)	–	(4,913,307)
Highways and streets	4,028,294	259,161	–	3,944,273	175,140	–	175,140
Culture and recreation	1,917,228	373,669	–	70,549	(1,473,010)	–	(1,473,010)
Economic development	481,858	–	–	–	(481,858)	–	(481,858)
Interest and fiscal charges	839,444	–	–	–	(839,444)	–	(839,444)
Total governmental activities	19,375,900	2,142,064	603,389	4,930,496	(11,699,951)	–	(11,699,951)
Business-type activities							
Water utility	1,657,356	2,541,651	10,637	827,422	–	1,722,354	1,722,354
Sewer utility	1,723,238	1,714,469	364	543,797	–	535,392	535,392
Street light utility	169,463	216,545	–	–	–	47,082	47,082
Recycling utility	366,764	319,664	46,500	–	–	(600)	(600)
Storm water utility	777,252	1,164,868	364	312,119	–	700,099	700,099
Total business-type activities	4,694,073	5,957,197	57,865	1,683,338	–	3,004,327	3,004,327
Total governmental and business-type activities	<u>\$ 24,069,973</u>	<u>\$ 8,099,261</u>	<u>\$ 661,254</u>	<u>\$ 6,613,834</u>	(11,699,951)	3,004,327	(8,695,624)
General revenues							
Property taxes					13,744,948	–	13,744,948
Franchise fees					423,045	–	423,045
General grants and contributions					2,053,933	–	2,053,933
Investment earnings					1,035,274	1,391,802	2,427,076
Gain on sale of capital assets					2,372	–	2,372
Transfers					6,229,699	(6,229,699)	–
Total general revenues and transfers					23,489,271	(4,837,897)	18,651,374
Change in net position					11,789,320	(1,833,570)	9,955,750
Net position - beginning					82,424,115	102,569,004	184,993,119
Net position – ending					<u>\$ 94,213,435</u>	<u>\$ 100,735,434</u>	<u>\$ 194,948,869</u>

See notes to basic financial statements

CITY OF RAMSEY

Balance Sheet
Governmental Funds
December 31, 2020

	Special Revenue Funds				Debt Service Funds
					2011A
	General	Tax Increment	COR Land	Private Developer	Armstrong/Bunker Bond
Assets					
Cash and temporary investments	\$ 10,098,653	\$ 5,384,086	\$ —	\$ 3,749,435	\$ —
Receivables					
Unremitted taxes	266,115	54,626	—	—	—
Delinquent taxes	147,509	7,358	—	—	—
Unremitted special assessments	—	—	—	—	—
Delinquent special assessments	—	—	—	—	—
Deferred special assessments	—	—	—	—	—
Accounts	16,298	—	—	35,621	—
Interest	240,098	—	—	—	—
Due from other governmental units	12,774	—	—	—	—
Due from other funds	—	—	—	—	—
Prepays	16,849	—	—	—	—
Land held for resale	—	—	8,603,028	—	—
Advances to other funds	—	—	—	—	—
Total assets	\$ 10,798,296	\$ 5,446,070	\$ 8,603,028	\$ 3,785,056	\$ —
Liabilities					
Accounts and contracts payable	\$ 94,964	\$ 87	\$ —	\$ 4,268	\$ —
Salaries and benefits payable	302,216	—	—	—	—
Deposits payable	159,500	—	—	3,780,742	—
Due to other governmental units	4,054	—	—	46	—
Due to other funds	—	30,000	—	—	—
Advances from other funds	—	100,006	454,949	—	—
Total liabilities	560,734	130,093	454,949	3,785,056	—
Deferred inflows of resources					
Unavailable revenue - property taxes	147,509	7,358	—	—	—
Unavailable revenue - special assessments	—	—	—	—	—
Total deferred inflows of resources	147,509	7,358	—	—	—
Fund balances					
Nonspendable	16,849	—	—	—	—
Restricted	—	5,308,619	8,148,079	—	—
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	10,073,204	—	—	—	—
Total fund balances	10,090,053	5,308,619	8,148,079	—	—
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,798,296	\$ 5,446,070	\$ 8,603,028	\$ 3,785,056	\$ —

See notes to basic financial statements

Capital Project Funds			
Public Improvement Revolving	Public Works Campus	Nonmajor	Totals
\$ 4,757,831	\$ 14,960,246	\$ 16,323,714	\$ 55,273,965
—	—	45,872	366,613
—	—	26,924	181,791
673	—	4,015	4,688
2,580	—	256	2,836
713,726	—	551,043	1,264,769
—	—	418,809	470,728
—	—	—	240,098
—	—	9,564	22,338
—	—	30,000	30,000
—	—	295	17,144
—	—	—	8,603,028
100,006	—	—	100,006
<u>\$ 5,574,816</u>	<u>\$ 14,960,246</u>	<u>\$ 17,410,492</u>	<u>\$ 66,578,004</u>
\$ —	\$ 1,827,140	\$ 213,842	\$ 2,140,301
—	—	—	302,216
—	—	—	3,940,242
—	—	903	5,003
—	—	—	30,000
—	—	334,524	889,479
—	1,827,140	549,269	7,307,241
—	—	26,924	181,791
716,306	—	551,299	1,267,605
716,306	—	578,223	1,449,396
—	—	295	17,144
—	8,895,621	5,166,347	27,518,666
—	—	1,326,070	1,326,070
4,858,510	4,237,485	9,790,288	18,886,283
—	—	—	10,073,204
4,858,510	13,133,106	16,283,000	57,821,367
<u>\$ 5,574,816</u>	<u>\$ 14,960,246</u>	<u>\$ 17,410,492</u>	<u>\$ 66,578,004</u>



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CITY OF RAMSEY

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2020

Total fund balances – Governmental Funds	\$ 57,821,367

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.

Net book value of capital assets	71,275,456

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	(28,900,000)
Compensated absences payable	(1,093,863)
Net pension liability	(6,043,916)
Total OPEB liability	(461,540)

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.

1,449,396

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

(29,861)

Governmental funds do not report certain amounts related to pensions and OPEB:

Deferred outflows of resources for OPEB plan deferments	65,284
Deferred outflows of resources for pension plan deferments	2,118,987
Deferred inflows of resources for OPEB plan deferments	(365,833)
Deferred inflows of resources for pension plan deferments	(2,103,893)

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

481,851

Total net position – governmental activities	<u><u>\$ 94,213,435</u></u>

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2020

	Special Revenue Funds				Debt Service Funds
					2011A
	General	Tax Increment	COR Land	Private Developer	Armstrong/Bunker Bond
Revenue					
Property taxes	\$ 10,578,482	\$ 1,229,175	\$ —	\$ —	\$ —
Franchise fees	—	—	—	—	—
Special assessments	—	—	—	—	—
Licenses and permits	850,504	—	—	—	—
Intergovernmental revenue	2,679,428	—	—	—	575,000
Charges for services	731,937	—	—	—	—
Fines and forfeits	34,735	—	—	—	—
Other revenue					
Investment earnings	213,601	148,188	—	—	—
Miscellaneous	12,861	30,000	—	64,457	—
Total revenue	15,101,548	1,407,363	—	64,457	575,000
Expenditures					
Current					
General government	3,782,634	747,918	—	64,457	—
Public safety	5,928,188	—	—	—	—
Highways and streets	2,009,196	—	—	—	—
Culture and recreation	1,355,711	—	—	—	—
Economic development	—	—	481,858	—	—
Capital outlay	497,057	—	—	—	—
Debt service					
Principal retirement	—	—	—	—	2,180,000
Interest and fiscal charges	—	—	—	—	52,223
Total expenditures	13,572,786	747,918	481,858	64,457	2,232,223
Excess (deficiency) of revenue over expenditures	1,528,762	659,445	(481,858)	—	(1,657,223)
Other financing sources (uses)					
Debt issued	—	—	—	—	—
Premium on debt issued	—	—	—	—	—
Proceeds on sale of capital assets	—	—	—	—	—
Transfers in	706,049	—	—	—	302,019
Transfers (out)	(1,025,204)	(200,000)	—	—	—
Total other financing sources (uses)	(319,155)	(200,000)	—	—	302,019
Net change in fund balances	1,209,607	459,445	(481,858)	—	(1,355,204)
Fund balances					
Beginning of year	8,880,446	4,849,174	8,629,937	—	1,355,204
End of year	\$ 10,090,053	\$ 5,308,619	\$ 8,148,079	\$ —	\$ —

See notes to basic financial statements

Capital Project Funds			
Public Improvement Revolving	Public Works Campus	Nonmajor	Totals
\$ —	\$ —	\$ 1,874,691	\$ 13,682,348
—	—	423,045	423,045
58,423	—	426,387	484,810
—	—	—	850,504
—	—	2,538,760	5,793,188
—	—	514,441	1,246,378
—	—	—	34,735
149,953	11,347	497,566	1,020,655
21,030	20	714,379	842,747
<u>229,406</u>	<u>11,367</u>	<u>6,989,269</u>	<u>24,378,410</u>
—	1,714	252,570	4,849,293
—	—	39,582	5,967,770
54,325	—	5,306	2,068,827
—	—	121,016	1,476,727
—	—	—	481,858
—	4,194,168	2,715,006	7,406,231
—	—	1,865,000	4,045,000
—	163,447	657,953	873,623
<u>54,325</u>	<u>4,359,329</u>	<u>5,656,433</u>	<u>27,169,329</u>
175,081	(4,347,962)	1,332,836	(2,790,919)
—	9,055,000	—	9,055,000
—	4,068	—	4,068
—	—	2,372	2,372
723,374	8,422,000	1,084,889	11,238,331
(366,263)	—	(3,417,165)	(5,008,632)
<u>357,111</u>	<u>17,481,068</u>	<u>(2,329,904)</u>	<u>15,291,139</u>
532,192	13,133,106	(997,068)	12,500,220
<u>4,326,318</u>	<u>—</u>	<u>17,280,068</u>	<u>45,321,147</u>
<u>\$ 4,858,510</u>	<u>\$ 13,133,106</u>	<u>\$ 16,283,000</u>	<u>\$ 57,821,367</u>



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CITY OF RAMSEY

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities Governmental Funds Year Ended December 31, 2020

Total net change in fund balances – Governmental Funds	\$	12,500,220

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	7,406,231
Contributed assets from Internal Service Fund	41,675
Contributed assets from developers	685,427
Disposals	(22,673)
Depreciation expense	(3,618,521)

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	(9,055,000)
Repayment of principal on long-term debt	4,045,000

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.

30,111

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.

(149,038)

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	(145,163)
Governmental activities – pension expense	137,567

Other postemployment benefits 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.

(52,541)

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.

(13,975)

Change in net position – governmental activities	\$	11,789,320

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, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Property taxes	\$ 10,625,932	\$ 10,625,932	\$ 10,578,482	\$ (47,450)
Licenses and permits	633,300	633,300	850,504	217,204
Intergovernmental revenue	405,595	405,595	2,679,428	2,273,833
Charges for services	666,162	666,162	731,937	65,775
Fines and forfeits	55,500	55,500	34,735	(20,765)
Other revenue				
Investment earnings	100,000	100,000	213,601	113,601
Miscellaneous	21,100	21,100	12,861	(8,239)
Total revenue	<u>12,507,589</u>	<u>12,507,589</u>	<u>15,101,548</u>	<u>2,593,959</u>
Expenditures				
Current				
General government	3,615,556	3,615,556	3,782,634	167,078
Public safety	5,668,072	5,668,072	5,928,188	260,116
Highways and streets	2,176,741	2,176,741	2,009,196	(167,545)
Culture and recreation	1,265,847	1,265,847	1,355,711	89,864
Capital outlay	471,000	471,000	497,057	26,057
Debt service				
Interest and fiscal charges	106,373	106,373	–	(106,373)
Total expenditures	<u>13,303,589</u>	<u>13,303,589</u>	<u>13,572,786</u>	<u>269,197</u>
Excess (deficiency) of revenue over expenditures	(796,000)	(796,000)	1,528,762	2,324,762
Other financing sources (uses)				
Transfers in	796,000	796,000	706,049	(89,951)
Transfers (out)	–	–	(1,025,204)	(1,025,204)
Total other financing sources (uses)	<u>796,000</u>	<u>796,000</u>	<u>(319,155)</u>	<u>(1,115,155)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	<u>1,209,607</u>	<u>\$ 1,209,607</u>
Fund balances				
Beginning of year			<u>8,880,446</u>	
End of year			<u>\$ 10,090,053</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Assets			
Current assets			
Cash and temporary investments	\$ 26,136,791	\$ 12,370,277	\$ 1,202,183
Receivables			
Delinquent special assessments	7,868	10,575	–
Deferred special assessments	93,847	120,409	–
Accounts	499,119	498,172	65,072
Due from other governmental units	–	–	–
Prepays	–	70,748	–
Total current assets	26,737,625	13,070,181	1,267,255
Noncurrent assets			
Advances to other Funds	561,998	227,475	–
Capital assets			
Land	868,513	–	–
Buildings and structures	6,058,847	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	200,424	578,617	–
Water and sewer lines	30,362,803	25,787,537	–
	37,490,587	26,366,154	1,135,881
Less accumulated depreciation	11,793,616	9,271,500	663,561
Net capital assets	25,696,971	17,094,654	472,320
Total noncurrent assets	26,258,969	17,322,129	472,320
Total assets	52,996,594	30,392,310	1,739,575
Deferred Outflows of Resources			
Pension plan deferments	29,062	16,607	–
Total assets and deferred outflows of resources	\$ 53,025,656	\$ 30,408,917	\$ 1,739,575
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 9,249	\$ 3,925	\$ 378
Due to other governmental units	30,139	27,062	244
Unearned revenue	–	48,906	490
Total current liabilities	39,388	79,893	1,112
Noncurrent liabilities			
Net pension liability	237,541	135,736	–
Total liabilities	276,929	215,629	1,112
Deferred Inflows of Resources			
Pension plan deferments	12,057	6,889	–
Net Position			
Investment in capital assets	25,696,971	17,094,654	472,320
Unrestricted	27,039,699	13,091,745	1,266,143
Total net position	52,736,670	30,186,399	1,738,463
Total liabilities, deferred inflows of resources and net position	\$ 53,025,656	\$ 30,408,917	\$ 1,739,575

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 312,178	\$ 2,640,879	\$ 42,662,308	\$ 482,020
—	—	18,443	—
—	—	214,256	—
94,340	330,897	1,487,600	—
24,964	—	24,964	—
—	—	70,748	—
431,482	2,971,776	44,478,319	482,020
—	—	789,473	—
—	637,583	1,506,096	—
—	—	6,058,847	—
—	15,519,958	16,655,839	—
—	411,058	1,190,099	—
—	334,378	56,484,718	—
—	16,902,977	81,895,599	—
—	4,000,001	25,728,678	—
—	12,902,976	56,166,921	—
—	12,902,976	56,956,394	—
431,482	15,874,752	101,434,713	482,020
—	16,607	62,276	—
<u>\$ 431,482</u>	<u>\$ 15,891,359</u>	<u>\$ 101,496,989</u>	<u>\$ 482,020</u>
\$ 526	\$ 105,772	\$ 119,850	\$ 169
—	14	57,459	—
—	—	49,396	—
526	105,786	226,705	169
—	135,738	509,015	—
526	241,524	735,720	169
—	6,889	25,835	—
—	12,902,976	56,166,921	—
430,956	2,739,970	44,568,513	481,851
430,956	15,642,946	100,735,434	481,851
<u>\$ 431,482</u>	<u>\$ 15,891,359</u>	<u>\$ 101,496,989</u>	<u>\$ 482,020</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2020

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 2,541,651	\$ 1,709,747	\$ 216,545
Sewer access surcharge	–	4,722	–
Other	–	–	–
Total operating revenue	<u>2,541,651</u>	<u>1,714,469</u>	<u>216,545</u>
Operating expenses			
Personal services	364,210	209,340	124
Supplies	192,238	37,346	–
Service charges			
Disposal charges	–	853,599	–
Other	345,248	68,039	131,902
Depreciation	<u>755,660</u>	<u>554,914</u>	<u>37,437</u>
Total operating expenses	<u>1,657,356</u>	<u>1,723,238</u>	<u>169,463</u>
Operating income (loss)	884,295	(8,769)	47,082
Nonoperating revenue (expense)			
Intergovernmental revenue	10,637	364	–
Capital contributions to governmental funds	–	–	–
Investment earnings	<u>820,217</u>	<u>439,183</u>	<u>41,140</u>
Total nonoperating revenue (expense)	<u>830,854</u>	<u>439,547</u>	<u>41,140</u>
Income (loss) before contributions and transfers	1,715,149	430,778	88,222
Capital contributions - developer contributions	435,723	403,642	–
Capital contributions - connection fees	391,699	140,155	–
Transfers in	61,853	–	–
Transfers (out)	<u>(2,781,000)</u>	<u>(2,775,000)</u>	<u>(272,000)</u>
Change in net position	(176,576)	(1,800,425)	(183,778)
Net position			
Beginning of year	<u>52,913,246</u>	<u>31,986,824</u>	<u>1,922,241</u>
End of year	<u>\$ 52,736,670</u>	<u>\$ 30,186,399</u>	<u>\$ 1,738,463</u>

See notes to basic financial statements

Recycling Utility	Storm Water Utility	Totals	Governmental Activities Internal Service
\$ 319,664	\$ 1,164,868	\$ 5,952,475	\$ —
—	—	4,722	—
—	—	—	90,861
<u>319,664</u>	<u>1,164,868</u>	<u>5,957,197</u>	<u>90,861</u>
24,237	238,873	836,784	—
12,394	23,706	265,684	33,331
—	—	853,599	—
330,133	175,752	1,051,074	44,449
—	338,921	1,686,932	—
<u>366,764</u>	<u>777,252</u>	<u>4,694,073</u>	<u>77,780</u>
(47,100)	387,616	1,263,124	13,081
46,500	364	57,865	—
—	—	—	(41,675)
9,331	81,931	1,391,802	14,619
<u>55,831</u>	<u>82,295</u>	<u>1,449,667</u>	<u>(27,056)</u>
8,731	469,911	2,712,791	(13,975)
—	312,119	1,151,484	—
—	—	531,854	—
—	70,448	132,301	—
<u>—</u>	<u>(534,000)</u>	<u>(6,362,000)</u>	<u>—</u>
8,731	318,478	(1,833,570)	(13,975)
<u>422,225</u>	<u>15,324,468</u>	<u>102,569,004</u>	<u>495,826</u>
<u>\$ 430,956</u>	<u>\$ 15,642,946</u>	<u>\$ 100,735,434</u>	<u>\$ 481,851</u>

CITY OF RAMSEY

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 2,496,807	\$ 1,728,264	\$ 216,072
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(527,006)	(939,786)	(133,917)
Paid to employees	(386,894)	(190,817)	(124)
Net cash flows from operating activities	<u>1,582,907</u>	<u>597,661</u>	<u>82,031</u>
Cash flows from capital and related financing activities			
Capital assets purchased and contributed to governmental activities	–	–	–
Capital contributions - connection fees	391,699	140,155	–
Transfers (out)	(2,781,000)	(2,775,000)	(272,000)
Acquisition of capital assets	(473,671)	(534,109)	–
Net cash flows from capital and related financing activities	<u>(2,862,972)</u>	<u>(3,168,954)</u>	<u>(272,000)</u>
Cash flows from investing activities			
Interest received on investments	820,217	439,183	41,140
Cash flows from noncapital financing activities			
Transfers in	61,853	–	–
Intergovernmental revenue	10,637	364	–
Repayment of advances to other funds	37,068	–	–
Net cash flows from noncapital financing activities	<u>109,558</u>	<u>364</u>	<u>–</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	(350,290)	(2,131,746)	(148,829)
Cash and temporary investments/cash equivalents			
Beginning of year	<u>26,487,081</u>	<u>14,502,023</u>	<u>1,351,012</u>
End of year	<u><u>\$ 26,136,791</u></u>	<u><u>\$ 12,370,277</u></u>	<u><u>\$ 1,202,183</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 884,295	\$ (8,769)	\$ 47,082
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	755,660	554,914	37,437
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	16,420	5,754	–
Accounts	(61,264)	(5,253)	1,977
Due from other governmental units	–	–	–
Prepays	650	385	–
Deferred outflows - pension plan deferment	43,784	11,235	–
Accounts payable	5,415	(3,329)	(2,201)
Unearned revenue	–	13,294	(2,450)
Due to other governmental units	4,415	22,142	186
Net pension liability	(47,762)	12,157	–
Deferred inflows - pension plan deferment	(18,706)	(4,869)	–
Net cash flow from operating activities	<u><u>\$ 1,582,907</u></u>	<u><u>\$ 597,661</u></u>	<u><u>\$ 82,031</u></u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from developers	<u><u>\$ 435,723</u></u>	<u><u>\$ 403,642</u></u>	<u><u>\$ –</u></u>
See notes to basic financial statements			

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 335,532	\$ 1,178,608	\$ 5,955,283	\$ –
–	–	–	90,861
(342,228)	(124,295)	(2,067,232)	(78,782)
(24,237)	(237,552)	(839,624)	–
<u>(30,933)</u>	<u>816,761</u>	<u>3,048,427</u>	<u>12,079</u>
–	–	–	(41,675)
–	–	531,854	–
–	(534,000)	(6,362,000)	–
–	(119,378)	(1,127,158)	–
<u>–</u>	<u>(653,378)</u>	<u>(6,957,304)</u>	<u>(41,675)</u>
9,331	81,931	1,391,802	14,619
–	70,448	132,301	–
46,500	364	57,865	–
–	–	37,068	–
<u>46,500</u>	<u>70,812</u>	<u>227,234</u>	<u>–</u>
24,898	316,126	(2,289,841)	(14,977)
<u>287,280</u>	<u>2,324,753</u>	<u>44,952,149</u>	<u>496,997</u>
<u>\$ 312,178</u>	<u>\$ 2,640,879</u>	<u>\$ 42,662,308</u>	<u>\$ 482,020</u>
\$ (47,100)	\$ 387,616	\$ 1,263,124	\$ 13,081
–	338,921	1,686,932	–
–	–	22,174	–
2,951	13,740	(47,849)	–
12,917	–	12,917	–
–	–	1,035	–
–	11,141	66,160	–
299	75,149	75,333	(1,002)
–	–	10,844	–
–	14	26,757	–
–	576	(35,029)	–
<u>–</u>	<u>(10,396)</u>	<u>(33,971)</u>	<u>–</u>
<u>\$ (30,933)</u>	<u>\$ 816,761</u>	<u>\$ 3,048,427</u>	<u>\$ 12,079</u>
<u>\$ –</u>	<u>\$ 312,119</u>	<u>\$ 1,151,484</u>	<u>\$ –</u>



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CITY OF RAMSEY

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	<u>Custodial Fund</u>
Assets	
Assets held for resale	\$ 13,582,499
Liabilities	
Due to other governmental units	<u>13,582,499</u>
Net Position	<u><u>\$ —</u></u>

CITY OF RAMSEY

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2020

	<u>Custodial Fund</u>
Additions	\$ —
Deductions	<u>—</u>
Net change of fiduciary net position	—
Net position - beginning	<u>—</u>
Net position - ending	<u><u>\$ —</u></u>

See notes to basic financial statements



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CITY OF RAMSEY

Notes to Basic Financial Statements December 31, 2020

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 (GAAP).

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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) was created to carry out housing and economic development activities within the City. The governing board of the EDA is the City Council who approve the annual tax levy and direct the activities of the EDA's management. City employees such as the City Administrator, Deputy City Administrator, and the Economic Development Manager perform key management functions for the EDA. The activity of the EDA is reported in the Nonmajor Special Revenue Fund entitled Economic Development Authority. Separate financial statements are not prepared for the EDA.

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 2020 fiscal year, the City paid LOGIS approximately \$263,589 for services and equipment provided.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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, even though the latter are excluded from the government-wide financial statements. 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.

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. For this purpose, the City considers revenues to be available if collected within 60 days after year-end. Property tax revenue is generally considered as available if collected within 60 days after year-end.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. **Revenue Recognition (Continued)** – 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.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities 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 non-operating 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 non-operating revenues and expenses.

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.

Fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Since, by definition, fiduciary fund assets are being 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.

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.

COR Land Special Revenue Fund – This fund is used to account for revenues and expenditures associated with land transactions within the COR area.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private Developer Special Revenue Fund – This fund is used to account for monies deposited from developers to offset city administrative costs.

2011A Armstrong/Bunker Bond Debt Service Fund – The \$4,365,000 Series 2011A bonds were 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. These bonds were paid off and the fund was closed in the current year.

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.

Public Works Campus Capital Project Fund – This fund is used to account for the resources to be used for the construction of the public works campus.

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

Custodial Fund – This fund is used to account 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.

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). 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. The UBS Select Prime Industrial Fund is an external investment pool that operates in conformity with the Securities and Exchange Commission's rules and is assigned a AAA rating by Moody's.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports all other investments at fair value except for certain investment pools reported at amortized cost. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the City's recurring fair value measurements as of the current year-end.

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 and are offset by deferred inflows of resources in the governmental fund financial statements.

H. Special Assessments

Special assessments primarily represent the financing for public improvements paid for by the benefiting property owners. As previously mentioned under receivables, the City is also generally able to certify delinquent amounts to the county for collection as special assessments. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by a deferred inflow of resources in the governmental fund financial statements.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA’s fiduciary net positions have been determined on the same basis as they are reported by the PERA. For this purpose, plan contributions are recognized as of employer payroll dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position will sometimes report a separate section for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until that time.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) reported in the government-wide and enterprise funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes of assumptions, changes in proportion, differences between projected and actual earnings on pension plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Deferred inflows of resources for unavailable revenue, arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

M. 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 acquisition value.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 acquisition value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$10,000 or more 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. 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 structures and improvements other than buildings, 5 to 10 years for office equipment, motor vehicles and machinery and equipment, and 20 to 50 years for water and sewer lines and infrastructure.

O. 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 of unused sick leave (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.

P. Long-Term Liabilities

In the government-wide and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities as they accrue. Bond premiums and discounts are immaterial and are recognized in the year of bond issuance. Bond issuance costs are expensed in the period incurred.

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.

Q. Net Position

In the government-wide, proprietary fund, and fiduciary 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **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.

R. 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)

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 nonmajor 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. The Economic Development Authority budget is recommended by their board and final approval comes from City Council.

For the year ended December 31, 2020, expenditures exceeded budget in the General Fund by \$269,197. This variance was financed with revenues in excess of budget.

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. 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. Expenses 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 2020.

V. 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

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

Deposits	\$	4,025,584
Investments		94,392,509
Cash on hand		200
Total	\$	<u>98,418,293</u>

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 \$4,025,584 while the balance on the bank records was \$4,185,394. At December 31, 2020, 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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Fair Value	Interest Risk- Maturity Duration in Years				Total
	Rating	Agency	Measurements Using	Less Than 1	1 to 5	6 to 10		
U.S. Agencies	AA+	S&P	Level 2	\$ 251,015	\$ 1,441	\$ -	\$	252,456
Municipal Bonds	A- AAA	Moody's	Level 2	2,821,333	9,459,970	4,334,218		16,615,521
Municipal Bonds	A- AAA	S&P	Level 2	3,394,438	11,822,576	6,866,492		22,083,506
Negotiable Certificates of Deposit	N/A	N/A	Level 2	4,765,044	4,548,958	-		9,314,002
Commercial Paper	A1	S&P	Level 1	9,996,500	-	-		9,996,500
Investment pools								
Federated Hermes Institutional Fund	AAA	S&P	Level 1	8,895,000	-	-		8,895,000
Minnesota Municipal Money Market	N/R	N/A	Amortized Cost	10,896,526	-	-		10,896,526
UBS Select Prime Institutional Fund	AAA	Moody's	Net Asset Value	16,338,998	-	-		16,338,998
Total Investments								<u>\$ 94,392,509</u>

The City's investments include investment pools managed by 4M, which is an external investment pool regulated by Minnesota Statutes and is not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The City's investments in this investment pool are measured at the net asset value per share provided by the pools, which are based on amortized cost methods that approximate fair value. The 4M Fund is sponsored by the League of Minnesota Cities. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the liquid class; the redemption period is 14 days for the Plus Class.

The UBS Select Prime Industrial Fund includes investments primarily in short-term, high-credit-quality money market instruments that invest domestically and globally in both long and short-term common stocks across all market capitalizations. The fund aims to preserve capital, maintain liquidity and produce a competitive yield. This is an external investment pool that operates in conformity with the Securities and Exchange Commission's rules. There are no withdrawal restrictions related to the fund. The City's investments in this investment pool are measured at the net asset value per share provided by the pools that approximate fair value.

The Federated Hermes Institutional Fund invests in a portfolio of short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government that mature in 397 days or less. The fund aims to preserve principal, maintain liquidity and produce a competitive yield. It invests all or substantially all of its net assets in the institutional money market fund with similar investment objectives and strategies as the fund. It may also invest in government securities that are supported by the full faith and credit of the U.S. government.

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 December 31, 2020, the City held commercial paper issued by the Bank of China/Hong Kong that represented 10.6 percent of the investment portfolio.

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
Nonmajor Governmental Fund	Major Governmental Fund	<u>\$ 30,000</u>
Economic Development Authority	Tax Increment	
Special Revenue Fund	Special Revenue Fund	

This internal loan was 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; Public Improvement Revolving	Major Special Revenue Fund; Tax Increment	\$ 100,006	Internally finance TIF loan
Major Enterprise Fund; Water Utility	Major Special Revenue Fund; COR Land	227,474	Internally finance development land purchase
Major Enterprise Fund; Sewer Utility	Major Special Revenue Fund; COR Land	227,475	Internally finance development land purchase
Major Enterprise Fund; Water Utility	Nonmajor Capital Project Fund; Public Facilities Construction	334,524	Internally finance facility loan
		<u>\$ 889,479</u>	

There are no specific terms for when the funds need to be repaid and interest rates range from 0% to 4%.

C. Interfund Transfers

Transfers Out	Transfers In							Total
	General Fund	2011A Armstrong/Bunker Bond Capital Project Fund	Public Improvement Revolving Capital Project Fund	Public Works Campus Capital Project Fund	Nonmajor Governmental Funds	Water Utility Enterprise Fund	Storm Water Utility Enterprise Fund	
General Fund	\$ -	\$ -	\$ 412,865	\$ -	\$ 550,486	\$ 61,853	\$ -	\$ 1,025,204
Tax Increment Special Revenue Fund	-	-	-	-	200,000	-	-	200,000
Public Improvement Revolving Capital Project Fund	125,000	-	-	-	241,263	-	-	366,263
Nonmajor Governmental Funds	441,049	302,019	310,509	2,200,000	93,140	-	70,448	3,417,165
Water Utility Enterprise Fund	45,000	-	-	2,736,000	-	-	-	2,781,000
Sewer Utility Enterprise Fund	39,000	-	-	2,736,000	-	-	-	2,775,000
Street Light Utility Enterprise Fund	22,000	-	-	250,000	-	-	-	272,000
Storm Water Utility Enterprise Fund	34,000	-	-	500,000	-	-	-	534,000
Total	<u>\$ 706,049</u>	<u>\$ 302,019</u>	<u>\$ 723,374</u>	<u>\$ 8,422,000</u>	<u>\$ 1,084,889</u>	<u>\$ 61,853</u>	<u>\$ 70,448</u>	<u>\$ 11,370,632</u>

The interfund receivables, payables and transfers are used to move funds to finance various programs or projects that the City must account for in other funds in accordance with budgetary authorizations and to move revenues from the fund with collection authorization to funds where related expenditures are occurring. Interfund activity is eliminated as needed for entity-wide financial statement reporting.

NOTE 4 – CAPITAL ASSETS

A. Changes in Capital Assets Used in Governmental Activities

	Balance – Beginning of Year	Additions	Completed Construction/ Adjustments	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 6,848,022	\$ -	\$ -	\$ -	\$ 6,848,022
Construction in progress	717,350	7,103,390	(666,421)	-	7,154,319
Total capital assets, not depreciated	7,565,372	7,103,390	(666,421)	-	14,002,341
Capital assets, depreciated					
Buildings and structures	29,291,844	-	-	-	29,291,844
Improvements other than buildings	11,687,705	-	-	-	11,687,705
Office equipment	675,058	36,317	-	-	711,375
Motor vehicles	3,901,691	165,004	-	(32,058)	4,034,637
Machinery and equipment	7,283,867	132,220	81,526	(202,528)	7,295,085
Infrastructure	42,566,089	696,402	584,895	-	43,847,386
Total capital assets, depreciated	95,406,254	1,029,943	666,421	(234,586)	96,868,032
Less accumulated depreciation on					
Buildings and structures	(7,800,748)	(627,040)	-	-	(8,427,788)
Improvements other than buildings	(5,134,243)	(557,951)	(408,317)	-	(6,100,511)
Office equipment	(477,585)	(41,331)	-	-	(518,916)
Motor vehicles	(3,257,257)	(227,357)	-	32,059	(3,452,555)
Machinery and equipment	(3,980,945)	(405,082)	-	179,854	(4,206,173)
Infrastructure	(15,537,531)	(1,759,760)	408,317	-	(16,888,974)
Total accumulated depreciation	(36,188,309)	(3,618,521)	-	211,913	(39,594,917)
Total capital assets, depreciated, net	59,217,945	(2,588,578)	666,421	(22,673)	57,273,115
Net capital assets	\$ 66,783,317	\$ 4,514,812	\$ -	\$ (22,673)	\$ 71,275,456

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

	Balance – Beginning of Year	Additions	Completed Construction/ Adjustments	Deletions	Balance – End of Year
Capital assets, not depreciated					
Land	\$ 1,506,096	\$ -	\$ -	\$ -	\$ 1,506,096
Construction in progress	662,915	-	(662,915)	-	-
Total capital assets, not depreciated	2,169,011	-	(662,915)	-	1,506,096
Capital assets, depreciated					
Buildings and structures	6,058,847	-	-	-	6,058,847
Improvements other than buildings	15,561,426	431,498	662,915	-	16,655,839
Machinery and equipment	1,071,835	123,662	-	(5,398)	1,190,099
Water and sewer lines	54,761,236	1,723,482	-	-	56,484,718
Total capital assets, depreciated	77,453,344	2,278,642	662,915	(5,398)	80,389,503
Less accumulated depreciation on					
Buildings and structures	(1,743,185)	(121,423)	-	-	(1,864,608)
Improvements other than buildings	(4,225,134)	(355,313)	-	-	(4,580,447)
Machinery and equipment	(437,051)	(77,561)	-	5,398	(509,214)
Water and sewer lines	(17,641,774)	(1,132,635)	-	-	(18,774,409)
Total accumulated depreciation	(24,047,144)	(1,686,932)	-	5,398	(25,728,678)
Total capital assets, depreciated, net	53,406,200	591,710	662,915	-	54,660,825
Net capital assets	\$55,575,211	\$ 591,710	\$ -	\$ -	\$ 56,166,921

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Governmental activities	
General government	\$ 837,791
Public safety	391,966
Highways and streets	1,936,447
Culture and recreation	452,317
Total depreciation expense – governmental activities	<u>\$ 3,618,521</u>
Business-type activities	
Water Utility	\$ 755,660
Sewer Utility	554,914
Street Light Utility	37,437
Storm Water Utility	338,921
Total depreciation expense – business-type activities	<u>\$ 1,686,932</u>

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Debt

	Original Issue	Interest Rate	Issue Date	Final Maturity Date	Balance – End of Year
Governmental activities					
Bonds payable					
General Obligation Improvement Bonds					
Series 2011B	\$ 3,090,000	2.00-2.70%	12/29/2011	12/15/2025	\$ 1,485,000
Series 2012A	\$ 16,875,000	3.00-3.75%	6/7/2012	12/15/2031	11,330,000
Series 2015A	\$ 3,880,000	2.00-3.50%	6/15/2015	12/1/2035	3,200,000
Series 2015B	\$ 1,205,000	2.00-2.25%	6/15/2015	12/1/2025	630,000
Series 2016A	\$ 1,650,000	2.00%	7/21/2016	12/15/2026	1,020,000
Series 2017A	\$ 895,000	1.15-2.50%	8/17/2017	12/15/2027	640,000
Series 2018A	\$ 1,175,000	3.00%	7/17/2018	12/15/2028	965,000
Series 2020A	\$ 9,055,000	1.00-1.65%	12/30/2020	12/15/2041	9,055,000
Total general obligation improvement bonds					<u>28,325,000</u>
Capital Equipment Certificates					
Series 2013A	\$ 635,000	0.50-3.00%	9/5/2013	9/1/2023	205,000
Series 2014A	\$ 875,000	0.60-2.35%	12/3/2014	12/15/2024	370,000
Total capital equipment certificates					<u>575,000</u>
Compensated absences payable					1,093,863
Net pension liability					6,043,916
Total OPEB liability					<u>461,540</u>
Total governmental activities					<u>36,499,319</u>
Business-type activities					
Net pension liability					<u>509,015</u>
Total government and business-type activities					<u>\$ 37,008,334</u>

B. Descriptions of Long-Term Debt

- **General Obligation Improvement Bonds –**

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 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.

The Series 2015A bonds were issued to finance the construction of Fire Station #2 in the City.

The Series 2015B were issued to fund the road improvements related to the reconstruction of Garnet and 168th Avenue and some overlay projects.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

• General Obligation Improvement Bonds (continued) –

The Series 2016A were issued to fund the road improvements related to the reconstruction of Andrie Street and 164th Lane and some overlay projects.

The Series 2017A were issued to fund road improvements related to the reconstruction of Alpine Drive and Sunwood Drive.

The Series 2018A were issued to fund road improvements related to the reconstruction of Riversbend Avenue and Stanhope Terrace.

The Series 2020A were issued to fund approximately 50% of the construction costs of the Public Works Facility in the City.

• 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.

Debt service is covered respectively by special assessments, state aids, and general property taxes. General Obligation bonds and equipment certificates are direct obligations and have the pledge of the full faith and credit of the City.

- **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.
- **Net Pension Liability (NPL)** – The liability represents the City's proportionate share of PERA's collective net pension liability. The General, Water Utility, Sewer Utility and Storm Water Utility funds will be used to liquidate this liability.
- **Total Other Post-Employment Benefits (OPEB) Liability** – The liability represents non-pension benefits provided after the termination of employment. The General Fund is the primary fund used to liquidate this liability.

C. Changes in Long-Term Debt

	Balance - Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
Governmental activities					
G.O. Improvement Bonds	\$ 23,165,000	\$ 9,055,000	\$ 3,895,000	\$ 28,325,000	\$ 1,775,000
Capital Equipment Certificates	725,000	—	150,000	575,000	155,000
Compensated absences payable	948,700	751,022	605,859	1,093,863	711,011
Net pension liability	4,867,794	2,066,313	890,191	6,043,916	—
Total OPEB liability	699,412	133,878	371,750	461,540	—
Total governmental activities	30,405,906	12,006,213	5,912,800	36,499,319	2,641,011
Business type Activities					
Net pension liability	544,044	23,883	58,912	509,015	—
Total governmental and business type activities	<u>\$ 30,949,950</u>	<u>\$ 12,030,096</u>	<u>\$ 5,971,712</u>	<u>\$ 37,008,334</u>	<u>\$ 2,641,011</u>

NOTE 5 – LONG-TERM DEBT (CONTINUED)

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
2021	\$ 1,930,000	\$ 688,397
2022	2,005,000	637,138
2023	2,065,000	585,937
2024	2,065,000	532,390
2025	2,030,000	477,520
2026-2030	7,315,000	1,668,769
2031-2035	5,920,000	720,918
2036-2040	4,605,000	291,957
2041	965,000	15,923
	<u>\$ 28,900,000</u>	<u>\$ 5,618,949</u>

NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION

A. Classifications

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

	Special Revenue Funds				Debt Service Fund	Capital Project Funds			Total
	General	Tax Increment	COR Land	Private Developer	2011A Armstrong/Bunker Bond	Public Improvement Revolving	Public Works Campus	Nonmajor	
Fund balances									
Nonspendable									
Prepays	\$ 16,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295	\$ 17,144
Restricted for									
Road improvements	-	-	-	-	-	-	-	1,932,311	1,932,311
Capital improvements	-	-	-	-	-	-	8,895,621	-	8,895,621
Debt service	-	-	-	-	-	-	-	1,422,444	1,422,444
Economic development	-	-	-	-	-	-	-	1,441,926	1,441,926
Housing and redevelopment	-	-	8,148,079	-	-	-	-	-	8,148,079
Recreation/community programs	-	-	-	-	-	-	-	322,320	322,320
Law enforcement programs	-	-	-	-	-	-	-	47,346	47,346
Tax increment financing	-	5,308,619	-	-	-	-	-	-	5,308,619
	-	5,308,619	8,148,079	-	-	-	8,895,621	5,166,347	27,518,666
Committed									
Stormwater development projects	-	-	-	-	-	-	-	802,131	802,131
Community/business programs	-	-	-	-	-	-	-	523,939	523,939
	-	-	-	-	-	-	-	1,326,070	1,326,070
Assigned									
Road improvements	-	-	-	-	-	4,858,510	-	1,697,249	6,555,759
Capital improvements	-	-	-	-	-	-	4,237,485	2,374,082	6,611,567
Cemetery improvements	-	-	-	-	-	-	-	67,136	67,136
Park improvements	-	-	-	-	-	-	-	5,124,797	5,124,797
Right-of-way acquisitions	-	-	-	-	-	-	-	453,633	453,633
Parking ramp maintenance	-	-	-	-	-	-	-	73,391	73,391
	-	-	-	-	-	4,858,510	4,237,485	9,790,288	18,886,283
Unassigned	10,073,204	-	-	-	-	-	-	-	10,073,204
Total fund balances	<u>\$ 10,090,053</u>	<u>\$ 5,308,619</u>	<u>\$ 8,148,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,858,510</u>	<u>\$ 13,133,106</u>	<u>\$ 16,283,000</u>	<u>\$ 57,821,367</u>

NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION (CONTINUED)

B. Fund Balance Policy – General Fund

When General Fund 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:

Thirty percent (30%) to Fund #234 - Equipment Revolving Fund

Thirty percent (30%) to Fund #810 – Capital Maintenance Fund (reported in General Fund)

Ten percent (10%) to Fund #412 – Public Facilities Construction Fund

Thirty percent (30%) to Fund #400 - Public Improvement Revolving Fund

When General Fund 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:

Thirty percent (30%) to Fund #234 - Equipment Revolving Fund

Thirty percent (30%) to Fund #810 – Capital Maintenance Fund (reported in General Fund)

Ten percent (10%) to Fund #412 – Public Facilities Construction Fund

Thirty percent (30%) to Fund #400 - Public Improvement Revolving Fund

At December 31, 2020, the City has met its general fund balance policy goal.

NOTE 7 – DEFINED BENEFIT PENSION PLANS SUMMARY

The city has reported the following balances for defined benefit pension plans as detailed further in these notes:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA – GERF	\$ 3,393,429	\$ 415,171	\$ 172,231	\$ 242,415
PERA – PEPFF	3,159,502	1,766,092	1,957,497	476,905
Total - all pensions	<u>\$ 6,552,931</u>	<u>\$ 2,181,263</u>	<u>\$ 2,129,728</u>	<u>\$ 719,320</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) of Minnesota. The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. The PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to the PERA.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. 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.

1. GERF Benefits

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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

Annuities, disability benefits, and survivor benefits are increased effective January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

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

2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERS Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERS for the year ended December 31, 2020, were \$312,137. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members contribution rates increased from 11.3% to 11.8% and employer rates increased from 16.95% to 17.7% on January 1, 2020. The City's contributions to the PEPFF for the year ended December 31, 2020, were \$492,217. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERS Pension Costs

At December 31, 2020, the City reported a liability of \$3,393,429 for its proportionate share of the GERS's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2020. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$104,560. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion share was 0.0566% which was an increase of 0.0036% from its proportion measured as of June 30, 2019.

City's proportionate share of the net pension liability	\$3,393,429
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>104,560</u>
Total	<u>\$3,497,989</u>

For the year ended December 31, 2020, the City recognized pension expense of \$233,315 for its proportionate share of the GERS's pension expense. In addition, the City recognized an additional \$9,100 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of sixteen million to the GERS.

At December 31, 2020, the City reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 28,965	\$ 12,839
Changes in actuarial assumptions	-	121,088
Differences between projected and actual investment earnings	70,757	-
Changes in proportion	157,599	38,304
Contributions paid to the PERA subsequent to the measurement date	<u>157,850</u>	<u>-</u>
Total	<u>\$ 415,171</u>	<u>\$ 172,231</u>

\$157,850 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2021	\$ (165,931)
2022	55,080
2023	113,955
2024	<u>81,986</u>
Total	<u>\$ 85,090</u>

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

2. PEPFF Pension Costs

At December 31, 2020, the City reported a liability of \$3,159,502 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion was 0.2397% which was an increase of 0.0066% from its proportionate share measured as of June 30, 2019.

The State of Minnesota also contributed \$13.5 million to the PEPFF in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million of direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until funding is reached by July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota Retirement System) is 90% funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$74,418. For the year ended December 31, 2020, the City recognized pension expense of \$454,010 for its proportionate share of the PEPFF's expense. In addition, the City recognized an additional \$22,895 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the PEPFF allocation schedules for the \$9 million in fire state aid. The City also recognized \$21,573 for the year ended December 31, 2020 as revenue and an off-setting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF.

At December 31, 2020, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 133,833	\$ 130,198
Changes in actuarial assumptions	918,788	1,805,829
Difference between projected and actual investment earnings	139,088	-
Changes in proportion	326,576	21,470
Contributions paid to the PERA subsequent to the measurement date	247,807	-
Total	<u>\$1,766,092</u>	<u>\$1,957,497</u>

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

\$247,807 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2021	\$ (126,409)
2022	(678,548)
2023	172,930
2024	178,864
2025	<u>13,951</u>
Total	<u>\$ (439,212)</u>

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	<u>GERF</u>	<u>PEPFF</u>
Inflation	2.25% per year	2.50% per year
Active member payroll growth	3.00% per year	3.25% per year
Investment rate of return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants for all plans were based on Pub-2020 General Employee Mortality table for the GERF Plan and RP-2014 tables for the PEPFF Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for GERF and 1 percent per year for PEPFF.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions occurred in 2020:

1. GERF:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%

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

- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2020 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2. PEPFF:

- The mortality projection scale was changed from MP-2018 to MP-2019.

The following changes in plan provisions occurred in 2020:

1. GEF:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

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

The target allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	<u>2.0%</u>	- %
Total	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of GERP and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate <u>(6.5%)</u>	Current Discount Rate <u>(7.5%)</u>	1% Increase in Discount Rate <u>(8.5%)</u>
The City's Proportionate Share of the GERP Net Pension Liability:	\$5,438,489	\$3,393,429	\$1,706,418
The City's Proportionate Share of the PEPFF Net Pension Liability:	\$6,297,343	\$3,159,502	\$563,489

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

NOTE 9 – DEFINED CONTRIBUTION PLAN – STATE-WIDE

All City Council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. 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, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. 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% of employer contributions and twenty-five hundredths of 1% (.25 percent) of the assets in each member's account annually.

Total contributions made by the City for the last three fiscal years were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
December 31, 2020	\$1,002	\$1,002	5%	5%	5%
December 31, 2019	\$ 775	\$ 775	5%	5%	5%
December 31, 2018	\$ 600	\$ 600	5%	5%	5%

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, 2020 was \$267,866, compared to a total city payroll of \$8,159,458.

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.

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

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 2020, including both city and state fire aid passed through the City totaled \$212,640. This contribution represents nearly 79% of the current 2020 covered payroll of \$267,866.

There were no current year changes in plan provisions.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides post-employment health care benefits for retired employees through a single employer defined benefit plan. The term *plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance. Per state statutes, the City is also required to contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees.

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

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$9,111.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	0
Active plan members	<u>83</u>
Total members	<u><u>83</u></u>

E. Total OPEB Liability of the City

The City's total OPEB liability of \$461,540 as of year-end was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2020.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the entry age normal level percent of pay method. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.74%
20-year municipal bond yield	2.74%
Inflation rate	2.00%
Salary increases	3.25%
Healthcare cost trend rate	7.67% grading to 5.00% over 10 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Mortality rates were based on the RP-2014 mortality tables used in the PERA plan of which the employee, retiree, or beneficiary is a participant.

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

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning Balance	\$ 699,412
Changes for the year	
Service cost	55,942
Interest	30,837
Differences between expected and actual experience	(368,975)
Changes of assumptions	47,099
Benefit payments	(2,775)
Total net changes	(237,872)
Ending Balance	\$ 461,540

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.09 percent to 2.74 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

H. Total OPEB Liability Sensitivity to Discount and Health-Care Cost Trend Rate Changes

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	1.74%	2.74%	3.74%
Total OPEB liability	\$ 497,411	\$ 461,540	\$ 426,418

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
OPEB healthcare trend rate	6.67% decreasing to 4.00% over 10 years	7.67% decreasing to 5.00% over 10 years	8.67% decreasing to 6.00% over 10 years
Total OPEB liability	\$ 395,223	\$ 461,540	\$ 541,695

I. OPEB Expense and Related Deferred Outflow of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$52,741. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 332,402
Changes of assumptions	56,173	33,431
City contributions subsequent to the measurement date	9,111	-
Total	<u>\$ 65,284</u>	<u>\$ 365,833</u>

A total of \$9,111 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>June 30,</u>	<u>Amount</u>
2021	(34,038)
2022	(34,038)
2023	(34,038)
2024	(34,038)
2025	(34,038)
Thereafter	(139,470)
Total	<u>\$ (309,660)</u>

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 Total Administrative Services Corporation (TASC) - 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 ABATEMENT AGREEMENTS

The City, in order to spur economic development, housing and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted properties. The City has seven private development agreements: four redevelopment and three housing that would be considered a tax abatement under GASB Statement 77 as of December 31, 2020.

The City issued these seven agreements through the economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base established on the date that the tax increment district is created. Per these agreements, the developer shall initially pay for the development property and any site improvements with the City reimbursing these expenses through the issuance of a tax increment revenue note payable solely from the tax increments generated from the project.

The City is authorized to create a tax increment financing plan under Minnesota Statute 469.175. Under this statute, the following criteria must be met:

- Proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;

NOTE 13 – TAX ABATEMENT AGREEMENTS (CONTINUED)

- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole;
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

For the fiscal year ended December 31, 2020, the City abated property taxes totaling \$431,689 related to the following:

- Housing Development: \$20,700 abated towards a \$711,000 Tax Increment Revenue Note issued in 2004 for the construction of a 31 unit townhome project. Final note payment date is February 2025 or sooner if the revenue note is retired.
- Redevelopment: \$15,900 abated for a \$238,491 Tax Increment Revenue Note issued in 2007 for the construction of an office and warehouse building. Final note payment date is December 2028.
- Redevelopment: \$187,556 abated towards a \$3,000,000 Tax Increment Revenue Note issued in 2015 for the construction of a 230-unit apartment building. Final note payment date is February 2038.
- Redevelopment: \$58,393 abated for a \$224,000 Tax Increment Revenue Note issued in 2017 for a 48,325 square foot expansion of an office and warehouse building. Final note payment is February 2033.
- Housing: \$120,730 abated towards a \$500,000 Tax Increment Revenue Note issued in 2017 for the construction of a 121-unit apartment building. Final note payment date is February 2022.
- Redevelopment: \$17,610 abated for a \$218,000 Tax Increment Revenue Note issued in 2019 for a 56,000 square industrial building in Bunker Lake Business Park. Final note payment is February 2028.
- Housing: \$10,800 abated for a \$681,395 Tax Increment Revenue Note issued in 2020 for a 174-unit senior living facility. Final note payment is February 2040.

The outstanding principal balance as of December 31, 2020 for all of these agreements was \$3,681,042.

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 – 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, 2020, there was one series of Industrial Revenue Bonds and one Lease Revenue Bond outstanding with aggregate principal amounts payable of \$990,000 and \$8,600,000 respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Commitments for Construction

At December 31, 2020, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$7,186,040. The City has resources available to cover these commitments.

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.

E. COVID-19

The COVID-19 pandemic has caused economic and financial market volatility in the United States and around the world, along with significant business and operational disruptions for many organizations. Due to the unknown breadth and duration of this pandemic, any potential impact it may have on the City's future operations and financial conditions cannot be determined at this time and has not been reflected in these financial statements.

NOTE 16 – 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. 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 2020. The cost of the leased spaced is included in the total municipal center building cost of \$12,856,588, of which \$3,600,099 has been depreciated to date. These amounts are recorded in the City's capital assets. The City of Ramsey collected \$52,134 in lease revenue for the fiscal year ended December 31, 2020. The following is an estimate of the future lease payments:

<u>Year Ending December 31,</u>	<u>Lease Payments</u>
2021	\$ 56,326
2022	59,538
2023	63,060
2024	66,911
January 1 -June 30, 2025	34,464
Total	<u>\$ 280,299</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 17 – SUBSEQUENT EVENTS

In April 2021, the City approved a resolution terminating the joint powers fire protection agreement between the City and the City of Nowthen. As of April 26, 2021, the City and the City's Fire Chief shall no longer have operational control of fire and rescue operations within the boundary of the City of Nowthen. Such operational control of fire and rescue operations within the City of Nowthen shall be vested in the City of Nowthen and the City of Nowthen Fire Chief.



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REQUIRED SUPPLEMENTARY INFORMATION



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CITY OF RAMSEY

PERA – General Employees Retirement Fund
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0508%	\$ 2,632,720	\$ –	\$ 2,632,720	\$ 2,984,866	88.20%	78.20%
12/31/2016	06/30/2016	0.0508%	\$ 4,124,708	\$ 53,908	\$ 4,178,616	\$ 3,154,867	130.74%	68.90%
12/31/2017	06/30/2017	0.0551%	\$ 3,517,550	\$ 44,220	\$ 3,561,770	\$ 3,550,067	99.08%	75.90%
12/31/2018	06/30/2018	0.0527%	\$ 2,923,581	\$ 95,848	\$ 3,019,429	\$ 3,542,360	82.53%	79.50%
12/31/2019	06/30/2019	0.0530%	\$ 2,930,253	\$ 91,163	\$ 3,021,416	\$ 3,752,320	78.09%	80.20%
12/31/2020	06/30/2020	0.0566%	\$ 3,393,429	\$ 104,560	\$ 3,497,989	\$ 4,036,013	84.08%	79.10%

PERA – General Employees Retirement Fund
Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 238,004	\$ 238,004	\$ –	\$ 3,173,387	7.50%
12/31/2016	\$ 247,279	\$ 247,279	\$ –	\$ 3,297,053	7.50%
12/31/2017	\$ 261,117	\$ 261,117	\$ –	\$ 3,481,560	7.50%
12/31/2018	\$ 271,321	\$ 271,321	\$ –	\$ 3,617,613	7.50%
12/31/2019	\$ 293,639	\$ 293,639	\$ –	\$ 3,915,187	7.50%
12/31/2020	\$ 312,137	\$ 312,137	\$ –	\$ 4,161,827	7.50%

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

PERA – Public Employees Police and Fire Fund
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.2090%	\$ 2,374,729	\$ –	\$ 2,374,729	\$ 1,917,443	123.85%	86.60%
12/31/2016	06/30/2016	0.2080%	\$ 8,347,402	\$ –	\$ 8,347,402	\$ 2,000,574	417.25%	63.90%
12/31/2017	06/30/2017	0.2190%	\$ 2,956,761	\$ –	\$ 2,956,761	\$ 2,243,957	131.77%	85.40%
12/31/2018	06/30/2018	0.2161%	\$ 2,303,404	\$ –	\$ 2,303,404	\$ 2,277,516	101.14%	88.80%
12/31/2019	06/30/2019	0.2331%	\$ 2,481,585	\$ –	\$ 2,481,585	\$ 2,458,454	100.94%	89.30%
12/31/2020	06/30/2020	0.2397%	\$ 3,159,502	\$ 74,418	\$ 3,233,920	\$ 2,703,294	116.88%	87.20%

PERA – Public Employees Police and Fire Fund
Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 326,419	\$ 326,419	\$ –	\$ 2,014,315	16.20%
12/31/2016	\$ 339,699	\$ 339,699	\$ –	\$ 2,096,907	16.20%
12/31/2017	\$ 357,524	\$ 357,524	\$ –	\$ 2,206,938	16.20%
12/31/2018	\$ 382,968	\$ 382,968	\$ –	\$ 2,364,000	16.20%
12/31/2019	\$ 433,917	\$ 433,917	\$ –	\$ 2,559,982	16.95%
12/31/2020	\$ 492,217	\$ 492,217	\$ –	\$ 2,780,887	17.70%

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

Other Post-Employment Benefits Plan
Schedule of Changes in the City's Total
OPEB Liability and Related Ratios

	Fiscal Year		
	2018	2019	2020
Total OPEB liability			
Service cost	\$ 40,892	\$ 74,389	\$ 55,942
Interest	22,858	24,695	30,837
Differences between expected and actual experience	—	—	(368,975)
Changes of assumptions	19,347	(41,435)	47,099
Benefit payments	(3,349)	(3,476)	(2,775)
Net change in total OPEB liability	79,748	54,173	(237,872)
Total OPEB liability – beginning of year	565,491	645,239	699,412
Total OPEB liability – end of year	<u>\$ 645,239</u>	<u>\$ 699,412</u>	<u>\$ 461,540</u>
Covered payroll	<u>\$ 5,400,000</u>	<u>\$ 5,600,000</u>	<u>\$ 6,400,000</u>
Total OPEB liability as a percentage of covered payroll	<u>11.95%</u>	<u>12.49%</u>	<u>7.21%</u>

Note 1: **Changes in Actuarial Assumptions.** (1) 2020 Changes - The discount rate was changed from 4.09 percent to 2.74 percent. The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments. (2) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent. (3) 2018 Changes - The discount rate was changed from 4.50 percent to 3.44 percent.

Note 2: The City implemented GASB Statement No. 75 in fiscal 2018. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund Year Ended December 31, 2020

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2020 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2020

2019 CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2020

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund Year Ended December 31, 2020

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 CHANGES IN PLAN PROVISIONS

- Post-retirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.00 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2020

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30.00 percent for vested and nonvested deferred members. The CSA has been changed to 33.00 percent for vested members, and 2.00 percent for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years, to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2020

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037, and 2.50 percent per year thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2037, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.



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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, 2020

	Special Revenue	Debt Service	Capital Project	Totals
Assets				
Cash and temporary investments	\$ 3,101,612	\$ 1,379,175	\$ 11,842,927	\$ 16,323,714
Receivables				
Unremitted taxes	2,280	43,592	—	45,872
Delinquent taxes	1,617	25,307	—	26,924
Unremitted special assessments	—	2,177	1,838	4,015
Delinquent special assessments	—	252	4	256
Deferred special assessments	—	329,693	221,350	551,043
Accounts	—	—	418,809	418,809
Due from other governmental units	6,812	—	2,752	9,564
Due from other funds	30,000	—	—	30,000
Prepays	295	—	—	295
	<u>\$ 3,142,616</u>	<u>\$ 1,780,196</u>	<u>\$ 12,487,680</u>	<u>\$ 17,410,492</u>
Liabilities				
Accounts and contracts payable	\$ 2,139	\$ 2,500	\$ 209,203	\$ 213,842
Due to other governmental units	903	—	—	903
Advances from other funds	—	—	334,524	334,524
Total liabilities	<u>3,042</u>	<u>2,500</u>	<u>543,727</u>	<u>549,269</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	1,617	25,307	—	26,924
Unavailable revenue - special assessments	—	329,945	221,354	551,299
Total deferred inflows of resources	<u>1,617</u>	<u>355,252</u>	<u>221,354</u>	<u>578,223</u>
Fund balances				
Nonspendable	295	—	—	295
Restricted	1,811,592	1,422,444	1,932,311	5,166,347
Committed	1,326,070	—	—	1,326,070
Assigned	—	—	9,790,288	9,790,288
Total fund balance	<u>3,137,957</u>	<u>1,422,444</u>	<u>11,722,599</u>	<u>16,283,000</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,142,616</u>	<u>\$ 1,780,196</u>	<u>\$ 12,487,680</u>	<u>\$ 17,410,492</u>



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CITY OF RAMSEY

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Project	Totals
Revenue				
Property taxes	\$ 90,950	\$ 1,739,221	\$ 44,520	\$ 1,874,691
Franchise fees	—	—	423,045	423,045
Special assessments	—	99,974	326,413	426,387
Intergovernmental revenue	34,215	338,510	2,166,035	2,538,760
Charges for services	—	—	514,441	514,441
Other revenue				
Investment earnings	90,690	68,047	338,829	497,566
Miscellaneous	254,998	120	459,261	714,379
Total revenue	<u>470,853</u>	<u>2,245,872</u>	<u>4,272,544</u>	<u>6,989,269</u>
Expenditures				
Current				
General government	123,820	—	128,750	252,570
Public safety	39,582	—	—	39,582
Highways and streets	—	—	5,306	5,306
Culture and recreation	—	—	121,016	121,016
Capital outlay	52,565	—	2,662,441	2,715,006
Debt service				
Principal retirement	—	1,865,000	—	1,865,000
Interest and fiscal charges	—	650,491	7,462	657,953
Total expenditures	<u>215,967</u>	<u>2,515,491</u>	<u>2,924,975</u>	<u>5,656,433</u>
Excess (deficiency) of revenue over expenditures	254,886	(269,619)	1,347,569	1,332,836
Other financing sources (uses)				
Proceeds on sale of capital assets	2,372	—	—	2,372
Transfers in	—	334,403	750,486	1,084,889
Transfers (out)	(70,448)	(93,140)	(3,253,577)	(3,417,165)
Total other financing sources (uses)	<u>(68,076)</u>	<u>241,263</u>	<u>(2,503,091)</u>	<u>(2,329,904)</u>
Net change in fund balances	186,810	(28,356)	(1,155,522)	(997,068)
Fund balances				
Beginning of year	<u>2,951,147</u>	<u>1,450,800</u>	<u>12,878,121</u>	<u>17,280,068</u>
End of year	<u>\$ 3,137,957</u>	<u>\$ 1,422,444</u>	<u>\$ 11,722,599</u>	<u>\$ 16,283,000</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.

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.

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, 2020

	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
Assets				
Cash and temporary investments	\$ 355,077	\$ 322,320	\$ 43,426	\$ 802,131
Receivables				
Unremitted taxes	—	—	—	—
Delinquent taxes	—	—	—	—
Due from other governmental units	—	—	6,812	—
Due from other funds	—	—	—	—
Prepays	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ 355,077</u>	<u>\$ 322,320</u>	<u>\$ 50,238</u>	<u>\$ 802,131</u>
Liabilities				
Accounts and contracts payable	\$ —	\$ —	\$ 1,989	\$ —
Due to other governmental units	—	—	903	—
Total liabilities	<u>—</u>	<u>—</u>	<u>2,892</u>	<u>—</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	—	—	—	—
Fund balances				
Nonspendable	—	—	—	—
Restricted	—	322,320	47,346	—
Committed	355,077	—	—	802,131
Total fund balances	<u>355,077</u>	<u>322,320</u>	<u>47,346</u>	<u>802,131</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 355,077</u>	<u>\$ 322,320</u>	<u>\$ 50,238</u>	<u>\$ 802,131</u>

General Govt Special Projects	Economic Development Authority	Totals
\$ 168,862	\$ 1,409,796	\$ 3,101,612
—	2,280	2,280
—	1,617	1,617
—	—	6,812
—	30,000	30,000
—	295	295
<u>\$ 168,862</u>	<u>\$ 1,443,988</u>	<u>\$ 3,142,616</u>
\$ —	\$ 150	\$ 2,139
—	—	903
<u>—</u>	<u>150</u>	<u>3,042</u>
—	1,617	1,617
—	295	295
—	1,441,926	1,811,592
168,862	—	1,326,070
<u>168,862</u>	<u>1,442,221</u>	<u>3,137,957</u>
<u>\$ 168,862</u>	<u>\$ 1,443,988</u>	<u>\$ 3,142,616</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
Revenue				
Property taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental revenue	—	—	34,215	—
Other revenue				
Investment earnings	10,165	9,388	1,145	24,900
Miscellaneous	94,876	70,549	12,952	51,621
Total revenue	105,041	79,937	48,312	76,521
Expenditures				
Current				
General government	—	37,150	—	—
Public Safety	—	—	39,582	—
Capital outlay	—	52,565	—	—
Total expenditures	—	89,715	39,582	—
Excess (deficiency) of revenue over expenditures	105,041	(9,778)	8,730	76,521
Other financing sources (uses)				
Proceeds on sale of capital assets	—	—	—	—
Transfers (out)	—	—	—	(70,448)
Total other financing sources (uses)	—	—	—	(70,448)
Net change in fund balances	105,041	(9,778)	8,730	6,073
Fund balances				
Beginning of year	250,036	332,098	38,616	796,058
End of year	\$ 355,077	\$ 322,320	\$ 47,346	\$ 802,131

General Govt Special Projects	Economic Development Authority	Totals
\$ —	\$ 90,950	\$ 90,950
—	—	34,215
4,459	40,633	90,690
25,000	—	254,998
<u>29,459</u>	<u>131,583</u>	<u>470,853</u>
1,137	85,533	123,820
—	—	39,582
—	—	52,565
<u>1,137</u>	<u>85,533</u>	<u>215,967</u>
28,322	46,050	254,886
2,372	—	2,372
—	—	(70,448)
<u>2,372</u>	<u>—</u>	<u>(68,076)</u>
30,694	46,050	186,810
<u>138,168</u>	<u>1,396,171</u>	<u>2,951,147</u>
<u>\$ 168,862</u>	<u>\$ 1,442,221</u>	<u>\$ 3,137,957</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, 2020

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Property taxes	\$ 91,413	\$ 91,413	\$ 90,950	\$ (463)
Other revenue				
Investment earnings	7,500	7,500	40,633	33,133
Total revenue	98,913	98,913	131,583	32,670
Expenditures				
Current				
General government	98,913	98,913	85,533	(13,380)
Net change in fund balances	\$ —	\$ —	46,050	\$ 46,050
Fund balances				
Beginning of year			1,396,171	
End of year			\$ 1,442,221	



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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.

2011B Refund GO Improvement Bonds – In 2011, \$3,090,000 Series 2011B Improvement Crossover Refunding bonds were issued to refund the 2005B Series AUAR roadway bonds that were called on December 15, 2014.

2009A State Aid Road Bond – The \$1,340,000 General Obligation Tax State Aid Road Bond was to finance the construction of Sunfish Lake Boulevard. The City made the final debt payments in 2019 and the fund was closed in 2020.

2012A GO Refund Improvement Bond – The Series 2012A \$16,875,000 General Obligation Capital Improvement Plan Bond was issued to refund the The 2005A Public Project Lease Revenue Bond that was issued to finance the construction of the city's municipal center.

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

2014A Capital Equipment Certificates – The Series 2014A \$875,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

2015A GO Capital Improvement Bond – The \$3,880,000 General Obligation Capital Improvement Bond is to finance the construction of the city's Fire Station #2.

2015B GO Street Reconstruction Bond – The \$1,205,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Garnet Street and 168th Avenue.

2016A GO Street Reconstruction Bond – The \$1,650,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Andrie Street and 164th Lane.

2017A GO Street Reconstruction Bond – The \$895,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Alpine Drive and Sunwood Drive.

2018A GO Street Reconstruction Bond – The \$1,175,000 General Obligation Street Reconstruction Bond is to finance the reconstruction of Riversbend Avenue and Stanhope Terrace.

CITY OF RAMSEY

Nonmajor Debt Service Funds
Combining Balance Sheet
December 31, 2020

	2011B Refund G.O. Improvement Bonds	2009A State Aid Road Bond	2012A GO Refund Improvement Bond	2013A Capital Equipment Certificates
Assets				
Cash and temporary investments	\$ 220,825	\$ —	\$ 722,686	\$ 26,078
Receivables				
Unremitted taxes	—	—	27,899	1,648
Delinquent taxes	—	—	16,318	1,066
Unremitted special assessments	—	—	—	—
Delinquent special assessments	—	—	—	—
Deferred special assessments	—	—	—	—
Total assets	<u>\$ 220,825</u>	<u>\$ —</u>	<u>\$ 766,903</u>	<u>\$ 28,792</u>
Liabilities				
Accounts and contracts payable	\$ —	\$ —	\$ —	\$ —
Deferred inflows of resources				
Unavailable revenue - property taxes	—	—	16,318	1,066
Unavailable revenue - special assessments	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>16,318</u>	<u>1,066</u>
Fund balances				
Restricted	<u>220,825</u>	<u>—</u>	<u>750,585</u>	<u>27,726</u>
Total deferred inflows of resources and fund balances	<u>\$ 220,825</u>	<u>\$ —</u>	<u>\$ 766,903</u>	<u>\$ 28,792</u>

2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond	2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	Totals
\$ 23,551	\$ 153,412	\$ 39,926	\$ 81,161	\$ 20,334	\$ 91,202	\$ 1,379,175
2,480	6,543	711	1,656	1,221	1,434	43,592
1,449	3,215	698	1,069	682	810	25,307
—	—	143	1,718	—	316	2,177
—	—	40	—	—	212	252
—	—	43,828	152,450	31,987	101,428	329,693
<u>\$ 27,480</u>	<u>\$ 163,170</u>	<u>\$ 85,346</u>	<u>\$ 238,054</u>	<u>\$ 54,224</u>	<u>\$ 195,402</u>	<u>\$ 1,780,196</u>
\$ —	\$ —	\$ —	\$ —	\$ 2,500	\$ —	\$ 2,500
1,449	3,215	698	1,069	682	810	25,307
—	—	43,868	152,450	31,987	101,640	329,945
<u>1,449</u>	<u>3,215</u>	<u>44,566</u>	<u>153,519</u>	<u>32,669</u>	<u>102,450</u>	<u>355,252</u>
<u>26,031</u>	<u>159,955</u>	<u>40,780</u>	<u>84,535</u>	<u>19,055</u>	<u>92,952</u>	<u>1,422,444</u>
<u>\$ 27,480</u>	<u>\$ 163,170</u>	<u>\$ 85,346</u>	<u>\$ 238,054</u>	<u>\$ 54,224</u>	<u>\$ 195,402</u>	<u>\$ 1,780,196</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	2011B Refund G.O. Improvement Bonds	2009A State Aid Road Bond	2012A GO Refund Improvement Bond	2013A Capital Equipment Certificates
Revenue				
Property taxes	\$ —	\$ —	\$ 1,113,101	\$ 65,743
Special assessments	—	—	—	—
Intergovernmental revenue	338,510	—	—	—
Other revenue				
Investment earnings	14,106	—	26,850	676
Miscellaneous	—	—	—	—
Total revenue	<u>352,616</u>	<u>—</u>	<u>1,139,951</u>	<u>66,419</u>
Expenditures				
Debt service				
Principal retirement	280,000	—	770,000	65,000
Interest and fiscal charges	42,299	—	391,779	8,412
Total expenditures	<u>322,299</u>	<u>—</u>	<u>1,161,779</u>	<u>73,412</u>
Excess (deficiency) of revenues over expenditures	30,317	—	(21,828)	(6,993)
Other financing sources (uses)				
Transfers in	—	—	—	—
Transfers out	—	(93,140)	—	—
Total other financing sources (uses)	<u>—</u>	<u>(93,140)</u>	<u>—</u>	<u>—</u>
Net change in fund balances	30,317	(93,140)	(21,828)	(6,993)
Fund balances				
Beginning of year	<u>190,508</u>	<u>93,140</u>	<u>772,413</u>	<u>34,719</u>
End of year	<u>\$ 220,825</u>	<u>\$ —</u>	<u>\$ 750,585</u>	<u>\$ 27,726</u>

2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond	2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	Totals
\$ 98,962	\$ 261,057	\$ 28,349	\$ 66,090	\$ 48,699	\$ 57,220	\$ 1,739,221
—	—	12,321	46,969	6,251	34,433	99,974
—	—	—	—	—	—	338,510
1,150	5,170	2,087	3,111	11,834	3,063	68,047
—	—	12	80	—	28	120
<u>100,112</u>	<u>266,227</u>	<u>42,769</u>	<u>116,250</u>	<u>66,784</u>	<u>94,744</u>	<u>2,245,872</u>
85,000	175,000	120,000	165,000	90,000	115,000	1,865,000
10,589	96,884	21,592	28,392	17,202	33,342	650,491
<u>95,589</u>	<u>271,884</u>	<u>141,592</u>	<u>193,392</u>	<u>107,202</u>	<u>148,342</u>	<u>2,515,491</u>
4,523	(5,657)	(98,823)	(77,142)	(40,418)	(53,598)	(269,619)
—	93,140	58,541	76,377	48,878	57,467	334,403
—	—	—	—	—	—	(93,140)
<u>—</u>	<u>93,140</u>	<u>58,541</u>	<u>76,377</u>	<u>48,878</u>	<u>57,467</u>	<u>241,263</u>
4,523	87,483	(40,282)	(765)	8,460	3,869	(28,356)
<u>21,508</u>	<u>72,472</u>	<u>81,062</u>	<u>85,300</u>	<u>10,595</u>	<u>89,083</u>	<u>1,450,800</u>
<u>\$ 26,031</u>	<u>\$ 159,955</u>	<u>\$ 40,780</u>	<u>\$ 84,535</u>	<u>\$ 19,055</u>	<u>\$ 92,952</u>	<u>\$ 1,422,444</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 Projects Fund – This fund is used to account for resources and expenditures related to the purchase of property for future state road development.

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.

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

Puma/Bunker Street Improvement Fund – used to account for the resources used to finance the construction of Puma Street and Bunker Lake Boulevard near the City's new business park.

Landfill Fund – 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.

Equipment Revolving Fund – used to account for resources to finance the replacement of city equipment, vehicles, and/or building facilities.

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

Pavement Management Fund – used to account for the resources to be used for road reconstructions and overlays per the City's Pavement Management Program.

CITY OF RAMSEY

Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2020

	State-Aid Construction	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance
Assets					
Cash and temporary investments	\$ 2,097,205	\$ 454,520	\$ 67,136	\$ 5,124,797	\$ 75,241
Receivables					
Unremitted special assessments	—	—	—	—	—
Delinquent special assessments	—	—	—	—	—
Deferred special assessments	—	—	—	—	—
Accounts	—	1,258	—	—	—
Due from other governmental units	—	—	—	—	—
Total assets	\$ 2,097,205	\$ 455,778	\$ 67,136	\$ 5,124,797	\$ 75,241
Liabilities					
Accounts and contracts payable	\$ 164,894	\$ 2,145	\$ —	\$ —	\$ 1,850
Advances from other funds	—	—	—	—	—
Total liabilities	164,894	2,145	—	—	1,850
Deferred inflows of resources					
Unavailable revenue - special assessments	—	—	—	—	—
Fund balances					
Restricted	1,932,311	—	—	—	—
Assigned	—	453,633	67,136	5,124,797	73,391
Total fund balances	1,932,311	453,633	67,136	5,124,797	73,391
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,097,205	\$ 455,778	\$ 67,136	\$ 5,124,797	\$ 75,241

Sunwood Drive Realignment	Puma/Bunker Street Improvement	Landfill	Equipment Revolving	Public Facilities Construction	Pavement Management Program	Totals
\$ —	\$ 222,154	\$ 1,063,780	\$ 806,579	\$ 838,376	\$ 1,093,139	\$ 11,842,927
—	542	—	—	—	1,296	1,838
—	4	—	—	—	—	4
—	154,298	—	—	—	67,052	221,350
—	—	—	—	—	417,551	418,809
—	—	—	—	—	2,752	2,752
<u>\$ —</u>	<u>\$ 376,998</u>	<u>\$ 1,063,780</u>	<u>\$ 806,579</u>	<u>\$ 838,376</u>	<u>\$ 1,581,790</u>	<u>\$ 12,487,680</u>
\$ —	\$ 30,028	\$ —	\$ —	\$ 129	\$ 10,157	\$ 209,203
—	—	—	—	334,524	—	334,524
—	30,028	—	—	334,653	10,157	543,727
—	154,302	—	—	—	67,052	221,354
—	—	—	—	—	—	1,932,311
—	192,668	1,063,780	806,579	503,723	1,504,581	9,790,288
—	192,668	1,063,780	806,579	503,723	1,504,581	11,722,599
<u>\$ —</u>	<u>\$ 376,998</u>	<u>\$ 1,063,780</u>	<u>\$ 806,579</u>	<u>\$ 838,376</u>	<u>\$ 1,581,790</u>	<u>\$ 12,487,680</u>

CITY OF RAMSEY

Nonmajor Capital Project Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	State-Aid Construction	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance
Revenue					
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Franchise fees	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental revenue	1,676,035	—	—	—	—
Charges for services	—	145,240	—	369,201	—
Other revenue					
Investment earnings	74,780	—	1,936	106,160	266
Miscellaneous	—	36	1,300	—	122,847
Total revenue	<u>1,750,815</u>	<u>145,276</u>	<u>3,236</u>	<u>475,361</u>	<u>123,113</u>
Expenditures					
Current					
General government	—	—	—	—	109,129
Highways and streets	—	—	—	—	—
Culture and recreation	—	88,232	—	32,784	—
Capital outlay	1,925,900	—	—	—	—
Debt service					
Interest and fiscal charges	—	—	—	—	—
Total expenditures	<u>1,925,900</u>	<u>88,232</u>	<u>—</u>	<u>32,784</u>	<u>109,129</u>
Excess (deficiency) of revenue over expenditures	(175,085)	57,044	3,236	442,577	13,984
Other financing sources (uses)					
Transfers in	200,000	—	—	—	—
Transfers (out)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>200,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	24,915	57,044	3,236	442,577	13,984
Fund balances					
Beginning of year	<u>1,907,396</u>	<u>396,589</u>	<u>63,900</u>	<u>4,682,220</u>	<u>59,407</u>
End of year	<u>\$ 1,932,311</u>	<u>\$ 453,633</u>	<u>\$ 67,136</u>	<u>\$ 5,124,797</u>	<u>\$ 73,391</u>

Sunwood Drive Realignment	Puma/Bunker Street Improvement	Landfill	Equipment Revolving	Public Facilities Construction	Pavement Management Program	Totals
\$ —	\$ —	\$ —	\$ —	\$ 44,520	\$ —	\$ 44,520
—	—	—	—	—	423,045	423,045
—	311,174	—	—	—	15,239	326,413
—	490,000	—	—	—	—	2,166,035
—	—	—	—	—	—	514,441
—	—	63,468	23,313	43,748	25,158	338,829
—	25,325	—	47,000	2,001	260,752	459,261
—	826,499	63,468	70,313	90,269	724,194	4,272,544
—	1,092	—	18,529	—	—	128,750
—	—	—	—	—	5,306	5,306
—	—	—	—	—	—	121,016
—	694,799	—	12,870	—	28,872	2,662,441
—	—	—	—	7,462	—	7,462
—	695,891	—	31,399	7,462	34,178	2,924,975
—	130,608	63,468	38,914	82,807	690,016	1,347,569
—	—	—	412,864	137,622	—	750,486
(310,509)	(302,019)	(1,200,000)	(441,049)	(1,000,000)	—	(3,253,577)
(310,509)	(302,019)	(1,200,000)	(28,185)	(862,378)	—	(2,503,091)
(310,509)	(171,411)	(1,136,532)	10,729	(779,571)	690,016	(1,155,522)
310,509	364,079	2,200,312	795,850	1,283,294	814,565	12,878,121
\$ —	\$ 192,668	\$ 1,063,780	\$ 806,579	\$ 503,723	\$ 1,504,581	\$ 11,722,599



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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>138-143</u>
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	<u>144-147</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>148-151</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>152-153</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>154-156</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)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 39,794,321	\$ 41,998,822	\$ 40,374,256	\$ 41,657,601	\$ 41,216,689	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317	\$ 52,756,077
Restricted	22,103,948	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706
Unrestricted	14,433,838	7,298,825	8,107,485	8,120,953	13,292,971	13,832,461	13,559,175	15,666,889	16,759,261	22,499,652
Total governmental activities net position	<u>\$ 76,332,107</u>	<u>\$ 63,929,653</u>	<u>\$ 64,610,193</u>	<u>\$ 65,052,136</u>	<u>\$ 72,939,801</u>	<u>\$ 74,327,101</u>	<u>\$ 75,368,400</u>	<u>\$ 80,153,240</u>	<u>\$ 82,424,115</u>	<u>\$ 94,213,435</u>
Business-type activities										
Net investment in capital assets	\$ 51,748,092	\$ 50,843,868	\$ 50,494,576	\$ 50,427,367	\$ 49,340,145	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211	\$ 56,166,921
Unrestricted	23,764,060	27,486,732	28,969,730	30,915,832	34,206,676	35,953,541	38,306,851	43,024,292	46,993,793	44,568,513
Total business-type activities net position	<u>\$ 75,512,152</u>	<u>\$ 78,330,600</u>	<u>\$ 79,464,306</u>	<u>\$ 81,343,199</u>	<u>\$ 83,546,821</u>	<u>\$ 87,913,135</u>	<u>\$ 92,162,136</u>	<u>\$ 96,677,630</u>	<u>\$ 102,569,004</u>	<u>\$ 100,735,434</u>
Total government										
Net investment in capital assets	\$ 91,542,413	\$ 92,842,690	\$ 90,868,832	\$ 92,084,968	\$ 90,556,834	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528	\$ 108,922,998
Restricted	22,103,948	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706
Unrestricted	38,197,898	34,785,557	37,077,215	39,036,785	47,499,647	49,786,002	51,866,026	58,691,181	63,753,054	67,068,165
Total government net position	<u>\$ 151,844,259</u>	<u>\$ 142,260,253</u>	<u>\$ 144,074,499</u>	<u>\$ 146,395,335</u>	<u>\$ 156,486,622</u>	<u>\$ 162,240,236</u>	<u>\$ 167,530,536</u>	<u>\$ 176,830,870</u>	<u>\$ 184,993,119</u>	<u>\$ 194,948,869</u>

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015, recording a change in accounting principle that decreased unrestricted net position. Prior year balances are not restated.

Note 2: The City reported a prior period adjustment in fiscal 2016 that increased the net investment in capital assets. Prior year balances are not restated.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 5,559,732	\$ 18,976,842	\$ 3,735,657	\$ 4,087,755	\$ 4,075,505	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352	\$ 5,640,679
Public safety	4,307,045	4,218,066	4,074,688	4,079,362	4,349,763	5,875,567	5,782,563	5,167,897	5,844,265	6,468,397
Highways and streets	6,129,272	5,659,428	5,215,260	4,263,552	3,197,571	3,826,143	4,254,234	4,191,395	4,442,720	4,028,294
Culture and recreation	1,267,292	1,216,583	1,415,736	1,422,810	1,867,274	1,931,537	2,384,845	1,751,345	1,756,810	1,917,228
Economic Development	-	-	-	-	-	-	-	-	-	481,858
Interest and fiscal charges	1,302,228	2,555,567	1,220,471	1,168,513	983,379	890,305	952,965	883,292	845,651	839,444
Total governmental activities expenses	<u>18,565,569</u>	<u>32,626,486</u>	<u>15,661,812</u>	<u>15,021,992</u>	<u>14,473,492</u>	<u>17,052,472</u>	<u>18,367,416</u>	<u>17,072,445</u>	<u>18,028,798</u>	<u>19,375,900</u>
Business-type activities:										
Water utility	1,358,050	1,228,012	1,293,201	1,221,211	1,278,204	1,489,070	1,396,021	1,590,737	1,483,584	1,657,356
Sewer utility	1,149,318	1,152,760	1,190,551	1,282,302	1,291,509	1,438,141	1,535,664	1,523,670	1,631,260	1,723,238
Street light utility	163,758	165,651	176,736	161,733	178,666	176,732	159,378	160,952	171,619	169,463
Recycling utility	302,947	302,936	308,629	321,321	320,901	359,418	373,775	380,055	380,192	366,764
Storm water utility	410,666	496,309	491,370	509,709	557,267	742,043	633,101	573,878	590,645	777,252
Total business-type activities	<u>3,384,739</u>	<u>3,345,668</u>	<u>3,460,487</u>	<u>3,496,276</u>	<u>3,626,547</u>	<u>4,205,404</u>	<u>4,097,939</u>	<u>4,229,292</u>	<u>4,257,300</u>	<u>4,694,073</u>
Total government expenses	<u>\$ 21,950,308</u>	<u>\$ 35,972,154</u>	<u>\$ 19,122,299</u>	<u>\$ 18,518,268</u>	<u>\$ 18,100,039</u>	<u>\$ 21,257,876</u>	<u>\$ 22,465,355</u>	<u>\$ 21,301,737</u>	<u>\$ 22,286,098</u>	<u>\$ 24,069,973</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 313,195	\$ 416,152	\$ 479,970	\$ 461,538	\$ 529,820	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173	\$ 534,279
Public safety	918,296	1,177,840	901,570	626,844	946,887	698,310	878,141	1,168,258	1,098,016	974,955
Highways and streets	738,136	81,159	239,234	266,447	347,984	261,658	235,020	229,555	214,272	259,161
Culture and recreation	9,910	628,571	158,376	173,310	815,511	483,727	585,033	1,355,365	926,530	373,669
Operating grants and contributions	298,077	2,008,709	1,180,725	385,574	9,999,527	508,694	379,185	368,099	461,826	603,389
Capital grants and contributions	4,187,265	3,866,331	3,208,950	3,023,145	3,124,565	3,809,965	5,026,857	4,765,578	3,434,344	4,930,496
Total governmental activities program revenues	<u>6,464,879</u>	<u>8,178,762</u>	<u>6,168,825</u>	<u>4,936,858</u>	<u>15,764,294</u>	<u>6,220,255</u>	<u>7,675,700</u>	<u>8,578,674</u>	<u>6,775,161</u>	<u>7,675,949</u>
Business-type activities:										
Charges for services:										
Water utility	1,821,386	2,131,460	1,997,302	1,860,380	2,045,225	1,953,478	2,772,003	3,484,687	2,138,209	2,541,651
Sewer utility	1,236,771	1,324,342	1,341,674	1,393,157	1,392,101	1,458,250	1,784,755	2,182,944	1,672,072	1,714,469
Street light utility	178,850	179,124	177,158	188,185	190,872	196,253	204,418	211,360	217,169	216,545
Recycling utility	297,226	296,358	298,034	309,160	307,128	308,052	310,471	317,090	319,940	319,664
Storm water utility	617,579	647,169	677,936	706,135	770,812	1,034,552	958,960	1,057,705	1,168,494	1,164,868
Operating grants and contributions	50,279	57,239	79,358	65,817	39,423	67,100	92,602	72,257	67,961	57,865
Capital grants and contributions	88,349	1,315,030	488,687	101,107	1,185,135	1,799,057	1,864,137	906,190	2,596,210	1,683,338
Total business-type activities program revenues	<u>4,290,440</u>	<u>5,950,722</u>	<u>5,060,149</u>	<u>4,623,941</u>	<u>5,930,696</u>	<u>6,816,742</u>	<u>7,987,346</u>	<u>8,232,233</u>	<u>8,180,055</u>	<u>7,698,400</u>
Total government program revenues	<u>\$ 10,755,319</u>	<u>\$ 14,129,484</u>	<u>\$ 11,228,974</u>	<u>\$ 9,560,799</u>	<u>\$ 21,694,990</u>	<u>\$ 13,036,997</u>	<u>\$ 15,663,046</u>	<u>\$ 16,810,907</u>	<u>\$ 14,955,216</u>	<u>\$ 15,374,349</u>
Net (expense)/revenue										
Governmental activities	\$ (12,100,690)	\$ (24,447,724)	\$ (9,492,987)	\$ (10,085,134)	\$ 1,290,802	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)	\$ (11,699,951)
Business-type activities	905,701	2,605,054	1,599,662	1,127,665	2,304,149	2,611,338	3,889,407	4,002,941	3,922,755	3,004,327
Total government net expense	<u>\$ (11,194,989)</u>	<u>\$ (21,842,670)</u>	<u>\$ (7,893,325)</u>	<u>\$ (8,957,469)</u>	<u>\$ 3,594,951</u>	<u>\$ (8,220,879)</u>	<u>\$ (6,802,309)</u>	<u>\$ (4,490,830)</u>	<u>\$ (7,330,882)</u>	<u>\$ (8,695,624)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 11,671,760	\$ 11,454,519	\$ 10,421,456	\$ 9,423,457	\$ 10,064,621	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388	\$ 13,744,948
Franchise fees	-	-	-	-	-	-	-	-	-	423,045
General grants and contributions	120,932	9,175	38,577	3,198	4,204	3,905	3,586	102,994	5,617	2,053,933
Investment earnings (charges)	903,786	474,076	(411,446)	980,922	422,405	280,597	454,089	578,770	1,122,573	1,035,274
Gan on sale of capital assets	14,716	-	12,940	-	8,914	-	5,530	75,047	8,428	2,372
Transfers	1,199,585	107,500	112,000	119,500	124,000	214,445	133,000	137,500	(506,494)	6,229,699
Total governmental activities	<u>13,910,779</u>	<u>12,045,270</u>	<u>10,173,527</u>	<u>10,527,077</u>	<u>10,624,144</u>	<u>11,173,643</u>	<u>11,733,015</u>	<u>13,278,611</u>	<u>13,524,512</u>	<u>23,489,271</u>
Business-type activities:										
Investment earnings (charges)	460,228	320,894	(353,956)	870,728	385,490	325,628	492,594	650,053	1,462,125	1,391,802
Transfers	(1,199,585)	(107,500)	(112,000)	(119,500)	(124,000)	(214,445)	(133,000)	(137,500)	506,494	(6,229,699)
Total business-type activities	<u>(739,357)</u>	<u>213,394</u>	<u>(465,956)</u>	<u>751,228</u>	<u>261,490</u>	<u>111,183</u>	<u>359,594</u>	<u>512,553</u>	<u>1,968,619</u>	<u>(4,837,897)</u>
Total government	<u>\$ 13,171,422</u>	<u>\$ 12,258,664</u>	<u>\$ 9,707,571</u>	<u>\$ 11,278,305</u>	<u>\$ 10,885,634</u>	<u>\$ 11,284,826</u>	<u>\$ 12,092,609</u>	<u>\$ 13,791,164</u>	<u>\$ 15,493,131</u>	<u>\$ 18,651,374</u>
Change in Net Position										
Governmental activities	\$ 1,810,089	\$ (12,402,454)	\$ 680,540	\$ 441,943	\$ 11,914,946	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875	\$ 11,789,320
Business-type activities	166,344	2,818,448	1,133,706	1,878,893	2,565,639	2,722,521	4,249,001	4,515,494	5,891,374	(1,833,570)
Total government	<u>\$ 1,976,433</u>	<u>\$ (9,584,006)</u>	<u>\$ 1,814,246</u>	<u>\$ 2,320,836</u>	<u>\$ 14,480,585</u>	<u>\$ 3,063,947</u>	<u>\$ 5,290,300</u>	<u>\$ 9,300,334</u>	<u>\$ 8,162,249</u>	<u>\$ 9,955,750</u>

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>Franchise Fees</u>	<u>Total</u>
2011	\$ 8,048,173	\$ 3,623,587	\$ -	\$ 11,671,760
2012	11,454,519	2,703,765	—	14,158,284
2013	8,186,852	2,234,604	—	10,421,456
2014	8,755,276	668,181	-	9,423,457
2015	9,393,365	671,256	—	10,064,621
2016	9,974,695	700,001	—	10,674,696
2017	10,423,864	712,946	—	11,136,810
2018	11,400,536	983,764	—	12,384,300
2019	11,819,552	1,074,836	—	12,894,388
2020	12,515,773	1,229,175	423,045	14,167,993

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

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund										
Nonspendable	\$ 9,929	\$ 4,042	\$ 50,561	\$ 4,805	\$ 1,613	\$ 15,431	\$ 12,393	\$ 21,335	\$ 23,640	\$ 16,849
Assigned	125,015	142,419	175,008	—	—	—	—	—	—	—
Unassigned	6,253,688	6,578,822	6,545,825	6,977,764	7,271,432	7,501,962	7,900,225	8,468,792	8,856,806	10,073,204
Total general fund	<u>\$ 6,388,632</u>	<u>\$ 6,725,283</u>	<u>\$ 6,771,394</u>	<u>\$ 6,982,569</u>	<u>\$ 7,273,045</u>	<u>\$ 7,517,393</u>	<u>\$ 7,912,618</u>	<u>\$ 8,490,127</u>	<u>\$ 8,880,446</u>	<u>\$ 10,090,053</u>
All other governmental funds										
Nonspendable	\$ 304	\$ —	\$ 590	\$ —	\$ —	\$ 450	\$ 920	\$ 1,205	\$ 1,801	\$ 295
Restricted	25,032,219	17,606,291	19,148,705	15,295,400	18,484,179	18,377,993	18,187,321	19,369,642	19,957,595	27,518,666
Committed	819,839	946,312	927,557	743,944	890,603	1,041,932	1,226,234	1,631,444	1,184,262	1,326,070
Assigned	10,552,354	9,962,381	10,719,398	10,651,554	12,645,683	13,331,150	13,394,815	14,094,178	15,297,043	18,886,283
Unassigned	(853,086)	(456,692)	(282,159)	(110,979)	(556,135)	(87,659)	—	—	—	—
Total all other governmental funds	<u>\$ 35,551,630</u>	<u>\$ 28,058,292</u>	<u>\$ 30,514,091</u>	<u>\$ 26,579,919</u>	<u>\$ 31,464,330</u>	<u>\$ 32,663,866</u>	<u>\$ 32,809,290</u>	<u>\$ 35,096,469</u>	<u>\$ 36,440,701</u>	<u>\$ 47,731,314</u>

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

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Property taxes	\$ 11,709,649	\$ 11,545,803	\$ 10,490,825	\$ 9,544,771	\$ 10,175,399	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234	\$ 13,682,348
Franchise fees	-	-	-	-	-	-	-	-	-	423,045
Special assessments	545,764	436,854	370,791	326,465	468,844	444,235	959,217	559,599	1,025,527	484,810
Licenses and permits	368,153	534,910	718,875	458,532	784,954	526,008	732,129	1,031,944	901,222	850,504
Intergovernmental revenue	3,140,747	3,736,095	2,919,701	2,615,851	2,052,791	1,795,988	2,213,034	2,947,966	1,518,639	5,793,188
Charges for services	1,517,320	1,681,400	877,849	966,951	1,779,697	1,298,085	1,469,703	2,355,969	1,892,517	1,246,378
Fines and forfeits	105,833	75,562	73,110	72,216	60,236	66,410	59,701	46,651	49,479	34,735
Investment earnings (charges)	895,184	468,032	(403,836)	965,382	416,508	276,142	447,200	570,243	1,104,969	1,020,655
Other	746,505	1,909,229	1,402,508	596,208	10,679,794	773,836	707,675	765,601	1,036,319	842,747
Total Revenues	<u>19,029,155</u>	<u>20,387,885</u>	<u>16,449,823</u>	<u>15,546,376</u>	<u>26,418,223</u>	<u>15,865,600</u>	<u>17,739,270</u>	<u>20,694,507</u>	<u>20,400,906</u>	<u>24,378,410</u>
Expenditures										
General government	4,847,669	18,291,512	2,837,610	3,175,959	3,119,273	3,537,925	4,031,933	4,212,365	4,358,408	4,849,293
Public safety	3,886,613	3,860,697	3,740,132	3,809,209	4,011,871	4,234,482	4,727,493	4,788,902	5,360,402	5,967,770
Highways and streets	4,944,097	4,391,415	3,883,519	2,930,144	1,815,409	2,199,615	2,542,463	2,390,707	2,528,216	2,068,827
Culture and recreation	857,927	836,452	1,013,089	1,004,750	1,428,116	1,478,090	1,960,624	1,291,816	1,281,153	1,476,727
Economic development	-	-	-	-	-	-	-	-	-	481,858
Capital outlay	6,589,201	3,370,128	705,383	3,688,952	6,314,573	2,756,193	1,922,947	3,568,285	1,505,922	7,406,231
Debt service										
Principal	1,810,000	1,485,000	1,315,000	1,580,000	8,780,000	1,735,000	2,085,000	2,100,000	2,280,000	4,045,000
Interest	1,220,906	2,681,176	1,213,120	1,179,859	1,103,614	965,474	967,281	923,125	854,188	873,623
Total Expenditures	<u>24,156,413</u>	<u>34,916,380</u>	<u>14,707,853</u>	<u>17,368,873</u>	<u>26,572,856</u>	<u>16,906,779</u>	<u>18,237,741</u>	<u>19,275,200</u>	<u>18,168,289</u>	<u>27,169,329</u>
Excess (deficiency) of revenues over expenditures	(5,127,258)	(14,528,495)	1,741,970	(1,822,497)	(154,633)	(1,041,179)	(498,471)	1,419,307	2,232,617	(2,790,919)
Other financing sources (uses)										
Bonds issued	4,365,000	7,320,000	635,000	875,000	5,085,000	1,650,000	895,000	1,175,000	-	9,055,000
Refunding bonds issued	3,090,000	16,875,000	-	-	-	-	-	-	-	-
Premium/(Discount) on debt issues	(22,036)	284,907	-	-	111,606	69,482	5,590	35,246	-	4,068
Payments on refunded bonds	-	(17,227,352)	-	(2,895,000)	-	-	-	-	-	-
Proceeds on sale of capital assets	19,980	11,753	12,940	-	8,914	-	5,530	75,047	8,428	2,372
Transfers in	3,864,855	6,237,727	2,606,637	2,329,539	3,642,196	2,183,931	1,536,025	1,447,137	1,714,327	11,238,331
Transfers (out)	(2,665,270)	(6,130,227)	(2,494,637)	(2,210,039)	(3,518,196)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)	(5,008,632)
Total other financing sources (uses)	<u>8,652,529</u>	<u>7,371,808</u>	<u>759,940</u>	<u>(1,900,500)</u>	<u>5,329,520</u>	<u>2,485,063</u>	<u>1,039,120</u>	<u>1,445,381</u>	<u>(498,066)</u>	<u>15,291,139</u>
Net change in fund balances	\$ <u>3,525,271</u>	\$ <u>(7,156,687)</u>	\$ <u>2,501,910</u>	\$ <u>(3,722,997)</u>	\$ <u>5,174,887</u>	\$ <u>1,443,884</u>	\$ <u>540,649</u>	\$ <u>2,864,688</u>	\$ <u>1,734,551</u>	\$ <u>12,500,220</u>
Debt service as a percentage of noncapital expenditures	<u>17.25%</u>	<u>13.21%</u>	<u>18.05%</u>	<u>20.17%</u>	<u>48.79%</u>	<u>19.08%</u>	<u>18.71%</u>	<u>19.25%</u>	<u>18.81%</u>	<u>24.89%</u>

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>Franchise Fees</u>	<u>Total</u>
2011	\$ 8,086,062	\$ 3,623,587	\$ -	\$ 11,709,649
2012	11,545,803	2,703,765	-	14,249,568
2013	8,256,221	2,234,604	-	10,490,825
2014	8,876,590	668,181	-	9,544,771
2015	9,504,143	671,256	-	10,175,399
2016	9,984,895	700,001	-	10,684,896
2017	10,437,665	712,946	-	11,150,611
2018	11,432,770	983,764	-	12,416,534
2019	11,797,398	1,074,836	-	12,872,234
2020	12,453,173	1,229,175	423,045	14,105,393

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

Fiscal Year Ended Dec 31	Real Property		Personal Property	Total Taxable Market Value	Tax Capacity Value	Total Direct Tax Rate	Estimated Actual Value	Tax Capacity Value as a Percentage of Market Value
	Residential Property	Commercial Property	Other					
2011	\$ 1,672,477,900	\$ 301,333,900	\$ 18,253,100	\$ 1,992,064,900	\$ 20,609,005	39.801	\$ 2,015,100,000	1.03%
2012	1,475,770,635	282,627,300	17,640,900	1,776,038,835	19,881,220	44.174	1,939,707,200	1.12%
2013	1,360,374,300	257,979,400	18,811,000	1,637,164,700	18,068,054	44.290	1,806,808,800	1.10%
2014	1,362,070,464	245,491,800	17,567,700	1,625,129,964	19,356,717	44.237	1,795,975,400	1.19%
2015	1,598,276,536	251,254,300	16,579,800	1,866,110,636	21,196,036	42.259	2,025,977,100	1.14%
2016	1,680,308,461	259,553,800	20,929,000	1,960,791,261	22,262,546	43.316	2,116,664,200	1.14%
2017	1,788,112,555	272,746,700	21,166,600	2,082,025,855	23,635,124	42.454	2,236,219,500	1.14%
2018	2,017,773,356	276,246,500	24,178,500	2,318,198,356	26,075,064	41.730	2,460,843,300	1.12%
2019	2,173,440,579	298,573,500	27,720,100	2,499,734,179	28,214,447	40.355	2,645,430,600	1.13%
2020	2,364,387,414	320,472,500	29,789,700	2,714,649,614	30,594,502	39.592	2,856,636,800	1.13%

Note: The tax capacity value of property is calculated by applying a statutory formula to the estimated market value of the property.

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									
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
2015	36.208	6.051	42.259	38.443	22.482	42.483	5.226	108.410	128.411
2016	36.185	7.131	43.316	39.398	20.885	39.266	5.448	109.047	127.428
2017	35.564	6.890	42.454	37.273	18.590	36.659	5.087	103.404	121.473
2018	34.830	6.900	41.730	35.820	18.392	36.137	4.902	100.844	118.589
2019	34.483	5.872	40.355	34.908	16.330	32.865	4.619	96.212	112.747
2020	34.063	5.529	39.592	33.483	16.948	34.371	4.361	94.384	111.807

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	2020			2011		
	<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Market Value</u>	<u>Taxable Market Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Market Value</u>
Residence at the COR Apartments	\$ 23,332,200	1	0.86%	\$ —	—	N/A
PSD LLC	17,517,950	2	0.65%	6,263,500	7	0.31%
Connexus Energy/Anoka Electric	16,695,200	3	0.62%	20,112,200	1	1.01%
Minnegasco/Centerpoint	14,862,400	4	0.55%	5,941,500	8	0.30%
Life Fitness LLC	13,605,800	5	0.50%	—	—	N/A
S & A Partners, LLC	11,479,500	6	0.42%	—	—	N/A
Northstar Marketplace Station	9,632,900	7	0.35%	11,985,700	2	0.60%
Parkview East, LLC	9,265,900	8	0.34%	—	—	N/A
Knoll Properties	7,729,700	9	0.28%	—	—	N/A
Vision Ease/Insight Equity	6,396,200	10	0.24%	—	—	N/A
Sophia-Ramsey LLC	—	—	N/A	8,599,300	3	0.43%
Brunswick Corporation	—	—	N/A	8,447,200	4	0.42%
21st Century Bank	—	—	N/A	7,352,700	5	0.37%
Insight Equity APX	—	—	N/A	6,995,200	6	0.35%
Zero-Zone Refrigeration	—	—	N/A	5,104,800	9	0.26%
Molin Concrete	—	—	N/A	4,569,100	10	0.23%
Total principal property taxpayers	<u>\$ 130,517,750</u>		<u>4.81%</u>	<u>\$ 85,371,200</u>		<u>4.29%</u>

Source: County Board of Equalization and Assessment

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (2)		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 8,497,158	\$ 7,975,431	93.86%	\$ 519,495	\$ 8,494,926	99.97%
2012	8,782,330	8,616,750	98.11%	163,286	8,780,036	99.97%
2013	8,185,481	7,961,650	97.27%	222,073	8,183,723	99.98%
2014	8,772,143	8,649,053	98.60%	121,028	8,770,081	99.98%
2015	9,407,821	9,330,900	99.18%	72,455	9,403,355	99.95%
2016	9,971,075	9,890,058	99.19%	76,198	9,966,256	99.95%
2017	10,479,058	10,409,108	99.33%	60,255	10,469,363	99.91%
2018	11,374,395	11,314,369	99.47%	39,375	11,353,744	99.82%
2019	11,831,335	11,736,217	99.20%	40,785	11,777,002	99.54%
2020	12,509,232	12,405,409	99.17%	—	12,405,409	99.17%

Source: Anoka County records

(1) Includes general, debt service and EDA levy.

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

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonded Debt	Capital Equipment Certificates			
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
2015	27,060,000	1,310,000	28,370,000	3.40%	1,108
2016	27,120,000	1,165,000	28,285,000	3.28%	1,093
2017	26,075,000	1,020,000	27,095,000	2.93%	1,032
2018	25,295,000	875,000	26,170,000	2.77%	989
2019	23,165,000	725,000	23,890,000	2.30%	883
2020	28,325,000	575,000	28,900,000	2.75%	1,060

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 Total Taxable Market Value of Property(1)</u>	<u>Per Capita(2)</u>
2011	\$ 30,505,000	\$ 5,753,130	\$ 24,751,870	1.24%	\$ 1,044
2012	36,345,000	5,618,631	30,726,369	1.73%	1,289
2013	35,030,000	4,963,143	30,066,857	1.84%	1,237
2014	30,615,000	1,914,472	28,700,528	1.77%	1,151
2015	27,060,000	1,721,796	25,338,204	1.36%	990
2016	27,120,000	1,778,495	25,341,505	1.29%	980
2017	26,075,000	2,380,281	23,694,719	1.14%	903
2018	25,295,000	2,573,517	22,721,483	0.98%	859
2019	23,165,000	2,749,777	20,415,223	0.88%	755
2020	28,325,000	1,422,444	26,902,556	0.99%	987

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, 2020

<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	\$ 59,945,000	7.35%	\$ 4,405,958
ISD No. 11, Anoka-Hennepin	258,745,000	9.88%	25,564,006
ISD No. 728, Elk River	303,850,000	3.47%	10,543,595
Metropolitan Council	230,225,000	0.69%	<u>1,588,553</u>
Subtotal, overlapping debt			<u>42,102,112</u>
City of Ramsey direct debt	28,900,000	100.00%	<u>28,900,000</u>
Total direct and overlapping debt			<u><u>\$ 71,002,112</u></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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 59,384,853	\$ 57,200,676	\$ 53,252,703	\$ 52,910,907	\$ 59,662,374	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726	\$ 81,439,488
Total net debt applicable to limit	<u>12,206,870</u>	<u>15,675,147</u>	<u>15,993,070</u>	<u>16,141,727</u>	<u>19,191,513</u>	<u>18,316,143</u>	<u>17,454,836</u>	<u>16,444,851</u>	<u>15,298,888</u>	<u>23,195,703</u>
Legal debt margin	<u>\$ 47,177,983</u>	<u>\$ 41,525,529</u>	<u>\$ 37,259,633</u>	<u>\$ 36,769,180</u>	<u>\$ 40,470,861</u>	<u>\$ 44,032,776</u>	<u>\$ 48,386,083</u>	<u>\$ 56,048,970</u>	<u>\$ 62,614,838</u>	<u>\$ 58,243,785</u>
Total net debt applicable to limit as a percentage of debt limit	20.56%	27.40%	30.03%	30.51%	32.17%	29.38%	26.51%	22.68%	19.64%	28.48%

Legal Debt Margin Calculation for Fiscal Year 2020

Taxable Market value	\$ 2,714,649,614
Debt limit (3% of market value)	81,439,488
Debt applicable to limit:	
Total bonded debt and certificates	\$ 28,900,000
Less:	
Obligations issued with special assessments	(4,740,000)
Amounts available in respective Debt Service Funds	<u>(964,297)</u>
Total deductions	<u>(5,704,297)</u>
	<u>23,195,703</u>
Legal debt margin	<u>\$ 58,243,785</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.

**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>
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%
2015	25,598	834,034,036	32,582	5,126	3.8%
2016	25,868	863,189,292	33,369	5,217	3.7%
2017	26,251	925,584,009	35,259	5,410	3.0%
2018	26,462	945,222,640	35,720	5,449	2.5%
2019	27,051	1,037,649,309	38,359	5,464	3.2%
2020	27,263	1,049,407,396	38,492	5,395	4.4%

(1) Calculated based on census data and City of Ramsey community development 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 #11 and Elk River School District #728. Only includes schools located in Ramsey City limits.

(5) Minnesota Department of Employment and Economic Development.

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

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees*</u>	<u>Rank</u>	<u>Percentage of Total City Employment**</u>	<u>Employees*</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Life Fitness/Parabody Inc.	278	1	4.19%	350	2	6.62%
Anderson & Dahlen (Knoll Properties)	254	2	3.83%	150	4	2.84%
ISD No. 11 (located in Ramsey)	228	3	3.44%	135	5	2.55%
Connexus Energy/Anoka Electric	213	4	3.21%	230	3	4.35%
BMC/Hoya Vision Ease/Care	189	5	2.85%	355	1	6.71%
Coborns Superstore	171	6	2.58%	—	—	N/A
Diamond Graphics	165	7	2.49%	—	—	N/A
Zero Zone Refrigeration	162	8	2.44%	130	6	2.46%
Green Valley Greenhouse	150	9	2.26%	—	—	N/A
Sign Zone/Showdown Displays	145	10	2.19%	—	—	N/A
Altron Inc	—	—	N/A	120	7	2.27%
Waltek	—	—	N/A	108	8	2.04%
RJM Distributing	—	—	N/A	103	9	1.95%
In'Tech Industries	—	—	N/A	95	10	1.80%
Total	<u>1,955</u>		<u>29.48%</u>	<u>1,776</u>		<u>33.59%</u>

* Source: City Inquiries with Businesses / Full-time Equivalent

** Source 2020 Q3: DEED Employment; Workforce 6,632

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>
General government	19.10	18.60	16.00	20.00	19.13	17.36	18.36	18.86	18.92	19.10
Public safety										
Police										
Officers	23.00	23.00	22.00	22.00	24.00	24.00	26.26	26.26	27.00	27.00
Civilians	5.00	5.00	5.00	5.50	4.00	4.00	3.50	3.50	4.74	4.84
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58	10.58	10.58
Civilians	1.00	0.50	0.50	0.50	0.50	1.00	0.70	0.70	0.70	0.70
Protective Inspections	1.00	1.00	2.00	3.25	3.75	3.75	3.75	3.25	2.81	2.81
Highways and streets										
Engineering	6.60	6.60	6.30	6.30	7.00	7.00	7.00	6.00	6.00	6.00
Streets	7.00	7.00	7.00	7.00	7.50	8.50	8.50	10.50	10.00	9.00
Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.13	3.13
Culture and recreation	3.47	3.47	5.47	3.97	3.97	3.97	3.97	3.97	8.50	8.50
Water	2.00	2.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	<u>82.75</u>	<u>81.75</u>	<u>82.85</u>	<u>86.10</u>	<u>88.43</u>	<u>88.16</u>	<u>90.62</u>	<u>91.62</u>	<u>96.38</u>	<u>95.66</u>

Source: City Budget documents

* Beginning with 2019 reporting, several positions have moved between departments.

City of Ramsey
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police***										
Number of arrests	463	416	465	377	358	273	255	289	331	292
Motor Vehicle Accidents	631	471	493	279	279	289	162	466	423	335
Traffic violations	3,488	3,292	4,453	4,182	5,378	4,855	2,997	1,812	1,278	1,094
Fire										
Number of calls answered	483	459	443	486	460	498	698	821	975	1133
Inspections*	260	303	205	177	196	134	158	194	508	209
Highways and streets										
Street resurfacing (miles)	14.86	22.00	14.50	14.25	15.74	19.84	13.41	15.45	16.27	2.52
Culture and recreation										
Park Acreage maintained	565	565	571	571	571	571	571	571	572	572
Trails/sidewalks maintained (miles)**	45	45	46	50	50	50	55	55	97	97
Water										
Number of connections	4,013	4,087	4,228	4,308	4,406	4,510	4,611	4,777	4,884	5,038
Water main breaks	2	—	—	—	—	1	—	—	—	—
Average daily consumption (gallons)	1,616,376	1,890,290	1,697,771	1,610,006	1,811,752	1,645,027	1,923,213	1,948,161	1,755,575	2,004,024

Source: Various City departments

* Beginning in 2019, inspections include all inspections done by Fire Department, including construction and building inspections.

** In 2019 the trails were mapped with GIS and provided a more accurate number. This basis will be used going forward.

** Beginning in 2018 new calculations and tracking processes were used for the Police statistics and are not able to be accurately used as comparisons to prior years.

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

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	10	10	10	11	11
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) ***	168.00	172.88	172.88	172.88	182.04	183.27	184.70	186.01	186.59	187.80
Streetlights	631	659	659	1,060	1,166	1,179	1,194	1,213	1,226	1,243
Culture and recreation										
Parks acreage	565	565	565	565	565	585	585	585	586	586
Parks *	35	35	38	38	38	38	38	38	39	39
Tennis courts	12	10	10	10	10	10	10	10	10	10
Water										
Water mains (miles)	89	90	90	91	91	91	94	97	98	99
Fire hydrants	1,020	1,030	1,030	1,045	1,047	1,047	1,079	1,100	1,150	1,160
Maximum daily capacity **	5,100,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	4,837,000	4,837,000
Sewer										
Sanitary sewers (miles)	63	63	63	64	65	65	67	69	72	73
Storm sewers (miles)	25	28	34	36	39	43	46	47	54	55

Source: Various City departments

* The city has 39 total parks with 32 receiving some form of maintenance

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

*** Street (miles) were previously reported including unbuilt MSA segment roads.

Beginning in 2019 they will be excluded. 2019 MSA roads = 4.81 miles

Meeting Date: 06/08/2021

Information

Title:

Continue Discussion of Action Item “Implement a Pavement Management Funding Program” under the strategy “Identify and Implement Operational Efficiencies, Cost Savings and Additional Funding Sources.”

Purpose/Background:

Council Member Musgrove, with the concurrence of Mayor Kuzma, asked that discussion of the strategic plan action item to "Implement a Pavement Management Funding Program" be discussed at this work session. This action item is part of the broader strategy to “Identify and Implement Operational Efficiencies, Cost Savings and Additional Funding Sources.” A Council consensus on these items will complete the outstanding issues of the strategic planning process, and may impact the development of the 2022 budget.

Timeframe:

Funding Source:

Based on discussion.

Responsible Party(ies):

City Administrator Kurt Ulrich.

Outcome:

Based on discussion.

Attachments

No file(s) attached.

Form Review

Inbox

Kurt Ulrich

Form Started By: Colleen Lasher

Final Approval Date: 06/07/2021

Reviewed By

Kurt Ulrich

Date

06/07/2021 12:21 PM

Started On: 06/07/2021 11:50 AM

CC Work Session**3. 1.****Meeting Date:** 06/08/2021**By:** Katie Schmidt, Administrative Services

Information**Title:**

Review Future Topics/Calendar

Purpose/Background:

Attached is the current list of future topics for work session discussion. Items are drawn from Council requests at meetings, or are related to topics that have been identified in the City's strategic plan. Tentative dates have been assigned.

Recommendation:

N/A

Outcome/Action:

For Council review - no formal action necessary.

AttachmentsFuture Topics List

Form Review**Inbox**

Colleen Lasher

Kurt Ulrich

Form Started By: Katie Schmidt

Final Approval Date: 05/27/2021

Reviewed By

Colleen Lasher

Kurt Ulrich

Date

05/20/2021 09:14 AM

05/20/2021 02:07 PM

Started On: 05/14/2021 08:11 AM

	<u>Tentative City Council Future Work Session Topics</u>	
Proposed Date	Topic	Minutes (Estimate)
06/08/21	Regular City Council Work Session	
	Discuss Non-union Compensation - Lasher	30
	Consider Increasing Liability Coverage - Lund	30
	Discuss allocation of stimulus funds through 12-31-24 - Lund	20
	Discuss the Comp. Annual Financial Report - Lund	30
06/22/21	Regular City Council Work Session	
	City Communications Quarterly Update - Staff	15
	Direction on Whether to Continue Waiving Late Fee Penalties on Quarterly Utility Bills	10
	Discuss the Water Treatment Plant with Ehlers - Lund	20
07/13/21	Regular City Council Work Session	
	Joint Work Session w/Planning Commission and EDA (The COR Master Plan and Highway 10 Land Use Plan)	TBD
	Discuss 2022 Budget - Lund	30
	Discuss Union Negotiations (closed to the public) Lasher 20	20
	Discuss the RFP for Legal Services - Ulrich	20
	Discuss the Data Practices Act & Requests/Lasher	20
07/27/21	Regular City Council Work Session	
	Fund Balance Quarterly Update - Diana Lund	10
	Draft Trail Maintenance Policy - Westby/Riemer	30
	Discuss 2022 Budget - Lund	30
	Discuss Union Negotiations (closed to the public) Lasher	20
08/10/21	Regular City Council Work Session	
	Draft Stormwater Pond Maintenance Policy - Westby/Riemer	30
	Discuss the 2022 Budget - Lund	30
	Discuss Union Negotiations (closed to the public) Lasher	20
08/24/21	Regular City Council Work Session	
	Discuss the 2022 Budget - Lund	30
	Discuss Union Negotiations (closed to the public) Lasher	20
09/14/21	Regular City Council Work Session	
	Discuss the 2022 Budget - Lund	30
	Discuss Union Negotiations (closed to the public) Lasher	20
09/28/21	Regular City Council Work Session	
	Discuss Union Negotiations (closed to the public) Lasher	20
10/12/21	Regular City Council Work Session	

	Discuss Union Negotiations (closed to the public) - Lasher	20
10/26/21	Regular City Council Work Session	
	Fund Balance Quarterly Update – Diana Lund	15
	Discuss Union Negotiations (closed to the public) - Lasher	20
11/09/21	Regular City Council Work Session	
	Annual Review of the Franchise Fee – Staff	30
	Discuss the 2022 Budget	30
	Discuss Union Negotiations (closed to the public) - Lasher	20
11/23/21	Regular City Council Work Session	
	Bi-Annual Communications Update	20
	Discuss the 2022 Budget	20
	Discuss Union Negotiations (closed to the public) - Lasher	30
12/14/21	Regular City Council Work Session	
	Discuss 2022 Council Appointments	30
Dates TBD:		
2021	Review procedure/policy/best practice for introduction of resolutions/proclamations – Ulrich	20
2021	Discuss the General Topic of Holding Joint Meeting(s) with the Council and Commissions & Other Cities. Based on discussion, future work sessions TBD.	20
2021	Discuss Historic Town Hall – Ulrich	30
2021	City Branding Presentation - Ulrich	40
2021	CR-5 Corridor Study Review - Westby	45
2021	Park System Plan – Riemer/Riverblood	60
2021	Accounting of City Engineering Staff Time for City Projects - Westby	30
2021	Consider Updates to Property Maintenance Code	30