

City of Ramsey
Agenda
City Council Work Session
Tuesday, June 10, 2025

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

Remote Attendance available at www.cityoframsey.com/meetings.
Those joining remotely and requesting to speak are asked to use a webcam when speaking.

1. **Call to Order**

2. **Topics for Discussion**
 1. Indecent Exposure Ordinance Discussion
 2. Discussion Regarding Implementing HR Software
 3. Review 2024 Annual Comprehensive Financial Report, Management Report & Special Purpose Report

3. **Topics for Future Discussion**
 1. Review Future Topics/Calendar

4. **Mayor/Council/Staff Input**

5. **Adjournment***

***Note: the City Council may motion to recess this Work Session meeting and reconvene after the regular City Council meeting if items on the agenda are not completed.**

CC Work Session

Meeting Date: 06/10/2025

Primary Strategic Plan Initiative:

Information

Title:

Indecent Exposure Ordinance Discussion

Purpose/Background:

Mayor Heineman and Councilmember Olson requested this discussion.

The request comes from a resident inquiry following a recent MN Supreme Court ruling which overturned an indecent exposure ruling. Below are links to state statute, city ordinance and the court opinion for the ruling overturn. City Attorney Knaak and Captain Dahlberg will be present to aid in the discussion.

[Minn. Stat. 617.23](#)

[Ramsey Ordinance - Chapter 34, Article V. Offenses Involving Public Morals](#)

[MN Supreme Court Opinion](#)

Recommendation:

Provide direction to staff on amendments, if any, to city code related to the matter.

Outcome/Action:

Provide direction to staff on amendments, if any, to city code related to the matter.

Attachments

No file(s) attached.

Form Review

Inbox

Brian Hagen

Form Started By: Brian Hagen

Final Approval Date: 06/05/2025

Reviewed By

Brian Hagen

Date

06/05/2025 12:41 PM

Started On: 05/30/2025 01:55 PM

CC Work Session**Meeting Date:** 06/10/2025**Primary Strategic Plan Initiative:** Strive for high organizational morale and employee retention.**Information****Title:**

Discussion Regarding Implementing HR Software

Purpose/Background:

The purpose of this discussion is to update the City Council regarding the City's Human Resource division's business processes related to its human capital management; specifically its employee onboarding, data management and reporting, employee forms, and performance management.

Human Resources:

In a nutshell, every HR process is a manual process driven by manually keyed and updated data using Excel spreadsheets and/or manual to-do checklists. This process has increased potential for errors or omissions and is limited to HR staff access. With the desired NeoGov products, access can be extended directly to individual employees, supervisors, managers, etc.

For about ten years, the City has utilized NeoGov's Insight module, which is the online application process. Beyond that, automating HR has been long overdue. Several months ago, staff were hoping to benefit from the ERP project through LOGIS, which would have included some improved HR functionality. As we know, the ERP project did not come to fruition. Staff reached out to LOGIS to confirm that there are no options for improved HR processes underway, which there are not. LOGIS staff acknowledged they are aware of the popularity of NeoGov with HR professionals and its capabilities, as well as the limited functionality of the JDE HR module.

Human Resources staff have held several online meetings with NeoGov, met with the City of Savage, the City of Blaine, the League of Minnesota Cities and spoken with many other cities regarding NeoGov products. The NeoGov product line is uniquely beneficial to the public sector and the individual modules link to one another. For example, if the City were to obtain Onboard, the applicant data from Insight would flow directly into Onboard (for pre-boarding, onboarding, and off-boarding automation), to CoreHR to continue to build the online employee database, to E-forms for all employee actions forms (step changes, benefit changes, employee demographic changes, etc.) and Perform.

Regularly, city functions are evaluated on the quality and efficiency they bring, not only to the organization, but city services as a whole. Years ago, we transitioned to electronic agendas in lieu of paper copies. This not only increased the availability of the agenda, but made the process more streamlined and efficient. Accounts Payable also went through this process a few years ago, doing away with paper copies of invoices that were printed, hand-delivered, and scanned by hand. Now the process is digital, decreasing the time 'waiting' on invoices to be approved and coded, and allowing staff to complete them even in other buildings. Increasing availability and saving time. Online permit applications is another example. Applicants can apply for permits online day or night, increasing that service's availability, which cut down on phone calls and foot traffic within City Hall. While we can still process requests over the phone or door, it gives those seeking this service another avenue without many more resources needed. Online utility payments, online park and recreation reservation services, voicemail to email, Notify Me subscriptions on the website, fillable online forms, and implementing a phone tree directory are just a few of the other examples where the City has worked to create a more efficient process in order to assist residents and staff.

Community Development is in the process of transitioning to ACCELA to more efficiently process planning and building permit applications, conduct plan reviews, manage inspections, manage business and rental licenses and code enforcement activities. The ACCELA program will also be used by Public Works and Engineering Departments to track inspections, fees associated with development, right-of-way permits and plan reviews.

Staff recommends updating the technology in human resources by expanding the use of NeoGov products to benefit the organization as a whole. Staff will be prepared to expand on the individual divisional benefits at the meeting.

Attached:

Summary staff notes
NeoGov Brochures

Time Frame/Observations/Alternatives:

Up to 30 minutes

Funding Source:

Most of the required funding would be included the 2026 budget and beyond. For 2025, most of the needed funding is available within the Training budget, which could cover the one-time implementation fees (and training) and within the Personnel Testing and Recruitment budget to cover the first-year licensing, based on option A. There may be some flexibility regarding the costs for year #1, which staff will be seeking City Council direction. The offsetting savings are difficult to measure, but would impact staff time, paper costs and copier wear and tear, improved reporting such improved EEO reporting and beyond. Other cost-saving benefits to accuracy and efficiency are undefined, but likely expansive.

Incentive Example Option A (3 Modules)

Onboard + CoreHR + eForms Annual License Fee Year 1: \$13,252.80

One Time Implementation Fee: \$7,309

Onboard + CoreHR + eForms Annual License Fee Year 2: \$17,670.40

Onboard + CoreHR + eForms Annual License Fee Year 3: \$22,308.88

40% off annual license fees year 1, 20% off annual license fees year 2, 1% uplift year 3 on annual license fees from 2025 standard pricing, 50% off implementation fees

Received approval on a 1% uplift Year 3, instead of a 5% uplift Year 3 on annual license fees

Incentive Example Option B (4 Modules)

Onboard + CoreHR + eForms + Perform Annual License Fee Year 1: \$19,151.40

One Time Implementation Fee: \$10,028

Onboard + CoreHR + eForms + Perform Annual License Fee Year 2: \$25,535.20

Onboard + CoreHR + eForms + Perform Annual License Fee Year 3: \$32,238.19

40% off annual license fees year 1, 20% off annual license fees year 2, 1% uplift year 3 on annual license fees from 2025 standard pricing, 50% off implementation fees

Received approval on a 1% uplift Year 3, instead of a 5% uplift Year 3 on annual license fees

Recommendation:

To receive City Council approval by consensus to proceed with options A or B as shown above and attached.

Outcome/Action:

Based on discussion.

Attachments

Power Point
Why Onboard
Onboard Overview
Why CoreHR
CoreHR Overview
Why E-forms
E-forms Overview
Why Perform
Perform Overview
Current HR Processes

Form Review

Inbox

Brian Hagen

Form Started By: Colleen Lasher

Final Approval Date: 06/05/2025

Reviewed By

Kathy Schmitz

Date

06/05/2025 03:24 PM

Started On: 06/03/2025 08:52 AM

City of Ramsey



Why invest in technology?

It's no longer "nice to have"



Hiring Crisis



Aging Systems



Manual Processes



Changing Expectations

Job seeker and employee expectations have changed drastically in recent years. We have to continue to evolve in order to be seen as a desirable employer or we will not be able to effectively serve our community.

Introduction

- The stakes have changed in recent years and technology that has previously been viewed as a “nice to have” is now very much a necessity.
- The following will highlight why technology is needed to support employee management moving forward, how it will create an efficient work environment and bridge the gap when staff are out of the office or working remotely.
- NEOGOV’s cloud-based software is designed to provide a safe, accessible and contact-free environment (when necessary) for our employees.

Challenge: Traditional Paper and Manual Processes

- Paper processes and manual routing have long been viewed as a cost savings approach for agencies to rely on.
- The time involved with supporting these processes means reduced productivity across other responsibilities that are often more critical to a city's strategic initiatives.
- Agencies can be at an increased risk of compliance issues due to misplaced forms and routine human error in data entry.
- The more information that's printed, the more space an agency requires to securely store and manage that information.
- Handling large amounts of paperwork requires excessive administrative time and resources, often resulting in increased cost.

Current employee experiences

Our employees rely heavily on direct contact with the HR team in order to review their file, make simple changes such as updating their address, W-4, direct deposit, beneficiaries, benefit changes, etc.

The HR team can usually assist employees immediately, but many employees would prefer online access, especially those who work outside of normal business hours.

Additionally, the HR team makes thousands of paper copies a year. Paper documents are used, manually signed, scanned into Laserfiche and ultimately shredded.

Keeping up with employee requests, routing papers for manual signatures, followed by the required action steps takes a significant amount of time, tracking and resources.

Scanning: With the current process, all employee documents are scanned into Laserfiche.

Personnel files: With NeoGov, all documents would automatically become part of the Personnel File, which would now be kept online within E-forms. Daily scanning would be a thing of the past.

After an employee leaves employment, their personnel file would be transferred and kept in Laserfiche-which is the city's official document storage.

Finance/HR: NeoGov features are anticipated to save significant time related to payroll action forms and compensation related work.

HR Documentation: "Document, document, document"...with Core HR, HR staff have a dedicated place to document important personnel related matters verses dated notes or emails.

NEOGOV

Their Human Capital Management Platform
will help us...



Be an Employer of
Choice



Recruit and Retain
Talent



Increase Operational
Efficiency



Make Data-Informed
Decisions

A Few Minnesota NEOGOV Customers...

- **City of Savage** (CoreHR, Insight, Onboard, Learn, eForms, Perform, SSO, Attract, Governmentjobs.com), **City of Bemidji** (insight, CoreHR, Time & Attendance, Onboard), **City of Red Wing** (Insight, Onboard, Perform, Governmentjobs.com, Attract), **City of Fridley** (Insight, Governmentjobs.com, Onboard, eForms, SSO), **City of Blaine** (Insight, Onboard, eForms, Perform, SSO), **City of Edina** (Insight, Governmentjobs.com, SSO, Learn, Onboard), **City of Albert Lea** (Insight, Governmentjobs.com), **City of New Brighton** (Insight, Onboard, Governmentjobs.com), **City of Brainerd** (insight, Governmentjobs.com, Onboard), **City of Woodbury** (Insight, Perform), **City of Brooklyn Center** (Insight), **City of Oakdale** (Insight, Governmentjobs.com, Onboard, Perform), **City of Mankato** (Insight, Governmentjobs.com, Attract, Vetted), **City of Faribault** (Insight, Governmentjobs.com, Onboard), **City of Shakopee** (Insight, Onboard, Perform), **City of Richfield** (Insight, Onboard), **City of Stillwater** (Insight, Onboard, Perform, SSO), **City of Golden Valley** (Insight), **City of Lakeville** (Insight, Onboard, SSO, Perform), **City of Chaska** (Insight, Onboard, Governmentjobs.com), **City of St Louis Park** (Insight, Sso, Learn, Onboard, Governmentjobs.com), **City of Maple Grove** (Insight, Onboard, Perform), **City of Cottage Grove** (Insight, Onboard, Learn, Perform), **City of Apple Valley** (Insight), **City of Hopkins** (Insight, Attract, Governmentjobs.com), **City of Columbia Heights** (Insight), **City of Minnetonka** (Insight, Onboard, Perform), **City of Hastings** (insight, Onboard, Governmentjobs.com), **City of Inver Grove Heights** (insight, Onboard, Perform), **City of Eagan** (Insight, Onboard, Governmentjobs.com), **City of New Ulm** (Insight, Governmentjobs.com), **City of Coon Rapids** (Insight, Governmentjobs.com), **City of Brooklyn Park** (Insight, Governmentjobs.com, Onboard, Vetted), **City of Maplewood** (Insight, Onboard, Perform, Governmentjobs.com), **City of Roseville** (Insight, Onboard), **City of White Bear Lake** (Insight), **County of Nicollet** (Insight, Governmentjobs.com), **County of Chippewa** (CoreHR, Onboard, eForms, Benefits, Payroll, Time & Attendance), **County of Brown** (Insight, Governmentjobs.com), **County of Todd** (Insight), **County of Houston** (Insight), **County of Mille Lacs** (Insight), **County of Benton** (Insight, Onboard, Perform, SSO), **County of Swift** (Insight), **County of Sibley** (Insight, Governmentjobs.com), **County of Stevens** (Insight, Attract), **League of Minnesota Cities** (Insight, Onboard, Perform, Learn, SSO, CoreHR, Payroll, Time & Attendance, Benefits), **Ramsey/Washington Recycling & Energy** (Onboard, Learn, Perform, Governmentjobs.com)

Unified Self Service

The screenshot displays the Neogov Unified Self Service dashboard for user Casey Akers. The interface includes a top navigation bar with a search function and a user profile. The main content area is divided into several sections:

- Dashboard:** A sidebar menu on the left lists various modules: Dashboard, Tasks, People, Performance, Training, Recruiting, Onboard, Forms, Reports, and Settings.
- Tasks:** A central section showing a list of tasks. It includes a 'To-Do (31)' and 'Overdue (19)' summary. Tasks are categorized by 'View my tasks related to:' with options for 'All', 'Myself', 'My Direct Reports', and 'Other'. Specific tasks include:
 - PERFORMANCE - EVALUATION:** Due Sunday. Includes an 'Add Content' button for Susan Williams.
 - ONBOARD - GENERAL:** Due Monday. Includes 'Meet with employee for Welcome Meeting' tasks for Mary Anderson and Diane Bailey.
 - FORMS - FORM:** Due Wednesday. Includes 'Complete the Tuition Reimbursement Degree Form' for Casey Akers.
- Announcements (3):** A section on the right with three announcements:
 - EMPLOYEE NEWS - CITY OF SUNNYDALE: Upcoming Open Enrollment** (Green background). Includes a 'Benefits Portal' button.
 - EMPLOYEE NEWS - CITY OF SUNNYDALE: Performance Evaluations** (Purple background). Includes a 'Trivium Sign Up' button.
 - EMPLOYEE NEWS - CITY OF SUNNYDALE: Trivia Night** (Blue background). Includes a 'Trivium Sign Up' button.
- Quick Actions:** A section at the bottom right with links for 'Create a Requisition' and 'Write a Journal entry'.

- One of the biggest challenges agencies face is ensuring their technology is easy to use for employees and managers.
- Neogov provides a Unified Self-Service dashboard that has all the products in one place. Ensuring it is easy to start using the system.
- Many users are already comfortable with this due to having Neogov products today.



Critical Need: CoreHR

- Managing of Employee Data & Personnel information from one system. When updating an employee's position, their group, unit, department, location (if applicable), and class specs automatically update – no manual work needed
- Salary Administration: The process of compensating employees according to the agency's policies and procedures. Includes mass salary updates, COLA increases, bulk rate changes and more!
- Approvals & Workflow Set-Up
- Effective Dating: Back-date when an employee started working for your agency or future-date future changes
- Union Contracts: capture relevant aspects of union contracts (example: step and scale rates) and them into account when running processes or providing employees with enrollment options
- Employee Self-Service: Employees can have the ability to update their address or contact information
- Flexible & Configurable: FTE tracking, scales/steps and ranges



Why NEOGOV:CoreHR

- Manages employee information and processes in the cloud so you can invest your time in high-value tasks and Automate Manual Tasks
- Save Time with employee self-service, the ability to retire seasonal employees with a few clicks, and more...
- Configure to Your Needs: Flexible configuration means you can set up the system as you need it and not have to force it to work for you
- Sync Data: Reduce manual keying in multiple systems. Send new hire information to CoreHR right from Insight and Onboard.
- Making changes to positions, departments, managers and more will allow a seamless sync to have the updates flow into the rest of the NEOGOV products from CoreHR
- Compensation Management: Set scales, steps and wage rates to be automatically updated for you
- EEO & Custom Reports and Track Assets
- Custom Fields: Track any data unique to your process or agency and be able to report on the information

Critical Need: ONBOARDING

STIMULATE PRODUCTIVITY

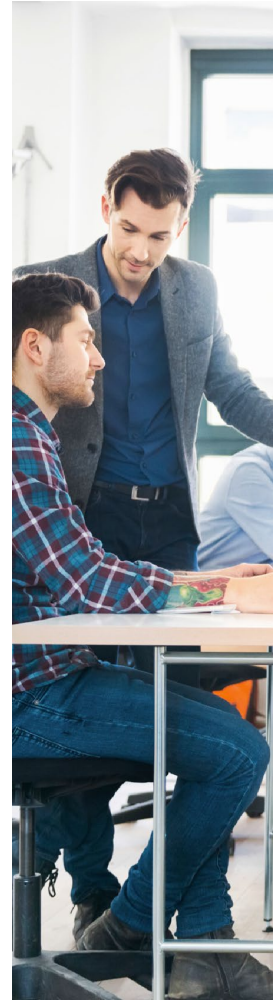
– by empowering new hires to –

BE PRODUCTIVE BEFORE DAY ONE

- Complete and sign all forms online allowing for multiple contributors and ensuring safe circulation of form tasks. Allow new hires to show up on Day 1 more prepared.
- Engage with pre-hires during pre-employment to get them excited about starting with our agency and increase our hire conversion.
- Electronic storage of all pre-employment forms, orientation forms, policies, and exit interview surveys.
- Hold all stakeholders (HR, IT, Managers, Payroll, Benefits, etc.) accountable for their role in onboarding, promoting, rehiring, and offboarding employees.
- Seamless transition from applicant to new hire that provides a unified and complete recruitment process for our new employees.

Why NEOGOV: ONBOARD

- Onboard allows new hires to complete pre-employment and orientation forms before their start date so they can focus on more valuable activities during new hire orientation. Offboarding tasks can also be completed and tracked (exit surveys)
- -Key Note: Preboarding & Offboarding are included in the Onboard Module
- Preboard allows HR to facilitate pre-employment paperwork and activities from an agency branded portal, which increases engagement and drives visibility with pre-hires to help ensure they feel apart of the agency early on.
- All forms related to pre-employment, new hire orientation, transfers, and offboarding are easily accessible and stored electronically. Neogov provides the federal I9s and W4s for all customers.
- Notification Emails and Reminder/Overdue Notices are key features within the Onboard Module so that everyone stays on track with new hires.
- Checklist tasks allow all contributors (HR, IT, Managers, etc.) to be held accountable for their roles and gives HR full transparency into every part of the process. Automatically check in with new hires throughout year 1.
- Admins can report on all tasks, print forms in bulk, pull any form data to excel, and use a free integration with E-Verify for I9 verification.



Critical Need: EMPLOYEE FORMS & PROCESSES

PUT AN END TO CHASING FORMS – *by managing your* – FORMS AND WORKFLOWS ONLINE

- Manage all employee forms, complex process routing, approvals and workflows from an online platform to reduce our paper forms.
- Empower employees to self-initiate processes on their own without HR or managers needing to intervene or provide assistance.
- Send out updated policies and procedures to have employees review and acknowledge with electronic signatures.
- Store all employee documents or external attachments in electronic folders that are organized to our needs.
- Provide all departments with the means to automate, offer, and track their employee processes more efficiently.
- Track the progress of all tasks and approval processes from a central dashboard instead of via email and phone calls.

Why NEOGOV: eFORMS

- The Process Builder in eForms allows us to automate any employee form and the associated steps that need to be completed.
- Employees can self-initiate forms and processes to reduce the time needed to distribute and support them in person.
- HR can automatically send out update policies and procedures to the entire workforce or specific teams in order to have them reviewed and electronically signed.
- Folders can be configured by HR to automatically store all forms as they are completed, serving as an electronic personnel file. External forms can also be uploaded to these.
- The folders also include our completed new hire forms from Onboard.
- Handle complex processes like personnel action forms, qualifying life events, disciplinary actions, employee grievances, etc.
- Automated notifications and reminders simplify accountability and alleviate manual follow up.

Critical Need: PERFORMANCE MANAGEMENT

TRACK EMPLOYEE PERFORMANCE
– *and provide constructive feedback to* –
BUILD A MORE CAPABLE WORKFORCE

- Drive business continuity and employee development while eliminating paper evaluation forms.
- Enable managers to connect with direct reports on a regular basis to check in on their goals/initiatives and track productivity without a face to face meeting.
- Provide employees and managers with a means to track their accomplishments, share feedback with one another, and reduce the recency bias when it comes time to complete the evaluation.
- Automate the evaluation process to reduce the time it takes to complete our evaluations and prevent paper forms from being passed around, misplaced, or lost.
- Support different processes for departments or teams that don't follow the exact same process.

Why NEOGOV: PERFORM

- Empower employees and managers to track performance and provide continuous feedback to promote a better working relationship with Journal Entries and Check Ins.
- Drastically reduce the time it takes managers to complete a meaningful evaluation for their direct reports
- Perform will automatically create our evaluations and alert users when it's their turn to complete a task, which will save HR and Managers a lot of time by not having to route them around.
- Perform can handle as many performance evaluation templates as we need to support different processes for teams that have their own unique requirements (i.e. Public Safety).
- Easily identify skills gaps and training needs within specific departments, positions, etc. While also being able to identify high performers for succession planning purposes.
- Development Plans or PIPs can automatically be created based on low scoring evaluations, with the ability to setup tasks and assign training for those areas of deficiency.

Project Timelines (per implementation)

- **Phase 1- Initiation (1-2 weeks)**
 - Kick Off
 - Process Analysis
- **Phase 2 - Configuration (2 -5 weeks)**
 - Discovery
 - Configure
- **Phase 3 - Production (2 -5 weeks)**
 - Prepare
 - Train
- **Phase 4 - Live!**
 - CS and AM transition

Procurement & Sustainability

With over 20 years of public sector experience, NEOGOV has a lengthy track record of flexibility to meet the complex procurement requirements of local government.

Multi-year agreements offer standardized discounts as well as the opportunity to implement an immediate solution and maintain the subscription for as many as five years while budgets and revenues recover.

Additional billing and payment options are available to allow our customers access to the technology that is so critically needed, while empathizing with the financial hardships we're all facing.

Why choose NEOGOV?

THE NEOGOV ADVANTAGE



EXCLUSIVELY FOR PUBLIC
SECTOR WITH OVER 20
YEARS OF EXPERIENCE



A ROBUST
USER COMMUNITY



LIVE CUSTOMER SUPPORT
AND TRAINING

“We like the networking and information sharing among clients through the NEOGOV Community. It supports the public sector culture in serving others.”

- Julie Broome, HR Director - Union County, North Carolina

Why choose NEOGOV?

NEOGOV COMMUNITY

USER FORUMS

Discuss **best practices** with other customers and find answers to challenges

USER CALLS

Participate in focus groups, vote on ideas, and **shape the roadmap**

RELEASE NOTES

Stay informed of the **latest features** and enhancements

GLOBAL CONTENT SHARING

Job descriptions, **forms**, and PE competencies

TRAINING & SUPPORT

Easy access to **training resources** and Customer Support team

Why ONBOARD?

ON

A great onboarding process improves new hire retention by 82%.¹

Onboarding isn't just about paperwork – it's also about people. **But only 29% of new hires feel prepared to excel after onboarding.**² Onboard is a digital solution that provides seamless, personalized new hire experiences to ensure preparedness and **cultivate employee retention from day one.**



Unlimited Custom Portals

Create custom portals to help new hires feel equipped with the information, resources, and support they need.



Public Sector Compliant

Have peace of mind with an onboarding system that adheres to public sector new hire requirements.



Integrates with Insight

Don't waste time manually keying data into multiple places. Auto-fill new hire forms with data from Insight.

“Technologies like Onboard make our HR staff’s jobs easier. It frees them up to do better, higher-quality work rather than toiling with tedious tasks.”

Dave McCurry, Principal Human Resources Analyst, Fresno County, CA

Key Features

Portals

Provide a personalized new hire self-service portal with important links, videos, documents, and more. Build sub-portals with resources on specific topics.

Digital Forms

Use available templates or create online forms that employees can complete and submit to HR.

Checklists

Create checklists of new hire tasks and deadlines that can be auto-assigned by department, job type, and more.

Reports

Track new hire onboarding progress, task completion, and checklist statuses across the organization. Easily export data for compliance reporting.

Workflows

Set up workflows to automatically send new hire information collected in onboarding forms to HR.

Preboarding and Offboarding

Build forms, checklists, and portals to facilitate smooth preboarding and offboarding, including exit interviews.

1. Brandon Hall Group, 2015 2. Gallup, 2021

ONBOARD | Overview




Configurable onboarding software that sets employees up for success from day one.

Prepare new hires before they start

Boost new hire readiness and productivity with access to onboarding resources in a **personalized self-service portal**. Let them fill out paperwork and learn about your organization, benefits, expectations, and more – **all before their first day**.

Onboarding Portal

Welcome to the Team!



Checklist	
Review Employee Handbook	<input type="checkbox"/>
Complete Beneficiary Form	<input type="checkbox"/>
Complete Personal Data form	<input type="checkbox"/>
Complete W-4	<input type="checkbox"/>
Watch Orientation Video	<input type="checkbox"/>
Complete Parking Form	<input type="checkbox"/>
Complete Direct Deposit Agreement	<input type="checkbox"/>

Parking Form

Personal Info

Employee Name: Email Address:

Vehicle Make: Vehicle Model:

Color: License Plate:

Go completely paperless

Complete new hire paperwork **faster and more accurately** with digital onboarding forms. Auto-populate data from Insight to **reduce errors and free up time** spent shuffling papers.

Manage onboarding in one place

Centralize onboarding across your entire agency and **ensure it's always consistent**. Track preboarding, onboarding, and offboarding task statuses and create portals for different departments to provide **visibility into new employee progress**.

Employees	
Casey Akers	<div style="width: 75%; background-color: #4CAF50;"></div>
Carol Anderson	<div style="width: 80%; background-color: #4CAF50;"></div>
Will Haines	<div style="width: 10%; background-color: #4CAF50;"></div>
Nathan Japuri	<div style="width: 60%; background-color: #4CAF50;"></div>
Evan Sanders	<div style="width: 90%; background-color: #4CAF50;"></div>
Lindsay Swan	<div style="width: 85%; background-color: #4CAF50;"></div>
Natalie West	<div style="width: 70%; background-color: #4CAF50;"></div>

Why CORE HR?

HR

Busyness doesn't equate to productivity.

Many HR professionals want to automate the management of employee information but current systems or paper-based processes get in the way. Core HR **manages employee information and processes in the cloud so you can invest your time in high-value tasks.**



Automate Manual Tasks

Save time with employee self-service, the ability to rehire seasonal employees with a few clicks, and more.



Configure to Your Needs

Flexible configuration means you can **set up the system as you need it** and not have to force it to work for you.



Sync Data

Reduce manual keying in multiple systems. Send new hire information to Core HR right from **Insight or Onboard**.

“We are getting an **easier product** to use and it has just been a tremendous help already. We are finally able to **centralize everything**.”

Carrie Kramer, MIT Analyst, City of Annapolis

Key Features

Employee Self Service

Employees can update or add their address or contact information themselves.

Approval Workflows

Custom workflows allow HR to review and approve employee updates before they are live.

Compensation Management

Set scales and steps and wage rates get automatically updated for you.

EEO & Custom Reports

EEO and veterans reporting comes out-of-the-box. Build custom reports on any data point in core HR.

Track Assets

Easily keep track of agency owned materials and associate them with an employee (laptops, etc.)

Custom Fields

Track any data unique to your process or agency — and be able to report on the information.

CORE HR | Overview



Manage employee information and processes with software built for the public sector.

Free Up Time and Space

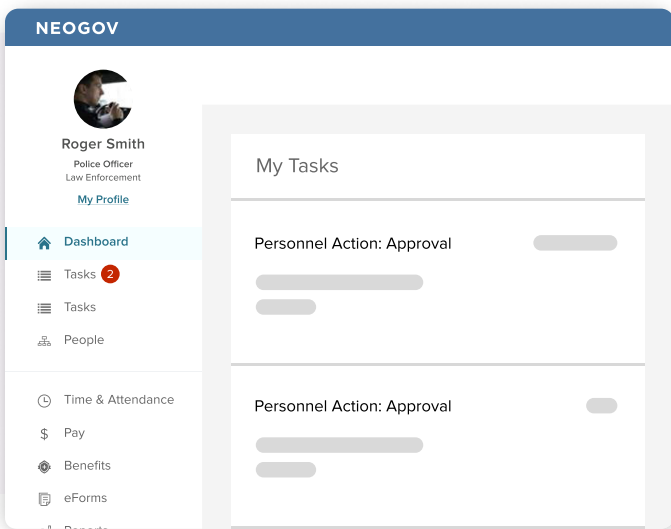
Eliminate file cabinets and manage personnel information from one system. When updating an employee's position their group, unit, department, location (if applicable), and class specs automatically update — no manual work needed.

Departments

Academic Affairs

Department Code	Employee Status
<input type="text" value="ACADEMIC AFFAIRS"/>	<input type="text" value="Active"/>
Effective Date	Change Reason
<input type="text" value="01/01/2024"/>	<input type="text"/>
Department Name	Department Head
<input type="text" value="Academic Affairs"/>	<input type="text" value="916"/>
Location	EEOC Function
<input type="text" value="28"/>	<input type="text" value="Administration"/>

[Save](#)

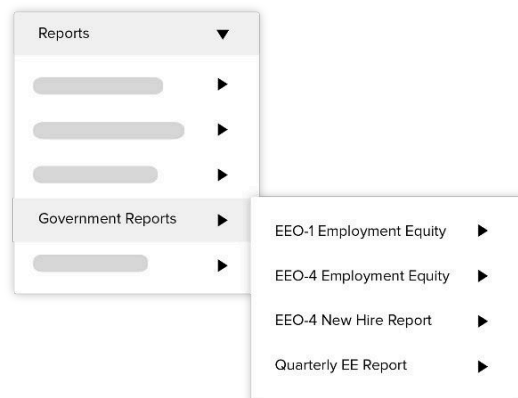


Employee Self-Service

Provide employees the ability to **update their own home address and other basic information so HR doesn't have to.** Approval workflows ensure you can review changes prior to updating the employee file.

Prove EEO Compliance With Ease

Out-of-the box EEOC reports make proving federal compliance a breeze. Build custom reports to provide data on any standard or custom field your agency tracks to meet state level compliance.



Why eFORMS

Say goodbye to a wall of forms and disorganized personnel files.

HR's time is better spent on strategic tasks, not chasing down forms, collecting signatures, or filing employee personnel documents. And let's face it – it's easier for everyone when your employees have self-service and visibility into the status of their requests.



Global Form Library

Don't re-invent the wheel. Enjoy a library of forms **used by peer agencies** that you can copy and implement in a few clicks.



Global Process Library

Never build a new routing process from scratch. Search for and **copy existing processes** from peer agencies to save time.



Integrated Solution

Sit back while forms in Onboard, certificates in Learn, and evaluations in Perform **auto-flow to personnel files** in eForms.

“With a digital personnel file, everything is much more organized and accessible for our employees.”

Annette Rose, Human Resources Technician, City of Lake Stevens, WA

Key Features

Digital Forms

Eliminate paper forms and **provide employees anytime access** to the information they need. Build new forms or convert existing PDFs to fillable forms.

Routing Workflows

Configure routing processes for each form to expedite approvals, collect eSignatures, and **reduce operational inefficiencies**.

Employee Self-Service

Empower employees to initiate processes – from direct deposit to tuition reimbursement and more – and **see the status in real-time**.

Digital Personnel Files

Store all your personnel files digitally so employees can view their completed forms, certificates, and performance evaluations **without disrupting HR**.

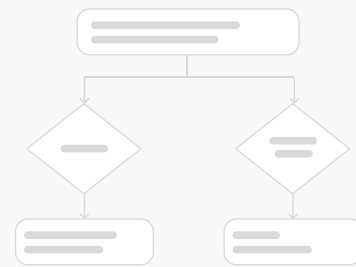


Employee document management and process automation software for the public sector

Accelerate HR Processes

Convert paper forms to digital and streamline manual HR processes. Configure and automate the routing and signature processes for each form to make compliance fast and easy.

Form Workflow
W4 Changes



Self Service Portal
Casey Akers

Life Events Update >	Overnight Parking >
Update Contact Info >	Direct Deposit >
Update Beneficiary >	Emergency Contact >
Update W-4 >	Tuition Reimbursement >

Elevate the Employee Experience

Improve workplace satisfaction and HR customer service by providing employees anytime access to start a request. Always have a copy of completed forms to provide checks and balances prior to making changes in payroll or other systems.

Reduce HR Burden

Employees have anytime access to completed forms and performance evaluations in their personnel file. Automatically send completed forms in Onboard and completed evaluations in Perform to the employee file in eForms.

Documents
Casey Akers

Folders > Onboard

I-9	Direct Deposit	W-4
Copy of DL	Copy of SSN	W-2

Why **PERFORM**

PE

Performance management that's more than just checking a box

Manual performance management often results in limited visibility, inconsistent evaluations, and a heavy administrative burden. Perform automates this process, offering a seamless, centralized system to manage, track, and report on employee performance.



Tailored to Your Needs

Easily configurable to meet the unique needs of your organization.



Built for Public Sector

User-friendly but built to tackle complex public sector processes.



Integrated for Efficiency

Link evaluations to training in Learn and auto-push completed evaluations to eForms.

*“Now that everything is automated, we're not wondering if managers remembered to do their evaluations. **It all happens behind the scenes and we don't have to think about it.**”*

Julie Beckwith, HR Manager, Manatee County Sheriff's Office

Key Features

Task Automation

Eliminate manual admin work with auto-reminders, overdue notifications, and evaluation tracking.

Goal Management

Individually or bulk assign goals and seamlessly add them to performance evaluations.

Approval Workflows

Auto-route evaluations and get status updates before, during, and after performance evaluations.

360-Degree Reviews

Easily integrate feedback from multiple sources to provide a comprehensive view of performance.

Reporting and Analytics

Customizable reports to spot bottlenecks, maintain compliance, and identify where to focus resources.

Check-ins and Journal Entries

Encourage communication between managers and employees with consistent, documented feedback.

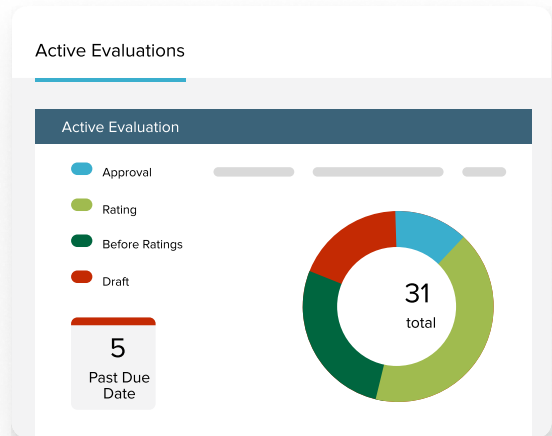
PERFORM | Overview



Manage, track, and report on employee performance from one configurable system.

Improve Visibility

No more searching files and spreadsheets for missing evaluations. Sit back and relax knowing you can track managers' progress to completion in real-time.



Approval Form
Casey Akers

Evaluation Name: **Annual Evaluation** Due Date: **DEC 31**

Total Score: **3 out of 5 (60%)**

Overall Rating: **Meets Expectations / 3.0**

[Approve & Sign](#) [Deny](#)

Automate Approvals

Don't get overwhelmed chasing down the required approvals to submit evaluations on time. Set up automated workflows with multiple approvers.

Centralize Feedback

Say goodbye to scattered Word documents. Breathe easy knowing managers and employees can find and record performance feedback in one place.

Journal Entries for
Casey Akers

Casey is on top of her projects and never misses a deadline. She balances a heavy workload, yet is still willing to help out others in the department when needed.

Share with...

- Employee
- Manager(s)
- Direct Manager's Manager

Onboarding

The current process is to email documents to finalists or provide them upon an in-person onboarding session. Documents employee could complete/sign/share through NeoGov's Onboarding include:

- Direct Deposit Form
- W4's
- Cash in Lieu; Health Insurance card if so.
- Insurance Enrollment Forms
- Deferred Comp
- I-9 Form
- Offer Letter and DOLI
- Authority to release information
- Acknowledgement of Drug Free Policy and Personnel Policy (2 sheets)
- Personnel Policy and Union Contracts
- BCA / DVS authorization form
- Reference Release form
- New Hire Email information – Payroll Calendar, Timesheet Instructions, Training information (AWAIR & Respectful Workplace).

NEOGOVS does not replace the human interaction of onboarding, as we still need to meet with employee to welcome them, verify I-9 documents and answer questions. But it does help to reduce the amount of information a new employee gets on their first day, making it a much better first experience.

CORE HR – A benefit is to have all HR employee data in one place. Also, simplified employment reporting processes.

One time entry vs manually entering in spreadsheets that employees need to be added to, updated, or removed, depending if they are new hire, employment change, or termination: CORE HR could replace the following manual tasks:

- Laserfiche – HR currently creates active personnel file OR move active file to inactive
- Terminations – Add to Purge File list (If Temp/Seasonal is returning, we need to remove them from the Purge spreadsheet).
- Master Employee Data Spreadsheet
- Master Benefit Spreadsheet- Add or delete benefits
- 1095 Reporting – Add new hire or enter change/term date
- Years of Service list (YOS) – add or move to Termed
- Compensation spreadsheets
- FTE document spreadsheets
- Employee Training logs

Decreases the need for the use of many Action forms, as much of it may be done as tasks through Core HR. Allows for Employees Self-Service for address and contact info.

E-Forms Would simplify and automate the following forms and automatically place them in the Personnel File without the need for manual signing and scanning:

- New Hire/Rehire /Termination
- Life Event Form
- Benefits Action Form
- Many of the onboard documents
- Automatically files employee forms into a personnel file

Performance Evaluations

The current process involves:

- The use of Excel Spreadsheets to manually track employee's performance evaluations
- Emailing out the performance evaluation forms to the department heads
 - Followed by the form being filled in, saved, signed by employee, signed by the manager, sent to HR, sent to the city administrator for signature and then scanned into Laserfiche
- Emailing out the self-evaluation forms to employees followed by the same process as above
- HR staff refers back to the spreadsheet to either update the spreadsheet for the next year or to send reminders to complete the evaluations
- The process is ineffective
- Employees do not have access to their reviews unless they've made a copy or ask for a copy from HR

The Perform module would significantly improve tracking, routing, goal setting and status reviews and records.

CC Work Session

Meeting Date: 06/10/2025

Primary Strategic Plan Initiative: Identify and implement operational efficiencies, cost savings and additional funding sources.

Information

Title:

Review 2024 Annual Comprehensive Financial Report, Management Report & Special Purpose Report

Purpose/Background:

The City's 2024 annual report has been completed. Aaron Nielsen from the auditing firm of LB Carlson (acquired MMKR) will be present to review the 2024 Annual Comprehensive Financial Report and Management Report that provides auditor's 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 2024 Annual Comprehensive Financial Report and the request for submittal of the Annual Comprehensive 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.

Time Frame/Observations/Alternatives:

20 to 30 minutes. This item needs to be started no later than 6:30 P.M.

Funding Source:

Auditing services are funded under the finance department's budget.

Recommendation:

Presentation of the summarization of the Annual Comprehensive Report, Management Report and Special Purpose Report.

Outcome/Action:

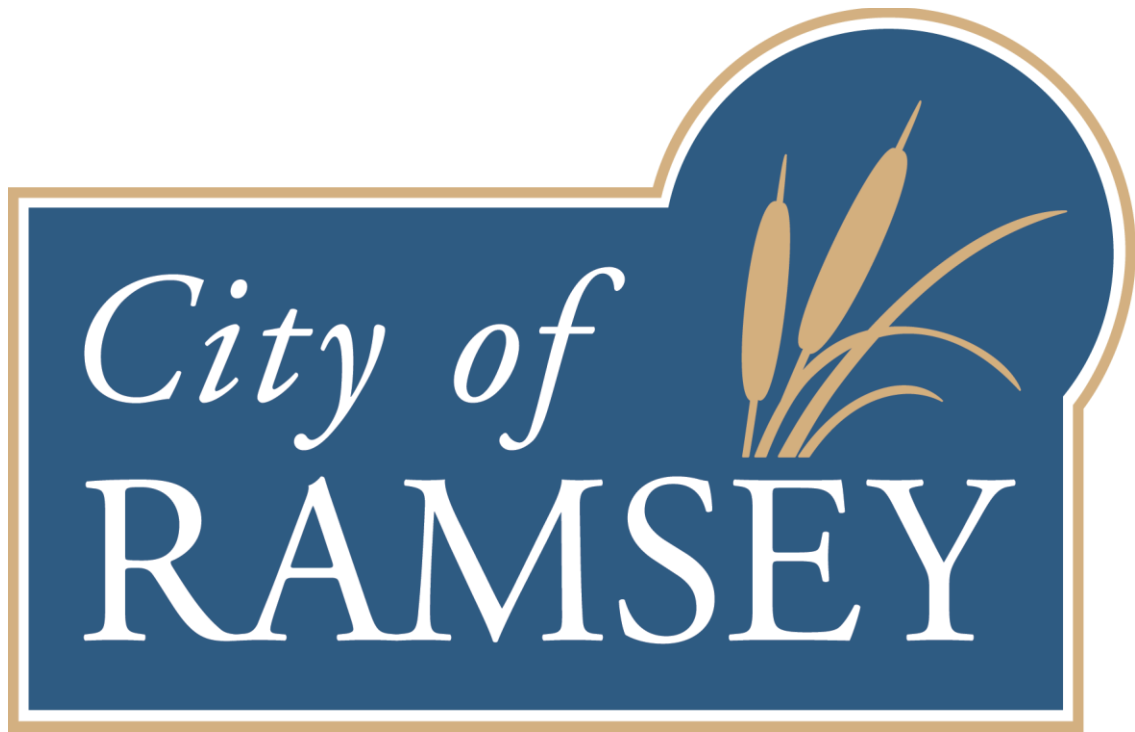
Presentation of the summarization of the Annual Comprehensive Report, Management Report and Special Purpose Report.

Attachments

- 2024 Annual Comprehensive Financial Report
- 2024 Management Report
- 2024 Special Purpose Reports

Form Review

Inbox	Reviewed By	Date
Brian Hagen	Brian Hagen	06/05/2025 11:19 AM
Form Started By: Diana Lund		Started On: 05/30/2025 09:10 AM
Final Approval Date: 06/05/2025		



Minnesota

*Annual Comprehensive
Financial Report*

Year Ended December 31, 2024

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Annual Comprehensive Financial Report
Year Ended
December 31, 2024

Prepared by
Finance Department

Diana Lund
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, 2024

CITY COUNCIL

Mark Kuzma	Mayor
Chelsee Howell	Councilmember
Debra Musgrove	Councilmember
Michael Olson	Councilmember
Chris Riley	Councilmember
Dan Specht	Councilmember
Matt Woestehoff	Councilmember

CITY OFFICIALS

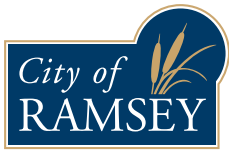
Brian Hagen	City Administrator
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DEPARTMENT HEADS

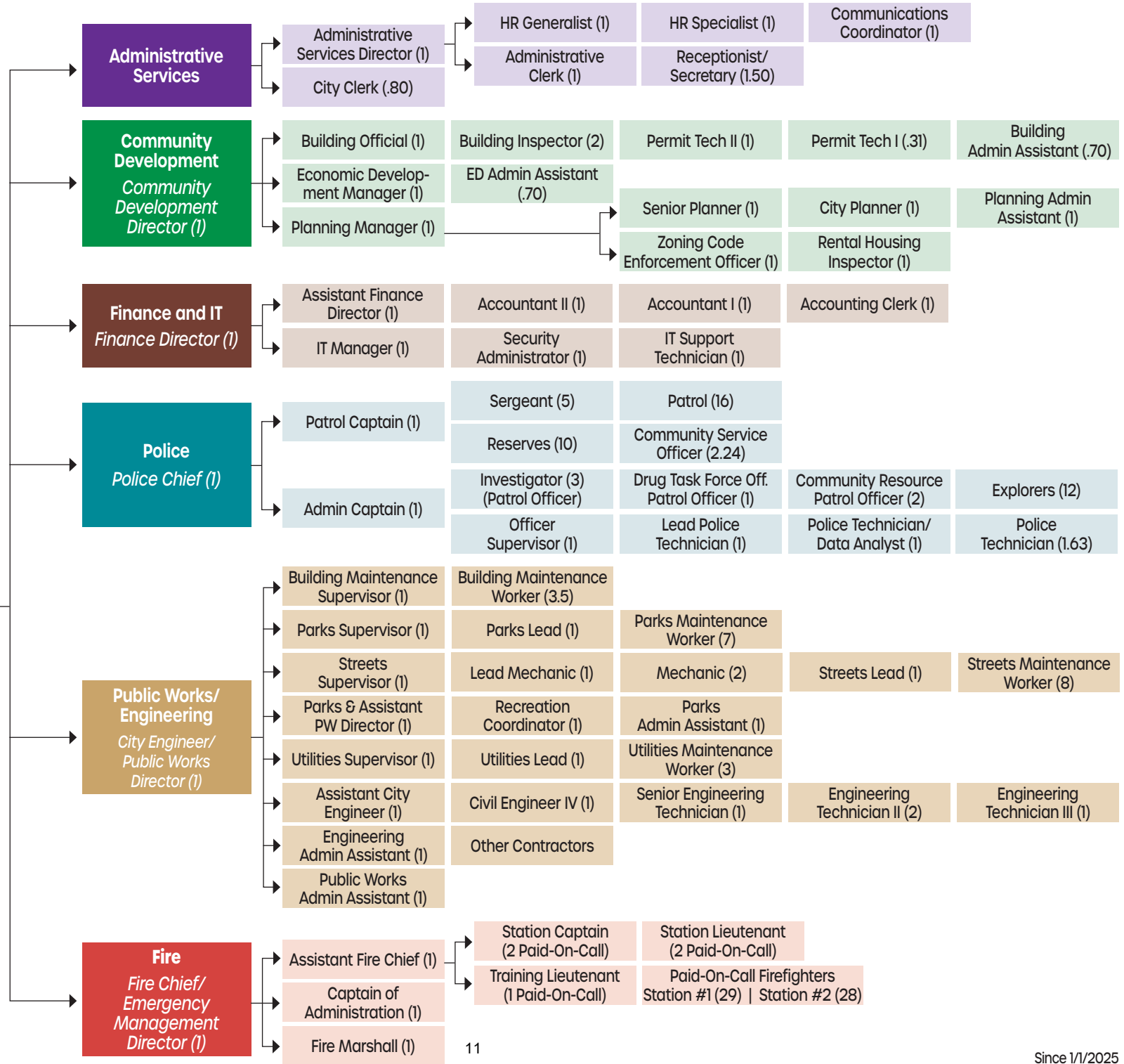
Brad Bluml	Police Chief
Stephanie Hanson	Community Development Director
	Fire Chief/
Matthew Kohner	Emergency Management Director
Colleen Lasher	Administrative Services Director
Diana Lund	Finance Director
	City Engineer/
Bruce Westby	Public Works Director



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Organizational Chart





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Goals/Imperatives

Financial Stability

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

A Balance of Rural Character & Suburban Growth

Continue to respect the balance and connectivity between our unique suburban, 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

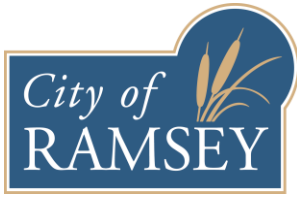
Excellence and Quality in the Delivery of Service

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

June 5, 2025

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

The annual comprehensive financial report of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2024 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 LB Carlson, LLP, 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 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 function as they see fit. Transfers between functions, however, need special approval from the City Council.

LOCAL ECONOMY

The City has an unemployment rate of 2.6% in comparison to the state average of 2.6%. Ramsey has an employed labor force of 15,601. Anoka County, in which Ramsey is located, has an employed labor force of 204,619 and an unemployment rate of 2.5%. The median household income is \$112,060.

There are approximately 10,164 housing units in the City. The median home value is \$345,000. In addition, there were 183 new single-family homes and 61 multi-family housing units with a valuation of \$77.9 million constructed in 2024. There were several residential projects under way at year end 2024. These included: Lynwood with 137 attached/detached homes, Trott Brook Crossing with 270 single family homes, Waterfront Village with 108 single family homes, Riverstone South with 244 attached/detached townhomes and Skyline Apartments with 133 rental units and 10,000 square feet of retail.

Six hundred and twenty-seven businesses call Ramsey home; those businesses employ nearly 7,576 people. Five new commercial permits were issued in 2024 with a permit valuation of \$92.5 million. Some of the projects completed in 2024 were an Aldi's grocery store with 20,665 square feet, BLIP 5 industrial building with 84,000 square feet, Jam Hops gymnastics building with 22,000 square feet, St Katherine Drexel Church with 16,000 square feet and a 46,000 industrial expansion by Soderholm. Hilton Home 2, a 98-unit hotel, is to be completed in 2025 along with a 68,000 square foot expansion by Diamond Graphics.

The City has three major industrial districts containing multiple business parks with a combined capacity of over 500 acres and 70 industrial/office buildings. Bunker Lake Industrial Park, the newest 115-acre business park, west of Armstrong Boulevard, opened in 2018 and now has 984,000 square feet of industrial buildings constructed and has over 50 acres left for development. Upon completion, this business park is estimated to generate around three million dollars in annual property taxes and create about 1,500 jobs. 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 unassigned General Fund balance in an amount equal to 50% of the following years adopted operating budget, plus prior year encumbrances (if any). 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. This project, with an estimated cost of \$138 million, was fully funded as of July 2021, and construction began in the fall of 2023. The Sunfish Lake interchange is complete and in full operation in mid-November 2024. The Ramsey Boulevard interchange is slated to be in operation the fall of 2025. Ramsey's contribution to the project was \$4,000,000.

A water treatment plant is to be completed in late summer 2025. Major construction, along with the installation of trunk watermain connections were undertaken in 2024. When complete, the plant will treat 10 million gallons per day and cost an estimated \$40 million.

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 Annual Comprehensive Financial Report for the year ended December 31, 2023. This was the thirtieth 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 Annual Comprehensive 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 2024 Annual Comprehensive 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,

Brian Hagen
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 Annual Comprehensive
Financial Report
for the Fiscal Year Ended

December 31, 2023

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 AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above 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, 2024, 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.

BASIS FOR OPINIONS

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

(continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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.

(continued)

SUPPLEMENTARY 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 accompanying combining and individual fund statements and schedules, as listed in the table of contents, are presented for purpose of additional analysis and are 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 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

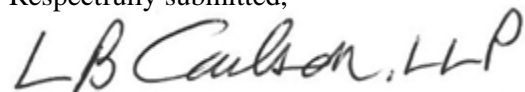
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025, 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.

Respectfully submitted,



LB CARLSON, LLP
Minneapolis, Minnesota

June 5, 2025



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CITY OF RAMSEY

Management's Discussion and Analysis Year Ended December 31, 2024

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, 2024. 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, 2024 by \$251,702,435 (net position).
- Government-wide revenues totaled \$57,206,263 and were \$23,250,520 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$59,542,833, a decrease of \$5,162,039 from the prior fiscal year. This is attributed to the non-issuance of debt in 2024. Whereas, an \$8,315,000 General Obligation bond issue was issued in 2023. The use of available fund balances for capital spending in the Tax Increment Special Revenue and Pavement Management Capital Project Funds without issuing debt in the current year was a key factor of the reduction in governmental fund balances compared to the prior year.
- At the end of the current fiscal year the General Fund equity balance of \$13,324,373 included \$13,012 of nonspendable fund balance and \$13,311,361 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).

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Further, a statistical section has been included as part of the annual comprehensive 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 \$251,702,435 at December 31, 2024. Total net position increased by \$23,250,520 from current year operating results.

By far, the largest portion of the City's net position (67 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	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 66,922,957	\$ 72,408,674	\$ 32,966,160	\$ 44,940,105	\$ 99,889,117	\$ 117,348,779
Capital assets, net of depreciation	111,196,429	97,844,103	97,821,087	73,355,151	209,017,516	171,199,254
Total assets	\$ 178,119,386	\$ 170,252,777	\$ 130,787,247	\$ 118,295,256	\$ 308,906,633	\$ 288,548,033
Deferred outflows of resources						
OPEB plan deferments	\$ 899,946	\$ 502,803	\$ -	\$ -	\$ 899,946	\$ 502,803
Pension plan deferments	6,174,804	7,594,871	111,213	157,822	6,286,017	7,752,693
Total deferred outflows of resources	\$ 7,074,750	\$ 8,097,674	\$ 111,213	\$ 157,822	\$ 7,185,963	\$ 8,255,496
Liabilities						
Current and other liabilities	\$ 4,119,931	\$ 4,384,112	\$ 2,319,569	\$ 1,592,532	\$ 6,439,500	\$ 5,976,644
Long-term liabilities	48,048,879	52,336,569	370,664	520,046	48,419,543	52,856,615
Total liabilities	\$ 52,168,810	\$ 56,720,681	\$ 2,690,233	\$ 2,112,578	\$ 54,859,043	\$ 58,833,259
Deferred inflows of resources						
Leases receivable for subsequent years	\$ 1,178,551	\$ 1,167,032	\$ -	\$ -	\$ 1,178,551	\$ 1,167,032
OPEB plan deferments	552,416	644,049	-	-	552,416	644,049
Pension plan deferments	7,553,769	7,531,492	246,382	175,782	7,800,151	7,707,274
Total deferred inflows of resources	\$ 9,284,736	\$ 9,342,573	\$ 246,382	\$ 175,782	\$ 9,531,118	\$ 9,518,355
Net position						
Net investment in capital assets	\$ 72,783,568	\$ 66,959,661	\$ 95,749,335	\$ 71,932,644	\$ 168,532,903	\$ 138,892,305
Restricted	14,022,396	18,598,778	-	-	14,022,396	18,598,778
Unrestricted	36,934,626	26,728,758	32,212,510	44,232,074	69,147,136	70,960,832
Total net position	\$ 123,740,590	\$ 112,287,197	\$ 127,961,845	\$ 116,164,718	\$ 251,702,435	\$ 228,451,915

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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 a high-quality bond rating. The City's AA+ bond rating was last reaffirmed by Standard and Poor's (S&P) in October 2023. This has also allowed the City to continue to provide quality public services at a tax rate that is affordable.

At the end of the current fiscal year, the City reported 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. Ongoing construction and reconstruction of City streets, spending for a new water treatment plant, and its respective trunk watermain improvements increased capital assets and the net investment in capital assets portion of net position, while reducing current and other assets.

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

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 3,155,387	\$ 2,401,214	\$ 7,656,188	\$ 7,512,798	\$ 10,811,575	\$ 9,914,012
Operating grants and contributions	996,098	2,004,445	88,200	100,369	1,084,298	2,104,814
Capital grants and contributions	9,887,748	5,163,608	7,812,542	3,949,772	17,700,290	9,113,380
General revenues						
Property taxes	23,041,341	20,126,982	-	-	23,041,341	20,126,982
General grants and contributions	3,760	3,223	-	-	3,760	3,223
Investment earnings	2,530,184	2,562,165	1,940,725	3,147,802	4,470,909	5,709,967
Gain on sale of capital assets	94,090	20,000	-	-	94,090	20,000
Total revenues	39,708,608	32,281,637	17,497,655	14,710,741	57,206,263	46,992,378
Expenses						
General government	5,645,480	5,347,691	-	-	5,645,480	5,347,691
Public safety	8,894,134	8,717,911	-	-	8,894,134	8,717,911
Highways and streets	7,783,629	8,670,486	-	-	7,783,629	8,670,486
Culture and recreation	2,430,888	2,194,755	-	-	2,430,888	2,194,755
Economic development	1,488,674	1,705,446	-	-	1,488,674	1,705,446
Interest and fiscal charges	1,317,942	1,258,959	-	-	1,317,942	1,258,959
Water utility	-	-	2,243,736	2,062,314	2,243,736	2,062,314
Sewer utility	-	-	2,411,209	2,209,802	2,411,209	2,209,802
Street light utility	-	-	167,123	173,924	167,123	173,924
Recycling utility	-	-	549,993	527,182	549,993	527,182
Storm water utility	-	-	1,022,935	864,721	1,022,935	864,721
Total expenses	27,560,747	27,895,248	6,394,996	5,837,943	33,955,743	33,733,191
Changes in net position before transfers	12,147,861	4,386,389	11,102,659	8,872,798	23,250,520	13,259,187
Transfers	(694,468)	74,424	694,468	(74,424)	-	-
Changes in net position	11,453,393	4,460,813	11,797,127	8,798,374	23,250,520	13,259,187
Net position - beginning	112,287,197	107,826,384	116,164,718	107,366,344	228,451,915	215,192,728
Net position - ending	\$ 123,740,590	\$ 112,287,197	\$ 127,961,845	\$ 116,164,718	\$ 251,702,435	\$ 228,451,915

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities – Governmental activities account for an \$11,453,393 increase in the City’s net position. Capital grants and contributions increased by \$4,724,140 due to more developer contributions. Operating grants and contributions decreased by \$1,008,347 as the City received \$1,248,044 from the State of Minnesota in 2023 for public safety expenditures.

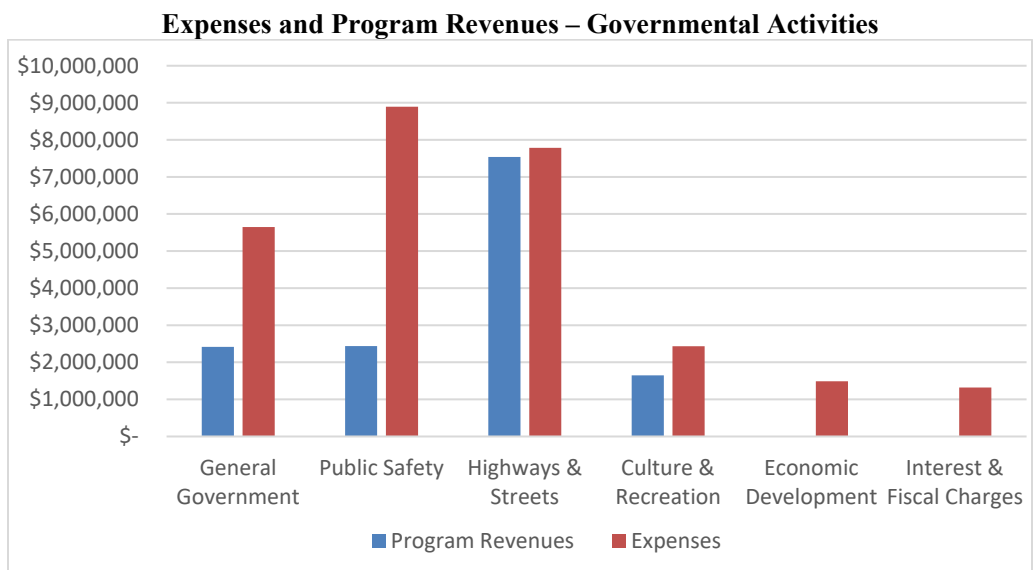
Investment earnings decreased slightly by \$31,981. The City is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The City reflects any changes in fair value against interest earnings. Property taxes saw an increase of \$2,914,359 or 14% which was attributed to the City increasing their 2024 tax levy by approximately 11% over the 2023 adopted levy. Charges for services increased by \$754,173 as the City saw an increase in building permit related activity.

Expenses for the general government function increased by \$297,789 due largely to personnel costs. Highways and streets expense decreased by \$886,857 due to fewer improvements on state-aid funded streets. Culture and recreation increased \$236,133 due largely to the addition of new personnel. The economic development function decreased by \$216,772 due to a decrease of expenses in the COR area. Interest and fiscal charges had a slight increase of \$58,983 for payment of debt service.

Business-Type Activities – Business-type activities, which are the City’s utility operations of water, sewer, street light, recycling, and storm water, increased the City’s net position by \$11,797,127. Key elements of this increase are as follows.

- Revenues exceeded expenses before transfers by \$11,102,659, with this excess increasing \$2,229,861 from the prior year.
- Charges for services increased by \$143,390 from the prior year. This is primarily due to an increase in collections from quarterly utility billing collections related to the water and sewer utility.
- Capital grants and contributions increased \$3,862,770. The City received a \$3.2 million dollar state grant for the construction of a water treatment plant.
- Investment earnings decreased \$1,207,077. 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. In 2023, the City had a large write up on investments to market value. Rates remained fairly constant in 2024 resulting in a minimal increase in write up to market value and the overall revenue reflecting true interest earnings earned.

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

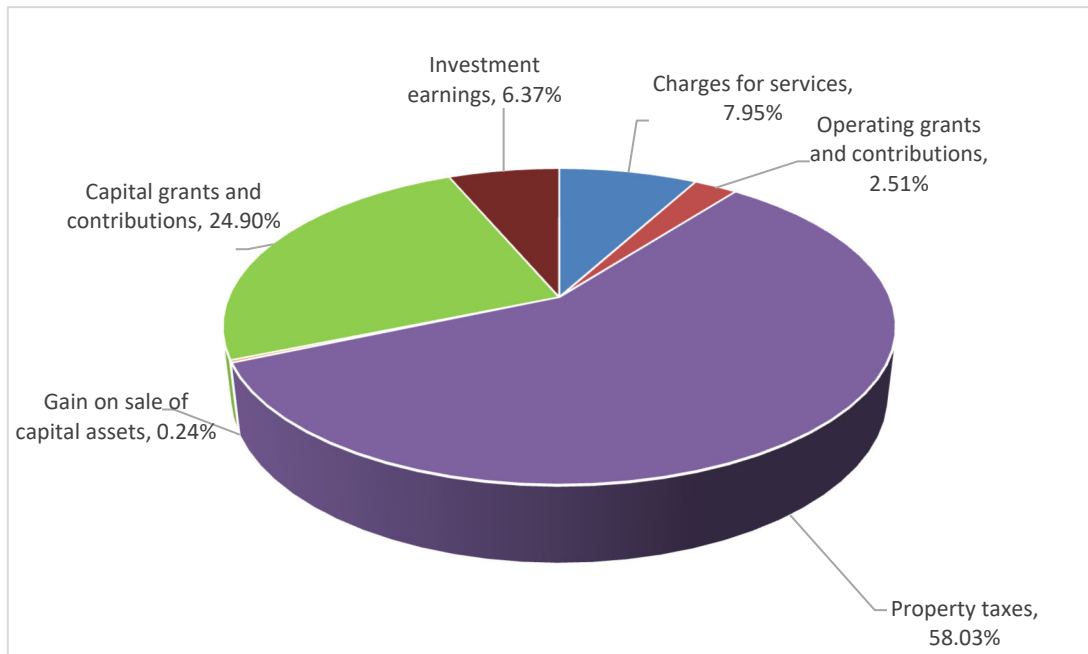


GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

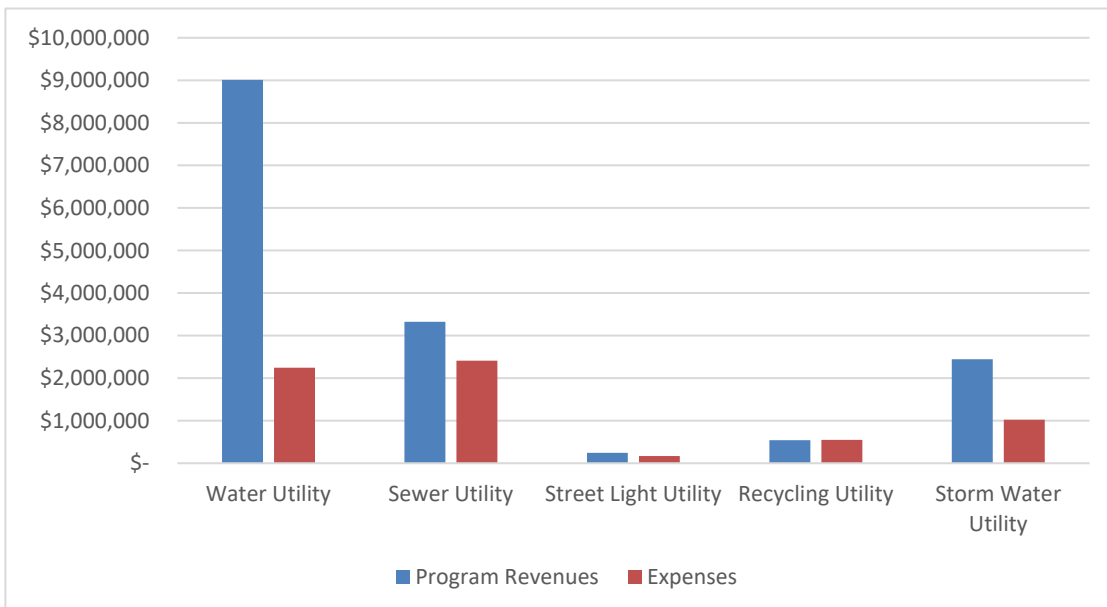
Governmental Activities – The following chart illustrates the City’s governmental activities revenues:

Revenue by Source – Governmental Activities



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

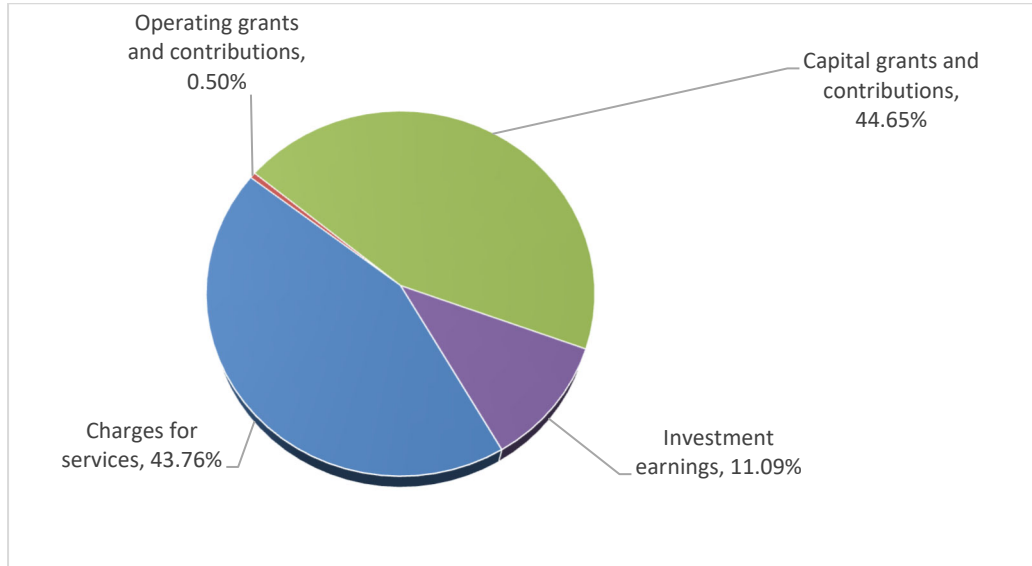
Expenses and Program Revenues – Business-Type Activities



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



Capital grants and contributions (44.65%) and Charges for services (43.76%) are the main sources of revenue for the business-type activities, which represent the Utility Funds. Investment earnings (11.09%) resulted from returns from stable interest rates.

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 \$59,542,833, a decrease of \$5,162,039 in comparison with the prior year. The decrease is largely attributed to current year capital spending of resources provided by bonds issued in the prior year. The General Fund reported a fund balance increase of \$1,058,458 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). The favorable revenue variance helped the City to meet the fund balance policy goal.

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

	Original and Final Budget	Actual	Over (Under) Final Budget	% Over (Under) Budget
Revenue	\$ 17,362,750	\$ 18,919,100	\$ 1,556,350	8.96%
Expenditures	20,799,768	20,819,869	20,101	0.10%
Excess (deficiency) of revenue over expenditures	(3,437,018)	(1,900,769)	1,536,249	
Other financing sources (uses)	3,437,018	2,959,227	(477,791)	
Net change in fund balances	\$ –	1,058,458	\$ 1,058,458	
Fund balances				
Beginning of year		12,265,915		
End of year		\$ 13,324,373		

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 presented monthly to City Council and responsible staff.

Actual revenues exceeded budgeted revenues by \$1,556,350. The majority of the variance was attributed to conservative budgeting with most sources surpassing budget expectations. The largest variances occurred in licenses and permits (\$688,537) due to an increase in building construction and charges for services (\$540,900) with more development activity than anticipated.

The difference between the final expenditure budget and actual was \$20,101. The slight overage was attributed to all functions coming in less than budgeted, with the exception of capital equipment. Equipment that was originally budgeted for in 2023, but due to supply chain shortages, were not received until 2024. Final budget numbers are based on past history and expected needs.

Overall fund balance increased by \$1,058,458 to an ending fund balance of \$13,324,373. The city's ending fund balance increase of \$1,058,458 is determined by its fund balance policy which for the year ending is summarized:

- \$1,033,430 increase based on 50% increase in next years adopted budget
- \$25,028 increase in prior year encumbrances related to personnel costs

Tax Increment Fund – This Special Revenue Fund had a year-end fund balance of \$3,362,513 which reflects a decrease of \$3,367,499 from 2023. The decrease was largely due to capital spending and transfers to several funds that contributed to the development of the COR area.

COR Land Fund – This Special Revenue Fund increased \$253,963 to a year-end fund balance of \$8,597,266.

Developer's Fees Fund – This Special Revenue Fund decreased \$385,211 to \$1,056,708. The decrease is attributed to the beginning of construction of a storm basin.

Private Developer Fund – This Special Revenue Fund is used to account for monies deposited from developers to offset city administrative costs. There is no fund balance recorded for 2024.

RALF Funded Projects Fund – This Capital Project Fund had a year-end fund balance of \$400,837. The increase in fund balance by \$190,614 was property lease income.

State-Aid Construction Fund – This Capital Project Fund saw an overall increase in fund balance of \$36,326.

Pavement Management Program Fund – This Capital Project Fund saw a decrease in fund balance of \$3,086,542 due to a significant increase in street reconstruction projects. The ending fund balance for 2024 was \$11,918,186.

Park Improvement Fund – This Capital Project Fund had a year-end fund balance of \$9,087,595, or a \$1,404,084 increase from 2023. The increase was due to the collection of park dedication fees.

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 \$127,961,845 at December 31, 2024. 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 \$492,880.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

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, 2024 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Capital Assets - Not Depreciated	\$ 19,744,715	\$ 18,176,090	\$ 23,943,526	\$ 9,717,921	\$ 43,688,241	\$ 27,894,011
Capital Assets - Depreciated	91,451,714	79,668,013	73,877,561	63,637,230	165,329,275	143,305,243
Total capital assets, net of depreciation	\$ 111,196,429	\$ 97,844,103	\$ 97,821,087	\$ 73,355,151	\$ 209,017,516	\$ 171,199,254
Depreciation expense	\$ 5,844,465	\$ 4,809,070	\$ 2,265,148	\$ 1,983,473	\$ 8,109,613	\$ 6,792,543

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to approximately \$209 million (net of accumulated depreciation).

The governmental activities show a net increase of \$13,352,326 in capital assets attributable to the construction and reconstruction of City streets. Business-type activities show a net increase of \$24,465,936 in capital assets. The increase is attributable to the construction of a water treatment plant and its respective trunk watermain improvements. Additional details of capital asset activity for the year can be found in Note 5 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, the City had fund balance of \$878,907 restricted for debt service.

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

	2024	2023
Governmental Activities		
G.O. improvement bonds	\$ 36,740,000	\$ 39,480,000
Capital equipment certificates	1,295,000	1,495,000
Unamortized bond premiums	1,915,176	2,099,612
Arbitrage liability	-	166,156
Compensated absences payable	1,270,328	1,197,478
Net pension liability	5,448,915	7,103,501
Total OPEB liability	1,379,460	794,822
Subtotal	48,048,879	52,336,569
Business-type Activities		
Net pension liability	370,664	520,046
Total	\$ 48,419,543	\$ 52,856,615

During the current fiscal year, the City saw a decrease of \$2,940,000 in bonds and certificates. Arbitrage liability on the 2022A bond issue was paid off in 2024. Compensated absences liability increased by \$72,850. Net pension liability saw a decrease of \$1,803,968 to reflect the change in the City's proportionate share of the state-wide PERA pension plan obligations. Other Post-Employment Benefits (OPEB) increased \$584,638 due to experience losses, primarily due to the addition of new disabled retirees, 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 \$95,848,108.

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 6 of the notes to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the City is currently 2.6%, which is an increase from a rate of 2.2% a year ago. The state of Minnesota shows an average unemployment rate of 2.6%, whereas, nationally the unemployment rate is 3.8%.
- The housing market has increased the City's estimated market value from \$4.499 billion in 2023/taxes payable 2024 to \$4.529 billion in 2024/taxes payable 2025 for a percentage increase of approximately 1%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Ramsey's budget for the 2025 fiscal year.

The water, sewer, street lighting and storm utility rates were increased for the 2025 budget year. The water utility, which has a tiered rate structure, will increase by an average of 10% for all customers. The sewer utility, which has a flat rate structure for residential accounts only, will see an increase of 5%. Commercial sewer accounts, whose charges are based on their water usage, will also see a rate increase of 5%. Street light utility will increase 2% for all residential customers who have subdivision street lights. Storm water utility will increase an average of 15%. The increased rates not only offset current maintenance costs and depreciation, but are being used to finance the on-going construction of the water treatment plant and other 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and temporary investments	\$ 58,482,424	\$ 28,910,396	\$ 87,392,820
Receivables			
Unremitted taxes	248,132	-	248,132
Delinquent taxes	191,338	-	191,338
Unremitted special assessments	898	-	898
Delinquent special assessments	6,577	10,188	16,765
Deferred special assessments	264,634	359,686	624,320
Accounts	42,560	2,073,187	2,115,747
Interest	310,689	-	310,689
Internal balances	(961,579)	961,579	-
Leases	1,178,551	-	1,178,551
Due from other governmental units	1,216,453	538,929	1,755,382
Prepays	14,056	112,195	126,251
Land held for resale	5,928,224	-	5,928,224
Capital assets			
Not depreciated	19,744,715	23,943,526	43,688,241
Depreciated	91,451,714	73,877,561	165,329,275
Total capital assets, net of depreciation	<u>111,196,429</u>	<u>97,821,087</u>	<u>209,017,516</u>
Total assets	178,119,386	130,787,247	308,906,633
Deferred outflows of resources			
OPEB plan deferments	899,946	-	899,946
Pension plan deferments	6,174,804	111,213	6,286,017
Total deferred outflows of resources	<u>7,074,750</u>	<u>111,213</u>	<u>7,185,963</u>
Total assets and deferred outflows of resources	<u>\$ 185,194,136</u>	<u>\$ 130,898,460</u>	<u>\$ 316,092,596</u>
Liabilities			
Accounts and contracts payable	\$ 1,242,922	\$ 2,113,796	\$ 3,356,718
Salaries and benefits payable	498,863	-	498,863
Accrued interest payable	77,513	-	77,513
Deposits payable	2,178,977	-	2,178,977
Due to other governmental units	121,656	139,951	261,607
Unearned revenue	-	65,822	65,822
Long-term liabilities			
Due within one year	3,089,708	-	3,089,708
Due in more than one year	44,959,171	370,664	45,329,835
Total long-term liabilities	<u>48,048,879</u>	<u>370,664</u>	<u>48,419,543</u>
Total liabilities	52,168,810	2,690,233	54,859,043
Deferred inflows of resources			
Leases receivable for subsequent years	1,178,551	-	1,178,551
OPEB plan deferments	552,416	-	552,416
Pension plan deferments	7,553,769	246,382	7,800,151
Total deferred inflows of resources	<u>9,284,736</u>	<u>246,382</u>	<u>9,531,118</u>
Net Position			
Net investment in capital assets	72,783,568	95,749,335	168,532,903
Restricted for			
Street improvements	1,670,641	-	1,670,641
Debt service	938,591	-	938,591
Economic development	1,566,621	-	1,566,621
Housing and redevelopment	5,928,224	-	5,928,224
Recreation/community programs	375,340	-	375,340
Public safety	165,370	-	165,370
Tax increment	3,377,609	-	3,377,609
Unrestricted	36,934,626	32,212,510	69,147,136
Total net position	<u>123,740,590</u>	<u>127,961,845</u>	<u>251,702,435</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 185,194,136</u>	<u>\$ 130,898,460</u>	<u>\$ 316,092,596</u>

See notes to basic financial statements



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CITY OF RAMSEY

Statement of Activities
Year Ended December 31, 2024

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	\$ 5,645,480	\$ 923,139	\$ 241,674	\$ 1,249,836	\$ (3,230,831)	\$ -	\$ (3,230,831)
Public safety	8,894,134	1,667,291	754,424	17,233	(6,455,186)	-	(6,455,186)
Highways and streets	7,783,629	509,082	-	7,026,874	(247,673)	-	(247,673)
Culture and recreation	2,430,888	55,875	-	1,593,805	(781,208)	-	(781,208)
Economic development	1,488,674	-	-	-	(1,488,674)	-	(1,488,674)
Interest and fiscal charges	1,317,942	-	-	-	(1,317,942)	-	(1,317,942)
Total governmental activities	27,560,747	3,155,387	996,098	9,887,748	(13,521,514)	-	(13,521,514)
Business-type activities							
Water utility	2,243,736	3,168,402	8,078	5,832,622	-	6,765,366	6,765,366
Sewer utility	2,411,209	2,425,906	4,616	891,700	-	911,013	911,013
Street light utility	167,123	242,950	-	-	-	75,827	75,827
Recycling utility	549,993	468,514	70,890	-	-	(10,589)	(10,589)
Storm water utility	1,022,935	1,350,416	4,616	1,088,220	-	1,420,317	1,420,317
Total business-type activities	6,394,996	7,656,188	88,200	7,812,542	-	9,161,934	9,161,934
Total governmental and business-type activities	\$ 33,955,743	\$ 10,811,575	\$ 1,084,298	\$ 17,700,290	(13,521,514)	9,161,934	(4,359,580)
		General revenues					
					23,041,341	-	23,041,341
					3,760	-	3,760
					2,530,184	1,940,725	4,470,909
					94,090	-	94,090
					(694,468)	694,468	-
					<u>24,974,907</u>	<u>2,635,193</u>	<u>27,610,100</u>
					11,453,393	11,797,127	23,250,520
					<u>112,287,197</u>	<u>116,164,718</u>	<u>228,451,915</u>
					<u>\$ 123,740,590</u>	<u>\$ 127,961,845</u>	<u>\$ 251,702,435</u>

See notes to basic financial statements

CITY OF RAMSEY

Balance Sheet
Governmental Funds
December 31, 2024

	Special Revenue Funds				
	General	Tax Increment	COR Land	Formerly Non-major Fund Developer's Fees	Private Developer
Assets					
Cash and temporary investments	\$ 13,542,157	\$ 5,712,107	\$ 2,669,042	\$ 1,738,063	\$ 2,132,713
Receivables					
Unremitted taxes	182,812	3,616	—	—	—
Delinquent taxes	130,438	15,096	—	—	—
Unremitted special assessments	207	—	—	—	—
Delinquent special assessments	3,767	—	—	—	—
Deferred special assessments	50,715	—	—	—	—
Accounts	22,858	—	—	—	6,419
Interest	310,689	—	—	—	—
Leases	1,032,565	—	—	—	—
Due from other governmental units	7,969	—	—	—	—
Advances to other funds	—	—	—	—	—
Prepays	13,012	—	—	—	—
Land held for resale	—	—	5,928,224	—	—
Total assets	\$ 15,297,189	\$ 5,730,819	\$ 8,597,266	\$ 1,738,063	\$ 2,139,132
Liabilities					
Accounts and contracts payable	\$ 207,189	\$ 78,176	\$ —	\$ 680,452	\$ 412
Salaries and benefits payable	498,863	—	—	—	—
Deposits payable	40,395	—	—	—	2,138,582
Due to other governmental units	8,884	142	—	903	138
Advances from other funds	—	2,274,892	—	—	—
Total liabilities	755,331	2,353,210	—	681,355	2,139,132
Deferred inflows of resources					
Leases receivable for subsequent years	1,032,565	—	—	—	—
Unavailable revenue - MSA allocation	—	—	—	—	—
Unavailable revenue - property taxes	130,438	15,096	—	—	—
Unavailable revenue - special assessments	54,482	—	—	—	—
Total deferred inflows of resources	1,217,485	15,096	—	—	—
Fund balances					
Nonspendable	13,012	—	—	—	—
Restricted	—	3,362,513	5,928,224	—	—
Committed	—	—	—	1,056,708	—
Assigned	—	—	2,669,042	—	—
Unassigned	13,311,361	—	—	—	—
Total fund balances	13,324,373	3,362,513	8,597,266	1,056,708	—
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,297,189	\$ 5,730,819	\$ 8,597,266	\$ 1,738,063	\$ 2,139,132

See notes to basic financial statements

Capital Project Funds

RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	Totals
\$ 400,306	\$ 538,088	\$ 12,200,014	\$ 9,089,944	\$ 9,967,110	\$ 57,989,544
-	-	20,411	-	41,293	248,132
-	-	15,509	-	30,295	191,338
-	-	2	-	689	898
-	-	178	-	2,632	6,577
-	-	34,200	-	179,719	264,634
2,367	-	-	-	10,916	42,560
-	-	-	-	-	310,689
145,986	-	-	-	-	1,178,551
-	1,203,726	-	-	4,758	1,216,453
-	-	-	-	1,492,000	1,492,000
-	-	-	-	1,044	14,056
-	-	-	-	-	5,928,224
<u>\$ 548,659</u>	<u>\$ 1,741,814</u>	<u>\$ 12,270,314</u>	<u>\$ 9,089,944</u>	<u>\$ 11,730,456</u>	<u>\$ 68,883,656</u>
\$ 1,836	\$ 71,100	\$ 190,725	\$ 2,349	\$ 10,683	\$ 1,242,922
-	-	-	-	-	498,863
-	-	-	-	-	2,178,977
-	73	111,516	-	-	121,656
-	-	-	-	178,687	2,453,579
1,836	71,173	302,241	2,349	189,370	6,495,997
145,986	-	-	-	-	1,178,551
-	1,203,726	-	-	-	1,203,726
-	-	15,509	-	30,295	191,338
-	-	34,378	-	182,351	271,211
145,986	1,203,726	49,887	-	212,646	2,844,826
-	-	-	-	1,044	14,056
-	466,915	2,211,399	-	2,984,353	14,953,404
-	-	-	-	458,069	1,514,777
400,837	-	9,706,787	9,087,595	7,884,974	29,749,235
-	-	-	-	-	13,311,361
400,837	466,915	11,918,186	9,087,595	11,328,440	59,542,833
<u>\$ 548,659</u>	<u>\$ 1,741,814</u>	<u>\$ 12,270,314</u>	<u>\$ 9,089,944</u>	<u>\$ 11,730,456</u>	<u>\$ 68,883,656</u>



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CITY OF RAMSEY

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2024

Total fund balances – Governmental Funds \$ 59,542,833

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 111,196,429

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	(38,035,000)
Unamortized bond premiums	(1,915,176)
Compensated absences payable	(1,270,328)
Net pension liability	(5,448,915)
Total OPEB liability	(1,379,460)

Certain revenues (including long-term receivables, 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.

1,666,275

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

(77,513)

Governmental funds do not report certain amounts related to pensions and OPEB:

Deferred outflows of resources for OPEB plan deferments	899,946
Deferred outflows of resources for pension plan deferments	6,174,804
Deferred inflows of resources for OPEB plan deferments	(552,416)
Deferred inflows of resources for pension plan deferments	(7,553,769)

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.

492,880

Total net position – governmental activities \$ 123,740,590

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2024

	Special Revenue Funds				
	General	Tax Increment	COR Land	Formally Non-major Fund Developer's Fees	Private Developer
Revenue					
Property taxes	\$ 14,751,073	\$ 3,289,178	\$ -	\$ -	\$ -
Special assessments	26,103	-	-	-	-
Licenses and permits	1,610,437	-	-	-	-
Intergovernmental revenue	920,633	45,000	-	-	-
Charges for services	1,227,700	-	-	-	-
Contributions	-	256,600	-	360,045	-
Fines and forfeits	8,603	-	-	-	-
Other revenue					
Investment earnings	340,304	551,843	80,406	74,246	-
Miscellaneous	34,247	667,084	-	168,874	76,537
Total revenue	<u>18,919,100</u>	<u>4,809,705</u>	<u>80,406</u>	<u>603,165</u>	<u>76,537</u>
Expenditures					
Current					
General government	4,548,056	-	-	-	76,537
Public safety	8,090,511	-	-	-	-
Highways and streets	2,722,964	-	-	37	-
Culture and recreation	1,831,463	-	-	-	-
Economic development	-	1,418,519	-	-	-
Capital outlay	3,626,875	3,226,080	-	1,013,268	-
Debt service					
Principal retirement	-	300,000	-	-	-
Interest and fiscal charges	-	598,022	-	-	-
Total expenditures	<u>20,819,869</u>	<u>5,542,621</u>	<u>-</u>	<u>1,013,305</u>	<u>76,537</u>
Excess (deficiency) of revenue over expenditures	(1,900,769)	(732,916)	80,406	(410,140)	-
Other financing sources (uses)					
Proceeds on sale of capital assets	94,090	-	-	-	-
Transfers in	3,850,883	-	173,557	24,929	-
Transfers (out)	(985,746)	(2,634,583)	-	-	-
Total other financing sources (uses)	<u>2,959,227</u>	<u>(2,634,583)</u>	<u>173,557</u>	<u>24,929</u>	<u>-</u>
Net change in fund balances	1,058,458	(3,367,499)	253,963	(385,211)	-
Fund balances					
Beginning of year, as previously reported	12,265,915	6,730,012	8,343,303	-	-
Change within financial reporting entity	-	-	-	1,441,919	-
Beginning of year, as restated	<u>12,265,915</u>	<u>6,730,012</u>	<u>8,343,303</u>	<u>1,441,919</u>	<u>-</u>
End of year	<u>\$ 13,324,373</u>	<u>\$ 3,362,513</u>	<u>\$ 8,597,266</u>	<u>\$ 1,056,708</u>	<u>\$ -</u>

See notes to basic financial statements

Capital Project Funds

RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	Totals
\$ -	\$ -	\$ 1,821,654	\$ -	\$ 3,488,709	\$23,350,614
-	-	9,347	-	70,034	105,484
-	-	-	-	-	1,610,437
-	1,893,733	-	-	596,120	3,455,486
275,458	-	-	-	5,832	1,508,990
-	-	376,980	1,488,234	-	2,481,859
-	-	-	-	-	8,603
-	32,163	550,689	388,411	491,817	2,509,879
-	-	24	-	416,905	1,363,671
<u>275,458</u>	<u>1,925,896</u>	<u>2,758,694</u>	<u>1,876,645</u>	<u>5,069,417</u>	<u>36,395,023</u>
-	-	-	-	257,213	4,881,806
-	-	-	-	69,965	8,160,476
84,844	602,797	34,434	-	609,230	4,054,306
-	-	-	52,385	-	1,883,848
-	-	-	-	70,155	1,488,674
-	1,375,912	5,750,698	420,176	449,425	15,862,434
-	-	-	-	2,640,000	2,940,000
-	-	-	-	1,087,118	1,685,140
<u>84,844</u>	<u>1,978,709</u>	<u>5,785,132</u>	<u>472,561</u>	<u>5,183,106</u>	<u>40,956,684</u>
190,614	(52,813)	(3,026,438)	1,404,084	(113,689)	(4,561,661)
-	-	-	-	-	94,090
-	89,139	-	-	2,541,662	6,680,170
-	-	(60,104)	-	(3,694,205)	(7,374,638)
-	<u>89,139</u>	<u>(60,104)</u>	-	<u>(1,152,543)</u>	<u>(600,378)</u>
190,614	36,326	(3,086,542)	1,404,084	(1,266,232)	(5,162,039)
210,223	430,589	15,004,728	7,683,511	14,036,591	64,704,872
-	-	-	-	(1,441,919)	-
<u>210,223</u>	<u>430,589</u>	<u>15,004,728</u>	<u>7,683,511</u>	<u>12,594,672</u>	<u>64,704,872</u>
<u>\$ 400,837</u>	<u>\$ 466,915</u>	<u>\$ 11,918,186</u>	<u>\$ 9,087,595</u>	<u>\$ 11,328,440</u>	<u>\$59,542,833</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, 2024

Total net change in fund balances – Governmental Funds \$ (5,162,039)

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	15,862,434
Contributed assets from developers	3,334,357
Depreciation expense	(5,844,465)

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.

Repayment of principal on long-term debt	2,940,000
Debt premiums	184,436
Arbitrage liability	166,156

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.

16,606

Certain revenues (including long-term receivables, delinquent taxes and special assessments) 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.

(143,546)

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	(72,850)
Governmental activities – pension expense	212,242

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.

(95,862)

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.

55,924

Change in net position – governmental activities \$ 11,453,393

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, 2024

	Original and Final Budget	Actual	Over (Under) Final Budget
Revenue			
Property taxes	\$ 14,905,220	\$ 14,751,073	\$ (154,147)
Special assessments	–	26,103	26,103
Licenses and permits	921,900	1,610,437	688,537
Intergovernmental revenue	734,000	920,633	186,633
Charges for services	686,800	1,227,700	540,900
Fines and forfeits	48,000	8,603	(39,397)
Other revenue			
Investment earnings	50,000	340,304	290,304
Miscellaneous	16,830	34,247	17,417
Total revenue	<u>17,362,750</u>	<u>18,919,100</u>	<u>1,556,350</u>
Expenditures			
Current			
General government	4,772,071	4,548,056	(224,015)
Public safety	8,098,870	8,090,511	(8,359)
Highways and streets	2,924,683	2,722,964	(201,719)
Culture and recreation	1,897,955	1,831,463	(66,492)
Capital outlay	2,999,816	3,626,875	627,059
Debt service			
Interest and fiscal charges	106,373	–	(106,373)
Total expenditures	<u>20,799,768</u>	<u>20,819,869</u>	<u>20,101</u>
Excess (deficiency) of revenue over expenditures	(3,437,018)	(1,900,769)	1,536,249
Other financing sources (uses)			
Proceeds on sale of capital assets	–	94,090	94,090
Transfers in	3,437,018	3,850,883	413,865
Transfers (out)	–	(985,746)	(985,746)
Total other financing sources (uses)	<u>3,437,018</u>	<u>2,959,227</u>	<u>(477,791)</u>
Net change in fund balances	<u>\$ –</u>	<u>1,058,458</u>	<u>\$ 1,058,458</u>
Fund balances			
Beginning of year		<u>12,265,915</u>	
End of year		<u>\$ 13,324,373</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position
 Proprietary Funds
 December 31, 2024

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Assets			
Current assets			
Cash and temporary investments	\$ 18,621,641	\$ 5,843,398	\$ 1,578,252
Receivables			
Delinquent special assessments	5,094	5,094	–
Deferred special assessments	177,022	182,664	–
Accounts	697,046	761,735	75,989
Due from other governmental units	497,697	–	–
Prepays	5,724	106,471	–
Total current assets	<u>20,004,224</u>	<u>6,899,362</u>	<u>1,654,241</u>
Noncurrent assets			
Advances to other funds	526,687	21,000	48,892
Capital assets			
Land	868,513	–	–
Construction in progress	21,783,361	161,392	–
Buildings and structures	6,177,522	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	353,169	662,358	–
Water and sewer lines	44,048,626	32,223,774	–
	<u>73,231,191</u>	<u>33,047,524</u>	<u>1,135,881</u>
Less accumulated depreciation	15,326,414	11,804,218	794,591
Net capital assets	<u>57,904,777</u>	<u>21,243,306</u>	<u>341,290</u>
Total noncurrent assets	<u>58,431,464</u>	<u>21,264,306</u>	<u>390,182</u>
Total assets	<u>78,435,688</u>	<u>28,163,668</u>	<u>2,044,423</u>
Deferred Outflows of Resources			
Pension plan deferments	51,899	29,657	–
Total assets and deferred outflows of resources	<u>\$ 78,487,587</u>	<u>\$ 28,193,325</u>	<u>\$ 2,044,423</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 2,089,946	\$ 11,187	\$ 41
Due to other governmental units	41,411	98,406	134
Unearned revenue	–	59,640	6,182
Total current liabilities	<u>2,131,357</u>	<u>169,233</u>	<u>6,357</u>
Noncurrent liabilities			
Net pension liability	172,976	98,844	–
Total liabilities	<u>2,304,333</u>	<u>268,077</u>	<u>6,357</u>
Deferred Inflows of Resources			
Pension plan deferments	114,978	65,702	–
Net Position			
Net investment in capital assets	55,846,254	21,239,615	341,290
Unrestricted	20,222,022	6,619,931	1,696,776
Total net position	<u>76,068,276</u>	<u>27,859,546</u>	<u>2,038,066</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 78,487,587</u>	<u>\$ 28,193,325</u>	<u>\$ 2,044,423</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 232,816	\$ 2,634,289	\$ 28,910,396	\$ 492,880
-	-	10,188	-
-	-	359,686	-
142,987	395,430	2,073,187	-
41,232	-	538,929	-
-	-	112,195	-
<u>417,035</u>	<u>3,029,719</u>	<u>32,004,581</u>	<u>492,880</u>
-	365,000	961,579	-
-	637,583	1,506,096	-
-	492,677	22,437,430	-
-	-	6,177,522	-
-	21,751,160	22,887,041	-
-	794,208	1,809,735	-
-	334,378	76,606,778	-
-	<u>24,010,006</u>	<u>131,424,602</u>	-
-	<u>5,678,292</u>	<u>33,603,515</u>	-
-	<u>18,331,714</u>	<u>97,821,087</u>	-
-	<u>18,696,714</u>	<u>98,782,666</u>	-
417,035	21,726,433	130,787,247	492,880
-	<u>29,657</u>	<u>111,213</u>	-
<u>\$ 417,035</u>	<u>\$ 21,756,090</u>	<u>\$ 130,898,460</u>	<u>\$ 492,880</u>
\$ 41	\$ 12,581	\$ 2,113,796	\$ -
-	-	139,951	-
-	-	65,822	-
<u>41</u>	<u>12,581</u>	<u>2,319,569</u>	<u>-</u>
-	<u>98,844</u>	<u>370,664</u>	<u>-</u>
41	111,425	2,690,233	-
-	65,702	246,382	-
-	18,322,176	95,749,335	-
416,994	3,256,787	32,212,510	492,880
<u>416,994</u>	<u>21,578,963</u>	<u>127,961,845</u>	<u>492,880</u>
<u>\$ 417,035</u>	<u>\$ 21,756,090</u>	<u>\$ 130,898,460</u>	<u>\$ 492,880</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2024

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 3,168,402	\$ 2,415,244	\$ 242,950
Sewer access surcharge	–	10,662	–
Other	–	–	–
Total operating revenue	<u>3,168,402</u>	<u>2,425,906</u>	<u>242,950</u>
Operating expenses			
Personal services	533,031	289,191	–
Supplies	281,591	25,490	–
Service charges			
Disposal charges	–	1,260,237	–
Other	383,487	138,131	136,388
Depreciation	<u>1,045,627</u>	<u>698,160</u>	<u>30,735</u>
Total operating expenses	<u>2,243,736</u>	<u>2,411,209</u>	<u>167,123</u>
Operating income (loss)	924,666	14,697	75,827
Nonoperating revenue			
Intergovernmental revenue	8,078	4,616	–
Investment earnings	<u>1,093,620</u>	<u>629,005</u>	<u>69,561</u>
Total nonoperating revenue	<u>1,101,698</u>	<u>633,621</u>	<u>69,561</u>
Income before contributions and transfers	2,026,364	648,318	145,388
Capital contributions - developer contributions	563,256	272,930	–
Capital contributions - capital grants	3,697,697	–	–
Capital contributions - connection fees	1,571,669	618,770	–
Transfers in	7,424,550	33,026	48,892
Transfers (out)	<u>(55,000)</u>	<u>(7,049,000)</u>	<u>(29,000)</u>
Change in net position	15,228,536	(5,475,956)	165,280
Net position			
Beginning of year	<u>60,839,740</u>	<u>33,335,502</u>	<u>1,872,786</u>
End of year	<u>\$ 76,068,276</u>	<u>\$ 27,859,546</u>	<u>\$ 2,038,066</u>

See notes to basic financial statements

<u>Recycling Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	<u>Governmental Activities Internal Service</u>
\$ 468,514	\$ 1,350,416	\$ 7,645,526	\$ -
-	-	10,662	-
-	-	-	84,916
<u>468,514</u>	<u>1,350,416</u>	<u>7,656,188</u>	<u>84,916</u>
37,595	365,409	1,225,226	-
38,990	39,773	385,844	7,719
-	-	1,260,237	-
473,408	127,127	1,258,541	41,578
-	490,626	2,265,148	-
<u>549,993</u>	<u>1,022,935</u>	<u>6,394,996</u>	<u>49,297</u>
(81,479)	327,481	1,261,192	35,619
70,890	4,616	88,200	-
10,883	137,656	1,940,725	20,305
<u>81,773</u>	<u>142,272</u>	<u>2,028,925</u>	<u>20,305</u>
294	469,753	3,290,117	55,924
-	1,088,220	1,924,406	-
-	-	3,697,697	-
-	-	2,190,439	-
-	365,000	7,871,468	-
-	(44,000)	(7,177,000)	-
<u>294</u>	<u>1,878,973</u>	<u>11,797,127</u>	<u>55,924</u>
416,700	19,699,990	116,164,718	436,956
<u>\$ 416,994</u>	<u>\$ 21,578,963</u>	<u>\$ 127,961,845</u>	<u>\$ 492,880</u>

CITY OF RAMSEY

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 2,691,414	\$ 2,323,868	\$ 246,132
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(734,284)	(1,406,431)	(146,601)
Paid to employees	(548,046)	(297,770)	–
Net cash flows from operating activities	<u>1,409,084</u>	<u>619,667</u>	<u>99,531</u>
Cash flows from capital and related financing activities			
Capital contributions - connection fees	1,571,669	618,770	–
Capital contributions -capital grants	3,697,697	–	–
Acquisition of capital assets	(22,507,790)	(298,754)	–
Net cash flows from capital and related financing activities	<u>(17,238,424)</u>	<u>320,016</u>	<u>–</u>
Cash flows from investing activities			
Interest and changes in fair value on investments	1,093,620	629,005	69,561
Cash flows from noncapital financing activities			
Transfers in	7,424,550	33,026	48,892
Transfers (out)	(55,000)	(7,049,000)	(29,000)
Intergovernmental revenue	8,078	4,616	–
Advances made to other funds	(307,876)	(21,000)	(48,892)
Net cash flows from noncapital financing activities	<u>7,069,752</u>	<u>(7,032,358)</u>	<u>(29,000)</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	(7,665,968)	(5,463,670)	140,092
Cash and temporary investments/cash equivalents			
Beginning of year	<u>26,287,609</u>	<u>11,307,068</u>	<u>1,438,160</u>
End of year	<u>\$ 18,621,641</u>	<u>\$ 5,843,398</u>	<u>\$ 1,578,252</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 924,666	\$ 14,697	\$ 75,827
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	1,045,627	698,160	30,735
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	(30,044)	(28,164)	–
Accounts	50,753	(133,514)	(1,530)
Due from other governmental units	(497,697)	–	–
Prepays	(5,725)	(1,451)	–
Deferred outflows - pension plan deferments	21,751	12,429	–
Accounts payable and contracts payable	(58,812)	(69,687)	(10,220)
Unearned revenue	–	59,640	4,712
Due to other governmental units	(4,669)	88,565	7
Net pension liability	(69,712)	(39,835)	–
Deferred inflows - pension plan deferments	32,946	18,827	–
Net cash flow from operating activities	<u>\$ 1,409,084</u>	<u>\$ 619,667</u>	<u>\$ 99,531</u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from developers	\$ 563,256	\$ 272,930	\$ –
Change in capital assets purchased on account	\$ 709,844	\$ –	\$ –

See notes to basic financial statements

			Governmental Activities	
Recycling Utility	Storm Water Utility	Totals	Internal Service	
\$ 458,826	\$ 1,319,423	\$ 7,039,663	\$	–
–	–	–		84,916
(512,425)	(168,755)	(2,968,496)		(49,297)
(37,595)	(373,988)	(1,257,399)		–
<u>(91,194)</u>	<u>776,680</u>	<u>2,813,768</u>		<u>35,619</u>
–	–	2,190,439		–
–	–	3,697,697		–
–	(1,280,752)	(24,087,296)		–
<u>–</u>	<u>(1,280,752)</u>	<u>(18,199,160)</u>		<u>–</u>
10,883	137,656	1,940,725		20,305
–	365,000	7,871,468		–
–	(44,000)	(7,177,000)		–
70,890	4,616	88,200		–
–	(365,000)	(742,768)		–
<u>70,890</u>	<u>(39,384)</u>	<u>39,900</u>		<u>–</u>
(9,421)	(405,800)	(13,404,767)		55,924
<u>242,237</u>	<u>3,040,089</u>	<u>42,315,163</u>		<u>436,956</u>
<u>\$ 232,816</u>	<u>\$ 2,634,289</u>	<u>\$ 28,910,396</u>	<u>\$</u>	<u>492,880</u>
\$ (81,479)	\$ 327,481	\$ 1,261,192	\$	35,619
–	490,626	2,265,148		–
–	–	(58,208)		–
(435)	(30,993)	(115,719)		–
(9,253)	–	(506,950)		–
–	–	(7,176)		–
–	12,429	46,609		–
(27)	(1,855)	(140,601)		–
–	–	64,352		–
–	–	83,903		–
–	(39,835)	(149,382)		–
<u>–</u>	<u>18,827</u>	<u>70,600</u>		<u>–</u>
<u>\$ (91,194)</u>	<u>\$ 776,680</u>	<u>\$ 2,813,768</u>	<u>\$</u>	<u>35,619</u>
\$ –	\$ 1,088,220	\$ 1,924,406	\$	–
\$ –	\$ 9,538	\$ 719,382	\$	–



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CITY OF RAMSEY

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2024

	<u>Custodial Fund</u>
Assets	
Land held for resale	\$ 10,048,247
Liabilities	
Due to other governmental units	<u>10,048,247</u>
Net Position	<u><u>\$ -</u></u>

CITY OF RAMSEY

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2024

	<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, 2024

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. 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 2024 fiscal year, the City paid LOGIS approximately \$426,911 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. 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)

Developer’s Fees Special Revenue Fund – This fund is used to account for demand fees that will be used for storm water management.

Private Developer Special Revenue Fund – This fund is used to account for monies deposited from developers to offset city administrative costs.

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

State-Aid Construction Capital Project Fund – This fund is used to account for state-aid allotments used by the City for improvement projects to thoroughfare roads within the City.

Pavement Management Program Capital Project Fund – This fund is used to account for the resources to be used for road reconstructions and overlays per the City’s Pavement Management Program.

Park Improvement Capital Project Fund – This fund is used to account for all park dedication fees to be used for land acquisition and park development.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Bond proceeds are held in separate accounts with investment earnings recorded directly to the applicable fund.

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

Utility and miscellaneous accounts receivable are reported at gross. 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 leases receivable, delinquent property taxes receivable and delinquent and deferred 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Prepaids

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

J. Interfund Receivables and Payables

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

K. 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. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods. These separate financial statement elements will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until that time.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, net collective difference 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.

The City reports deferred inflows of resources related to lease receivables, which requires lessors to recognize deferred inflows of resources to correspond to lease receivables. These amounts are deferred and amortized in a systematic and rationale manner over the term of the lease. The City currently reports deferred inflows of resources for leases in the government-wide statement of net position and governmental funds balance sheet.

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: long-term and MSA allocation receivables, 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. The City currently retains parcels that will be available for future commercial development along Highway 10 in the city after the interchange projects on the highway are completed in 2025.

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. Groups of similar assets acquired at or near the same time for a single objective, with individual costs below this threshold, are also capitalized if the cost is considered significant. 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. 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 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Compensated Absences Payable

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or paid in cash to the employee or payment to a health care savings account during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – compensatory time, vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Compensatory Time

The City's personnel policy and union contracts permits employees to accumulate earned but unused compensatory time, which are eligible for payment at the employee's current pay rate upon separation from employment.

Vacation

The City's personnel policy permits employees to accumulate earned but unused vacation time, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick

The City's personnel policy permits employees to accumulate earned but unused 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 separation. A liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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 that are material are amortized over the life of the bond issue. 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.
- **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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **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.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the year ended December 31, 2024, expenditures were over budget in the General Fund by \$20,101 and in the Economic Development Authority Special Revenue Fund by \$1,399.

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 2024.

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:

Investments	\$	87,392,520
Cash on hand		300
Total	\$	<u>87,392,820</u>

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits

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

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

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

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

At year end, the carrying amount of the City's deposits was \$0 while the balance on the bank records was \$81,220. At December 31, 2024, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk-Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	6 to 10	
U.S. Treasuries	N/A	N/A	Level 2	\$ 2,193,879	\$ -	\$ -	\$ 2,193,879
Municipal Bonds	A-AAA	Moody's	Level 2	\$ 1,044,185	\$ 8,311,254	\$ -	\$ 9,355,439
Municipal Bonds	A-AAA	S&P	Level 2	\$ 2,089,910	\$ 26,146,688	\$ 2,211,245	\$ 30,447,843
Negotiable Certificates of Deposit	N/A	N/A	Level 2	\$ 491,894	\$ 462,303	\$ -	\$ 954,197
Investment Pools							
Dreyfus Money Market Fund	AAA	S&P	Level 1	\$ 17,520	\$ -	\$ -	\$ 17,520
Minnesota Municipal Money Market 4M Plus Fund	AAA	S&P	Amortized Cost	\$ 12,726,158	\$ -	\$ -	\$ 12,726,158
Term Series	N/R	N/A	Amortized Cost	\$ 16,000,000	\$ -	\$ -	\$ 16,000,000
Invesco Money Market Fund	AAA	S&P	Net Asset Value	\$ 3,853,972	\$ -	\$ -	\$ 3,853,972
UBS Select Prime Institutional Fund	AAA	Moody's	Net Asset Value	\$ 11,843,512	\$ -	\$ -	\$ 11,843,512
Total Investments							<u>\$ 87,392,520</u>

N/A Not Applicable
N/R Not Rated

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investments include the following investment pools:

The Dreyfus Money Market 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 assigned a AAA rating by S&P.

Investment pools managed by the Minnesota Municipal Money Market (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 – 4M Plus Fund and Term Series 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 Term Series has a 7-day redemption notice requirement.

The Invesco Money Market 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 assigned a AAA rating by S&P.

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 assigned a AAA rating by Moody's.

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.

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.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 – LEASE RECEIVABLE

The City has entered into lease receivable agreements for cell tower rental space on city property. These leases are reported using an incremental borrowing rate of 3.25 percent with final maturities through fiscal 2032. During the current year, the City received principal and interest payments on these leases of \$82,909.

The City has entered into lease receivable agreements for rental space in city owned buildings and vacant land. These leases are reported using an incremental borrowing rate of 3.25 percent with final maturities through 2040. During the current year, the City received principal and interest payments on these leases of \$301,190. page 27

Leasing assets to other entities is not a principal ongoing operation of the city.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Advances To and From Other Funds

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

Receivable fund	Payable Fund			Total
	Tax Incremental Special Revenue Fund	Nonmajor Governmental Funds		
Nonmajor Governmental Funds	\$ 1,492,000	\$ -	\$	1,492,000
Water Utility Enterprise Fund	348,000	178,687		526,687
Sewer Utility Enterprise Fund	21,000	-		21,000
Street Light Utility Enterprise Fund	48,892	-		48,892
Storm Water Utility Enterprise Fund	365,000	-		365,000
Total	\$ 2,274,892	\$ 178,687	\$	2,453,579

The Tax Incremental Fund advance to other funds of \$2,274,892 was used to finance improvements in the COR. All funds are to be repaid by 2038. The \$178,687 is to internally finance a facility loan. The Water Utility Fund is to be repaid by 2028 with a stated rate of interest of 2%.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

B. Interfund Transfers

Transfers Out	Transfers In									Total
	General	COR Land	Developer's	State-Aid	Nonmajor	Water	Sewer	Street	Storm	
	Fund	Special	Special	Construction	Governmental	Utility	Utility	Light	Water	
	Revenue	Revenue	Capital	Funds	Enterprise	Enterprise	Enterprise	Enterprise		
	Fund	Fund	Project Fund			Fund	Fund	Fund	Fund	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 923,893	\$ 61,853	\$ -	\$ -	\$ -	\$ 985,746
Tax Increment Special Revenue Fund	-	173,557	24,929	89,139	1,537,343	362,697	33,026	48,892	365,000	2,634,583
Pavement Management Program										
Capital Project Fund	60,104	-	-	-	-	-	-	-	-	60,104
Nonmajor Governmental Funds	3,613,779	-	-	-	80,426	-	-	-	-	3,694,205
Water Utility Enterprise Fund	55,000	-	-	-	-	-	-	-	-	55,000
Sewer Utility Enterprise Fund	49,000	-	-	-	-	7,000,000	-	-	-	7,049,000
Street Light Utility Enterprise Fund	29,000	-	-	-	-	-	-	-	-	29,000
Storm Water Utility Enterprise Fund	44,000	-	-	-	-	-	-	-	-	44,000
Total	\$ 3,850,883	\$ 173,557	\$ 24,929	\$ 89,139	\$ 2,541,662	\$ 7,424,550	\$ 33,026	\$ 48,892	\$ 365,000	\$ 14,551,638

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.

In 2024, the General Fund transferred \$395,954 each to the Public Improvement Revolving Fund and Equipment Revolving Fund and \$131,985 to the Public Facilities Construction Fund for their respective shares as outlined in the City’s Fund Balance Policy. The General Fund transferred \$61,853 to the Water Utility Fund for its annual repayment of the Municipal Center capital contribution.

The Tax Increment Fund transferred \$173,557 to the COR Land Fund, \$89,139 to the State-Aid Construction Fund, \$24,929 to the Developer’s Fee Fund, \$220,343 to the Public Improvement Revolving Fund, \$1,317,000 to the Equipment Revolving Fund, \$362,697 to the Water Utility Fund, \$33,026 to the Sewer Utility Fund, \$48,892 to the Street Light Utility Fund and \$365,000 to the Storm Water Utility Fund to reimburse back these funds for prior expenses related to the development of the COR area as allowed by Special Legislation.

The Pavement Management Program Fund transferred \$60,104 to the General Fund for capital equipment purchases.

The Federal/State Relief Fund transferred \$1,200,000 to the General Fund for capital equipment purchases.

The General Govt Special Projects Fund transferred \$59,244 to the General Fund for capital equipment purchases.

The 2013 Capital Equipment Certificates Fund transferred \$27,397 to the 2015B GO Street Reconstruction Bond Fund with remaining debt service funds.

The Public Improvement Revolving Fund transferred \$200,000 to the General Fund for street maintenance purposes.

The Public Works Campus Fund transferred \$571,972 to the General Fund for capital equipment purchases.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

B. Interfund Transfers (Continued) -

The Riverdale Drive Street Improvement Fund was completed and closed and transferred \$53,029 to the Public Improvement Revolving Fund.

The Equipment Revolving Fund transferred \$73,288 to the General Fund for capital equipment purchases.

The Capital Equipment 2024 Fund transferred \$1,509,275 to the General Fund for capital equipment purchases.

The Water Utility Fund transferred \$55,000 to the General Fund for operating purposes.

The Sewer Utility Fund transferred \$49,000 to the General Fund for operating purposes and \$7,000,000 to the Water Utility Fund to assist in funding of the water treatment plant.

The Street Light Utility Fund transferred \$29,000 to the General Fund for operating purposes.

The Storm Water Utility Fund transferred \$44,000 to the General Fund for operating purposes.

NOTE 5 – 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	\$ 7,077,591	\$ -	\$ -	\$ -	\$ 7,077,591
Construction in progress	11,098,499	7,711,579	(6,142,954)	-	12,667,124
Total capital assets, not depreciated	18,176,090	7,711,579	(6,142,954)	-	19,744,715
Capital assets, depreciated					
Buildings and structures	45,725,837	-	-	-	45,725,837
Improvements other than buildings	11,896,107	40,134	-	-	11,936,241
Office equipment	725,752	-	-	-	725,752
Motor vehicles	4,265,487	1,647,966	(6,019)	(399,832)	5,507,602
Machinery and equipment	9,479,279	2,254,405	-	(68,547)	11,665,137
Infrastructure	60,079,762	7,542,707	6,142,954	-	73,765,423
Total capital assets, depreciated	132,172,224	11,485,212	6,136,935	(468,379)	149,325,992
Less accumulated depreciation on					
Buildings and structures	(11,268,546)	(956,404)	-	-	(12,224,950)
Improvements other than buildings	(7,798,387)	(572,935)	699	-	(8,370,623)
Office equipment	(639,841)	(43,303)	-	-	(683,144)
Motor vehicles	(3,612,890)	(481,289)	7,589	399,832	(3,686,758)
Machinery and equipment	(5,620,005)	(755,432)	(2,269)	68,547	(6,309,159)
Infrastructure	(23,564,542)	(3,035,102)	-	-	(26,599,644)
Total accumulated depreciation	(52,504,211)	(5,844,465)	6,019	468,379	(57,874,278)
Total capital assets, depreciated, net	79,668,013	5,640,747	6,142,954	-	91,451,714
Net capital assets	\$ 97,844,103	\$ 13,352,326	\$ -	\$ -	\$ 111,196,429

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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	8,211,825	15,490,352	(1,264,747)	-	22,437,430
Total capital assets, not depreciated	9,717,921	15,490,352	(1,264,747)	-	23,943,526
Capital assets, depreciated					
Buildings and structures	6,177,522	-	-	-	6,177,522
Improvements other than buildings	20,622,723	1,618,170	646,148	-	22,887,041
Machinery and equipment	1,383,729	419,987	6,019	-	1,809,735
Water and sewer lines	66,785,604	9,202,575	618,599	-	76,606,778
Total capital assets, depreciated	94,969,578	11,240,732	1,270,766	-	107,481,076
Less accumulated depreciation on					
Buildings and structures	(2,234,997)	(123,802)	-	-	(2,358,799)
Improvements other than buildings	(5,792,188)	(473,363)	-	-	(6,265,551)
Machinery and equipment	(756,513)	(132,084)	(6,019)	-	(894,616)
Water and sewer lines	(22,548,650)	(1,535,899)	-	-	(24,084,549)
Total accumulated depreciation	(31,332,348)	(2,265,148)	(6,019)	-	(33,603,515)
Total capital assets, depreciated, net	63,637,230	8,975,584	1,264,747	-	73,877,561
Net capital assets	\$73,355,151	\$ 24,465,936	\$ -	\$ -	\$ 97,821,087

C. Depreciation Expense by Function

Governmental activities	
General government	\$ 857,093
Public safety	707,196
Highways and streets	3,731,480
Culture and recreation	548,696
Total depreciation expense – governmental activities	\$ 5,844,465
Business-type activities	
Water Utility	\$ 1,045,627
Sewer Utility	698,160
Street Light Utility	30,735
Storm Water Utility	490,626
Total depreciation expense – business-type activities	\$ 2,265,148

NOTE 6 – 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	\$ 310,000
Series 2015A	\$ 3,880,000	2.00-3.50%	6/15/2015	12/1/2035	2,465,000
Series 2015B	\$ 1,205,000	2.00-2.25%	6/15/2015	12/1/2025	130,000
Series 2016A	\$ 1,650,000	2.00%	7/21/2016	12/15/2026	345,000
Series 2017A	\$ 895,000	1.15-2.50%	8/17/2017	12/15/2027	280,000
Series 2018A	\$ 1,175,000	3.00%	7/17/2018	12/15/2028	500,000
Series 2020A	\$ 9,055,000	1.00-1.65%	12/30/2020	12/15/2041	9,055,000
Series 2021A	\$ 9,845,000	2.00-3.00%	10/19/2021	12/15/2031	7,285,000
Series 2022A	\$ 10,765,000	5.00%	12/6/2022	12/15/2037	9,755,000
Series 2023A	\$ 6,915,000	4.25-5.00%	11/15/2023	12/15/2038	6,615,000
Total general obligation improvement bonds					36,740,000
Capital Equipment Certificates					
Series 2023A	\$ 1,400,000	5.00%	11/15/2023	12/15/2033	1,295,000
Unamortized bond premiums					1,915,176
Compensated absences payable					1,270,328
Net pension liability					5,448,915
Total OPEB liability					1,379,460
Total governmental activities					48,048,879
Business-type activities					
Net pension liability					370,664
Total government and business-type activities					\$ 48,419,543

NOTE 6 – LONG-TERM DEBT (CONTINUED)

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 2015A bonds were issued to finance the construction of Fire Station #2 in the City.

The Series 2015B were issued to fund the street improvements related to the reconstruction of Garnet and 168th Avenue and some overlay projects.

The Series 2016A were issued to fund the street improvements related to the reconstruction of Andrie Street and 164th Lane and some overlay projects.

The Series 2017A were issued to fund street improvements related to the reconstruction of Alpine Drive and Sunwood Drive.

The Series 2018A were issued to fund street 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.

The Series 2021A, a \$9,845,000 Capital Improvement Plan Bond, was issued to refund the 2012A Series bonds that were called on December 15, 2021.

The Series 2022A were issued to fund the reconstruction and overlay street improvement projects as outlined in the City's 5-Year Street Reconstruction and Overlay Plan (SROP).

The Series 2023A has \$6,915,000 of the total \$8,315,000 issue to fund improvements in the COR area.

- **Capital Equipment Certificates –**

Series 2023A has \$1,400,000 of the total \$8,315,000 issue to finance 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.

- **Unamortized Bond Premiums –** This amount represents the remaining bond premium that will be amortized against interest expense in the future.
- **Arbitrage liability –** Liability related to the 2022A bond issue. The Pavement Management Program Fund funded this liability that was paid off in 2024.

NOTE 6 – LONG-TERM DEBT (CONTINUED)

- **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	\$ 39,480,000	\$ –	\$ 2,740,000	\$ 36,740,000	\$ 2,865,000
Capital Equipment Certificates	1,495,000	–	200,000	1,295,000	115,000
Unamortized bond premiums	2,099,612	–	184,436	1,915,176	–
Arbitrage liability	166,156	–	166,156	–	–
Compensated absences payable	1,197,478	899,787	826,937	1,270,328	60,000
Net pension liability	7,103,501	1,644,421	3,299,007	5,448,915	–
Total OPEB liability	794,822	626,757	42,119	1,379,460	49,708
Total governmental activities	52,336,569	3,170,965	7,458,655	48,048,879	3,089,708
Business type Activities					
Net pension liability	520,046	91,032	240,414	370,664	–
Total governmental and business type activities	\$ 52,856,615	\$ 3,261,997	\$ 7,699,069	\$ 48,419,543	\$ 3,089,708

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
2025	\$ 2,980,000	\$ 1,278,651
2026	2,635,000	1,175,209
2027	2,550,000	1,078,159
2028	2,545,000	979,959
2029	2,515,000	880,309
2030-2034	12,935,000	3,026,406
2035-2039	9,960,000	898,156
2040-2041	1,915,000	47,045
	\$ 38,035,000	\$ 9,363,894

NOTE 7 – NET INVESTMENT IN CAPITAL ASSETS

The government-wide statement of net position at December 31, 2024 includes the City’s net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net investment in capital assets:			
Capital assets			
Not depreciated	\$ 19,744,715	\$ 23,943,526	\$ 43,688,241
Depreciated	91,451,714	73,877,561	165,329,275
Less bonds payable	(36,740,000)	—	(36,740,000)
Less capital equipment certificates	(1,295,000)	—	(1,295,000)
Less unamortized bond premiums	(1,915,176)	—	(1,915,176)
Less capital related payables	(984,084)	(2,071,752)	(3,055,836)
Adjustment for debt not used for capital assets	310,000	—	310,000
Debt adjustment for unspent proceeds	<u>2,211,399</u>	<u>—</u>	<u>2,211,399</u>
Total net investment in capital assets	<u>\$ 72,783,568</u>	<u>\$ 95,749,335</u>	<u>\$ 168,532,903</u>

NOTE 8 – FUND BALANCE POLICY AND CLASSIFICATION

A. Classifications

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

	Special Revenue Funds					Capital Project Funds					Total
	General	Tax Increment	COR Land	Developer's Fees	Private Developer	RALF Funded Projects	State-Aid Construction	Pavement Management Program	Park Improvement	Nonmajor	
Fund balances											
Nonspendable											
Prepays	\$ 13,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,044	\$ 14,056
Restricted for											
Street improvements	-	-	-	-	-	-	466,915	2,211,399	-	-	2,678,314
Debt service	-	-	-	-	-	-	-	-	-	878,907	878,907
Economic development	-	-	-	-	-	-	-	-	-	1,564,736	1,564,736
Housing and redevelopment	-	-	5,928,224	-	-	-	-	-	-	-	5,928,224
Recreation/community programs	-	-	-	-	-	-	-	-	-	375,340	375,340
Public safety	-	-	-	-	-	-	-	-	-	165,370	165,370
Tax increment financing	-	3,362,513	-	-	-	-	-	-	-	-	3,362,513
	-	3,362,513	5,928,224	-	-	-	466,915	2,211,399	-	2,984,353	14,953,404
Committed											
Stormwater development projects	-	-	-	1,056,708	-	-	-	-	-	-	1,056,708
Community/business programs	-	-	-	-	-	-	-	-	-	458,069	458,069
	-	-	-	1,056,708	-	-	-	-	-	458,069	1,514,777
Assigned											
Street improvements	-	-	-	-	-	-	-	9,706,787	-	5,011,478	14,718,265
Housing and redevelopment	-	-	2,669,042	-	-	-	-	-	-	-	2,669,042
Capital improvements	-	-	-	-	-	-	-	-	-	2,555,043	2,555,043
Cemetery improvements	-	-	-	-	-	-	-	-	-	89,089	89,089
Park improvements	-	-	-	-	-	-	-	-	9,087,595	-	9,087,595
Right-of-way acquisitions	-	-	-	-	-	400,837	-	-	-	-	400,837
Parking ramp maintenance	-	-	-	-	-	-	-	-	-	229,364	229,364
	-	-	2,669,042	-	-	400,837	-	9,706,787	9,087,595	7,884,974	29,749,235
Unassigned	13,311,361	-	-	-	-	-	-	-	-	-	13,311,361
Total fund balances	\$ 13,324,373	\$ 3,362,513	\$ 8,597,266	\$ 1,056,708	\$ -	\$ 400,837	\$ 466,915	\$ 11,918,186	\$ 9,087,595	\$ 11,328,440	\$ 59,542,833

NOTE 8 – 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).
- 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).
- 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, 2024, the City has met its general fund balance policy goal.

NOTE 9 – 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	\$ 2,471,091	\$ 741,419	\$ 1,642,547	\$ 355,931
PERA – PEPFF	3,348,488	5,544,598	6,157,604	698,307
Total - all pensions	<u>\$ 5,819,579</u>	<u>\$ 6,286,017</u>	<u>\$ 7,800,151</u>	<u>\$ 1,054,238</u>

NOTE 10 – 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. These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code (IRC).

1. General Employees Retirement Fund (GERF)

Membership in the GERF includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Fund (PEPFF)

Membership in the PEPFF includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the City's governing body. The resolution must state that the position meets plan requirements.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. GERF Benefits

GERF requires three years of service to vest. 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 GERF members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, GERF members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, GERF members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The Level formula allows GERP members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989, or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.00% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. The 2024 annual increase was 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. Recipients receiving the annuity or benefit for a least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a prorated increase.

2. PEPFF Benefits

Benefits for the PEPFF members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50.00% vested after five years of service and 100% vested after 10 years. After five years, vesting increases by 10.00% each full year of service until members are 100% vested after ten years. PEPFF members receive 3.00% of highest average salary for all years of service. PEPFF members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is fixed at 1.00%. 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. 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 prorated increase.

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. GERP Contributions

GERP members were required to contribute 6.50% of their annual covered salary in fiscal year 2024, and the City was required to contribute 7.50% for GERP members. The City's contributions to the GERP for the year ended December 31, 2024, were \$454,460. The City's contributions were equal to the required contributions as set by state statutes.

2. PEPFF Contributions

Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024, and the City was required to contribute 17.70% for PEPFF members. The City's contributions to the PEPFF for the year ended December 31, 2024, were \$641,383. The City's contributions were equal to the required contributions as set by state statutes.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At December 31, 2024, the City reported a liability of \$2,471,091 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. 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 \$63,897.

City's proportionate share of the net pension liability	\$2,471,091
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>63,897</u>
Total	<u>\$2,534,988</u>

The net pension liability was measured as of June 30, 2024, 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 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of the PERA's participating employers. The City's proportionate share was 0.0668% at the end of the measurement period and 0.0620% for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$354,218 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$1,713 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the GERF. The State of Minnesota is not included as a non-employer contributing entity in the GERF pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$113,693 for the year ended December 31, 2024, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the GERF.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual economic experience	\$ 226,400	\$ -
Changes in actuarial assumptions	10,884	885,794
Net difference between projected and actual earnings on pension plan investments	-	741,808
Changes in proportion	270,379	14,945
Contributions paid to the PERA subsequent to the measurement date	<u>233,756</u>	<u>-</u>
Total	<u>\$ 741,419</u>	<u>\$1,642,547</u>

The \$233,756 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 ending December 31, 2025. Other amounts reported as deferred outflows and deferred 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>
2025	\$ (664,722)
2026	(51,562)
2027	(229,205)
2028	<u>(189,395)</u>
Total	<u>\$ (1,134,884)</u>

2. PEPFF Pension Costs

At December 31, 2024, the City reported a liability of \$3,348,488 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.2545% at the end of the measurement period and 0.2407% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the PEPFF in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$127,643.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The amount recognized by the City as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the City were as follows:

City’s proportionate share of the net pension liability	\$3,348,488
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>127,643</u>
Total	<u>\$3,476,131</u>

For the year ended December 31, 2024, the City recognized pension expense of \$684,030 for its proportionate share of the PEPFF Plan’s pension expense. The City recognized \$14,277 as grant revenue and pension expense for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the PEPFF special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the PEPFF pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$72,276 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the PEPFF.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual economic experience	\$ 1,272,262	\$ -
Changes in actuarial assumptions	3,663,879	4,662,960
Net difference between projected and actual earnings on pension plan investments	-	1,013,066
Changes in proportion	281,200	481,578
Contributions paid to the PERA subsequent to the measurement date	<u>327,257</u>	<u>-</u>
Total	<u>\$5,544,598</u>	<u>\$6,157,604</u>

The \$327,257 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 ending December 31, 2025. Other amounts reported as deferred outflows and deferred 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>
2025	\$ (105,823)
2026	863,485
2027	(492,485)
2028	(1,322,378)
2029	<u>116,938</u>
Total	<u>\$ (940,263)</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

E. Long-Term Expected Return on Investments

The Minnesota State Board of Investment, which manages the investments of the 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. The target allocation and best-estimates of geometric real rates of return for each major asset 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 Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	<u>25.00%</u>	5.90%
Total	<u>100.00%</u>	

F. Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the GERF and the PEPFF. Benefit increases after retirement are assumed to be 1.25% for the GERF and 1.0% for the PEPFF.

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.00% after 27 years of service. In the PEPFF, salary growth assumptions range in annual increments from 11.75% after one year of service to 3.00% after 24 years of service.

Mortality rates for the GERF are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the PEPFF are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the GERF are reviewed every four years. The most recent four-year experience study for the GERF was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The PEPFF Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The following changes in actuarial assumptions occurred in 2024:

1. GERF

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirement, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

The following changes in plan provisions occurred in 2024:

1. GERF

- The worker's compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2. PEPFF

- The State contribution of \$9 million per year will continue until the earlier of 1) both the PEPFF and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9 million contribution will continue until the PEPFF is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. 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 the GERF and the 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.

H. 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 one percentage point lower or one percentage point higher than the current discount rate:

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

	1% Decrease in Discount Rate <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase in Discount Rate <u>(8.0%)</u>
The City’s Proportionate Share of the GERF Net Pension Liability:	\$5,397,261	\$2,471,091	\$64,050
The City’s Proportionate Share of the PEPFF Net Pension Liability:	\$7,913,131	\$3,348,488	\$(400,039)

I. 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 11 – 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 and 356, 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 their 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:

	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
For the Year Ended: December 31, 2024	\$1,600	\$1,600	5%	5%	5%

NOTE 12 – 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, 2024 was \$260,618, compared to a total city payroll of \$11,360,224.

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

B. Pension Benefits

Minnesota Statutes Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. In order to be entitled to a pension benefit, a firefighter must have completed a minimum of 10 years of service with the fire department, 10 years membership in the Association, and attain the age of 50 years.

The firefighter will then be 60% vested with every year after that at 4% per year until the 20th year when 100% vesting will occur. Because this plan is a defined contribution plan, the amount of the retirement benefit is not predetermined, but rather is based on the individual member’s allocable portion of contributions made during the participation period.

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

C. Contributions Required and Contributions Made

Contributions to the plan include State Fire Aid pursuant to Minnesota Statutes Chapter 69. In addition, the City is allowed to make voluntary contributions of other public funds pursuant to Minnesota Statutes Chapter 69. The City’s contribution to the Association in 2024, including both city and state fire aid passed through the City totaled \$257,533. This contribution represents nearly 99% of the current 2024 covered payroll of \$260,618. There were no current year changes in plan provisions.

NOTE 13 – 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.

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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.

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 \$49,708.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	4
Active plan members	<u>100</u>
Total members	<u><u>104</u></u>

E. Total OPEB Liability of the City

The City’s total OPEB liability of \$1,379,460 as of year-end was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, 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	3.77%
20-year municipal bond yield	3.77%
Inflation rate	2.60%
Salary increases	3.00%
Healthcare cost trend rate	7.75% grading to 4.00% over several decades

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

G. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning Balance	\$ 794,822
Changes for the year	
Service cost	91,803
Interest	35,055
Differences between expected and actual experience	433,178
Changes of assumptions	66,721
Benefit payments	<u>(42,119)</u>
Total net changes	<u>584,638</u>
Ending Balance	<u>\$ 1,379,460</u>

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.05 percent to 3.77 percent.
- The inflation rate was increased from 2.50 percent to 2.60 percent.
- The healthcare trend rates were updated for changes in recent studies and inflationary adjustments.

H. Total OPEB Liability Sensitivity to Discount and Healthcare 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:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
OPEB discount rate	2.77%	3.77%	4.77%
Total OPEB liability	\$ 1,502,004	\$ 1,379,460	\$ 1,267,123

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	6.75% grading to 3.00% over several decades	7.75% grading to 4.0% over several decades	8.75% grading to 5.00% over several decades
Total OPEB liability	\$ 1,216,895	\$ 1,379,460	\$ 1,571,982

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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 \$145,570. 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	\$ 747,437	\$ 186,110
Changes of assumptions	102,801	366,306
City contributions subsequent to the measurement date	<u>49,708</u>	<u>-</u>
Total	<u>\$ 899,946</u>	<u>\$ 552,416</u>

A total of \$49,708 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, 2025. 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>December 31,</u>	<u>Amount</u>
2025	18,712
2026	18,712
2027	18,712
2028	17,511
2029	19,431
Thereafter	<u>204,744</u>
Total	<u>\$ 297,822</u>

NOTE 14 – 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 made payments on six private development agreements: four redevelopment and two housing that would be considered a tax abatement under GASB Statement 77 as of December 31, 2024.

The City issued these six 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.

NOTE 14 – TAX ABATEMENT AGREEMENTS (CONTINUED)

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;
- 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, 2024, the City abated property taxes totaling \$937,466 related to the following:

- Housing Development: \$25,000 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 was February 2024.
- Redevelopment: \$345,988 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: \$68,503 abated for a \$218,000 Tax Increment Revenue Note issued in 2019 for a 56,000 square-foot industrial building in Bunker Lake Business Park. Final note payment date is February 2028.
- Housing: \$184,212 abated for a \$681,395 Tax Increment Revenue Note issued in 2020 for a 174-unit senior living facility. Final note payment date was August 2024.
- Redevelopment: \$215,283 abated for a \$972,000 Tax Increment Revenue Note issued in 2021 for a 210,000 square-foot manufacturing building in Bunker Lake Business Park. Final note payment date is February 2030.
- Redevelopment: \$98,480 abated for a \$1,172,000 Tax Increment Revenue Note issued in 2023 for a 2,940,000 square-foot manufacturing building in Bunker Lake Business Park. Final note payment date is February 2032.

NOTE 14 – TAX ABATEMENT AGREEMENTS (CONTINUED)

The outstanding principal balance as of December 31, 2024 for all agreements was \$2,981,419.

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 15 – INDUSTRIAL AND LEASE REVENUE BONDS

From time to time, the City has issued Industrial Revenue Bonds and Lease Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the state of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2024, there was one series of a Lease Revenue Bond outstanding with an aggregate principal amount payable of \$41,465,000.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. Commitments for Construction

At December 31, 2024, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$12,436,955. 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.



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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%
12/31/2021	06/30/2021	0.0617%	\$ 2,634,866	\$ 80,483	\$ 2,715,349	\$ 4,313,560	61.08%	87.00%
12/31/2022	06/30/2022	0.0603%	\$ 4,775,781	\$ 140,084	\$ 4,915,865	\$ 4,518,169	105.70%	76.70%
12/31/2023	06/30/2023	0.0620%	\$ 3,466,971	\$ 95,709	\$ 3,562,680	\$ 4,933,640	70.27%	83.10%
12/31/2024	06/30/2024	0.0668%	\$ 2,471,091	\$ 63,897	\$ 2,534,988	\$ 5,657,184	43.68%	89.10%

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%
12/31/2021	\$ 330,724	\$ 330,724	\$ –	\$ 4,409,653	7.50%
12/31/2022	\$ 346,788	\$ 346,788	\$ –	\$ 4,624,488	7.50%
12/31/2023	\$ 400,688	\$ 400,688	\$ –	\$ 5,342,507	7.50%
12/31/2024	\$ 454,460	\$ 454,460	\$ –	\$ 6,060,123	7.50%

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 Net Pension Liability	City’s Proportionate 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%
12/31/2021	06/30/2021	0.2447%	\$ 1,888,825	\$ 84,916	\$ 1,973,741	\$ 2,891,892	65.31%	93.70%
12/31/2022	06/30/2022	0.2573%	\$ 11,196,681	\$ 489,060	\$ 11,685,741	\$ 3,125,648	358.22%	70.50%
12/31/2023	06/30/2023	0.2407%	\$ 4,156,576	\$ 167,433	\$ 4,324,009	\$ 3,160,708	131.51%	86.50%
12/31/2024	06/30/2024	0.2545%	\$ 3,348,488	\$ 127,643	\$ 3,476,131	\$ 3,524,438	95.01%	90.20%

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%
12/31/2021	\$ 541,368	\$ 541,368	\$ –	\$ 3,058,576	17.70%
12/31/2022	\$ 553,715	\$ 553,715	\$ –	\$ 3,128,333	17.70%
12/31/2023	\$ 591,359	\$ 591,359	\$ –	\$ 3,341,011	17.70%
12/31/2024	\$ 641,383	\$ 641,383	\$ –	\$ 3,623,633	17.70%

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	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 40,892	\$ 74,389	\$ 55,942	\$ 69,584	\$ 81,145	\$ 119,416	\$ 91,803
Interest	22,858	24,695	30,837	14,428	13,589	18,686	35,055
Differences between expected and actual experience	–	–	(368,975)	6,307	510,595	1,371	433,178
Changes of assumptions	19,347	(41,435)	47,099	20,586	(365,412)	(123,730)	66,721
Benefit payments	(3,349)	(3,476)	(2,775)	(9,111)	(6,965)	(17,207)	(42,119)
Net change in total OPEB liability	79,748	54,173	(237,872)	101,794	232,952	(1,464)	584,638
Total OPEB liability – beginning of year	565,491	645,239	699,412	461,540	563,334	796,286	794,822
Total OPEB liability – end of year	\$ 645,239	\$ 699,412	\$ 461,540	\$ 563,334	\$ 796,286	\$ 794,822	\$ 1,379,460
Covered-employee payroll	\$ 5,400,000	\$ 5,600,000	\$ 6,400,000	\$ 6,700,000	\$ 6,800,000	\$ 7,600,000	\$ 8,300,000
Total OPEB liability as a percentage of covered-employee payroll	11.95%	12.49%	7.21%	8.41%	11.71%	10.46%	16.62%

Note 1: **Changes in Actuarial Assumptions.** (1) 2024 Changes - The discount rate was changed from 4.05 percent to 3.77 percent. Inflation rate was changed from 2.50 percent to 2.60 percent. The healthcare trend rates were updated for changes in recent studies and inflationary adjustments. (2) 2023 Changes - The discount rate was changed from 2.06 percent to 4.05 percent. (3) 2022 Changes - The discount rate was changed from 2.12 percent to 2.06 percent. The healthcare trend rates and plan experience assumptions were updated for changes in recent studies and inflationary adjustments. (4) 2021 Changes - The discount rate was changed from 2.74 percent to 2.12 percent. The healthcare trend rates were updated for changes in recent studies and inflationary adjustments. (5) 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. (6) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent. (7) 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.

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. There are no factors that affect trends in the amounts reported, such as changes in benefit terms or assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund Year Ended December 31, 2024

2024 CHANGES IN ACTUARIAL ASSUMPTIONS

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 CHANGES IN PLAN PROVISIONS

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 percent.

2023 CHANGES IN PLAN PROVISIONS

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.
- A one-time, non-compounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2024

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- 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 percent 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-2021 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 percent Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint and Survivor option changed from 15 percent to 30 percent. 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 2.00 percent for the period July 1, 2020 through December 31, 2023 and zero percent 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.

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.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2024

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.

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.

CITY OF RAMSEY

Notes to Required Supplementary Information General Employees Retirement Fund (continued) Year Ended December 31, 2024

2016 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- 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 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, 2024

2024 CHANGES IN PLAN PROVISIONS

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

2023 CHANGES IN PLAN PROVISIONS

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.00 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate was changed from 6.50 percent to 5.40 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 Public Safety Mortality Table. The mortality improvement scale was changed from MP-2019 to MP-2020.

CITY OF RAMSEY

Notes to Required Supplementary Information Public Employees Police and Fire Fund (continued) Year Ended December 31, 2024

2021 CHANGES IN ACTUARIAL ASSUMPTIONS (CONTINUED)

- The base mortality table for disabled annuitants was changed from the RP-2014 Healthy Annuitant Mortality Table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety Disabled Annuitant Mortality Table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes would result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

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, 2024

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.

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.

COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES



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CITY OF RAMSEY

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2024

	Special Revenue	Debt Service	Capital Project	Totals
Assets				
Cash and temporary investments	\$ 2,548,878	\$ 845,794	\$ 6,572,438	\$ 9,967,110
Receivables				
Unremitted taxes	1,046	40,247	-	41,293
Delinquent taxes	841	29,454	-	30,295
Unremitted special assessments	-	366	323	689
Delinquent special assessments	-	243	2,389	2,632
Deferred special assessments	-	107,500	72,219	179,719
Accounts	10,916	-	-	10,916
Due from other governmental units	4,758	-	-	4,758
Advances to other funds	-	-	1,492,000	1,492,000
Prepays	1,044	-	-	1,044
	<u>\$ 2,567,483</u>	<u>\$ 1,023,604</u>	<u>\$ 8,139,369</u>	<u>\$ 11,730,456</u>
Liabilities				
Accounts and contracts payable	\$ 2,083	\$ 7,500	\$ 1,100	\$ 10,683
Advances from other funds	-	-	178,687	178,687
Total liabilities	<u>2,083</u>	<u>7,500</u>	<u>179,787</u>	<u>189,370</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	841	29,454	-	30,295
Unavailable revenue - special assessments	-	107,743	74,608	182,351
Total deferred inflows of resources	<u>841</u>	<u>137,197</u>	<u>74,608</u>	<u>212,646</u>
Fund balances				
Nonspendable	1,044	-	-	1,044
Restricted	2,105,446	878,907	-	2,984,353
Committed	458,069	-	-	458,069
Assigned	-	-	7,884,974	7,884,974
Total fund balance	<u>2,564,559</u>	<u>878,907</u>	<u>7,884,974</u>	<u>11,328,440</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,567,483</u>	<u>\$ 1,023,604</u>	<u>\$ 8,139,369</u>	<u>\$ 11,730,456</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, 2024

	Special Revenue	Debt Service	Capital Project	Totals
Revenue				
Property taxes	\$ 86,555	\$ 3,357,634	\$ 44,520	\$ 3,488,709
Special assessments	–	58,200	11,834	70,034
Intergovernmental revenue	157,610	338,510	100,000	596,120
Charges for services	5,832	–	–	5,832
Other revenue				
Investment earnings	113,879	66,238	311,700	491,817
Miscellaneous	228,777	207	187,921	416,905
Total revenue	<u>592,653</u>	<u>3,820,789</u>	<u>655,975</u>	<u>5,069,417</u>
Expenditures				
Current				
General government	106,423	–	150,790	257,213
Public safety	69,965	–	–	69,965
Highways and streets	–	–	609,230	609,230
Economic development	70,155	–	–	70,155
Capital outlay	242,891	–	206,534	449,425
Debt service				
Principal retirement	–	2,640,000	–	2,640,000
Interest and fiscal charges	–	1,082,722	4,396	1,087,118
Total expenditures	<u>489,434</u>	<u>3,722,722</u>	<u>970,950</u>	<u>5,183,106</u>
Excess (deficiency) of revenue over expenditures	103,219	98,067	(314,975)	(113,689)
Other financing sources (uses)				
Transfers in	–	27,397	2,514,265	2,541,662
Transfers (out)	(1,259,244)	(27,397)	(2,407,564)	(3,694,205)
Total other financing sources (uses)	<u>(1,259,244)</u>	<u>–</u>	<u>106,701</u>	<u>(1,152,543)</u>
Net change in fund balances	(1,156,025)	98,067	(208,274)	(1,266,232)
Fund balances				
Beginning of year, as previously reported	5,162,503	780,840	8,093,248	14,036,591
Change within financial reporting entity	(1,441,919)	–	–	(1,441,919)
Beginning of year, as restated	<u>3,720,584</u>	<u>780,840</u>	<u>8,093,248</u>	<u>12,594,672</u>
End of year	<u>\$ 2,564,559</u>	<u>\$ 878,907</u>	<u>\$ 7,884,974</u>	<u>\$ 11,328,440</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. This fund was moved to major government fund in 2024.

Federal/State Relief Fund – used to account for the funds received from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), authorized by the American Rescue Plan and public safety aid received from the State of Minnesota.

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, 2024

	<u>Revolving Loan</u>	<u>Lawful Gambling</u>	<u>Peace Officers</u>	<u>Formerly Non-major Developer's Fees</u>
Assets				
Cash and temporary investments	\$ 384,155	\$ 366,209	\$ 18,307	\$ -
Receivables				
Unremitted taxes	-	-	-	-
Delinquent taxes	-	-	-	-
Accounts	-	10,916	-	-
Due from other governmental units	-	-	4,758	-
Prepays	-	-	-	-
	<u>384,155</u>	<u>377,125</u>	<u>23,065</u>	<u>-</u>
Total assets	<u>\$ 384,155</u>	<u>\$ 377,125</u>	<u>\$ 23,065</u>	<u>\$ -</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ 1,785	\$ -	\$ -
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	375,340	23,065	-
Committed	384,155	-	-	-
Total fund balances	<u>384,155</u>	<u>375,340</u>	<u>23,065</u>	<u>-</u>
	<u>\$ 384,155</u>	<u>\$ 377,125</u>	<u>\$ 23,065</u>	<u>\$ -</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 384,155</u>	<u>\$ 377,125</u>	<u>\$ 23,065</u>	<u>\$ -</u>

<u>Federal/State Relief</u>	<u>General Govt Special Projects</u>	<u>Economic Development Authority</u>	<u>Totals</u>
\$ 142,305	\$ 73,914	\$ 1,563,988	\$ 2,548,878
–	–	1,046	1,046
–	–	841	841
–	–	–	10,916
–	–	–	4,758
–	–	1,044	1,044
<u>\$ 142,305</u>	<u>\$ 73,914</u>	<u>\$ 1,566,919</u>	<u>\$ 2,567,483</u>
\$ –	\$ –	\$ 298	\$ 2,083
–	–	841	841
–	–	1,044	1,044
142,305	–	1,564,736	2,105,446
–	73,914	–	458,069
<u>142,305</u>	<u>73,914</u>	<u>1,565,780</u>	<u>2,564,559</u>
<u>\$ 142,305</u>	<u>\$ 73,914</u>	<u>\$ 1,566,919</u>	<u>\$ 2,567,483</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2024

	Revolving Loan	Lawful Gambling	Peace Officers	Formerly Non-major Developer's Fees
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	38,713	-
Charges for services	-	-	5,832	-
Other revenue				
Investment earnings	17,118	19,157	709	-
Miscellaneous	-	105,572	27,933	-
Total revenue	<u>17,118</u>	<u>124,729</u>	<u>73,187</u>	<u>-</u>
Expenditures				
Current				
General government	-	43,475	-	-
Public safety	-	-	69,965	-
Economic development	-	-	-	-
Capital outlay	-	194,621	-	-
Total expenditures	<u>-</u>	<u>238,096</u>	<u>69,965</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	17,118	(113,367)	3,222	-
Other financing (uses)				
Transfers (out)	-	-	-	-
Net change in fund balances	17,118	(113,367)	3,222	-
Fund balances				
Beginning of year, as previously reported	367,037	488,707	19,843	1,441,919
Change within financial reporting entity	-	-	-	(1,441,919)
Beginning of year, as restated	<u>367,037</u>	<u>488,707</u>	<u>19,843</u>	<u>-</u>
End of year	<u>\$ 384,155</u>	<u>\$ 375,340</u>	<u>\$ 23,065</u>	<u>\$ -</u>

Federal/State Relief	General Govt Special Projects	Economic Development Authority	Totals
\$ -	\$ -	\$ 86,555	\$ 86,555
118,897	-	-	157,610
-	-	-	5,832
-	7,683	69,212	113,879
-	65,272	30,000	228,777
<u>118,897</u>	<u>72,955</u>	<u>185,767</u>	<u>592,653</u>
-	62,948	-	106,423
-	-	-	69,965
-	-	70,155	70,155
24,636	-	23,634	242,891
<u>24,636</u>	<u>62,948</u>	<u>93,789</u>	<u>489,434</u>
94,261	10,007	91,978	103,219
<u>(1,200,000)</u>	<u>(59,244)</u>	<u>-</u>	<u>(1,259,244)</u>
(1,105,739)	(49,237)	91,978	(1,156,025)
1,248,044	123,151	1,473,802	5,162,503
-	-	-	(1,441,919)
<u>1,248,044</u>	<u>123,151</u>	<u>1,473,802</u>	<u>3,720,584</u>
<u>\$ 142,305</u>	<u>\$ 73,914</u>	<u>\$ 1,565,780</u>	<u>\$ 2,564,559</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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue			
Property taxes	\$ 87,390	\$ 86,555	\$ (835)
Other revenue			
Investment earnings	5,000	69,212	64,212
Miscellaneous	–	30,000	30,000
Total revenue	<u>92,390</u>	<u>185,767</u>	<u>93,377</u>
Expenditures			
Current			
Economic development	92,390	70,155	(22,235)
Capital outlay	–	23,634	23,634
Total expenditures	<u>92,390</u>	<u>93,789</u>	<u>1,399</u>
Net change in fund balances	<u>\$ –</u>	91,978	<u>\$ 91,978</u>
Fund balances			
Beginning of year		<u>1,473,802</u>	
End of year		<u>\$ 1,565,780</u>	



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NONMAJOR DEBT SERVICE FUNDS

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

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.

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.

2020A GO Capital Improvement Bond – The \$9,055,000 General Obligation Capital Improvement Bond is to finance the construction of the city's Public Works Campus.

2021A/2012A GO Refund Improvement Bond – The \$9,845,000 General Obligation Capital Improvement Bond were issued to refund the 2012A General Obligation Capital Improvement Bond that had refunded the 2005A Public Project Lease Revenue Bond that was issued to finance the construction of the city's Municipal Center.

2022A GO Street Reconstruction Bond – The \$10,765,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of several streets as outlined in the City's Capital Improvement Plan for years 2023 through 2025.

2023A Capital Equipment Certificates – The Series 2023A \$1,400,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

CITY OF RAMSEY

Nonmajor Debt Service Funds
Combining Balance Sheet
December 31, 2024

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond
Assets						
Cash and temporary investments	\$ 326,694	\$ 369	\$ 49,303	\$ 125,889	\$ 21,185	\$ 89,424
Receivables						
Unremitted taxes	–	–	1,118	3,092	1,280	1,625
Delinquent taxes	–	291	994	2,691	1,062	1,393
Unremitted special assessments	–	–	–	–	366	–
Delinquent special assessments	–	–	–	–	243	–
Deferred special assessments	–	–	–	–	8,401	44,180
Total assets	<u>\$ 326,694</u>	<u>\$ 660</u>	<u>\$ 51,415</u>	<u>\$ 131,672</u>	<u>\$ 32,537</u>	<u>\$ 136,622</u>
Liabilities						
Accounts and contracts payable	\$ –	\$ –	\$ 5,000	\$ –	\$ –	\$ –
Deferred inflows of resources						
Unavailable revenue - property taxes	–	291	994	2,691	1,062	1,393
Unavailable revenue - special assessments	–	–	–	–	8,644	44,180
Total deferred inflows of resources	–	291	994	2,691	9,706	45,573
Fund balances						
Restricted	<u>326,694</u>	<u>369</u>	<u>45,421</u>	<u>128,981</u>	<u>22,831</u>	<u>91,049</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 326,694</u>	<u>\$ 660</u>	<u>\$ 51,415</u>	<u>\$ 131,672</u>	<u>\$ 32,537</u>	<u>\$ 136,622</u>

2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	2020A GO Capital Improvement Bond	2021A/2012A GO Refund Improvement Bond	2022A GO Street Reconstruction Bond	2023A Capital Equipment Certificates	Totals
\$ 7,750	\$ 38,047	\$ 17,479	\$ 69,411	\$ 96,463	\$ 3,780	\$ 845,794
1,021	1,214	1,391	15,584	11,871	2,051	40,247
875	1,028	1,140	10,452	8,446	1,082	29,454
-	-	-	-	-	-	366
-	-	-	-	-	-	243
13,709	41,210	-	-	-	-	107,500
<u>\$ 23,355</u>	<u>\$ 81,499</u>	<u>\$ 20,010</u>	<u>\$ 95,447</u>	<u>\$ 116,780</u>	<u>\$ 6,913</u>	<u>\$ 1,023,604</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ 7,500
875	1,028	1,140	10,452	8,446	1,082	29,454
13,709	41,210	-	-	-	-	107,743
14,584	42,238	1,140	10,452	8,446	1,082	137,197
8,771	39,261	18,870	84,995	105,834	5,831	878,907
<u>\$ 23,355</u>	<u>\$ 81,499</u>	<u>\$ 20,010</u>	<u>\$ 95,447</u>	<u>\$ 116,780</u>	<u>\$ 6,913</u>	<u>\$ 1,023,604</u>

CITY OF RAMSEY

Nonmajor Debt Service Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2024

	2011B Refund GO Improvement Bonds	2013A Capital Equipment Certificates	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond
Revenue						
Property taxes	\$ -	\$ -	\$ 101,757	\$ 278,977	\$ 115,417	\$ 146,388
Special assessments	-	-	-	-	9,021	28,707
Intergovernmental revenue	338,510	-	-	-	-	-
Other revenue						
Investment earnings	26,472	-	2,910	6,062	925	5,630
Miscellaneous	-	-	-	-	15	22
Total revenue	364,982	-	104,667	285,039	125,378	180,747
Expenditures						
Debt service						
Principal retirement	305,000	-	95,000	190,000	130,000	170,000
Interest and fiscal charges	17,065	653	7,893	80,411	6,748	11,198
Total expenditures	322,065	653	102,893	270,411	136,748	181,198
Excess (deficiency) of revenue over expenditures	42,917	(653)	1,774	14,628	(11,370)	(451)
Other financing sources (uses)						
Transfers in	-	-	-	-	27,397	-
Transfers out	-	(27,397)	-	-	-	-
Total other financing sources (uses)	-	(27,397)	-	-	27,397	-
Net change in fund balances	42,917	(28,050)	1,774	14,628	16,027	(451)
Fund balances						
Beginning of year	283,777	28,419	43,647	114,353	6,804	91,500
End of year	\$ 326,694	\$ 369	\$ 45,421	\$ 128,981	\$ 22,831	\$ 91,049

2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	2020A GO Capital Improvement Bond	2021A/2012A GO Refund Improvement Bond	2022A GO Street Reconstruction Bond	2023A Capital Equipment Certificates	Totals
\$ 92,050	\$ 109,416	\$ 125,426	\$ 1,113,172	\$ 1,087,656	\$ 187,375	\$ 3,357,634
5,969	14,503	-	-	-	-	58,200
-	-	-	-	-	-	338,510
1,137	3,232	511	11,646	7,525	188	66,238
170	-	-	-	-	-	207
<u>99,326</u>	<u>127,151</u>	<u>125,937</u>	<u>1,124,818</u>	<u>1,095,181</u>	<u>187,563</u>	<u>3,820,789</u>
90,000	120,000	-	910,000	525,000	105,000	2,640,000
9,168	19,497	122,112	213,848	517,397	76,732	1,082,722
<u>99,168</u>	<u>139,497</u>	<u>122,112</u>	<u>1,123,848</u>	<u>1,042,397</u>	<u>181,732</u>	<u>3,722,722</u>
158	(12,346)	3,825	970	52,784	5,831	98,067
-	-	-	-	-	-	27,397
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,397)</u>
-	-	-	-	-	-	-
158	(12,346)	3,825	970	52,784	5,831	98,067
8,613	51,607	15,045	84,025	53,050	-	780,840
<u>\$ 8,771</u>	<u>\$ 39,261</u>	<u>\$ 18,870</u>	<u>\$ 84,995</u>	<u>\$ 105,834</u>	<u>\$ 5,831</u>	<u>\$ 878,907</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.

Public Improvement Revolving Fund – used to account for the resources to be used to finance the City's share of the annual street maintenance program.

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

Public Works Campus Fund – used to account for the resources used for the construction of the public works campus and its amenities.

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.

Riverdale Drive Street Improvement Fund – used to account for the resources used to finance the construction of Riverdale Drive.

Equipment Revolving Fund – used to account for resources to finance the replacement of city equipment, vehicles, and/or building facilities.

Capital Equipment 2024 Fund – used to account for the resources to be used for capital equipment purchases slated for year 2024.

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

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Balance Sheet
 December 31, 2024

	Public Improvement Revolving	Trott Brook Cemetery Perpetual Care	Public Works Campus	Parking Ramp Maintenance
Assets				
Cash and temporary investments	\$ 4,837,111	\$ 89,089	\$ -	\$ 229,508
Receivables				
Unremitted special assessments	323	-	-	-
Delinquent special assessments	2,389	-	-	-
Deferred special assessments	72,219	-	-	-
Advances to other funds	175,000	-	-	-
	<u>5,087,042</u>	<u>89,089</u>	<u>-</u>	<u>229,508</u>
Total assets	<u>\$ 5,087,042</u>	<u>\$ 89,089</u>	<u>\$ -</u>	<u>\$ 229,508</u>
Liabilities				
Accounts and contracts payable	\$ 956	\$ -	\$ -	\$ 144
Advances from other funds	-	-	-	-
Total liabilities	<u>956</u>	<u>-</u>	<u>-</u>	<u>144</u>
Deferred inflows of resources				
Unavailable revenue - special assessments	74,608	-	-	-
Fund balances				
Assigned	<u>5,011,478</u>	<u>89,089</u>	<u>-</u>	<u>229,364</u>
	<u>\$ 5,087,042</u>	<u>\$ 89,089</u>	<u>\$ -</u>	<u>\$ 229,508</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,087,042</u>	<u>\$ 89,089</u>	<u>\$ -</u>	<u>\$ 229,508</u>

Riverdale Drive Street Improvement	Equipment Revolving	Capital Equipment 2024	Public Facilities Construction	Totals
\$ -	\$ 573,343	\$ -	\$ 843,387	\$ 6,572,438
-	-	-	-	323
-	-	-	-	2,389
-	-	-	-	72,219
-	1,317,000	-	-	1,492,000
<u>\$ -</u>	<u>\$ 1,890,343</u>	<u>\$ -</u>	<u>\$ 843,387</u>	<u>\$ 8,139,369</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,100
-	-	-	178,687	178,687
-	-	-	178,687	179,787
-	-	-	-	74,608
-	1,890,343	-	664,700	7,884,974
<u>\$ -</u>	<u>\$ 1,890,343</u>	<u>\$ -</u>	<u>\$ 843,387</u>	<u>\$ 8,139,369</u>

CITY OF RAMSEY

Nonmajor Capital Project Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2024

	Public Improvement Revolving	Trott Brook Cemetery Perpetual Care	Public Works Campus	Parking Ramp Maintenance
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	11,834	-	-	-
Intergovernmental revenue	100,000	-	-	-
Other revenue				
Investment earnings	211,932	4,015	-	6,488
Miscellaneous	8,084	-	20,000	139,837
Total revenue	<u>331,850</u>	<u>4,015</u>	<u>20,000</u>	<u>146,325</u>
Expenditures				
Current				
General government	-	1,323	-	93,188
Highways and streets	609,230	-	-	-
Capital outlay	206,534	-	-	-
Debt service				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>815,764</u>	<u>1,323</u>	<u>-</u>	<u>93,188</u>
Excess (deficiency) of revenue over expenditures	(483,914)	2,692	20,000	53,137
Other financing sources (uses)				
Transfers in	669,326	-	-	-
Transfers (out)	<u>(200,000)</u>	<u>-</u>	<u>(571,972)</u>	<u>-</u>
Total other financing sources (uses)	<u>469,326</u>	<u>-</u>	<u>(571,972)</u>	<u>-</u>
Net change in fund balances	(14,588)	2,692	(551,972)	53,137
Fund balances				
Beginning of year	<u>5,026,066</u>	<u>86,397</u>	<u>551,972</u>	<u>176,227</u>
End of year	<u>\$ 5,011,478</u>	<u>\$ 89,089</u>	<u>\$ -</u>	<u>\$ 229,364</u>

Riverdale Drive Street Improvement	Equipment Revolving	Capital Equipment 2024	Public Facilities Construction	Totals
\$ -	\$ -	\$ -	\$ 44,520	\$ 44,520
-	-	-	-	11,834
-	-	-	-	100,000
-	11,007	44,408	33,850	311,700
-	20,000	-	-	187,921
-	<u>31,007</u>	<u>44,408</u>	<u>78,370</u>	<u>655,975</u>
-	6,410	-	49,869	150,790
-	-	-	-	609,230
-	-	-	-	206,534
-	-	-	4,396	4,396
-	<u>6,410</u>	<u>-</u>	<u>54,265</u>	<u>970,950</u>
-	24,597	44,408	24,105	(314,975)
-	1,712,954	-	131,985	2,514,265
<u>(53,029)</u>	<u>(73,288)</u>	<u>(1,509,275)</u>	<u>-</u>	<u>(2,407,564)</u>
<u>(53,029)</u>	<u>1,639,666</u>	<u>(1,509,275)</u>	<u>131,985</u>	<u>106,701</u>
(53,029)	1,664,263	(1,464,867)	156,090	(208,274)
<u>53,029</u>	<u>226,080</u>	<u>1,464,867</u>	<u>508,610</u>	<u>8,093,248</u>
<u>\$ -</u>	<u>\$ 1,890,343</u>	<u>\$ -</u>	<u>\$ 664,700</u>	<u>\$ 7,884,974</u>



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STATISTICAL SECTION (UNAUDITED)



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STATISTICAL SECTION

This part of the City of Ramsey's annual comprehensive 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 annual comprehensive financial reports for the relative year.

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 41,216,689	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317	\$ 52,756,077	\$ 57,322,004	\$ 63,796,121	\$ 66,959,661	\$ 72,783,568
Restricted	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753	20,624,484	18,598,778	14,022,396
Unrestricted	13,292,971	13,832,461	13,559,175	15,666,889	16,759,261	22,499,652	22,741,842	23,405,779	26,728,758	36,934,626
Total governmental activities net position	<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>	<u>\$ 99,950,599</u>	<u>\$ 107,826,384</u>	<u>\$ 112,287,197</u>	<u>\$ 123,740,590</u>
Business-type activities										
Net investment in capital assets	\$ 49,340,145	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211	\$ 56,166,921	\$ 57,940,442	\$ 63,486,708	\$ 71,932,644	\$ 95,749,335
Unrestricted	34,206,676	35,953,541	38,306,851	43,024,292	46,993,793	44,568,513	48,126,205	43,879,636	44,232,074	32,212,510
Total business-type activities net position	<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>	<u>\$ 106,066,647</u>	<u>\$ 107,366,344</u>	<u>\$ 116,164,718</u>	<u>\$ 127,961,845</u>
Total government										
Net investment in capital assets	\$ 90,556,834	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528	\$ 108,922,998	\$ 115,262,446	\$ 127,282,829	\$ 138,892,305	\$ 168,532,903
Restricted	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706	19,886,753	20,624,484	18,598,778	14,022,396
Unrestricted	47,499,647	49,786,002	51,866,026	58,691,181	63,753,054	67,068,165	70,868,047	67,285,415	70,960,832	69,147,136
Total government net position	<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>	<u>\$ 206,017,246</u>	<u>\$ 215,192,728</u>	<u>\$ 228,451,915</u>	<u>\$ 251,702,435</u>

Note 1: 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)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Fiscal Year</u> <u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Expenses										
Governmental activities:										
General government	\$ 4,075,505	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352	\$ 5,640,679	\$ 4,568,229	\$ 4,967,112	\$ 5,347,691	\$ 5,645,480
Public safety	4,349,763	5,875,567	5,782,563	5,167,897	5,844,265	6,468,397	6,363,724	7,989,480	8,717,911	8,894,134
Highways and streets	3,197,571	3,826,143	4,254,234	4,191,395	4,442,720	4,028,294	4,686,416	5,308,212	8,670,486	7,783,629
Culture and recreation	1,867,274	1,931,537	2,384,845	1,751,345	1,756,810	1,917,228	1,834,153	1,997,522	2,194,755	2,430,888
Economic development	-	-	-	-	-	481,858	2,140,267	1,096,422	1,705,446	1,488,674
Interest and fiscal charges	983,379	890,305	952,965	883,292	845,651	839,444	883,504	564,462	1,258,959	1,317,942
Total governmental activities expenses	<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>	<u>20,476,293</u>	<u>21,923,210</u>	<u>27,895,248</u>	<u>27,560,747</u>
Business-type activities:										
Water utility	1,278,204	1,489,070	1,396,021	1,590,737	1,483,584	1,657,356	1,772,358	1,895,776	2,062,314	2,243,736
Sewer utility	1,291,509	1,438,141	1,535,664	1,523,670	1,631,260	1,723,238	1,742,380	1,947,356	2,209,802	2,411,209
Street light utility	178,666	176,732	159,378	160,952	171,619	169,463	178,576	172,765	173,924	167,123
Recycling utility	320,901	359,418	373,775	380,055	380,192	366,764	507,067	514,231	527,182	549,993
Storm water utility	557,267	742,043	633,101	573,878	590,645	777,252	715,349	791,605	864,721	1,022,935
Total business-type activities	<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>	<u>4,915,730</u>	<u>5,321,733</u>	<u>5,837,943</u>	<u>6,394,996</u>
Total government expenses	<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>	<u>\$ 25,392,023</u>	<u>\$ 27,244,943</u>	<u>\$ 33,733,191</u>	<u>\$ 33,955,743</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 529,820	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173	\$ 534,279	\$ 574,117	\$ 676,862	\$ 759,513	\$ 923,139
Public safety	946,887	698,310	878,141	1,168,258	1,098,016	974,955	1,010,111	911,592	1,109,495	1,667,291
Highways and streets	347,984	261,658	235,020	229,555	214,272	259,161	311,408	315,999	494,732	509,082
Culture and recreation	815,511	483,727	585,033	1,355,365	926,530	373,669	1,126,441	13,889	37,474	55,875
Operating grants and contributions	9,999,527	508,694	379,185	368,099	461,826	603,389	774,960	707,228	2,004,445	996,098
Capital grants and contributions	3,124,565	3,809,965	5,026,857	4,765,578	3,434,344	4,930,496	5,637,619	9,697,841	5,163,608	9,887,748
Total governmental activities program revenues	<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>	<u>9,434,656</u>	<u>12,323,391</u>	<u>9,569,267</u>	<u>14,039,233</u>
Business-type activities:										
Charges for services:										
Water utility	2,045,225	1,953,478	2,772,003	3,484,687	2,138,209	2,541,651	3,057,474	2,962,563	3,574,961	3,168,402
Sewer utility	1,392,101	1,458,250	1,784,755	2,182,944	1,672,072	1,714,469	1,805,614	1,876,957	1,994,465	2,425,906
Street light utility	190,872	196,253	204,418	211,360	217,169	216,545	222,364	230,392	234,607	242,950
Recycling utility	307,128	308,052	310,471	317,090	319,940	319,664	440,097	452,107	456,106	468,514
Storm water utility	770,812	1,034,552	958,960	1,057,705	1,168,494	1,164,868	1,197,572	1,230,582	1,252,659	1,350,416
Operating grants and contributions	39,423	67,100	92,602	72,257	67,961	57,865	73,524	57,700	100,369	88,200
Capital grants and contributions	1,185,135	1,799,057	1,864,137	906,190	2,596,210	1,683,338	3,756,359	4,839,693	3,949,772	7,812,542
Total business-type activities program revenues	<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>	<u>10,553,004</u>	<u>11,649,994</u>	<u>11,562,939</u>	<u>15,556,930</u>
Total government program revenues	<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>	<u>\$ 19,987,660</u>	<u>\$ 23,973,385</u>	<u>\$ 21,132,206</u>	<u>\$ 29,596,163</u>
Net (expense)/revenue										
Governmental activities	\$ 1,290,802	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)	\$ (11,699,951)	\$ (11,041,637)	\$ (9,599,819)	\$ (18,325,981)	\$ (13,521,514)
Business-type activities	2,304,149	2,611,338	3,889,407	4,002,941	3,922,755	3,004,327	5,637,274	6,328,261	5,724,996	9,161,934
Total government net expense	<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>	<u>\$ (5,404,363)</u>	<u>\$ (3,271,558)</u>	<u>\$ (12,600,985)</u>	<u>\$ (4,359,580)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 10,064,621	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388	\$ 13,744,948	\$ 14,761,012	\$ 17,637,477	\$ 20,126,982	\$ 23,041,341
Franchise fees	-	-	-	-	-	423,045	2,071,476	4,859	-	-
General grants and contributions	4,204	3,905	3,586	102,994	5,617	2,053,933	2,963	3,644	3,223	3,760
Investment earnings (charges)	422,405	280,597	454,089	578,770	1,122,573	1,035,274	(164,122)	(286,023)	2,562,165	2,530,184
Gan on sale of capital assets	8,914	-	5,530	75,047	8,428	2,372	22,325	22,500	20,000	94,090
Transfers	124,000	214,445	133,000	137,500	(506,494)	6,229,699	85,147	93,147	74,424	(694,468)
Total governmental activities	<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>	<u>16,778,801</u>	<u>17,475,604</u>	<u>22,786,794</u>	<u>24,974,907</u>
Business-type activities:										
Investment earnings (charges)	385,490	325,628	492,594	650,053	1,462,125	1,391,802	(220,914)	(4,935,417)	3,147,802	1,940,725
Transfers	(124,000)	(214,445)	(133,000)	(137,500)	506,494	(6,229,699)	(85,147)	(93,147)	(74,424)	694,468
Total business-type activities	<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>	<u>(306,061)</u>	<u>(5,028,564)</u>	<u>3,073,378</u>	<u>2,635,193</u>
Total government	<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>	<u>\$ 16,472,740</u>	<u>\$ 12,447,040</u>	<u>\$ 25,860,172</u>	<u>\$ 27,610,100</u>
Change in Net Position										
Governmental activities	\$ 11,914,946	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875	\$ 11,789,320	\$ 5,737,164	\$ 7,875,785	\$ 4,460,813	\$ 11,453,393
Business-type activities	2,565,639	2,722,521	4,249,001	4,515,494	5,891,374	(1,833,570)	5,331,213	1,299,697	8,798,374	11,797,127
Total government	<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>	<u>\$ 11,068,377</u>	<u>\$ 9,175,482</u>	<u>\$ 13,259,187</u>	<u>\$ 23,250,520</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>Franchise Fees</u>	<u>Total</u>
	<u>Ad Valorem</u>	<u>Tax Increment</u>		
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
2021	13,006,098	1,754,914	2,071,476	16,832,488
2022	15,648,606	1,988,871	4,859	17,642,336
2023	18,262,335	1,864,647	-	20,126,982
2024	19,752,163	3,289,178	-	23,041,341

Franchise fees were implemented in 2020 with a full year of collections in 2021. The franchise fee was rescinded for year beginning 2022.

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

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General fund										
Nonspendable	\$ 1,613	\$ 15,431	\$ 12,393	\$ 21,335	\$ 23,640	\$ 16,849	\$ 36,195	\$ 30,636	\$ 28,616	\$ 13,012
Unassigned	<u>7,271,432</u>	<u>7,501,962</u>	<u>7,900,225</u>	<u>8,468,792</u>	<u>8,856,806</u>	<u>10,073,204</u>	<u>10,413,294</u>	<u>11,064,416</u>	<u>12,237,299</u>	<u>13,311,361</u>
Total general fund	<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>	<u>\$ 10,449,489</u>	<u>\$ 11,095,052</u>	<u>\$ 12,265,915</u>	<u>\$ 13,324,373</u>
Nonspendable	\$ -	\$ 450	\$ 920	\$ 1,205	\$ 1,801	\$ 295	\$ 52	\$ 6,274	\$ 4,755	\$ 1,044
Restricted	18,484,179	18,377,993	18,187,321	19,369,642	19,957,595	27,518,666	17,331,642	30,308,803	29,623,622	14,953,404
Committed	890,603	1,041,932	1,226,234	1,631,444	1,184,262	1,326,070	1,611,150	1,682,136	1,932,107	1,514,777
Assigned	12,645,683	13,331,150	13,394,815	14,094,178	15,297,043	18,886,283	17,358,673	18,344,251	20,878,473	29,749,235
Unassigned	<u>(556,135)</u>	<u>(87,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 36,301,517</u>	<u>\$ 50,341,464</u>	<u>\$ 52,438,957</u>	<u>\$ 46,218,460</u>

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

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Property taxes	\$ 10,175,399	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234	\$ 13,682,348	\$ 14,846,572	\$ 17,632,758	\$ 19,751,514	\$ 23,350,614
Franchise fees	-	-	-	-	-	423,045	2,071,476	4,859	-	-
Special assessments	468,844	444,235	959,217	559,599	1,025,527	484,810	766,131	104,223	562,227	105,484
Licenses and permits	784,954	526,008	732,129	1,031,944	901,222	850,504	917,645	843,010	1,058,097	1,610,437
Intergovernmental revenue	2,052,791	1,795,988	2,213,034	2,947,966	1,518,639	5,793,188	1,610,478	6,223,407	5,526,102	3,455,486
Charges for services	1,779,697	1,298,085	1,469,703	2,355,969	1,892,517	1,246,378	2,038,120	1,852,610	1,301,177	1,508,990
Contributions	-	-	-	-	-	-	-	-	779,800	2,481,859
Fines and forfeits	60,236	66,410	59,701	46,651	49,479	34,735	51,153	45,717	39,681	8,603
Investment earnings (charges)	416,508	276,142	447,200	570,243	1,104,969	1,020,655	(161,690)	(282,114)	2,542,431	2,509,879
Other	10,679,794	773,836	707,675	765,601	1,036,319	842,747	1,064,495	1,490,779	813,340	1,363,671
Total Revenues	<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>	<u>23,204,380</u>	<u>27,915,249</u>	<u>32,374,369</u>	<u>36,395,023</u>
Expenditures										
General government	3,119,273	3,537,925	4,031,933	4,212,365	4,358,408	4,849,293	3,941,404	4,047,511	4,455,734	4,881,806
Public safety	4,011,871	4,234,482	4,727,493	4,788,902	5,360,402	5,967,770	6,415,511	6,829,377	7,412,982	8,160,476
Highways and streets	1,815,409	2,199,615	2,542,463	2,390,707	2,528,216	2,068,827	2,164,326	2,497,987	5,552,834	4,054,306
Culture and recreation	1,428,116	1,478,090	1,960,624	1,291,816	1,281,153	1,476,727	1,417,251	1,467,113	1,679,826	1,883,848
Economic development	-	-	-	-	-	481,858	2,140,267	1,096,422	1,705,446	1,488,674
Capital outlay	6,314,573	2,756,193	1,922,947	3,568,285	1,505,922	7,406,231	16,026,400	6,857,075	13,278,567	15,862,434
Debt service										
Principal	8,780,000	1,735,000	2,085,000	2,100,000	2,280,000	4,045,000	1,930,000	1,915,000	2,495,000	2,940,000
Interest	1,103,614	965,474	967,281	923,125	854,188	873,623	851,152	640,244	1,249,179	1,685,140
Total Expenditures	<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>	<u>34,886,311</u>	<u>25,350,729</u>	<u>37,829,568</u>	<u>40,956,684</u>
Excess (deficiency) of revenues over expenditures	(154,633)	(1,041,179)	(498,471)	1,419,307	2,232,617	(2,790,919)	(11,681,931)	2,564,520	(5,455,199)	(4,561,661)
Other financing sources (uses)										
Debt issued	5,085,000	1,650,000	895,000	1,175,000	-	9,055,000	-	10,765,000	8,315,000	-
Refunding debt issued	-	-	-	-	-	-	9,845,000	-	-	-
Payments on refunded debt	-	-	-	-	-	-	(10,510,000)	-	-	-
Premium on debt issues	111,606	69,482	5,590	35,246	-	4,068	809,201	1,240,343	314,131	-
Proceeds on sale of capital assets	8,914	-	5,530	75,047	8,428	2,372	46,443	46,443	20,000	94,090
Transfers in	3,642,196	2,183,931	1,536,025	1,447,137	1,714,327	11,238,331	2,049,840	2,049,840	2,028,162	6,680,170
Transfers (out)	(3,518,196)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)	(5,008,632)	(1,628,914)	(1,628,914)	(1,953,738)	(7,374,638)
Total other financing sources (uses)	<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>	<u>611,570</u>	<u>12,472,712</u>	<u>8,723,555</u>	<u>(600,378)</u>
Net change in fund balances	<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>	<u>\$ (11,070,361)</u>	<u>\$ 15,037,232</u>	<u>\$ 3,268,356</u>	<u>\$ (5,162,039)</u>
Debt service as a percentage of noncapital expenditures	<u>48.79%</u>	<u>19.08%</u>	<u>18.71%</u>	<u>19.25%</u>	<u>18.81%</u>	<u>24.89%</u>	<u>14.75%</u>	<u>13.82%</u>	<u>15.25%</u>	<u>18.43%</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>Franchise Fees</u>	<u>Total</u>
	<u>Ad Valorem</u>	<u>Tax Increment</u>		
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
2021	13,091,658	1,754,914	2,071,476	16,918,048
2022	15,643,887	1,988,871	4,859	17,637,617
2023	17,886,867	1,864,647	-	19,751,514
2024	20,061,436	3,289,178	-	23,350,614

Franchise fees were implemented in 2020 with a full year of collections in 2021. The franchise fee was rescinded for year beginning 2022.

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					
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%
2021	2,546,762,283	332,693,800	31,551,800	2,911,007,883	32,823,984	39.251	3,043,492,300	1.13%
2022	2,814,558,929	377,854,900	30,903,900	3,223,317,729	36,435,817	42.239	3,345,686,400	1.13%
2023	3,561,238,647	440,521,400	30,296,000	4,032,056,047	45,290,995	40.429	4,124,767,000	1.12%
2024	3,725,554,018	643,059,500	29,174,400	4,397,787,918	51,107,789	41.430	4,498,605,200	1.16%

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									
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
2021	33.882	5.369	39.251	31.567	16.152	31.717	4.236	91.206	106.771
2022	37.131	5.108	42.239	29.605	16.319	30.889	4.063	92.226	106.796
2023	33.224	7.205	40.429	24.482	13.671	26.605	3.508	82.090	95.024
2024	34.514	6.916	41.430	25.629	13.592	23.924	3.481	84.132	94.464

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	2024			2015		
	Taxable Market Value	Rank	Percentage of Total Taxable Market Value	Taxable Market Value	Rank	Percentage of Total Taxable Market Value
Residence at the COR Apartments	\$ 58,989,500	1	1.34%	\$ 9,475,167	2	0.51%
Affinity at Ramsey, LLC	48,076,300	2	1.09%	–	–	N/A
Sapphire Apartments	28,042,900	3	0.64%	–	–	N/A
AMP Ex, LLC	26,974,400	4	0.61%	–	–	N/A
Life Fitness LLC	26,732,900	5	0.61%	–	–	N/A
Parkview East, LLC	26,036,400	6	0.59%	–	–	N/A
Ramsey Industrial - Oppidan Building 2	24,695,300	7	0.56%	–	–	N/A
Minnegaso Inc.	19,333,700	8	0.44%	4,016,400	7	0.22%
Ramsey Industrial - Oppidan Building 1	18,692,400	9	0.43%	–	–	N/A
Knoll Properties	18,680,300	10	0.42%	2,668,733	10	0.14%
Connexus Energy/Anoka Electric	–	–	N/A	9,596,267	1	0.51%
S & A Partners, LLC	–	–	N/A	6,018,933	3	0.32%
Brunswick Corporation	–	–	N/A	4,763,067	4	0.26%
Northstar Marketplace Station	–	–	N/A	4,697,400	5	0.25%
PSD, LLC	–	–	N/A	4,662,300	6	0.25%
Vision Ease/Insight Equity APX	–	–	N/A	3,707,800	8	0.20%
Zero-Zone Refrigeration	–	–	N/A	2,807,533	9	0.15%
Total principal property taxpayers	\$ 296,254,100		6.73%	\$ 52,413,600		2.81%

Source: County Board of Equalization and Assessment

N/A - Not Applicable

**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
2015	\$ 9,407,821	\$ 9,330,900	99.18%	\$ 74,940	\$ 9,405,840	99.98%
2016	9,971,075	9,890,058	99.19%	78,968	9,969,026	99.98%
2017	10,479,058	10,409,108	99.33%	66,750	10,475,858	99.97%
2018	11,374,395	11,314,369	99.47%	54,109	11,368,478	99.95%
2019	11,831,335	11,736,217	99.20%	79,229	11,815,446	99.87%
2020	12,509,232	12,405,409	99.17%	99,386	12,504,795	99.96%
2021	13,009,808	12,956,334	99.59%	49,258	13,005,592	99.97%
2022	15,312,856	15,230,344	99.46%	63,543	15,293,887	99.88%
2023	18,235,180	18,042,487	98.94%	55,542	18,098,029	99.25%
2024	20,279,701	20,155,145	99.39%	–	20,155,145	99.39%

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	Unamortized Bond Premiums	Capital Equipment Certificates			
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
2021	25,885,000	795,714	420,000	27,100,714	2.57%	970
2022	34,895,000	1,951,694	260,000	37,106,694	3.12%	1,301
2023	39,480,000	2,099,612	1,495,000	43,074,612	3.29%	1,500
2024	36,740,000	1,915,176	1,295,000	39,950,176	3.10%	1,385

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>Unamortized Bond Premiums</u>	<u>Capital Equipment Certificates</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>
2015	\$ 27,060,000	\$ -	\$ 1,310,000	\$ 1,914,472	\$ 26,455,528	1.42%	\$ 1,033
2016	27,120,000	-	1,165,000	1,778,495	26,506,505	1.35%	1,025
2017	26,075,000	-	1,020,000	2,380,281	24,714,719	1.19%	941
2018	25,295,000	-	875,000	2,573,517	23,596,483	1.02%	892
2019	23,165,000	-	725,000	2,749,777	21,140,223	0.85%	781
2020	28,325,000	-	575,000	1,422,444	27,477,556	1.01%	1,008
2021	25,885,000	795,714	420,000	977,067	26,123,647	0.90%	935
2022	34,895,000	1,951,694	260,000	713,656	36,393,038	1.13%	1,276
2023	39,480,000	2,099,612	1,495,000	780,840	42,293,772	1.05%	1,473
2024	36,740,000	1,915,176	1,295,000	878,907	39,071,269	0.89%	1,354

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, 2024

<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	\$ 39,220,000	7.77%	\$ 3,047,557
ISD No. 11, Anoka-Hennepin	231,070,000	10.42%	24,086,664
ISD No. 728, Elk River	263,240,000	3.14%	8,262,882
Metropolitan Council	219,167,000	0.76%	<u>1,665,669</u>
Subtotal, overlapping debt			<u>37,062,774</u>
City of Ramsey direct debt	39,950,176	100.00%	<u>39,950,176</u>
Total direct and overlapping debt			<u>\$ 77,012,950</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**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 59,662,374	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726	\$ 81,439,488	\$ 87,330,236	\$ 96,699,532	\$ 120,961,681	\$ 131,933,638
Total net debt applicable to limit	<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>	<u>21,803,268</u>	<u>31,697,237</u>	<u>38,256,461</u>	<u>36,085,530</u>
Legal debt margin	<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>	<u>\$ 65,526,968</u>	<u>\$ 65,002,295</u>	<u>\$ 82,705,220</u>	<u>\$ 95,848,108</u>
Total net debt applicable to limit as a percentage of debt limit	32.17%	29.38%	26.51%	22.68%	19.64%	28.48%	24.97%	32.78%	31.63%	27.35%

Legal Debt Margin Calculation for Fiscal Year 2024

Taxable Market value	\$ 4,397,787,918
Debt limit (3% of market value)	131,933,638
Debt applicable to limit:	
Total bonded debt and certificates	\$ 38,035,000
Less:	
Obligations issued with special assessments	(1,565,000)
Amounts available in respective Debt Service Funds	<u>(384,470)</u>
Total deductions	<u>(1,949,470)</u>
	<u>36,085,530</u>
Legal debt margin	<u>\$ 95,848,108</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>
2015	25,598	\$ 834,034,036	\$ 32,582	5,126	3.1%
2016	25,868	863,189,292	33,369	5,217	3.7%
2017	26,251	925,584,009	35,259	5,410	3.1%
2018	26,462	945,222,640	35,720	5,449	3.2%
2019	27,051	1,037,649,309	38,359	5,464	3.1%
2020	27,263	1,049,407,396	38,492	5,395	4.6%
2021	27,946	1,178,426,928	42,168	5,346	2.4%
2022	28,520	1,264,862,000	44,350	6,160	2.6%
2023	28,712	1,308,434,552	45,571	6,027	2.2%
2024	28,850	1,290,172,000	44,720	6,892	2.6%

(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) Source: US Census Bureau. 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>2024</u>			<u>2015</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>
BMC/Hoya Vision Ease/Care	356	1	4.70%	349	2	5.67%
Life Fitness/Parabody Inc.	336	2	4.44%	457	1	7.43%
ISD No. 11 (located in Ramsey)	253	3	3.34%	175	4	2.85%
Anderson & Dahlen (Knoll Properties)	248	4	3.27%	–	–	N/A
Showdown Displays	233	5	3.08%	135	8	2.20%
Delta ModTech	230	6	3.04%	250	3	4.07%
Connexus Energy/Anoka Electric	214	7	2.82%	–	–	N/A
Pact Charter School	212	8	2.80%	–	–	N/A
Diamond Graphics	198	9	2.61%	174	5	2.83%
Zero Zone Refrigeration	186	10	2.46%	–	–	N/A
Green Valley Greenhouse	–	–	N/A	165	6	2.68%
In Tech Industries	–	–	N/A	136	7	2.21%
Altron Inc.	–	–	N/A	112	9	1.82%
Ace Solid Waste	–	–	N/A	100	10	1.63%
Total	2,466		32.55%	2,053		33.39%

* Source: City Inquiries with Businesses / Full-time Equivalent

** Source 2024 Q4: DEED Employment; Workforce 7,576

N/A - Not Applicable

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

<u>Function</u>	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government	19.13	17.36	18.36	18.86	18.92	19.10	19.20	21.70	22.50	24.60
Public safety										
Police										
Officers	24.00	24.00	26.26	26.26	27.00	27.00	29.00	29.00	30.00	30.00
Civilians	4.00	4.00	3.50	3.50	4.74	4.84	5.52	6.13	6.13	6.13
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	10.58	10.58	10.58	11.58	11.58	14.00
Civilians	0.50	1.00	0.70	0.70	0.70	0.70	0.70	-	-	-
Protective Inspections	3.75	3.75	3.75	3.25	2.81	2.81	3.82	4.85	4.85	5.20
Highways and streets										
Engineering	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00
Streets	7.50	8.50	8.50	10.50	10.00	9.00	9.00	9.00	11.00	14.00
Maintenance	5.00	5.00	5.00	5.00	3.13	3.13	3.50	3.50	3.63	4.60
Culture and recreation	3.97	3.97	3.97	3.97	8.50	8.50	9.50	9.50	11.00	12.00
Water	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Total	88.43	88.16	90.62	91.62	96.38	95.66	100.82	105.26	112.69	123.53

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	<u>2015</u>	<u>2016</u>	<u>2017</u>	Fiscal Year <u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police*										
Number of arrests	358	273	255	289	331	292	331	214	269	274
Motor Vehicle Accidents	279	289	162	466	423	335	403	468	384	387
Traffic violations	5,378	4,855	2,997	1,812	1,278	1,094	1,234	954	968	1,481
Fire										
Number of calls answered	460	498	698	821	975	1,133	1,301	1,381	1,735	2,016
Inspections**	196	134	158	194	508	209	414	446	448	604
Highways and streets										
Street resurfacing (miles)	15.74	19.84	13.41	15.45	16.27	2.52	7.3	5.9	8.46	11.36
Culture and recreation										
Park Acreage maintained	571	571	571	571	572	572	572	572	580	589
Trails/sidewalks maintained (miles)***	50	50	55	55	97	97	100	100	119	120
Water										
Number of connections	4,406	4,510	4,611	4,777	4,884	5,038	5,210	5,370	5,519	5,650
Water main breaks	0	1	0	0	0	0	0	0	0	3
Average daily consumption (gallons)	1,811,752	1,645,027	1,923,213	1,948,161	1,755,575	2,004,024	2,402,742	2,236,545	2,483,054	2,013,405

Source: Various City departments

* 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.

** 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.

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

Function	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	10	10	10	11	11	11	12	12	12
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) *	182.04	183.27	184.70	186.01	186.59	187.80	188.55	189.85	190.27	190.47
Streetlights	1,166	1,179	1,194	1,213	1,226	1,243	1,255	1,272	1,351	1,364
Culture and recreation										
Parks acreage	565	585	585	585	586	586	586	586	587	603
Parks **	38	38	38	38	39	39	39	39	39	40
Tennis/pickleball courts ***	10	10	10	10	10	10	14	14	14	14
Water										
Water mains (miles)	91	91	94	97	98	99	100	101	107	112
Fire hydrants	1,047	1,047	1,079	1,100	1,150	1,160	1,194	1,239	1,260	1,300
Maximum daily capacity ****	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000	5,112,000
Sewer										
Sanitary sewers (miles)	65	65	67	69	72	73	75	75	78	81
Storm sewers (miles)	39	43	46	47	54	55	62	64	65	66

Source: Various City departments

* Street (miles) were previously reported including unbuilt MSA segment roads.
Beginning in 2019 they will be excluded. 2019 MSA roads = 4.81 miles

** The city has 40 total parks with 33 receiving some form of maintenance

*** In 2021 pickleball courts were added.

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

Management Report
for
City of Ramsey, Minnesota
December 31, 2024



Certified Public Accountants Business Consultants

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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, 2024. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- 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.

Respectfully submitted,

A handwritten signature in cursive script that reads 'LB Carlson, LLP'.

LB CARLSON, LLP
Minneapolis, Minnesota

June 5, 2025

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AUDIT SUMMARY

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

AUDIT OPINIONS AND FINDINGS

Based on our audit of the City's financial statements for the year ended December 31, 2024:

- We have issued unmodified opinions 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.
- The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
- We reported one finding based on our testing of the City's compliance with Minnesota laws and regulations.
 - For one contract tested in the current year, required language for prime contractors to pay subcontractors within 10 days was not included in the contract.

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 on an ongoing basis to ensure proper reporting of city assets and that financial activity between funds is accurately presented.

SIGNIFICANT ACCOUNTING POLICIES

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

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, unused compensated absence balances, and the likelihood that unused balances will be used over the course of employment or ultimately paid out at termination.
- **Total Other Post-Employment Benefits (OPEB) and Net Pension Liabilities** – The City has recorded liabilities and activity for OPEB and pension benefits. 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 accounting 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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management 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 June 5, 2025.

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 required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the introductory 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

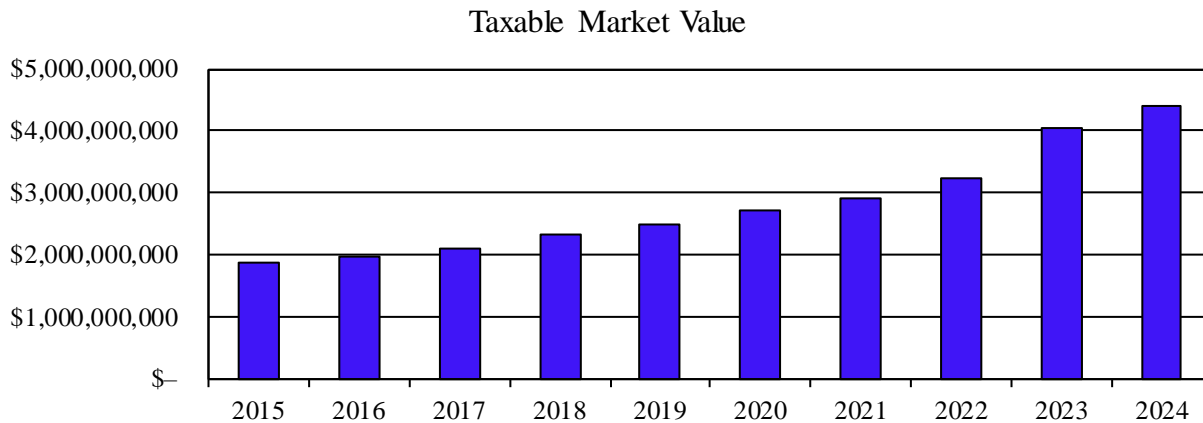
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its 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 2022 fiscal year (the most recent comparative state-wide data available), local and valorem property tax levies provided 44.1 percent of the total governmental fund revenues for cities over 2,500 in population, and 35.2 percent for cities under 2,500 in population. Total property taxes levied by all Minnesota cities for taxes payable in 2024 increased 7.5 percent compared to the prior year, and 7.7 percent for taxes payable in 2025.

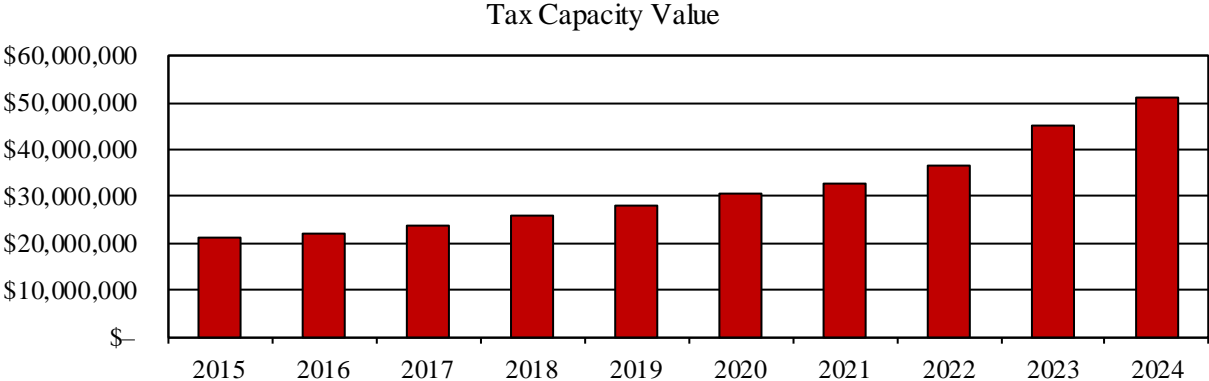
The taxable net tax capacity value of property in Minnesota cities increased about 8.4 percent for the 2024 levy year. The tax capacity values used for levying property taxes are based on the assessed market values for the previous fiscal year (e.g., tax capacity values for taxes levied in 2024 were based on assessed market values as of January 1, 2023), 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 25.1 percent for taxes payable in 2023 and increased 9.1 percent for taxes payable in 2024. 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 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 24.3 percent and 12.8 percent for taxes payable in 2023 and 2024, respectively.

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:

ates Expressed as a Percentage of Net Tax Capacit			
	<u>City of Ramsey</u>		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Average tax rate			
City	42.2	40.4	41.4
County	29.6	24.5	25.6
School	16.3	13.7	13.6
Special taxing	<u>4.1</u>	<u>3.5</u>	<u>3.5</u>
Total	<u><u>92.2</u></u>	<u><u>82.1</u></u>	<u><u>84.1</u></u>

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

The average tax rate was higher than the prior year with increases spread across the city and county taxing authorities presented in the table above. Increases in property valuations contributed to the change in the average tax rate.

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, 2024, presented both by fund balance classification and by major fund:

Governmental Fund Changes in Fund Balance			
	Fund Balance as of December 31,		Change
	2024	2023	
Fund balances of governmental funds			
Total by classification			
Nonspendable	\$ 14,056	\$ 33,371	\$ (19,315)
Restricted	14,953,404	29,623,622	(14,670,218)
Committed	1,514,777	1,932,107	(417,330)
Assigned	29,749,235	20,878,473	8,870,762
Unassigned	13,311,361	12,237,299	1,074,062
Total governmental funds	<u>\$ 59,542,833</u>	<u>\$ 64,704,872</u>	<u>\$ (5,162,039)</u>
Total by fund			
Major funds			
General	\$ 13,324,373	\$ 12,265,915	\$ 1,058,458
Special revenue funds			
Tax Increment	3,362,513	6,730,012	(3,367,499)
COR Land	8,597,266	8,343,303	253,963
Developer's Fees	1,056,708	1,441,919	(385,211)
Capital project funds			
RALF Funded Projects	400,837	210,223	190,614
State-Aid Construction	466,915	430,589	36,326
Pavement Management Program	11,918,186	15,004,728	(3,086,542)
Park Improvement	9,087,595	7,683,511	1,404,084
Nonmajor funds	11,328,440	12,594,672	(1,266,232)
Total governmental funds	<u>\$ 59,542,833</u>	<u>\$ 64,704,872</u>	<u>\$ (5,162,039)</u>

In total, the fund balances of the City's governmental funds decreased by \$5,162,039 during the year ended December 31, 2024.

The decrease was largely in the Tax Increment Special Revenue Fund and the Pavement Management Program Capital Project Fund. The City spent restricted debt proceeds on street and other capital improvements as planned with City Council-approved projects and related debt financing plans.

GOVERNMENTAL FUNDS REVENUE

The following table presents the per capita revenue of the City’s governmental funds for the past four years, along with available 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						
Year	State-Wide		City of Ramsey			
	2021	2022	2021	2022	2023	2024
Population	20,000–100,000	20,000–100,000	27,946	28,520	28,712	28,850
Property taxes	\$ 557	\$ 584	\$ 468	\$ 549	\$ 623	\$ 695
Tax increments	49	46	63	70	65	114
Franchise fees	53	58	74	–	–	–
Special assessments	56	50	27	4	20	4
Licenses and permits	53	55	33	30	37	56
Intergovernmental revenues	202	223	58	218	192	120
Charges for services	110	137	73	65	45	52
Other	26	(21)	34	44	145	221
Total revenue	\$ 1,106	\$ 1,132	\$ 830	\$ 980	\$1,127	\$1,262

The City’s governmental fund revenues for 2024 were \$36,395,023, an increase of \$4,020,654 (12.4 percent) from the prior year. On a per capita basis, the City received \$1,262 in governmental fund revenue for 2024, an increase of \$135 from the prior year.

A city’s stage of development, along with the way a city finances various capital projects, will affect the mix of revenue sources it receives. Property taxes were up \$72 per capita as anticipated with the approved levy adopted in the current year. Tax increments were up with increased values within tax increment financing districts. Intergovernmental revenues were down with less pandemic-related grants and state road funds recognized in the current year. Other revenues were up \$76 per capita, largely due to increased contributions from development activities and additional local charges recognized 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 four years, together with comparative state-wide averages, are presented in the following table:

Governmental Funds Expenditures per Capita						
With State-Wide Averages						
Year	State-Wide		City of Ramsey			
	2021	2022	2021	2022	2023	2024
Population	20,000–100,000	20,000–100,000	27,946	28,520	28,712	28,850
Current						
General government	\$ 116	\$ 126	\$ 141	\$ 142	\$ 155	\$ 169
Public safety	327	347	230	239	258	283
Public works	112	120	77	88	193	141
Recreation	107	117	51	51	59	65
All other	77	92	77	38	59	52
	<u>739</u>	<u>802</u>	<u>576</u>	<u>558</u>	<u>724</u>	<u>710</u>
Capital outlay and construction	317	346	573	240	462	550
Debt service						
Principal	110	117	69	67	87	102
Interest and fiscal	34	32	30	22	44	58
	<u>144</u>	<u>149</u>	<u>99</u>	<u>89</u>	<u>131</u>	<u>160</u>
Total expenditures	<u>\$ 1,200</u>	<u>\$ 1,297</u>	<u>\$ 1,248</u>	<u>\$ 887</u>	<u>\$ 1,317</u>	<u>\$ 1,420</u>

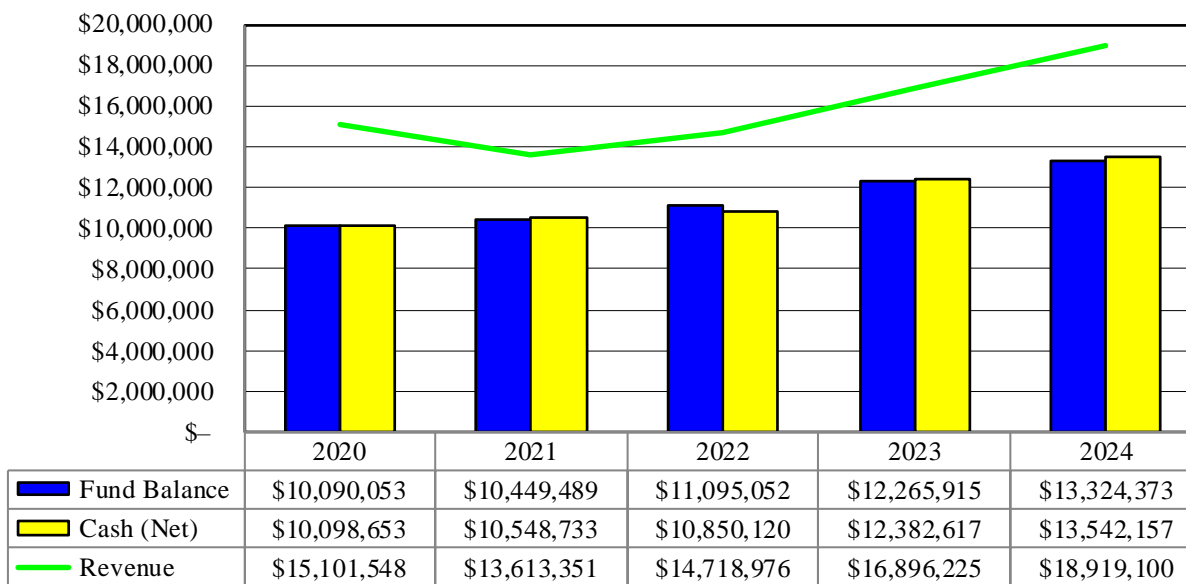
Total expenditures in the City’s governmental funds for 2024 were \$40,956,684, an increase of \$3,127,116 (8.3 percent) over the prior year. On a per capita basis, the City expended a total of \$1,420 in 2024, an increase of \$103 over the previous year.

Current spending was down with less expenditures in public works for street maintenance and repairs. Capital outlay reported the largest change in comparison to the prior year. Capital spending was up in the current year for street reconstruction projects, equipment purchases, and improvements completed in the City’s Center of Ramsey (COR) development. Debt service was up \$29 per capita as anticipated with approved debt financing plans.

GENERAL FUND FINANCIAL POSITION

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 on December 31, 2024, was \$13,542,157, an increase of \$1,159,540 from the previous year. Total fund balance at year-end was \$13,324,373, an increase of \$1,058,458 from the prior year.

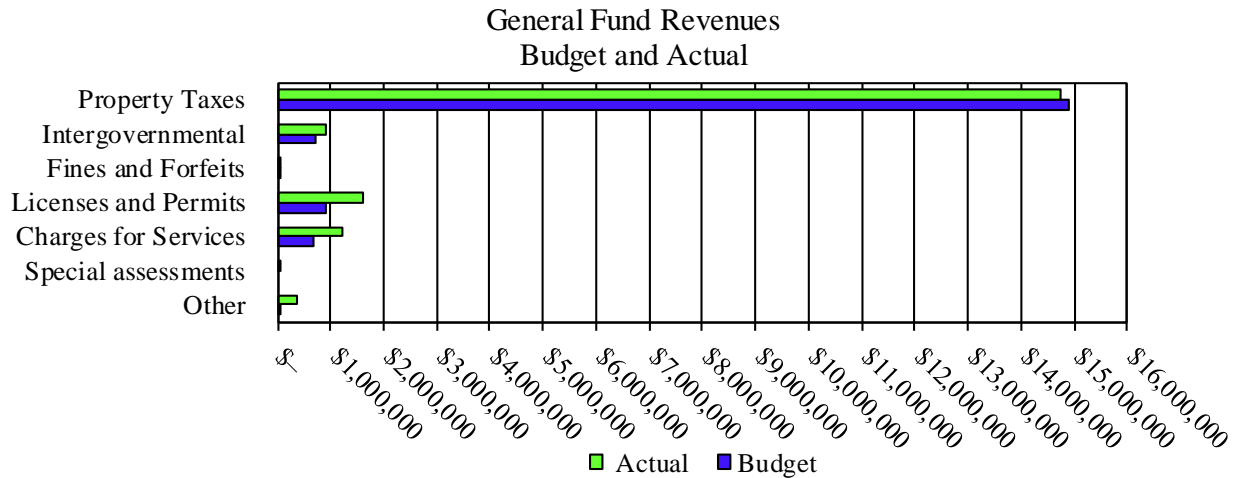
As the graph illustrates, the City has generally been able to maintain healthy cash and fund balance levels as the volume of financial activity has fluctuated. This is an important factor because a government, like any organization, requires a certain amount of equity to operate. A healthy financial 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 is a factor in determining the City's bond rating and resulting interest costs.

A trend that is typical to Minnesota local governments, especially the General Fund of cities, is the unusual cash flow experienced throughout the year. The City's General Fund cash disbursements are made fairly evenly during the year, other than the impact of seasonal services, such as snowplowing, street maintenance, and park activities. Cash receipts of the General Fund are quite a different story. Property taxes comprise about 78.0 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.

As of December 31, 2024, the City continued to meet the fund balance policy goal of the General Fund, which is to maintain an unassigned amount equal to 50.0 percent of the following years adopted operating budget plus prior year encumbrances (if any).

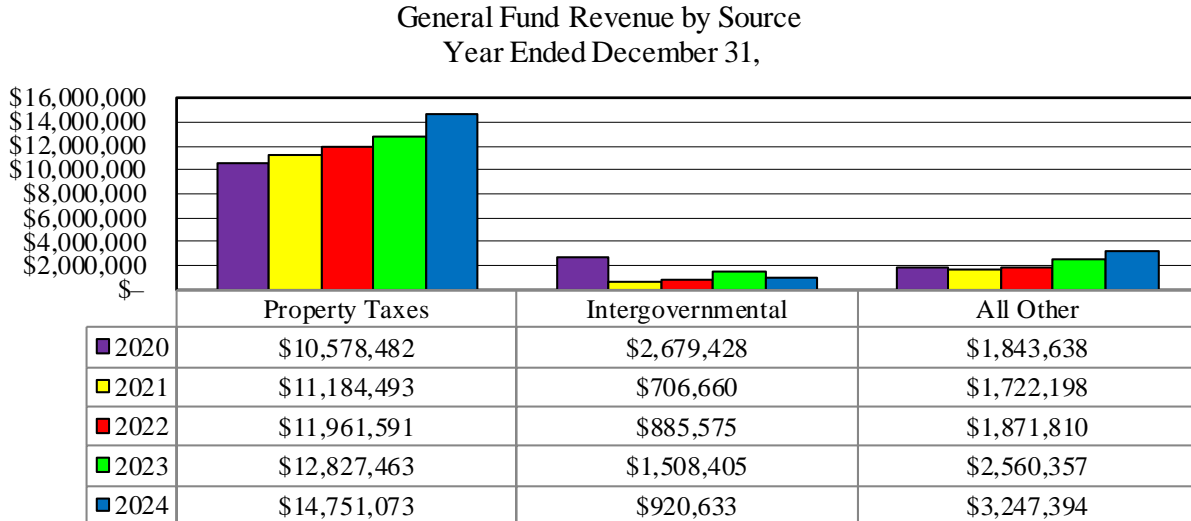
GENERAL FUND REVENUES

The following graph reflects the City’s General Fund revenue sources for 2024 compared to budget:



General Fund revenue for 2024 was \$18,919,100, which was \$1,556,350 (9.0 percent) more than budget. The budget variance for revenue was largely due to conservative budgeting with most sources surpassing budget expectations. Improved investment earnings, elevated development activity, and federal funding recognized in the current year all contributed to revenues exceeding budget.

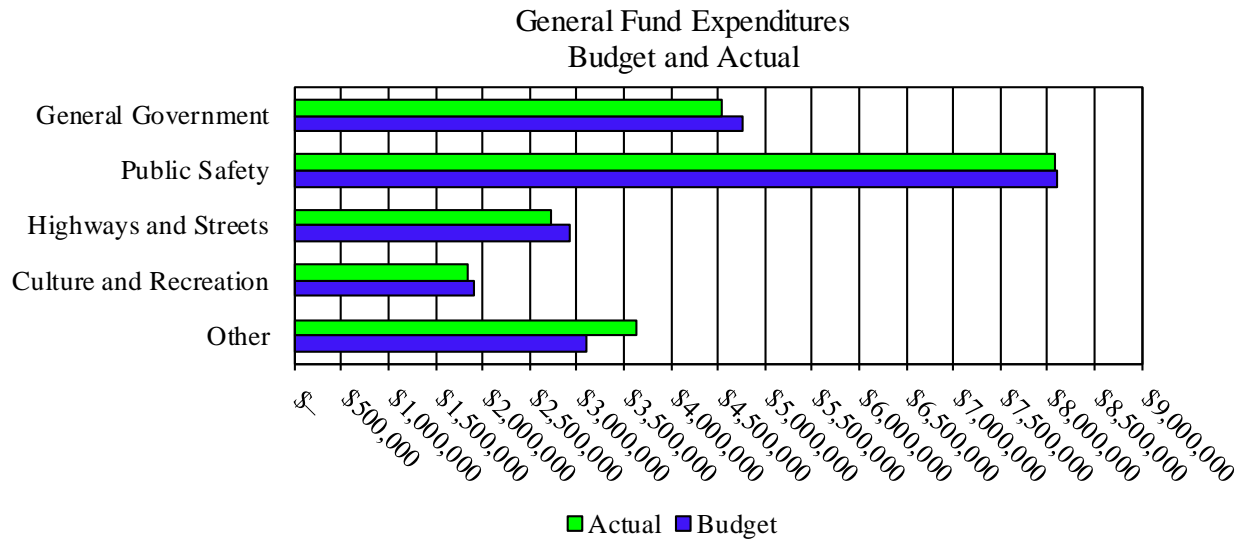
The following graph presents the City’s General Fund revenues by source for the last five years. The graph reflects the City’s reliance on property taxes, which represented 78.0 percent of General Fund revenues in 2024:



Total General Fund revenue for 2024 was \$2,022,875 (12.0 percent) more than last year. The increase in taxes was as anticipated and approved through the annual levy process. Intergovernmental decreased due to recognition of less federal COVID-19-related entitlements reported in the General Fund in the current year. The increase noted in the “all other” category was in remaining various other miscellaneous sources and charges for services during the current year with elevated development activity.

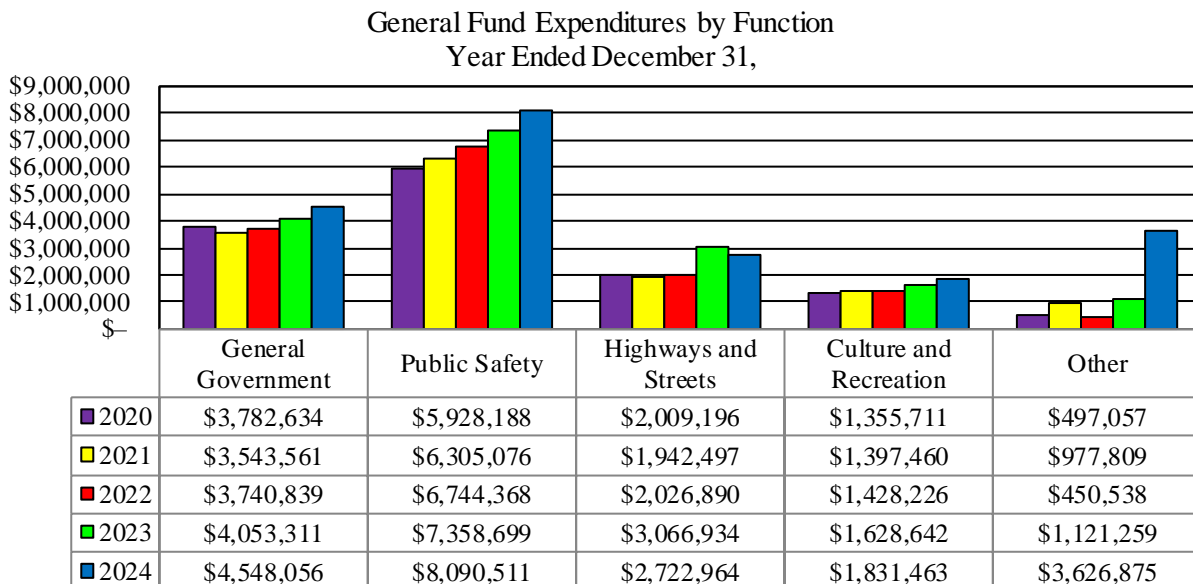
GENERAL FUND EXPENDITURES

The following graph illustrates the components of General Fund spending for 2024 compared to budget:



General Fund expenditures totaled \$20,819,869 in 2024 and were \$20,101 (or 0.1 percent) over the final budget. Spending was over budget for other expenditures by \$520,686. The variance in overspending for other expenditures was largely due to capital outlay spending that was budgeted for the prior year, but was delayed to fiscal year 2024. General government, public safety, highways and streets, and culture and recreation were \$224,015, \$8,359, \$201,719, and \$66,492 under budget, respectively. Open positions and conservative budgeting largely accounted for these variances.

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



Total General Fund expenditures for 2024 were \$3,591,024 (20.8 percent) more than the previous year. Natural inflationary increases and the continued growth in development in the City contributed to the overall increase in expenditures. Other expenditures were up with prior year delays pushed in the current year as previously mentioned.

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. 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, 2024, presented both by classification and by fund:

Enterprise Funds Change in Financial Position			
	Net Position as of December 31,		Change
	2024	2023	
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 95,749,335	\$ 71,932,644	\$ 23,816,691
Unrestricted	<u>32,212,510</u>	<u>44,232,074</u>	<u>(12,019,564)</u>
Total enterprise funds	<u>\$ 127,961,845</u>	<u>\$ 116,164,718</u>	<u>\$ 11,797,127</u>
Total by fund			
Water Utility	\$ 76,068,276	\$ 60,839,740	\$ 15,228,536
Sewer Utility	27,859,546	33,335,502	(5,475,956)
Street Light Utility	2,038,066	1,872,786	165,280
Recycling Utility	416,994	416,700	294
Storm Water Utility	<u>21,578,963</u>	<u>19,699,990</u>	<u>1,878,973</u>
Total enterprise funds	<u>\$ 127,961,845</u>	<u>\$ 116,164,718</u>	<u>\$ 11,797,127</u>

In total, the net position of the City’s enterprise funds increased by \$11,797,127 during the year ended December 31, 2024, which is \$2,998,753 more than the prior year increase in net position. Additional capital grants, developer contributions, and connection fees, all contributed to the overall growth in net position.

The increase in the net investment in capital assets portion of net position includes the City’s use of unrestricted resources for infrastructure improvements in the current year, along with contributions from developers, which was partially offset by current year depreciation.

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,				
	2020	2021	2022	2023	2024
Utility enterprise funds					
Water					
Operating revenue	\$ 2,541,651	\$ 3,057,474	\$ 2,962,563	\$ 3,574,961	\$ 3,168,402
Operating expenses	1,657,356	1,772,358	1,895,776	2,062,314	2,243,736
Operating income	<u>\$ 884,295</u>	<u>\$ 1,285,116</u>	<u>\$ 1,066,787</u>	<u>\$ 1,512,647</u>	<u>\$ 924,666</u>
Operating income as a percentage of operating revenue	<u>34.8 %</u>	<u>42.0 %</u>	<u>36.0 %</u>	<u>42.3 %</u>	<u>29.2 %</u>
Sewer					
Operating revenue	\$ 1,714,469	\$ 1,805,614	\$ 1,876,957	\$ 1,994,465	\$ 2,425,906
Operating expenses	1,723,238	1,742,380	1,947,356	2,209,802	2,411,209
Operating income (loss)	<u>\$ (8,769)</u>	<u>\$ 63,234</u>	<u>\$ (70,399)</u>	<u>\$ (215,337)</u>	<u>\$ 14,697</u>
Operating income (loss) as a percentage of operating revenue	<u>(0.5) %</u>	<u>3.5 %</u>	<u>(3.8) %</u>	<u>(10.8) %</u>	<u>0.6 %</u>
Street Light					
Operating revenue	\$ 216,545	\$ 222,364	\$ 230,392	\$ 234,607	\$ 242,950
Operating expenses	169,463	178,576	172,765	173,924	167,123
Operating income	<u>\$ 47,082</u>	<u>\$ 43,788</u>	<u>\$ 57,627</u>	<u>\$ 60,683</u>	<u>\$ 75,827</u>
Operating income as a percentage of operating revenue	<u>21.7 %</u>	<u>19.7 %</u>	<u>25.0 %</u>	<u>25.9 %</u>	<u>31.2 %</u>
Recycling					
Operating revenue	\$ 319,664	\$ 440,097	\$ 452,107	\$ 456,106	\$ 468,514
Operating expenses	366,764	507,067	514,231	527,182	549,993
Operating income (loss)	<u>\$ (47,100)</u>	<u>\$ (66,970)</u>	<u>\$ (62,124)</u>	<u>\$ (71,076)</u>	<u>\$ (81,479)</u>
Operating income (loss) as a percentage of operating revenue	<u>(14.7) %</u>	<u>(15.2) %</u>	<u>(13.7) %</u>	<u>(15.6) %</u>	<u>(17.4) %</u>
Storm Water					
Operating revenue	\$ 1,164,868	\$ 1,197,572	\$ 1,230,582	\$ 1,252,659	\$ 1,350,416
Operating expenses	777,252	715,349	791,605	864,721	1,022,935
Operating income	<u>\$ 387,616</u>	<u>\$ 482,223</u>	<u>\$ 438,977</u>	<u>\$ 387,938</u>	<u>\$ 327,481</u>
Operating income as a percentage of operating revenue	<u>33.3 %</u>	<u>40.3 %</u>	<u>35.7 %</u>	<u>31.0 %</u>	<u>24.3 %</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, 2024, except for the Recycling Fund. However, nonoperating grants and investment earnings were sufficient to cover this deficit in the current year.

Overall operating revenues totaled \$7,656,188 in 2024, compared to \$7,512,798 in the prior year. Increases in households and utility rates, along with more consumption, contributed to the change over the prior year. Overall operating expenses totaled \$6,394,996 in 2024, compared to \$5,837,943 in the prior year. Spending was up for personal services, sewer utility disposal and other service 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.

The following table presents the components of the City's net position as of December 31, 2024, and 2023, for governmental activities and business-type activities:

	As of December 31,		Change
	2024	2023	
Net position			
Governmental activities			
Net investment in capital assets	\$ 72,783,568	\$ 66,959,661	\$ 5,823,907
Restricted	14,022,396	18,598,778	(4,576,382)
Unrestricted	36,934,626	26,728,758	10,205,868
Total governmental activities	<u>123,740,590</u>	<u>112,287,197</u>	<u>11,453,393</u>
Business-type activities			
Net investment in capital assets	95,749,335	71,932,644	23,816,691
Unrestricted	32,212,510	44,232,074	(12,019,564)
Total business-type activities	<u>127,961,845</u>	<u>116,164,718</u>	<u>11,797,127</u>
Total net position	<u>\$ 251,702,435</u>	<u>\$ 228,451,915</u>	<u>\$ 23,250,520</u>

The City's total net position on December 31, 2024, was \$23,250,520 more than the previous year. Governmental activities increased \$11,453,393 and business-type activities increased \$11,797,127.

The increase in net position within governmental activities presents the overall operating results of the governmental funds, along with the continued development and investment in infrastructure within the City. The increase in business-type activities net position matches the enterprise funds activity previously discussed.

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.

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, 2024, and 2023:

	2024		2023	
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	\$ 5,645,480	\$ 2,414,649	\$ (3,230,831)	\$ (3,941,232)
Public safety	8,894,134	2,438,948	(6,455,186)	(5,667,857)
Highways and streets	7,783,629	7,535,956	(247,673)	(4,481,511)
Culture and recreation	2,430,888	1,649,680	(781,208)	(1,270,976)
Economic development	1,488,674	–	(1,488,674)	(1,705,446)
Interest and fiscal charges	1,317,942	–	(1,317,942)	(1,258,959)
Business-type activities				
Water utility	2,243,736	9,009,102	6,765,366	3,443,166
Sewer utility	2,411,209	3,322,222	911,013	997,177
Street light utility	167,123	242,950	75,827	60,683
Recycling utility	549,993	539,404	(10,589)	(10,367)
Storm water utility	1,022,935	2,443,252	1,420,317	1,234,337
Total net (expense) revenue	<u>\$ 33,955,743</u>	<u>\$ 29,596,163</u>	(4,359,580)	(12,600,985)
General revenues				
Property taxes			23,041,341	20,126,982
General grants and contributions			3,760	3,223
Investment earnings			4,470,909	5,709,967
Gain on sale of capital assets			94,090	20,000
Total general revenues			<u>27,610,100</u>	<u>25,860,172</u>
Change in net position			<u>\$ 23,250,520</u>	<u>\$ 13,259,187</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 taxes, unrestricted grants, and unrestricted investment earnings. In contrast, the City's business-type activities tend to rely more heavily on program revenues like charges for services (sales) and program-specific grants to cover expenses. This is critical given the current downward pressures on the general revenue sources.

The change in net (expense) revenue presented in the table above, when compared to the prior year, is primarily due to the amount of developer contributions and capital grants recognized from year-to-year. These contributions fluctuate with the size and number of completed development projects.

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.

GASB STATEMENT NO. 102, *CERTAIN RISK DISCLOSURES*

The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. A government will be required to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, a government must assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information (as outlined in the standard) in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosures should also include any actions taken by the government to mitigate the risk.

The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 103, *FINANCIAL REPORTING MODEL IMPROVEMENTS*

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. In addition, this statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This statement defines unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence and requires governments to display the inflows and outflows related to each unusual or infrequent item separately.

This statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to RSI.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 104, *DISCLOSURE OF CERTAIN CAPITAL ASSETS*

The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is considered held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. Capital assets held for sale are required to be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Special Purpose Audit Reports

Year Ended
December 31, 2024



Certified Public Accountants Business Consultants

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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Special Purpose Audit Reports
Year Ended December 31, 2024

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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, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 5, 2025.

REPORT ON 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 or significant deficiencies may exist that have not been identified.

(continued)

REPORT ON 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.

Respectfully submitted,

A handwritten signature in black ink that reads "LB Carlson, LLP". The signature is written in a cursive, flowing style.

LB CARLSON, LLP
Minneapolis, Minnesota

June 5, 2025



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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2025.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the City failed to comply with provisions of the contracting-bid laws section of the *Minnesota Legal Compliance Audit Guide for the Cities*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Responses as finding 2024-001. Also, 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 depositories of public funds and public 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*, 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.

CITY'S RESPONSE TO FINDING

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the legal compliance finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

(continued)

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.

Respectfully submitted,

A handwritten signature in black ink that reads "LB Carlson, LLP". The signature is written in a cursive, flowing style.

LB CARLSON, LLP
Minneapolis, Minnesota

June 5, 2025

CITY OF RAMSEY

Schedule of Findings and Responses
Year Ended December 31, 2024

A. FINANCIAL STATEMENT FINDINGS

None noted.

B. MINNESOTA LEGAL COMPLIANCE FINDINGS

2024-001 SUBCONTRACTOR LANGUAGE

Criteria – Minnesota Statutes § 471.425, Subd. 4a.

Condition – For each contract between the City of Ramsey, Minnesota (the City) and a prime contractor, Minnesota Statutes require contract language be included that mandates the prime contractor to pay subcontractors within 10 days of receipt of payment from the government entity or pay interest at the rate of 1.5 percent per month or any part a month. For one contract tested in the current year, the required language to pay subcontractors within 10 days was not included in the contract.

Questioned Costs – Not applicable.

Context – One of three contracts tested was not in compliance.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by city personnel.

Effect – The contract between the City and a prime contractor did not include language to pay subcontractors within 10 days of payment as required by state statute.

Recommendation – We recommend that the City review contract and bid law procedures in place to ensure future compliance with this statute.

Management Response – There is no disagreement with the audit finding. The City will review requirements with appropriate staff to ensure the planned controls are being followed and essential language is included in future contracts to pay subcontractors as required by state statute.

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CC Work Session

Meeting Date: 06/10/2025

Primary Strategic Plan Initiative: Enhance City’s communication through transparency and accountability.

Information

Title:

Review Future Topics/Calendar

Purpose/Background:

The first attachment is the current list of future topics for work session discussions. 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. The second attachment includes Councilmember initiatives for future work session topics. Those items are up for discussion and, with consensus, will be added to the future topics list.

Recommendation:

For Council review - no formal action necessary.

Outcome/Action:

For Council review.

Attachments

Future Topics List

Councilmember Topic Requests

Form Review

Inbox

Brian Hagen

Form Started By: Katie Schmidt

Final Approval Date: 06/05/2025

Reviewed By

Brian Hagen

Date

06/05/2025 11:25 AM

Started On: 06/05/2025 09:51 AM

	<u><i>Tentative City Council Future Work Session Topics</i></u>	
Proposed Date	Topic	Minutes (Estimate)
2025		
6/24	City Administrator Performance Evaluation	30
6/24	Paving Gravel Roads	
June/July	Consider Accepting Community Art Plan Donation	
7/08	Budget	
7/22	Budget	
8/12	Budget	
8/26	Budget	
9/09	Budget	
TBD	Animal Ordinance	
TBD	Pollpad Update	
TBD	Fire Department Staffing	
TBD	Subdivision Code	
TBD	Hwy 10 Pedestrian Overpass	
TBD	City Facility Safety Improvements	
TBD	Prevailing Wage Policy – CM: KB, EP	
TBD	Veterans Park Discussion – CM: KB, EP	
TBD	Quarterly Police & Fire Updates – CM: KB, CR	
TBD	Public Safety Deep Dive – CM: KB, CR	

	<u><i>Councilmember Initiatives for Future Work Session Topics</i></u>
Proposed by CM	Topic
Buscher	Wage Theft Enforcement
Heineman	Ramsey Christmas Market
Heineman	Waterfront Venue Ideas