# AGENDA
# CITY COUNCIL WORK SESSION

**October 27, 2025 - 6:00 PM**
**Lakeville City Hall, Marion Conference Room**

Members of the public can participate in person at Lakeville City Hall, Marion Conference Room. Members of the public may join the meeting via Teams Meeting, **Meeting ID: 276 485 596 886 or by calling Toll Number 1-323-433-2142; Conference ID: 432 130 403#.** The mayor will allow for public comments and questions at the appropriate time.

The City Council is provided background information for agenda items in advance by staff and appointed commissions, committees, and boards. Decisions are based on this information, as well as City policy, practices, input from constituents, and a council member's personal judgment.

1. Call to order, moment of silence and flag pledge

2. Citizen Comments

3. Discussion Items

| | | | |
|---|---|---|---|
| 20 min | a. | Pan-O-Prog Update | |
| 30 min | b. | New Fire Station Design Update | Allyn Kuennen, Michael Meyer |
| | c. | Amended and Restated Joint Powers Agreement with ISD #194 | Joseph Masiarchin |
| 25 min | d. | 2026 Enterprise Fund Budgets & Utility Rates | Julie Stahl |
| 10 min | e. | 2026 Proposed Fee Schedule | Julie Stahl |
| 5 min | f. | 3rd Qtr 2025 Financial Report & Finance Department Update | Julie Stahl |

4. Items for Future Discussion

5. Committee/ City Administrator Updates

6. Adjourn

**Date:** 10/27/2025

**Pan-O-Prog Update**

**Proposed Action**
N/A

**Overview**
Representatives from the Pan-O-Prog Board will provide a debrief of the 2025 festival and highlight initiatives the board is planning for the 2026 event.

**Supporting Information**
None

| | | |
|---|---|---|
| **Financial Impact:** | **Budgeted:** Yes | **Source:** |

**Envision Lakeville Community Values:** A sense of community and belonging
**Report Completed by:** Paul Oehme, Public Works Director

**Date:** 10/27/2025

**New Fire Station Design Update**

**<u>Proposed Action</u>**
Discussion only.

**<u>Overview</u>**
At the September work session, the City Council reviewed a schematic design of the proposed new fire station planned to be constructed at the northeast corner of 179th Street and Granby Lane. The proposed station was approximately 53,000 square feet with an estimated construction cost of $30.8 million. The City Council directed staff to review the design to find ways to reduce the overall costs of the station.

Over the past month staff has been working with CNH Architects and RJM Construction to identify areas of the building that could be eliminated, reduced in size or reconfigured to help lower the overall construction cost of the station without compromising efficiencies or service levels.

The attached plans identify several areas of the fire station that have been revised to reduce the overall square footage of the station by 3,256 square feet which has reduced the estimated construction cost of the station to $29,605,624. A reduction of $1,223,471 from the previous plan. The team is continuing to review the plans to possibly find further reductions without comprising the current and future operations of the fire department. The exterior building materials and architecture will also be reviewed to ensure it includes good quality durable materials, with a modest building design.

Staff and representatives from CNH Architects will be at the October work session to review and discuss the proposed revisions and to discuss next steps.

**<u>Supporting Information</u>**
1. Schematic Overall Site Plan
2. Schematic First Floor Plan
3. Schematic Second Floor Plan
4. RJM Budget 10-27-25

**Financial Impact:** $N/A **Budgeted:** No **Source:**
**Envision Lakeville Community Values:** Safety Throughout the Community

**Report Completed by:** Allyn Kuennen, Assistant City Administrator and Mike Meyer, Fire Chief


A1 SC87 Schematic Overall Site Plan
1" = 30'-0"

Architects CNH


7300 147TH WEST STREET SUITE 504
APPLE VALLEY, MN 55124
(952) 431-4433


RJM CONSTRUCTION

Lakeville

# Lakeville Combined Fire Station

Lakeville, MN

REVISIONS:

CNH NO.: 24051
DATE: 10/20/25

Schematic Overall Site Plan

SC87

NOT FOR CONSTRUCTION


A1 SC88 Schematic First Floor Plan
1" = 10'-0"


Architects CNH
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RJM CONSTRUCTION

# Lakeville Combined Fire Station

Lakeville, MN

REVISIONS:

CNH NO.: 24051
DATE: 10/20/25
Schematic First Floor Plan

SC88

NOT FOR CONSTRUCTION



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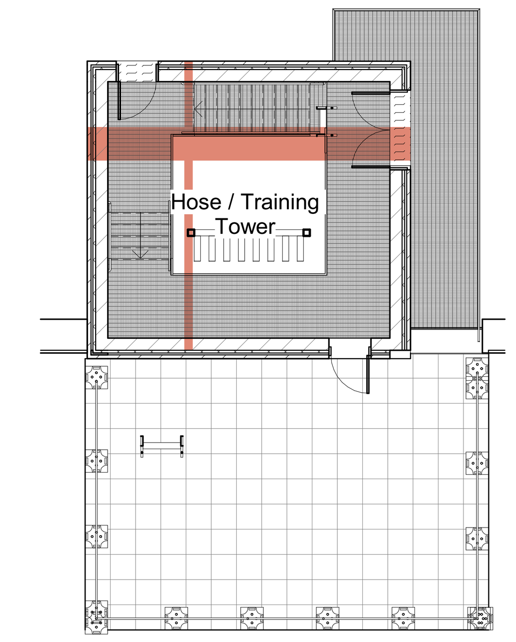
10/20/2025 2:43:27 PM


A1 SC89 Schematic Second Floor Plan
1" = 10'-0"




M15 SC89 Schematic Third Floor Plan - Traning / Hose Tower
1" = 10'-0"

Architects CNH
7300 147TH WEST STREET SUITE 504
APPLE VALLEY, MN 55124
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RJM CONSTRUCTION

Lakeville

Lakeville Combined Fire Station
Lakeville, MN

REVISIONS:

CNH NO.: 24051
DATE: 10/20/25
Schematic Second Floor Plan

SC89

NOT FOR CONSTRUCTION

CONSTRUCTION

October 21, 2025

Allyn Kuennen
Assistant City Administrator
City of Lakeville

Re: City of Lakeville Fire Station

Dear Allyn Kuennen,

RJM Construction is pleased to present a budget for the City of Lakeville Fire Station project located in Lakeville, MN. Together with the City of Lakeville and CNH Architect, we can work as a team to deliver the project goals of cost, schedule and quality. Our estimate is based upon drawings dated August 8th, 2025.

**Total Project Estimate: $30,829,096**

ALTERNATES:

| | | | |
|---|---|---|---|
| No. 1: | Eliminate snow melt system at concrete aprons | **Deduct** | **($60,750)** |
| No. 2: | Reduce staff parking at fitness & reduce pavements/sidewalks | **Deduct** | **($30,630)** |
| No. 3: | Reduce fitness room (400sf) | **Deduct** | **($94,652)** |
| No. 4: | Reduce fitness storage (60sf) | **Deduct** | **($14,294)** |
| No. 5: | Reduce locker room, restroom, & shower (260sf) | **Deduct** | **($64,029)** |
| No. 6: | Remove fitness vestibule & eliminate (1) tornado shelter door | **Deduct** | **($45,411)** |
| No. 7: | Remove truck display (560sf) | **Deduct** | **($162,873)** |
| No. 8: | Remove conference room (435sf) | **Deduct** | **($124,258)** |
| No. 9: | Remove operable partition & reduce classroom by (148sf) | **Deduct** | **($72,669)** |
| No. 10: | Reduce classroom seating capacity from 80 to 70 (200sf) | **Deduct** | **($58,169)** |
| No. 11: | Reduce apparatus bays by 4' (644sf) | **Deduct** | **($167,235)** |
| No. 12: | Reduce hose/training tower on (3) levels (249sf) | **Deduct** | **($19,404)** |
| No. 13: | Turn (2) dorms suites into future (rough in only) | **Deduct** | **($67,895)** |
| No. 14: | Eliminate (relocate) wellness (300sf) | **Deduct** | **($90,369)** |
| No. 15: | Metal stud framing at admin space in lieu of CMU | **Deduct** | **($150,834)** |

**Total Deduction: ($1,223,471)**
**Total Project Estimate with Deductions: $29,605,624**

CLARIFICATIONS:

No. 1: This estimate assumes that all work will be done during regular business hours.
No. 2: We do not include removing, storing or re-installing any systems furniture.
No. 3: Phone, data, AV and security are all excluded. (Included in soft cost)
No. 4: Architectural and engineering fees are not included. (Included in soft cost)
No. 5: Our estimate does not include any SAC and WAC fees. (Included in soft cost)

Thank you for the opportunity to provide this estimate. Our team is experienced and competent in your market; this applied knowledge will assist the team in obtaining the best possible project value. Please feel free to contact RJM if you have any questions or need additional information.

Sincerely,

Brad Barickman
Vice President - Community

| | |
|---|---|
| **ESTIMATE DATE:** | October 21, 2025 |
| **PROJECT:** | **City of Lakeville Fire Station** |
| **ARCHITECT:** | CNH Architects |
| **DRAWING DATE:** | August 8, 2025 |

| **DESCRIPTION** | **System Qty** | **Unit** | **$/System SF** | **Base Estimate** | **$/gsf 53,151** |
|---|---|---|---|---|---|
| ***Construction Costs*** | | | | | |
| Cleaning & Waste Management | 1 | LS | $197,378.00 | $197,378 | $3.71 |
| Footings and Foundations | 39,625 | SF | $25.73 | $1,019,603 | $19.18 |
| Structure | 53,151 | SF | $60.32 | $3,206,092 | $60.32 |
| Enclosure | 37,145 | SF | $61.52 | $2,285,215 | $42.99 |
| Roof | 39,625 | SF | $29.19 | $1,156,543 | $21.76 |
| Interiors | 53,151 | SF | $79.07 | $4,202,794 | $79.07 |
| Elevator | 2 | ST | $80,000.00 | $160,000 | $3.01 |
| Fire Protection | 53,151 | SF | $4.75 | $252,467 | $4.75 |
| Plumbing | 53,151 | SF | $29.00 | $1,541,379 | $29.00 |
| HVAC | 53,151 | SF | $58.00 | $3,082,758 | $58.00 |
| Electrical | 53,151 | SF | $46.50 | $2,471,522 | $46.50 |
| Temp Barriers & Enclosures | 1 | LS | $261,140.00 | $261,140 | $4.91 |
| Earthwork | 39,625 | SF | $17.51 | $693,650 | $13.05 |
| Utilities | 39,625 | SF | $14.38 | $570,000 | $10.72 |
| Reinforced Concrete & Sidewalks | 64,258 | SF | $14.16 | $909,855 | $17.12 |
| Curb and Gutters | 2,900 | LF | $18.00 | $52,200 | $0.98 |
| Asphalt Paving | 3,662 | SY | $35.00 | $128,170 | $2.41 |
| Landscaping and Irrigation Allowance | 1 | LS | $225,000.00 | $225,000 | $4.23 |
| Preconstruction | 1 | LS | $25,000.00 | $25,000 | $0.47 |
| General Conditions | 59 | WK | $12,266 | $723,665 | $13.62 |
| General Requirements | 59 | WK | $1,506 | $88,851 | $1.67 |
| General Liability Insurance | 1 | LS | $253,615 | $253,615 | $4.77 |
| Builders Risk Insurance | 1 | LS | $74,932 | $74,932 | $1.41 |
| Building Permit | 1 | LS | $20,000 | $20,000 | $0.38 |
| Bond | 1 | LS | $277,730 | $277,730 | $5.23 |
| ***Subtotal Construction Costs*** | | | | ***$23,879,558*** | ***$449.28*** |
| Escalation | 3.00% | | | $716,387 | $13.48 |
| Design Contingency | 5.00% | | | $1,229,797 | $23.14 |
| Construction Contingency | 5.00% | | | $1,229,797 | $23.14 |
| Contractor's Fee | 1.25% | | | $338,194 | $6.36 |
| ***Total Construction Estimate*** | | | | ***$27,393,734*** | ***$515.39*** |
| | | | | | |
| ***Owner Costs*** | | | | | |
| SAC/WAC | | | | $175,000 | $3.29 |
| Building Envelope Commissioning | | | | $25,000 | $0.47 |

| | |
|---|---|
| **ESTIMATE DATE:** | October 21, 2025 |
| **PROJECT:** | **City of Lakeville Fire Station** |
| **ARCHITECT:** | CNH Architects |
| **DRAWING DATE:** | August 8, 2025 |

| | | | | | |
|---|---|---|---|---|---|
| HVAC Commissioning | | | | $30,000 | $0.56 |
| Special Inspections | | | | $70,000 | $1.32 |
| Low Voltage Cabling | | | | $125,000 | $2.35 |
| Audio Visual | | | | $250,000 | $4.70 |
| Security Systems | | | | $150,000 | $2.82 |
| Station Alerting System | | | | $125,000 | $2.35 |
| Owner FF&E | | | | $425,000 | $8.00 |
| GearGrid | | | | $60,000 | $1.13 |
| Owner Furniture | | | | $346,738 | $6.52 |
| Owner Artwork and Signage | | | | $10,000 | $0.19 |
| ***Subtotal Owner Costs*** | | | | ***$1,791,738*** | ***$33.71*** |
| | | | | | |
| ***Design Fees*** | | | | | |
| Arch. Design Fees | | | | $1,643,624 | $30.92 |
| ***Subtotal Design Fees*** | | | | ***$1,643,624*** | ***$30.92*** |
| | | | | | |
| ***Contingency*** | | | | | |
| Owner Contingency | | | | $0 | $0.00 |
| ***Subtotal Contingency*** | | | | ***$0*** | ***$0.00*** |
| | | | | | |
| ***Total Project Estimate*** | | | | ***$30,829,096*** | ***$580.03*** |

**Date:** 10/27/2025

**Amended and Restated Joint Powers Agreement with ISD #194**

**Proposed Action**

No formal action.

**Overview**

The City of Lakeville and Independent School District #194 have utilized a joint powers agreement (JPA) for many years to address the use of shared facilities and the conditions under which those facilities are used. The original JPA, adopted in 2006, allowed for periodic reviews of the agreement terms and has been modified twice since its initial adoption. Either party is welcome to propose changes to the agreement; the agreement is automatically renewed annually. Given the changes to park facilities and recreation programming, staff felt that a review of the JPA was necessary at this time. Staff have met several times over the last few months with representatives from the school district to amend the agreement.

Attached in your packet is the 2013 JPA and the proposed Amended and Restated Joint Powers Agreement with ISD #194. The proposed changes to the JPA will provide clarity to staff and permit holders on field usage, closures and scheduling processes. Additionally, the agreement modifies the maintenance partnership between the city and the school district for school district-owned fields. Maintenance performed by City staff on district-owned fields will be transferred to the school district. This will be a beneficial change for Parks staff, allowing for the reallocation of their time and resources to other City park-related duties.

Staff presented the amended JPA to the Parks, Recreation and Natural Resources Committee at their October 1 meeting. The committee made a recommendation to approve the amended agreement as presented by City staff. At this time, staff is asking for feedback from the Mayor and City Council on the proposed Amended and Restated Joint Powers Agreement with ISD #194.

**Supporting Information**

1. Amended and Restated ISD 194 Joint Powers Agreement

**Financial Impact:** $NA **Budgeted:** No **Source:** NA
**Envision Lakeville Community Values:**
**Report Completed by:** Joe Masiarchin, Parks and Recreation Director

**Amended and Restated**

## JOINT POWERS AGREEMENT

**AMENDED AND RESTATED JOINT POWERS AGREEMENT** ("Agreement") made ____ day of _____________, 2025 by and between the **CITY OF LAKEVILLE**, a Minnesota municipal corporation ("City"), and **INDEPENDENT SCHOOL DISTRICT No. 194** ("District") .

## RECITALS

**1.** The City and District have had a long history of shared use of buildings and grounds for recreational, instructional, and meeting purposes. This shared use has benefited the residents of the City and District and has resulted in the substantial savings of tax dollars by avoiding duplication and by making optimal use of facilities.

**2.** Minn. Stat. § 471.15, et seq., authorizes the City and District to enter into a joint powers agreement for the shared use of grounds and buildings.

**3.** The City and the District entered into a Joint Powers Agreement regarding the shared use of facilities in 1993 which agreement was amended and restated on October 16, 2006 and on November 12, 2013 ("Original Agreement").

**4.** The City and the District desire to amend and restate the Original Agreement as provided in this Agreement.

**NOW, THEREFORE**, the parties agree as follows:

1. **Use of District Buildings and Grounds.** The City may use District buildings and grounds located within the City for City-sponsored programs, subject to availability. Requests must be submitted in writing to the District at least one week prior to the first date of use. A Facility Use Permit will serve as confirmation of reservation. The Director of Community Education may waive the advance notice requirement. The City will not be charged rent or consumable fees, except as specified in Section 3.

2. **Use of City Buildings and Grounds.** The District may use City buildings and grounds located within the District for District-sponsored programs, subject to availability. Requests must be submitted in writing to the City at least one week prior to the first date of use. A Permit Receipt will serve as confirmation of approved

reservation. The Parks & Recreation Director may waive the advance notice requirement. The District will not be charged rent or consumable fees, except as specified in Section 3.

3. **Additional Expenses**. Both parties agree that no custodial or facility attendant wages or overtime will be charged. However, if either party incurs additional expenses directly related to the event that would not otherwise occur, those costs may be billed to the event sponsor. These may include, but are not limited to:

   3.1 Food Service wages/overtime when kitchen or concession stands use is involved.

   3.2 Wages for any special services or supervision (i.e. Technical or Theater Staff) which is deemed necessary by the School Principal, Facility Use & Systems Manager, Director of Community Education, Recreation Manager, Art Center Manager or Parks & Recreation Director.

   3.3 Additional garbage removal if necessary

   3.4 Snow removal if necessary

   3.5 Any mutually agreed-upon fees by the Director of Community Education and the Parks & Recreation Director

4. **Usage rules.**

   4.1 The requesting District or City representative is responsible for obtaining and sharing any facility use procedures or rules and communicating the procedures with the event or site supervisor.

   4.2 Events sponsored by the District or City that result in issues such as inadequate supervision, vandalism, spilled food, or excessive trash may be billed for custodial services. Repeated problems may result in denial of future facility use.

5. **Site-Specific Agreements**. The parties may from time to time enter into site-specific agreements. These site specific agreements must be approved in writing by the Director of Community Education and the Parks & Recreation Director. This Joint Powers Agreement shall not be applicable to a site operating under such an agreement.

6. **Informal Arrangements to Continue.** The current practices as modified herein shall continue:

   6.1 The City and the District will share use and storage of equipment as agreed upon in writing by the Director of Community Education and the Parks & Recreation Director.

7. **Use and Scheduling.**

7.1 The parties agree that District facilities shall be treated as "school ground" as contemplated by the alcohol control provision of Minn. Stat. § 624.701; that the District's alcohol and tobacco policies and administrative procedures, and any additions or amendments thereto, shall apply to all District facilities; that the area should be appropriately posted; and that the City may withhold access from groups for drug, alcohol or tobacco violations. The City agrees to enforce applicable statutes and ordinances in and around District facilities in the same way the City enforces applicable statutes and ordinances on park and City property.

7.2 As reference for the purpose of understanding current usage, the parties' current use of buildings and grounds is set forth in Exhibit "A". Exhibit "A" is provided as an example of use and does not imply a future obligation.

8. **Liability Insurance and Indemnification.**

8.1 The District agrees to maintain insurance for commercial general liability in an amount no less than the minimum statutory limits of liability set forth in Minnesota Statutes § 466.01 et. seq.. A certificate of insurance naming the City as an additional insured will be sent to the City within 30 days of the execution of this agreement.

8.2 The City agrees to maintain insurance for commercial general liability or through the League of Minnesota Cities Insurance Trust in an amount no less than the minimum statutory limits of liability set forth in Minnesota Statutes § 466.01 et. seq.. A certificate of insurance naming the District as an additional insured will be sent to the District within 30 days of the execution of this agreement.

8.3 Subject to the limitations and immunities in Minnesota Statutes, the District agrees to indemnify, hold harmless and defend City from and against any claims, costs, causes of action, expenses and liabilities, including but not limited to reasonable attorney's fees the City incurs because of the District's negligent acts or its failure to comply with the terms of the Agreement.

8.4 Subject to the limitations and immunities in Minnesota Statutes Chapter 466, the City agrees to indemnify, hold harmless and defend the District from and against any claims, costs, causes of action, expenses and liabilities, including but not limited to reasonable attorney's fees the District incurs because of City's negligent acts or its failure to comply with the terms of the Agreement.

9. **Term**

9.1 The term of this Agreement shall extend from the date hereof to ________, and shall be automatically renewed thereafter on annual basis unless either party elects to terminate the agreement subject to the provisions in Section 9.2.

9.2 Six months prior to _________every other year, and thereafter six months prior to each bi-annual renewal date, either party may terminate this Agreement by written notice to the other party.

9.3 The parties agree to a formal review of this Agreement every four years.

10. **Remedies.** In the event that either party fails to perform any obligation under this Agreement, and such failure continues for ninety (90) days after written notice from the other party, such other party's exclusive remedy is to terminate this Agreement.

11. **Effect of Agreement.** This Agreement amends, restates, and supersedes in its entirety, the Original Agreement, which shall be of no further force and effect, and shall become null and void, upon the full execution of this Agreement.

**THIS AGREEMENT** executed by the parties hereto the day and year first above written.



**CITY OF LAKEVILLE, a Minnesota municipal corporation**

BY: ______________________________
Luke Hellier, Mayor

AND ______________________________
Ann Orlofsky, City Clerk

**INDEPENDENT SCHOOL DISTRICT NO. 194**

BY: ______________________________
Matt Swanson, Chair

AND ______________________________
Kim Baker, Clerk

236507v1

**Date:** 10/27/2025

# Proposed 2026 Enterprise Fund Budgets & Utility Rate Projections

## Proposed Action:

Staff is seeking direction from the Council regarding:

- Planned/proposed Utility fund budgets and 2026 rate recommendations
- Proposed 2026 Liquor fund budget

## Overview

The rate changes for 2026 include a 6% increase to Water rates, 3% increase to Sewer rates, 4% increase to the Environmental Resources rate, and 5% for the Street Light rate. The 10-year projections are included by Fund and incorporate the anticipated revenues from the 2026 rate changes, proposed 2026 budgets, staff projections for future years, and the Capital Improvement Plan.

## Program Summary

### *Cash targets*

One of the financial targets is a certain level of unassigned cash by fund at the end of each year. For Water and Sanitary Sewer, this amount is currently $500,000. For Street Lights and Environmental Resources, the amount is currently $100,000. Our model also includes an estimate of planned capital expenditures for the following year when calculating the amount of cash on hand needed at the end of each period. Many of the City's capital improvement projects are led and/or influenced by the County, and although we determine jointly what needs to be replaced, the cost is somewhat out of our control, and the level of predictability in our costs is reduced. We have included estimates of the utility costs related to these projects; however, some costs are unknown until the project is underway. At some point in the future, we may desire to increase the unassigned cash targets beyond $500,000 and $100,000.

### *Risks*

The projected cash and revenue amounts by year can vary significantly from actuals depending on weather and usage. The 10-year projections discussed and portrayed in charts below are based on our predictions at a point in time, and our best guess of normal volumes based on our historical data. Effective 1/1/2023, Lakeville implemented four separate water tiers, when historically it was three tiers. In October 2024, Lakeville transitioned to a new Utility Billing system. This impacts the consistency of reports we have available to analyze the data, and we do not yet have a full year of data in the new system. Additionally, the weather in recent years has been somewhat abnormal, with a drought in 2023 and an abnormally rainy year in 2024. Therefore, our assumption of "normal" volume levels may shift over time as we progress under the new tier structure, in combination of whether a year has more or less rainfall, and as we have more data in the new utility billing system to analyze.

### *Aging infrastructure*

The 10-year rate projections include estimates for replacement or upgrade of aging utilities infrastructure. The chart below includes various statistics related to the current utility infrastructures, and illustrates the significant cost involved in maintaining the infrastructure.

| **Infrastructure item:** | **Statistic** |
|---|---|
| **Water** | |
| Water mains (miles) | 402* |
| Fire hydrants | 4,595 |
| Wells | 19 |
| Water Towers | 6 |
| Water capital asset gross historical cost | $189,552,000 |
| **Sanitary Sewer** | |
| Sanitary sewer mains (miles) | 309* |
| Sanitary sewer lift stations | 19 |
| Sanitary sewer capital asset gross historical cost | $108,669,000 |

*Source: City of Lakeville 2024 Annual Comprehensive Financial Report, except items with asterisk* were updated based on more recent information.*

### *Proposed 2026 rates and impact*

The following chart reflects the fee changes that have been incorporated into the proposed revenues for each of the Utility Funds in the next year:

**Proposed 2026 Utility Fee Structure**

| Quarterly rates | Basis | 2026 Proposed | 2025 Actual | Increase | |
|---|---|---|---|---|---|
| Water base | Account | $ 11.58 | $ 10.92 | $ 0.66 | 6% |
| Water tier 1 -up to 6,000 gallons per quarter | Gallonage* | $ 1.51 | $ 1.42 | $ 0.09 | 6% |
| Water tier 2 -over 6,000 and up to 15,000 gallons per quarter (additional 9,000 gallons max) | Gallonage* | $ 1.67 | $ 1.58 | $ 0.09 | 6% |
| Water tier 3 -over 15,000 and up to 30,000 gallons per quarter (additional 15,000 gallons max) | Gallonage* | $ 3.23 | $ 3.05 | $ 0.18 | 6% |
| Water tier 4 -over 30,000 gallons per quarter | Gallonage* | $ 5.67 | $ 5.35 | $ 0.32 | 6% |
| Irrigation sprinkler accounts | Gallonage* | $ 5.67 | $ 5.35 | $ 0.32 | 6% |
| Water testing fee** | | $ 3.81 | $ 2.43 | $ 1.38 | 57% |
| Sanitary sewer base | Account | $ 11.68 | $ 11.34 | $ 0.34 | 3% |
| Sanitary sewer usage | Gallonage* | $ 5.79 | $ 5.62 | $ 0.17 | 3% |
| Sanitary sewer non metered accounts | Account | $ 115.90 | $ 112.50 | $ 3.40 | 3% |
| Street lights | Account | $ 10.63 | $ 10.12 | $ 0.51 | 5% |
| | front footage | $ 0.2974 | $ 0.2832 | $ 0.0142 | 5% |
| Environmental Resources Fee | Account | $ 16.00 | $ 15.38 | $ 0.62 | 4% |
| Environmental Resources Fee | Annual | $ 64.00 | $ 61.53 | $ 2.47 | 4% |

** Per 1000 gallons*

*** The Water testing fee is mandated by the state-- this is a pass-through fee for the City.*

The estimated impact to an average residential user during a winter quarter is an increased cost of $7.47, which is approximately $2.49 per month.

| Impact of Utility Rate Increases (per quarter)- Avg Winter Usage | 2026 | 2025 | Change |
|---|---|---|---|
| Water | $ 35.67 | $ 33.66 | $ 2.01 |
| Sewer | 98.53 | 95.58 | 2.95 |
| Street Lights | 10.63 | 10.12 | 0.51 |
| Environmental Resources | 16.00 | 15.38 | 0.62 |
| State Surcharge | 3.81 | 2.43 | 1.38 |
| **Total** | **$ 164.64** | **$ 157.17** | **$ 7.47** |

The estimated impact to a residential user with average summer usage is an increased cost of $11.53 per quarter, which is approximately $3.84 per month.

| Impact of Utility Rate Increases (per quarter)- Avg Summer Usage | 2026 | 2025 | Change |
|---|---|---|---|
| Water | $ 109.07 | $ 103.00 | $ 6.07 |
| Sewer* | 98.53 | 95.58 | 2.95 |
| Street Lights | 10.63 | 10.12 | 0.51 |
| Environmental Resources | 16.00 | 15.38 | 0.62 |
| State Surcharge | 3.81 | 2.43 | 1.38 |
| **Total** | **$ 238.04** | **$ 226.51** | **$ 11.53** |

The estimated impact on a high irrigation residential user is an increased cost of $30.34 per quarter, which is approximately $10.11 per month.

| Impact of Utility Rate Increases (per quarter)- High Irrigation Usage | 2026 | 2025 | Change |
|---|---|---|---|
| Water | $ 445.58 | $ 420.70 | $ 24.88 |
| Sewer* | 98.53 | 95.58 | 2.95 |
| Street Lights | 10.63 | 10.12 | 0.51 |
| Environmental Resources | 16.00 | 15.38 | 0.62 |
| State Surcharge | 3.81 | 2.43 | 1.38 |
| **Total** | **$ 574.55** | **$ 544.21** | **$ 30.34** |

## PERSONNEL REQUESTS

There are no new positions requested that impact the 2026 Utility budgets.

## UTILITY BILLING CYCLES

The City currently issues utility bills on a quarterly basis. Staff had previously contemplated changing to a monthly billing cycle to provide customers better visibility to their usage and costs. With the recent implementation of a fixed base meter system throughout the City giving customers the ability to see real-time usage via WaterSmart, Staff currently does not believe the increase in billing/processing costs that would result from 12 annual billings instead of four would be worthwhile, but is interested in hearing Council’s thoughts on this topic.

## WATER OPERATING FUND

The proposed 2026 Water Operating Fund budget reflects the cost of operating the City's water system as well ongoing well rehabilitation, watermain maintenance as part of the 2026 Street Reconstruction Project and other 2026 street projects.

This fund has annual debt service obligations of $964K-$1.32 million in the next five years for $6.405 million in remaining bond principal at 12/31/2025, from bonds issued between 2014 and 2021. Debt is not planned to be issued for regular major maintenance projects in the future, however bonds will likely be needed to fund a portion of the future water treatment plant expansion or new satellite water treatment plant (currently planned for 2027).

Two different scenarios are included with the 10-year water projection attachments.

1) The impact on rates of building a $44M satellite water treatment plant in 2027.
2) The impact of expanding the current water treatment plant in 2027, at a cost of $26.1M.

Both scenarios include a proposed increase of 6% in 2026, but the amount of the cash contribution from Water Operating Fund toward the water treatment plant project in 2027 could be less with the expansion project, and future rate increases would also be lower.

The underlying goals with annual rate adjustments are as follows:

- Maintain a minimum cash balance to fund three months of operating expenses, debt service payments, major maintenance expenses (net of any bond proceeds during the period), emergency maintenance expenses (target of $500K), and accumulate a cash contribution toward the Water Treatment Plant project to reduce the amount of bonds needed on that project;
- Avoid issuing debt for major maintenance projects in future years and reduce the amount of bonds needed for the Water Treatment Plant construction in 2027. This means that the current users of the water system are paying for the depreciation of the system (replacement costs) as we go. The current debt outstanding is scheduled to be completely paid off by 2036 (excluding any new bonds issued for the water treatment plant project).
- Maintain a debt service coverage ratio of at least 125%.
- Maintain a ratio of unrestricted net assets that is at least 50% of the subsequent year's operating expenses.

The proposed water rates for 2026 (and projected increases for 2026-2034) are projected to have the following impacts on the financial targets for the years 2026-2035:

- Achieve cash target for all future years
- Achieve debt service coverage ratio for all years 2026-2035 except for 2026 and 2028
- Achieve unrestricted net assets percentage for all years 2026-2035 except for 2027.

Staff develops the rate projections using a combination of historical financial and volume data as well as assumptions about future growth and volumes. There are three large unique financial considerations taken in the current projections.

1. The first is the projected ability to contribute $8M-$9M in cash toward the water treatment plant expansion or new water treatment satellite plant (whichever option Council opts to proceed with in the future). This has been made possible by the following:

   a. Deliberate past rate increases and careful review of projections to avoid additional debt issuance for this fund
   b. Drought conditions in recent years, which have prompted customers to water grass and therefore increased water revenues beyond expected amounts through 2023. Revenues in 2024 and 2025 have not been as high due to rainier conditions at various points during the watering season, but excess funds remain set aside for the water treatment plant project from prior years.
   c. The City received approximately $740K in revenues from the 3M PFAS settlement during 2025, which will be set aside for PFAS mitigation systems as part of the 2027 water treatment plant project. The City's total award from the 3M settlement distribution is $1.35M (less attorney fees), so the City is anticipating additional funding that is not currently included in the projections due to uncertain timing and precise amounts.
2. From 2014-2021, there was debt issued on behalf of the Water Operating fund for regular maintenance activities with principal totaling $17.945M. This level of debt carries a significant principal and interest cost on an annual basis (2026 payments for principal and interest are more than $1.37M). These annual bond issuances started to mature in 2025, and there is a significant decrease in annual payments beginning in 2031 (down to $783K of principal and interest payments that year).
3. The 2027 water treatment plant project will likely require bond financing for a portion of the costs, with the bulk of the principal and interest repayment to come from the Water Operating Fund.
   a. The current projections in scenario #1 for the satellite water treatment plant assume $35M of bonds will be issued in 2027 toward the $44M project, with $500K-$2M contributions from the Water Operating Fund toward principal and interest repayment each subsequent year for 20 years.
   b. The current projections in scenario #2 for the water treatment plant expansion assume $10M of bonds will be issued in 2027 toward the $26.1M project, with $500K-$800K contributions from the Water Operating Fund toward principal and interest repayment each subsequent year for 20 years.

The projected rates under each scenario over the next 10 years, both using 20-year bonds for repayment, are as follows:

| | 2026* | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Satellite plant** | 6% | 5% | 5% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| **Expansion** | 6% | 2% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

*The 2026 rate is planned to be the same under either scenario so that the Water Operating Fund can contribute as much as possible in cash to either project to reduce the amount of bonds that need to be issued.

After the existing and new debt matures, the current projections indicate that we may be able to hold water rates flat and/or decrease the rates for several years and still meet financial targets.

## SANITARY SEWER OPERATING FUND

The proposed 2026 Sanitary Sewer Fund budget reflects the cost of operating the City's wastewater system as well as sewer main repair projects, other major maintenance and debt repayment for the debt that was issued in 2016 for lift station #6 rehabilitation. In addition, the Metropolitan Wastewater Charge as communicated by the Met Council will have an 8.3% increase for the City of Lakeville in 2026. The wastewater charges are the most significant component of the Sanitary Sewer Fund annual budget. The City does not control this cost, although the cost is based on our share of the discharge into the regional wastewater system. To keep rates lower and due to the current cash position in the fund, we are only proposing a 3% increase rather than an amount closer to the Met Council increase.

The 2026 revenues for sanitary sewer sales are based on increasing the rates by 3%. Years 2026-2035 reflect annual increases of 3%-5%.

The underlying goals with these rate adjustments are as follows:

- Maintain a minimum cash balance to fund three months of operating expenses, debt service payments, and emergency maintenance expenses.
- Maintain a debt service coverage ratio of at least 125%. The bonds outstanding as of 12/31/2024 were completely paid off during 2025, and no additional debt is planned to be issued for the Sewer Operating Fund.
- Maintain a ratio of unrestricted net assets that is at least 50% of the subsequent year's operating expenses.

The 2026 sewer rates and projected increases for 2027-2035 are projected to have the following impacts on the financial targets:

- Cash targets met in all years 2026-2035
- Achieve debt service coverage ratio for all years 2026-2035
- Achieve unrestricted net assets percentage for all years 2026-2035

Currently, the projected sewer revenues by year are not sufficient to meet the forecasted expenses by year for all the next 10 years. On the other hand, the cash position by year is projected to exceed the desired cash position/targets. Since we would prefer to increase rates by the smallest possible amount to cover costs, staff is comfortable with the revenues being slightly under the expenses by year, knowing there is excess cash to cover the shortfall. We will continue reviewing each year to balance minimal rate changes with meeting the financial targets.

One possibility for use of the excess cash on hand is to do a one-time transfer to the Water Operating Fund to assist with the construction costs of the Water Treatment Plant expansion or Satellite Plant project, to further reduce the amount of bonds issued on that project.

## STREET LIGHTING OPERATING FUND

The Street Lighting Operating Fund reflects the cost of operating city street lights.

The 2026 revenues for the Street Lighting Operating Fund reflect a rate increase of 5%. Increases of 4-5% are planned for 2027-2030, with 0% increases thereafter. Current cash projections include some Xcel street light replacements based on available information from Xcel and staff estimates, but the timing of those projects is uncertain. As those projects are scheduled in the future, rates may need to be adjusted accordingly.

The underlying goals of street light rates are as follows:

- Maintain a minimum cash balance to fund three months of operating expenses, debt service payments, and emergency maintenance expenses ($100K).
- Maintain a debt service coverage ratio of at least 125%. The current debt outstanding is scheduled to be completely paid off by 2026.
- Maintain a ratio of unrestricted net assets that is at least 50% of the subsequent year's operating expenses.

The current Street Light rate estimates are projected to have the following impacts on the financial targets:

- Achieve cash targets for nine of the 10 years presented
- Achieve debt service coverage ratio for all years presented except for 2026, but the debt will be paid off in 2026 anyhow.
- Achieve unrestricted net assets percentage for all years presented

## ENVIRONMENTAL RESOURCES OPERATING FUND

The Environmental Resources Fund reflects the cost of managing, promoting, and protecting the City's natural resources including lakes, wetlands, streams, prairies and woodlands. The 2026 budget includes annual storm water rehabilitation projects as well as grant-funded projects.

The revenues for this Fund are based on an increase of 4%, with annual increases between 1%-5% projected for 2027-2035.

The underlying goals with these rate adjustments are as follows:

- Maintain a minimum cash balance to fund three months of operating expenses, debt service payments, and emergency maintenance expenses ($100K).
- Maintain a debt service coverage ratio of at least 125%.
- Maintain a ratio of unrestricted net assets that is at least 50% of the subsequent year's operating expenses.

The proposed Environmental Resources rate projections are anticipated to have the following impacts on the financial targets:

- Meeting all cash targets for all years presented
- The Environmental Resources Fund currently does not hold any debt, so the debt service coverage ratio target is not applicable.
- Meeting unrestricted net assets target percentage for 2026-2029, but slightly below the target in 2030-2033, but back up to the target in 2034-2035.

The cash position is expected to exceed targeted levels for all years presented, therefore, staff is comfortable with being below the target for the unrestricted net assets percentage in 2030-2033. This will be monitored as projections are updated in subsequent years.

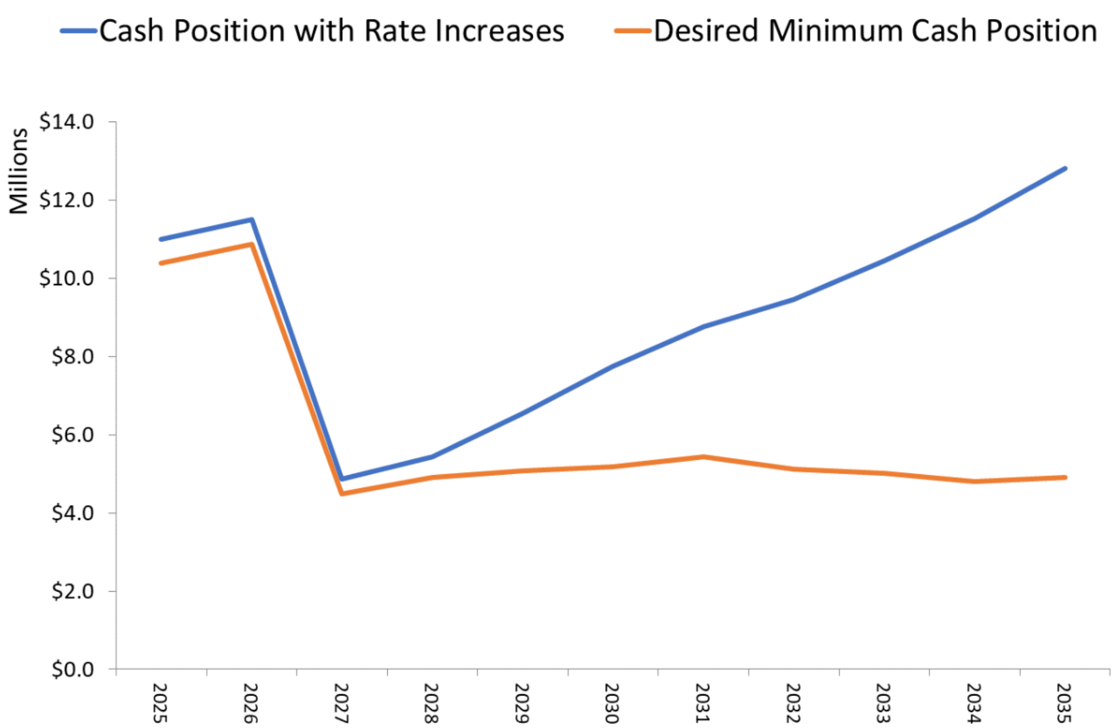
## CHARTS

The following charts reflect the expenses, revenues, and projected cash position for each of the utility funds, including proposed rate increases. These will be referenced during our discussion.

## WATER CHARTS

The water charts below are based on scenario #1, the satellite water treatment plant project.

Figure 1
Water Operating Fund Ending Cash Position (December 31)
is projected to be sufficient to meet City policy objectives




Note- Cash position with rate increases line includes anticipated contributions to the water treatment plant project in 2027 (assumes payment toward the project in 2027, so the above chart shows a drop in both the cash position and the desired cash position at the end of 2027).

Figure 2
Water Fund
Cash is projected to be sufficient to meet minimum annual cash needs and to provide reserve for future capital improvements

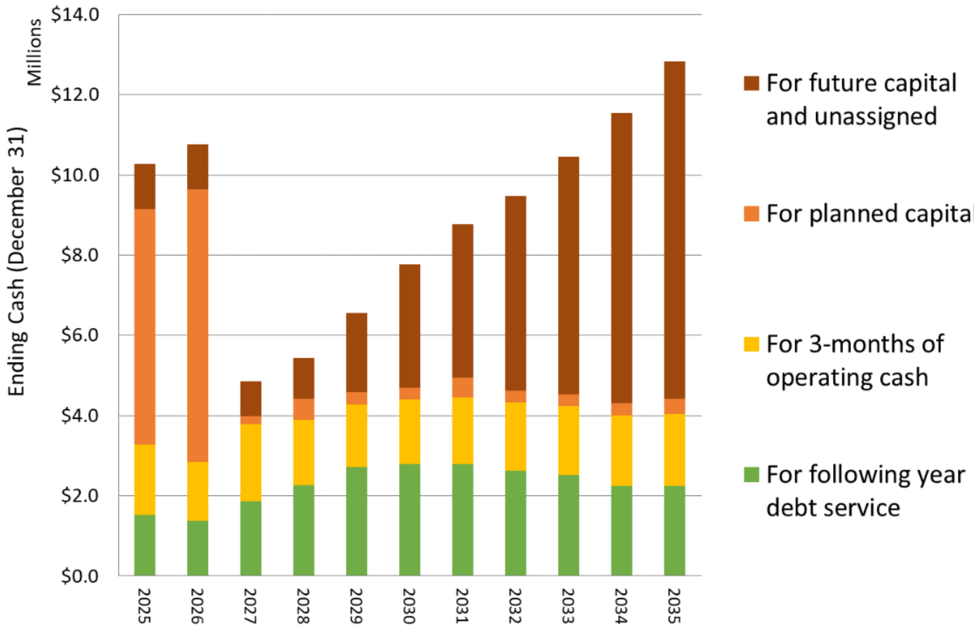
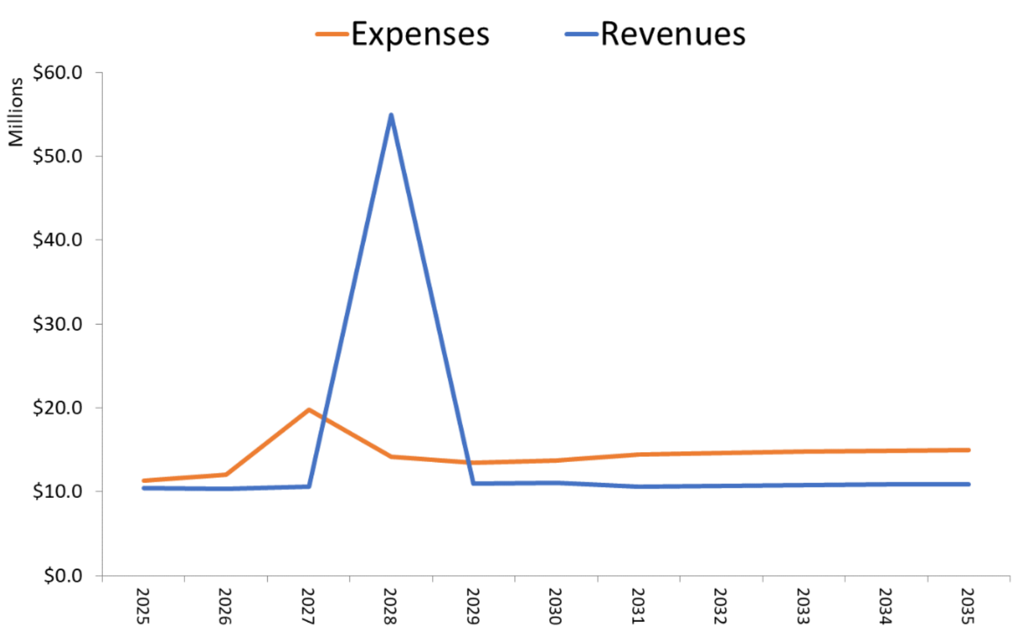



Figure 4
Water Fund
Revenues are projected to cover expenses, revenues in excess of annual expenses will provide funds in year 2027 for the Water Treatment Plant improvements




Note- The sharp increase in revenues in 2028 represents the estimated timing of the capital contribution from the Water Trunk Fund for the water treatment plant project. It is not cash revenues.

Figure 37
Water Operating Fund Expenses by Year

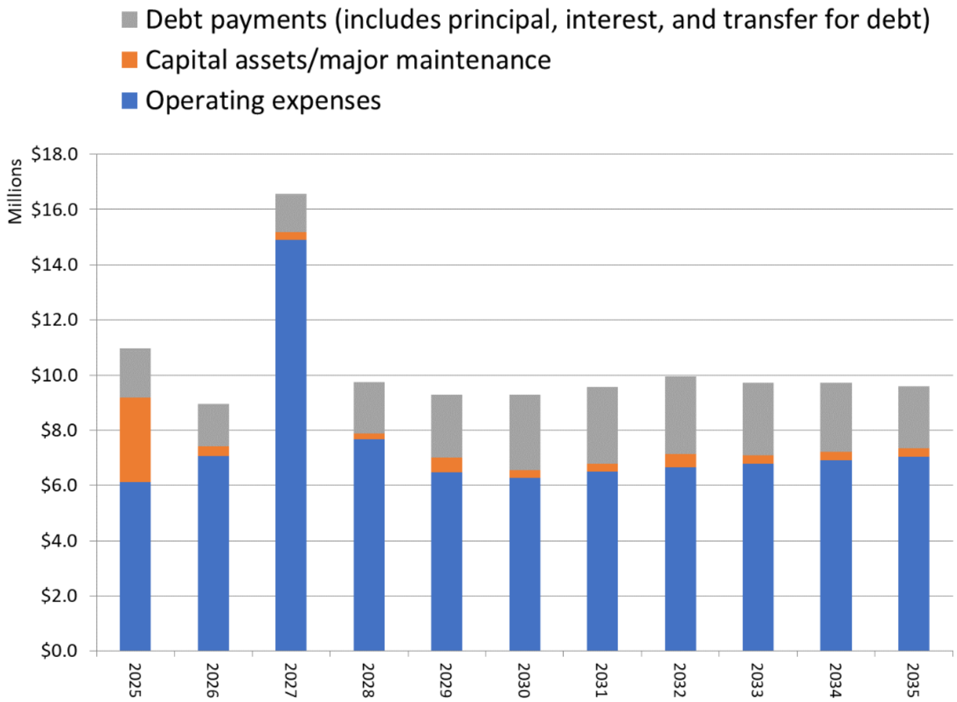
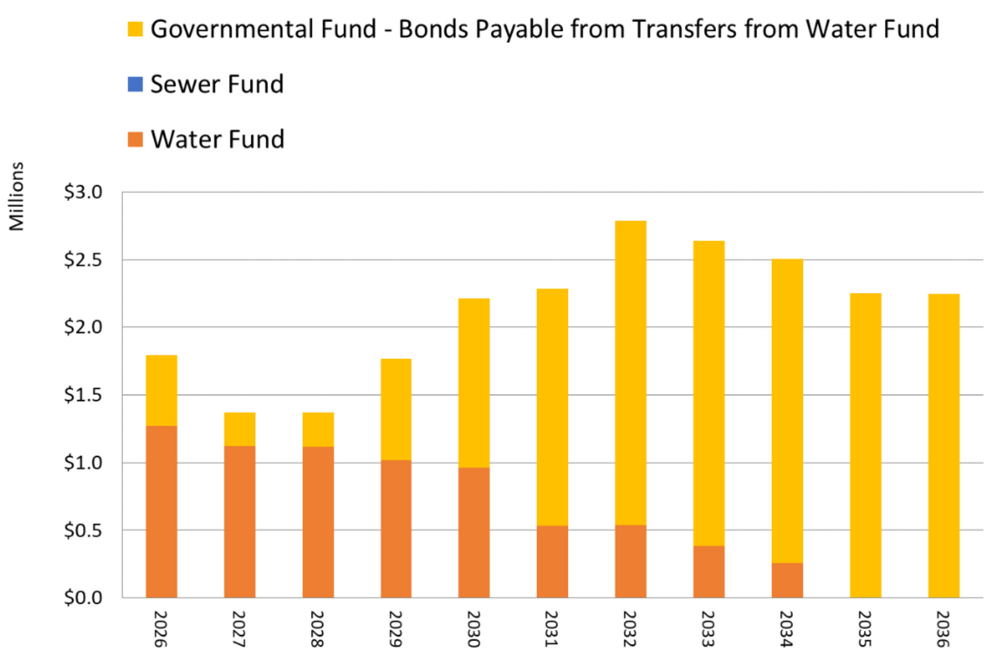



Figure 35
Debt Service on Bonds Payable
Includes Existing and Planned Debt Issuance



## SEWER CHARTS

Figure 6
Sanitary Sewer Operating Fund Cash Position (December 31)
is projected to be sufficient to meet City policy objectives

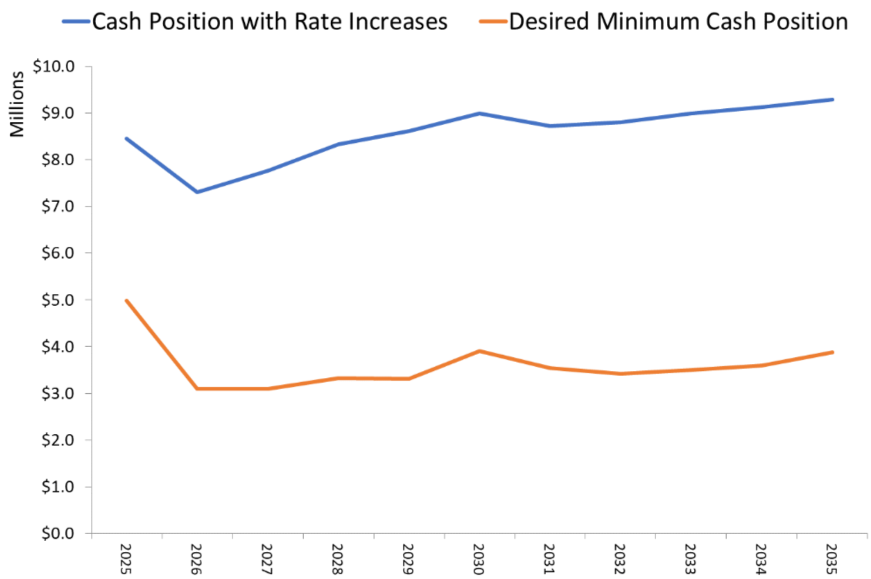



Figure 7
Sanitary Sewer Fund
Cash is projected to be sufficient to meet minimum annual cash needs and to
provide reserve for future capital improvements

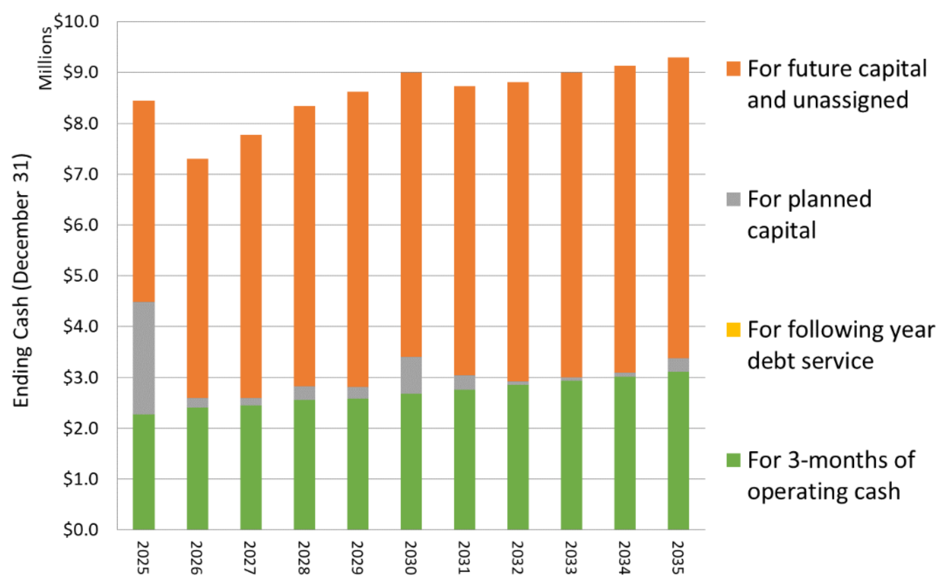


Figure 9
Sanitary Sewer Fund
Revenue is not projected to be sufficient to cover Expenses inclusive of depreciation, without depreciation revenue is closer to sufficient

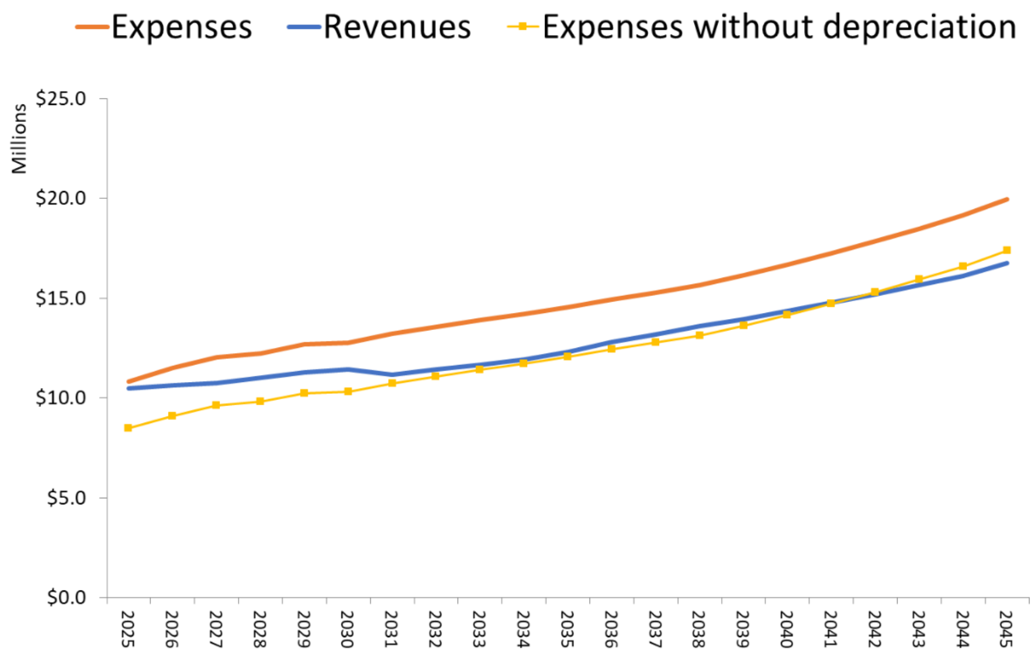
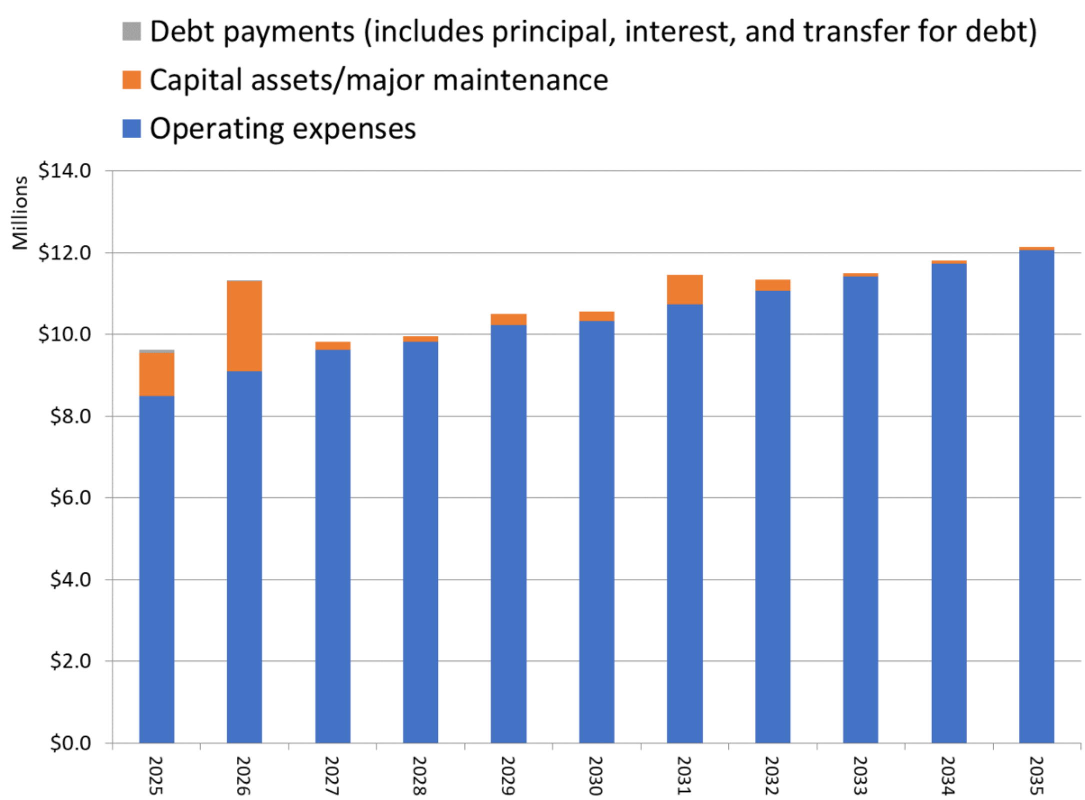
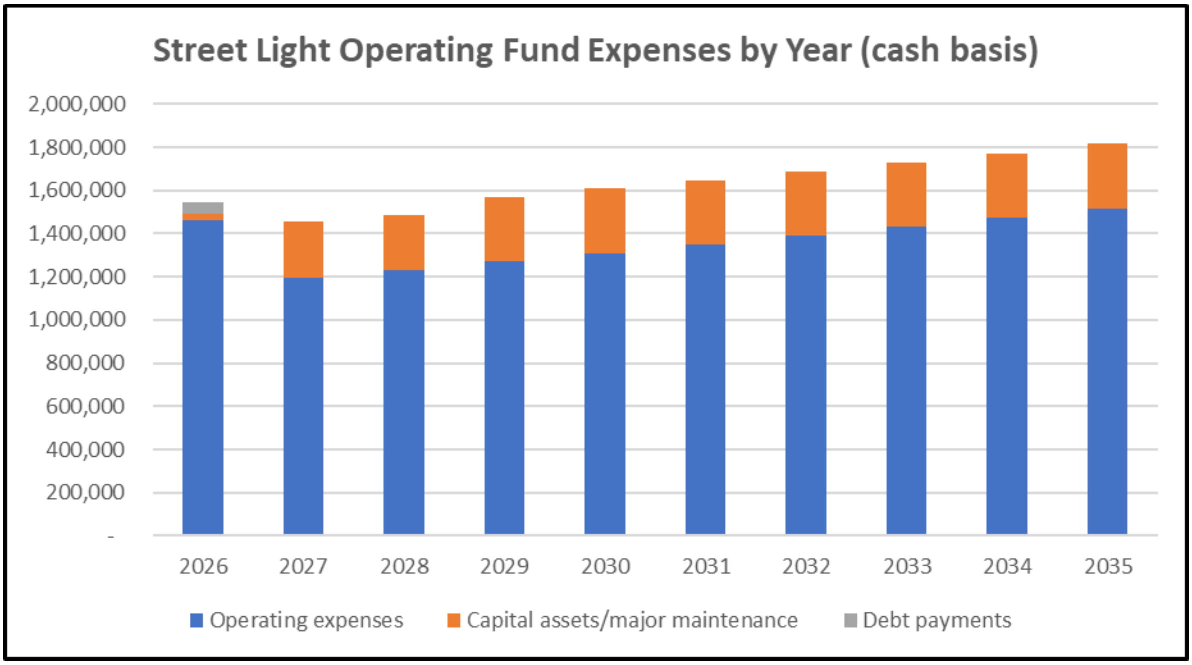
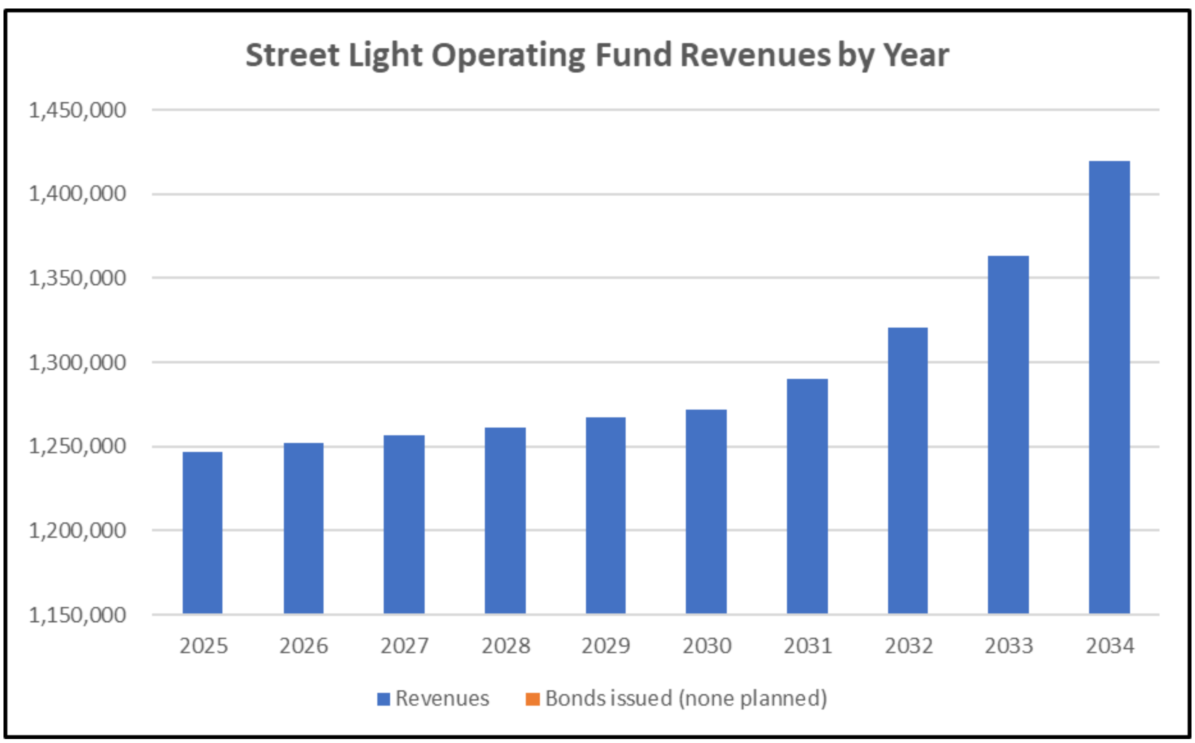


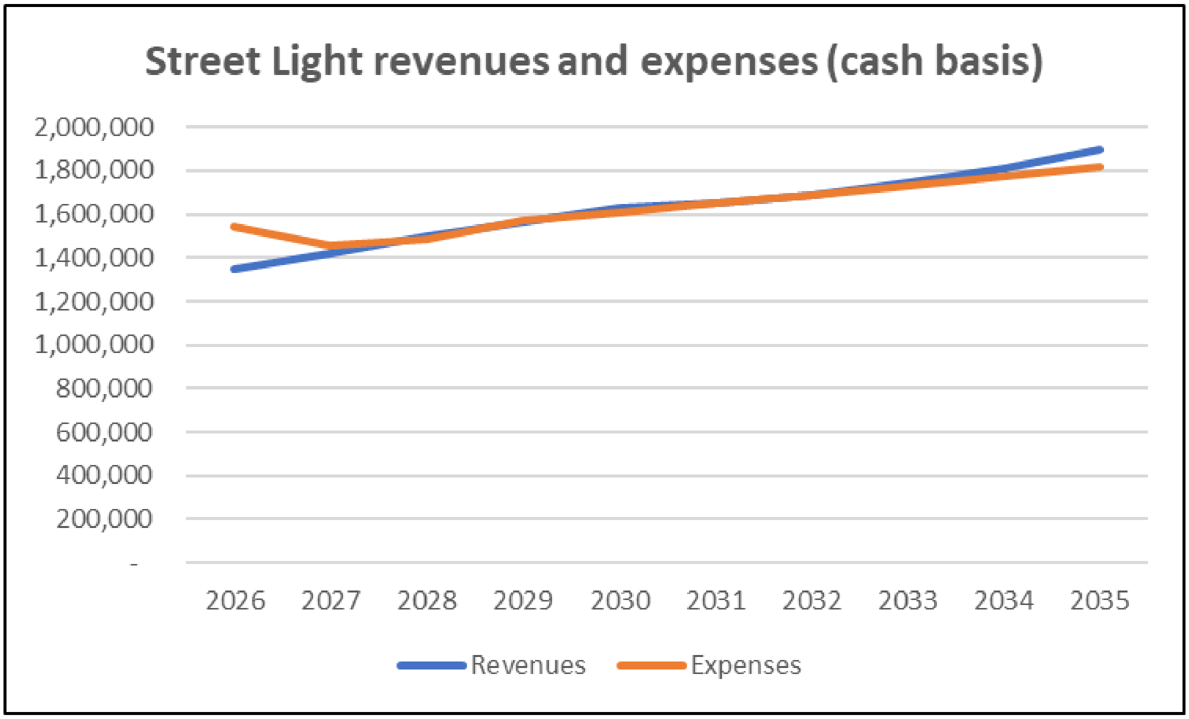

Figure 40
Sewer Operating Fund Expenses by Year

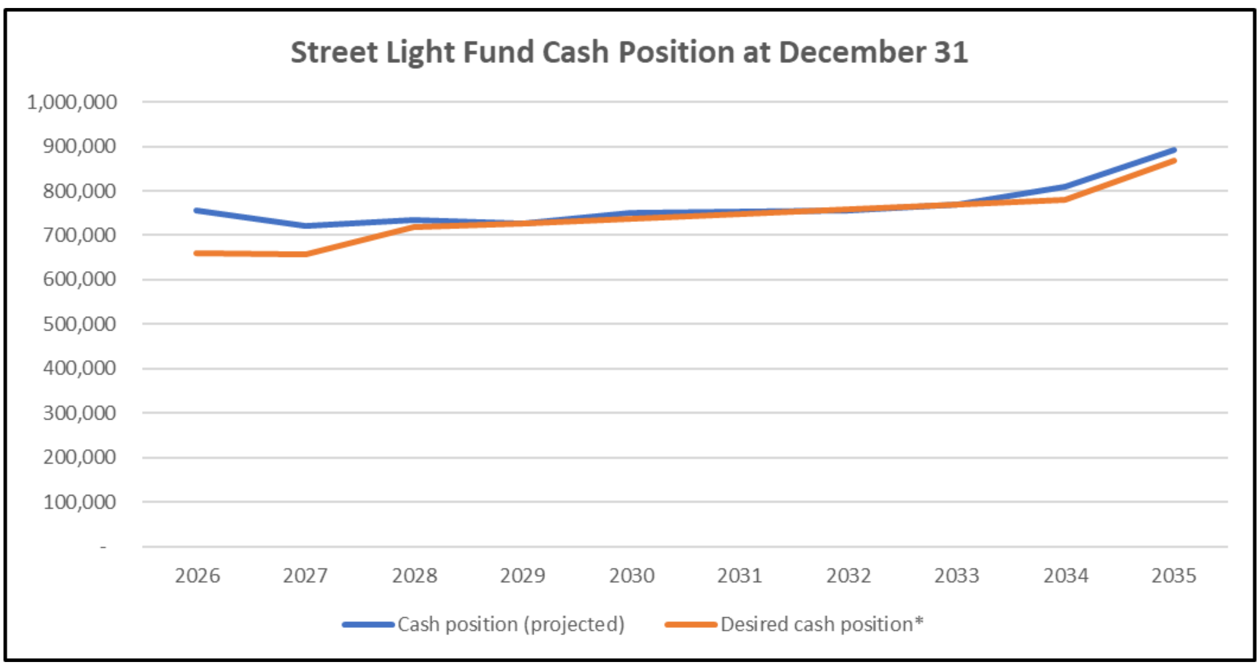


## STREET LIGHT CHARTS



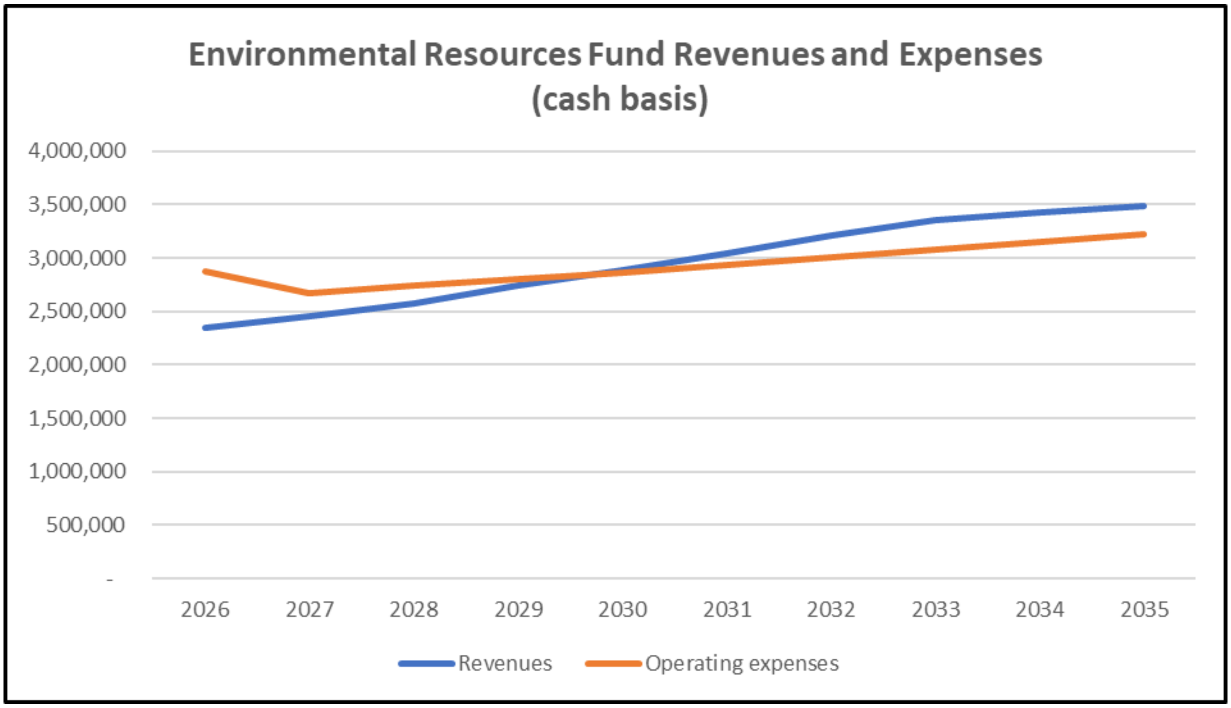



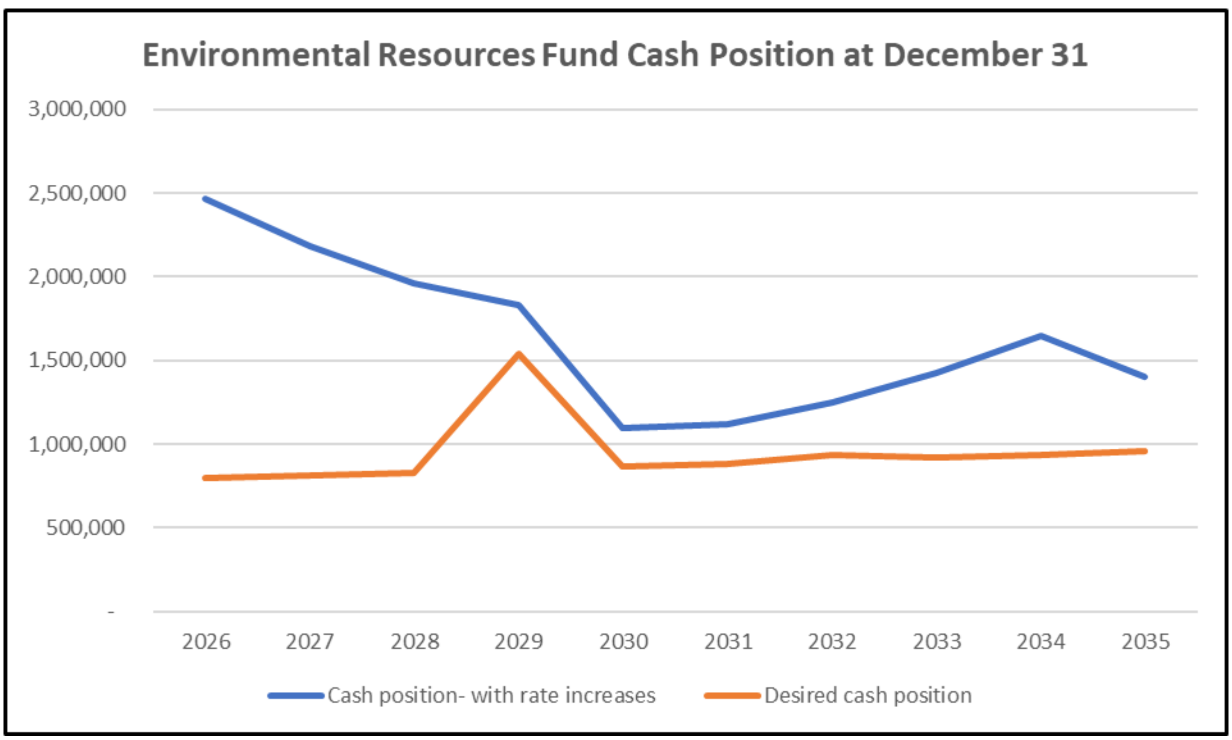



*The desired cash position for the Street Light Operating Fund includes a reserve for unscheduled capital replacement, which is our current estimate from data obtained from Xcel Energy. The timing of these replacements will be largely determined by Xcel.

## ENVIRONMENTAL RESOURCES CHARTS



**2026 Liquor Fund Budget**

The 2025 sales revenues of all four stores combined are looking to come in over budget, and profit margins are slightly up. Compared to the 2025 budget, the 2025 year-end estimate reflects a $374 K increase in sales with a $131K increase in gross profit. Expenditures in 2025 are expected to come in $236K above budget. After transfers out (and including depreciation and OPEB expenses), the Liquor Fund anticipates ending 2025 with a decrease in net position of $727K versus the budgeted decrease in net position of $865K.

Staff is proposing to increase the 2026 sales and gross profit budgets slightly to align more with recent sales activity. The budgeted 2026 gross profit is $190K (3%) more than the 2025 budget. The new Keokuk location's projected sales for 2025 are roughly $4K more than budgeted. The 2026 budget reflects the following increases/decreases in sales revenues (combined total increase of 2.6%):

- Heritage – 3.4%
- Galaxie – 3.2%
- Kenrick – 3.0%
- Keokuk – 1.1%

Personnel expense increase of $263K reflects staffing transitions, city-support services (IT/Finance/HR/Communications), and step/COLA increases of existing liquor staff.

The 2026 budget includes $2.35 million in transfers from the Liquor Fund to support other City endeavors. If not for these Liquor Fund transfers, the tax levy would need to be raised or other funding sources identified to cover these expenditures. The 2026 budgeted transfers, along with prior year comparisons, include the following:

| Expenditure type | 2021 Actual | 2022 Actual | 2023 Actual | 2024 Actual | 2025 Actual | 2026 Budget |
|---|---|---|---|---|---|---|
| Debt - PD station bonds | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 |
| Debt - Keokuk liq store bonds* | $0 | $177,910 | $348,900 | $350,500 | $346,800 | $347,800 |
| Equip Fund-capital equip | $500,000 | $500,000 | $500,000 | $500,000 | $900,000 | $1,500,000 |
| Tech Fund-capital equip | $31,300 | $38,500 | $ 38,500 | $59,500 | $67,610 | $68,340 |
| Gen Fund-admin/tech | $150,075 | $164,085 | $238,286 | $0 | $0 | $0 |
| Gen Fund-fireworks | $15,000 | $15,000 | $30,000 | $30,000 | $30,000 | $30,000 |
| **Total** | **$1,096,375** | **$1,295,495** | **$1,555,686** | **$1,340,000** | **$1,744,410** | **$2,346,140** |

**The debt service for the Keokuk liquor store was not previously shown as a transfer.*

**Financial Targets of Liquor Fund**
The Fund Balance Policy, last amended on January 3, 2023 contains the following parameters for the Liquor Fund.

The Liquor Fund is used to account for the financial activities associated with operating a municipal liquor operation. When evaluating the use of funds, the city intends to meet the following management targets:

- Available cash on hand to cover the following objectives:
  - Three months of operating cash
  - Following year debt service payments
  - Next year planned capital expenditures not financed with bonds
- Income Before Contributions and Transfers not less than 125% of annual debt service on existing and planned debt.

The Liquor Fund estimates are projected to have the following impacts on the financial targets:

- Achieve cash targets for years 2026-2030
- Achieve debt service coverage ratio for years 2028-2030
- Debt service coverage ratio slightly under desired target for years 2025-2027, but still above 105% bond requirements. The last debt payment for the Galaxie store is in 2027.

## BUDGET AND FEE SCHEDULE REVIEW SCHEDULE

| | |
|---|---|
| Nov 24 | Workshop – Final 2026 Budget Review; 2025 Yearend Preview |
| Dec 1 | Meeting – Public Budget Meeting (Truth in Taxation) / Adopt 2026 Budget & 2026 Tax Levy / Adopt 2026 Fee Schedule |

Attachments:

1) Utility Financial Planning Models- Staff Proposal
   a. Water Fund – Expansion scenario (pg.18-20)
   b. Water Fund – Satellite scenario (pg.21-23)
   c. Sewer Fund (pg.24-26)
   d. Street Lighting Fund (pg.27-28)
   e. Environmental Resources (pg.29-30)
2) Liquor Fund Budget
   a. 2026 Budget Summary by Department/Store
   b. Liquor Store Proforma
   c. Projected Working Capital
   d. Capital Outlay by store

**From:** Justin Miller, City Administrator
Julie Stahl, Finance Director

Table 1
Water Fund
Summary

## Water Fund

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | 10,417,199 | 10,304,598 | 10,278,037 | 36,280,072 | 10,195,272 | 10,243,536 | 9,805,905 | 9,875,669 | 9,938,276 | 10,023,253 | 10,110,523 |
| Expenses | 11,349,686 | 11,998,697 | 18,799,603 | 13,725,852 | 12,820,630 | 12,586,018 | 12,800,024 | 12,968,898 | 13,093,785 | 13,215,230 | 13,333,780 |
| **Revenue Over (Under) Expense** | (932,487) | (1,694,099) | (8,521,566) | 22,554,220 | (2,625,357) | (2,342,482) | (2,994,119) | (3,093,228) | (3,155,509) | (3,191,977) | (3,223,257) |
| **Projected Ending Cash by Purpose** | | | | | | | | | | | |
| For future capital and unassigned | 1,122,729 | 1,121,181 | 1,587,965 | 1,165,181 | 2,016,777 | 3,486,594 | 4,623,940 | 6,038,069 | 7,510,883 | 9,199,878 | 10,782,974 |
| For planned capital | 5,864,728 | 6,800,090 | 202,526 | 519,754 | 302,042 | 290,000 | 488,883 | 290,682 | 290,000 | 300,595 | 371,000 |
| 3M PFAS Settlement funds (restricted to PFAS remediation) | | 740,031 | - | | | | | | | | |
| For 3-months of operating cash | 1,765,216 | 1,467,639 | 1,914,066 | 1,620,490 | 1,563,837 | 1,622,548 | 1,661,106 | 1,691,990 | 1,724,272 | 1,757,125 | 1,792,560 |
| For following year debt service | 1,519,331 | 1,374,207 | 1,866,906 | 2,071,157 | 2,015,206 | 1,583,301 | 1,588,040 | 1,433,551 | 1,309,862 | 1,048,913 | 1,049,900 |
| Projected Ending Cash | 10,272,004 | 11,503,148 | 5,571,463 | 5,376,582 | 5,897,862 | 6,982,443 | 8,361,969 | 9,454,293 | 10,835,017 | 12,306,511 | 13,996,434 |
| **Net Position** | | | | | | | | | | | |
| Ending unrestricted net position | 13,985,916 | 14,501,812 | 8,596,043 | 8,427,336 | 8,975,052 | 10,086,333 | 11,492,826 | 12,612,387 | 14,020,620 | 15,519,899 | 17,237,884 |
| As % of expense | 123% | 121% | 46% | 61% | 70% | 80% | 90% | 97% | 107% | 117% | 129% |
| Target: 50% or higher | | | | | | | | | | | |
| **Net Revenues as % of Debt Service** | 204% | 131% | 194% | 127% | 202% | 243% | 253% | 308% | 301% | 390% | 385% |
| Target: 50% or higher 1.25x | | | | | | | | | | | |
| **Projected Rate changes by year** | **n/a** | **6%** | **2%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** |

Table 7
Water Fund
Pro Forma

Lakeville

**Finance Plan**

**Water Fund**

| | 2025 Estimated | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| Service charges | 8,209,000 | 8,898,693 | 9,137,842 | 9,186,016 | 9,203,914 | 9,236,951 | 9,269,987 | 9,303,024 | 9,336,060 | 9,384,234 | 9,432,409 |
| Senior discounts | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - bulk water | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Service charges - unbilled revenues | 124,000 | 125,240 | 126,492 | 127,757 | 129,035 | 130,325 | 131,628 | 132,945 | 134,274 | 135,617 | 136,973 |
| Service charges - cancels/manual bill adjusts | 37,000 | 37,370 | 37,744 | 38,121 | 38,502 | 38,887 | 39,276 | 39,669 | 40,066 | 40,466 | 40,871 |
| Services charges | 8,400,000 | 9,091,303 | 9,332,078 | 9,381,894 | 9,401,452 | 9,436,163 | 9,470,892 | 9,505,637 | 9,540,400 | 9,590,318 | 9,640,253 |
| Connection permits | - | - | - | - | - | - | - | - | - | - | - |
| Sales of meters | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 |
| Penalties and other revenues | 50,000 | 50,500 | 51,005 | 51,515 | 52,030 | 52,551 | 53,076 | 53,607 | 54,143 | 54,684 | 55,231 |
| Investment income and other earnings | 445,829 | 395,419 | 287,579 | 139,287 | 134,415 | 147,447 | 174,561 | 209,049 | 236,357 | 270,875 | 307,663 |
| Intergovernmental revenues | 15,673 | - | - | - | - | - | - | - | - | - | - |
| Other revenues and special items | 812,519 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Special assessments | 160,802 | 160,000 | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - | - | - |
| Capital contributions | 500,000 | 500,000 | 500,000 | 26,600,000 | 500,000 | 500,000 | - | - | - | - | - |
| Total Revenues | 10,417,199 | 10,304,598 | 10,278,037 | 36,280,072 | 10,195,272 | 10,243,536 | 9,805,905 | 9,875,669 | 9,938,276 | 10,023,253 | 10,110,523 |
| **Expenses** | | | | | | | | | | | |
| *Fixed Expenses* | | | | | | | | | | | |
| Personnel services | 1,707,359 | 1,826,339 | 1,881,129 | 1,937,563 | 1,995,690 | 2,055,561 | 2,117,227 | 2,180,744 | 2,246,167 | 2,313,552 | 2,382,958 |
| Major maintenance not capitalized | 1,539,333 | 2,370,000 | 1,046,122 | 2,716,767 | 1,425,910 | 1,078,628 | 1,187,883 | 1,215,234 | 1,208,714 | 1,202,803 | 1,193,500 |
| Transfers out General Fund | - | - | - | - | - | - | - | - | - | - | - |
| Transfer out Debt Service Fund | 522,045 | 248,369 | 250,519 | 748,219 | 1,051,594 | 1,050,544 | 1,049,088 | 1,052,128 | 1,049,788 | 1,052,050 | 1,048,913 |
| Transfer out Other Funds | 43,065 | 7,500 | 8,018,835 | 26,614 | 950 | 8,850 | 7,670 | 20,348 | 28,920 | 22,679 | 13,251 |
| Interest and fiscal expense | 233,175 | 189,609 | 168,588 | 133,538 | 97,988 | 62,838 | 39,038 | 25,588 | 13,288 | 3,906 | - |
| Depreciation | 4,444,384 | 4,466,002 | 4,486,005 | 5,156,068 | 5,181,562 | 5,201,613 | 5,208,863 | 5,221,085 | 5,228,352 | 5,235,602 | 5,243,117 |
| *Subtotal Fixed Expenses* | 8,489,361 | 9,107,819 | 15,851,197 | 10,718,768 | 9,753,693 | 9,458,033 | 9,609,769 | 9,715,127 | 9,775,228 | 9,830,592 | 9,881,738 |
| *Variable Expenses* | | | | | | | | | | | |
| Commodities | 914,319 | 979,843 | 999,440 | 1,019,429 | 1,039,817 | 1,060,614 | 1,081,826 | 1,103,462 | 1,125,532 | 1,148,042 | 1,171,003 |
| Other charges for services/disposal of assets | 1,946,006 | 1,911,035 | 1,948,966 | 1,987,656 | 2,027,119 | 2,067,372 | 2,108,430 | 2,150,309 | 2,193,025 | 2,236,596 | 2,281,038 |
| *Subtotal Variable Expenses* | 2,860,325 | 2,890,878 | 2,948,406 | 3,007,084 | 3,066,936 | 3,127,985 | 3,190,255 | 3,253,771 | 3,318,557 | 3,384,638 | 3,452,041 |
| Total Expenses | 11,349,686 | 11,998,697 | 18,799,603 | 13,725,852 | 12,820,630 | 12,586,018 | 12,800,024 | 12,968,898 | 13,093,785 | 13,215,230 | 13,333,780 |
| Beginning net position | 133,621,511 | 132,689,024 | 130,994,925 | 122,473,359 | 145,027,578 | 142,402,221 | 140,059,739 | 137,065,620 | 133,972,392 | 130,816,883 | 127,624,907 |
| Change in Net Position | (932,487) | (1,694,099) | (8,521,566) | 22,554,220 | (2,625,357) | (2,342,482) | (2,994,119) | (3,093,228) | (3,155,509) | (3,191,977) | (3,223,257) |
| Ending net position | 132,689,024 | 130,994,925 | 122,473,359 | 145,027,578 | 142,402,221 | 140,059,739 | 137,065,620 | 133,972,392 | 130,816,883 | 127,624,907 | 124,401,650 |

Table 8
Water Fund
Projected Year End Cash Balance

Lakeville

**Ending Cash Balance**

**Water Fund**

| | 2025 Estimate | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Use of Cash | | | | | | | | | | | |
| Operations & Maintenance | 6,074,404 | 7,060,864 | 5,870,557 | 7,656,265 | 6,481,961 | 6,255,350 | 6,490,190 | 6,644,425 | 6,767,962 | 6,897,087 | 7,028,499 |
| Capital Acquisition | 3,057,970 | 364,728 | 300,090 | 202,526 | 519,754 | 302,042 | 290,000 | 488,883 | 290,682 | 290,000 | 300,595 |
| Other Interfund Transfers | 43,065 | 7,500 | 8,018,835 | 26,614 | 950 | 8,850 | 7,670 | 20,348 | 28,920 | 22,679 | 13,251 |
| Debt Service (includes transfers for debt) | 1,797,833 | 1,519,331 | 1,374,207 | 1,866,906 | 2,071,157 | 2,015,206 | 1,583,301 | 1,588,040 | 1,433,551 | 1,309,862 | 1,048,913 |
| Total Use of Cash | 10,973,272 | 8,952,423 | 15,563,689 | 9,752,310 | 9,073,822 | 8,581,448 | 8,371,161 | 8,741,696 | 8,521,115 | 8,519,628 | 8,391,258 |
| Source of Cash | | | | | | | | | | | |
| Revenues | 9,917,199 | 9,804,598 | 9,778,037 | 9,680,072 | 9,695,272 | 9,743,536 | 9,805,905 | 9,875,669 | 9,938,276 | 10,023,253 | 10,110,523 |
| Total Source of Cash | 9,917,199 | 9,804,598 | 9,778,037 | 9,680,072 | 9,695,272 | 9,743,536 | 9,805,905 | 9,875,669 | 9,938,276 | 10,023,253 | 10,110,523 |
| Net Change in Other Assets and Liabilities | (850,187) | (361,062) | (146,033) | (122,643) | (100,170) | (77,508) | (55,217) | (41,650) | (36,437) | (32,131) | (29,341) |
| Change in Cash Balance | (1,906,260) | 491,113 | (5,931,684) | (194,882) | 521,281 | 1,084,581 | 1,379,526 | 1,092,324 | 1,380,724 | 1,471,494 | 1,689,923 |
| **Projected Ending Cash** | **11,012,035** | **11,503,148** | **5,571,463** | **5,376,582** | **5,897,862** | **6,982,443** | **8,361,969** | **9,454,293** | **10,835,017** | **12,306,511** | **13,996,434** |
| Ending Cash by Purpose | | | | | | | | | | | |
| Unassigned | 1,122,729 | 1,121,181 | 1,587,965 | 1,165,181 | 2,016,777 | 3,486,594 | 4,623,940 | 6,038,069 | 7,510,883 | 9,199,878 | 10,782,974 |
| For capital improvements WTF Expansion | 5,500,000 | 6,500,000 | - | - | | - | | | | | |
| 3M PFAS Settlement funds (restricted to PFAS remediation) | 740,031 | 740,031 | | | | | | | | | |
| For next year planned capital | 364,728 | 300,090 | 202,526 | 519,754 | 302,042 | 290,000 | 488,883 | 290,682 | 290,000 | 300,595 | 371,000 |
| Long term capital needs (watermain replacement) | | | | | | | | | | | |
| For 3-months of operating cash | 1,765,216 | 1,467,639 | 1,914,066 | 1,620,490 | 1,563,837 | 1,622,548 | 1,661,106 | 1,691,990 | 1,724,272 | 1,757,125 | 1,792,560 |
| For following year debt service | 1,519,331 | 1,374,207 | 1,866,906 | 2,071,157 | 2,015,206 | 1,583,301 | 1,588,040 | 1,433,551 | 1,309,862 | 1,048,913 | 1,049,900 |
| **Projected Ending Cash** | **11,012,035** | **11,503,148** | **5,571,463** | **5,376,582** | **5,897,862** | **6,982,443** | **8,361,969** | **9,454,293** | **10,835,017** | **12,306,511** | **13,996,434** |

Note: Cash balances include cash and investments.

| | 2025 Estimate | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash** | **12,918,295** | **11,012,035** | **11,503,148** | **5,571,463** | **5,376,582** | **5,897,862** | **6,982,443** | **8,361,969** | **9,454,293** | **10,835,017** | **12,306,511** |
| Plus revenues | 9,917,199 | 9,804,598 | 9,778,037 | 9,680,072 | 9,695,272 | 9,743,536 | 9,805,905 | 9,875,669 | 9,938,276 | 10,023,253 | 10,110,523 |
| Plus bond proceeds | - | - | - | - | - | - | - | - | - | - | - |
| Less capital assets acquisition | (3,057,970) | (364,728) | (300,090) | (202,526) | (519,754) | (302,042) | (290,000) | (488,883) | (290,682) | (290,000) | (300,595) |
| Less principal on debt | (1,010,000) | (1,055,000) | (950,000) | (980,000) | (915,000) | (895,000) | (490,000) | (505,000) | (365,000) | (250,000) | - |
| Less interest and fiscal charges | (265,788) | (215,962) | (173,688) | (138,687) | (104,563) | (69,662) | (44,213) | (30,912) | (18,763) | (7,812) | - |
| Less operating and other costs | (6,074,404) | (7,060,864) | (5,870,557) | (7,656,265) | (6,481,961) | (6,255,350) | (6,490,190) | (6,644,425) | (6,767,962) | (6,897,087) | (7,028,499) |
| Plus transfers in | - | - | - | - | - | - | - | - | - | - | - |
| Less transfers out other | (43,065) | (7,500) | (8,018,835) | (26,614) | (950) | (8,850) | (7,670) | (20,348) | (28,920) | (22,679) | (13,251) |
| Less transfers out debt service | (522,045) | (248,369) | (250,519) | (748,219) | (1,051,594) | (1,050,544) | (1,049,088) | (1,052,128) | (1,049,788) | (1,052,050) | (1,048,913) |
| Net change in other assets | (1,271,665) | (43,775) | (45,097) | (45,547) | (46,003) | (46,463) | (46,928) | (47,397) | (47,871) | (48,350) | (48,833) |
| Net change in other liabilities | 421,478 | (317,287) | (100,937) | (77,096) | (54,167) | (31,045) | (8,290) | 5,747 | 11,433 | 16,218 | 19,492 |
| ***Total Change in Cash*** | ***(1,906,260)*** | ***491,113*** | ***(5,931,684)*** | ***(194,882)*** | ***521,281*** | ***1,084,581*** | ***1,379,526*** | ***1,092,324*** | ***1,380,724*** | ***1,471,494*** | ***1,689,923*** |
| **Projected Ending Cash** | **11,012,035** | **11,503,148** | **5,571,463** | **5,376,582** | **5,897,862** | **6,982,443** | **8,361,969** | **9,454,293** | **10,835,017** | **12,306,511** | **13,996,434** |
| Must be zero | - | - | - | - | - | - | - | - | - | - | - |
| Must be zero | - | - | - | - | - | - | - | - | - | - | - |

Table 1
Water Fund
Summary

## Water Fund

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | 10,417,199 | 10,304,598 | 10,565,915 | 54,957,829 | 10,993,921 | 11,059,823 | 10,627,771 | 10,690,754 | 10,746,410 | 10,825,487 | 10,906,709 |
| Expenses | 11,349,686 | 11,998,697 | 19,799,603 | 14,173,352 | 13,468,130 | 13,733,518 | 14,447,524 | 14,616,398 | 14,741,285 | 14,862,730 | 14,981,280 |
| **Revenue Over (Under) Expense** | (932,487) | (1,694,099) | (9,233,688) | 40,784,477 | (2,474,209) | (2,673,695) | (3,819,753) | (3,925,643) | (3,994,875) | (4,037,243) | (4,074,571) |
| **Projected Ending Cash by Purpose** | | | | | | | | | | | |
| For future capital and unassigned | 1,122,729 | 1,121,181 | 875,843 | 1,030,815 | 1,981,060 | 3,067,165 | 3,826,376 | 4,855,591 | 5,936,538 | 7,227,767 | 8,407,050 |
| For planned capital | 5,864,728 | 6,800,090 | 202,526 | 519,754 | 302,042 | 290,000 | 488,883 | 290,682 | 290,000 | 300,595 | 371,000 |
| 3M PFAS Settlement funds (restricted to PFAS remediation) | | 740,031 | - | | | | | | | | |
| For 3-months of operating cash | 1,765,216 | 1,467,639 | 1,914,066 | 1,620,490 | 1,563,837 | 1,622,548 | 1,661,106 | 1,691,990 | 1,724,272 | 1,757,125 | 1,792,560 |
| For following year debt service | 1,519,331 | 1,374,207 | 1,866,906 | 2,271,157 | 2,715,206 | 2,783,301 | 2,788,040 | 2,633,551 | 2,509,862 | 2,248,913 | 2,249,900 |
| Projected Ending Cash | 10,272,004 | 11,503,148 | 4,859,341 | 5,442,217 | 6,562,146 | 7,763,013 | 8,764,406 | 9,471,814 | 10,460,672 | 11,534,400 | 12,820,509 |
| **Net Position** | | | | | | | | | | | |
| Ending unrestricted net position | 13,985,916 | 14,501,812 | 7,883,921 | 8,492,970 | 9,639,335 | 10,866,903 | 11,895,263 | 12,629,908 | 13,646,276 | 14,747,788 | 16,061,960 |
| As % of expense | 123% | 121% | 40% | 60% | 72% | 79% | 82% | 86% | 93% | 99% | 107% |
| Target: 50% or higher | | | | | | | | | | | |
| **Net Revenues as % of Debt Service** | 204% | 120% | 154% | 100% | 144% | 163% | 165% | 180% | 177% | 196% | 194% |
| Target: 50% or higher 1.25x | | | | | | | | | | | |
| **Projected Rate changes by year** | **n/a** | **6%** | **5%** | **5%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** | **0%** |

Table 7
Water Fund
Pro Forma

Lakeville

## Finance Plan

## Water Fund

| | 2025 Estimated | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| Service charges | 8,209,000 | 8,898,693 | 9,425,719 | 9,981,576 | 10,000,922 | 10,036,631 | 10,072,339 | 10,108,048 | 10,143,756 | 10,195,827 | 10,247,898 |
| Senior discounts | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - bulk water | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Service charges - unbilled revenues | 124,000 | 125,240 | 126,492 | 127,757 | 129,035 | 130,325 | 131,628 | 132,945 | 134,274 | 135,617 | 136,973 |
| Service charges - cancels/manual bill adjusts | 37,000 | 37,370 | 37,744 | 38,121 | 38,502 | 38,887 | 39,276 | 39,669 | 40,066 | 40,466 | 40,871 |
| Services charges | 8,400,000 | 9,091,303 | 9,619,955 | 10,177,454 | 10,198,459 | 10,235,843 | 10,273,244 | 10,310,661 | 10,348,096 | 10,401,910 | 10,455,742 |
| Connection permits | - | - | - | - | - | - | - | - | - | - | - |
| Sales of meters | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 | 32,376 |
| Penalties and other revenues | 50,000 | 50,500 | 51,005 | 51,515 | 52,030 | 52,551 | 53,076 | 53,607 | 54,143 | 54,684 | 55,231 |
| Investment income and other earnings | 445,829 | 395,419 | 287,579 | 121,484 | 136,055 | 164,054 | 194,075 | 219,110 | 236,795 | 261,517 | 288,360 |
| Intergovernmental revenues | 15,673 | - | - | - | - | - | - | - | - | - | - |
| Other revenues and special items | 812,519 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Special assessments | 160,802 | 160,000 | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - | - | - |
| Capital contributions | 500,000 | 500,000 | 500,000 | 44,500,000 | 500,000 | 500,000 | - | - | - | - | - |
| Total Revenues | 10,417,199 | 10,304,598 | 10,565,915 | 54,957,829 | 10,993,921 | 11,059,823 | 10,627,771 | 10,690,754 | 10,746,410 | 10,825,487 | 10,906,709 |
| **Expenses** | | | | | | | | | | | |
| *Fixed Expenses* | | | | | | | | | | | |
| Personnel services | 1,707,359 | 1,826,339 | 1,881,129 | 1,937,563 | 1,995,690 | 2,055,561 | 2,117,227 | 2,180,744 | 2,246,167 | 2,313,552 | 2,382,958 |
| Major maintenance not capitalized | 1,539,333 | 2,370,000 | 1,046,122 | 2,716,767 | 1,425,910 | 1,078,628 | 1,187,883 | 1,215,234 | 1,208,714 | 1,202,803 | 1,193,500 |
| Transfers out General Fund | - | - | - | - | - | - | - | - | - | - | - |
| Transfer out Debt Service Fund | 522,045 | 248,369 | 250,519 | 748,219 | 1,251,594 | 1,750,544 | 2,249,088 | 2,252,128 | 2,249,788 | 2,252,050 | 2,248,913 |
| Transfer out Other Funds | 43,065 | 7,500 | 9,018,835 | 26,614 | 950 | 8,850 | 7,670 | 20,348 | 28,920 | 22,679 | 13,251 |
| Interest and fiscal expense | 233,175 | 189,609 | 168,588 | 133,538 | 97,988 | 62,838 | 39,038 | 25,588 | 13,288 | 3,906 | - |
| Depreciation | 4,444,384 | 4,466,002 | 4,486,005 | 5,603,568 | 5,629,062 | 5,649,113 | 5,656,363 | 5,668,585 | 5,675,852 | 5,683,102 | 5,690,617 |
| *Subtotal Fixed Expenses* | 8,489,361 | 9,107,819 | 16,851,197 | 11,166,268 | 10,401,193 | 10,605,533 | 11,257,269 | 11,362,627 | 11,422,728 | 11,478,092 | 11,529,238 |
| *Variable Expenses* | | | | | | | | | | | |
| Commodities | 914,319 | 979,843 | 999,440 | 1,019,429 | 1,039,817 | 1,060,614 | 1,081,826 | 1,103,462 | 1,125,532 | 1,148,042 | 1,171,003 |
| Other charges for services/disposal of assets | 1,946,006 | 1,911,035 | 1,948,966 | 1,987,656 | 2,027,119 | 2,067,372 | 2,108,430 | 2,150,309 | 2,193,025 | 2,236,596 | 2,281,038 |
| *Subtotal Variable Expenses* | 2,860,325 | 2,890,878 | 2,948,406 | 3,007,084 | 3,066,936 | 3,127,985 | 3,190,255 | 3,253,771 | 3,318,557 | 3,384,638 | 3,452,041 |
| Total Expenses | 11,349,686 | 11,998,697 | 19,799,603 | 14,173,352 | 13,468,130 | 13,733,518 | 14,447,524 | 14,616,398 | 14,741,285 | 14,862,730 | 14,981,280 |
| Beginning net position | 133,621,511 | 132,689,024 | 130,994,925 | 121,761,236 | 162,545,713 | 160,071,505 | 157,397,810 | 153,578,057 | 149,652,413 | 145,657,539 | 141,620,296 |
| Change in Net Position | (932,487) | (1,694,099) | (9,233,688) | 40,784,477 | (2,474,209) | (2,673,695) | (3,819,753) | (3,925,643) | (3,994,875) | (4,037,243) | (4,074,571) |
| Ending net position | 132,689,024 | 130,994,925 | 121,761,236 | 162,545,713 | 160,071,505 | 157,397,810 | 153,578,057 | 149,652,413 | 145,657,539 | 141,620,296 | 137,545,725 |

Table 8
Water Fund
Projected Year End Cash Balance

Lakeville

**Ending Cash Balance**

**Water Fund**

| | 2025 Estimate | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Use of Cash | | | | | | | | | | | |
| Operations & Maintenance | 6,074,404 | 7,060,864 | 5,870,557 | 7,656,265 | 6,481,961 | 6,255,350 | 6,490,190 | 6,644,425 | 6,767,962 | 6,897,087 | 7,028,499 |
| Capital Acquisition | 3,057,970 | 364,728 | 300,090 | 202,526 | 519,754 | 302,042 | 290,000 | 488,883 | 290,682 | 290,000 | 300,595 |
| Other Interfund Transfers | 43,065 | 7,500 | 9,018,835 | 26,614 | 950 | 8,850 | 7,670 | 20,348 | 28,920 | 22,679 | 13,251 |
| Debt Service (includes transfers for debt) | 1,797,833 | 1,519,331 | 1,374,207 | 1,866,906 | 2,271,157 | 2,715,206 | 2,783,301 | 2,788,040 | 2,633,551 | 2,509,862 | 2,248,913 |
| Total Use of Cash | 10,973,272 | 8,952,423 | 16,563,689 | 9,752,310 | 9,273,822 | 9,281,448 | 9,571,161 | 9,941,696 | 9,721,115 | 9,719,628 | 9,591,258 |
| Source of Cash | | | | | | | | | | | |
| Revenues | 9,917,199 | 9,804,598 | 10,065,915 | 10,457,829 | 10,493,921 | 10,559,823 | 10,627,771 | 10,690,754 | 10,746,410 | 10,825,487 | 10,906,709 |
| Total Source of Cash | 9,917,199 | 9,804,598 | 10,065,915 | 10,457,829 | 10,493,921 | 10,559,823 | 10,627,771 | 10,690,754 | 10,746,410 | 10,825,487 | 10,906,709 |
| Net Change in Other Assets and Liabilities | (850,187) | (361,062) | (146,033) | (122,643) | (100,170) | (77,508) | (55,217) | (41,650) | (36,437) | (32,131) | (29,341) |
| Change in Cash Balance | (1,906,260) | 491,113 | (6,643,807) | 582,875 | 1,119,929 | 1,200,867 | 1,001,392 | 707,409 | 988,858 | 1,073,728 | 1,286,110 |
| **Projected Ending Cash** | **11,012,035** | **11,503,148** | **4,859,341** | **5,442,217** | **6,562,146** | **7,763,013** | **8,764,406** | **9,471,814** | **10,460,672** | **11,534,400** | **12,820,509** |
| Ending Cash by Purpose | | | | | | | | | | | |
| Unassigned | 1,122,729 | 1,121,181 | 875,843 | 1,030,815 | 1,981,060 | 3,067,165 | 3,826,376 | 4,855,591 | 5,936,538 | 7,227,767 | 8,407,050 |
| For capital improvements WTF Expansion | 5,500,000 | 6,500,000 | - | - | | - | | | | | |
| 3M PFAS Settlement funds (restricted to PFAS remediation) | 740,031 | 740,031 | | | | | | | | | |
| For next year planned capital | 364,728 | 300,090 | 202,526 | 519,754 | 302,042 | 290,000 | 488,883 | 290,682 | 290,000 | 300,595 | 371,000 |
| Long term capital needs (watermain replacement) | | | | | | | | | | | |
| For 3-months of operating cash | 1,765,216 | 1,467,639 | 1,914,066 | 1,620,490 | 1,563,837 | 1,622,548 | 1,661,106 | 1,691,990 | 1,724,272 | 1,757,125 | 1,792,560 |
| For following year debt service | 1,519,331 | 1,374,207 | 1,866,906 | 2,271,157 | 2,715,206 | 2,783,301 | 2,788,040 | 2,633,551 | 2,509,862 | 2,248,913 | 2,249,900 |
| **Projected Ending Cash** | **11,012,035** | **11,503,148** | **4,859,341** | **5,442,217** | **6,562,146** | **7,763,013** | **8,764,406** | **9,471,814** | **10,460,672** | **11,534,400** | **12,820,509** |

Note: Cash balances include cash and investments.

| | 2025 Estimate | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash** | **12,918,295** | **11,012,035** | **11,503,148** | **4,859,341** | **5,442,217** | **6,562,146** | **7,763,013** | **8,764,406** | **9,471,814** | **10,460,672** | **11,534,400** |
| Plus revenues | 9,917,199 | 9,804,598 | 10,065,915 | 10,457,829 | 10,493,921 | 10,559,823 | 10,627,771 | 10,690,754 | 10,746,410 | 10,825,487 | 10,906,709 |
| Plus bond proceeds | - | - | - | - | - | - | - | - | - | - | - |
| Less capital assets acquisition | (3,057,970) | (364,728) | (300,090) | (202,526) | (519,754) | (302,042) | (290,000) | (488,883) | (290,682) | (290,000) | (300,595) |
| Less principal on debt | (1,010,000) | (1,055,000) | (950,000) | (980,000) | (915,000) | (895,000) | (490,000) | (505,000) | (365,000) | (250,000) | - |
| Less interest and fiscal charges | (265,788) | (215,962) | (173,688) | (138,687) | (104,563) | (69,662) | (44,213) | (30,912) | (18,763) | (7,812) | - |
| Less operating and other costs | (6,074,404) | (7,060,864) | (5,870,557) | (7,656,265) | (6,481,961) | (6,255,350) | (6,490,190) | (6,644,425) | (6,767,962) | (6,897,087) | (7,028,499) |
| Plus transfers in | - | - | - | - | - | - | - | - | - | - | - |
| Less transfers out other | (43,065) | (7,500) | (9,018,835) | (26,614) | (950) | (8,850) | (7,670) | (20,348) | (28,920) | (22,679) | (13,251) |
| Less transfers out debt service | (522,045) | (248,369) | (250,519) | (748,219) | (1,251,594) | (1,750,544) | (2,249,088) | (2,252,128) | (2,249,788) | (2,252,050) | (2,248,913) |
| Net change in other assets | (1,271,665) | (43,775) | (45,097) | (45,547) | (46,003) | (46,463) | (46,928) | (47,397) | (47,871) | (48,350) | (48,833) |
| Net change in other liabilities | 421,478 | (317,287) | (100,937) | (77,096) | (54,167) | (31,045) | (8,290) | 5,747 | 11,433 | 16,218 | 19,492 |
| ***Total Change in Cash*** | ***(1,906,260)*** | ***491,113*** | ***(6,643,807)*** | ***582,875*** | ***1,119,929*** | ***1,200,867*** | ***1,001,392*** | ***707,409*** | ***988,858*** | ***1,073,728*** | ***1,286,110*** |
| **Projected Ending Cash** | **11,012,035** | **11,503,148** | **4,859,341** | **5,442,217** | **6,562,146** | **7,763,013** | **8,764,406** | **9,471,814** | **10,460,672** | **11,534,400** | **12,820,509** |
| Must be zero | - | - | - | - | - | - | - | - | - | - | - |
| Must be zero | - | - | - | - | - | - | - | - | - | - | - |

## Sanitary Sewer Fund

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | 10,479,346 | 10,658,393 | 10,771,518 | 11,021,633 | 11,277,484 | 11,427,620 | 11,182,343 | 11,423,635 | 11,676,258 | 11,933,986 | 12,304,969 |
| Expenses | 10,821,702 | 11,497,841 | 12,040,650 | 12,244,648 | 12,681,337 | 12,786,698 | 13,215,136 | 13,564,878 | 13,907,193 | 14,232,192 | 14,562,950 |
| **Revenue Over (Under) Expense** | (342,356) | (839,448) | (1,269,132) | (1,223,015) | (1,403,853) | (1,359,078) | (2,032,793) | (2,141,243) | (2,230,935) | (2,298,206) | (2,257,981) |
| **Projected Ending Cash by Purpose** | | | | | | | | | | | |
| For future capital and unassigned | 3,970,319 | 4,715,074 | 5,172,483 | 5,509,219 | 5,803,051 | 5,586,905 | 5,688,869 | 5,887,076 | 5,998,840 | 6,032,497 | 5,911,793 |
| For planned capital | 2,207,078 | 188,090 | 147,526 | 264,755 | 237,041 | 727,171 | 273,884 | 75,682 | 75,000 | 85,595 | 275,000 |
| For 3-months of operating cash | 2,273,319 | 2,401,960 | 2,446,968 | 2,557,776 | 2,577,535 | 2,680,395 | 2,762,949 | 2,845,912 | 2,928,253 | 3,012,765 | 3,104,652 |
| For following year debt service | 292 | - | - | - | - | - | - | - | - | - | - |
| Projected Ending Cash | 8,451,008 | 7,305,124 | 7,766,977 | 8,331,750 | 8,617,627 | 8,994,471 | 8,725,702 | 8,808,670 | 9,002,093 | 9,130,857 | 9,291,445 |
| **Net Position** | | | | | | | | | | | |
| Ending unrestricted net position | 10,236,022 | 9,085,088 | 9,541,841 | 10,101,462 | 10,382,136 | 10,753,725 | 10,479,648 | 10,557,255 | 10,745,265 | 10,868,560 | 11,023,625 |
| As % of expense | 95% | 79% | 79% | 82% | 82% | 84% | 79% | 78% | 77% | 76% | 76% |
| **Target: 50% or higher** | | | | | | | | | | | |
| **Net Revenues as % of Debt Service** | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| **Target: 1.25X** | | | | | | | | | | | |
| **Projected Rate changes by year** | **n/a** | **3.00%** | **3.00%** | **4.00%** | **4.00%** | **3.00%** | **4.00%** | **4.00%** | **4.00%** | **4.00%** | **5.00%** |

Table 10
Sanitary Sewer Fund
Pro Forma

Lakeville

## Finance Plan

## Sanitary Sewer Fund

| | 2025 Estimated | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| Service charges | 9,609,000 | 9,726,042 | 9,865,885 | 10,102,505 | 10,342,269 | 10,483,271 | 10,726,565 | 10,972,549 | 11,221,049 | 11,471,874 | 11,837,549 |
| Service charges - unbilled revenues | 76,000 | 76,760 | 77,528 | 78,303 | 79,086 | 79,877 | 80,676 | 81,482 | 82,297 | 83,120 | 83,951 |
| Service charges - cancels/manual bill adjusts | 115,000 | 116,150 | 117,312 | 118,485 | 119,669 | 120,866 | 122,075 | 123,296 | 124,529 | 125,774 | 127,032 |
| Services charges | 9,800,000 | 9,918,952 | 10,060,724 | 10,299,293 | 10,541,024 | 10,684,014 | 10,929,315 | 11,177,327 | 11,427,875 | 11,680,768 | 12,048,532 |
| Penalties and other revenues | - | - | - | - | - | - | - | - | - | - | - |
| Investment income and other earnings | 150,000 | 211,275 | 182,628 | 194,174 | 208,294 | 215,441 | 224,862 | 218,143 | 220,217 | 225,052 | 228,271 |
| Intergovernmental revenues | - | - | - | - | - | - | - | - | - | - | - |
| Other revenues and special items | 1,180 | - | - | - | - | - | - | - | - | - | - |
| Transfers in | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 |
| Capital contributions | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | - | - | - | - | - |
| Total Revenues | 10,479,346 | 10,658,393 | 10,771,518 | 11,021,633 | 11,277,484 | 11,427,620 | 11,182,343 | 11,423,635 | 11,676,258 | 11,933,986 | 12,304,969 |
| **Expenses** | | | | | | | | | | | |
| *Fixed Expenses* | | | | | | | | | | | |
| Personnel services | 1,467,018 | 1,425,856 | 1,468,632 | 1,512,691 | 1,558,071 | 1,604,813 | 1,652,958 | 1,702,547 | 1,753,623 | 1,806,232 | 1,860,419 |
| Personal services / FTE changes | - | - | - | - | - | - | - | - | - | - | - |
| Major maintenance not capitalized | 797,872 | 980,000 | 1,258,622 | 1,156,767 | 1,305,950 | 1,078,629 | 1,177,883 | 1,190,234 | 1,198,715 | 1,192,803 | 1,183,500 |
| Transfers out General Fund | - | - | - | - | - | - | - | - | - | - | - |
| Transfer out Debt Service Fund | - | - | - | - | - | - | - | - | - | - | - |
| Transfer out Other Funds | 43,065 | 7,500 | 18,835 | 26,614 | 950 | 8,850 | 7,670 | 20,348 | 28,920 | 22,679 | 13,251 |
| Interest and fiscal expense | 3,771 | 292 | - | - | - | - | - | - | - | - | - |
| Depreciation | 2,329,095 | 2,396,772 | 2,413,975 | 2,430,163 | 2,449,282 | 2,467,708 | 2,485,887 | 2,492,734 | 2,494,626 | 2,496,501 | 2,498,641 |
| *Subtotal Fixed Expenses* | 4,640,821 | 4,810,420 | 5,160,063 | 5,126,234 | 5,314,253 | 5,160,000 | 5,324,398 | 5,405,863 | 5,475,884 | 5,518,215 | 5,555,810 |
| *Variable Expenses* | | | | | | | | | | | |
| Commodities | 140,698 | 167,674 | 171,027 | 174,448 | 177,937 | 181,496 | 185,126 | 188,828 | 192,605 | 196,457 | 200,386 |
| Other charges for services/disposal of assets | 417,715 | 432,208 | 440,669 | 449,300 | 458,103 | 467,082 | 476,241 | 485,583 | 495,111 | 504,831 | 514,744 |
| MCES disposal charge | 5,622,468 | 6,087,539 | 6,268,890 | 6,494,667 | 6,731,044 | 6,978,120 | 7,229,372 | 7,484,605 | 7,743,592 | 8,012,690 | 8,292,010 |
| Bond issuance cost | - | - | - | - | - | - | - | - | - | - | - |
| *Subtotal Variable Expenses* | 6,180,881 | 6,687,421 | 6,880,587 | 7,118,414 | 7,367,084 | 7,626,698 | 7,890,738 | 8,159,015 | 8,431,308 | 8,713,977 | 9,007,140 |
| Total Expenses | 10,821,702 | 11,497,841 | 12,040,650 | 12,244,648 | 12,681,337 | 12,786,698 | 13,215,136 | 13,564,878 | 13,907,193 | 14,232,192 | 14,562,950 |
| Beginning net position | 79,706,029 | 79,363,673 | 78,524,224 | 77,255,092 | 76,032,077 | 74,628,224 | 73,269,147 | 71,236,353 | 69,095,111 | 66,864,176 | 64,565,970 |
| Change in Net Position | (342,356) | (839,448) | (1,269,132) | (1,223,015) | (1,403,853) | (1,359,078) | (2,032,793) | (2,141,243) | (2,230,935) | (2,298,206) | (2,257,981) |
| Ending net position | 79,363,673 | 78,524,224 | 77,255,092 | 76,032,077 | 74,628,224 | 73,269,147 | 71,236,353 | 69,095,111 | 66,864,176 | 64,565,970 | 62,307,989 |
| | 0.519554852 | | | | | | | | | | |

Table 11
Sanitary Sewer Fund
Projected Ending Cash Balance

Lakeville

## Ending Cash Balance
## Sanitary Sewer Fund

| | 2025 Estimate | 2026 Proj | 2027 Proj | 2028 Proj | 2029 Proj | 2030 Proj | 2031 Proj | 2032 Proj | 2033 Proj | 2034 Proj | 2035 Proj |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Use of Cash | | | | | | | | | | | |
| Operations & Maintenance | 8,445,771 | 9,093,277 | 9,607,841 | 9,787,872 | 10,231,105 | 10,310,141 | 10,721,579 | 11,051,796 | 11,383,646 | 11,713,012 | 12,051,059 |
| Capital Acquisition | 1,060,217 | 2,207,078 | 188,090 | 147,526 | 264,755 | 237,041 | 727,171 | 273,884 | 75,682 | 75,000 | 85,595 |
| Interfund Transfers | 43,065 | 7,500 | 18,835 | 26,614 | 950 | 8,850 | 7,670 | 20,348 | 28,920 | 22,679 | 13,251 |
| Debt Service | 73,771 | 292 | - | - | - | - | - | - | - | - | - |
| Total Use of Cash | **9,622,824** | **11,308,147** | **9,814,766** | **9,962,012** | **10,496,810** | **10,556,032** | **11,456,420** | **11,346,028** | **11,488,248** | **11,810,691** | **12,149,904** |
| Source of Cash | | | | | | | | | | | |
| Revenues | 9,951,180 | 10,130,227 | 10,243,352 | 10,493,467 | 10,749,318 | 10,899,454 | 11,154,177 | 11,395,469 | 11,648,092 | 11,905,820 | 12,276,803 |
| Bond Proceeds | - | - | - | - | - | - | - | - | - | - | - |
| Interfund Transfer | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 |
| Total Source of Cash | **9,979,346** | **10,158,393** | **10,271,518** | **10,521,633** | **10,777,484** | **10,927,620** | **11,182,343** | **11,423,635** | **11,676,258** | **11,933,986** | **12,304,969** |
| Net Change in Other Assets and Liabilities | 23,414 | 3,870 | 5,101 | 5,152 | 5,203 | 5,255 | 5,308 | 5,361 | 5,414 | 5,468 | 5,523 |
| Change in Cash Balance | 379,936 | (1,145,884) | 461,853 | 564,773 | 285,877 | 376,844 | (268,770) | 82,968 | 193,424 | 128,764 | 160,588 |
| **Beginning Cash Balance** | 8,071,072 | 8,451,008 | 7,305,124 | 7,766,977 | 8,331,750 | 8,617,627 | 8,994,471 | 8,725,702 | 8,808,670 | 9,002,093 | 9,130,857 |
| **Projected Ending Cash** | **8,451,008** | **7,305,124** | **7,766,977** | **8,331,750** | **8,617,627** | **8,994,471** | **8,725,702** | **8,808,670** | **9,002,093** | **9,130,857** | **9,291,445** |

| Ending Cash by Purpose | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Unassigned | 3,970,319 | 4,715,074 | 5,172,483 | 5,509,219 | 5,803,051 | 5,586,905 | 5,688,869 | 5,887,076 | 5,998,840 | 6,032,497 | 5,911,793 |
| For next year planned capital | 2,207,078 | 188,090 | 147,526 | 264,755 | 237,041 | 727,171 | 273,884 | 75,682 | 75,000 | 85,595 | 275,000 |
| For 3-months of operating cash | 2,273,319 | 2,401,960 | 2,446,968 | 2,557,776 | 2,577,535 | 2,680,395 | 2,762,949 | 2,845,912 | 2,928,253 | 3,012,765 | 3,104,652 |
| For following year debt service | 292 | - | - | - | - | - | - | - | - | - | - |
| **Projected Ending Cash** | **8,451,008** | **7,305,124** | **7,766,977** | **8,331,750** | **8,617,627** | **8,994,471** | **8,725,702** | **8,808,670** | **9,002,093** | **9,130,857** | **9,291,445** |

Note: Cash balances include cash and investments.

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash** | **8,071,072** | **8,451,008** | **7,305,124** | **7,766,977** | **8,331,750** | **8,617,627** | **8,994,471** | **8,725,702** | **8,808,670** | **9,002,093** | **9,130,857** |
| Plus revenues | 9,951,180 | 10,130,227 | 10,243,352 | 10,493,467 | 10,749,318 | 10,899,454 | 11,154,177 | 11,395,469 | 11,648,092 | 11,905,820 | 12,276,803 |
| Plus bond proceeds | - | - | - | - | - | - | - | - | - | - | - |
| Less capital assets acquisition and COI | (1,060,217) | (2,207,078) | (188,090) | (147,526) | (264,755) | (237,041) | (727,171) | (273,884) | (75,682) | (75,000) | (85,595) |
| Less principal on debt | (70,000) | - | - | - | - | - | - | - | - | - | - |
| Less interest and fiscal charges | (3,771) | (292) | - | - | - | - | - | - | - | - | - |
| Less operating and other costs | (8,445,771) | (9,093,277) | (9,607,841) | (9,787,872) | (10,231,105) | (10,310,141) | (10,721,579) | (11,051,796) | (11,383,646) | (11,713,012) | (12,051,059) |
| Plus transfers in | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 | 28,166 |
| Less transfers out other | (43,065) | (7,500) | (18,835) | (26,614) | (950) | (8,850) | (7,670) | (20,348) | (28,920) | (22,679) | (13,251) |
| Less transfer out debt service | - | - | - | - | - | - | - | - | - | - | - |
| Net change in other assets | (99,109) | - | - | - | - | - | - | - | - | - | - |
| Net change in other liabilities | 122,523 | 3,870 | 5,101 | 5,152 | 5,203 | 5,255 | 5,308 | 5,361 | 5,414 | 5,468 | 5,523 |
| ***Total Change in Cash*** | ***379,936*** | ***(1,145,884)*** | ***461,853*** | ***564,773*** | ***285,877*** | ***376,844*** | ***(268,770)*** | ***82,968*** | ***193,424*** | ***128,764*** | ***160,588*** |
| **Projected Ending Cash** | **8,451,008** | **7,305,124** | **7,766,977** | **8,331,750** | **8,617,627** | **8,994,471** | **8,725,702** | **8,808,670** | **9,002,093** | **9,130,857** | **9,291,445** |
| Must be zero | - | - | - | - | - | - | - | - | - | - | - |
| Must be zero | - | - | - | - | - | - | - | - | - | - | - |

**Street Light Summary**
**Street Light Fund**
***Revised 10.1.2025***

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|---|---|---|---|---|---|---|---|---|
| **Ending Cash by Purpose** | | | | | | | | | |
| Unassigned (target $100,000) | 502,479 | 197,231 | 162,637 | 117,597 | 100,453 | 112,750 | 107,197 | 98,447 | 101,222 |
| For 3-months of operating cash | 365,680 | 299,400 | 308,382 | 317,634 | 327,163 | 336,978 | 347,087 | 357,500 | 368,225 |
| For following year debt service | 51,250 | - | - | - | - | - | - | - | - |
| For next year planned capital | 30,000 | 260,000 | 250,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Ending Cash by Purpose | 949,409 | 756,631 | 721,020 | 735,231 | 727,616 | 749,727 | 754,284 | 755,947 | 769,447 |
| | | | | | | | | | |
| **Unrestricted Net Assets** | | | | | | | | | |
| Unrestricted Net Assets | 1,119,025 | 976,247 | 940,636 | 954,847 | 947,232 | 969,345 | 973,904 | 975,569 | 989,071 |
| Subsequent Year's Operating Expense* | 1,462,720 | 1,197,602 | 1,233,530 | 1,270,536 | 1,308,652 | 1,347,911 | 1,388,348 | 1,429,999 | 1,472,899 |
| Unrestricted Net Assets as % of Expense | 77% | 82% | 76% | 75% | 72% | 72% | 70% | 68% | 67% |
| | | | | | | | | | |
| Revenues | 1,300,619 | 1,351,193 | 1,421,990 | 1,497,741 | 1,562,920 | 1,630,765 | 1,652,469 | 1,690,014 | 1,743,501 |
| Expenditures | 1,381,123 | 1,492,720 | 1,457,602 | 1,483,530 | 1,570,536 | 1,608,652 | 1,647,911 | 1,688,348 | 1,729,999 |
| | | | | | | | | | |
| Cash | 949,409 | 756,631 | 721,020 | 735,231 | 727,616 | 749,727 | 754,284 | 755,947 | 769,447 |
| | | | | | | | | | |
| Net Revenue for Debt Coverage | (80,504) | (141,527) | (35,611) | 14,211 | (7,615) | 22,113 | 4,558 | 1,665 | 13,502 |
| Total Street Light Fund Debt Service | 52,762 | 51,250 | 0 | - | - | - | - | - | - |
| Debt Service Coverage Ratio | (1.53) | (2.76) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | | | | | | | | |
| **Rate increase** | **0%** | **5%** | **5%** | **5%** | **4%** | **4%** | **0%** | **0%** | **0%** |
| | | | | | | | | | |
| Change in Net Position | (83,266) | (142,777) | (35,611) | 14,211 | (7,615) | 22,113 | 4,558 | 1,665 | 13,502 |

| **Targets** | |
|---|---|
| Minimum Unassigned Cash Balance | 100,000 |
| Unrestricted Net Assets as % of Expense | 50% |
| Debt Service Coverage | 1.25 |
| No New Debt After | n/a |

*Excludes major maintenance estimates

# STREET LIGHT OPERATING FUND

## Statement of Revenue, Expense and Changes in Net Position

| | 2025 ESTIMATED BUDGET | 2026 ESTIMATED BUDGET | 2027 ESTIMATED BUDGET | 2028 ESTIMATED BUDGET | 2029 ESTIMATED BUDGET | 2030 ESTIMATED BUDGET | 2031 ESTIMATED BUDGET | 2032 ESTIMATED BUDGET | 2033 ESTIMATED BUDGET | 2034 ESTIMATED BUDGET | 2035 ESTIMATED BUDGET |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROPOSED QUARTERLY RATE:** | 10.12 | 10.62 | 11.16 | 11.71 | 12.18 | 12.67 | 12.67 | 12.67 | 12.67 | 12.67 | 12.67 |
| **Revenues** | | | | | | | | | | | |
| Street light fees | 1,293,006 | 1,344,547 | 1,416,694 | 1,492,694 | 1,557,774 | 1,625,672 | 1,647,221 | 1,684,734 | 1,738,209 | 1,807,647 | 1,893,641 |
| Penalties | - | - | - | - | - | - | - | - | - | - | - |
| Service charge | - | - | - | - | - | - | - | - | - | - | - |
| Other | 7,613 | 6,646 | 5,296 | 5,047 | 5,147 | 5,093 | 5,248 | 5,280 | 5,292 | 5,386 | 5,667 |
| Total Revenues | 1,300,619 | 1,351,193 | 1,421,990 | 1,497,741 | 1,562,920 | 1,630,765 | 1,652,469 | 1,690,014 | 1,743,501 | 1,813,033 | 1,899,308 |
| **Expenses** | | | | | | | | | | | |
| Personnel services | 22,741 | 21,064 | 21,696 | 22,347 | 23,017 | 23,708 | 24,419 | 25,152 | 25,906 | 26,683 | 27,484 |
| Commodities | 22 | 20 | 21 | 21 | 22 | 23 | 23 | 24 | 25 | 25 | 26 |
| Contractual services | 1,348,360 | 1,441,636 | 1,175,885 | 1,211,162 | 1,247,496 | 1,284,921 | 1,323,469 | 1,363,173 | 1,404,068 | 1,446,190 | 1,489,576 |
| Major maintenance projects | 10,000 | 30,000 | 260,000 | 250,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Total Expenses | 1,381,123 | 1,492,720 | 1,457,602 | 1,483,530 | 1,570,536 | 1,608,652 | 1,647,911 | 1,688,348 | 1,729,999 | 1,772,899 | 1,817,086 |
| Net Operating Income (loss) | (80,504) | (141,527) | (35,611) | 14,211 | (7,615) | 22,113 | 4,558 | 1,665 | 13,502 | 40,135 | 82,222 |
| **Other Receipts (Disbursements)** | | | | | | | | | | | |
| Transfers from/(to) General Fund | - | - | - | - | - | - | - | - | - | - | - |
| Transfers from/(to) Other funds | | | | | | | | | | | |
| Bond Proceeds/premium amortization | - | - | - | - | - | - | - | - | - | - | - |
| Debt Service Payments-Interest | (2,762) | (1,250) | - | - | - | - | - | - | - | - | - |
| Capital outlay acquisitions | - | - | - | - | - | - | - | - | - | - | - |
| Net Other | (2,762) | (1,250) | - | - | - | - | - | - | - | - | - |
| Net Increase (Decrease) | (83,266) | (142,777) | (35,611) | 14,211 | (7,615) | 22,113 | 4,558 | 1,665 | 13,502 | 40,135 | 82,222 |
| Net Assets, January 1 | 1,202,290 | 1,119,025 | 976,247 | 940,636 | 954,847 | 947,232 | 969,345 | 973,904 | 975,569 | 989,071 | 1,029,206 |
| Net assets, December 31 | 1,119,025 | 976,247 | 940,636 | 954,847 | 947,232 | 969,345 | 973,904 | 975,569 | 989,071 | 1,029,206 | 1,111,428 |
| | - | - | - | - | - | - | - | - | - | - | - |

**Environmental Resources Summary of Financial Targets- 10-yr projections**
**Environmental Resources Fund**
***Revised 10.1.2025***

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|---|---|---|---|---|---|---|---|---|
| **Ending Cash by Purpose** | | | | | | | | | |
| Unassigned (target $100,000) | 2,311,031 | 1,770,157 | 1,473,141 | 1,235,820 | 395,868 | 333,409 | 341,284 | 411,809 | 604,670 |
| For 3-months of operating cash | 753,105 | 695,349 | 711,256 | 727,545 | 744,226 | 763,357 | 780,849 | 798,764 | 817,110 |
| For following year debt service | - | - | - | - | - | - | - | - | - |
| For next year planned capital | 100,000 | - | - | - | 692,835 | - | - | 36,596 | - |
| Ending Cash by Purpose | 3,164,136 | 2,465,506 | 2,184,397 | 1,963,366 | 1,832,928 | 1,096,766 | 1,122,134 | 1,247,169 | 1,421,780 |
| | | | | | | | | | |
| **Unrestricted Net Assets** | | | | | | | | | |
| Unrestricted Net Assets | 3,032,418 | 2,329,332 | 2,064,375 | 1,865,664 | 1,764,645 | 1,054,428 | 1,107,559 | 1,262,283 | 1,461,627 |
| Subsequent Year's Operating Expense* | 3,012,420 | 2,781,396 | 2,845,026 | 2,910,182 | 2,976,902 | 3,053,427 | 3,123,397 | 3,195,055 | 3,268,442 |
| Unrestricted Net Assets as % of Expense | 101% | 84% | 73% | 64% | 59% | 35% | 35% | 40% | 45% |
| | | | | | | | | | |
| Revenues **(A)** | 2,237,367 | 2,346,404 | 2,452,541 | 2,581,450 | 2,743,332 | 2,892,724 | 3,038,798 | 3,209,400 | 3,361,310 |
| Expenditures **(B)** | 2,791,452 | 3,012,420 | 2,781,396 | 2,845,026 | 2,910,182 | 2,976,902 | 3,053,427 | 3,123,397 | 3,195,055 |
| Cash | 3,164,136 | 2,465,506 | 2,184,397 | 1,963,366 | 1,832,928 | 1,096,766 | 1,122,134 | 1,247,169 | 1,421,780 |
| | | | | | | | | | |
| Net Revenue for Debt Coverage **(A-B)** | (554,085) | (666,016) | (328,855) | (263,575) | (166,850) | (84,178) | (14,629) | 86,002 | 166,255 |
| Total Env Resources Fund Debt Service | - | - | - | - | - | - | - | - | - |
| Debt Service Coverage Ratio | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | | | | | | | | |
| **Rate increase*** | **4.0%** | **4.0%** | **4.0%** | **5.0%** | **6.0%** | **5.0%** | **5.0%** | **5.0%** | **4.0%** |
| | | | | | | | | | |
| Change in Net Position | (556,470) | (667,086) | (329,957) | (264,711) | (168,019) | (85,382) | (15,870) | 84,725 | 164,939 |

| **Targets** | |
|---|---|
| Minimum Unassigned Cash Balance | 100,000 |
| Unrestricted Net Assets as % of Expense | 50% |
| Debt Service Coverage | 1.25 |
| No New Debt After 20XX | n/a |

* 2023 decrease is due to moving Forestry activities to the General Fund, and implementing a corresponding rate decrease effective 1/1/2023.

# ENVIRONMENTAL RESOURCES OPERATING F

## Statement of Revenue, Expense and Changes in Net Position

**10-year Forecast**

| | 2025 ESTIMATED BUDGET | 2026 ESTIMATED BUDGET | 2027 ESTIMATED BUDGET | 2028 ESTIMATED BUDGET | 2029 ESTIMATED BUDGET | 2030 ESTIMATED BUDGET | 2031 ESTIMATED BUDGET | 2032 ESTIMATED BUDGET | 2033 ESTIMATED BUDGET | 2034 ESTIMATED BUDGET | 2035 ESTIMATED BUDGET |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| Environmental Resources Fees | 2,012,200 | 2,113,404 | 2,219,443 | 2,352,952 | 2,517,965 | 2,668,827 | 2,828,429 | 2,997,266 | 3,145,618 | 3,205,783 | 3,266,828 |
| Other fees/misc | 120,248 | 127,324 | 127,324 | 127,324 | 127,324 | 127,324 | 127,324 | 127,324 | 127,324 | 127,324 | 127,324 |
| Revenues from development contracts- MS4 ins | 19,919 | 20,676 | 21,463 | 22,486 | 23,776 | 24,914 | 26,110 | 27,368 | 28,424 | 28,700 | 28,979 |
| Grants/donations | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Investment income | 50,000 | 50,000 | 49,310 | 43,688 | 39,267 | 36,659 | 21,935 | 22,443 | 24,943 | 28,436 | 32,903 |
| Total Revenues | 2,237,367 | 2,346,404 | 2,452,541 | 2,581,450 | 2,743,332 | 2,892,724 | 3,038,798 | 3,209,400 | 3,361,310 | 3,425,243 | 3,491,034 |
| **Expenses** | | | | | | | | | | | |
| Personnel services | 814,882 | 884,663 | 911,203 | 938,539 | 966,695 | 995,696 | 1,025,567 | 1,056,334 | 1,088,024 | 1,120,665 | 1,154,285 |
| Commodities | 55,978 | 71,288 | 72,714 | 74,168 | 75,651 | 77,164 | 78,708 | 80,282 | 81,888 | 83,525 | 85,196 |
| Contractual services | 1,785,039 | 1,923,803 | 1,962,279 | 2,001,525 | 2,041,555 | 2,082,386 | 2,124,034 | 2,166,515 | 2,209,845 | 2,254,042 | 2,299,123 |
| Contractual services- projection adjustment | - | | (270,300) | (275,706) | (281,220) | (286,845) | (292,581) | (298,433) | (304,402) | (310,490) | (316,700) |
| Depreciation Expense | 61,287 | 64,000 | 65,000 | 66,000 | 67,000 | 68,000 | 69,000 | 70,000 | 71,000 | 72,000 | 73,000 |
| Total Expenses | 2,717,186 | 2,943,754 | 2,740,896 | 2,804,526 | 2,869,682 | 2,936,402 | 3,004,727 | 3,074,697 | 3,146,355 | 3,219,742 | 3,294,903 |
| Net Operating Income (loss) | (479,819) | (597,350) | (288,355) | (223,075) | (126,350) | (43,678) | 34,071 | 134,702 | 214,955 | 205,501 | 196,131 |
| **Other Receipts (Disbursements)** | | | | | | | | | | | |
| Transfer to Equipment Fund | (40,500) | (40,500) | (40,500) | (40,500) | (40,500) | (40,500) | (48,700) | (48,700) | (48,700) | (48,700) | (48,700) |
| Transfer to CPF- Technology Fund | (2,385) | (1,070) | (1,102) | (1,135) | (1,169) | (1,204) | (1,240) | (1,278) | (1,316) | (1,355) | (1,396) |
| Transfer to Sanitary Sewer Operating | (33,766) | (28,166) | - | - | - | - | - | - | - | - | - |
| Net Other | (76,651) | (69,736) | (41,602) | (41,635) | (41,669) | (41,704) | (49,940) | (49,978) | (50,016) | (50,055) | (50,096) |
| | | - | | | | | | | | | |
| Net Increase (Decrease) in net assets | (556,470) | (667,086) | (329,957) | (264,711) | (168,019) | (85,382) | (15,870) | 84,725 | 164,939 | 155,445 | 146,034 |
| Net position, January 1 | 4,340,866 | 3,784,397 | 3,117,311 | 2,787,354 | 2,522,643 | 2,354,624 | 2,269,242 | 2,253,372 | 2,338,097 | 2,503,036 | 2,658,482 |
| Net position, December 31 | 3,784,397 | 3,117,311 | 2,787,354 | 2,522,643 | 2,354,624 | 2,269,242 | 2,253,372 | 2,338,097 | 2,503,036 | 2,658,482 | 2,804,516 |
| | - | - | - | - | - | - | - | - | - | - | - |

**08/21/2025** **LIQUOR BUDGET - SUMMARY BY BUSINESS UNIT**

Calculations As Of 12/31/2025

| GL Number | 2023 Activity | 2024 Activity | 2025 Adopted Budget | 2025 Projected | 2026 DEPT REQUESTED | $ Variance Request vs. Adopted | % Variance Request vs. Adopted |
|---|---|---|---|---|---|---|---|
| 7800 - LIQUOR FUND | 2,355,146 | 40,043 | - | - | - | - | #DIV/0! |
| 7810 - HERITAGE REVENUES | 5,770,619 | 5,697,132 | 5,691,204 | 5,828,384 | 5,886,419 | 195,215 | 3.4% |
| 7830 - GALAXIE REVENUES | 6,680,228 | 6,406,539 | 6,597,828 | 6,742,890 | 6,810,068 | 212,240 | 3.2% |
| 7840 - KENRICK REVENUES | 4,939,629 | 4,854,032 | 4,875,721 | 4,973,649 | 5,023,135 | 147,414 | 3.0% |
| 7850 - KEOKUK REVENUES | 5,450,522 | 5,714,729 | 6,090,829 | 6,094,810 | 6,155,508 | 64,679 | 1.1% |
| 7880 - EMPORIUM ROOM REVENUE | 71,655 | 65,504 | 87,800 | 78,090 | 79,870 | (7,930) | -9.0% |
| Estimated Revenues | 25,267,799 | 22,777,979 | 23,343,382 | 23,717,823 | 23,955,000 | 611,618 | 2.6% |
| Less Transfer in | (2,354,946) | - | - | - | - | - | #DIV/0! |
| Less non-operating revenues | (220,406) | (130,893) | (105,000) | (105,000) | (105,000) | - | 0.0% |
| **Operating Revenues** | **22,692,447** | **22,647,086** | **23,238,382** | **23,612,823** | **23,850,000** | **611,618** | **2.6%** |
| 7800 - LIQUOR FUND | 4,076,042 | 1,339,950 | 1,744,410 | 1,744,410 | 2,346,140 | 601,730 | 34.5% |
| 7800 - GALAXIE BOND PRINCIPAL PYMT | 250,000 | 260,000 | 265,000 | 265,000 | 270,000 | 5,000 | 1.9% |
| 7811 - HERITAGE EXPENSES | 5,256,493 | 5,325,152 | 5,459,336 | 5,566,490 | 5,629,332 | 169,996 | 3.1% |
| 7831 - GALAXIE EXPENSES | 6,017,122 | 5,769,416 | 5,957,685 | 6,040,986 | 6,157,051 | 199,366 | 3.3% |
| 7841 - KENRICK EXPENSES | 4,654,957 | 4,747,399 | 4,850,938 | 4,920,384 | 5,035,262 | 184,324 | 3.8% |
| 7851 - KEOKUK EXPENSES | 5,243,758 | 5,362,406 | 5,801,455 | 5,780,963 | 5,913,700 | 112,245 | 1.9% |
| 7881 - EMPORIUM ROOM EXPENSES | 100,750 | 118,500 | 129,967 | 126,505 | 132,802 | 2,835 | 2.2% |
| Appropriations | 25,599,122 | 22,922,823 | 24,208,791 | 24,444,738 | 25,484,287 | 1,275,496 | 5.3% |
| Less Bond Principal Pymt - Galaxie | (250,000) | (260,000) | (265,000) | (265,000) | (270,000) | (5,000) | 1.9% |
| Less Transfer out | (3,678,729) | (1,339,950) | (1,744,410) | (1,744,410) | (2,346,140) | (601,730) | 34.5% |
| Less OPEB (non-cash) | (273,943) | 8,603 | (180,000) | (180,000) | (160,000) | 20,000 | -11.1% |
| Less non-operating expenses | (40,061) | (30,452) | - | - | - | - | #DIV/0! |
| **Operating Expenses** | **21,356,389** | **21,301,024** | **22,019,381** | **22,255,328** | **22,708,147** | **688,766** | **3.1%** |
| **Net Operating Income** | **1,336,058** | **1,346,062** | **1,219,001** | **1,357,495** | **1,141,853** | **(77,148)** | **-6.3%** |

**CHANGE IN NET POSITION**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| TOTAL ESTIMATED REVENUES | 25,267,799 | 22,777,979 | 23,343,382 | 23,717,823 | 23,955,000 | 611,618 | 2.6% |
| TOTAL APPROPRIATIONS | 25,599,122 | 22,922,823 | 24,208,791 | 24,444,738 | 25,484,287 | 1,275,496 | 5.3% |
| **Total Fund 7800 LIQUOR FUND:** | **(331,323)** | **(144,844)** | **(865,409)** | **(726,915)** | **(1,529,287)** | **(663,878)** | **76.7%** |

# CITY OF LAKEVILLE - LIQUOR STORE PROFORMA

| | Actual 2022 | Actual 2023 | Actual 2024 | Projected 2025 | Budget 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 21,858,786 | 22,692,543 | 22,647,729 | 23,612,823 | 23,850,000 | 24,259,375 | 24,676,134 | 25,100,415 | 25,532,357 |
| Cost of goods sold | 16,008,561 | 16,474,954 | 16,331,345 | 17,072,035 | 17,250,117 | 17,490,815 | 17,791,529 | 18,097,673 | 18,409,349 |
| Gross profit | 5,850,225 | 6,217,589 | 6,316,384 | 6,540,788 | 6,599,883 | 6,768,560 | 6,884,605 | 7,002,742 | 7,123,008 |
| *Gross Profit %* | 26.76% | 27.40% | 27.89% | 27.70% | 27.67% | 27.90% | 27.90% | 27.90% | 27.90% |
| Total operating expenses (incl.Depr) | 4,679,088 | 5,155,380 | 4,954,818 | 5,363,293 | 5,618,030 | 5,705,134 | 5,737,722 | 5,865,633 | 6,007,461 |
| Net operating income | 1,171,137 | 1,062,209 | 1,361,566 | 1,177,495 | 981,853 | 1,063,426 | 1,146,883 | 1,137,109 | 1,115,547 |
| Total Other Rev/(Exp) - Interest Inc | (200,697) | 180,254 | 93,551 | 105,000 | 105,000 | 94,500 | 85,000 | 85,000 | 85,000 |
| **Net income before transfers** | **970,440** | **1,242,463** | **1,455,117** | **1,282,495** | **1,086,853** | **1,157,926** | **1,231,883** | **1,222,109** | **1,200,547** |
| Total transfers | (971,500) | (974,900) | (989,500) | (1,397,610) | (1,998,340) | (1,999,028) | (1,659,326) | (1,531,212) | (1,575,399) |
| **Net income** | **(1,060)** | **267,563** | **465,617** | **(115,115)** | **(911,487)** | **(841,102)** | **(427,443)** | **(309,103)** | **(374,852)** |
| Bond principal pmts (Keokuk) | (177,866) | (348,883) | (350,450) | (346,800) | (347,800) | (347,800) | (348,400) | (348,600) | (348,400) |
| **Income after bond principal pmts** | **(178,926)** | **(81,320)** | **115,167** | **(461,915)** | **(1,259,287)** | **(1,188,902)** | **(775,843)** | **(657,703)** | **(723,252)** |

## FINANCIAL METRICS

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|
| Projected Ending Cash by Purpose | | | | | | | | | |
| Future and unassigned | 1,701,979 | 1,881,230 | 1,741,736 | 1,441,245 | 516,328 | (75,905) | (835,425) | (1,030,660) | (2,075,821) |
| Planned capital | 201,473 | - | - | 103,248 | 85,000 | - | 65,000 | - | 361,860 |
| 3-months of operating cash | 1,169,772 | 1,288,845 | 1,238,705 | 1,340,823 | 1,404,508 | 1,426,284 | 1,434,431 | 1,466,408 | 1,501,865 |
| Subsequent year debt service * | 634,400 | 638,350 | 631,775 | 629,750 | 632,100 | 348,100 | 347,900 | 348,650 | 351,800 |
| Projected Ending Cash | 3,707,624 | 3,808,425 | 3,612,215 | 3,515,066 | 2,637,936 | 1,698,478 | 1,011,906 | 784,398 | 139,704 |
| Income before Contributions & Transfers | | | | | | | | | |
| Net Revenue for Debt Coverage | 970,440 | 1,242,463 | 1,455,117 | 1,282,495 | 1,086,853 | 1,157,926 | 1,231,883 | 1,222,109 | 1,200,547 |
| Total CY Debt Service** | 865,835 | 1,034,400 | 1,038,350 | 1,031,775 | 1,029,750 | 1,032,100 | 748,100 | 747,900 | 748,650 |
| Debt Service Coverage Ratio | 112% | 120% | 140% | 124% | 106% | 112% | 165% | 163% | 160% |

* Includes Galaxie (2017A HRA Lse Rev) and Keokuk (2018B Tax Abate) bonds

** Includes transfer to Debt Service for Police Station Bonds to meet policy objectives for ending cash and net position.

## LIQUOR FUND
### PROJECTED WORKING CAPITAL

| | 2022 ACTUAL | 2023 ACTUAL | 2024 ACTUAL | 2025 ADOPTED BUDGET | 2025 DEPART ESTIMATE | 2026 BUDGET ESTIMATE | 2027 BUDGET ESTIMATE | 2028 BUDGET ESTIMATE | 2029 BUDGET ESTIMATE | 2030 BUDGET ESTIMATE | 2031 BUDGET ESTIMATE | 2032 BUDGET ESTIMATE | 2033 BUDGET ESTIMATE | 2034 BUDGET ESTIMATE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | | | | |
| Rentals & Events | 30,520 | 41,763 | **51,106** | 66,300 | 66,300 | 68,080 | 68,761 | 69,448 | 70,143 | 70,844 | 71,553 | 72,268 | 72,991 | 73,721 |
| Liquor sales | 21,828,266 | 22,650,780 | **22,596,623** | 23,172,082 | 23,546,523 | 23,781,920 | 24,190,614 | 24,606,686 | 25,030,272 | 25,461,513 | 25,900,551 | 26,347,531 | 26,802,602 | 27,265,914 |
| Cost of goods sold | (16,008,561) | (16,474,954) | **(16,331,345)** | (16,828,635) | (17,072,035) | (17,250,117) | (17,490,815) | (17,791,529) | (18,097,673) | (18,409,349) | (18,726,660) | (19,049,710) | (19,378,605) | (19,713,456) |
| **Net revenues** | 5,850,225 | 6,217,589 | 6,316,384 | 6,409,747 | 6,540,788 | 6,599,883 | 6,768,560 | 6,884,605 | 7,002,742 | 7,123,008 | 7,245,444 | 7,370,089 | 7,496,988 | 7,626,179 |
| **Expenses** | | | | | | | | | | | | | | |
| Personnel services | 2,630,721 | 2,913,425 | 3,012,937 | 3,177,512 | 3,099,030 | 3,382,463 | 3,461,772 | 3,540,755 | 3,634,060 | 3,730,907 | 3,831,461 | 3,935,899 | 4,044,403 | 4,157,171 |
| Commodities | 96,980 | 111,452 | 72,675 | 97,056 | 93,731 | 82,544 | 83,570 | 84,612 | 85,673 | 86,751 | 87,848 | 88,963 | 90,097 | 91,251 |
| Contractual services | 1,101,079 | 1,185,276 | 1,162,351 | 1,577,184 | 1,623,587 | 1,621,161 | 1,627,930 | 1,664,996 | 1,701,926 | 1,734,896 | 1,773,262 | 1,793,613 | 1,823,983 | 1,855,051 |
| **Total expenses** | 3,828,780 | 4,210,153 | 4,247,963 | 4,851,752 | 4,816,348 | 5,086,168 | 5,173,272 | 5,290,364 | 5,421,659 | 5,552,555 | 5,692,571 | 5,818,475 | 5,958,483 | 6,103,473 |
| Net operating income/(loss) | 2,021,445 | 2,007,436 | 2,068,421 | 1,557,995 | 1,724,440 | 1,513,715 | 1,595,288 | 1,594,241 | 1,581,083 | 1,570,453 | 1,552,873 | 1,551,615 | 1,538,505 | 1,522,706 |
| **Other Receipts (Disbursements)** | | | | | | | | | | | | | | |
| Interest income | (175,869) | 220,139 | 126,404 | 105,000 | 105,000 | 105,000 | 94,500 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 |
| Other Income/(Expense) | 44,971 | (278) | 73,615 | - | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | (27,334) | - | (69,896) | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay acquisitions | (201,473) | - | - | (160,000) | (103,248) | (85,000) | - | (65,000) | - | (361,860) | (100,000) | (280,000) | (91,000) | - |
| Lease interest | (42,465) | (39,607) | (36,572) | - | - | - | - | - | - | - | - | - | - | - |
| Debt principal pmts (B/S item) | (245,000) | (250,000) | (260,000) | (265,000) | (265,000) | (270,000) | (280,000) | - | - | - | - | - | - | - |
| **Total other** | (647,170) | (69,746) | (166,449) | (320,000) | (263,248) | (250,000) | (185,500) | 20,000 | 85,000 | (276,860) | (15,000) | (195,000) | (6,000) | 85,000 |
| Net incr(decr) before transfers | 1,374,275 | 1,937,690 | 1,901,972 | 1,237,995 | 1,461,192 | 1,263,715 | 1,409,788 | 1,614,241 | 1,666,083 | 1,293,593 | 1,537,873 | 1,356,615 | 1,532,505 | 1,607,706 |
| Transfer from Debt Service (TIF 10) | - | 2,354,946 | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to General Fund (Admin.) | (18,000) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Gen Fund (Fireworks) | (15,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,600) | (31,212) | (31,836) | (32,473) | (33,122) | (33,785) | (34,461) |
| Transfer to Building Fund | - | (1,218,246) | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Equipment Fund | (500,000) | (1,636,700) | (500,000) | (900,000) | (900,000) | (1,500,000) | (1,200,000) | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) |
| Transfer to Technology Fund | (38,500) | (44,900) | (59,500) | (67,610) | (67,610) | (68,340) | (169,028) | (128,726) | - | (43,563) | (17,498) | (114,694) | (85,651) | (64,642) |
| Transfer to Communications Fund | | | | | | - | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) |
| Transfer to DSF (Keokuk Bonds) | (177,866) | (348,883) | (350,450) | (346,800) | (346,800) | (347,800) | (347,800) | (348,400) | (348,600) | (348,400) | (349,150) | (352,300) | (351,650) | (350,900) |
| Transfer to DSF Police Station Bonds | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | - | - | - |
| **Total transfers** | (1,149,366) | (1,323,783) | (1,339,950) | (1,744,410) | (1,744,410) | (2,346,140) | (2,346,828) | (2,007,726) | (1,879,812) | (1,923,799) | (1,899,121) | (1,600,116) | (1,571,086) | (1,550,003) |
| Net increase/(decrease) | 224,909 | 613,907 | 562,022 | (506,415) | (283,218) | (1,082,425) | (937,040) | (393,485) | (213,729) | (630,206) | (361,248) | (243,502) | (38,581) | 57,703 |
| Working capital, Jan 1 | 3,967,678 | 4,192,587 | 4,806,494 | 5,368,516 | 5,368,516 | 5,085,298 | 4,002,873 | 3,065,834 | 2,672,349 | 2,458,619 | 1,828,414 | 1,467,165 | 1,223,664 | 1,185,083 |
| Working capital, Dec 31 | 4,192,587 | 4,806,494 | 5,368,516 | 4,862,101 | 5,085,298 | 4,002,873 | 3,065,834 | 2,672,349 | 2,458,619 | 1,828,414 | 1,467,165 | 1,223,664 | 1,185,083 | 1,242,786 |
| Total Working Capital | 4,192,587 | 4,806,494 | 5,368,516 | 4,862,101 | 5,085,298 | 4,002,873 | 3,065,834 | 2,672,349 | 2,458,619 | 1,828,414 | 1,467,165 | 1,223,664 | 1,185,083 | 1,242,786 |
| Work Cap -Reserved for future (Kenrick sa | 1,622,361 | 1,429,361 | 1,241,965 | 1,044,662 | 1,044,662 | 847,359 | 650,056 | 443,572 | 232,498 | 21,424 | - | - | - | - |
| Work Cap - Available for operations | 2,570,227 | 3,377,134 | 4,126,552 | 3,817,440 | 4,040,637 | 3,155,515 | 2,415,777 | 2,228,777 | 2,226,122 | 1,806,990 | 1,467,165 | 1,223,664 | 1,185,083 | 1,242,786 |

*Note: Amounts above do not include Depreciation, Lease amortization, or OPEB expenditures*

# LIQUOR FUND
## SCHEDULE OF CAPITAL OUTLAY

| | CIP | 2023 ACTUAL | 2024 ACTUAL | 2025 ADOPTED BUDGET | 2025 BUDGET ESTIMATE | 2026 WORKING BUDGET |
|---|---|---|---|---|---|---|
| **17xx CAPITAL OUTLAY - HERITAGE** | | | | | | |
| TENANT IMPROVEMENTS | Facilities | - | 100,000 | - | - | - |
| **TOTAL HERITAGE** | | - | 100,000 | - | - | - |
| **17xx CAPITAL OUTLAY - GALAXIE** | | | | | | |
| PARKING LOT MILL & OVERLAY (2024) | Facilities | - | 208,720 | - | - | - |
| WINE ROOM REMODEL | Facilities | - | - | 120,000 | 74,248 | - |
| FLOORING REPLACEMENT | Facilities | - | - | - | - | 45,000 |
| **TOTAL GALAXIE** | | - | 208,720 | 120,000 | 74,248 | 45,000 |
| **17xx CAPITAL OUTLAY - KENRICK** | | | | | | |
| OFFICE SPACE RENOVATION | Facilities | 10,352 | - | - | - | - |
| OUTDOOR SIGN | Other Impr | - | 15,000 | - | - | - |
| REACH IN COOLER | Facilities | 6,486 | - | - | - | - |
| COOLER MECHINACIALS | Facilities | - | - | - | - | 40,000 |
| **TOTAL KENRICK** | | 16,838 | 15,000 | - | - | 40,000 |
| **17xx CAPITAL OUTLAY - KEOKUK** | | | | | | |
| FENCING | Other Impr | 38,390 | - | - | - | - |
| OUTDOOR SIGN (NORTH SIDE) | Other Impr | - | 18,600 | - | - | - |
| LANDSCAPING (See Major Maint.) | Other Impr | - | - | 20,000 | - | - |
| **TOTAL KEOKUK** | | 38,390 | 18,600 | 20,000 | - | - |
| **17xx CAPITAL OUTLAY - EMPORIUM ROOM** | | | | | | |
| EXTERIOR SIGN | Equipment | 9,839 | - | - | - | - |
| LANDSCAPING | Other Impr | - | 16,000 | - | - | - |
| WAINSCOATING | Facilities | - | - | 20,000 | 19,000 | - |
| PORTABLE BAR | Equipment | - | - | - | 10,000 | - |
| **TOTAL EMPORIUM ROOM** | | 9,839 | 16,000 | 20,000 | 29,000 | - |
| **ALL STORES COMBINED** | | | | | | |
| BUILDING IMPROVEMENTS | Facilities | 10,352 | 100,000 | 140,000 | 93,248 | 45,000 |
| COOLERS | Facilities | 6,486 | - | - | - | 40,000 |
| GROUNDS MAINTENANCE | Other Impr | 38,390 | 16,000 | 20,000 | - | - |
| PARKING LOT MILL AND OVERLAY | Other Impr | - | 208,720 | - | - | - |
| SIGNAGE AND DISPLAYS | Other Impr | 9,839 | 33,600 | - | - | - |
| SALES EQUIPMENT | Equipment | - | - | - | 10,000 | - |
| | | **65,067** | **358,320** | **160,000** | **103,248** | **85,000** |
| | | - | - | - | - | - |

**Date:** 10/27/2025

## 2026 Proposed Fee Schedule

**Proposed Action**

Staff is seeking direction from the Council regarding planned/proposed changes to City fees.

**Overview**

Annually staff reviews the fee schedule as part of the budget process and makes recommendations to the City Council for changes or additions as needed. The goal of fee changes is to recover our best estimate of costs incurred by the City in providing services. The Council is required to announce the time and place of the council meeting at which the 2026 official fee schedule would be discussed, and which would allow for stakeholder input. A public hearing as required by State Statute 462.353 is being held on December 1, 2025. The requirements to adopt a fee schedule set out in Minnesota Statute 462.353 subd. 4 will be met at the December 1, 2025 Council meeting.

The public hearing will allow citizens and other interested parties to voice their opinions regarding the fees and charges. The input received from the October 27th work session and public hearing on December 1st will be incorporated into the 2026 Official Fee Schedule.

The 2026 Official Fee Schedule will be incorporated into the City Code with an effective date of January 1, 2026 unless noted otherwise. New fees, including fees that have historically been charged but haven't been reflected on the fee schedule, and proposed changes are indicated in the table on the attachment alongside their present amount. Please see the explanation for proposed changes below.

**Supporting Information**

1. 2026 Fee Schedule - Attachment - Proposed Fee Changes

**Financial Impact:** $ **Budgeted:** Yes **Source:**
**Envision Lakeville Community Values:** Good Value for Public Service
**Report Completed by:** Julie Stahl, Finance Director

# 2026 PROPOSED FEE SCHEDULE CHANGES*

**City of Lakeville**

*This schedule only includes the proposed changes/additions to fees, and is not the full fee schedule.

| | ITEM/ACTIVITY | 2025 Fee | Proposed 2026 Fee |
|---|---|---|---|
| | **Connection Charges and Development Fees** | | |
| 1 | **Park Dedication Fee** | | |
| | Residential (High-Density) | $3,042 per dwelling unit | $3,133 per dwelling unit |
| | Residential (Medium-Density) | $3,968 per dwelling unit | $4,087 per dwelling unit |
| | Residential (Low-Density) | $5,832 per dwelling unit | $6,007 per dwelling unit |
| | Commercial | $9,477 per acre | $9,761 per acre |
| | Industrial | $5,615 per acre | $5,783 per acre |
| 2 | **Tree Preservation Fee** | | |
| | Tree Replacement Fee in lieu of replacement | n/a- new fee in 2026 | $175 per diameter inch of replacement |
| | **Engineering Charges** | | |
| 3 | **Engineering and Construction Services Staff Services** | | |
| | City Engineer | $203.00 | $210.00 |
| | Assistant City Engineer | $181.00 | $187.00 |
| | Senior Project Engineer | $171.00 | $176.00 |
| | Project Engineer | $152.00 | $157.00 |
| | Civil Engineer | $128.00 | $132.00 |
| | Graduate Engineer | $114.00 | $117.00 |
| | GIS Manager | $144.00 | $148.00 |
| | GIS Analyst | $114.00 | $117.00 |
| | Environmental Resources Manager | $152.00 | $157.00 |
| | Environmental Resources Specialist | $121.00 | $124.00 |
| | Environmental Resources Technician | $107.00 | $111.00 |
| | City Forester | $144.00 | $148.00 |
| | Forester Technician | $96.00 | $98.00 |
| | Administrative Assistant | $96.00 | $98.00 |
| | Public Works Coordinator | $181.00 | $187.00 |
| | Construction Services Superintendent | $171.00 | $176.00 |
| | Senior Construction Representative | $128.00 | $132.00 |
| | Construction Representative | $114.00 | $117.00 |
| | **General Government services** | | |
| | **Copies (Provided in electronic format when possible)** | | |
| 4 | ~~CDs/DVDs~~ | ~~No Charge~~ | ~~No Charge~~ |
| | **Licenses** | | |
| | **Other license fees** | | |
| 5 | ~~THC Licenses~~ | ~~$150.00~~ | ~~$150.00~~ |
| | **Parks & Recreation- Shelter/Buildings** | | |
| 6 | **Outdoor Park Shelter Rental Fees** | | |
| | **Resident** | | |
| | Half Day | $70.00 | $80.00 |
| | Full Day | $100.00 | $110.00 |
| | **Non-Resident** | | |
| | Half Day | $90.00 | $100.00 |
| | Full Day | $150.00 | $160.00 |
| | **Antlers Park Shelter A Rental Fees** | | |
| | **Resident** | | |
| | Half Day | $120.00 | $140.00 |
| | Full Day | $150.00 | $170.00 |
| | **Non-Resident** | | |
| | Half Day | $140.00 | $160.00 |
| | Full Day | $200.00 | $220.00 |
| | **Antlers Park Shelters B & C Rental Fees** | | |
| | **Resident** | | |
| | Half Day | $90.00 | $100.00 |
| | Full Day | $120.00 | $130.00 |
| | **Non-Resident** | | |
| | Half Day | $110.00 | $120.00 |
| | Full Day | $170.00 | $180.00 |
| | **Ed Mako ELC Rental Fees** | | |

| | | | |
|---|---|---|---|
| | **Resident** | $35/hr, 2 hour minimum<br>$200 refundable deposit | $45/hr, 2 hour minimum<br>$200 refundable deposit |
| | **Non-Resident** | $45/hr, 2 hour minimum<br>$200 refundable deposit | $55/hr, 2 hour minimum<br>$200 refundable deposit |
| | **Other shelter-related fees** | | |
| 7 | ~~Key Rental~~ | ~~$25.00 refundable deposit~~ | ~~$25.00 refundable deposit~~ |
| | **Parks & Recreation- Field Rental fees** | | |
| 8 | Baseball, Softball and Athletic Deck (per field/deck, per hour) [1,2]<br>*(Groups 2 and 3- field rental fee is waived for regular season league play and tournaments)* | Group 2- $10<br>Group 3-$12<br>Group 4- $14<br>Group 5- $16 | Group 2- $15<br>Group 3-$17<br>Group 4- $19<br>Group 5- $21 |
| 9 | Grand Prairie baseball field stadium | | $150/game |
| 10 | ~~Aronson Park [2] (Softball fields 1-9, Saturday/Sunday, Tournament use).~~<br>~~*See below for separate light fees.*~~ | ~~Group 3-$400~~<br>~~Group 4- $500~~<br>~~Group 5- $600~~ | ~~Group 3-$400~~<br>~~Group 4- $500~~<br>~~Group 5- $600~~ |
| | **Heritage Center** | | |
| 11 | **Parks & Recreation Staff Services**<br>(hourly fees are associated with staff time to facilitate rentals when the building would not otherwise be open). | | |
| | Facility Attendant | $69.00/hour | $78.00/hour |
| | **Arts Center** | | |
| 12 | **Greenroom B** | | |
| | 2 hour minimum rental time<br>25% discount available for Community Theater events advertised in the Playbill. | n/a- new fee in 2026 | $20.00/hour<br>$15.00/hour with theater rental |
| | **Permits** | | |
| | **Plan Check Fees (Adopted by Ordinance)** | | |
| 13 | 65% of building permit fee ~~for permits with valuations greater than $10,000~~ except residential permits with less than $10,000 valuation. | | |
| 14 | **Electrical Permits (Adopted by Ordinance)** | | |
| | Residential - Minimum repairs and alterations (one trip) | $40.00 | $55.00 |
| | Residential - Additions, remodels, lower levels (two trips) | $80.00 | $110.00 |
| | Residential - New installation (up to three trips) | $135.00 | $220.00 |
| | Commercial | 1.5% of contract/valuation price up to $10,000 and 1.0% of contract/valuation price above $10,000<br>*Minimum fee $40.00 | 1.5% of contract/valuation price up to $10,000 and 1.0% of contract/valuation price above $10,000<br>*Minimum fee $55.00 |
| | Additional trip charge | $40.00 | $55.00 |
| | **Manufactured Home Inspections (Adopted by Ordinance)** | | |
| | Separate permit for electrical hookup | $40.00 | $55.00 |
| 15 | **Single Family Home to Assisted Living Conversion, Change of Use (Commercial) (Adopted by Ordinance)** | | |
| | Building permit | $200.00 | $200.00 |
| 16 | **Demolition (Adopted by Ordinance)** | | |
| | All structures other than residential accessory | $50.00 | $70.00 |
| | **Planning & Zoning** | | |
| | **Other planning and zoning fees** | | |
| 17 | Zoning Letter | $130.00 | $148.00 |
| 18 | **Planning and Zoning Staff Services (hourly fees)** | | |
| | Code Enforcement Officer | $107.00 | $111.00 |
| | Senior Planner | $144.00 | $148.00 |
| | Planning Manager | $192.00 | $198.00 |
| | Community Development Director | $229.00 | $235.00 |
| | **Public Safety** | | |
| 19 | **Response fees/fire** | | |
| | Gas line encroachment (vehicle charge only; staff costs to be separately added) | $173.00/hr | $178.00/hr |
| | Extinguish illegal burning (includes recreational fire)- vehicle charge only; staff costs to be separately added | $173.00/hr | $178.00/hr |
| 20 | Fire department contract services | $58.00/hr/person | $60.00/hr/person |
| 21 | **Other public safety charges** | | |
| | Fire inspection services (provided to other cities)<br>Regular time<br>Overtime | <br>$113.00/hour<br>$139.00/hour | <br>$115.00/hour<br>$141.00/hour |

| | | |
|---|---|---|
| **Police and Fire Staff Services (hourly fees)** | | |
| Police Officers | $121.00 | $125.00 |
| Community Service Officers | $58.00 | $60.00 |
| Fire Chief | $228.00 | $235.00 |
| Assistant Fire Chief | $181.00 | $186.00 |
| Fire Captain | $123.00 | $133.00 |
| Firefighter (FT) | $97.00 | $105.00 |
| 22 **FiRST Center- General Facility Pricing*** <br> ***All training requires 4-hour segment rental agreements. Rates are for public safety professionals unless specifically noted that they are open to the public.** | | |
| Mats Room (Defensive Tactics) | n/a- new in 2026 | $260/day |
| Full classroom (114 seats) | n/a- new in 2026 | $500/day |
| Half classroom (57 seats ) | n/a- new in 2026 | $250/day |
| 50-yd Shooting Range | n/a- new in 2026 | $235/hr |
| 25-yd Shooting Range | n/a- new in 2026 | $235/hr |
| Virtual Reality | n/a- new in 2026 | $100/hr |
| RBT - Indoor & Outdoor | n/a- new in 2026 | $525/day |
| **FiRST Center- Fire Training Facility Pricing** | | |
| Reality-Based Training Areas | n/a- new in 2026 | $525/day |
| - Includes flexible wall system, customizable environments (including smoke) <br> - Training Elements include: <br> < Ladder rescue drills - balcony, windows and rooftop <br> < Ground ladder training <br> < SCBA confidence course <br> < Search & rescue- Training | | |
| **Public Works** | | |
| 23 **Streets and Parks staff services (per hour)** (Hourly fees are typically charged in cases where FEMA is involved, or if City staff assists another community/agency in an emergency situation). Fees may be billed based on the titles below or any changes to the position titles during the year. | | |
| Part-time seasonal | $39.00 | $49.00 |
| Service Tech | $101.00 | $104.00 |
| Maintenance II | $101.00 | $104.00 |
| Lead Maintenance | $119.00 | $122.00 |
| Lead Service Tech | $119.00 | $122.00 |
| Fleet, Streets, Parks Supervisor | $144.00 | $148.00 |
| Superintendent | $171.00 | $176.00 |
| Administration | $96.00 | $98.00 |
| *See Engineering section for Construction Services staff rates. | | |
| **Utilities staff services (per hour)** (Hourly fees are typically charged in cases where FEMA is involved, if City staff assists another community/agency in an emergency situation, or for water disconnection/reconnection or other service call). Fees may be billed based on the titles below or any changes to the position titles during the year. | | |
| Part-time seasonal | $39.00 | $49.00 |
| Maintenance I | $76.00 | $78.00 |
| Maintenance II | $101.00 | $104.00 |
| Lead Maintenance | $119.00 | $122.00 |
| Supervisor | $144.00 | $148.00 |
| Superintendent | $181.00 | $187.00 |
| Administration | $96.00 | $98.00 |
| | | |
| 24 **Equipment Use Fees (per hour)** (Hourly fees are typically charged in cases where FEMA is involved, or if City staff assists another community/agency in an emergency situation). Staff fees to be added separately. | | |
| ~~Loader 950~~ | ~~$94.00~~ | ~~$94.00~~ |
| Loader 938 | $75.00 | $116.00 |
| Loader 908 | $50.00 | $83.00 |
| Motor Grader | $160.00 | $160.00 |
| Dump Truck Tandem | $75.00 | $100.00 |
| Dump Truck Tandem w/Plow Equipment | $100.00 | $133.00 |
| Dump Truck Single Axle | $55.00 | $75.00 |
| Dump Truck Single Axle w/Plow Equipment | $80.00 | $108.00 |
| Walk Behind Striper | $6.00 | $13.00 |
| Air Compressor | $18.00 | $27.00 |
| Street Sweeper | $184.00 | $95.00 |
| Tanker Truck | $44.00 | $66.00 |
| Ditch Mower | $50.00 | $70.00 |

| | | | |
|---|---|---|---|
| | Fork Lift | $18.00 | $24.00 |
| | Tractor Backhoe | $91.00 | $110.00 |
| | Mini Excavator | $50.00 | $57.00 |
| | **Other public works fees** | | |
| 25 | Valve replacement (fee includes cost of the valve and staff time to replace the valve; typically completed only as needed at the time of water meter replacement) | $45.00 per valve replacement | $46.00 per valve replacement |
| 26 | **SEWER USAGE RATES- Quarterly Charges** | | |
| | **Residential, Apartments and Manufactured Homes**<br>*(Apartment & Manufactured Homes Base charge and consumption limits are multiplied by the # of units at the time the meter is read)* | | |
| | Base Charge- per dwelling unit, per quarter | $11.34 | $11.68 |
| | Usage Charge<br>• *Based on actual consumption during the first or second quarter of the year, depending on location within the City, or actual water consumption during the billing period.*<br>• *When an account is newly established, the maximum sewer usage charge shall be set at 18,000 gallons. Sewer for the remainder of the year will be set at this figure or actual usage, whichever is less.*<br>• *Residential customers shall be billed for a minimum of 5,000 gallons per quarter.*<br>• *For apartments and manufactured homes served by a single meter, the usage charge is determined by dividing the total gallons of water by the # of units.* | $5.62/1000 Gal | $5.79/1000 Gal |
| | Flat rate- per dwelling unit, per quarter shall be charged to those residential customers who do not have metered water. | $112.50 | $115.90 |
| | **Commercial, Industrial and Institutional** | | |
| | Base Charge- per account, per quarter | $11.34 | $11.68 |
| | Usage Charge<br>• *Based on actual consumption during the first quarter of the year, or actual water consumption during the billing period, whichever is less*<br>~~• *When an account is newly established, the maximum sewer usage charge shall be set at 18,000 gallons. Sewer for the remainder of the year will be set at this figure or actual usage, whichever is less.*~~<br>~~• *Industrial, Institutional, and Commercial customers shall be billed for a minimum of 5,000 gallons per quarter.*~~ | $5.62/1000 Gal | $5.79/1000 Gal |
| 27 | **WATER USAGE RATES- Quarterly Charges** | | |
| | **Residential, Apartments and Manufactured Homes** | | |
| | Base Charge- per dwelling unit, per quarter | $10.92 | $11.58 |
| | Usage Charge<br>• *Based on actual metered gallons consumed each quarter* | | |
| | Tier 1- up to 6,000 gallons per quarter | 1.42/1000 Gal | 1.51/1000 Gal |
| | Tier 2- over 6,000 gallons up to 15,000 gallons per quarter (additional 9,000 gallons max) | 1.58/1000 Gal | 1.67/1000 Gal |
| | Tier 3- over 15,000 gallons up to 30,000 gallons per quarter (additional 15,000 gallons max) | 3.05/1000 Gal | 3.23/1000 Gal |
| | Tier 4- over 30,000 gallons per quarter | 5.35/1000 Gal | 5.67/1000 Gal |
| | Irrigation sprinkler meters | 5.35/1000 Gal | 5.67/1000 Gal |
| | **Commercial, Industrial and Institutional** | | |
| | Base Charge- per account, per quarter | $10.92 | $11.58 |
| | Usage Charge<br>• *Based on actual metered gallons consumed each quarter* | | |
| | Tier 1- up to 6,000 gallons per quarter | 1.42/1000 Gal | 1.51/1000 Gal |
| | Tier 2- over 6,000 gallons up to 15,000 gallons per quarter (additional 9,000 gallons max) | 1.58/1000 Gal | 1.67/1000 Gal |
| | Tier 3- over 15,000 gallons up to 30,000 gallons per quarter (additional 15,000 gallons max) | 3.05/1000 Gal | 3.23/1000 Gal |
| | Tier 4- over 30,000 gallons per quarter | 5.35/1000 Gal | 5.67/1000 Gal |
| | Irrigation sprinkler meters | 5.35/1000 Gal | 5.67/1000 Gal |
| | **Bulk Water Accounts** | | |
| | Usage Charge<br>o *Based on actual metered gallons consumed each quarter* | $6.36/1000 Gal | $6.74/1000 Gal |
| | **OTHER UTILITY FEES** | | |
| 28 | **Out of Cycle Meter Read (during normal business hours only)** | | |
| | First and second out of cycle meter read | no charge | no charge |
| | Third and subsequent out of cycle meter reads | $72.00/visit | $74.00/visit |
| | Special meter read for tenant/owner changes | $72.00/visit | $74.00/visit |
| 29 | **Testing of Water Meters (only if meter tests correct, in accordance with Ordinance 7-5-4-6)** | | |
| | 5/8" to 1" | $68.00 | $84.00 |
| | 1 1/4" to 2" | $94.00 | $108.00 |
| 30 | **Water Disconnection, Reconnection or other Service Call** | | |
| | During normal business hours | $72.00/visit | $74.00/visit |
| | After normal business hours | $178.00/visit | $206.00/visit |
| | **Other** | | |

| | | | |
|---|---|---|---|
| 31 | MN State water supply service connection fee (state testing fee) | $2.43/quarter/connection | $3.81/quarter/connection |
| 32 | Monthly new customer list- electronic | n/a- new in 2026 | $60.00/year |
| 33 | Mini Manhole Cover plus installation<br>*Includes cost of mini manhole plus an additional 15% for staff administrative processing time, and staff time to install (including staff use of City patch truck). | Actual cost of mini manhole cover + 15%; plus $286 for installation | Actual cost of mini manhole cover + 15%; plus $294 for installation |
| 34 | **STREET LIGHTS** | | |
| | **Utility accounts served by water and/or sanitary sewer** | | |
| | Residential and multiple family units | $10.12/dwelling unit/quarter | $10.63/dwelling unit/quarter |
| | Commercial, Industrial and Institutional | $0.2832/front foot/quarter | $0.2974/front foot/quarter |
| | New subdivisions, as part of development contract | $40.48/residential dwelling unit | $42.52/residential dwelling unit |
| | **Utility accounts NOT served by water and/or sanitary sewer shall be billed annually** | | |
| | Residential and multiple family units | $40.48/dwelling unit | $42.52/dwelling unit |
| | Manufactured homes and Manufactured Home Parks | No charge | No charge |
| | | | |
| 35 | **ENVIRONMENTAL RESOURCES FEE (stormwater maintenance)** | | |
| | **Utility accounts served by water and/or sanitary sewer** | | |
| | -Single family (residential equivalent utility factor) Environmental Resources Fee | $15.38/dwelling unit/quarter | $16.00/dwelling unit/quarter |
| | **Utility accounts NOT served by water and/or sanitary sewer** | | |
| | Utility accounts not served by water and/or sanitary sewer shall be billed annually. | | |
| | -Residential equivalent utility factor Environmental Resources Fee | $61.52/dwelling unit/year | $64.00/dwelling unit/year |
| | **Other** | | |
| | New subdivisions, as part of development contracts; one-time fee | $61.52/dwelling unit | $64.00/dwelling unit |

**Explanations of Fee Changes**

1. The residential, commercial, and industrial park dedication fees are proposed to increase by 3% as of January 1, 2026, to coincide with the increase in estimated market value of unplatted land.
2. Addition of a tree replacement fee in lieu of replacement. The City Council recently approved an updated Tree Preservation Ordinance that requires replacement if tree removal exceeds allowed removal thresholds. If a site cannot accommodate the required tree replacement, a fee in lieu of replacement will be accepted at $175 per diameter inch of replacement.
3. Revised the staff hourly fees to reflect estimates for 2026 cost of living adjustments. Consistent with prior years, the rates are calculated using 2.5 times payroll costs (to account for benefit and other indirect costs).
4. Removed the line item to provide CD/DVD copies, because the City no longer has a method by which to provide these. Instead, electronic copies are typically provided by flash drive or posting files online, and the line item for electronic copies covers this method.
5. Removed the THC Licenses fee. The City is no longer able to license for THC since that is now run through the Office of Cannabis Management at the State.
6. Increased the rates for several shelter/building rentals in accordance with market rates and to support cost recovery for staff time and building/shelter maintenance costs.
7. Removed the key rental fee because we now use the Proxess system instead of checking out keys.
8. Increased the field rental fees in accordance with market rates and to ensure we are recovering staff costs/field maintenance costs.
9. Added a new rental fee for the Grand Prairie Baseball Field Stadium that will be opening in 2026.
10. Removed the field rental fees specific to Aronson Park as they will instead follow the overall field rental fees.
11. Revised the staff hourly fees to reflect estimates for 2026 cost of living adjustments. Consistent with prior years, the rates are calculated using 2.5 times payroll costs (to account for benefit and other indirect costs).
12. Added a new fee for the Greenroom B at the Arts Center, which recently become available to rent after moving pottery to the Fine Arts building, and after it was remodeled to accommodate performance groups.
13. Amended the verbiage of the plan check fees to charge the fee on commercial permits with valuations less than $10,000, which require staff time for inspections and plan review time.
14. Updated electrical permit fees to reflect increases made at the State level.
15. Added Change of Use (Commercial) building permit fee at the same rate as the fee for Single Family Home to Assisted Living Conversion building permit fee. This fee is used to cover staff costs of a site inspection, any necessary code updates that affect life safety or accessibility, perform a reinspection if needed, and process a new certificate of occupancy.
16. Increased the demolition fee permit to be the same as other City minimum permit fees.
17. Increased cost of providing a zoning letter to reflect the same hourly fee for the Senior Planner staff rate, to assist the City in recovering its costs in providing the letter.
18. Revised the staff hourly fees to reflect estimates for 2026 cost of living adjustments. Consistent with prior years, the rates are calculated using 2.5 times payroll costs (to account for benefit and other indirect costs).

19. Increased the response/fire fees if gas line encroachment and extinguish illegal burning to reflect increases in costs to perform these activities.
20. Increased the Fire department contract services rate from $58/hour to $60/hour to account for increases in payroll costs, and other fire response fees to account for increases in staff costs.
21. Increased the Public Safety Staff Services fees (Police Officers, Community Service Officers, Fire Chief, Assistant Fire Chief, and Fire inspection services fees) for estimated 2026 cost of living adjustments, the goal being to ensure City costs are recovered for when these services are billed.
22. Added fees for the FiRST Center, which is currently under construction and expected to open during 2026. Currently excluded is a fee for public use of the shooting range, which is planned to be brought to Council during 2026 after input from the future FiRST Center Manager and additional research on pricing and times for the public access to the range.
23. Revised the staff hourly fees to reflect estimates for 2026 cost of living adjustments. Consistent with prior years, the rates are generally calculated using 2.5 times payroll costs (to account for benefit and other indirect costs).
24. Adjusted various equipment use fees and equipment descriptions to match the most recent FEMA schedule. Removed the Loader 950 since the City no longer has that equipment.
25. Adjusted the fee for valve replacement from $45/valve to $46/valve to account for changes in both staff and valve costs.
26. Sewer rates are proposed to increase to cover infrastructure improvements on lift stations in the 2026-2030 Capital Improvement Plan, as well as an 8.3% increase in the MCES charges, which are not controllable by the City. The recommended increase is a $0.34 per quarter for the basic sewer charge and $0.17 per thousand gallons of discharge. For the average residence using 15,000 gallons, the increase in the quarterly bill will be $2.95. More detail is provided in the October 27th Utility Budget/Rate memo.
27. Water rates are proposed to increase to cover infrastructure improvements as proposed in the 2026-2030 Capital Improvement Plan, as well as cost increases for normal operating expenses. The recommended increase is $0.66 per quarter for the basic water charge and $0.09 per thousand gallons of consumption (tier 1), $0.09 per thousand gallons of consumption (tier 2), $0.18 per thousand gallons of consumption (tier 3), and $0.32 per thousand gallons of consumption (tier 4 and irrigation sprinklers). For the average residence using 15,000 gallons of water, the increase in the quarterly bill will be $2.01. More detail is provided in the October 27th Utility Budget/Rate memo.
28. Increased the fee for third and subsequent out of cycle meter reads, and the special meter read for tenant/owner changes to be $74/visit, consistent with the utility service call fees (during normal business hours).
29. Increased the water meter testing fees to ensure we are recovering costs incurred on water meter testing.
30. The water service call fees are proposed to be increased from $72/visit to $74/visit for calls during normal business hours and from $178/visit to $206/visit for service calls after normal business hours. The purpose of these increases is to better reflect the actual costs incurred by the City in performing the service calls. These fees are charged for water disconnection, water reconnection, other service calls, and for meter reading of customers who have opted out of the radio-read type meters (meter must be read manually). The after-business hours charge is higher due to the minimum 2.5 hours paid to staff for after-hours work per the union contract.

**31.** The State of Minnesota water supply service connection fee is increasing from \$9.72 to \$15.22 per service connection per year, effective January 1, 2026. The City includes one quarter of the annual fee on each quarterly customer bill, and then remits those amounts to the State. Thus, the fee included on City water bills is increasing from \$2.43 per quarter per connection to \$3.81 per quarter per connection. This fee is not controlled by the City. It is collected by the City from customers and then sent to the State of Minnesota.

**32.** Added fee to compensate for employee's time to prepare and send a new customer list monthly to individuals/organizations as requested. Charging a fee is consistent with other cities in the metro area.

**33.** Increased fees for mini manhole cover installation to ensure we are recovering costs incurred in providing these services (increase due to increase in staff costs).

**34.** Street Light rates are proposed to increase to cover costs projected in the 2026-2030 Capital Improvement Plan, as well as normal operating increases. The recommended increase is a \$0.51 per quarter for the quarterly fee. More detail is provided in the October 27th Utility Budget/Rate memo.

**35.** Environmental Resources rates are proposed to increase to cover costs projected in the 2026-2030 Capital Improvement Plan, as well as normal operating increases. The recommended increase is a \$0.62 per quarter for the quarterly fee. More detail is provided in the October 27th Utility Budget/Rate memo.

**Date:** 10/27/2025

**3rd Qtr 2025 Financial Report & Finance Department Update**

**Proposed Action**

No formal action reuiqred. For discussion only.

**Overview**

The attached financial report analysis offers readers a narrative overview of the financial activities of the City for the 3rd quarter of 2025.

The Finance Department report provides an overview of completed and ongoing projects, along with statistics for Utility Accounts and Accounts Payable.

**Supporting Information**

1. 2025 3Qtr Financial Report
2. Finance Dept 3Q2025 Presentation

**Financial Impact:** $ **Budgeted:** Yes **Source:** General, Communications, Liquor, Utility funds
**Envision Lakeville Community Values:** Good Value for Public Service
**Report Completed by:** Julie Stahl, Finance Director

## FINANCIAL HIGHLIGHTS:

The following financial report and analysis offers readers a narrative overview of the financial activities of the City for the nine-month period ended September 30, 2025. This report includes the General Fund, Communications Fund, Liquor Fund and Utility Operating Funds. The readers are encouraged to consider the information presented here in conjunction with the unaudited financial statements attached to this report, the adopted budget, and the five-year Capital Improvement Plan.

- **General Fund - Revenues**

❖ *Property tax revenues.*

- Tax payments from Dakota County are received in two installments, typically in June and December. General Fund property tax revenues are anticipated to be $33.3 million for 2025.

❖ *Licenses and Permits.*

- Building permit revenues continue to exceed the budget expectations through the third quarter. The following chart illustrates the number of permits issued during the third quarter compared to the same period in 2024 and the 2025 adopted budget projections:

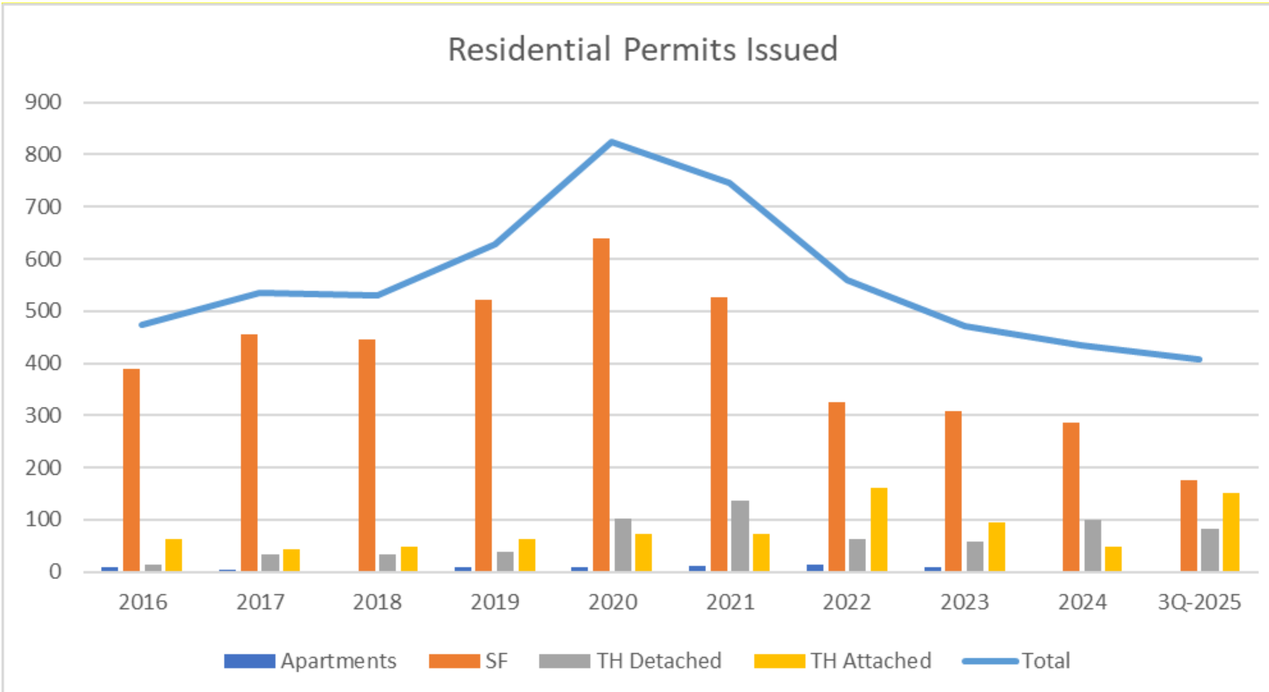
| Permit Type | YTD 3rd Quarter 2024 | 2025 Adopted Budget | YTD 3rd Quarter 2025 |
|---|---|---|---|
| Single Family | 220 | 300 | 176 |
| Townhome | 87 | 150 | 231 |
| Apartments (Units) | 1 (89 units) | 1 (182 units) | 0 |
| Commercial | 4 | 2 | 8 |
| Industrial | 1 | 2 | 0 |

- Year-to-date permits issued through October 21, 2025 are as follows:
  - Single Family – 181
  - Townhome – 243

## FINANCIAL HIGHLIGHTS (continued):

❖ *Historical Building Permits*

- As shown in the chart below, building permits for single-family experienced record-breaking activity in 2019, 2020 and 2021. Permit activity has since stabilized, reflecting steady growth similar to pre-pandemic trends. The composition of permits continues to evolve, with an increasing share of townhome and apartment complex developments.




❖ *Intergovernmental.*

- Revenues comprised of police and fire aid and various grants are typically received in the third and fourth quarters. Grant revenues are $800K more than this same period last year and are comprised of the Forestry Shade Tree grant, Police's ICPOET Cadet grant and the first SAFER grant receipts of $775,000 (six months reimbursed). However, due to the federal government shutdown, future SAFER grant payments are expected to be delayed until operations resume.

❖ *Charges for Services*

- *General government services* are in line with the budget and slightly below the previous year. $169,000 has been received for fiscal agent fees from Dakota 911 and Lakeville Arenas which is up $35,200 over the previous year.

- *Public Safety* revenues are in line with the budget. SRO contributions are up from 2024 due to changes in staffing of the SRO Officers. The renewed fire contract with Eureka Township, billed in June, yielded revenue of $64,478 ($12,600 more than 2024).

## FINANCIAL HIGHLIGHTS (continued):

- *Public works* revenues are based mainly on summer construction projects and year-to-date revenues exceeding the annual budget. Engineering developer contract administration fees are recognized as revenue when collected with the development contract. This contract administration revenue is $54,000 higher from the same period a year ago due to more and larger developments in 2025. These revenues tend to be volatile from year to year, as the timing of large projects can significantly influence annual results.

- *Parks and Recreation* revenues are down $15,000 from the prior year. Recreation programs are exceeding budget estimates (at 81%) as most programs are held in the summer.

❖ *Court Fines.*

- Revenues from court fines ($143,000) represent 60% of the budget estimates and are down $18,000 from the same period in 2024. Court fine revenues and the membership fees paid to the Dakota 911 are both impacted by the number of CAD calls.

❖ **General Fund - Expenditures**

Total expenditures are roughly $2 million greater than 3Q 2025 and are 68% of the 2025 budget.

❖ *Personnel.* Expenditures for the third quarter for personnel are at 66% of the 2025 budget. Several employee vacancies and transitions have resulted in lower costs than expected.

❖ *Motor Fuels.* Motor fuels through September 30 are at 64% of the 2025 Budget. Fuel expenses are slightly lower ($3,389) than the same period in 2024 as fuel costs continue to fluctuate. The City does have a contract for fuel prices in place to mitigate some of the price increases.

❖ *Street Chemicals.* Salt purchases in 2025 are $208K lower than the same period in 2024 and represent 76% of the annual $188K budget. Salt purchased at the end of the 2024–2025 winter season is currently stored at the central maintenance facility and will be available for use in late fall if needed. Storage capacity is full, and staff does not anticipate the need to replenish reserves in 2025. The current encumbrance of $165K is not included in the expenditures. Under the new BS&A system, encumbrances are used to track committed funds prior to the actual expenditure. A budget amendment may be considered if utilization of these encumbered funds becomes necessary.

❖ *Utilities.* Electric costs are at 79% of budget and are $92K more than the same period in 2024. Increased electricity rates are a major factor for this increase. Natural gas costs are $11K higher than the same period in 2024. Combined electric and natural gas costs are at 64% of budget.

❖ *Mayor and Council.* Expenditures are higher than the same period in 2024. This is mainly attributed to the timing of dues for the League of MN Cities.

❖ *City Administration.* Expenditures are at 72% of budget, partially due to the new membership in the National League of Cities.

❖ *City Clerk.* Expenditures are within the 2025 budget and lower compared to the prior year due to the elections in 2024. The County billed for election equipment costs in the second quarter of 2024.

## FINANCIAL HIGHLIGHTS (continued):

- **General Fund - Expenditures (continued)**

  - *Legal.* Legal fees are over budget. Expenditures are $20K higher than the same period in 2024.

  - *Community and Economic Development.* Expenditures are 66% of budget and $90K lower than the previous year. The departments Community and Economic Development and Planning were consolidated starting in 2024.

  - *Inspections.* Expenditures are below budget benchmark at 65% and $73K lower than the previous year due to a position vacancy. Contractual electrical inspections are lower by $37K from the prior year which correlates to the decrease in permit revenues.

  - *General Government Facilities.* Salaries in 2025 are up over the same period in 2024 due to vacancies being filled. Commodities and other charges and services are at 65% of budget and are expected to be within the adopted 2025 budget.

  - *Finance Department.* Personnel costs are below budget benchmarks at 69% and lower than the same period in 2024, mainly due to increased staff time during ERP transition in 2024. Other charges and services are $68K lower compared to 2024, as the ERP implementation took place that year. These expenses are expected to be within the 2025 adopted budget.

  - *Information Technology.* Overall expenditures are at 83% of the adopted 2025 budget. Timing of annual maintenance agreements can impact the expense comparison each year. Allocations to other departments for their respective technology applications is done at year-end.

  - *Human Resources.* Personnel costs are lower than budget (65%) and lower than the same period in 2024 due to transition costs occurring in the 4Q 2024. Professional fees are lower than the prior year due to ERP implementation costs.

  - *Police.* Personnel services are slightly under budget at 68% and higher than the previous year by $400K due to new staff additions that were approved in the 2025 budgets. The overall expenditures are within the budget benchmark. Capital outlay in 2025 relates to the K-9 replacements, which are fully funded through donations and collaborative fundraising efforts between Liquor and Police staff.

  - *Fire*. Personnel services are under budget (at 54%) and higher than the previous year by $1M due to the addition of 6 full-time firefighters at the end of the second quarter of 2024. Firefighter pay is contingent on the number of fire calls during the year and is expected to fluctuate as the department continues to expand into a hybrid model of both paid on call and full-time staff. Commodities are $143K higher than prior year due to outfitting of new personnel. Capital outlay of $98K consists mainly of the purchase of 2 AEDs. The City was awarded the SAFER grant which provides reimbursement on the 15 additional full-time firefighters that were hired in 2025. City staff is working with consultants to submit grant reimbursements monthly.

## FINANCIAL HIGHLIGHTS (continued):

- *Engineering/GIS.* Total expenditures are slightly below budget estimates (at 63%) but are expected to be within the 2025 budget benchmark.

- *Forestry.* Total expenditures are slightly above budget estimates (at 77%) and are expected to be within the 2025 budget benchmark.

- *Construction Services.* Personnel services are below budget at 53% due to employee vacancies.

- *Streets.* Personnel services are below budget (at 65%) and lower than the prior year due to decreases in overtime cost related to snow events. Commodities are under the prior year due to chemicals purchased at the end of the 2024 winter season. All unused chemicals are stored for use in the fall. The salt storage is currently at capacity.

- *Parks.* Overall expenditures are slightly under budget (at 72%) and $131K less than the same period last year.

- *Recreation and Arts Center.* Expenses are within budget in the third quarter and are $45K more than the prior year.

- **Communications Fund**

  - Revenues from Franchise fees are received on a quarterly basis. They are typically received by the end of the month following the quarter. Revenues continue to be lower than historical and have trended down $35K from the prior year as there are other options for residents to utilize for their entertainment.

    Expenditures are under budget estimates and are up $34K from the same period in 2024.

- **Liquor Fund**

  - Sales through the third quarter amounted to $15.9 million, representing a 3.6% decrease compared to the same period in 2024. Both customer counts and sales per transaction have declined year-over-year. Gross profit margin stands at 28.7% in 2025, up from 28.5% in 2024. THC sales have significantly outperformed expectations, reaching $594K through September - nearly triple the $178K annual budget for this category.

  - Total operating expenditures are at 66% of budget appropriations and are $189K lower than the same period in 2024.

- ❖ 2025 Budgeted Transfers Out include $900K to the Equipment Fund; $400K to the Debt Service Fund for the police station bonds (final maturity - February 2032); $346,800 to the Debt Service Fund for the Keokuk Liquor Store; $30K for the 2025 fireworks; and $67,605 to the Technology Fund.

- ❖ Capital outlay consists of a wine room remodel at the Galaxie store and wains coating in the Emporium Room at the Keokuk store.

❖ **Water Fund**

- ❖ Water revenues in the third quarter were lower, primarily due to a wet spring and summer, which is typical for this time of year. However, revenues are higher – by $1.2M – compared to the same period in 2024, largely due to the growth in the customer base. A new water rate structure, implemented on February 1, 2023 encourages conservation and provides a more equitable model, resulting in lower bills for customers with lower usage.

- ❖ Operating expenditures are under budget estimates (at 72%) and are $215K lower than last year.

❖ **Sewer Fund**

- ❖ Sewer revenues exceed budget expectations, currently at 90%, and are higher than the same period in 2024 by $813K. As with water revenues, this increase is primarily driven by the growth in the customer base.

- ❖ Disposal charges paid to Metropolitan Council of Environmental Services increased 4.5% over the 2024 rates and are projected to be $5.6 million for 2025.

- ❖ Operating expenditures are below budget estimates at 68%.

❖ **Street Lighting Fund**

- ❖ Revenues are above the budget benchmark and are up over the same period in 2024 due to increase in customer base.

- ❖ Streetlight rates did not increase for 2025.

- ❖ Expenditures are currently at 84% of budget appropriation, exceeding expectations due to an additional $38K spent on streetlight replacements.

- **Environmental Resources Fund**

  - Revenues are currently at 83% of budget appropriations and are $174K higher than the same period in 2024, driven by customer base growth and a 4% rate increase implemented in 2025.

  - Intergovernmental grant revenues are budgeted at $535,000 for the following restorations:

    - Aquatic invasive species – Dakota County funding $35,000
    - CP 24-44 Greenridge Park Water quality improvements - $500,000

    The request for funding will be made once the final contract payments are made.

  - Personnel expenditures are below budget due to employee transitions. Contractual expenditures are also tracking below budget, which is typical for the third quarter. Projects are either still in progress or have not yet started, contributing to lower overall expenses compared to the budget.

**CITY OF LAKEVILLE, MINNESOTA**
GENERAL FUND
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance from Amended Budget Positive (Neg) | Actual Percent | Comparative 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | | |
| General property taxes | $ 33,300,000 | $ 33,300,000 | $ 17,524,578 | $ (15,775,422) | 52.6% | $ 15,797,947 | $ 1,726,631 | 110.9% |
| Licenses and permits | 3,259,689 | 3,259,689 | 2,744,163 | (515,526) | 84.2% | 2,455,774 | 288,389 | 111.7% |
| Intergovernmental | 3,478,938 | 3,674,484 | 1,221,087 | (2,453,397) | 33.2% | 409,762 | 811,325 | 298.0% |
| Charges for services | 3,061,144 | 3,101,894 | 3,091,902 | (9,992) | 99.7% | 2,723,128 | 368,774 | 113.5% |
| Court fines | 240,000 | 240,000 | 143,235 | (96,765) | 59.7% | 161,257 | (18,022) | 88.8% |
| Investment income | 500,000 | 500,000 | 732,620 | 232,620 | 146.5% | 651,602 | 81,018 | 112.4% |
| Miscellaneous | 166,746 | 125,996 | 162,900 | 36,904 | 129.3% | 128,185 | 34,715 | 127.1% |
| Total revenues | 44,006,517 | 44,202,063 | 25,620,485 | (18,581,578) | 58.0% | 22,327,655 | 3,292,830 | 114.7% |
| Expenditures | | | | | | | | |
| *General Government* | | | | | | | | |
| Mayor and Council | 126,321 | 126,321 | 119,030 | 7,291 | 94.2% | 86,346 | (32,684) | 137.9% |
| Committees and Commissions | 143,422 | 141,922 | 93,720 | 48,202 | 66.0% | 148,495 | 54,775 | 63.1% |
| City Administration | 587,089 | 586,984 | 424,127 | 162,857 | 72.3% | 414,283 | (9,844) | 102.4% |
| City Clerk | 225,579 | 225,544 | 158,585 | 66,959 | 70.3% | 240,956 | 82,371 | 65.8% |
| Legal Counsel | 87,000 | 88,500 | 90,953 | (2,453) | 102.8% | 69,313 | (21,640) | 131.2% |
| Community/Econ Development | 1,089,649 | 1,089,439 | 722,667 | 366,772 | 66.3% | 813,556 | 90,889 | 88.8% |
| Inspections | 1,918,122 | 1,917,714 | 1,248,464 | 669,250 | 65.1% | 1,321,149 | 72,685 | 94.5% |
| General Gov' Facilities | 669,991 | 669,886 | 511,885 | 158,001 | 76.4% | 424,819 | (87,066) | 120.5% |
| Finance | 1,235,639 | 1,235,359 | 829,953 | 405,406 | 67.2% | 911,405 | 81,452 | 91.1% |
| Information Systems | 989,146 | 989,006 | 823,769 | 165,237 | 83.3% | 648,239 | (175,530) | 127.1% |
| Human Resources | 688,489 | 693,302 | 451,877 | 241,425 | 65.2% | 559,608 | 107,731 | 80.7% |
| Insurance | 250,000 | 250,000 | 187,500 | 62,500 | 75.0% | 206,250 | 18,750 | 90.9% |
| *Public Safety* | | | | | | | | |
| Police | 17,227,952 | 17,227,357 | 12,032,465 | 5,194,892 | 69.8% | 11,286,887 | (745,578) | 106.6% |
| Fire | 5,588,299 | 5,702,793 | 3,359,493 | 2,343,300 | 58.9% | 2,054,231 | (1,305,262) | 163.5% |
| *Public Works* | | | | | | | | |
| Engineering | 946,722 | 946,442 | 598,299 | 348,143 | 63.2% | 547,262 | (51,037) | 109.3% |
| Forestry | 680,154 | 680,084 | 523,382 | 156,702 | 77.0% | 376,865 | (146,517) | 138.9% |
| Construction Services | 701,328 | 701,153 | 407,920 | 293,233 | 58.2% | 302,684 | (105,236) | 134.8% |
| Streets | 4,409,718 | 4,408,855 | 2,822,862 | 1,585,993 | 64.0% | 2,811,749 | (11,113) | 100.4% |
| *Parks & Recreation* | | | | | | | | |
| Parks | 3,768,652 | 3,768,022 | 2,715,203 | 1,052,819 | 72.1% | 2,846,097 | 130,894 | 95.4% |
| Recreation | 1,126,418 | 1,126,313 | 945,125 | 181,188 | 83.9% | 848,805 | (96,320) | 111.3% |
| Arts Center | 1,033,734 | 1,033,734 | 777,694 | 256,040 | 75.2% | 918,995 | 141,301 | 84.6% |
| *Other* | - | - | - | - | 0.0% | - | - | 0.0% |
| Total expenditures | 43,493,424 | 43,608,730 | 29,844,973 | 13,763,757 | 68.4% | 27,837,994 | (2,006,979) | 111.3% |
| Excess (deficiency) of revenues over expenditures | 513,093 | 593,333 | (4,224,488) | 4,817,821 | | (5,510,339) | (1,285,851) | |
| Other financing sources (uses) | | | | | | | | |
| Transfer from other funds | 170,000 | 170,000 | 30,000 | (140,000) | 17.6% | 226,998 | 196,998 | 13.2% |
| Transfer to other funds | - | (1,850,000) | (1,850,000) | - | 100.0% | (215,000) | (1,635,000) | 860.5% |
| Total other financing sources (use | 170,000 | (1,680,000) | (1,820,000) | 140,000 | 108.3% | 11,998 | (1,438,002) | 111.3% |
| Net change in fund balance | 683,093 | (1,086,667) | (6,044,488) | 4,957,821 | | (5,498,341) | (546,147) | |
| Beginning fund balance | 21,747,353 | 23,186,629 | 23,186,629 | - | | 22,372,997 | 813,632 | |
| Ending fund balance | $ 22,430,446 | $ 22,099,962 | $ 17,142,141 | $ 4,957,821 | | $ 16,874,656 | $ 267,485 | |
| Restrict fund balance | (775,000) | (775,000) | (775,000) | | | | | |
| *Fund Bal of CY Exp* | 49.8% | 48.9% | 54.8% | | | 60.6% | | |
| **Expenditure Summary** | | | | | | | | |
| Personnel services | 33,047,698 | 33,156,616 | 22,078,705 | 11,077,911 | 66.6% | 20,528,453 | (1,304,484) | 107.6% |
| Commodities | 2,439,091 | 2,439,091 | 1,572,872 | 866,219 | 64.5% | 1,633,453 | 60,149 | 96.3% |
| Other charges and services | 7,930,040 | 7,867,384 | 5,856,962 | 2,010,422 | 74.4% | 5,595,978 | (731,205) | 104.7% |
| Capital outlay | 76,595 | 145,639 | 336,435 | (190,796) | 231.0% | 80,110 | (155,784) | 420.0% |
| **Total expenditures** | $ 43,493,424 | $ 43,608,730 | $ 29,844,974 | $ 13,763,756 | 48.1% | $ 27,837,994 | $ (2,131,324) | 111.3% |
| | | | | | | - | | |

**CITY OF LAKEVILLE, MINNESOTA**
Special Revenue - Communications
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance from Amended Budget Positive (Neg) | Actual Percent | Comparative 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | | |
| Franchise taxes | $ 489,685 | $ 489,685 | $ 237,583 | $ (252,102) | 48.5% | $ 272,817 | $ (35,234) | 87.1% |
| Charges for services | 34,116 | 34,116 | 19,927 | (14,189) | 58.4% | 26,135 | (6,208) | 76.2% |
| Investment income | 6,052 | 6,052 | 49,190 | 43,138 | 812.8% | 44,240 | 4,950 | 111.2% |
| Miscellaneous | 2,000 | 2,000 | - | (2,000) | 0.0% | - | - | 0.0% |
| Total revenues | 531,853 | 531,853 | 306,700 | (225,153) | 57.7% | 343,192 | (36,492) | 89.4% |
| Expenditures | | | | | | | | |
| Current | | | | | | | | |
| General government | 805,067 | 805,067 | 561,643 | 243,424 | 69.8% | 535,393 | (26,250) | 104.9% |
| Capital outlay | | | | | | | | |
| General government | 33,000 | 33,000 | 13,457 | 19,543 | 40.8% | 6,155 | (7,302) | 218.6% |
| Total expenditures | 838,067 | 838,067 | 575,100 | 262,967 | 68.6% | 541,548 | (33,552) | 111.3% |
| Excess (deficiency) of revenues over expenditures | (306,214) | (306,214) | (268,400) | (37,814) | | (198,356) | 70,044 | 135.3% |
| Other financing (uses) | | | | | | | | |
| Transfer to other funds | (4,155) | (4,155) | (4,155) | - | 100.0% | (7,300) | (3,145) | 56.9% |
| Total other financing (uses) | (4,155) | (4,155) | (4,155) | - | 100.0% | (7,300) | (3,145) | 111.3% |
| Net change in fund balance | (310,369) | (310,369) | (272,555) | (37,814) | | (205,656) | (66,899) | |
| Beginning fund balance | 1,384,987 | 1,282,765 | 1,282,765 | - | | 1,384,987 | (102,222) | |
| Ending fund balance | $ 1,074,618 | $ 972,396 | $ 1,010,210 | $ (37,814) | | $ 1,179,331 | $ (169,121) | |

**CITY OF LAKEVILLE, MINNESOTA**
Enterprise - Liquor Fund
Statement of Revenues, Expenditures and Changes in Working Capital
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance | Percent of Budget | Comparative 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Sales and cost of sales | | | | | | | | |
| Sales | $ 23,238,382 | $ 23,238,382 | $ 15,928,043 | $ (7,310,339) | 68.5% | $ 16,525,827 | $ (597,784) | 96.4% |
| Cost of sales | 16,828,635 | 16,828,635 | 11,349,896 | 5,478,739 | 67.4% | 11,818,886 | 468,990 | 96.0% |
| Gross profit | 6,409,747 | 6,409,747 | 4,578,147 | (1,831,600) | 71.4% | 4,706,941 | (128,794) | 97.3% |
| Gross profit % | 27.6% | 27.6% | 28.7% | | | 28.5% | | |
| Operating expenses | | | | | | | | |
| Personnel services | 3,357,512 | 3,357,512 | 2,199,857 | 1,157,655 | 65.5% | 2,158,709 | (41,148) | 101.9% |
| Commodities | 97,056 | 97,056 | 65,005 | 32,051 | 67.0% | 55,494 | (9,511) | 117.1% |
| Other charges and services | 1,916,183 | 1,916,183 | 1,253,442 | 662,741 | 65.4% | 1,114,824 | (138,618) | 112.4% |
| Total operating expenses | 5,370,751 | 5,370,751 | 3,518,304 | 1,852,447 | 65.5% | 3,329,027 | (189,277) | 105.7% |
| Operating income | 1,038,996 | 1,038,996 | 1,059,843 | 20,847 | 102.0% | 1,377,914 | (318,071) | 76.9% |
| Non-operating revenue (expense) | | | | | | | | |
| Investment income | 105,000 | 105,000 | 104,660 | (340) | 99.7% | 51,354 | 53,306 | 203.8% |
| Lease payment | (265,000) | (265,000) | (265,000) | - | 100.0% | (260,000) | (5,000) | 101.9% |
| Transfers in (out) | | | | | | | | |
| General Fund - Fireworks | (30,000) | (30,000) | (30,000) | - | 100.0% | (30,000) | - | 100.0% |
| Debt Service: | | | | | | | | |
| Tax Abatement - Keokuk | (346,800) | (346,800) | (346,800) | - | 100.0% | (350,450) | 3,650 | 99.0% |
| CIP Bonds-Police Station | (400,000) | (400,000) | (400,000) | - | 100.0% | (400,000) | - | 100.0% |
| Capital Projects: | | | | | | | | |
| Equipment Fund | (900,000) | (900,000) | (900,000) | - | 100.0% | (500,000) | (400,000) | 180.0% |
| Technology Fund | (67,605) | (67,605) | (67,605) | - | 100.0% | (59,500) | (8,105) | 113.6% |
| Total non-operating (net) | (1,904,405) | (1,904,405) | (1,904,745) | (340) | 100.0% | (1,548,596) | (356,149) | 123.0% |
| Net change in net position | (865,409) | (865,409) | (844,902) | 20,507 | | (170,682) | (674,220) | |
| Beginning net position | 12,734,454 | 12,984,719 | 12,984,719 | 250,265 | | 12,869,554 | 115,165 | |
| Ending net position | $ 11,869,045 | $ 12,119,310 | $ 12,139,817 | $ 270,772 | | $ 12,698,872 | $ (559,055) | |

Unaudited

**CITY OF LAKEVILLE, MINNESOTA**
Enterprise - Utility Fund Water Operation
Statement of Revenues, Expenditures and Changes in Working Capital
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance | Percent of Budget | Comparative 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Operating revenues | | | | | | | | |
| User charges for services | $ 8,150,143 | $ 8,150,143 | $ 5,812,309 | $ (2,337,834) | 71.3% | $ 4,486,057 | $ 1,326,252 | 129.6% |
| Other | 75,000 | 75,000 | 426,656 | 351,656 | 568.9% | 540,273 | (113,617) | 79.0% |
| Total operating revenue | 8,225,143 | 8,225,143 | 6,238,965 | (1,986,178) | 75.9% | 5,026,330 | 1,212,635 | -39.5% |
| Operating expenses | | | | | | | | |
| Personnel services | 1,904,000 | 1,904,000 | 1,491,697 | 412,303 | 78.3% | 899,860 | (591,837) | 165.8% |
| Commodities | 949,549 | 949,549 | 445,559 | 503,990 | 46.9% | 499,359 | 53,800 | 89.2% |
| Other charges and services | 1,952,059 | 1,952,059 | 1,384,980 | 567,079 | 70.9% | 1,691,183 | 306,203 | 81.9% |
| Major Maintenance | 30,000 | 30,000 | 149,398 | (119,398) | 498.0% | 596,093 | 446,695 | 25.1% |
| Total operating expenses | 4,835,608 | 4,835,608 | 3,471,634 | 1,363,974 | 71.8% | 3,686,495 | 214,861 | 94.2% |
| Operating income (loss) | 3,389,535 | 3,389,535 | 2,767,331 | (622,204) | | 1,339,835 | 1,427,496 | |
| Non-operating revenue (expense) | | | | | | | | |
| Investment income | 54,327 | 54,327 | 523,300 | 468,973 | 963.2% | 471,467 | 51,833 | 111.0% |
| Debt Service | (232,725) | (232,725) | (253,287) | (20,562) | 108.8% | (166,364) | (86,923) | 152.2% |
| Transfers (out) | (580,109) | (580,109) | (565,110) | 14,999 | 97.4% | (563,727) | (1,383) | 100.2% |
| Total non-operating (net) | (758,507) | (758,507) | (295,097) | 463,410 | | (258,624) | (36,473) | |
| Net change in net position | 2,631,028 | 2,631,028 | 2,472,234 | (158,794) | | 1,081,211 | 1,391,023 | 228.7% |
| Beginning net position | 126,419,489 | 137,973,673 | 137,973,673 | 11,554,184 | | 128,899,158 | 9,074,515 | 107.0% |
| Ending net position | $ 129,050,517 | $ 140,604,701 | $ 140,445,907 | $ 11,395,390 | | $ 129,980,369 | 10,465,538 | 108.1% |

Unaudited

**CITY OF LAKEVILLE, MINNESOTA**
Enterprise - Utility Fund Sanitary Sewer Operation
Statement of Revenues, Expenditures and Changes in Working Capital
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance | Percent of Budget | 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Operating revenue | | | | | | | | |
| User charges for services | $ 8,635,692 | $ 8,635,692 | $ 7,738,550 | $ (897,142) | 89.6% | $ 6,925,403 | $ 813,147 | 111.7% |
| Operating expenses | | | | | | | | |
| Personnel services | 1,242,775 | 1,242,775 | 670,868 | 571,907 | 54.0% | 423,847 | (247,021) | 158.3% |
| Commodities | 140,372 | 140,372 | 73,850 | 66,522 | 52.6% | 88,044 | 14,194 | 83.9% |
| Other charges and services | 420,723 | 420,723 | 760,270 | (339,547) | 180.7% | 1,095,366 | 335,096 | 69.4% |
| Disposal charges | 5,622,468 | 5,622,468 | 4,216,851 | 1,405,617 | 75.0% | 4,485,292 | 268,441 | 94.0% |
| Major maintenance projects | 980,000 | 980,000 | 21,425 | 958,575 | 2.2% | - | (21,425) | 0.0% |
| Total operating expenses | 8,406,338 | 8,406,338 | 5,743,264 | 2,663,074 | 68.3% | 6,092,549 | 349,285 | 94.3% |
| Operating income (loss) | 229,354 | 229,354 | 1,995,286 | 1,765,932 | | 832,854 | 1,162,432 | 239.6% |
| Non-operating revenue (expense) | | | | | | | | |
| Intergovernmental State aid | - | - | - | - | 0.0% | - | - | 0.0% |
| Investment income | 47,867 | 47,867 | 347,994 | 300,127 | 727.0% | 314,040 | 33,954 | 110.8% |
| Debt service | (71,750) | (71,750) | (70,295) | 1,455 | 98.0% | (67,319) | (2,976) | 104.4% |
| Transfers in | 33,766 | 33,766 | - | (33,766) | 0.0% | - | - | 0.0% |
| Transfers (out) | (43,064) | (43,064) | - | 43,064 | 0.0% | (60,192) | 60,192 | 0.0% |
| Total non-operating (net) | (33,181) | (33,181) | 277,699 | 310,880 | -836.9% | 186,529 | 91,170 | 148.9% |
| Net change in net position | 196,173 | 196,173 | 2,272,985 | 2,076,812 | | 1,019,383 | 1,253,602 | 223.0% |
| Beginning net position | 74,250,464 | 79,706,030 | 79,706,030 | 5,455,566 | | 74,695,434 | 5,010,596 | 106.7% |
| Ending net position | $ 74,446,637 | $ 79,902,203 | $ 81,979,015 | $ 7,532,378 | | $ 75,714,817 | $ 6,264,198 | 108.3% |

**CITY OF LAKEVILLE, MINNESOTA**
Enterprise - Utility Fund Street Light Operation
Statement of Revenues, Expenditures and Changes in Working Capital
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance | Percent of Budget | Comparative 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Operating revenue | | | | | | | | |
| User charges for services | $ 1,246,370 | $ 1,246,370 | $ 985,446 | $ (260,924) | 79.1% | $ 959,591 | $ 25,855 | 102.7% |
| Operating expenses | | | | | | | | |
| Personnel services | 25,084 | 25,084 | - | 25,084 | 0.0% | - | - | 0.0% |
| Commodities | 103 | 103 | - | 103 | 0.0% | - | - | 0.0% |
| Other charges and services | 1,129,818 | 1,129,818 | 970,353 | 159,465 | 85.9% | 723,178 | (247,175) | 134.2% |
| Total operating expenses | 1,155,005 | 1,155,005 | 970,353 | 184,652 | 84.0% | 723,178 | (247,175) | 134.2% |
| Operating income (loss) | 91,365 | 91,365 | 15,093 | (76,272) | | 236,413 | (221,320) | 6.4% |
| Non-operating revenue (expense) | | | | | | | | |
| Investment income | 8,204 | 8,204 | 40,817 | 32,613 | 497.5% | 36,908 | 3,909 | 110.6% |
| Debt service | (52,762) | (52,762) | (51,674) | 1,088 | 97.9% | (48,111) | (3,563) | 107.4% |
| Transfers in (out) - General Fund | - | - | - | - | 0.0% | (3,453) | 3,453 | 0.0% |
| Total non-operating (net) | (44,558) | (44,558) | (10,857) | 33,701 | 24.4% | (14,656) | 3,799 | 74.1% |
| Net change in net position | 46,807 | 46,807 | 4,236 | (42,571) | | 221,757 | (217,521) | 1.9% |
| Beginning net position | 1,175,893 | 1,205,652 | 1,205,652 | 29,759 | | 940,928 | 264,724 | 128.1% |
| Ending net position | $ 1,222,700 | $ 1,252,459 | $ 1,209,888 | $ (12,812) | | $ 1,162,685 | $ 47,203 | 104.1% |

**CITY OF LAKEVILLE, MINNESOTA**
Enterprise - Utility Fund Environmental Resources Operation
Statement of Revenues, Expenditures and Changes in Working Capital
For the Nine-Month Period Ended September 30, 2025

| | 2025 Adopted Budget | 2025 Amended Budget | 9/30/25 Actual | Variance | Percent of Budget | Comparative 9/30/24 Actual | Comparative Variance from 2024 Actual Positive (Negative) | |
|---|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | | |
| User charges for services | $ 2,048,300 | $ 2,048,300 | $ 1,691,947 | $ (356,353) | 82.6% | $ 1,518,198 | $ 173,749 | 111.4% |
| Total revenues | 2,048,300 | 2,048,300 | 1,691,947 | (356,353) | 82.6% | 1,518,198 | 173,749 | -23.5% |
| Expenditures - Public works | | | | | | | | |
| Personnel services | 871,649 | 871,649 | 541,641 | 330,008 | 62.1% | 531,202 | (10,439) | 102.0% |
| Commodities | 55,978 | 55,978 | 22,823 | 33,155 | 40.8% | 40,287 | 17,464 | 56.7% |
| Other charges and services | 1,986,896 | 1,986,896 | 781,293 | 1,205,603 | 39.3% | 377,263 | (404,030) | 207.1% |
| Major maintenance/capital outlay | - | - | 1,224 | (1,224) | 0.0% | - | (1,224) | 0.0% |
| Total expenditures | 2,914,523 | 2,914,523 | 1,346,981 | 1,567,542 | 46.2% | 948,752 | (398,229) | 142.0% |
| Operating income (loss) | (866,223) | (866,223) | 344,966 | 1,211,189 | | 569,446 | (224,480) | 60.6% |
| Non-operating revenue (expense) | | | | | | | | |
| Intergovernmental | 535,000 | 535,000 | - | (535,000) | 0.0% | - | - | 0.0% |
| Investment income | 10,221 | 10,221 | 108,886 | 98,665 | 1065.3% | 94,877 | 14,009 | 114.8% |
| Transfers in (out) | | | | | | | | |
| Building Fund | - | - | - | - | 0.0% | (220,000) | 220,000 | 0.0% |
| Equipment Fund | (40,500) | (40,500) | (40,500) | - | 100.0% | (40,500) | - | 100.0% |
| Technology Fund | (2,384) | (2,384) | (2,384) | - | 100.0% | (10,792) | 8,408 | 22.1% |
| Water Operating Fund | 15,000 | 15,000 | - | (15,000) | 0.0% | - | - | 0.0% |
| Sanitary sewer operations | (33,766) | (33,766) | (33,766) | - | 100.0% | - | (33,766) | 0.0% |
| Total other financing (uses) | 483,571 | 483,571 | 32,236 | (451,335) | 6.7% | (176,415) | 208,651 | -18.3% |
| Net change in net position | (382,652) | (382,652) | 377,202 | 759,854 | | 393,031 | (15,829) | 96.0% |
| Beginning net position | 2,962,282 | 4,340,866 | 4,340,866 | 1,378,584 | | 3,663,270 | 677,596 | 118.5% |
| Ending net position | $ 2,579,630 | $ 3,958,214 | $ 4,718,068 | $ 2,138,438 | | $ 4,056,301 | $ 661,767 | 116.3% |


# Finance Department
# 2025

## October 27, 2025

Lakeville, Minnesota—*Positioned to Thrive*

# Award Received

- Certificate of Excellence in Financial Reporting
- 2023 Annual Comprehensive Financial Report (ACFR)
- Since1988 – 36 years

# Completed Projects

- 2024 Audits
  - City
  - Lakeville Fire Relief Association
  - Dakota 911
  - Lakeville Arenas

# Completed Projects

- Dakota Co Communications Center
  - Dakota 911
    - 2026 Budget
    - City staff time on D911 has been measured
  - Lakeville Arenas
    - 2026 Budget
    - City staff time on Lakeville Arenas has been measured

Lakeville, Minnesota—*Positioned to Thrive*

# Completed Projects

- 2025A Bonds Sold in March – $22.25 million
  - Street Reconstruction Projects
  - Collector Rehabilitation
  - CIP Bonds (FiRST Center) $18.1M
  - Maintained Aaa Bond Rating – Moody's

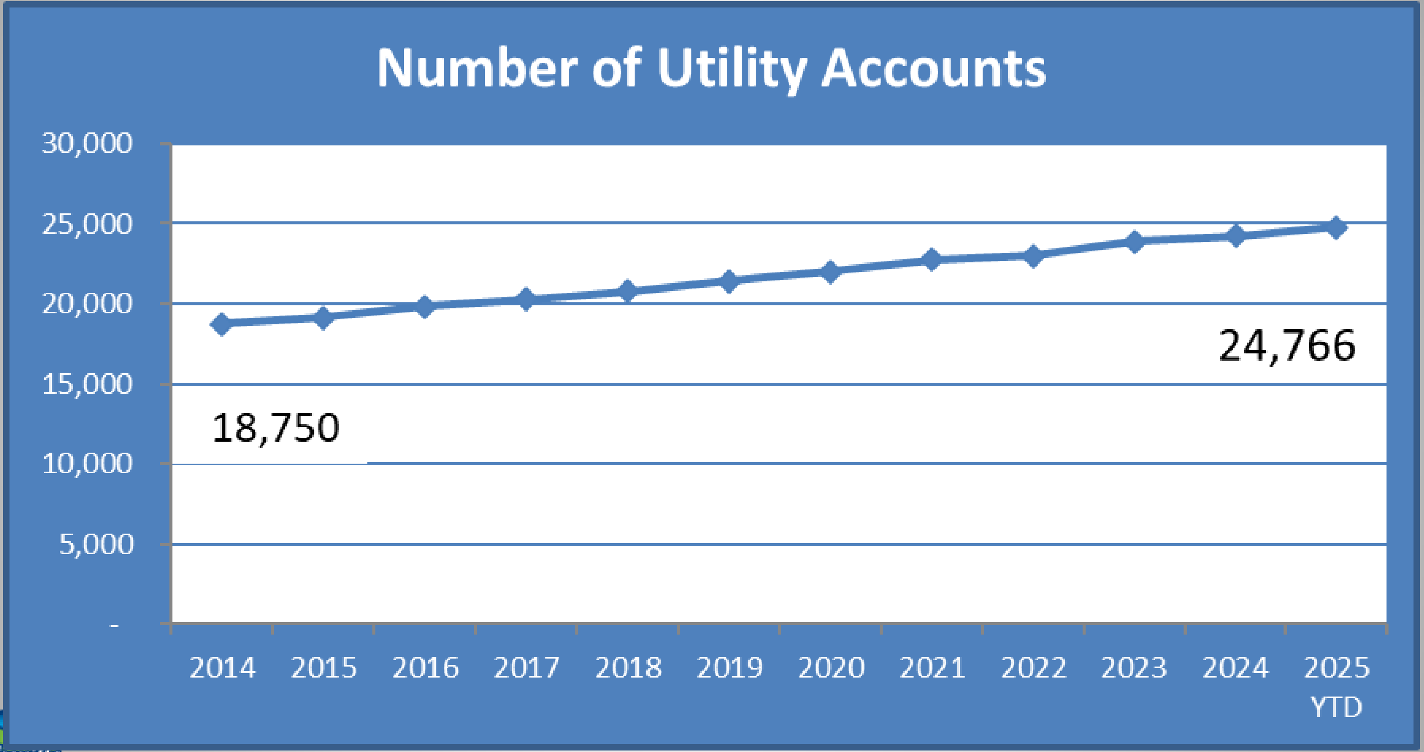
# Approaching Completion

- 2026 Budget
- 2026-2030 Capital Improvement Plan (done)
- Delinquent Certifications
  - Utility, Code Enforcement, False Alarms, Tree Preservations

# Current Projects

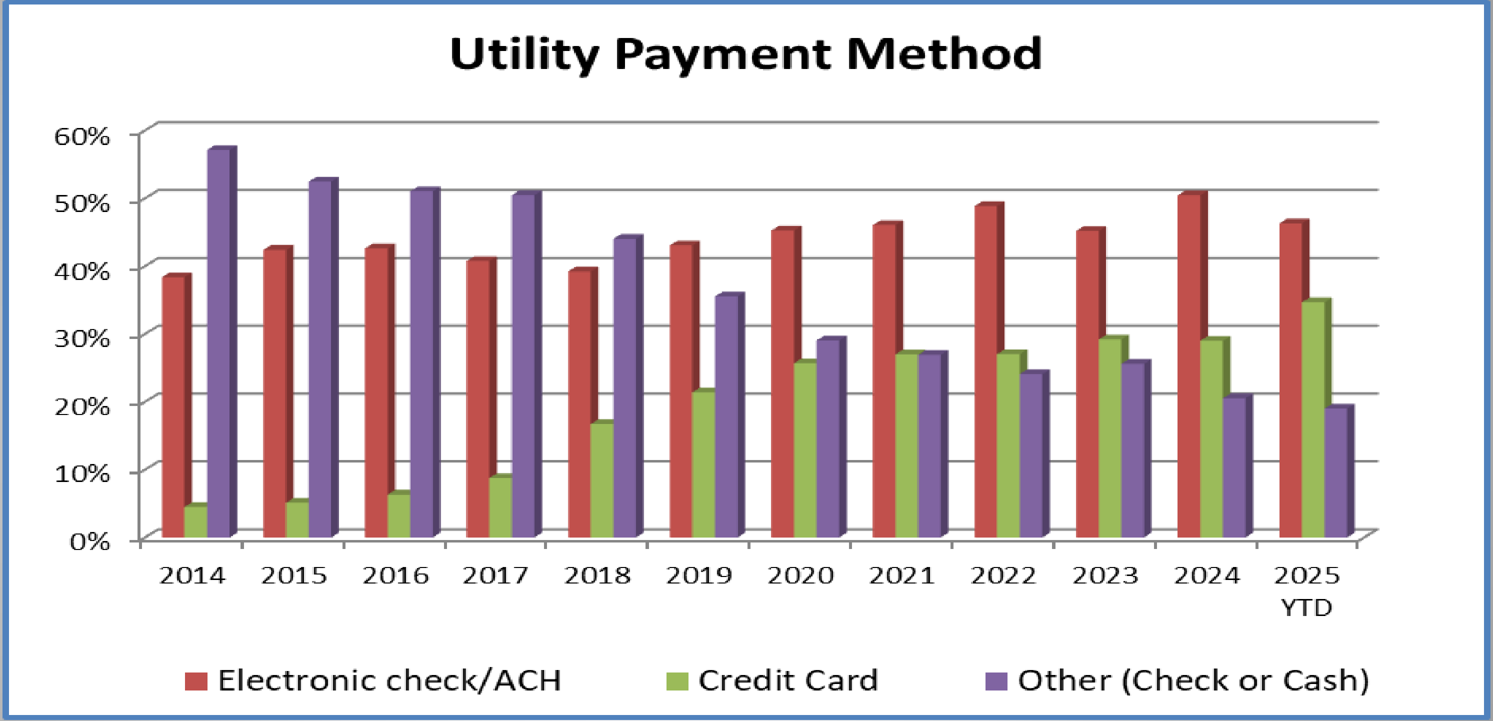
- Procedural documentation (ERP changed several processes)
- Process improvements & catch-up
- Arbitrage reporting

# Statistics – Utility Accounts @ 9/30/25




+32%

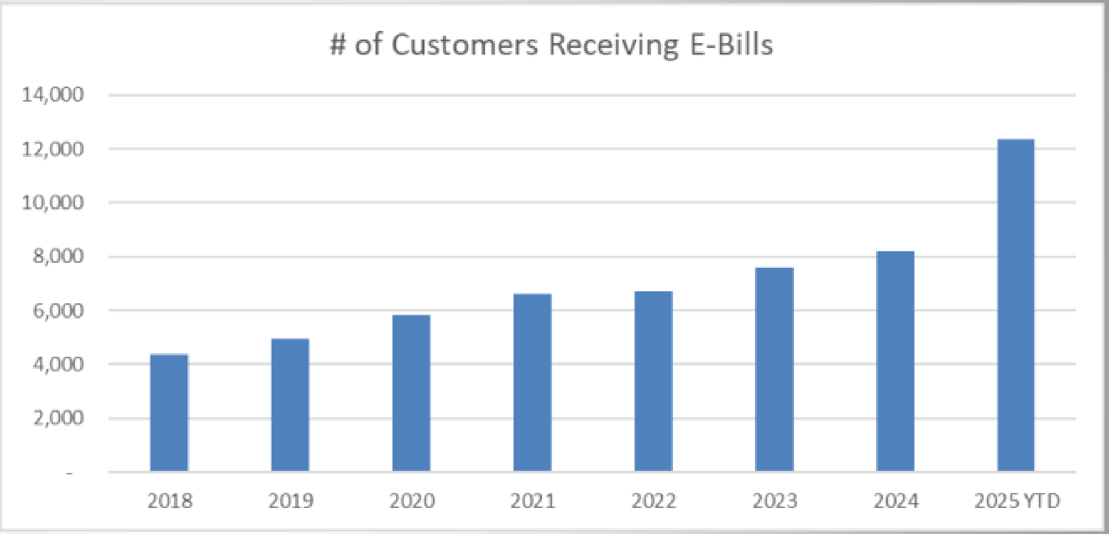
# Statistics- Utility Customers @ 9/30/25




**Lakeville, Minnesota—*Positioned to Thrive***

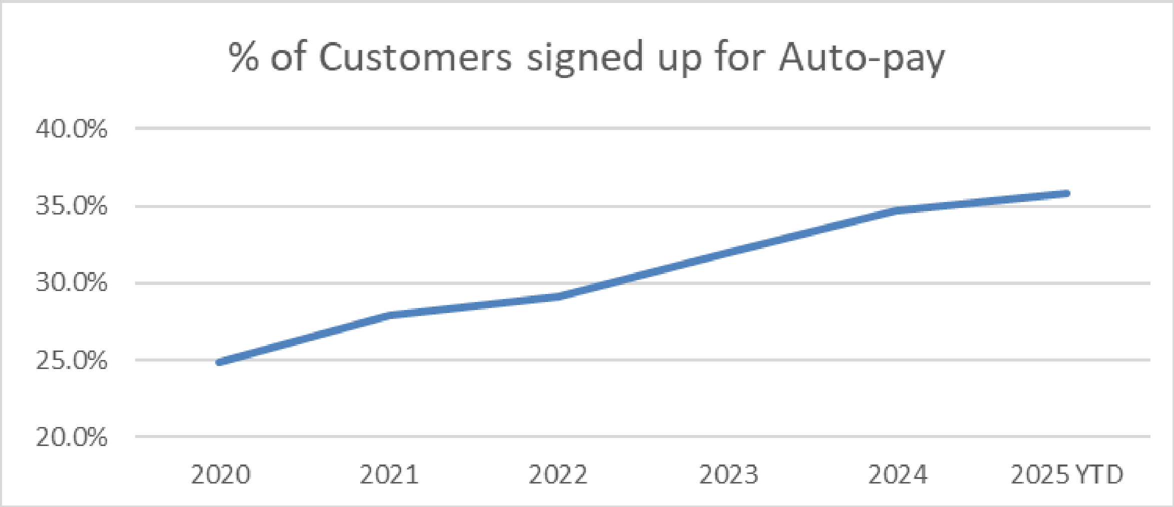
# Statistics- Utility Customers @ 9/30/25

- 12,356 (50%) customers have signed up for e-bills as of Sept 2025
- 2023 = 7,584 (32%)



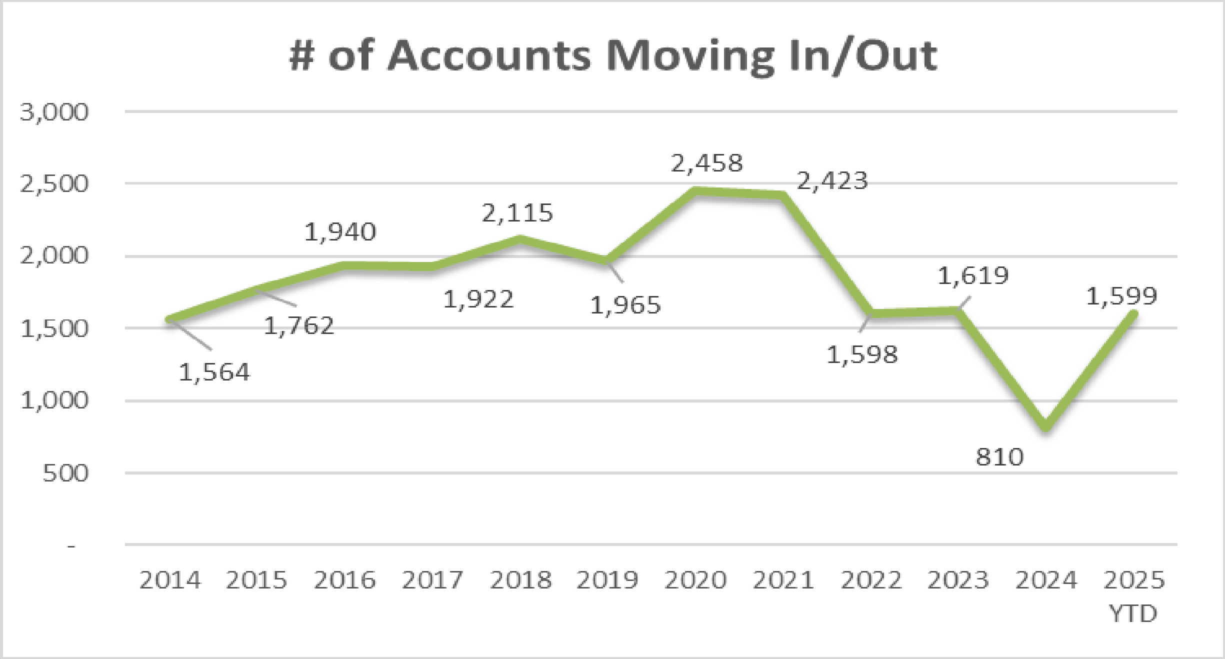

Lakeville, Minnesota—*Positioned to Thrive*


# Statistics- Utility Customers @ 9/30/25




- 8,862 (35.8%) customers have signed up for auto pay as of Sep 2025
  - 2023 = 7,651 (32%)

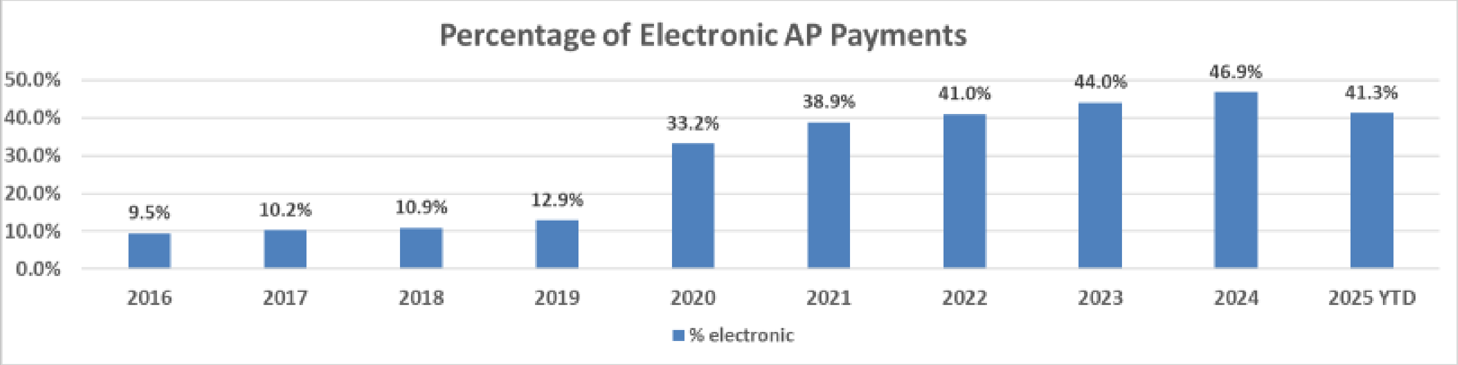

# Statistics – Utility Customers @ 9/30/25

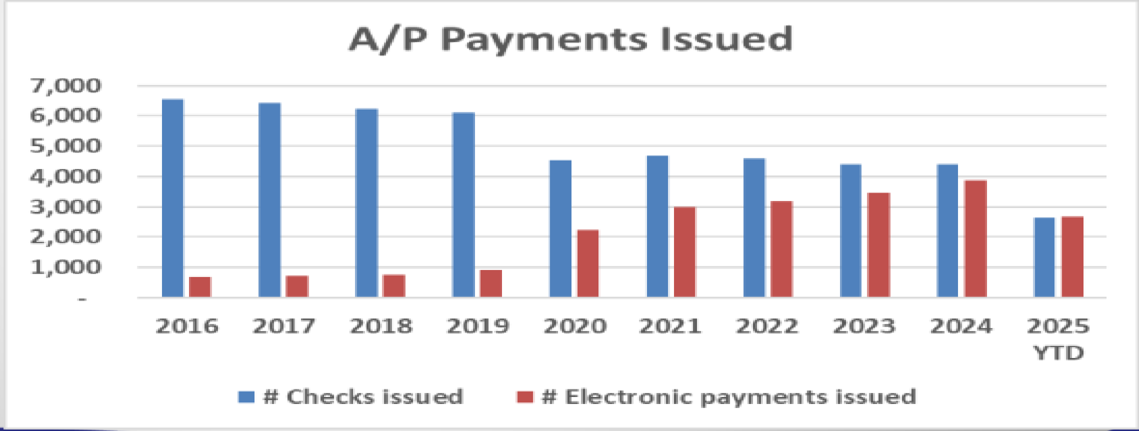



Move In/Move Out counted as "1"

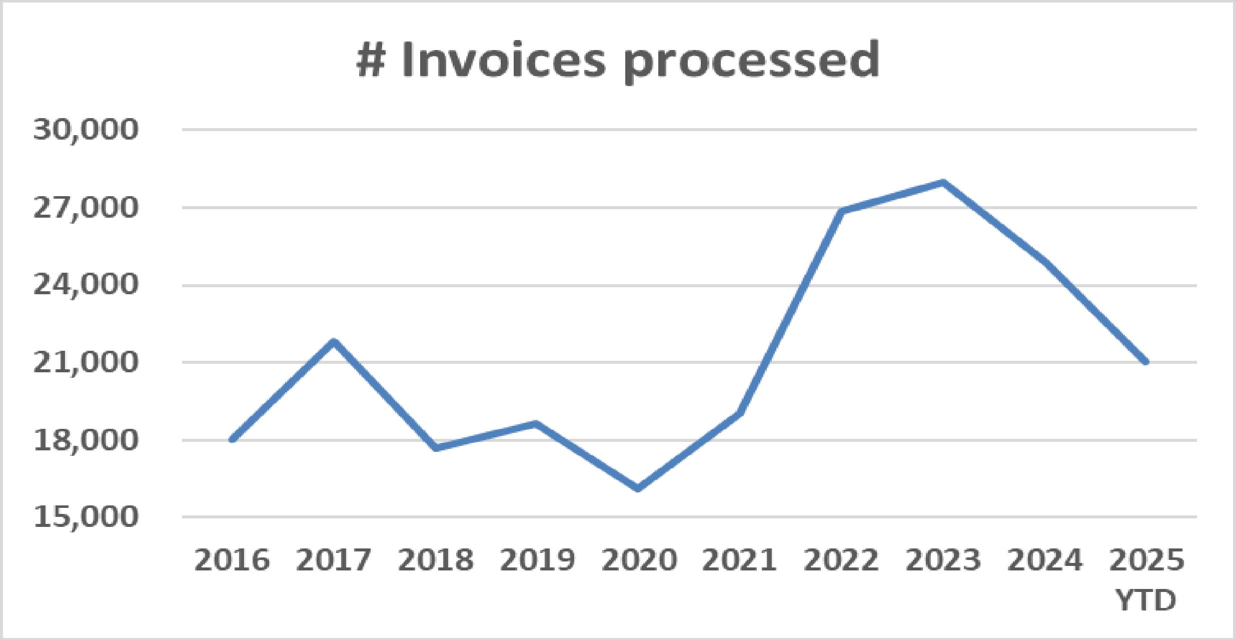
Lakeville, Minnesota—*Positioned to Thrive*

# Statistics – Accounts Payable @ 9/30/25



# Statistics – Accounts Payable @ 9/30/25




Lakeville, Minnesota—*Positioned to Thrive*

# Questions?