



## **CITY COUNCIL MEETING**

**MUNICIPAL CENTER COUNCIL CHAMBERS**  
**1616 HUMBOLDT AVENUE, WEST ST. PAUL, MN 55118**  
**MONDAY, JUNE 22, 2020**  
**6:30 P.M.**

### **CITY COUNCIL MEETINGS: OPEN**

Public meetings are now being held in person in the Council Chambers and are open to the public with social distancing restrictions. Meetings will continue to be broadcast and streamed online for viewers to watch from the safety of their homes.

**SEATING:** A limited number of attendees will be allowed in the Council Chambers to view live meetings. Seats are first come-first serve. Due to the limited seating, overflow space will be available in the City Hall lobby and Lobby Conference Room with screens playing the meeting live.

**PARTICIPATION:** Due to the limited seating in the Council Chambers, those wishing to speak during public input items must sign up prior to the start of the meeting and will be called up to the podium one at a time. People wishing to speak may email the City Clerk at [sbuecksler@wspmn.gov](mailto:sbuecksler@wspmn.gov) by 4:30 p.m. the day of the meeting (please include name, address and subject in email). In addition, sign up sheets for each public input item will be available near the entrance of the Council Chambers the day of each meeting and collected by the City Clerk 5 minutes prior to the start of the meeting. Names will be called to approach the podium to address the Council. Those watching from overflow areas can enter the Chambers to speak when their name is called and then proceed back to the overflow area to continue viewing.

**1. Call to Order**

**2. Roll Call**

**3. Pledge of Allegiance**

**4. Adopt the Agenda**

**5. OCWS Briefing**

**6. Citizen Comments**

*Individuals may address the City Council about any item not included on the regular agenda. Speakers are requested to come to the podium, state their name and address for the Clerk's record. Generally, the City Council will not take official action on items discussed at this time, but may typically refer the matter to staff for a future report or direct that the matter be scheduled on an upcoming agenda.*

**7. Council Comments**

**8. Consent Agenda**

*All items on the Consent Agenda are considered to be routine and have been made available to the City Council at least two days prior to the meeting; these items will be enacted by one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from this agenda and considered under separate motion.*

**A. Minutes of May 26, 2020 - Regular Council**

Documents:

[05-26-20 COUNCIL MINUTES.PDF](#)

B. Minutes of June 8, 2020 - Regular Council

Documents:

[06-08-20 COUNCIL MINUTES.PDF](#)

C. List of Claims for June 22, 2020

Documents:

[COUNCIL REPORT - 6.22.20 LIST OF CLAIMS.PDF](#)

D. Change Order for Marie Oakdale Trail Project CP 18-4

Documents:

[COUNCIL REPORT - CHANGE ORDER CP 18-4.PDF](#)

E. Change Order for 2020 Street Improvements Project CP 20-1

Documents:

[8E COUNCIL REPORT - CHANGE ORDER CP 20-1.PDF](#)

F. Change Order for Dome Exit Stairs Project CP 20-5

Documents:

[COUNCIL REPORT - CHANGE ORDER CP 20-5.PDF](#)

G. Call Final Assessment Hearing for 2019-2020 Robert St. Sidewalk Snow Removal

Documents:

[COUNCIL REPORT - CALL ASSMT HRG ROBERT ST SIDEWALK SNOW REMOVAL.PDF](#)

H. Request Direction to Commemorate Pride Month

Documents:

[COUNCIL REPORT - LGBTQIA FLAG 062220.PDF](#)  
[RESOLUTION - DIRECTING THE FLYING OF A RAINBOW FLAG IN THE PUBLIC INTEREST.PDF](#)

**9. New Business**

A. Audit Presentation for Year ending 12/31/2019

Documents:

[COUNCIL REPORT - 2019 AUDIT.PDF](#)  
[2019 FINAL COMPREHENSIVE ANNUAL FINANCIAL REPORT1.PDF](#)  
[2019 FINAL MANAGEMENT COMMUNICATION.PDF](#)  
[2019 FINAL OTHER REQUIRED REPORTS.PDF](#)  
[2019 FINAL AUDIT PRESENTATION.PDF](#)  
[FINAL 2019 CASH TO DEBT.PDF](#)  
[FINANCIAL PLAN UPDATE-FINAL 2019.PDF](#)

10. **Old Business**

11. **Adjourn**

*If you need an accommodation to participate in the meeting, please contact the ADA Coordinator at 651-552-4108 or email [ADA@wspmn.gov](mailto:ADA@wspmn.gov) at least 5 business days prior to the meeting*  
*[www.wspmn.gov](http://www.wspmn.gov) EOE/AA*

**City of West St. Paul  
City Council Meeting Minutes  
May 26, 2020**

**1. Call to Order**

Mayor Napier called the meeting to order at 6:30 p.m.

**2. Roll Call**

Present: Mayor Dave Napier  
Councilmembers Wendy Berry, Lisa Eng-Sarne,  
Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

Absent: None

Others Present: City Manager Ryan Schroeder  
City Attorney Kori Land  
Police Chief Brian Sturgeon  
Finance Director Char Stark  
Parks & Public Works Director/City Engineer Ross Beckwith  
Community Development Director Jim Hartshorn  
Human Resources Director Debra Gieseke  
Marketing & Communications Manager Dan Nowicki  
City Clerk Shirley Buecksler

Mayor Napier stated that tonight's meeting will be conducted virtually and described the process for citizens to view the meeting and call in with questions and comments.

**3. Pledge of Allegiance**

**4. Adopt the Agenda**

Motion was made by Councilmember Justen and seconded by Councilmember Vitelli to adopt the agenda, as presented.

Vote: 5 ayes / 0 nays – Councilmember Berry's audio was inaudible. Motion carried.

**5. Citizen Comments**

Calls and Comments Received:

- Joan Hutter, Ward 1 said she was horrified with the recent news of George Floyd and would like to see a public proclamation that this type of incident is unacceptable. She also requested that Staff, Council and Police Department Staff continue to receive bias training.
- Julie Eastman, Ward 1 thanked Mayor Napier, Council and Staff for the proclamations on the agenda tonight. She hopes in a future OCWS Council can discuss conversion therapy and diversity bias training for leadership and staff.

## **6. Council Comments**

Councilmember Eng-Sarne provided some reminders for everyone during the pandemic.

Councilmember Eng-Sarne said George Floyd treated everyone with respect, did not discriminate and was there for everyone. She asked that Council and everyone pause for 30 seconds and reflect in silence on how we will do better in our community and for this community that is so close to ours.

Council and Staff paused for a moment of silence.

Councilmember Berry said she is feeling a lot of emotions over the death of George Floyd. We are seeing this far too often in our country especially when black men become the victims. Public safety should be community centered and people treated with humanity, and those responsible need to be held accountable. She is using her own privileges to open conversations about ways we can address these things and make sure they don't happen in our city. It is very important that everyone in our city feels safe, despite their color, gender identity or who it is they might associate with. It's important to the community as a whole. Police Chief Sturgeon has been very open to conversations today and provided a long list of training their Officers are required to complete this year. That list includes ethics, professional conduct, implicit bias, in-person scenarios based used of force, de-escalation techniques, and more. The good thing is our Officers are aware and are in constant training, so more is better. Black lives matter and it's time that we all understand that.

Councilmember Fernandez said the City released a Predatory Offender Notice today. For more information, there is a link with more information on the City's website and on the West St. Paul Police Department Facebook page and Twitter.

Councilmember Pace said Councilmembers Berry and Eng-Sarne covered exactly what should have been covered in the senseless death of George Floyd. He is confident in our Police Department and our Police Chief.

Councilmember Vitelli said the demolition of the YMCA has begun for the Hy-Vee project. It will be a good day for West St. Paul when we get the grocery store but a sad day for those who have good memories of the YMCA. Hope that at some point in time the YMCA is able to relocate a new facility for our citizens.

Councilmember Justen thanked his fellow Councilmembers for speaking eloquently about George Floyd. In full agreement with everything that was said and echo the idea that, although we see ourselves doing a good job, we need to keep looking at bias training and various other avenues to be sure we keep moving forward and keep doing a good job.

Councilmember Justen said the Star Tribune posted a disturbing article regarding COVID-related fatalities in West St. Paul. He clarified, thanks to Schroeder's research, that those numbers were absolutely incorrect and the number is significantly lower than what was listed in not only the single location but in West St. Paul as a whole. Hoping the Star Tribune has already corrected those numbers and, if they haven't, that we communicate with them to have that done as soon as possible.

Councilmember Justen asked people in our city to be patient and kind to business owners who are going through the slow process of reopening. Remember that they are the ones that can choose the path that they find safest and most responsible and those choices really need to be respected. Specifically, if it's a business that requires wearing masks - at the end of the day they are opening for you. They have family, they have friends, they have situations, and they may have vulnerabilities or illness. Please remember that they are there to help you, serve you, and are doing what they believe is right because of the conditions that only they know. I ask you to please be patient, please be kind, these are difficult times for businesses and they need your support and your friendship.

In honor of Memorial Day, which is a time to honor those that have served in the military but lost their lives, Mayor Napier offered a moment of silence for those that have served and the many loved ones they have left behind.

Council and Staff paused for a moment of silence.

Mayor Napier offered another moment of silence for anyone in our city and in our state who has lost family members but was also not able to be there by their bedside.

Council and Staff paused for a moment of silence.

Mayor Napier said Dakota County Commissioner Joe Atkins will host Town Hall live this Thursday at 7:00 p.m. on the impacts in our communities. Guests include the Mayors of Inver Grove Heights, Mendota Heights, South St. Paul and West St. Paul. If there is anything you would like to share on behalf of the West St. Paul City Council, please feel free to email me.

With the warm weather coming up, Mayor Napier said we do have parks and playgrounds open. Please don't call us when kids are playing, we want them to enjoy that moment. Hopefully they are respecting the ten people capacity, but we really do want them to start enjoying our parks at a modest level.

## **7. Proclamations, Presentations and Recognitions**

### **A. Proclamation Recognizing Taylor Gonzalez, Recipient of the 2020 Comcast Leaders and Achievers Scholarship**

Mayor Napier presented a proclamation recognizing Taylor Gonzalez as the recipient of the 2020 Comcast Leaders and Achievers Scholarship.

Motion was made by Councilmember Justen and seconded by Councilmember Eng-Sarne to accept the proclamation recognizing Taylor Gonzalez.

Vote: 6 ayes / 0 nays. Motion carried.

### **B. Proclamation Honoring June 2020 as LGBTQIA Pride Month**

Mayor Napier presented a proclamation recognizing June 2020 as LGBTQIA Pride Month.

Motion was made by Councilmember Vitelli and seconded by Councilmember Berry to accept the proclamation recognizing June 2020 as LGBTQIA Pride Month.

Vote: 6 ayes / 0 nays. Motion carried.

### **C. Acceptance of Donations**

No dollar value was provided for the donations listed below, but they are greater than \$10,000 when compared to normal market value of similar products.

Mayor Napier thanked the following donors for their generous donations:

- 11 Wells Distilleries donated hand sanitizer for our First Responders.
- J Carver Distilleries donated hand sanitizer for our First Responders.
- Splash Products donated a pallet of bleach which will be used as a sanitizer and cleaning option. The City will also be reaching out to our congregate care facilities to provide them with this product as needed.
- Cub Foods Pharmacy donated 24 N95 respirator masks for use by the Police Department.
- An anonymous West St. Paul resident donated 25 gift cards worth \$5.00 each to the Police Department to be given to the homeless in our city. This person requested to remain anonymous.

Motion was made by Councilmember Vitelli and seconded by Councilmember Justen to adopt Resolution No. 20-049 Accepting Donations to the City.

Vote: 6 ayes / 0 nays. Motion carried.

### **8. Consent Agenda**

Motion was made by Councilmember Berry and seconded by Councilmember Eng-Sarne to approve the following items on the Consent Agenda, as presented:

- A.** March Financial Update
- B.** List of Claims for May 26, 2020 in the Amount of \$912,540.44
- C.** Resolution No. 20-050 Accepting a Grant from the Wal-Mart Local Community Grant Fund
- D.** Police Department City Hall Change Order No. 3 for \$14,953.09
- E.** City Licensing for:
  - Jody Jackson, Simply Grounded Therapeutic Massage  
33 Wentworth Avenue East  
Personal Massage License
  - Farmers Registration for St. Paul Growers' Association to sell produce at Signal Hills Mall lot from May 29 to November 27, 2020
- F.** Rental Licensing in the Amount of \$95.00 for:
  - 962/964 Smith Avenue (Duplex – Rental)
  - 172 Kathleen Drive (Single Family – Rental)

- G. Resolution No. 20-051 Authorizing Execution of Cooperative Agreement with the State of Minnesota and Diversion Solutions, LLC
- H. Consultant Contract for Lift Station and Forcemain 2 Replacement, City Project 20-10
- I. Revised Consultant Contract for Marie/Oakdale Trail Project CP 18-4

Vote: 6 ayes / 0 nays. Motion carried.

## 9. Public Hearings

### A. **Site Plan, Preliminary and Final Plat Review to Allow a Climate Controlled Storage Building at 1665 Oakdale Avenue – More Space, LLC**

Community Development Director Hartshorn presented and answered questions from the Council.

Mayor Napier opened the Public Hearing at 7:04 p.m.

The following people addressed the Council:

- Julie Eastman, Ward 1

Hearing from no one else wishing to speak, Mayor Napier closed the Public Hearing at 7:07 p.m.

Motion was made by Councilmember Pace and seconded by Councilmember Fernandez to adopt:

- 1) Resolution No. 20-052 Approving a Site Plan for the Construction of a Self-Storage Facility at 1665 Oakdale Avenue – More Space, LLC; and
- 2) Resolution No. 20-054 Approving the Preliminary and Final Plat for 1665 Oakdale Avenue – More Space, LLC

Vote: 6 ayes / 0 nays. Motion carried.

### B. **Final Reading of Ordinance No. 20-007, Vacation of Unbuilt Right-of-Way South of Crusader and West of Stryker**

Community Development Director Hartshorn presented and answered questions from the Council.

Mayor Napier opened the Public Hearing at 7:11 p.m. Hearing from no one wishing to speak, Mayor Napier closed the Public Hearing at 7:14 p.m.

Motion was made by Councilmember Vitelli and seconded by Councilmember Fernandez to approve Ordinance No. 20-007 Approving the Sale of Property Located Within the City of West St. Paul, Minnesota, to Net Ministries, Inc.

Vote: 6 ayes / 0 nays. Motion carried.

## **10. New Business**

### **A. Temporary Outdoor Service Area**

City Manager Schroeder presented and answered questions from the Council.

The following establishments submitted a request for an expansion of their licensed premises:

- 5-8 Club, 1741 South Robert Street
- Beirut Restaurant, 1385 Robert Street South
- The BLVD Bar & Grille, 433 East Mendota Road
- Carbone's Restaurant, 55 Wentworth Avenue
- Cherokee Tavern, 886 Smith Avenue South
- El Nuevo Morelos, 360 Bernard Street West
- Fireside Lounge, 1288 South Robert Street
- Gallagher's, 888 Ohio Street
- Marty's Bar, 189 West Winona Street
- Southview Country Club, 239 Mendota Road East
- Tappers Pub, 879 Stryker Avenue

Motion was made by Councilmember Pace and seconded by Councilmember Justen to grant expansion for 11 establishments including 5-8 Club; Beirut Restaurant; The BLVD Bar & Grille; Carbone's Restaurant; Cherokee Tavern; El Nuevo Morelos; Fireside Lounge; Gallagher's; Marty's Bar; Southview Country Club; and Tappers Pub.

Vote: 6 ayes / 0 nays. Motion carried.

## **11. Old Business**

There was no old business to discuss.

## **12. Adjourn**

Motion was made by Councilmember Eng-Sarne and seconded by Councilmember Berry to adjourn the meeting at 7:30 p.m.

Vote: 6 ayes / 0 nays. Meeting adjourned.

David J. Napier  
Mayor  
City of West St. Paul

**City of West St. Paul  
City Council Meeting Minutes  
June 8, 2020**

**1. Call to Order**

Mayor Napier called the meeting to order at 6:30 p.m.

**2. Roll Call**

Present: Mayor Dave Napier  
Councilmembers Wendy Berry, Lisa Eng-Sarne,  
Anthony Fernandez, John Justen, Bob Pace and Dick Vitelli

Absent: None

Others Present: City Manager Ryan Schroeder  
City Attorney Kori Land  
Police Chief Brian Sturgeon  
Finance Director Char Stark  
Parks & Public Works Director/City Engineer Ross Beckwith  
Human Resources Director Debra Gieseke  
Marketing & Communications Manager Dan Nowicki  
City Clerk Shirley Buecksler

Mayor Napier stated that tonight's meeting will be conducted virtually and described the process for citizens to view the meeting and call in with questions and comments.

**3. Pledge of Allegiance**

**4. Adopt the Agenda**

Motion was made by Councilmember Vitelli and seconded by Councilmember Berry to adopt the agenda, as presented.

Vote: 6 ayes / 0 nays. Motion carried.

**5. Citizen Comments**

- Mary McCauley, Ward 3, called regarding:
  - Ordinance banning conversation therapy
  - Signs showing support for front line workers and Black Lives Matter have been taken or destroyed
  - Policy regarding Police use of force
- Karen Vavreck, Ward 2, called regarding
  - Policy regarding Police use of force
  - Black Lives Matter signs and any information from cameras will be turned over to Police
  - Elections and changing rules in regards to the current pandemic

- Laura Zanmiller, Ward 1, called regarding:
  - Participated in South St. Paul/West St. Paul Unity March for Black Lives and Ending Racism
- Connye LaCombe, Ward 3, called regarding:
  - Ordinance banning gay conversion therapy
  - In support of citizen review of Police policies

## **6. Council Comments**

Councilmember Vitelli thanked the West St. Paul Police Department and, especially, Chief Sturgeon for the great work they are doing during these tough times.

Councilmember Eng-Sarne commented on how our community has risen to help their neighbors through difficult conversations, listening, food drives and demonstrations. This past Saturday, City Staff and both the Police and Fire Chiefs attended and listened, as well as Congresswoman Angie Craig. Discussions will be held on upcoming Saturdays at various parks throughout the city.

Councilmember Eng-Sarne attended the Unity March in South St. Paul and West St. Paul and said it was incredible. The South St. Paul Police insisted on providing a full lane for the peaceful demonstrators from our community and our West St. Paul Reserves were there to assist, as well, keeping us safe through traffic along the way. Thank you to ROCC (Residents of Color Collective of West St. Paul) for organizing yesterday. Councilmember Eng-Sarne asks that everyone remove all defensiveness when talking about this topic and just listen so we can get this important conversation started together.

Councilmember Justen said this is a time to sit back and listen to the community, particularly our black, indigenous and people of color community. He said he is here to listen and learn and help. Black lives matter to me. Please reach out.

Councilmember Berry said each person is in a different spot in the healing process or coping from the murder of George Floyd. Some of us are ready to listen and learn what steps we can take to avoid the same situation happening anywhere, but some still need time. When they are ready, there will still be work to do in ending systemic racism. She hopes that peaceful protests can continue to happen and that we continue as a community to take action as we are able to. She thanked everyone for respecting the curfew we had for a few nights in order to keep our residents safe.

Councilmember Berry acknowledged the citizen comments regarding conversion therapy and said this topic is on the list for discussion at the next in person OCWS. The City of West St. Paul proclaimed June as LGBTQIA Pride Month and she wished everyone a Happy Pride.

Councilmember Pace thanked the citizens who donated to the food and supply drives and the barbeque in South St. Paul, the gathering at Harmon Park, and the march that went from South St. Paul to West St. Paul. These are tough times and it's nice to see the community together voicing their opinions peacefully. My hope is that all the peaceful protests will eventually lead to change and make us all better people.

Councilmember Pace said what happened on Robert Street a week ago, and especially by my shop, was terrifying to watch. Thanks to Chief Sturgeon, our Police force and all the other Police agencies that he had come in to our city to protect the businesses and citizens of West St. Paul. They did a fantastic job. As some of the looters were busting into the doors, they jumped on them immediately and got them out of the way so it didn't escalate into anything further. I also want to give a personal thanks to the South Metro Rescue Team and the West St. Paul Police Officers who responded to my business when a rioter came to burglarize my shop and proceeded to run one of my employees over with his car as my employee tried to stop him. My employee was released from the hospital two days later and will make a full recovery.

Councilmember Fernandez echoed that these are trying times right now. Everyone is trying to figure out what they can and cannot do. There was some information passed out from the City in terms of use of force that's been posted on the City's website and social media accounts. This will be addressed more in the Public Safety Committee Meeting and also within the City Council so that we can take this and make it better. It's important for the general public to know more about this.

Councilmember Vitelli commented regarding a Facebook post about ponding at Weschske Park. Seedlings have been planted in that area, and it will look better in a year or two. It's part of the watershed area in conjunction with the construction of Wentworth Avenue.

Mayor Napier said his heart goes out to the tragedy that happened in Minneapolis. As City leaders, our responsibility is to take a look at it and take on the challenge to try and change. This Council has to take action steps, along with our Staff, to make change in our community. He appreciates the events that have taken place in the past two weeks. Although he wasn't able to attend, he has enjoyed the passion he's seen throughout the community to make change. Mayor Napier said he has received a ton of emails and has responded to every one of them just with the simple response as thank you. Thank you for reaching out to us as City leaders.

Mayor Napier thanked Chief Sturgeon and his team for their professionalism and bringing in support from around our community. He has received feedback from other states who have asked how we came out of this. He believes our proactive professional approach really paid off. Thank you to our team for being proactive and making sure that peaceful protesting can happen in our community without worrying and fearing that our residents would be unsafe. Residents reached out to him stating that they felt unsafe. but he reassured them that we are doing everything in our power to keep them safe throughout this. The horror we watched in Minneapolis was almost unbelievable, unrealistic, never this close to us, and it happened. He said he appreciates everyone and the way they handled it. Now is the time to make a change and we need to do it as City leaders.

## **7. Consent Agenda**

Motion was made by Councilmember Pace and seconded by Councilmember Fernandez to approve the following items on the Consent Agenda, as presented:

- A.** Minutes of March 23, 2020 Regular Council Meeting
- B.** Minutes of May 11, 2020 Regular Council Meeting
- C.** Minutes of May 30, 2020 Emergency Council Meeting
- D.** List of Claims in the Amount of \$849,743.90

- E. Rental License for 151 Haskell Street East (New-Single Family)
- F. Temporary Easement for Construction Staging Purposes for 1539 Robert Street South
- G. Resolution No. 20-057 Accepting the Thompson Oakdale Feasibility Study
- H. 52<sup>nd</sup> Annual West St. Paul Fastpitch Softball Tournament
- I. Direct the Public Safety Committee to Review the Use of Force Policy

Vote: 6 ayes / 0 nays. Motion carried.

**8. New Business**

There were no new business to discuss.

**9. Old Business**

There was no old business to discuss.

**10. Adjourn**

Motion was made by Councilmember Berry and seconded by Councilmember Justen to adjourn the meeting at 7:05 p.m.

Vote: 6 ayes / 0 nays. Meeting adjourned.

David J. Napier  
Mayor  
City of West St. Paul



# City Council Report

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Char Stark, Finance Director**  
Date: **June 22, 2020**

## List of Claims

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### **BACKGROUND INFORMATION:**

Invoices to be paid

### **FISCAL IMPACT:**

\$1,708,527.33

### **STAFF RECOMMENDATION:**

Approve payment of the attached

**CITY OF WEST ST PAUL**

Summary of List of Claims

Council Meeting of June 22, 2020

**PAYROLL CHECK REGISTER:**

Payroll Period	6/1/20 - 6/14/20	
Date Paid	6/19/2020	
Direct Deposit		\$178,133.20

Payroll Period  
Date Paid  
Direct Deposit

**TOTAL NET PAYROLL**

**\$178,133.20**

**DISBURSEMENT CHECK REGISTER:**

Checks	132527 - 132620	\$1,421,703.53
EFTS	895 - 898	\$108,690.60

**TOTAL DISBURSEMENT CHECKS**

**\$1,530,394.13**

**TOTAL PAYROLL, DISBURSEMENTS, ACH AND WIRE TRANSFERS**

**\$1,708,527.33**

# Payment Register

From Payment Date: 4/1/2020 - To Payment Date: 6/22/2020

Number	Date	Payee Name	Transaction Amount
AP-1 - Accounts Payable			
<u>Check</u>			
132527	06/19/2020	DCA TITLE-APPLE VALLEY	\$3,335.31
132528	06/22/2020	A B C RENTAL	\$157.75
132529	06/22/2020	ADVANTAGE SIGNS & GRAPHICS	\$526.80
132530	06/22/2020	ALL PRO LAWN CARE & SNOW REMOVAL	\$650.00
132531	06/22/2020	ANCHOR SOLAR INVESTMENTS	\$1,393.93
132532	06/22/2020	ANCOM COMMUNICATIONS	\$457.91
132533	06/22/2020	ARMOR SECURITY	\$85.50
132534	06/22/2020	ARROW MOWER	\$55.01
132535	06/22/2020	AUTOZONE INVESTMENT CORPORATION	\$250,000.00
132536	06/22/2020	BARNUM GATE SERVICES	\$580.00
132537	06/22/2020	BOLTON & MENK INC	\$626.00
132538	06/22/2020	BRADY-COOK, ROSEMARY	\$1,871.85
132539	06/22/2020	CAPRA'S UTILITIES	\$3,796.00
132540	06/22/2020	CAR WASH PARTNERS, INC	\$137.94
132541	06/22/2020	CARLIN SALES CORPORATION	\$178.99
132542	06/22/2020	CINTAS CORPORATION	\$112.24
132543	06/22/2020	COMCAST	\$235.68
132544	06/22/2020	COMMERCIAL ASPHALT COMPANY	\$1,112.64
132545	06/22/2020	CORPORATE MARK INC	\$10.00
132546	06/22/2020	CUMMINS SALES & SERVICE	\$49.78
132547	06/22/2020	DAKOTA COMMUNICATIONS CENTER	\$52,283.00
132548	06/22/2020	DAKOTA COUNTY FINANCIAL SERV	\$8,155.53
132549	06/22/2020	DATAWORKS PLUS LLC	\$3,240.00
132550	06/22/2020	DELL MARKETING	\$964.52
132551	06/22/2020	DIAMOND VOGEL PAINT	\$676.00
132552	06/22/2020	EHLERS & ASSOCIATES	\$1,305.00
132553	06/22/2020	EMMS, JUSTIN	\$1,019.40
132554	06/22/2020	FIDELITY SECURITY LIFE	\$215.13
132555	06/22/2020	FILTRATION SYSTEMS INC	\$155.25
132556	06/22/2020	FLOOD, KATIE	\$80.00

# Payment Register

From Payment Date: 4/1/2020 - To Payment Date: 6/22/2020

132557	06/22/2020	GALLS INC	\$370.47
132558	06/22/2020	GEIST, PETER	\$300.50
132559	06/22/2020	GENERAL SECURITY SERVICES	\$59.85
132560	06/22/2020	GERTENS GREENHOUSE	\$838.85
132561	06/22/2020	GOLDCOM VOICE & DATA SUPPLY	\$139.78
132562	06/22/2020	GOODIN COMPANY	\$190.95
132563	06/22/2020	GOPHER STATE ONE-CALL	\$346.95
132564	06/22/2020	HARRIS ST PAUL, INC	\$284.50
132565	06/22/2020	HOME DEPOT CREDIT SERVICES	\$39.98
132566	06/22/2020	I C C	\$1,608.50
132567	06/22/2020	INVER GROVE FORD	\$720.74
132568	06/22/2020	ISD 197	\$1,500.00
132569	06/22/2020	JNA HOLDINGS OF MINNESOTA LLC	\$728.73
132570	06/22/2020	KREMER SERVICES, LLC	\$104.75
132571	06/22/2020	LAWSON PRODUCTS INC	\$823.43
132572	06/22/2020	LEVANDER, GILLEN & MILLER	\$29,351.94
132573	06/22/2020	LMCIT - INS PREMIUMS	\$130,671.00
132574	06/22/2020	LOE'S OIL COMPANY INC	\$30.00
132575	06/22/2020	LOGIS	\$4,155.00
132576	06/22/2020	LORENCE, MICHELE	\$200.00
132577	06/22/2020	M R P A	\$120.00
132578	06/22/2020	M T I DISTRIBUTING	\$256.98
132579	06/22/2020	MAGUIRE AGENCY	\$2,000.00
132580	06/22/2020	MARCO TECHNOLOGIES LLC- LEASE PAYMENT	\$756.98
132581	06/22/2020	MCFOA	\$90.00
132582	06/22/2020	MCMULLEN INSPECTIONS, INC	\$6,158.00
132583	06/22/2020	MENARDS	\$535.37
132584	06/22/2020	METROPOLITAN COUNCIL	\$181,986.26
132585	06/22/2020	MN GLOVE	\$56.98
132586	06/22/2020	MN LOCKS	\$355.92
132587	06/22/2020	NAPA AUTO PARTS	\$26.44
132588	06/22/2020	NARDINI FIRE EQUIPMENT	\$300.00
132589	06/22/2020	NOAH ACQUISITIONS LLC	\$15,720.00
132590	06/22/2020	NORTHSTAR MUDJACKING & MORE LLC	\$425.00

# Payment Register

From Payment Date: 4/1/2020 - To Payment Date: 6/22/2020

132591	06/22/2020	O'REILLY AUTOMOTIVE, INC	\$484.44
132592	06/22/2020	OFFICE OF MNIT SERIVICES	\$310.00
132593	06/22/2020	OLSON, SHANNON	\$80.00
132594	06/22/2020	ORKIN COMMERCIAL SERVICES	\$127.79
132595	06/22/2020	PIONEER RIM & WHEEL	\$25.26
132596	06/22/2020	RED WING BUSINESS ADVANTAGE ACCOUNT	\$822.20
132597	06/22/2020	ROSTI CONTRUCTION COMPANY OF MN, INC	\$48,084.25
132598	06/22/2020	SAFETY KLEEN CORPORATION	\$198.99
132599	06/22/2020	SAFETY SIGNS	\$1,000.00
132600	06/22/2020	SAM'S CLUB DIRECT	\$71.84
132601	06/22/2020	SCHLOMKA SERVICES INC	\$1,850.48
132602	06/22/2020	SFDMG, LLC	\$2,000.00
132603	06/22/2020	SHERWIN WILLIAMS	\$39.88
132604	06/22/2020	SHORT ELLIOTT HENDRICKSON, INC	\$2,503.07
132605	06/22/2020	SKB ENVIRONMENTAL	\$224.89
132606	06/22/2020	SNODGRASS, DIANE	\$605.85
132607	06/22/2020	SOUTH METRO FIRE DEPT	\$622,506.00
132608	06/22/2020	SOUTHVIEW GARDEN CENTER INC	\$340.30
132609	06/22/2020	SPRWS	\$3,515.80
132610	06/22/2020	STEPP MANUFACTURING CO. INC	\$17.49
132611	06/22/2020	STREICHER'S	\$289.40
132612	06/22/2020	TWIN CITY JANITOR SUPPLY	\$339.46
132613	06/22/2020	TWIST OFFICE PRODUCTS	\$450.08
132614	06/22/2020	UPS STORE	\$28.37
132615	06/22/2020	VANGUARD CLEANING SYSTEMS	\$3,459.30
132616	06/22/2020	VOYANT COMMUNICATIONS, LLC	\$1,810.59
132617	06/22/2020	WACHTLER/JOSEPH	\$36.39
132618	06/22/2020	WASTE MANAGEMENT	\$2,998.75
132619	06/22/2020	XCEL ENERGY	\$12,347.87
132620	06/22/2020	ZIEGLER INC	\$413.78
Type Check Totals:			\$1,421,703.53
<u>EFT</u>			
895	05/27/2020	HIGHER STANDARDS INC	\$828.86
896	06/22/2020	CLOVER	\$59.60

# Payment Register

From Payment Date: 4/1/2020 - To Payment Date: 6/22/2020

897	06/22/2020	FURTHER	\$166.60
898	06/22/2020	BLUECROSS BLUESHIELD	\$107,635.54
Type EFT Totals:			<hr/> \$108,690.60

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Ross Beckwith, Public Works & Parks Director/City Engineer**  
Date: **June 22, 2020**

## **Change Order for Marie/Oakdale Trail Project 18-4**

### **BACKGROUND INFORMATION:**

On April 22, 2019 a contract for \$1,761,692.50 was awarded to Rosti Construction for the Marie/Oakdale Trail Project, City Project 18-4. This project was intended to be completed last fall, but was delayed by private utility companies. Final grading and restoration operations were forced into 2020 and required traffic control devices along Oakdale Avenue. The expense of the additional traffic control is compensable. In addition, a private irrigation line was damaged this spring and repaired. Change Order 4 is a result of these two additional work items.

For reference, Change Orders 1 and 2 were zero-cost change orders and Change Order 3 for \$9,174.00 was approved at the November 25, 2019 City Council meeting.

### **FISCAL IMPACT:**

Change Order 4 is for \$1,740.88 and has been reviewed and approved by the District State Aid Engineer. The revised contract amount with Rosti Construction is \$1,772,607.38 with this change order. Since this change order is for work on Oakdale Avenue, the expense will be shared between the county and city.

### **STAFF RECOMMENDATION:**

Staff recommends that the City Council approve Change Order No. 4 for \$1,740.88 with Rosti Construction for the Marie/Oakdale Trail Project, City Project 18-4.

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Ross Beckwith, Public Works & Parks Director/City Engineer**  
Date: **June 22, 2020**

## **Change Order for Marie/Oakdale Trail Project 20-1**

### **BACKGROUND INFORMATION:**

On March 9, 2020 a contract for \$427,502.00 was awarded to McNamara Contracting, Inc. for the 2020 Street Improvements Project, City Project 20-1. Three changes have since been made to the Marie Avenue mill & overlay portion of the project. As the Marie Avenue mill & overlay portion of the project was being marked in the field for concrete curb replacement, it was noted that every median end was broken. The median noses were originally constructed with 6-inch curb and snow plow blades tend to hit them every winter. All 18 median noses were changed to be sloped, which allows plow blades to ride up them versus hitting them directly. A second change to the Marie Avenue work involved changing some of the breakaway signpost brackets for those signs in the medians. The third change was to use standard black on orange pre-warning signs versus those in the proposal, which were programmable changeable message boards. These three changes required using bid items that were not in the original bid, hence the need for Change Order No. 1.

### **FISCAL IMPACT:**

Change Order 1 is for \$22,415.00. The revised contract amount with McNamara Contracting is \$449,917.00 with this change order. However, other concrete quantities came in much lower than estimated which will help offset the cost of this change order.

### **STAFF RECOMMENDATION:**

Staff recommends that the City Council approve Change Order No. 1 for \$22,415.00 with McNamara Contracting, Inc. for the Marie Avenue Mill & Overlay Project, City Project 20-1.

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Ross Beckwith, Public Works & Parks Director/City Engineer**  
Date: **June 22, 2020**

## **Change Order for Dome Exit Stairs Project 20-5**

### **BACKGROUND INFORMATION:**

On February 24, 2020 a contract for \$372,885.00 was awarded to TMG Construction for the Dome Exit Stairs Project, City Project 20-5. This project is currently under construction and has an anticipated completion around Labor Day.

Additional work has been required and the three components are all in Change Order #1 as shown below:

1. The addition of six wall sleeves to facilitate the storm sewer piping so through the stair walls.  
\$1,657.35
2. The water table from when the Regional Athletic Center (RAC) aka dome was constructed is lower than where it currently sits unfortunately, and therefore the plans did not account for poor soils or a dewatering plan. Water tables can fluctuate, and upon excavation it was found that the footings would be underwater. Dewatering, over excavation and backfilling with aggregate base was required in order to pour the footings. \$25,635.50
3. The higher than anticipated water table has made the on-site material unsuitable for backfill. Over 700 cubic yards of 'wet' soil has to be excavated, hauled out and replaced with sand.  
\$31,738.30

Upon notification of the high water table, an engineering solution was quickly executed that did not cause the contractor to halt work, which would have had financial implications of its own. The contractor has been diligently working on the project and quickly modified operations to adapt to this contract change.

### **FISCAL IMPACT:**

Change Order 1 is for \$59,031.15. The revised contract amount with TMG Construction is \$431,916.15 with this change order. Funding for this change order will come out of the RAC Fund.

### **STAFF RECOMMENDATION:**

Staff recommends that the City Council approve Change Order No. 1 for \$59,031.15 with TMG Construction for the Dome Exit Stairs Project, City Project 20-5.

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Ross Beckwith, Public Works & Parks Director/City Engineer**  
Date: **June 22, 2020**

## **Call Final Assessment Hearing for 2019-2020 Robert St. Sidewalk Snow Removal**

---

### **BACKGROUND INFORMATION:**

The assessment roll has been prepared for the Robert Street Sidewalk Snow Removal work performed over the past winter (Butler Ave. to Mendota Road). City Council is requested to call the assessment hearing for the 2019-2020 Robert Street Sidewalk Snow Removal for July 13, 2020.

Per state statute, the City Council must call the assessment hearing and publish the hearing date at least two weeks before the actual hearing. Staff intends to publish the notice in the June 28, 2020 edition of the Pioneer Press. In addition, a notice will be sent to all of the property owners of the hearing.

### **FISCAL IMPACT:**

This contract is completely dependent on the amount of snow and ice the City receives each winter. All of the costs for this contract are assessed to the benefitting property owners along Robert Street. The total cost of the work for this past winter season was \$76,310.20 with an assessment rate of \$4.15 per front foot. For reference, the 2018-2019 assessment rate was \$7.24 per front foot.

### **STAFF RECOMMENDATION:**

Staff recommends that City Council set the final assessment hearing date for the 2019-2020 Robert Street Sidewalk Snow Removal for July 13, 2020.



# City Council Report

To: **Mayor and City Council**  
From: **Ryan Schroeder, City Manager**  
Date: **June 22, 2020**

## Requesting Direction to Commemorate Pride Month

### **BACKGROUND INFORMATION:**

On May 26, 2020, Council adopted a resolution declaring June as LGBTQIA month in West St. Paul. There has since been interest expressed by members of Council suggesting that the City should commemorate the month by the flying of the Rainbow Flag. Staff does not believe it is vested with the authority to make a determination as to if such a symbol should, in fact, be flown in commemoration of this or any other day/month designation, as there are free speech issues involved in matters such as this one. As such, Staff recommends that the matter of flying any flag in commemoration of any particular thing, such as this, African American History Month, or any others, be done only with Council intent determined. The enclosed resolution is intended to determine such intent.

### **FISCAL IMPACT:**

		<b>Amount</b>
<b>Fund:</b>		
<b>Department:</b>		
<b>Account:</b>		

### **STAFF RECOMMENDATION:**

Approval of enclosed resolution.

**CITY OF WEST ST. PAUL  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION NO. 20-**

**RESOLUTION DIRECTING THE FLYING OF A RAINBOW FLAG  
IN THE PUBLIC INTEREST**

**WHEREAS**, from time to time, the City Council may, by vote of the Council, designate recognition of an individual or group; and

**WHEREAS**, with adoption of official recognition days, weeks, or months, from time to time the City Council may provide further recognition such as participation in community events or parades honoring such individual or group; and

**WHEREAS**, specific recognition beyond a proclamation, resolution or certificate would only be at the direction of Council at a regular or special meeting of Council; and

**WHEREAS**, during 2020 the City Council has by proclamation provided the following recognitions:

- January 13, 2020      Recognition of WSP Youth Athletic Association
- February 10, 2020      Proclamation of February 2020 as African American History Month
- February 24, 2020      Proclamation of February 20, 2020 as Rose Slomba Day
- March 9, 2020      Recognition of Police Chaplains
- May 26, 2020      Proclamation recognizing Taylor Gonzalez as recipient of the Comcast Leaders and Achievers Scholarship
- May 26, 2020      Proclamation honoring June 2020 as LGBTQIA Pride Month; and

**WHEREAS**, the 2019-2020 Strategic Initiatives include “Identify Opportunities to Bolster Diversity and Inclusion Outreach” and, as such, communicating this initiative is in the matter of public interest; and

**WHEREAS**, the LGBTQIA Pride Month was so designated, in part, in remembrance of the June 28, 1969 Stonewall Riots.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of West St. Paul that it is the intent to commemorate June 2020 in recognition of its Diversity and Inclusion Initiative, and its proclamation of LGBTQIA Pride Month as June 2020 and, therefore, directs the flying of the commonly recognized Rainbow Flag in recognition of this designation for a period of approximately ten days to include the date of June 28.

Adopted by the City Council of the City of West St. Paul, Minnesota, this 22<sup>nd</sup> day of June 2020.

Attest:

\_\_\_\_\_  
David J. Napier, Mayor

\_\_\_\_\_  
Shirley R Buecksler, City Clerk

To: **Mayor and City Council**  
 Through: **Ryan Schroeder, City Manager**  
 From: **Charlene Stark, Finance Director**  
 Date: **June 22, 2020**

**2019 Comprehensive Annual Financial Report (CAFR)**

---

**BACKGROUND INFORMATION:**

The audit firm, Abdo, Eick & Meyers, LLC, completed an audit of the City’s 2019 finances. Bonnie Schwieger from Abdo, Eick & Meyers LLC will be here to present the results of this year’s audit in detail.

Included in this memo is an update on the City’s Cash to Debt and the City’s Financial Cash plan. These plans are being reported here as of Dec. 31, 2019. The impact of the spring shutdown is not reflected in these numbers. I reported earlier this year a projection of the shutdown impacts out to September. In July, when we come back with the 2021-2022 budget I will bring a new update to our current budget cycle.

Cash to Debt ratio is a schedule that shows the City’s cash less the total outstanding debt. Our goal is that the City will have more cash on hand at the end of the year than outstanding debt payments. Prior to this year, positive net cash had been projected to occur in 2028. We are currently trending for this to occur one year earlier. Our actual ending net value is \$-28,727,539 vs. the projected amount of \$-31,483,285.

Financial Plan- this is the plan the City has been working towards improving the overall cash balances in each of the funds (or cost centers) of the City. We started back in 2018, with an overall goal of \$39,521,201 and a shortage of that goal by (\$18,636,230). In 2019, we are reporting a shortage of (\$14,309,068) which is a gain in cash of \$4,327,162. By 2025, the projection indicates the City overall goal will be met. On an individual fund basis there will be additional work needed to have all funds meet their individual cash goals.

**FISCAL IMPACT:**

		<b>Amount</b>
<b>Fund:</b>		
<b>Department:</b>		
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Attachment: 2019 Comprehensive Annual Financial Report  
Management Letter  
Other Required Reports  
Auditor's presentation  
2019 Cash to Debt  
2019 Financial Plan Update



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2019

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF WEST ST. PAUL, MINNESOTA**

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2019

**Prepared by the Finance Department  
of the City of West St. Paul, Minnesota**

**Char Stark  
Director of Finance**

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 Comprehensive Annual Financial Report  
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 For the Year Ended December 31, 2019

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INTRODUCTORY SECTION  
CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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**CITY OF**  
**WEST ST. PAUL**

**City Hall**  
**1616 Humboldt Avenue**  
**West St. Paul, MN**  
**55118-3972**  
**651-552-4102**  
**FAX 651-552-4190**  
**TDD 651-322-2323**  
[www.wspmn.gov](http://www.wspmn.gov)

June 18, 2020

To the Honorable Mayor, City Council, City Manager and  
To The Citizens of West St. Paul, Minnesota:

The Comprehensive Annual Financial Report (CAFR) of the City of West St. Paul (the City) for the year ended December 31, 2019, is submitted herewith.

INTRODUCTION

As in past years, this comprehensive annual financial report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a copy of our most recent Certificate of Achievement, an organizational chart and a list of the City's principal elected and appointed officials.

Pursuant to the City Financial Reporting Act of 1978, the City's Finance Officer is required to prepare the CAFR, which is then to be attested to by an external auditor. Accordingly, this report has been prepared by the City's Finance Director. This report consists of management's representations concerning the finances of the City of West St Paul. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established an internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, it is asserted that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements have been audited by the certified public accounting firm of Abdo, Eick & Meyers, LLP. Their opinion is the first item in the Financial Section. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon that audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP.

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

## PROFILE OF THE CITY OF WEST ST. PAUL

The City of West St. Paul was incorporated in 1889 and is located in the Twin Cities metropolitan area of Minnesota, immediately adjacent to the State Capitol of St. Paul. With a population of 19,504 (based upon the 2010 Census), it is situated in the northern-most area of Dakota County, one of the fastest growing counties in the State of Minnesota. Although the City has a geographic area of only five square miles and is, for the most part, fully developed, it represents a major regional retail center. The majority of retail sales take place along a 2.5 mile, four-lane major state trunk highway known as South Robert Street that bisects the City. Nearly the entire length of this street is devoted to retail stores, shopping centers and restaurants.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and six elected Councilmembers. The City Council is responsible for passing ordinances, adopting budgets, appointing committees and hiring both the City Manager and the City Attorney, among other things. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various operating departments. The City Council is elected on a non-partisan basis. Councilmembers are elected for four-year, staggered terms, with three Councilmembers being elected every two years. The Mayor is elected for a two-year term. The City is divided into three wards and two Councilmembers are elected from each ward. The Mayor is elected at-large.

The City provides a full range of governmental services, including police protection, construction and maintenance of local streets and other infrastructure, recreational and community development activities. Certain community development services are provided through a legally separate Economic Development Authority (EDA), which functions, in essence, as a City operation since the EDA Board is composed of the Mayor and City Council. Therefore, the activities of the EDA have been included as part of these financial statements as a special revenue fund. Fire protection services are provided through a contract with South Metro Fire Department, a joint venture with the City of South St. Paul.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit their requests for appropriations (spending authority) to the City Manager each June. The City Manager, in cooperation with the Finance Director, uses these requests as a starting point for developing the proposed budget during July of each year. The City Manager then presents this proposed budget to the City Council in August. The City Council reviews the proposed budget, holds public hearings to receive public input and then adopts a final budget in December. The adopted budget document is prepared by fund and function. The City Manager may transfer appropriations within any given department, but any transfers between departments or funds must be presented to and approved by the City Council. This CAFR provides budget-to-actual comparisons for the General Fund and for the EDA special revenue fund on pages 51 and 53.

## ECONOMIC CONDITION AND OUTLOOK

As a mature, first-ring suburb of St. Paul, the City of West St. Paul recognizes the importance of redevelopment to its long-term vitality and has, therefore, made extraordinary efforts in this area. Residential and commercial activities include:

**New businesses that opened for operations in 2019 include:** Sola Salon, Southview Animal Hospital Thai Pepper, Hamburgesas El Gordo, Just Paws Pet Salon, Tokyo Sushi, FoodSmith, Lominchen Chea Ice Cream Shop, MNPRO Systems

**Business expansions/remodels completed include:** Target, Walmart, McDonalds, Taco Bell, Arby's, Beirut Restaurant.

**Developers agreements that have been approved by the City in 2019,** Oppidan-redevelopment of the City's golf course property; Suite Living Retirement Homes; The Winslow.

**Building Permits Issued:** 1,654 for an increase in new market value of \$36,362,150. Of these permits, 5 were for new single family homes.

## MAJOR INITIATIVES

During 2019, the City of West St. Paul continued its efforts at capital planning and replacement, infrastructure maintenance and other long-term concerns. Included among these efforts were the following:

**Street Reconstruction Program** 2019 program consisted of road improvements for the following streets:

- Livingston Ave.-From Thompson Ave. to Mendota Road (1.25miles)
- Wentworth Ave.-Dakota County led project-From Delaware Ave. to Humboldt Ave. (1mile)

**New Trails/walks:**

- Added 1 mile of sidewalk along Livingston Ave between Wentworth Ave and Mendota Rd.
- Added 1.5 miles of trail along Wentowrth Ave. between Delaware Ave. and Humboldt Ave.
- Added .5 miles of trail along Marie Ave. between Robert St. and Oakdale Ave.
- Added 1 mile of trail along Oakdale Ave. between Mendota Rd. to Wentworth Ave.

**Proposed Redevelopment Areas** – The Economic Development Authority (EDA) has identified several areas to concentrate their redevelopment efforts. Staff continues to identify proposed projects for these areas, analyzing the costs associated with the projects and the timelines for redevelopment.

## LONG TERM FINANCIAL PLANNING AND POLICIES

The City of West St Paul recognizes the need to plan for the future. Because the City, for the most part, is fully developed, consideration is given to redevelopment. As with other aging suburbs, the City is challenged by deteriorating infrastructure and lack of growth in overall market value to provide resources for repairs and replacements. In 2018, the City presented its tenth annual Capital Improvement Plan (CIP) to aid in identifying infrastructure needs at least ten years in advance. The 2019-2028 CIP includes planned projects for streets, parks, sewer system and City facilities.

The City also prepares an annual Capital Equipment Plan (CEP). Department heads take part in this process to estimate capital equipment needs for the next ten years. Together the CIP and CEP provide information needed to develop a plan that will sustain or expand City services while keeping property taxes stable.

The City continually reviews its existing debt structure – seeking ways to reduce the overall obligation. It is a goal of the City to plan debt issues to coincide with the retirement of existing debt. The City currently has debt issues and retirements planned through the year 2035.

Another tool utilized by the City for long-term financial planning is its Fund Balance Policy. The policy dictates that the General Fund shall maintain an unassigned fund balance of at least 52.5% of the subsequent year's expenditures. This policy essentially provides for cash flow while awaiting tax payments in July and December of the year. By utilizing the fund balance, the City avoids the extra cost of borrowing to meet its short term obligations.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West St Paul for its CAFR for the fiscal year ended December 31, 2018. This was the thirtieth consecutive year the City's CAFR has received this prestigious award beginning with the first award in 1987. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The 2018 report satisfied both GAAP and all applicable legal requirements.

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

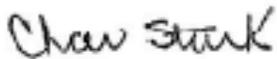
### BOND RATING

In June of 2018, the City issued General Obligation bonds. Standard and Poor's (S&P) was asked to rate the creditworthiness of the bonds. S&P rated the bonds AA. The rating maintains the higher step that was awarded in 2009. This bond rating signals the financial markets that the City's current financial condition is strong and that the framework to continue to improve is in place.

### ACKNOWLEDGEMENTS

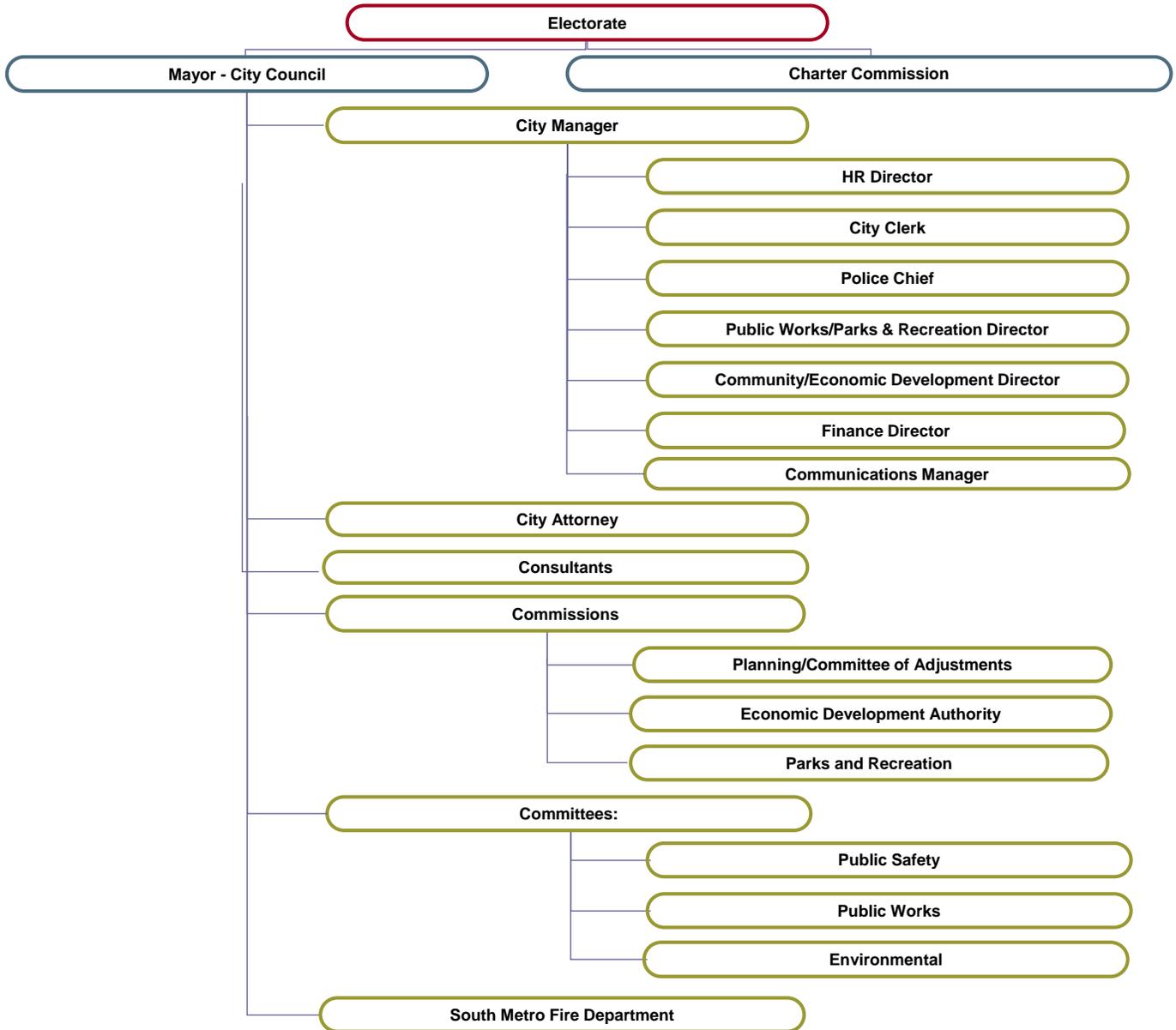
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of West St. Paul and the City's Finance Department. Special thanks also go to the staff of Abdo, Eick & Meyers, LLP, Ltd. for their advice and counsel in the preparation of this CAFR.

Respectfully submitted,



Char Stark  
Finance Director

# City of West Saint Paul



City of West St. Paul, Minnesota  
 Elected and Appointed Officials  
 For the Year Ended December 31, 2019

**ELECTED**

Name	Title	Term Expires
Dave Napier	Mayor	12/31/20
Wendy Berry	Council Member	12/31/22
Lisa Eng-Sarne	Council Member	12/31/20
Anthony Fernandez	Council Member	12/31/20
John Justen	Council Member	12/31/22
Bob Pace	Council Member	12/31/20
Dick Vitelli	Council Member	12/31/22

**APPOINTED**

Name	Title
Ryan Schroeder	City Manager
Sherrie Le	Assistant City Manager/Human Resources
Char Stark	Director of Finance/City Treasurer
Brian Sturgeon	Police Chief
Ross Beckwith	Director Parks and Recreations & Public Works
Jim Hartshorn	Community/Economic Development Director



Government Finance Officers Association

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

Presented to

**City of West St. Paul  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

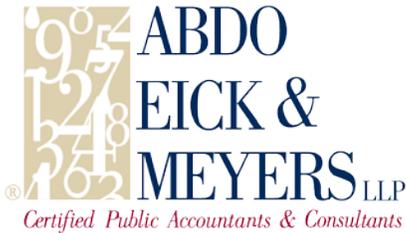
*Christopher P. Morrill*

Executive Director/CEO

FINANCIAL SECTION  
CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of West St. Paul, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West St. Paul, Minnesota (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund and the Economic Development Authority fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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## Other Matters

### **Required Supplementary Information**

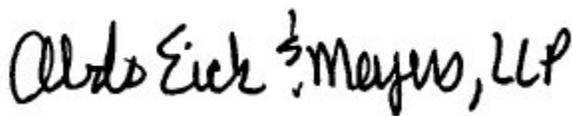
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 25 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employers Contributions, the related note disclosures, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios and the Schedule of Changes in the City's Other Postemployment Benefits Liability and Related Ratios starting on page 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

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



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 18, 2020

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## **Management's Discussion and Analysis**

As management of the City of West St. Paul, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,880,181 (net position). Of this amount, \$12,344,208 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$3,712,159. Of the total, governmental activities increased \$2,489,789 and business-type activities increased \$1,222,370. The increase in the governmental activities was due to a decrease in the pension liability and an increase in property tax revenue. The increase in business-type activities was due to a surplus of operating revenues over expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,377,544.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$8,977,398, or 64.4 percent of total 2019 General fund expenditures.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**Figure 1**  
**Required Components of the**  
**City's Annual Financial Report**

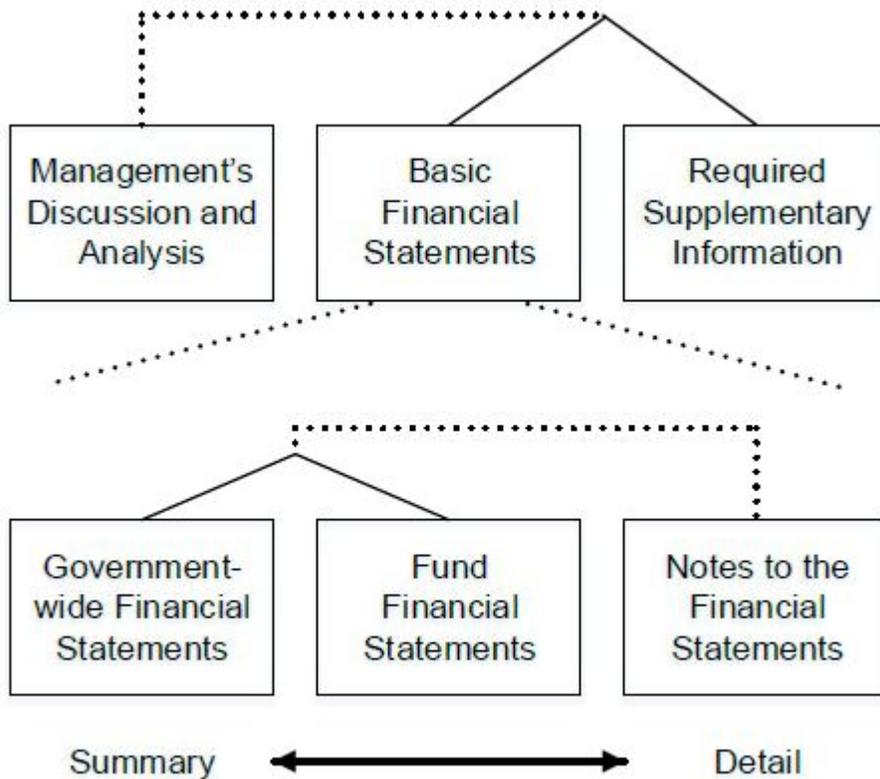


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure 2**  
**Major Features of the Government-wide and Fund Financial Statements**

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

The *statement of net position* presents information on all of the City’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works (streets and highways), culture and recreation, economic development and interest on long-term debt. The business-type activities of the City include storm sewer, sewer, and recreation.

The government-wide financial statements start on page 39 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The City maintains several individual governmental funds, fourteen of which are Debt Service funds and three of which are TIF Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Economic Development Authority fund, Debt Service funds, Permanent Improvement Revolving fund and the TIF Districts fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General and Economic Development Authority funds. A budgetary comparison statement has been provided for the General fund and the Economic Development Authority fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 44 of this report.

**Proprietary Funds.** *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its storm sewer, sewer, and recreation activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 54 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 61 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 96 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds is presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 102 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,880,181 at the close of the most recent fiscal year.

The largest portion of the City's net position (58.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of West St. Paul's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 29,666,008	\$ 24,073,736	\$ 5,592,272	\$ 7,333,724	\$ 6,173,434	\$ 1,160,290
Capital assets	59,419,440	58,324,895	1,094,545	21,673,696	21,451,817	221,879
Total Assets	89,085,448	82,398,631	6,686,817	29,007,420	27,625,251	1,382,169
<b>Deferred Outflows of Resources</b>						
Deferred pension resources	3,414,987	4,729,721	(1,314,734)	36,859	82,591	(45,732)
Deferred other postemployment benefits	196,496	133,074	63,422	15,632	10,980	4,652
Total Deferred Outflows of Resources	3,611,483	4,862,795	(1,251,312)	52,491	93,571	(41,080)
<b>Liabilities</b>						
Noncurrent liabilities outstanding	57,002,203	54,268,270	2,733,933	11,026,656	10,727,662	298,994
Other liabilities	3,269,102	1,907,342	1,361,760	447,980	608,398	(160,418)
Total Liabilities	60,271,305	56,175,612	4,095,693	11,474,636	11,336,060	138,576
<b>Deferred Inflows of Resources</b>						
Deferred pension resources	5,051,921	6,201,898	(1,149,977)	78,799	98,656	(19,857)
<b>Net Position</b>						
Net investment in capital assets	14,907,996	14,637,278	270,718	11,252,882	13,484,035	(2,231,153)
Restricted	6,308,095	5,770,993	537,102	67,000	-	67,000
Unrestricted	6,157,614	4,475,645	1,681,969	6,186,594	2,800,071	3,386,523
Total Net Position	\$ 27,373,705	\$ 24,883,916	\$ 2,489,789	\$ 17,506,476	\$ 16,284,106	\$ 1,222,370

An additional portion of the City's net position (\$6,375,095) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$12,344,208) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for governmental and business-type activities.

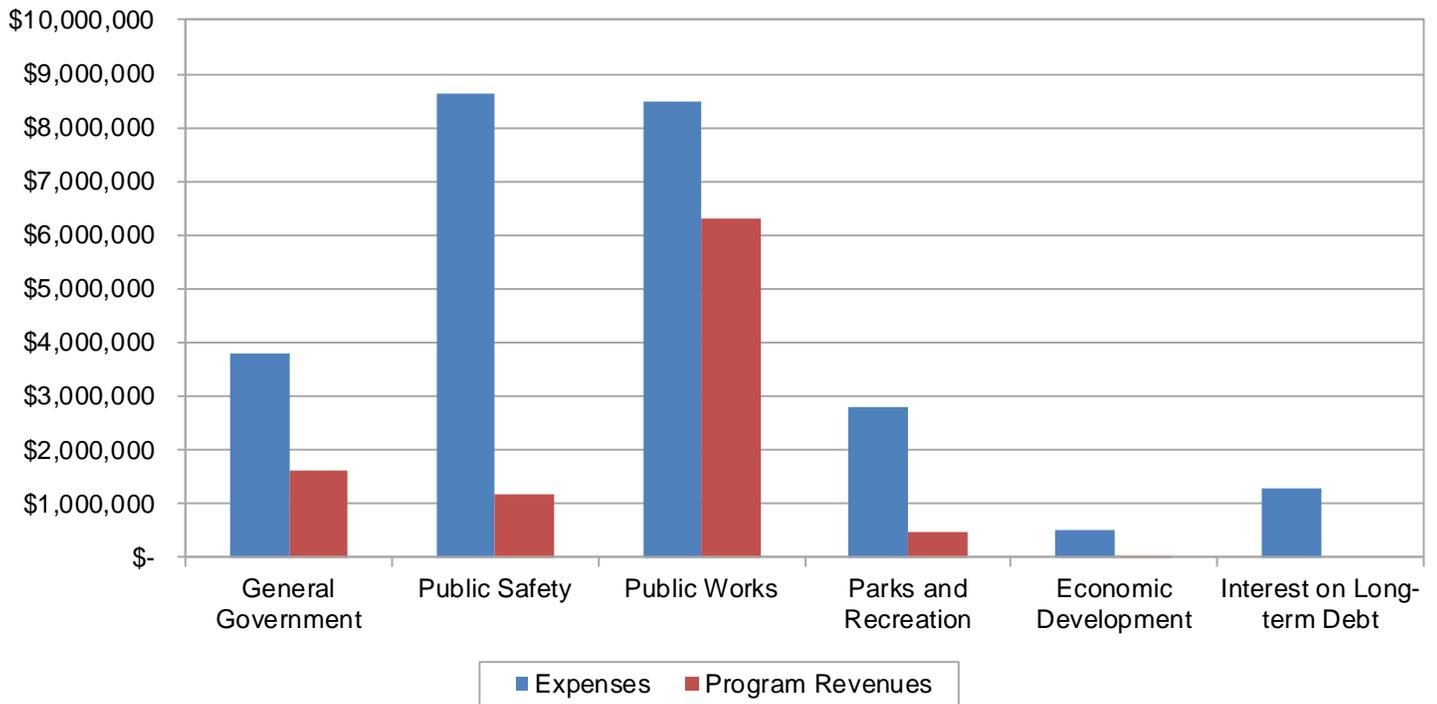
## City of West St. Paul's Changes in Net Position

**Governmental Activities.** Governmental activities increased the City's net position by \$2,489,789. The main reason for the increase was due to expenses a decrease in the pension liability and an increase in tax revenue. Other key elements of the changes are as follows:

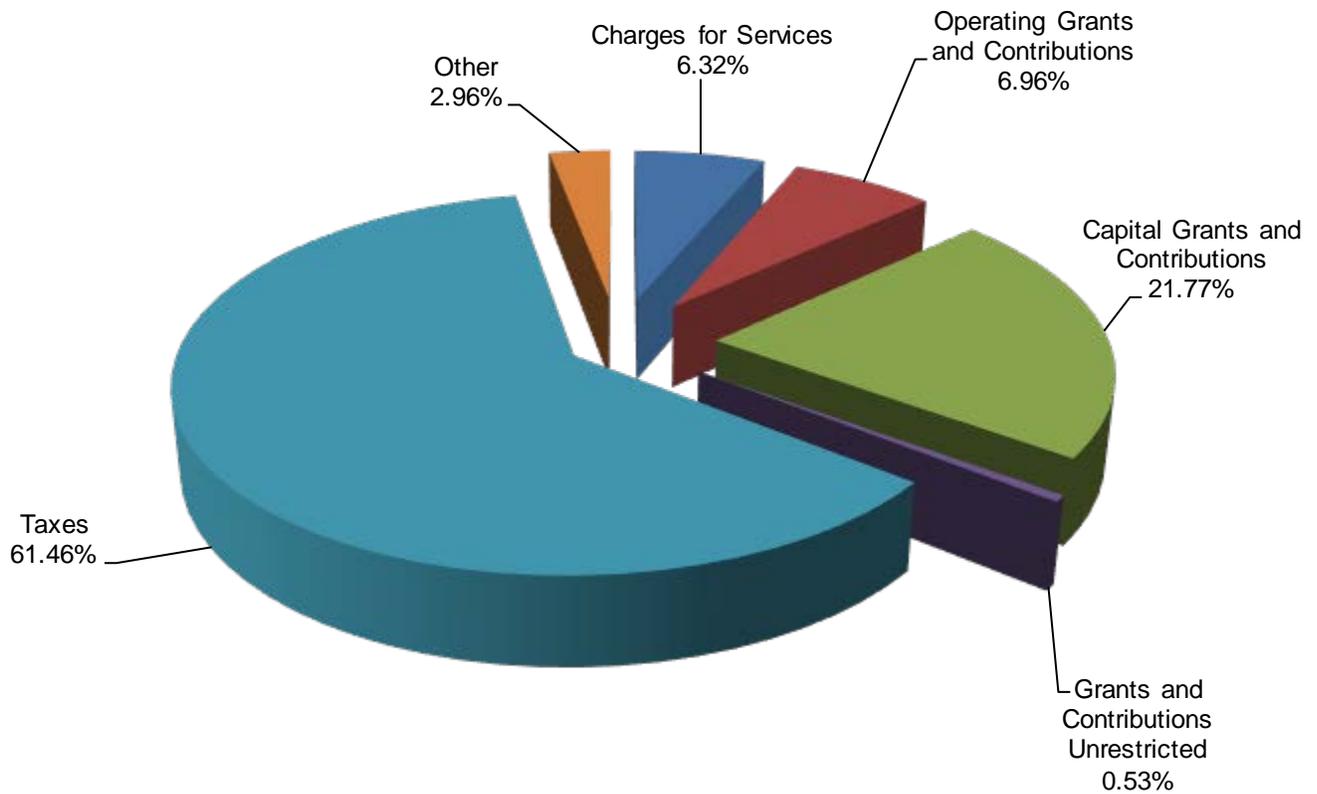
	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 1,728,820	\$ 1,716,568	\$ 12,252	\$ 5,901,174	\$ 5,439,570	\$ 461,604
Operating grants and contributions	1,904,064	1,985,896	(81,832)	226,558	72,420	154,138
Capital grants and contributions	5,957,178	1,743,167	4,214,011	370,027	65,212	304,815
General revenues						
Taxes						
Property taxes	15,392,049	13,830,174	1,561,875	332,224	584,708	(252,484)
Tax increment	240,654	261,993	(21,339)	-	-	-
Franchise and other	1,182,809	1,085,443	97,366	-	-	-
Grants and contributions not restricted to specific programs	144,361	111,861	32,500	-	-	-
Unrestricted investment earnings	741,916	182,238	559,678	162,563	29,179	133,384
Gain on sale of capital assets	9,971	28,004	(18,033)	20,000	-	-
Miscellaneous	56,999	28,485	28,514	7,395	18,727	(11,332)
Total Revenues	27,358,821	20,973,829	6,384,992	7,019,941	6,209,816	810,125
Expenses						
General government	3,782,687	4,222,701	(440,014)	-	-	-
Public safety	8,638,648	7,513,679	1,124,969	-	-	-
Public works	8,478,627	7,043,080	1,435,547	-	-	-
Parks and recreation	2,807,291	1,257,105	1,550,186	-	-	-
Miscellaneous	503,616	999,115	(495,499)	-	-	-
Interest on long-term debt	1,308,163	1,226,640	81,523	-	-	-
Storm sewer	-	-	-	346,263	432,327	(86,064)
Sanitary sewer	-	-	-	3,471,635	3,459,654	11,981
Golf course	-	-	-	4,627	18,548	(13,921)
Civic center arena	-	-	-	440,811	402,459	38,352
Swimming pool	-	-	-	103,887	80,738	23,149
Regional athletic center	-	-	-	780,348	752,619	27,729
Total Expenses	25,519,032	22,262,320	3,256,712	5,147,571	5,146,345	1,226
Increase (Decrease) in Net Position						
Before Transfers	1,839,789	(1,288,491)	3,128,280	1,872,370	1,063,471	808,899
Transfers - Capital Assets	-	(1,423,266)	1,423,266	-	1,423,266	(1,423,266)
Transfers (Net)	650,000	1,189,000	(539,000)	(650,000)	(1,189,000)	539,000
Change in Net Position	2,489,789	(1,522,757)	4,012,546	1,222,370	1,297,737	(75,367)
Net Position, January 1	24,883,916	26,406,673	(1,522,757)	16,284,106	14,986,369	1,297,737
Net Position, December 31	<u>\$ 27,373,705</u>	<u>\$ 24,883,916</u>	<u>\$ 2,489,789</u>	<u>\$ 17,506,476</u>	<u>\$ 16,284,106</u>	<u>\$ 1,222,370</u>

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

### Expenses and Program Revenue - Governmental Activities

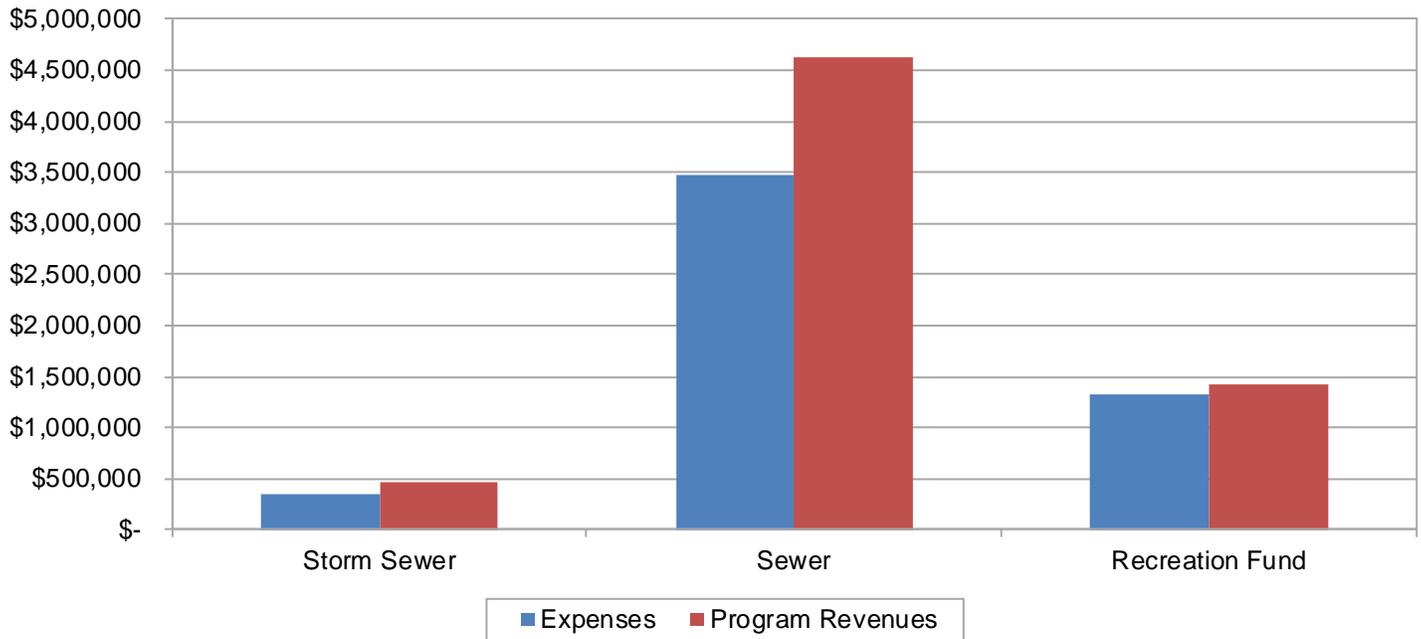


### Revenue by Source - Governmental Activities

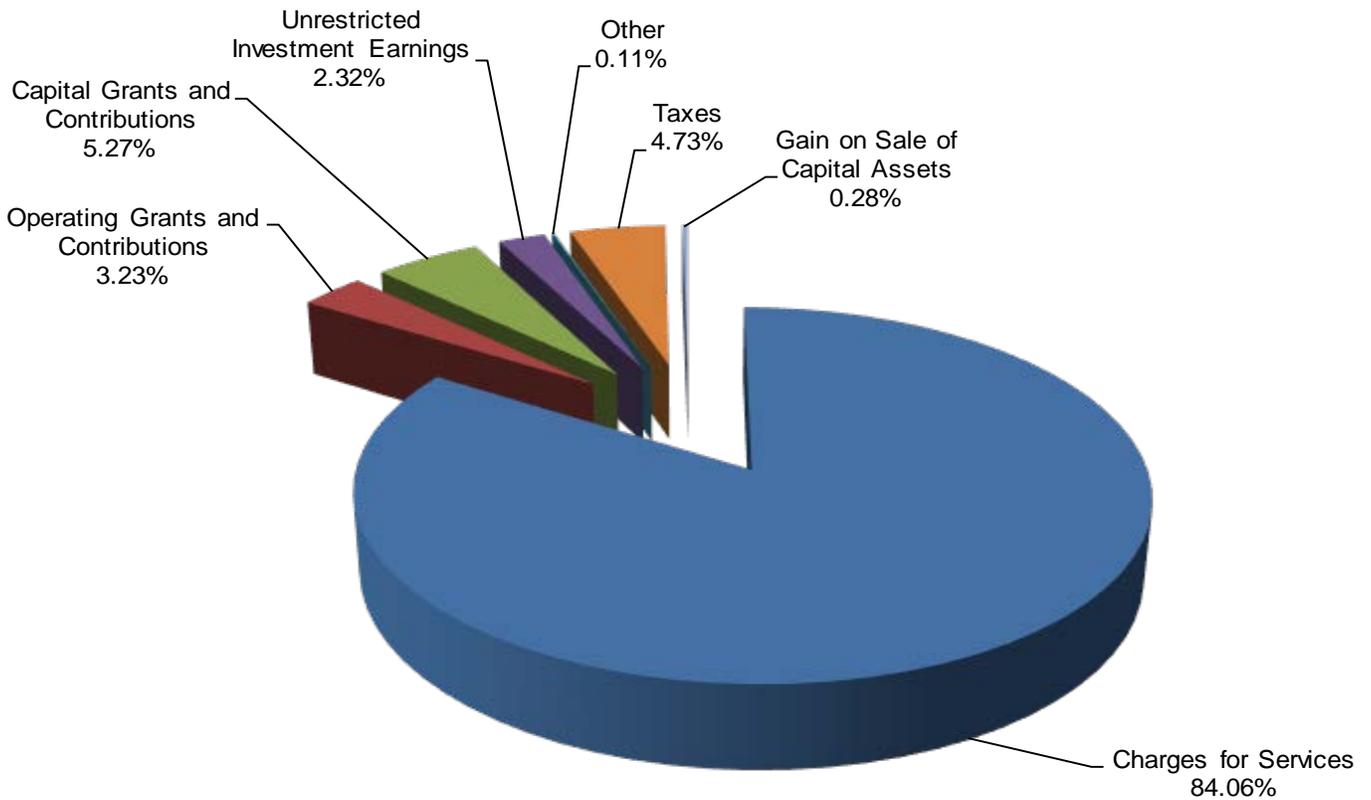


**Business-type Activities.** Business-type activities increased the City's net position by \$1,222,370. The main reason of this increase was due to operating revenue over operating expenses. Other key elements of the changes are as follows:

### Expenses and Program Revenues - Business-type Activities



### Revenue by Source - Business-type Activities



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,377,544. Approximately 29.3 percent of this total amount, (\$7,437,211) constitutes unassigned fund balance, which is available for spending at the City's discretion. The City also has nonspendable balance of \$635,577, restricted balance of \$10,261,929, committed balance of \$3,254,869 and assigned balance of \$3,787,958.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2019	2018	
<b>General</b>	\$ 9,611,680	\$ 8,845,920	\$ 765,760

The General fund is the chief operating fund of the City. The General fund had an increase in fund balance of \$765,760 from 2018. The increase in fund balance is mainly due to transfers into the General Fund.

<b>Economic Development Authority</b>	\$ 3,114,285	\$ 3,104,171	\$ 10,114
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The Economic Development Authority fund had an increase in fund balance of \$10,114 from 2018.

<b>Debt Service</b>	\$ 6,869,583	\$ 6,227,778	\$ 641,805
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The Debt Service fund has a total fund balance of \$6,869,583 and increased \$641,805 from 2018. The increase is mainly due to revenues collected in excess of bond payments.

<b>Permanent Improvement Revolving Fund</b>	\$ 3,463,768	\$ 1,049,738	\$ 2,414,030
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The Permanent Improvement Revolving fund had a increase in fund balance of \$2,414,030 from 2018. The increase in fund balance is mainly due to funding from the 2019A bond issuance.

<b>TIF Districts</b>	\$ (721,247)	\$ (771,681)	\$ 50,434
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The TIF Districts fund had an increase in fund balance of \$50,434 from 2018. The increase in fund balance is due to tax increment revenue exceeding economic development expenditures.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$6,186,594. The change in net position for the funds was an increase of \$1,222,370. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

The City's General fund budget was amended during the year to increase both revenues and expenditures by \$91,000. Actual revenues were over budget by \$181,443, this was mostly due to a positive budget variances in licenses and permits and special assessment revenue of \$120,683 and \$152,045, respectively. Expenditures in total were under budget by \$582,346. The largest positive expenditure variances were in public safety and general government, of \$263,502 and \$298,806, respectively.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business type activities as of December 31, 2019 amounts to \$81,093,136 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, software, park facilities and roads.

Major capital asset events during the current fiscal year included the following:

- Completion of the 2018 Street Reconstruction project.
- Additional work was done on the 2019 Street Reconstruction project.
- The 2020 Street Reconstruction project was started.
- Completion of the Sports Center facility project
- The Police Remodel project was started.
- A Dump Truck build project was started.
- Additional work was done on the Lift Station projects.
- Several public safety and public works equipment and vehicles were purchased.

Additional information on the City's capital assets can be found in Note 3B starting on page 75 of this report.

### City of West St. Paul's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Land	\$ 5,043,391	\$ 5,043,391	\$ -	\$ 1,144,168	\$ 1,144,168	\$ -
Construction in Progress	4,545,804	3,444,990	1,100,814	1,219,031	132,052	1,086,979
Buildings	8,296,267	7,835,808	460,459	9,505,713	9,982,030	(476,317)
Improvements Other Than Buildings	7,645,777	7,729,912	(84,135)	-	-	-
Vehicles, Machinery and Equipment	1,559,259	1,696,275	(137,016)	405,606	426,568	(20,962)
Software	253,905	25,189	228,716	-	-	-
Infrastructure	32,075,037	32,549,330	(474,293)	9,399,178	9,766,999	(367,821)
<b>Total</b>	<b>\$ 59,419,440</b>	<b>\$ 58,324,895</b>	<b>\$ 1,094,545</b>	<b>\$ 21,673,696</b>	<b>\$ 21,451,817</b>	<b>\$ 221,879</b>

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$59,155,783. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

### City of West St. Paul's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
G.O. Bonds	\$ 33,840,000	\$ 35,340,000	\$ (1,500,000)	\$ -	\$ -	\$ -
G.O. Improvement Bonds	12,035,000	7,740,000	4,295,000	-	-	-
G.O. Tax Increment Bonds	1,125,000	1,195,000	(70,000)	-	-	-
G.O. Revenue Bonds	-	-	-	10,260,000	9,930,000	330,000
Bond Premium	1,654,665	1,482,728	171,937	243,174	199,664	43,510
Bond Discount	-	-	-	(2,056)	(4,110)	2,054
<b>Total</b>	<b>\$ 48,654,665</b>	<b>\$ 45,757,728</b>	<b>\$ 2,896,937</b>	<b>\$ 10,501,118</b>	<b>\$ 10,125,554</b>	<b>\$ 375,564</b>

The City's total debt increased \$3,272,501 during the current fiscal year. The increase in outstanding debt can be attributed to the issuance of the 2019A bonds net of regularly scheduled debt payments.

Minnesota statutes limit the amount of net general obligation debt a City may issue to three percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City currently has no outstanding general obligation debt in excess of this limit.

Additional information on the City's long-term debt can be found in Note 3E starting on page 78 of this report.

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

- The county unemployment rate for 2018 was 2.9 percent which is slightly below the statewide rate for the period.
- Property values increased on average 6.05 percent from 2018 and are projected to increase another 8.6 percent in 2019 for tax pay year 2020.
- The tax base continues to grow; 2019 resulted in a 1.158 million dollar increase in the tax base from new construction.
- Tax rates for 2019 is 72.624 percent which is down from the 2018 which was 69.287 percent.
- Storm and sanitary sewer rates are also expected to increase to cover planned capital improvements.

#### Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of West St. Paul, 1616 Humboldt Avenue, West St. Paul, Minnesota 55118-3972.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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City of West St. Paul, Minnesota

Statement of Net Position

December 31, 2019

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and temporary investments	\$ 23,267,324	\$ 5,343,693	\$ 28,611,017
Receivables			
Accrued interest	43,683	10,461	54,144
Property taxes	143,231	-	143,231
Notes	47,200	-	47,200
Accounts	843,589	128,905	972,494
Special assessments	1,436,034	860,424	2,296,458
Due from other governments	2,082,302	990,218	3,072,520
Prepaid items	138,764	23	138,787
Assets held for resale	1,663,881	-	1,663,881
Capital assets			
Land and construction in progress	9,589,195	2,363,199	11,952,394
Depreciable assets (net of accumulated depreciation)	49,830,245	19,310,497	69,140,742
Total Assets	<u>89,085,448</u>	<u>29,007,420</u>	<u>118,092,868</u>
<b>Deferred Outflows of Resources</b>			
Deferred pension resources	3,414,987	36,859	3,451,846
Deferred other postemployment benefits	196,496	15,632	212,128
Total Deferred Outflows of Resources	<u>3,611,483</u>	<u>52,491</u>	<u>3,663,974</u>
<b>Liabilities</b>			
Accounts and contracts payable	1,741,740	196,055	1,937,795
Accrued salaries payable	329,417	22,490	351,907
Due to other governments	383,160	7,240	390,400
Accrued interest payable	559,905	87,191	647,096
Deposits payable	252,790	-	252,790
Unearned revenue	2,090	135,004	137,094
Noncurrent liabilities			
Due within one year	3,523,568	1,086,598	4,610,166
Due in more than one year	45,992,129	9,453,789	55,445,918
Net pension liability	5,718,371	345,610	6,063,981
Other postemployment benefit liability	1,768,135	140,659	1,908,794
Total Liabilities	<u>60,271,305</u>	<u>11,474,636</u>	<u>71,745,941</u>
<b>Deferred Inflows of Resources</b>			
Deferred pension resources	5,051,921	78,799	5,130,720
<b>Net Position</b>			
Net investment in capital assets	14,907,996	11,252,882	26,160,878
Restricted for			
Debt service	5,945,784	-	5,945,784
Economic development	359,411	-	359,411
Police purposes	2,900	-	2,900
Locker Replacement	-	67,000	67,000
Unrestricted	6,157,614	6,186,594	12,344,208
Total Net Position	<u>\$ 27,373,705</u>	<u>\$ 17,506,476</u>	<u>\$ 44,880,181</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 3,782,687	\$ 914,722	\$ 711,481	\$ -
Public safety	8,638,648	691,807	491,356	-
Public works	8,478,627	42,125	301,093	5,957,178
Parks and recreation	2,807,291	80,166	400,000	-
Economic development	503,616	-	134	-
Interest on long-term debt	1,308,163	-	-	-
Total Governmental Activities	<u>25,519,032</u>	<u>1,728,820</u>	<u>1,904,064</u>	<u>5,957,178</u>
<b>Business-type Activities</b>				
Storm sewer	346,263	464,919	62	-
Sanitary sewer	3,471,635	4,362,210	558	255,390
Golf course	4,627	7,794	-	-
Civic center arena	440,811	259,569	222,225	114,637
Swimming pool	103,887	-	-	-
Regional athletic center	780,348	806,682	3,713	-
Total Business-type Activities	<u>5,147,571</u>	<u>5,901,174</u>	<u>226,558</u>	<u>370,027</u>
Total	<u>\$ 30,666,603</u>	<u>\$ 7,629,994</u>	<u>\$ 2,130,622</u>	<u>\$ 6,327,205</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise and other taxes

Grants and contributions not restricted to specific programs

Gain on sale of capital assets

Unrestricted investment earnings

Miscellaneous revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,156,484)	\$ -	\$ (2,156,484)
(7,455,485)	-	(7,455,485)
(2,178,231)	-	(2,178,231)
(2,327,125)	-	(2,327,125)
(503,482)	-	(503,482)
(1,308,163)	-	(1,308,163)
<u>(15,928,970)</u>	<u>-</u>	<u>(15,928,970)</u>
-	118,718	118,718
-	1,146,523	1,146,523
-	3,167	3,167
-	155,620	155,620
-	(103,887)	(103,887)
-	30,047	30,047
<u>-</u>	<u>1,350,188</u>	<u>1,350,188</u>
<u>(15,928,970)</u>	<u>1,350,188</u>	<u>(14,578,782)</u>
12,045,044	332,224	12,377,268
3,347,005	-	3,347,005
240,654	-	240,654
1,182,809	-	1,182,809
144,361	-	144,361
9,971	20,000	29,971
741,916	162,563	904,479
56,999	7,395	64,394
650,000	(650,000)	-
<u>18,418,759</u>	<u>(127,818)</u>	<u>18,290,941</u>
2,489,789	1,222,370	3,712,159
<u>24,883,916</u>	<u>16,284,106</u>	<u>41,168,022</u>
<u>\$ 27,373,705</u>	<u>\$ 17,506,476</u>	<u>\$ 44,880,181</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

City of West St. Paul, Minnesota

Balance Sheet

Governmental Funds

December 31, 2019

	<b>101</b>	<b>209</b>	<b>300's</b>
	General	Economic Development Authority	Debt Service
<b>Assets</b>			
Cash and temporary investments	\$ 8,167,178	\$ 344,896	\$ 6,783,468
Receivables			
Accounts	172,844	-	59,600
Property taxes	143,231	-	-
Accrued interest	14,703	959	11,832
Notes	26,200	21,000	-
Special assessments	124,781	-	749,292
Due from other governments	1,414,194	-	14,683
Advances to other funds	470,613	1,136,296	-
Prepaid items	137,469	1,295	-
Assets held for resale	-	1,663,881	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<u><u>\$ 10,671,213</u></u>	<u><u>\$ 3,168,327</u></u>	<u><u>\$ 7,618,875</u></u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 226,605	\$ 22,067	\$ -
Accrued salaries payable	319,699	6,363	-
Due to other governments	21,659	6,850	-
Deposits payable	223,230	18,762	-
Unearned revenue	327	-	-
Advances from other funds	-	-	-
<b>Total Liabilities</b>	<u>791,520</u>	<u>54,042</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues - property and franchise taxes	143,231	-	-
Unavailable revenues - special assessments	124,782	-	749,292
<b>Total Deferred Inflows of Resources</b>	<u>268,013</u>	<u>-</u>	<u>749,292</u>
<b>Fund Balances</b>			
Nonspendable	634,282	1,295	-
Restricted	-	-	6,869,583
Committed	-	3,112,990	-
Assigned	-	-	-
Unassigned	8,977,398	-	-
<b>Total Fund Balances</b>	<u>9,611,680</u>	<u>3,114,285</u>	<u>6,869,583</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<u><u>\$ 10,671,213</u></u>	<u><u>\$ 3,168,327</u></u>	<u><u>\$ 7,618,875</u></u>

The notes to the financial statements are an integral part of this statement.

<b>402</b>	<b>450's</b>	<b>Other</b>	<b>Total</b>
Permanent Improvement Revolving Fund	TIF Districts	Governmental Funds	Governmental Funds
\$ 4,077,369	\$ 451,963	\$ 3,442,450	\$ 23,267,324
13,901	-	597,244	843,589
-	-	-	143,231
8,377	948	6,864	43,683
-	-	-	47,200
561,961	-	-	1,436,034
621,425	-	32,000	2,082,302
-	-	-	1,606,909
-	-	-	138,764
-	-	-	1,663,881
<u>\$ 5,283,033</u>	<u>\$ 452,911</u>	<u>\$ 4,078,558</u>	<u>\$ 31,272,917</u>
\$ 920,913	\$ 27,064	\$ 545,091	\$ 1,741,740
3,355	-	-	329,417
333,035	-	21,616	383,160
-	10,798	-	252,790
-	-	1,763	2,090
-	1,136,296	470,613	1,606,909
<u>1,257,303</u>	<u>1,174,158</u>	<u>1,039,083</u>	<u>4,316,106</u>
-	-	-	143,231
561,962	-	-	1,436,036
<u>561,962</u>	<u>-</u>	<u>-</u>	<u>1,579,267</u>
-	-	-	635,577
3,030,035	359,411	2,900	10,261,929
-	-	141,879	3,254,869
433,733	-	3,354,225	3,787,958
-	(1,080,658)	(459,529)	7,437,211
<u>3,463,768</u>	<u>(721,247)</u>	<u>3,039,475</u>	<u>25,377,544</u>
<u>\$ 5,283,033</u>	<u>\$ 452,911</u>	<u>\$ 4,078,558</u>	<u>\$ 31,272,917</u>

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota  
 Reconciliation of the Balance Sheet  
 to the Statement of Net Position  
 Governmental Funds  
 December 31, 2019

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	\$ 25,377,544
<p>Capital assets used in governmental activities are not financial resources          and therefore are not reported as assets in governmental funds.</p>	
Cost of capital assets	102,764,841
Less: accumulated depreciation	(43,345,401)
<p>Long-term liabilities, including bonds payable, are not due and payable in the          current period and therefore are not reported as liabilities in the funds.</p>	
<p>Long-term liabilities at year-end consist of</p>	
Bond principal payable	(47,000,000)
Plus: premiums on bonds issued	(1,654,665)
Other postemployment benefits payable	(1,768,135)
Compensated absences payable	(861,032)
Net pension liability	(5,718,371)
<p>Some receivables are not available soon enough to pay for the current period's expenditures,          and therefore are unavailable in the funds.</p>	
Delinquent property taxes and franchise taxes receivable	143,231
Special assessments receivable	1,436,036
<p>Governmental funds do not report long-term amounts related to pensions</p>	
Deferred outflows of pension resources	3,414,987
Deferred inflows of pension resources	(5,051,921)
Deferred outflows of other postemployment benefits	196,496
Governmental funds do not report a liability for accrued interest until due and payable.	(559,905)
Total Net Position - Governmental Activities	\$ 27,373,705

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019

	<b>101</b>	<b>209</b>	<b>300's</b>
	General	Economic Development Authority	Debt Service
Revenues			
Taxes	\$ 10,960,353	\$ 335,538	\$ 3,836,824
Licenses and permits	674,183	-	-
Intergovernmental	974,091	-	220,000
Charges for services	819,312	-	-
Fines and forfeitures	118,187	-	-
Special assessments	190,891	-	264,237
Interest on investments	277,045	68,762	163,066
Miscellaneous	35,717	134	3,084
Total Revenues	<u>14,049,779</u>	<u>404,434</u>	<u>4,487,211</u>
Expenditures			
Current			
General government	3,208,226	-	-
Public safety	8,024,346	-	-
Public works	1,770,189	-	-
Parks and recreation	941,229	-	-
Economic development	-	394,320	-
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Debt service			
Principal	-	-	2,600,000
Interest and other charges	-	-	1,343,941
Bond issuance costs	-	-	-
Total Expenditures	<u>13,943,990</u>	<u>394,320</u>	<u>3,943,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>105,789</u>	<u>10,114</u>	<u>543,270</u>
Other Financing Sources (Uses)			
Transfers in	650,000	-	98,535
Sale of capital assets	9,971	-	-
Premium on bonds	-	-	-
Bonds issued	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>659,971</u>	<u>-</u>	<u>98,535</u>
Net Change in Fund Balances	765,760	10,114	641,805
Fund Balances, January 1	<u>8,845,920</u>	<u>3,104,171</u>	<u>6,227,778</u>
Fund Balances, December 31	<u>\$ 9,611,680</u>	<u>\$ 3,114,285</u>	<u>\$ 6,869,583</u>

The notes to the financial statements are an integral part of this statement.

<b>402</b>	<b>450's</b>		
Permanent Improvement Revolving Fund	TIF Districts	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 240,654	\$ 1,428,300	\$ 16,801,669
-	-	-	674,183
3,512,704	-	1,694,500	6,401,295
38,901	-	42,268	900,481
-	-	-	118,187
681,313	-	-	1,136,441
97,375	19,500	116,168	741,916
266,306	-	101,768	407,009
<u>4,596,599</u>	<u>260,154</u>	<u>3,383,004</u>	<u>27,181,181</u>
-	-	153,422	3,361,648
-	-	187,708	8,212,054
6,653,501	-	148,648	8,572,338
-	-	1,661,317	2,602,546
-	111,185	-	505,505
-	-	223,697	223,697
-	-	323,927	323,927
1,028,784	-	114,814	1,143,598
-	-	377,956	377,956
-	-	-	2,600,000
-	-	-	1,343,941
136,313	-	-	136,313
<u>7,818,598</u>	<u>111,185</u>	<u>3,191,489</u>	<u>29,403,523</u>
<u>(3,221,999)</u>	<u>148,969</u>	<u>191,515</u>	<u>(2,222,342)</u>
-	-	-	748,535
-	-	-	9,971
311,029	-	-	311,029
5,325,000	-	-	5,325,000
-	(98,535)	-	(98,535)
<u>5,636,029</u>	<u>(98,535)</u>	<u>-</u>	<u>6,296,000</u>
2,414,030	50,434	191,515	4,073,658
1,049,738	(771,681)	2,847,960	21,303,886
<u>\$ 3,463,768</u>	<u>\$ (721,247)</u>	<u>\$ 3,039,475</u>	<u>\$ 25,377,544</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 to the Statement of Activities  
 Governmental Funds  
 For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ 4,073,658
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	3,766,884
Depreciation expense	(2,672,339)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal repayments	2,600,000
Bonds issued	(5,325,000)
Premium on bonds issued	(311,029)
Current year amortization of bond premium	139,092
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	32,999
<p>Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Special assessments	175,300
Property taxes	(51,445)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(243,191)
Pension revenue from State contributions	43,814
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Other post employment benefits	239,196
Compensated absences	21,850
	261,046
Change in Net Position - Governmental Activities	\$ 2,489,789

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,091,927	\$ 11,091,927	\$ 10,960,353	\$ (131,574)
Licenses and permits	553,500	553,500	674,183	120,683
Intergovernmental	1,049,500	1,049,500	974,091	(75,409)
Charges for services	685,855	776,855	819,312	42,457
Fines and forfeitures	188,000	188,000	118,187	(69,813)
Special assessments	40,000	40,000	190,891	150,891
Interest on investments	125,000	125,000	277,045	152,045
Miscellaneous	43,554	43,554	35,717	(7,837)
Total Revenues	<u>13,777,336</u>	<u>13,868,336</u>	<u>14,049,779</u>	<u>181,443</u>
Expenditures				
Current				
General government	3,507,032	3,507,032	3,208,226	298,806
Public safety	8,196,848	8,287,848	8,024,346	263,502
Public works	1,753,491	1,753,491	1,770,189	(16,698)
Parks and recreation	977,965	977,965	941,229	36,736
Total Expenditures	<u>14,435,336</u>	<u>14,526,336</u>	<u>13,943,990</u>	<u>582,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(658,000)</u>	<u>(658,000)</u>	<u>105,789</u>	<u>763,789</u>
Other Financing Sources				
Transfers in	650,000	650,000	650,000	-
Sale of capital assets	8,000	8,000	9,971	1,971
Total Other Financing Sources	<u>658,000</u>	<u>658,000</u>	<u>659,971</u>	<u>1,971</u>
Net Change in Fund Balances	-	-	765,760	765,760
Fund Balances, January 1	<u>8,845,920</u>	<u>8,845,920</u>	<u>8,845,920</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 8,845,920</u>	<u>\$ 8,845,920</u>	<u>\$ 9,611,680</u>	<u>\$ 765,760</u>

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
Economic Development Authority Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 337,043	\$ 337,043	\$ 335,538	\$ (1,505)
Interest on investments	55,000	55,000	68,762	13,762
Miscellaneous revenue	10,000	10,000	134	(9,866)
Total Revenues	<u>402,043</u>	<u>402,043</u>	<u>404,434</u>	<u>2,391</u>
Expenditures				
Current				
Economic development	<u>400,538</u>	<u>400,538</u>	<u>394,320</u>	<u>6,218</u>
Net Change in Fund Balances	1,505	1,505	10,114	8,609
Fund Balances, January 1	<u>3,104,171</u>	<u>3,104,171</u>	<u>3,104,171</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 3,105,676</u></u>	<u><u>\$ 3,105,676</u></u>	<u><u>\$ 3,114,285</u></u>	<u><u>\$ 8,609</u></u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota

Statement of Net Position

Proprietary Funds

December 31, 2019

Business-type Activities - Enterprise Funds

	<b>600</b>	<b>602</b>		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
<b>Assets</b>				
<b>Current Assets</b>				
Cash and temporary investments	\$ 1,655,420	\$ 1,084,715	\$ 2,603,558	\$ 5,343,693
Receivables				
Accrued interest	3,531	1,559	5,371	10,461
Accounts	2,030	7,400	119,475	128,905
Special assessments	-	246,477	-	246,477
Due from other governments	100,436	889,782	-	990,218
Due from other funds	-	-	-	-
Prepaid items	-	23	-	23
Total Current Assets	<u>1,761,417</u>	<u>2,229,956</u>	<u>2,728,404</u>	<u>6,719,777</u>
<b>Noncurrent Assets</b>				
Special assessments	-	613,947	-	613,947
<b>Capital assets</b>				
Land	-	10,945	1,133,223	1,144,168
Construction in progress	-	1,219,031	-	1,219,031
Buildings	-	-	13,144,056	13,144,056
Machinery and equipment	183,179	700,648	570,301	1,454,128
Infrastructure	8,907,756	11,594,102	-	20,501,858
Less accumulated depreciation	<u>(5,184,006)</u>	<u>(5,630,314)</u>	<u>(4,975,225)</u>	<u>(15,789,545)</u>
Net Capital Assets	<u>3,906,929</u>	<u>7,894,412</u>	<u>9,872,355</u>	<u>21,673,696</u>
Total Noncurrent Assets	<u>3,906,929</u>	<u>8,508,359</u>	<u>9,872,355</u>	<u>22,287,643</u>
Total Assets	<u>5,668,346</u>	<u>10,738,315</u>	<u>12,600,759</u>	<u>29,007,420</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension resources	2,815	25,542	8,502	36,859
Deferred other postemployment benefits	<u>1,519</u>	<u>9,936</u>	<u>4,177</u>	<u>15,632</u>
Total Deferred outflows of Resources	<u>4,334</u>	<u>35,478</u>	<u>12,679</u>	<u>52,491</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
Statement of Net Position (Continued)  
Proprietary Funds  
December 31, 2019

Business-type Activities - Enterprise Funds

	<b>600</b>	<b>602</b>		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 2,015	\$ 37,671	\$ 71,073	\$ 110,759
Contracts payable	-	85,296	-	85,296
Accrued salaries payable	(917)	15,953	7,454	22,490
Due to other governments	-	7,140	100	7,240
Accrued interest payable	8,839	38,245	40,107	87,191
Unearned revenue	-	600	134,404	135,004
Compensated absences payable - current	-	13,816	7,782	21,598
Bonds payable - current	60,000	540,000	465,000	1,065,000
Total Current Liabilities	<u>69,937</u>	<u>738,721</u>	<u>725,920</u>	<u>1,534,578</u>
<b>Noncurrent Liabilities</b>				
Other postemployment benefits	13,666	89,411	37,582	140,659
Compensated absences payable	-	11,304	6,367	17,671
Net pension liability	26,395	239,498	79,717	345,610
Bonds payable	880,828	4,720,465	3,834,825	9,436,118
Total Noncurrent Liabilities	<u>920,889</u>	<u>5,060,678</u>	<u>3,958,491</u>	<u>9,940,058</u>
Total Liabilities	<u>990,826</u>	<u>5,799,399</u>	<u>4,684,411</u>	<u>11,474,636</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension resources	<u>6,018</u>	<u>54,606</u>	<u>18,175</u>	<u>78,799</u>
<b>Net Position</b>				
Net investment in capital assets	2,966,101	2,714,251	5,572,530	11,252,882
Restricted	-	-	67,000	67,000
Unrestricted	<u>1,709,735</u>	<u>2,205,537</u>	<u>2,271,322</u>	<u>6,186,594</u>
Total Net Position	<u>\$ 4,675,836</u>	<u>\$ 4,919,788</u>	<u>\$ 7,910,852</u>	<u>\$ 17,506,476</u>

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	600 Storm Sewer	602 Sanitary Sewer	Recreation	Totals
Operating Revenues				
Charges for services	\$ 464,919	\$ 4,362,210	\$ 1,074,045	\$ 5,901,174
Operating Expenses				
Personal services	27,857	398,446	146,331	572,634
Supplies	12,388	33,691	41,823	87,902
Professional services	78,573	2,485,156	161,983	2,725,712
Insurance	1,008	23,895	26,618	51,521
Utilities	-	-	248,038	248,038
Repairs and maintenance	-	74,546	178,999	253,545
Depreciation	207,740	341,946	430,546	980,232
Total Operating Expenses	<u>327,566</u>	<u>3,357,680</u>	<u>1,234,338</u>	<u>4,919,584</u>
Operating Income (loss)	<u>137,353</u>	<u>1,004,530</u>	<u>(160,293)</u>	<u>981,590</u>
Nonoperating Revenues (Expenses)				
Property taxes	-	-	332,224	332,224
Intergovernmental	-	-	155,000	155,000
Interest income	58,972	9,124	94,467	162,563
Miscellaneous	2,092	4,803	72,058	78,953
Gain on sale of capital assets	-	-	20,000	20,000
Bond issuance costs	-	(28,272)	-	(28,272)
Interest expense	(18,697)	(85,683)	(95,335)	(199,715)
Total Nonoperating Revenues (Expenses)	<u>42,367</u>	<u>(100,028)</u>	<u>578,414</u>	<u>520,753</u>
Income Before Transfers and Capital Contributions	179,720	904,502	418,121	1,502,343
Capital Contributions - Intergovernmental	-	255,390	114,637	370,027
Transfers Out	<u>(150,000)</u>	<u>(450,000)</u>	<u>(50,000)</u>	<u>(650,000)</u>
Change in Net Position	29,720	709,892	482,758	1,222,370
Net Position, January 1	<u>4,646,116</u>	<u>4,209,896</u>	<u>7,428,094</u>	<u>16,284,106</u>
Net Position, December 31	<u>\$ 4,675,836</u>	<u>\$ 4,919,788</u>	<u>\$ 7,910,852</u>	<u>\$ 17,506,476</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			Totals
	600 Storm Sewer	602 Sanitary Sewer	Recreation	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 465,505	\$ 4,280,984	\$ 1,190,420	\$ 5,936,909
Payments to suppliers	(90,919)	(2,927,377)	(627,313)	(3,645,609)
Payments to employees	(53,552)	(418,454)	(158,634)	(630,640)
Net Cash Provided by Operating Activities	<u>321,034</u>	<u>935,153</u>	<u>404,473</u>	<u>1,660,660</u>
Cash Flows from Noncapital Financing Activities				
Property taxes received	-	-	332,224	332,224
Intergovernmental receipts	-	-	155,000	155,000
Transfers to other funds	(150,000)	(450,000)	(50,000)	(650,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(150,000)</u>	<u>(450,000)</u>	<u>437,224</u>	<u>(162,776)</u>
Cash Flows from Capital Financing Activities				
Acquisition of capital assets	-	(1,022,320)	(94,495)	(1,116,815)
Proceeds from sale of capital assets	-	-	20,000	20,000
Proceeds from bonds issued, net	-	1,167,011	-	1,167,011
Intergovernmental receipts	-	255,390	114,637	370,027
Interest paid on bonds	(22,269)	(106,637)	(98,643)	(227,549)
Principal paid on bonds	(58,000)	(527,000)	(215,000)	(800,000)
Net Cash Used by Capital Financing Activities	<u>(80,269)</u>	<u>(233,556)</u>	<u>(273,501)</u>	<u>(587,326)</u>
Cash Flows from Investing Activities				
Interest received on investments	<u>63,864</u>	<u>11,827</u>	<u>96,543</u>	<u>172,234</u>
Net Increase in Cash and Cash Equivalents	154,629	263,424	664,739	1,082,792
Cash and Cash Equivalents, January 1	<u>1,500,791</u>	<u>821,291</u>	<u>1,938,819</u>	<u>4,260,901</u>
Cash and Cash Equivalents, December 31	<u>\$ 1,655,420</u>	<u>\$ 1,084,715</u>	<u>\$ 2,603,558</u>	<u>\$ 5,343,693</u>

The notes to the financial statements are an integral part of this statement.

City of West St. Paul, Minnesota  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds			
	600	602		
	Storm Sewer	Sanitary Sewer	Recreation	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 137,353	\$ 1,004,530	\$ (160,293)	\$ 981,590
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	207,740	341,946	430,546	980,232
Other income related to operations	2,092	4,803	72,058	78,953
(Increase) decrease in assets				
Receivables				
Accounts	(2,030)	5,750	989	4,709
Special assessments	-	(30,162)	-	(30,162)
Due from other governments	524	(62,217)	-	(61,693)
Prepays	-	(23)	-	(23)
Decrease in deferred outflows of resources				
Deferred pension resources	6,328	28,563	10,841	45,732
Deferred other post employment benefit resources	(202)	(2,954)	(1,496)	(4,652)
Increase (decrease) in liabilities				
Accounts payable	2,015	(11,927)	31,070	21,158
Accrued salaries payable	(3,306)	(43)	690	(2,659)
Due to other governments	(965)	(298,139)	(922)	(300,026)
Unearned revenue	-	600	43,328	43,928
Other postemployment benefits	(5,570)	(12,586)	(1,577)	(19,733)
Compensated absences payable	-	702	(1,576)	(874)
Net pension liability	(18,049)	(23,623)	(14,291)	(55,963)
Increase in deferred inflows of resources				
Deferred pension resources	(4,896)	(10,067)	(4,894)	(19,857)
 Net Cash Provided by Operating Activities	 <u>\$ 321,034</u>	 <u>\$ 935,153</u>	 <u>\$ 404,473</u>	 <u>\$ 1,660,660</u>
 Noncash Capital Financing and Investing Activities				
Amortization of deferred charges	<u>\$ 2,855</u>	<u>\$ 15,462</u>	<u>\$ 1,404</u>	<u>\$ 19,721</u>
Capital assets acquired on account	<u>\$ -</u>	<u>\$ 85,296</u>	<u>\$ -</u>	<u>\$ 85,296</u>

The notes to the financial statements are an integral part of this statement.

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City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of West St. Paul, Minnesota (the City) operates under its own "Home Rule Charter." Under this Charter, the government of the City is governed by the City Council composed of an elected Mayor and six elected City Council Members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. The City has the following component unit:

***Blended Component Unit***

The Economic Development Authority (EDA) is an entity legally separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the six City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## Note 1: Summary of Significant Accounting Policies (Continued)

### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Economic Development Authority Fund* accounts for the facilitation of redevelopment of property within the City. The City established the EDA according to Minnesota Statute §469.109. Significant revenue sources for the EDA are general property taxes and intergovernmental revenues.

The *Debt Service fund* accounts for the accumulation of resources and payment of bond principal and interest from governmental resources when the City is obligated in some manner for the payment.

The *Permanent Improvement Revolving Fund* accounts for the costs of constructing various street, sanitary sewer, storm sewer, and water projects. These costs are accumulated until it becomes prudent to issue bonds. The bond proceeds are then placed here to finance future construction. Thus, the fund acts as a large, revolving pool of working capital. It is also used to account for construction done on designated state-aid streets. Financing is provided by State grants for specific state-aid street projects. State law requires that these grants be used for the projects specified in the grant application, or on similar state-aid street projects.

The *TIF Districts Fund* accounts for the activities within the City's four tax increment districts.

The City reports the following major proprietary funds:

The *Storm Sewer fund* accounts for the costs associated with the City's storm sewer system and ensure that user charges are sufficient to pay for those costs.

The *Sanitary Sewer fund* accounts for the costs associated with the City's sewer system and ensure that user charges are sufficient to pay for those costs.

The *Recreation Fund* accounts for City-owned recreation operations consisting of a golf course, civic center arena, athletic center and swimming pool.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are other charges between the City's water, storm sewer and sanitary sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## Note 1: Summary of Significant Accounting Policies (Continued)

### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

#### *Deposits and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares. Earnings on investments are allocated to the individual funds based upon the average cash and investment balances.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's recurring fair value measurements are listed in detail on page 73.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies (Continued)**

The City has the following recurring fair value measurements as of December 31, 2019:

- Government Agency Securities of \$3,344,442 are valued using quoted market prices (Level 1 inputs)
- Municipal Bonds and Certificates of Deposit of \$13,196,013 are valued using a matrix pricing model (Level 2 inputs)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

***Property Taxes***

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

In the government-wide financial statements, the City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported

In the fund financial statements, the City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes and credits not collected by the County by December 31 (remitted to the City the following January) are classified as delinquent taxes receivable. Delinquent taxes receivable are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

***Accounts Receivable***

Accounts receivable include amounts billed for services provided before year end. Property taxes and special assessments have been reported net of estimated uncollectible accounts. Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

***Special Assessments***

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

## **Note 1: Summary of Significant Accounting Policies (Continued)**

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to a tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

In the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported

In the fund financial statements, Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

### ***Interfund Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### ***Inventories***

Inventories of the proprietary funds are recorded at cost, using the first-in, first-out (FIFO) method. Inventories are recorded as expenditures when consumed.

### ***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

### ***Assets Held for Resale***

Assets held for resale is valued at the lower of cost or realizable value. Due to the nature of redevelopment activities, cost is frequently higher than realizable value. Realizable values are determined using appraised values or estimated actual sales price.

### ***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks, and similar items), and intangible assets such as easements and computer software are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (except for easements which is \$50,000 and software which is \$10,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or con trusted. Donated capital assets are recorded at acquisition value at the date of donation.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies (Continued)**

Pursuant to GASB Statement 34, in the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City implemented GASB 51, Accounting and Financial Reporting for Intangible Assets effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City had not accounted for computer software at historical cost and therefore retroactive reporting was necessary. The City was able to obtain historical costs and acquisition value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Live in Years
Buildings and Improvements	20 to 50
Machinery and Equipment	5 to 20
Motor Vehicles	5 to 20
Trails, Sidewalks and Streetlights	30
Storm Sewers	50
Streets	40
Distribution and Collection Systems	50 to 75
Software	5

***Deferred Outflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statements of net position. These items result from actuarial calculations and current year pension contributions and other postemployment benefits contributions made subsequent to the measurement date.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Pensions***

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERP, PEPFP and DCP is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Total All Plans
	GERP	PEPFP	DCP	
	Pension Expense	\$ 120,753	\$ 644,296	

***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is vested as severance pay. The General fund is typically used to liquidate governmental compensated absences payable.

The City's policy regarding vacation leave is contained in the City Code, Section 310.37. Vacation leave may be accumulated by an employee up to a maximum of twice the annual amount that they are eligible for at any point in time. Upon separation from City service, the employee can receive all unused vacation leave as severance pay, subject to this limitation.

The City's policy regarding sick leave is contained in the City Code, Section 310.43. The maximum accumulation allowed is 120 working days. Upon the employee's termination from City service, the City will pay a portion of accumulated sick leave as severance pay based on years of service.

***Deferred Inflows of Resources***

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, *unavailable revenue* and *deferred pension resources*.

- *Unavailable revenue* arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.

## Note 1: Summary of Significant Accounting Policies (Continued)

### ***Postemployment Benefits Other Than Pensions***

Under Minnesota statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at December 31, 2018. The General fund is typically used to liquidate governmental other postemployment benefits payable

### ***Long-term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### ***Fund Balance***

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

*Restricted* - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

*Assigned* - Amounts constrained for specific purposes that are internally imposed. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by the Finance Director to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

## Note 1: Summary of Significant Accounting Policies (Continued)

### **Net Position**

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

## Note 2: Stewardship, Compliance and Accountability

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and special revenue funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management. The budget was not amended during 2019.

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The City Manager is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council as allowed by City Charter.
5. Formal budgetary integration is employed as a management control device during the year for the General fund and special revenue funds.
6. Supplementary budgets are adopted for the debt service and proprietary funds. These budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance, respectively, and are not reflected in the financial statements, because these are adopted for management purposes only and do not represent a legally adopted budget.
7. A capital improvement program is reviewed annually by the City Council for the capital projects funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Budgeted appropriations for expenditures are controlled at the departmental level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services and benefits; materials, supplies, services, capital outlay) within each activity.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 2: Stewardship, Compliance and Accountability (Continued)**

**B. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2019 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Nonmajor Governmental Insurance Fund	\$ 508,800	\$ 549,266	\$ 40,466

The excess of expenditures over appropriations for these funds were funded by both revenues in excess of budget and the use of reserves.

**C. Deficit Fund Equity**

The following funds had deficits at December 31, 2019:

Fund	Amount
Major Governmental TIF District	\$ 721,247
Nonmajor Governmental Community Events	2,306
Public Works Facility	39,690
River to River Trail	417,533

The fund balance deficits will be eliminated with future revenues and transfers from other funds.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

### Note 3: Detailed Notes on All Funds

#### A. Deposits and Investments

##### *Deposits*

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$1,369,607 and the bank balance was \$1,399,272. The bank balance was covered by federal depository insurance totaling \$458,045. The remaining balance was covered by collateral held by the City's agent in the City's name.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**Investments**

As of December 31, 2019, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
<b>Pooled Investments at Amortized Costs</b>						
4M Fund	N/A	less than 1 year	\$ 16,763			
Broker Money Market Funds	N/A	less than 1 year	6,792,252			
Mutual Fund	N/A	less than 1 year	3,891,940			
<b>Non-pooled Investments at Fair Value</b>						
US Government Securities	Aaa	1 to 5 years	1,846,787	\$ 1,846,787	\$ -	\$ -
US Government Securities	Aaa	more than 5 years	1,497,655	1,497,655	-	-
Taxable Municipal Bonds	Aaa	1 to 5 years	497,035	-	497,035	-
Taxable Municipal Bonds	Aaa	more than 5 years	925,465	-	925,465	-
Taxable Municipal Bonds	Aa	1 to 5 years	647,946	-	647,946	-
Taxable Municipal Bonds	Aa	more than 5 years	2,007,248	-	2,007,248	-
Brokered Certificates of Deposit	N/A	less than 1 year	2,162,843	-	2,162,843	-
Brokered Certificates of Deposit	N/A	1 to 5 years	6,955,476	-	6,955,476	-
<b>Total Investments</b>			<b>\$ 27,241,410</b>	<b>\$ 3,344,442</b>	<b>\$ 13,196,013</b>	<b>\$ -</b>

- (1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.  
(2) Interest rate risk is disclosed using the segmented time distribution method.  
(3) Internal investment in City of West St. Paul 1995 gross revenue golf course bonds, which are not rated.  
N/A Indicates not applicable or available.

**Cash and Investments Summary**

A reconciliation of cash and temporary investments as shown on the financial statements for the City follows:

Carrying Amount of Deposits	\$ 1,369,607
Investments	<u>27,241,410</u>
<b>Total</b>	<b><u>\$ 28,611,017</u></b>
As Reported on the Financial Statements	
Statement of net position	
Cash and temporary investments	<u>\$ 28,611,017</u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

The investments of the City are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated "A" or better by a national bond rating service for general obligation and rated "AA" or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated "A" or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City's investment policy does not place further restrictions on investment options.
- *Custodial Credit Risk.* For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City's investment policy does not address custodial risk. However, investments in securities are held by the City's broker-dealer of which \$500,000 is insured through SIPC. The broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealer's accounts.
- *Concentration of Credit risk.* The City's investment policy places limits on various security types as a percentage of the total portfolio. United States governmental securities are allowed to be 100% of the portfolio. State and local securities cannot exceed 40% of the portfolio. The City has placed limits on other types of securities, but has not invested in these types. The City places no limit on the amount the City may invest in any one issuer (except commercial paper).
- *Interest Rate Risk.* The City's investment policy states the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be structured so that securities mature concurrent with cash needs to meet anticipated demands and the portfolio should consist largely of securities with active secondary or resale markets.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 5,043,391	\$ -	\$ -	\$ 5,043,391
Construction in progress	3,444,990	3,388,017	(2,287,203)	4,545,804
Total Capital Assets not Being Depreciated	<u>8,488,381</u>	<u>3,388,017</u>	<u>(2,287,203)</u>	<u>9,589,195</u>
Capital Assets Being Depreciated				
Buildings	11,980,417	868,270	-	12,848,687
Improvements other than buildings	8,763,161	7,800	-	8,770,961
Vehicles, machinery and equipment	4,402,520	371,067	-	4,773,587
Software	360,634	245,428	-	606,062
Infrastructure	65,209,829	1,173,505	(206,985)	66,176,349
Total Capital Assets Being Depreciated	<u>90,716,561</u>	<u>2,666,070</u>	<u>(206,985)</u>	<u>93,175,646</u>
Less Accumulated Depreciation for				
Buildings	(4,144,609)	(407,811)	-	(4,552,420)
Improvements other than buildings	(1,033,249)	(91,935)	-	(1,125,184)
Machinery and equipment	(2,706,245)	(508,083)	-	(3,214,328)
Software	(335,445)	(16,712)	-	(352,157)
Infrastructure	(32,660,499)	(1,647,798)	206,985	(34,101,312)
Total Accumulated Depreciation	<u>(40,880,047)</u>	<u>(2,672,339)</u>	<u>206,985</u>	<u>(43,345,401)</u>
Total Capital Assets Being Depreciated, Net	<u>49,836,514</u>	<u>(6,269)</u>	<u>-</u>	<u>49,830,245</u>
Governmental Activities Capital Assets, Net	<u>\$ 58,324,895</u>	<u>\$ 3,381,748</u>	<u>\$ (2,287,203)</u>	<u>\$ 59,419,440</u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,144,168	\$ -	\$ -	\$ 1,144,168
Construction in progress	132,052	1,086,979	-	1,219,031
Total Capital Assets not Being Depreciated	<u>1,276,220</u>	<u>1,086,979</u>	<u>-</u>	<u>2,363,199</u>
Capital Assets Being Depreciated				
Buildings and improvements	15,368,996	-	-	15,368,996
Distribution and collection systems	18,276,918	-	-	18,276,918
Machinery and equipment	1,338,996	115,132	-	1,454,128
Total Capital Assets Being Depreciated	<u>34,984,910</u>	<u>115,132</u>	<u>-</u>	<u>35,100,042</u>
Less Accumulated Depreciation for				
Buildings and improvements	(5,386,966)	(476,317)	-	(5,863,283)
Distribution and collection systems	(8,509,919)	(367,821)	-	(8,877,740)
Machinery and equipment	(912,428)	(136,094)	-	(1,048,522)
Total Accumulated Depreciation	<u>(14,809,313)</u>	<u>(980,232)</u>	<u>-</u>	<u>(15,789,545)</u>
Total Capital Assets Being Depreciated, Net	<u>20,175,597</u>	<u>(865,100)</u>	<u>-</u>	<u>19,310,497</u>
Business-type Activities Capital Assets, Net	<u>\$ 21,451,817</u>	<u>\$ 221,879</u>	<u>\$ -</u>	<u>\$ 21,673,696</u>

Depreciation expense was charged to functions/programs of the City as follows:

<b>Governmental Activities</b>		
General government		\$ 356,977
Public safety		127,469
Public works		1,982,888
Parks and recreation		<u>205,005</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 2,672,339</u>
<b>Business-type Activities</b>		
Storm sewer		\$ 207,740
Sanitary sewer		341,946
Recreation		<u>430,546</u>
Total Depreciation Expense - Business-type Activities		<u>\$ 980,232</u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**C. Construction Commitments**

The City had the following outstanding construction commitments at December 31, 2019:

Project	Spent to Date	Remaining Commitment
Marie and Oakdale Trail	\$ 1,610,245	\$ 160,622
2019 Street Improvement Project	3,745,630	484,262
Police Renovation	95,790	656,810

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Economic Development Authority	TIF Districts	To fund tax increment projects	\$ 1,136,296
General	Nonmajor Governmental Funds	To provide cash flows	40,000
General	Nonmajor Governmental Funds	To provide cash flows	420,000
General	Nonmajor Governmental Funds	To provide cash flows	10,613
Total			<u>\$ 1,606,909</u>

Interfund loans are not expected to be collected in full within one year. These loans will be repaid with future tax increment collections, intergovernmental receipts and bond proceeds.

The City made transfers during the fiscal year 2019 as shown and described below:

Fund	Transfer In		
	General	Debt Service	Total
Transfer Out			
TIF Districts	\$ -	\$ 98,535	\$ 98,535
Storm Sewer	150,000	-	150,000
Sanitary Sewer	450,000	-	450,000
Recreation	50,000	-	50,000
Total	<u>\$ 650,000</u>	<u>\$ 98,535</u>	<u>\$ 748,535</u>

During the year, transfers are used to 1) transfer funds to the General fund for indirect costs and administrative support and 2) transfer tax increment resources to pay debt service.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**E. Long-term Debt**

General Obligation (G.O.) Bonds

The City issues G.O. and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, bonds have been issued to refund G.O., G.O. tax increment, G.O. special assessment, and G.O. revenue bonds.

On November 28, 2016, the City issued \$4,825,000 of G.O. Street Reconstruction bonds that are guaranteed through a Credit Enhancement Program. Agreement with the Minnesota Public Facilities Authority which is acting on behalf of the State of Minnesota. The provisions of the agreement shall be binding on the City as long as the obligations of the issue remain outstanding. Through December 31, 2019, the Authority has made one scheduled payment on the obligation on behalf of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Abatement Bonds, Series 2014A	\$ 4,845,000	2.00 - 3.38 %	6/24/2014	2/1/2035	\$ 4,040,000
G.O. Street Reconstruction Bonds, Series 2014B	4,930,000	2.00 - 3.25	6/24/2014	2/1/2030	3,785,000
G.O. Refunding Bonds, Series 2015A	5,685,000	2.90 - 3.00	6/24/2015	2/1/2035	4,995,000
G.O. Street Reconstruction Bonds, Series 2016B	4,825,000	2.00 - 2.75	11/28/2016	2/1/2032	4,285,000
G.O. Improvement Bonds Series 2017A	4,825,000	3.00 - 4.00	5/22/2017	2/1/2033	4,565,000
G.O. Street Reconstruction Bonds, Series 2017B	5,175,000	3.00 - 4.00	5/22/2017	2/1/2033	4,910,000
G.O. Improvement Bonds Series 2018A	7,260,000	3.00 - 4.00	6/26/2018	2/1/2034	<u>7,260,000</u>
Total G.O. Bonds					<u><u>\$ 33,840,000</u></u>

Annual debt service requirements to maturity for G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,910,000	\$ 1,021,983	\$ 2,931,983
2021	1,965,000	962,583	2,927,583
2022	2,020,000	899,783	2,919,783
2023	2,090,000	833,083	2,923,083
2024	2,185,000	763,070	2,948,070
2025 - 2029	12,130,000	2,691,952	14,821,952
2030 - 2034	10,810,000	857,463	11,667,463
2035	<u>730,000</u>	<u>11,319</u>	<u>741,319</u>
Total	<u><u>\$ 33,840,000</u></u>	<u><u>\$ 8,041,236</u></u>	<u><u>\$ 41,881,236</u></u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

G.O. Improvement Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement and Refunding Bonds, Series 2010A	\$ 2,940,000	3.00 - 3.75 %	12/29/2010	2/1/2026	\$ 1,290,000
G.O. Improvement and Refunding Bonds, Series 2012C	3,795,000	0.40 - 1.45	12/27/2012	2/1/2023	1,240,000
G.O. Improvement and Refunding Bonds, Series 2013A	1,530,000	2.00 - 2.30	5/13/2013	2/1/2024	790,000
G.O. Improvement and Refunding Bonds, Series 2015A	1,195,000	2.90 - 3.00	6/24/2015	2/1/2022	615,000
G.O. Improvement and Refunding Bonds, Series 2015B	995,000	2.00	12/1/2015	12/1/2023	485,000
G.O. Improvement Bonds, Series 2018A	2,290,000	3.00 - 4.00	6/26/2018	2/1/2034	2,290,000
G.O. Improvement Bonds, Series 2019A	5,325,000	2.00 - 3.00	8/26/2019	2/1/2035	<u>5,325,000</u>
 Total G.O. Improvement Bonds					 <u><u>\$ 12,035,000</u></u>

Annual debt service requirements to maturity for general obligation improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,065,000	\$ 297,122	\$ 1,362,122
2021	1,340,000	286,106	1,626,106
2022	1,430,000	251,098	1,681,098
2023	1,245,000	216,530	1,461,530
2024	825,000	185,795	1,010,795
2025 - 2029	2,915,000	606,763	3,521,763
2030 - 2034	2,805,000	216,213	3,021,213
2035	410,000	4,305	414,305
 Total	 <u><u>\$ 12,035,000</u></u>	 <u><u>\$ 2,063,932</u></u>	 <u><u>\$ 14,098,932</u></u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

G.O. Tax Increment Bonds

The following bonds were issued for redevelopment projects. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. TIF Refunding Bonds, Series 2015C	\$ 1,320,000	1.50 - 3.00 %	12/1/2015	2/1/2031	<u>\$ 1,125,000</u>

Annual debt service requirements to maturity for G.O. tax increment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 75,000	\$ 28,060	\$ 103,060
2021	80,000	26,954	106,954
2022	75,000	25,753	100,753
2023	80,000	24,458	104,458
2024	90,000	23,063	113,063
2025 - 2029	495,000	84,436	579,436
2030 - 2031	230,000	15,600	245,600
Total	<u>\$ 1,125,000</u>	<u>\$ 228,324</u>	<u>\$ 1,353,324</u>

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds.

The Golf Course Bonds and the G.O. Sewer Revenue Bonds will be repaid from future revenues pledged from the enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Storm Sewer	Sanitary Sewer	Recreation (Regional Athletic Center)
Net Operating Revenues	\$ 464,919	\$ 4,362,210	\$ 806,682
Principal and Interest	80,269	633,637	313,643
Percentage of Revenues	17 %	15 %	39 %

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

The Tax Abatement Bonds and interest thereon are payable from abatements collected from certain property in the City. If abatement revenues are insufficient to meet principal and interest due, the City is required to levy ad valorem taxes without limit as to rate or amount on all taxable property in the City to make up the deficiency.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Golf Course Bonds, Series 1995	\$ 970,000	6.50 %	7/1/1995	12/1/2022	\$ 245,000
G.O. Sewer Refunding Bonds Series 2009A	1,315,000	2.50 - 4.60	3/18/2009	2/1/2018	125,000
G.O. Sewer Revenue Bonds, Series 2009A	1,545,000	2.00 - 3.50	11/18/2009	2/1/2020	175,000
G.O. Tax Abatement Bonds, Series 2012A	2,520,000	2.00 - 2.75	8/14/2012	2/1/2026	1,485,000
G.O. Tax Abatement Bonds, Series 2012B	2,560,000	2.13 - 2.75	8/14/2012	2/1/2034	2,560,000
G.O. Sewer Revenue Bonds, Series 2016A	5,110,000	2.10 - 3.00	6/16/2016	2/1/2032	4,540,000
G.O. Sewer Revenue Bonds, Series 2016A	1,130,000	2.00 - 3.00	8/26/2019	2/1/2035	<u>1,130,000</u>
 Total G.O. Revenue Bonds					 <u><u>\$ 10,260,000</u></u>

Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2020	\$ 1,065,000	\$ 235,028	\$ 1,300,028
2021	580,000	215,353	795,353
2022	605,000	198,079	803,079
2023	625,000	179,710	804,710
2024	640,000	162,336	802,336
2025 - 2029	3,500,000	575,073	4,075,073
2030 - 2034	3,155,000	172,787	3,327,787
2035	90,000	1,609	91,609
 Total	 <u><u>\$ 10,260,000</u></u>	 <u><u>\$ 1,739,975</u></u>	 <u><u>\$ 11,999,975</u></u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

Changes in Long-term Liabilities

Noncurrent liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
G.O. bonds	\$ 35,340,000	\$ -	\$ (1,500,000)	\$ 33,840,000	\$ 1,910,000
G.O. improvement bonds	7,740,000	5,325,000	(1,030,000)	12,035,000	1,065,000
G.O. tax increment bonds	1,195,000	-	(70,000)	1,125,000	75,000
Bond premium	1,482,728	311,029	(139,092)	1,654,665	-
Total Bonds Payable	<u>45,757,728</u>	<u>5,636,029</u>	<u>(2,739,092)</u>	<u>48,654,665</u>	<u>3,050,000</u>
Compensated Absences Payable	<u>882,882</u>	<u>480,170</u>	<u>(502,020)</u>	<u>861,032</u>	<u>473,568</u>
Governmental Activity Long-term Liabilities	<u>\$ 46,640,610</u>	<u>\$ 6,116,199</u>	<u>\$ (3,241,112)</u>	<u>\$ 49,515,697</u>	<u>\$ 3,523,568</u>
<b>Business-type Activities</b>					
Bonds Payable					
G.O. revenue bonds	\$ 9,930,000	\$ 1,130,000	\$ (800,000)	\$ 10,260,000	\$ 1,065,000
Bond premium	199,664	65,285	(21,775)	243,174	-
Bond discount	(4,110)	-	2,054	(2,056)	-
Total Bonds Payable	<u>10,125,554</u>	<u>1,195,285</u>	<u>(819,721)</u>	<u>10,501,118</u>	<u>1,065,000</u>
Compensated Absences Payable	<u>40,143</u>	<u>31,759</u>	<u>(32,633)</u>	<u>39,269</u>	<u>21,598</u>
Business-type Activity Long-term Liabilities	<u>\$ 10,165,697</u>	<u>\$ 1,227,044</u>	<u>\$ (852,354)</u>	<u>\$ 10,540,387</u>	<u>\$ 1,086,598</u>

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 3: Detailed Notes on All Funds (Continued)**

**F. Fund Balance Classification**

At December 31, 2019, a summary of the governmental fund balance classifications are as follows:

	General	Economic Development Authority	Debt Service	Permanent Improvement Revolving	TIF Districts	Other Governmental Funds	Total
<b>Nonspendable</b>							
Notes receivable	\$ 26,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,200
Advances to other funds	470,613	-	-	-	-	-	470,613
Prepaid items	137,469	1,295	-	-	-	-	138,764
<b>Total Nonspendable</b>	<b>\$ 634,282</b>	<b>\$ 1,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 635,577</b>
<b>Restricted for</b>							
Debt service	\$ -	\$ -	\$ 6,869,583	\$ -	\$ -	\$ -	\$ 6,869,583
Capital Improvements	-	-	-	3,030,035	-	-	3,030,035
Economic development	-	-	-	-	359,411	-	359,411
Police	-	-	-	-	-	2,900	2,900
<b>Total Restricted</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,869,583</b>	<b>\$ 3,030,035</b>	<b>\$ 359,411</b>	<b>\$ 2,900</b>	<b>\$ 10,261,929</b>
<b>Committed to</b>							
Economic development	\$ -	\$ 3,112,990	\$ -	\$ -	\$ -	\$ -	\$ 3,112,990
Insurance deductibles, litigation, risk mitigation	-	-	-	-	-	141,879	141,879
<b>Total committed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 141,879</b>	<b>\$ 3,254,869</b>
<b>Assigned to</b>							
Street maintenance	\$ -	\$ -	\$ -	\$ 433,733	\$ -	\$ -	\$ 433,733
Equipment acquisition	-	-	-	-	-	1,361,275	1,361,275
Technology replacement	-	-	-	-	-	202,551	202,551
Park improvements	-	-	-	-	-	965,729	965,729
Capital facilities	-	-	-	-	-	824,670	824,670
<b>Total Assigned</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 433,733</b>	<b>\$ -</b>	<b>\$ 3,354,225</b>	<b>\$ 3,787,958</b>

## Note 4: Defined Benefit Pension Plans - Statewide

### A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

#### General Employees Retirement Plan (GERP)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Plan (GERP). GERP members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

#### Public Employees Police and Fire Plan (PEPFP)

The PEPFP, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFP also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

### B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

#### GERP Benefits

GERP benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

#### PEPFP Benefits

Benefits for the PEPFP members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for PEPFP members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

*Minnesota statutes* chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2019, 2018 and 2017 were \$301,157, \$294,604 and \$292,968, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.80 percent of pay to 11.30 percent and employer rates increased from 16.20 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the years ending December 31, 2019, 2018 and 2017 were \$506,520, \$463,200 and \$443,980, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2019, the City reported a liability of \$3,118,230 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$96,996. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.0564 percent which was an decrease of (0.0023) percent from its proportion measured as of June 30, 2018.

City's Proportionate Share of the Net Pension Liability	\$ 3,118,230
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	96,996
Total	\$ 3,215,226

For the year ended December 31, 2019, the City recognized pension expense of \$113,489 for its proportionate share of the General Employees Fund's pension expense. In addition, the City recognized \$7,264 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

At December 31, 2019, the City reported its proportionate share of General Employees Fund's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 107,698	\$ 5,521
Changes in Actuarial Assumptions	12,031	261,142
Net Difference Between Projected and Actual Earnings on Plan Investments	-	336,949
Changes in Proportion	63,700	107,345
Contributions to PERA Subsequent to the Measurement Date	149,123	-
Total	\$ 332,552	\$ 710,957

The \$149,123 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (152,046)
2021	(276,490)
2022	(104,017)
2023	5,025

Police and Fire Fund Pension Costs

At December 31, 2019, the City reported a liability of \$2,945,751 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.2767 percent which was an increase of 0.0113 percent from its proportionate share measured as of June 30, 2018.

For the year ended December 31, 2019, the City recognized pension expense of \$606,941 for its proportionate share of the Police and Fire Plan's pension expense. The City also recognized \$37,355 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City recognized pension expense of \$37,355 for its proportionate share of the Police and Fire Plan's pension expense.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

At December 31, 2019, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 131,657	\$ 488,105
Changes in Actuarial Assumptions	2,482,394	3,319,292
Net Difference Between Projected and Actual Earnings on Plan Investments	-	577,565
Changes in Proportion	250,524	34,801
Contributions Paid to PERA subsequent to the Measurement Date	254,719	-
Total	<b>\$ 3,119,294</b>	<b>\$ 4,419,763</b>

The \$254,719 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020	\$ (154,883)
2021	(385,209)
2022	(1,076,237)
2023	31,666
2024	29,475

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for General Employees Plan and 1.0 percent per year for Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employee Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

The following changes in actuarial assumptions and plan provisions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	35.5 %	5.10 %
Private Markets	25.0	5.90
Fixed Income	20.0	0.75
International Equity	17.5	5.90
Cash Equivalents	<u>2.0</u>	-
Total	<u><u>100.0 %</u></u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2019 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**G. Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	General Employees Fund	\$ 5,126,202	\$ 3,118,230
Police and Fire Fund	6,438,864	2,945,751	57

**H. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Note 5: Defined Contribution Plan**

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota statutes, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City during the fiscal year 2019 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,312	\$ 1,312	5.00%	5.00%	5.00%

The City's contributions to the PEDCP for the years ended December 31, 2019, 2018 and 2017 were \$1,312, \$1,518 and \$1,518, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 6: Postemployment Benefits Other Than Pensions**

**A. Plan Description**

In addition to providing the pension benefits described in Note 5, the City provides post-employment health care benefits (OPEB) for retired employees and police and firefighters disabled in the line of duty through a single-employer defined benefit plan. The City of West St. Paul, Minnesota's OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

**B. Benefits Provided**

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement or disability benefits from a Minnesota public pension plan. The employee may continue to participate in the City's group health insurance plan that the employee was a participant of immediately prior to retirement. Employees may obtain dependent coverage at retirement only if the employee was receiving dependent coverage immediately prior to retirement. Covered spouses may continue coverage after the retiree's death. The surviving spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

All health care benefits are provided through the City's group health insurance plans. The retiree pays 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

**C. Participants**

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	14
Active Plan Members	<u>82</u>
Total Plan Members	<u><u>96</u></u>

**D. Funding Policy**

Retiree health care benefits are currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time. For the year ended December 31, 2019, the City's average contribution rate was 27.34 percent of covered-employee payroll. For the year 2019, the City directly contributed \$136,702 to the Plan, while implicit contributions totaled \$75,426.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 6: Postemployment Benefits Other Than Pensions (Continued)**

**E. Actuarial Methods and Assumptions**

The City's total OPEB liability of \$1,908,794 was measured as of December 31, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2018

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.71%
20-Year Municipal Bond Yield	3.71%
Inflation Rate	2.50%
Medical Trend Rate	6.40% in 2019 gradually decreasing to 4.00% over several deca

The discount rate used to measure the total OPEB liability was 3.71 percent.

Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments.

Health care cost trend rate was 6.40% for FY2019, gradually decreasing over several decades to an ultimate rate of 4.00% in FY2075 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high- cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.35% beginning calendar year 2022 for plans other than Medicare plans.

The actuarial assumptions used in the December 31, 2018 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

**F. Changes in the Total OPEB Liability**

	Total OPEB Liability (a)
Balances at December 31, 2018	\$ 2,104,301
Changes for the Year:	
Service cost	81,245
Interest	70,079
Changes in benefit terms	11,362
Differences between expected and actual experience	(221,491)
Benefit payments	(136,702)
Net Changes	(195,507)
Balances at December 31, 2019	\$ 1,908,794

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 6: Postemployment Benefits Other Than Pensions (Continued)**

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality and salary increase rates were updated to the rates used in the 7/1/2018 PERA General and Police & Fire Employees Retirement Plan actuarial valuation.
- The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

Since the prior measurement date there have been no changes to the benefit terms.

**G. Sensitivity of the Total OPEB Liability**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.71 percent) or 1-percentage-point higher (4.71 percent) than the current discount rate:

1 Percent Decrease (2.71%)	Current (3.71%)	1 Percent Increase (4.71%)
\$ 2,032,354	\$ 1,908,794	\$ 1,792,330

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.4 percent decreasing to 3 percent) or 1-percentage-point higher (7.4 percent increasing to 5 percent) than the current trend rate:

1 Percent Decrease (5.4% Decreasing to 3%)	Healthcare Cost Trend Rates (6.4% Decreasing to 4%)	1 Percent Increase (7.4% Decreasing to 5%)
\$ 1,769,457	\$ 1,908,794	\$ 2,065,859

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2019, the City recognized negative OPEB expense of (\$58,805). At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to OPEB Subsequent to the Measurement Date	\$ 212,128	\$ -

Deferred outflows of resources totaling \$212,128 related to pension resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2020.

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 7: Joint Powers Agreements**

**A. DCC - Joint Powers Debt Commitment**

On August 25, 2005, the City entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount and South St. Paul, Minnesota and, Dakota County Minnesota, to establish the Dakota Communications Center (DCC), a Minnesota nonprofit corporation. The purpose of the DCC is to engage in the operation and maintenance of a county-wide public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents residing in the abovementioned cities and county. Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

Information regarding the Dakota Communications Center can be obtained at the website [www.mn-dcc.org/stats.asp](http://www.mn-dcc.org/stats.asp).

**B. South Metro Fire Department**

The City entered into a joint power agreement with the City of South St. Paul to consolidate the cities of West St. Paul and South St. Paul fire departments thereby creating a new entity known as the South Metro Fire Department (SMFD) as of January 1, 2008, the operational date.

The SMFD is governed by a five-member board of directors (Board) that include two council members from each joint city, and one public member which is not an employee nor a resident of either city. The City Council from each respective city appoints four out of the five members to the board. The process for filling the public member position is as follows:

1. The Board shall approve 3 names to be forwarded to each City Council.
2. Each City Council shall rank each nominee in order of preference.
3. If the highest ranked person is the same on each list, then that person is appointed by each Council.

As required by the agreement, the City transferred fire department property and equipment to the SMFD on January 1, 2008, retaining its rights to these assets in the event of SMFD's dissolution. The property and equipment had an estimated original value of \$1,446,249.

The activities of the SMFD are funded substantially by the Cities of West St. Paul and South St. Paul, with each contributing an equal share of the SMFD annual budget which must be approved by the Board by a four-fifths vote of all of its members. In addition, each City performed in-kind contributed services of approximate equal value during 2019 with additional service agreements in future years. Information regarding the South Metro Fire Department can be obtained at the website [www.southmetrofire.com](http://www.southmetrofire.com).

Financial statements may be obtained by writing to the South Metro Fire Department, 1616 Humboldt Avenue, West St. Paul, MN 55118

City of West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2019

**Note 8: Other Information**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

**B. Tax Increment Financing Districts**

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

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result, they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

**C. Conduit Debt Obligations**

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there was one series of Housing Revenue Bonds outstanding as follows:

Description	Amount Issued	Balance at Year End
2017 Walker Methodist Refinancing Bond	<u>\$ 29,240,000</u>	<u>\$ 28,410,000</u>

**D. Golf Course Land Use Agreement**

A portion of the City's golf course is located on property owned by a third party. The City entered into an agreement with the third party which guarantees that the City will have exclusive rights to use this property in exchange for limited exclusive rights for the third party to use a portion of certain City owned parkland. The term of this agreement expires June 30, 2024.

**Note 9: Subsequent Event**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the City is unable to determine if it will have a material impact to its operations.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

City of West St. Paul, Minnesota  
 Required Supplementary Information  
 For the Year Ended December 31, 2019

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability
6/30/2019	0.0564 %	\$ 3,118,230	\$ 96,996	\$ 3,215,226	\$3,995,212	80.5 %	80.2 %
6/30/2018	0.0587	3,256,435	106,948	3,363,383	3,935,338	85.5	79.5
6/30/2017	0.0580	3,702,682	46,570	3,749,252	3,737,414	100.3	75.9
6/30/2016	0.0553	4,490,086	-	4,490,086	3,425,146	131.1	68.9
6/30/2015	0.0549	2,845,203	-	2,845,203	3,226,884	88.2	78.2

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of Employer's PERA Contributions - General Employees Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2019	\$ 301,157	\$ 301,157	\$ -	\$ 4,015,430	7.5 %
12/31/2018	294,604	294,604	-	3,928,058	7.5
12/31/2017	292,968	292,968	-	3,906,241	7.5
12/31/2016	269,660	269,660	-	3,595,466	7.5
12/31/2015	238,068	238,068	-	3,174,240	7.5

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

City of West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2019

**Notes to the Required Supplementary Information - General Employee Fund**

Changes in Actuarial Assumptions

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2017 - The State's special funding contribution increased from \$6 million to \$16 million.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of West St. Paul, Minnesota  
 Required Supplementary Information (Continued)  
 For the Year Ended December 31, 2019

**Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability
6/30/2019	0.2767 %	\$ 2,945,751	\$ -	\$ 2,945,751	\$ 2,917,736	101.0 %	89.3 %
6/30/2018	0.2654	2,828,891	-	2,828,891	2,797,151	101.1	88.8
6/30/2017	0.2600	3,510,309	-	3,510,309	2,665,352	131.7	85.4
6/30/2016	0.2600	10,434,252	-	10,434,252	2,502,937	416.9	63.9
6/30/2015	0.2680	3,045,107	-	3,045,107	2,450,436	124.3	86.6

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of Employer's PERA Contributions - Police and Fire Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2019	\$ 506,520	\$ 506,520	\$ -	\$ 2,988,319	16.9 %
12/31/2018	463,200	463,200	-	2,859,258	16.2
12/31/2017	443,980	443,980	-	2,740,619	16.2
12/31/2016	411,042	411,042	-	2,537,297	16.2
12/31/2015	408,245	408,245	-	2,524,529	16.2

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Notes to the Required Supplementary Information - Public Employees Police and Fire Fund**

Changes in Actuarial Assumptions

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96.

City of West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2019

**Notes to the Required Supplementary Information - Public Employees Police and Fire Fund (Continued)**

The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in Plan Provisions

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of West St. Paul, Minnesota  
 Required Supplementary Information (Continued)  
 For the Year Ended December 31, 2019

**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**

	2019	2018
Total OPEB Liability		
Service cost	\$ 81,245	\$ 70,152
Interest	70,079	76,384
Differences between expected and actual experience	(221,491)	-
Changes in assumptions	11,362	69,036
Benefit payments	(136,702)	(91,897)
Net Change in Total OPEB Liability	(195,507)	123,675
 Total OPEB Liability - Beginning	 2,104,301	 1,980,626
 Total OPEB Liability - Ending	 \$ 1,908,794	 \$ 2,104,301
 Covered - Payroll	 \$ 6,980,780	 \$ 6,454,653
 City's Total OPEB Liability as a Percentage of Covered Payroll	 27.34 %	 32.60 %

*Benefit Changes:*

In 2019, there were no changes to the benefit terms.

In 2018, there were no changes to the benefit terms.

*Changes in Assumptions:*

In 2019, the following assumptions changed:

The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.

Healthcare trend rates were reset to reflect updated cost increase expectations.

Medical per capita claims costs were updated to reflect recent experience.

Mortality and salary increase rates were updated to the rates used in the 7/1/2018 PERA General and Police Fire Employees Retirement Plan actuarial valuation.

The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates forward-looking market expectations.

In 2018, the following assumptions changes:

The health care trend rates were changed to better anticipate short term and long term medical increases.

Rates from base RP-2014 headcount-weighted table adjusted to 2006. Generational projection using scale MP-2017 was applied to these base rates after 2006.

The index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index) used in discount rate determination changed from 3.81% to 3.31%.

The discount rate was changed from 3.81% to 3.31%.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

City of West St. Paul, Minnesota  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2019

	Special Revenue	Capital Projects	Total
<b>Assets</b>			
Cash and temporary investments	\$ 116,402	\$ 3,326,048	\$ 3,442,450
Receivables			
Accounts	43,798	553,446	597,244
Accrued interest	15	6,849	6,864
Due from other governments	-	32,000	32,000
 Total Assets	 \$ 160,215	 \$ 3,918,343	 \$ 4,078,558
<b>Liabilities</b>			
Accounts payable	\$ 10,029	\$ 535,062	\$ 545,091
Due to other governments	-	21,616	21,616
Unearned revenue	-	1,763	1,763
Advances from other funds	10,613	460,000	470,613
Total Liabilities	20,642	1,018,441	1,039,083
<b>Fund Balances</b>			
Restricted	-	2,900	2,900
Committed	141,879	-	141,879
Assigned	-	3,354,225	3,354,225
Unassigned	(2,306)	(457,223)	(459,529)
Total Fund Balances	139,573	2,899,902	3,039,475
 Total Liabilities and Fund Balances	 \$ 160,215	 \$ 3,918,343	 \$ 4,078,558

City of West St. Paul, Minnesota  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For the Year Ended December 31, 2019

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 470,300	\$ 958,000	\$ 1,428,300
Intergovernmental	-	1,694,500	1,694,500
Charges for services	-	42,268	42,268
Interest on investments	372	115,796	116,168
Miscellaneous			
Insurance dividends	68,516	-	68,516
Other	28,943	4,309	33,252
Total Revenues	568,131	2,814,873	3,383,004
Expenditures			
Current			
General government	152,598	824	153,422
Public safety	184,708	3,000	187,708
Public works	148,648	-	148,648
Parks and recreation	75,589	1,585,728	1,661,317
Capital outlay			
General government	-	223,697	223,697
Public safety	-	323,927	323,927
Public works	-	114,814	114,814
Parks and recreation	-	377,956	377,956
Total Expenditures	561,543	2,629,946	3,191,489
Net Change in Fund Balances	6,588	184,927	191,515
Fund Balances, January 1	132,985	2,714,975	2,847,960
Fund Balances, December 31	\$ 139,573	\$ 2,899,902	\$ 3,039,475

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## **Nonmajor Special Revenue Funds**

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinances to finance particular functions or other activities of government.

**Community Events** - used to account for private contributions for community events.

**Insurance** - used to account for claims paid under the City's liability, property and casualty and miscellaneous insurance policy deductibles. This is not considered to be a self-insurance fund.

City of West St. Paul, Minnesota  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2019

	<b>201</b>	<b>212</b>	
	Community Events	Insurance	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and temporary investments	\$ 8,292	\$ 108,110	\$ 116,402
Receivables			
Accounts	-	43,798	43,798
Accrued interest	15	-	15
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<b><u>\$ 8,307</u></b>	<b><u>\$ 151,908</u></b>	<b><u>\$ 160,215</u></b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 10,029	\$ 10,029
Due to other funds	10,613	-	10,613
<b>Total Liabilities</b>	<b><u>10,613</u></b>	<b><u>10,029</u></b>	<b><u>20,642</u></b>
<b>Fund Balances</b>			
Committed	-	141,879	141,879
Unassigned	(2,306)	-	(2,306)
<b>Total Fund Balances</b>	<b><u>(2,306)</u></b>	<b><u>141,879</u></b>	<b><u>139,573</u></b>
<b>Total Liabilities and     Fund Balances</b>	<b><u>\$ 8,307</u></b>	<b><u>\$ 151,908</u></b>	<b><u>\$ 160,215</u></b>

City of West St. Paul, Minnesota  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For the Year Ended December 31, 2019

	<b>201</b>	<b>212</b>	
	Community Events	Insurance	Total
Revenues			
Taxes	\$ 4,000	\$ 466,300	\$ 470,300
Interest on investments	141	231	372
Miscellaneous			
Insurance dividends	-	68,516	68,516
Other	16,443	12,500	28,943
Total Revenues	<u>20,584</u>	<u>547,547</u>	<u>568,131</u>
Expenditures			
Current			
General government	12,277	140,321	152,598
Public safety	-	184,708	184,708
Public works	-	148,648	148,648
Parks and recreation	-	75,589	75,589
Total Expenditures	<u>12,277</u>	<u>549,266</u>	<u>561,543</u>
Net Change in Fund Balances	8,307	(1,719)	6,588
Fund Balances, January 1	<u>(10,613)</u>	<u>143,598</u>	<u>132,985</u>
Fund Balances, December 31	<u>\$ (2,306)</u>	<u>\$ 141,879</u>	<u>\$ 139,573</u>

City of West St. Paul, Minnesota  
Insurance Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 466,300	\$ 466,300	\$ 466,300	\$ -
Interest on investments	3,000	3,000	231	(2,769)
Miscellaneous				
Insurance dividends	39,500	39,500	68,516	29,016
Other	-	-	12,500	12,500
Total Revenues	<u>508,800</u>	<u>508,800</u>	<u>547,547</u>	<u>38,747</u>
Expenditures				
Current				
General government	36,850	36,850	31,952	4,898
Public safety	158,000	158,000	184,708	(26,708)
Public works	93,600	93,600	148,648	(55,048)
Parks and recreation	58,300	58,300	75,589	(17,289)
Unallocated	162,050	162,050	108,369	53,681
Total Expenditures	<u>508,800</u>	<u>508,800</u>	<u>549,266</u>	<u>(40,466)</u>
Net Change in Fund Balances	-	-	(1,719)	(1,719)
Fund Balances, January 1	<u>143,598</u>	<u>143,598</u>	<u>143,598</u>	-
Fund Balances, December 31	<u>\$ 143,598</u>	<u>\$ 143,598</u>	<u>\$ 141,879</u>	<u>\$ (1,719)</u>

## Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by enterprise funds.

**Vehicle and Equipment** - used to account for major capital improvements of a public works nature as set forth in the City Code, Section 315.03. Financing is provided by a specific annual property tax levy to the extent that miscellaneous revenue is not sufficient to cover the required expenditures.

**Police and Fire PERA** - used to account for the acquisition of major pieces of capital equipment. Financing is provided by the issuance of an annual capital note, pursuant to Minnesota Statutes, Section 410.32.

**Technology Replacement** - used to account for the acquisition of computer hardware and software. Financing is provided by interest earnings on a specified pool of money, which was established in 2001.

**Parks Improvement** - used to account for the acquisition, development and maintenance of the City's park infrastructure. Financing is provided by park dedication fees, donations, property taxes and interest earnings on a specified pool of money.

**Government Facilities** - used to account for costs associated with construction and capital costs relating to current and future City-owned facilities. Funding is provided through a combination of bond proceeds and transfers from other funds.

**Public Works Facility** - used to account for costs associated with construction and capital costs relating to public works facility. Funding is provided through a combination of bond proceeds and transfers from other funds.

**River to River Trail** - used to account for costs associated with constructions and capital costs relating to the River to River trail. Funding is provided through miscellaneous revenues and transfers from other funds.

City of West St. Paul, Minnesota  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet  
 December 31, 2019

	<b>401</b>	<b>409</b>	<b>411</b>	<b>413</b>
	Vehicle and Equipment	Police and Fire PERA	Technology Replacement	Parks Improvement
<b>Assets</b>				
Cash and temporary investments	\$ 1,470,408	\$ 2,894	\$ 223,753	\$ 1,012,127
Receivable				
Accounts	245,976	-	-	-
Accrued interest	3,171	6	414	1,913
Due from other governments	32,000	-	-	-
Total Assets	<u>\$ 1,751,555</u>	<u>\$ 2,900</u>	<u>\$ 224,167</u>	<u>\$ 1,014,040</u>
<b>Liabilities</b>				
Accounts payable	\$ 390,280	\$ -	\$ -	\$ 46,548
Due to other governments	-	-	21,616	-
Unearned revenue	-	-	-	1,763
Advances from other funds	-	-	-	-
Total Liabilities	390,280	-	21,616	48,311
<b>Fund Balances</b>				
Restricted	-	2,900	-	-
Assigned	1,361,275	-	202,551	965,729
Unassigned	-	-	-	-
Total Fund Balances	1,361,275	2,900	202,551	965,729
Total Liabilities and Fund Balances	<u>\$ 1,751,555</u>	<u>\$ 2,900</u>	<u>\$ 224,167</u>	<u>\$ 1,014,040</u>

<b>415</b> Government Facilities	<b>420</b> Public Works Facility	<b>421</b> River to River Trail	Total
\$ 612,379	\$ 1,513	\$ 2,974	\$ 3,326,048
307,470	-	-	553,446
1,345	-	-	6,849
-	-	-	32,000
<u>\$ 921,194</u>	<u>\$ 1,513</u>	<u>\$ 2,974</u>	<u>\$ 3,918,343</u>
\$ 96,524	\$ 1,203	\$ 507	\$ 535,062
-	-	-	21,616
-	-	-	1,763
-	40,000	420,000	460,000
<u>96,524</u>	<u>41,203</u>	<u>420,507</u>	<u>1,018,441</u>
-	-	-	2,900
824,670	-	-	3,354,225
-	(39,690)	(417,533)	(457,223)
<u>824,670</u>	<u>(39,690)</u>	<u>(417,533)</u>	<u>2,899,902</u>
<u>\$ 921,194</u>	<u>\$ 1,513</u>	<u>\$ 2,974</u>	<u>\$ 3,918,343</u>

City of West St. Paul, Minnesota  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For the Year Ended December 31, 2019

	<b>401</b>	<b>409</b>	<b>411</b>	<b>413</b>
	Vehicle and Equipment	Police and Fire PERA	Technology Replacement	Parks Improvement
Revenues				
Taxes				
Property taxes	\$ 58,000	\$ -	\$ -	\$ -
Franchise tax	400,000	-	-	-
Intergovernmental	32,000	-	100,000	400,000
Charges for services	-	-	-	42,268
Interest on investments	56,640	13	4,515	31,708
Miscellaneous	503	-	-	3,806
Total Revenues	<u>547,143</u>	<u>13</u>	<u>104,515</u>	<u>477,782</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	3,000	-	-
Parks and recreation	-	-	-	-
Capital outlay				
General government	7,459	-	60,135	-
Public safety	323,927	-	-	-
Public works	109,203	-	-	-
Parks and recreation	124,472	-	-	253,484
Total Expenditures	<u>565,061</u>	<u>3,000</u>	<u>60,135</u>	<u>253,484</u>
Net Change in Fund Balances	(17,918)	(2,987)	44,380	224,298
Fund Balances, January 1	<u>1,379,193</u>	<u>5,887</u>	<u>158,171</u>	<u>741,431</u>
Fund Balances, December 31	<u>\$ 1,361,275</u>	<u>\$ 2,900</u>	<u>\$ 202,551</u>	<u>\$ 965,729</u>

<b>415</b> Government Facilities	<b>420</b> Public Works Facility	<b>421</b> River to River Trail	Total
\$ -	\$ -	\$ -	\$ 58,000
500,000	-	-	900,000
-	-	1,162,500	1,694,500
-	-	-	42,268
22,920	-	-	115,796
-	-	-	4,309
<u>522,920</u>	<u>-</u>	<u>1,162,500</u>	<u>2,814,873</u>
824	-	-	824
-	-	-	3,000
-	17,589	1,568,139	1,585,728
156,103	-	-	223,697
-	-	-	323,927
5,611	-	-	114,814
-	-	-	377,956
<u>162,538</u>	<u>17,589</u>	<u>1,568,139</u>	<u>2,629,946</u>
360,382	(17,589)	(405,639)	184,927
<u>464,288</u>	<u>(22,101)</u>	<u>(11,894)</u>	<u>2,714,975</u>
<u>\$ 824,670</u>	<u>\$ (39,690)</u>	<u>\$ (417,533)</u>	<u>\$ 2,899,902</u>

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City of West St. Paul, Minnesota

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued on the Following Pages)

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 10,997,927	\$ 10,997,927	\$ 10,758,707	\$ (239,220)	\$ 9,936,519
Franchise taxes	70,000	70,000	175,774	105,774	946,214
Water surcharge	24,000	24,000	25,872	1,872	27,229
Total taxes	<u>11,091,927</u>	<u>11,091,927</u>	<u>10,960,353</u>	<u>(131,574)</u>	<u>10,909,962</u>
Licenses and permits					
Licenses	223,500	223,500	212,293	(11,207)	217,246
Permits	330,000	330,000	461,890	131,890	476,607
Total licenses and permits	<u>553,500</u>	<u>553,500</u>	<u>674,183</u>	<u>120,683</u>	<u>693,853</u>
Intergovernmental					
Federal					
Other	120,000	120,000	54,302	(65,698)	37,111
State					
Local government aid	495,000	495,000	443,838	(51,162)	-
PERA aid	14,361	14,361	14,361	-	14,361
Police and fire aid	276,500	276,500	303,486	26,986	324,283
Municipal state aid	40,000	40,000	40,000	-	40,000
Other	71,639	71,639	86,904	15,265	53,349
County	32,000	32,000	31,200	(800)	30,263
Total intergovernmental	<u>1,049,500</u>	<u>1,049,500</u>	<u>974,091</u>	<u>(75,409)</u>	<u>499,367</u>
Charges for services					
General government	266,778	266,778	263,797	(2,981)	269,791
Public safety	355,077	446,077	452,256	6,179	396,419
Public works	2,000	2,000	2,549	549	7,652
Parks and recreation	50,000	50,000	80,353	30,353	71,874
Community development	12,000	12,000	20,357	8,357	23,561
Total charges for services	<u>685,855</u>	<u>776,855</u>	<u>819,312</u>	<u>42,457</u>	<u>769,297</u>
Fines and forfeitures	<u>188,000</u>	<u>188,000</u>	<u>118,187</u>	<u>(69,813)</u>	<u>158,754</u>
Special assessments	<u>40,000</u>	<u>40,000</u>	<u>190,891</u>	<u>150,891</u>	<u>66,644</u>
Interest on investments	<u>125,000</u>	<u>125,000</u>	<u>277,045</u>	<u>152,045</u>	<u>43,187</u>
Miscellaneous					
Refunds and reimbursements	10,000	10,000	-	(10,000)	2,864
Contributions and donations	20,000	20,000	7,692	(12,308)	10,279
Other	13,554	13,554	28,025	14,471	42,060
Total miscellaneous	<u>43,554</u>	<u>43,554</u>	<u>35,717</u>	<u>(7,837)</u>	<u>55,203</u>
Total Revenues	<u>13,777,336</u>	<u>13,868,336</u>	<u>14,049,779</u>	<u>181,443</u>	<u>13,196,267</u>

City of West St. Paul, Minnesota  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual (Continued)  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and City Council					
Personal services	\$ 58,269	\$ 58,269	\$ 58,100	\$ 169	\$ 55,409
Supplies	100	100	-	100	-
Other services and charges	87,421	87,421	66,789	20,632	78,215
Total Mayor and City Council	<u>145,790</u>	<u>145,790</u>	<u>124,889</u>	<u>20,901</u>	<u>133,624</u>
Management and administration					
Personal services	694,776	694,776	652,179	42,597	647,017
Supplies	8,700	8,700	3,241	5,459	4,965
Other services and charges	17,018	17,018	5,857	11,161	6,326
Total management and administration	<u>720,494</u>	<u>720,494</u>	<u>661,277</u>	<u>59,217</u>	<u>658,308</u>
Finance					
Personal services	321,867	321,867	312,823	9,044	298,433
Supplies	1,500	1,500	621	879	2,611
Other services and charges	19,705	19,705	70,164	(50,459)	18,685
Total finance	<u>343,072</u>	<u>343,072</u>	<u>383,608</u>	<u>(40,536)</u>	<u>319,729</u>
Marketing and communications					
Personal services	106,563	106,563	106,502	61	99,294
Supplies	1,700	1,700	293	1,407	627
Other services and charges	49,480	49,480	34,942	14,538	21,949
Total marketing and communications	<u>157,743</u>	<u>157,743</u>	<u>141,737</u>	<u>16,006</u>	<u>121,870</u>
Human relations					
Personal services	134,100	134,100	58,962	75,138	88,950
Supplies	1,800	1,800	-	1,800	-
Other services and charges	45,908	45,908	19,140	26,768	13,770
Total human relations	<u>181,808</u>	<u>181,808</u>	<u>78,102</u>	<u>103,706</u>	<u>102,720</u>
Elections					
Personal services	-	-	-	-	6,292
Supplies	2,000	2,000	791	1,209	477
Other services and charges	5,450	5,450	1,932	3,518	29,584
Total elections	<u>7,450</u>	<u>7,450</u>	<u>2,723</u>	<u>4,727</u>	<u>36,353</u>
City attorney					
Other services and charges	<u>357,000</u>	<u>357,000</u>	<u>319,837</u>	<u>37,163</u>	<u>342,936</u>
Charter commission					
Other services and charges	<u>1,500</u>	<u>1,500</u>	<u>1,555</u>	<u>(55)</u>	<u>-</u>
General governmental buildings					
Personal services	86,160	86,160	84,733	1,427	79,325
Supplies	22,800	22,800	12,220	10,580	13,936
Other services and charges	146,485	146,485	99,263	47,222	111,466
Total general governmental buildings	<u>255,445</u>	<u>255,445</u>	<u>196,216</u>	<u>59,229</u>	<u>204,727</u>

City of West St. Paul, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued)  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Planning and zoning					
Personal services	\$ 404,021	\$ 404,021	\$ 362,409	\$ 41,612	\$ 376,572
Supplies	2,600	2,600	1,415	1,185	2,653
Other services and charges	36,150	36,150	25,469	10,681	34,566
Total planning and zoning	<u>442,771</u>	<u>442,771</u>	<u>389,293</u>	<u>53,478</u>	<u>413,791</u>
Recycling					
Personal services	51,051	51,051	52,207	(1,156)	45,739
Supplies	1,175	1,175	3,430	(2,255)	12,370
Other services and charges	12,015	12,015	4,617	7,398	4,668
Total recycling	<u>64,241</u>	<u>64,241</u>	<u>60,254</u>	<u>3,987</u>	<u>62,777</u>
Building inspection					
Personal services	305,808	305,808	307,590	(1,782)	290,169
Supplies	4,200	4,200	1,597	2,603	3,184
Other services and charges	61,290	61,290	62,987	(1,697)	42,515
Total building inspection	<u>371,298</u>	<u>371,298</u>	<u>372,174</u>	<u>(876)</u>	<u>335,868</u>
Management information systems					
Personal services	238,850	238,850	211,108	27,742	225,519
Supplies	3,500	3,500	4,147	(647)	2,389
Other services and charges	216,070	216,070	256,846	(40,776)	174,653
Total management information systems	<u>458,420</u>	<u>458,420</u>	<u>472,101</u>	<u>(13,681)</u>	<u>402,561</u>
Innovations					
Other services and charges	-	-	4,460	(4,460)	28,462
Total general government	<u>3,507,032</u>	<u>3,507,032</u>	<u>3,208,226</u>	<u>298,806</u>	<u>3,163,726</u>
Public safety					
Police					
Personal services	4,673,628	4,764,628	4,590,117	174,511	4,274,370
Supplies	162,625	162,625	121,721	40,904	119,983
Other services and charges	867,766	867,766	831,304	36,462	884,198
Total police	<u>5,704,019</u>	<u>5,795,019</u>	<u>5,543,142</u>	<u>251,877</u>	<u>5,278,551</u>
Fire					
Other services and charges	<u>2,476,969</u>	<u>2,476,969</u>	<u>2,467,945</u>	<u>9,024</u>	<u>2,320,454</u>

City of West St. Paul, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued)  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Civil defense					
Supplies	\$ 3,000	\$ 3,000	\$ 726	\$ 2,274	\$ 2,575
Other services and charges	12,860	12,860	12,533	327	12,598
Total civil defense	<u>15,860</u>	<u>15,860</u>	<u>13,259</u>	<u>2,601</u>	<u>15,173</u>
Total public safety	<u>8,196,848</u>	<u>8,287,848</u>	<u>8,024,346</u>	<u>263,502</u>	<u>7,614,178</u>
Public works					
Streets and highways					
Personal services	1,039,018	1,039,018	1,068,294	(29,276)	1,001,543
Supplies	234,475	234,475	281,894	(47,419)	236,166
Other services and charges	72,972	72,972	40,051	32,921	59,657
Total streets and highways	<u>1,346,465</u>	<u>1,346,465</u>	<u>1,390,239</u>	<u>(43,774)</u>	<u>1,297,366</u>
Engineering					
Personal services	178,816	178,816	168,656	10,160	174,297
Supplies	2,750	2,750	2,237	513	2,354
Other services and charges	10,825	10,825	9,013	1,812	9,530
Total engineering	<u>192,391</u>	<u>192,391</u>	<u>179,906</u>	<u>12,485</u>	<u>186,181</u>
Facility					
Supplies	4,700	4,700	4,609	91	4,056
Other services and charges	67,935	67,935	69,673	(1,738)	65,869
Total facility	<u>72,635</u>	<u>72,635</u>	<u>74,282</u>	<u>(1,647)</u>	<u>69,925</u>
Street lighting					
Supplies	6,000	6,000	6,333	(333)	4,802
Other services and charges	136,000	136,000	119,429	16,571	125,049
Total street lighting	<u>142,000</u>	<u>142,000</u>	<u>125,762</u>	<u>16,238</u>	<u>129,851</u>
Total public works	<u>1,753,491</u>	<u>1,753,491</u>	<u>1,770,189</u>	<u>(16,698)</u>	<u>1,683,323</u>

City of West St. Paul, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Continued)  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current expenditures (continued)					
Parks and recreation					
Parks and recreation					
Personal services	\$ 700,325	\$ 700,325	\$ 687,479	\$ 12,846	\$ 643,439
Supplies	75,750	75,750	80,176	(4,426)	72,677
Other services and charges	201,890	201,890	173,574	28,316	166,350
Total parks and recreation	<u>977,965</u>	<u>977,965</u>	<u>941,229</u>	<u>36,736</u>	<u>882,466</u>
Total current	<u>14,435,336</u>	<u>14,526,336</u>	<u>13,943,990</u>	<u>582,346</u>	<u>13,343,693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(658,000)</u>	<u>(658,000)</u>	<u>105,789</u>	<u>763,789</u>	<u>(147,426)</u>
Other Financing Sources (Uses)					
Transfers in	650,000	650,000	650,000	-	695,417
Sale of capital assets	8,000	8,000	9,971	1,971	28,004
Transfers out	-	-	-	-	(1,435,564)
Total Other Financing Sources (Uses)	<u>658,000</u>	<u>658,000</u>	<u>659,971</u>	<u>1,971</u>	<u>(712,143)</u>
Net Change in Fund Balances	-	-	765,760	765,760	(859,569)
Fund Balances, January 1	<u>8,845,920</u>	<u>8,845,920</u>	<u>8,845,920</u>	<u>-</u>	<u>9,705,489</u>
Fund Balances, December 31	<u>\$ 8,845,920</u>	<u>\$ 8,845,920</u>	<u>\$ 9,611,680</u>	<u>\$ 765,760</u>	<u>\$ 8,845,920</u>

City of West St. Paul, Minnesota  
Debt Service Funds  
Combining Balance Sheet (Continued on the Following Pages)  
December 31, 2019

	<b>300</b>	<b>328</b>	<b>329</b>	<b>330</b>
	Debt	2010 G.O.	2012 G.O.	2013 G.O.
	Retirement	Improvement	Improvement	Improvement
	<u>Retirement</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>
<b>Assets</b>				
Cash and temporary investments	\$ 2,154,433	\$ 198,317	\$ 715,404	\$ 125,628
Receivables				
Accrued interest	4,682	250	1,312	127
Accounts	59,600	-	-	-
Special assessments	-	13,241	89,478	34,797
Due from other governments	-	24	595	683
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 2,218,715</u>	<u>\$ 211,832</u>	<u>\$ 806,789</u>	<u>\$ 161,235</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues - special assessments	\$ -	\$ 13,241	\$ 89,478	\$ 34,797
<b>Fund Balances</b>				
Restricted for debt service	<u>2,218,715</u>	<u>198,591</u>	<u>717,311</u>	<u>126,438</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 2,218,715</u>	<u>\$ 211,832</u>	<u>\$ 806,789</u>	<u>\$ 161,235</u>

<b>331</b> 2014A Tax Abatement Bonds	<b>332</b> 2014B G.O. Improvement Bonds	<b>333</b> 2015A Refunding Bonds	<b>334</b> 2015B G.O. Refunding Bonds	<b>335</b> 2015C G.O. Tax Increment Refunding Bonds	<b>336</b> 2016B G.O. Improvement Bonds
\$ 355,601	\$ 456,637	\$ 457,085	\$ 33,292	\$ 10,421	\$ 404,941
526	672	572	62	23	584
-	-	-	-	-	-
-	17,380	38	392	-	-
-	-	8	72	-	-
<u>\$ 356,127</u>	<u>\$ 474,689</u>	<u>\$ 457,703</u>	<u>\$ 33,818</u>	<u>\$ 10,444</u>	<u>\$ 405,525</u>
\$ -	\$ 17,380	\$ 38	\$ 392	\$ -	\$ -
<u>356,127</u>	<u>457,309</u>	<u>457,665</u>	<u>33,426</u>	<u>10,444</u>	<u>405,525</u>
<u>\$ 356,127</u>	<u>\$ 474,689</u>	<u>\$ 457,703</u>	<u>\$ 33,818</u>	<u>\$ 10,444</u>	<u>\$ 405,525</u>

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City of West St. Paul, Minnesota  
Debt Service Funds  
Combining Balance Sheet (Continued)  
December 31, 2019

	<b>337</b> 2017A G.O Improvement Bonds	<b>338</b> 2017B G.O Improvement Bonds	<b>339</b> 2018A G.O Improvement Bonds	<b>340</b> 2019 A G.O. Obligation Fund	Total
<b>Assets</b>					
Cash and temporary investments	\$ 964,381	\$ 662,625	\$ 163,911	\$ 80,792	\$ 6,783,468
Receivables					
Accrued interest	1,747	1,036	118	121	11,832
Accounts	-	-	-	-	59,600
Special assessments	381,597	212,369	-	-	749,292
Due from other governments	5,683	6,488	-	1,130	14,683
	<u>5,683</u>	<u>6,488</u>	<u>-</u>	<u>1,130</u>	<u>14,683</u>
Total Assets	<u>\$ 1,353,408</u>	<u>\$ 882,518</u>	<u>\$ 164,029</u>	<u>\$ 82,043</u>	<u>\$ 7,618,875</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues - special assessments	\$ 381,597	\$ 212,369	\$ -	\$ -	\$ 749,292
<b>Fund Balances</b>					
Restricted for debt service	<u>971,811</u>	<u>670,149</u>	<u>164,029</u>	<u>82,043</u>	<u>6,869,583</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,353,408</u>	<u>\$ 882,518</u>	<u>\$ 164,029</u>	<u>\$ 82,043</u>	<u>\$ 7,618,875</u>

City of West St. Paul, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances (Continued on the following Pages)  
For the Year Ended December 31, 2019

	<b>300</b>	<b>328</b>	<b>329</b>	<b>330</b>
	Debt Retirement	2010 G.O. Improvement Bonds	2012 G.O. Improvement Bonds	2013 G.O. Improvement Bonds
Revenues				
Taxes				
Property taxes	\$ -	\$ 220,198	\$ 272,104	\$ 175,000
Franchise taxes	81,163	-	-	-
Intergovernmental	220,000	-	-	-
Special assessments	-	23,026	45,099	15,711
Interest on investments	88,387	(2,081)	18,054	585
Miscellaneous	-	-	-	-
Total Revenues	<u>389,550</u>	<u>241,143</u>	<u>335,257</u>	<u>191,296</u>
Expenditures				
Debt service				
Principal	-	165,000	420,000	150,000
Interest and other charges	-	49,812	18,207	20,227
Total Expenditures	<u>-</u>	<u>214,812</u>	<u>438,207</u>	<u>170,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	389,550	26,331	(102,950)	21,069
Other Financing Sources				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	389,550	26,331	(102,950)	21,069
Fund Balances, January 1	<u>1,829,165</u>	<u>172,260</u>	<u>820,261</u>	<u>105,369</u>
Fund Balances, December 31	<u>\$ 2,218,715</u>	<u>\$ 198,591</u>	<u>\$ 717,311</u>	<u>\$ 126,438</u>

<b>331</b> 2014A Tax Abatement Bonds	<b>332</b> 2014B G.O. Improvement Bonds	<b>333</b> 2015A Refunding Bonds	<b>334</b> 2015B G.O. Refunding Bonds	<b>335</b> 2015C G.O. Tax Increment Refunding Bonds	<b>336</b> 2016B G.O. Improvement Bonds
\$ 341,730	\$ 411,300	\$ 582,414	\$ 130,936	\$ -	\$ 408,656
-	-	-	-	-	-
-	-	-	-	-	-
-	14,288	8	107	-	-
5,605	6,610	1,056	1,721	76	5,356
-	-	-	-	-	-
<u>347,335</u>	<u>432,198</u>	<u>583,478</u>	<u>132,764</u>	<u>76</u>	<u>414,012</u>
205,000	295,000	375,000	110,000	70,000	285,000
118,773	113,696	171,072	12,667	28,827	102,813
<u>323,773</u>	<u>408,696</u>	<u>546,072</u>	<u>122,667</u>	<u>98,827</u>	<u>387,813</u>
23,562	23,502	37,406	10,097	(98,751)	26,199
-	-	-	-	98,535	-
23,562	23,502	37,406	10,097	(216)	26,199
<u>332,565</u>	<u>433,807</u>	<u>420,259</u>	<u>23,329</u>	<u>10,660</u>	<u>379,326</u>
<u>\$ 356,127</u>	<u>\$ 457,309</u>	<u>\$ 457,665</u>	<u>\$ 33,426</u>	<u>\$ 10,444</u>	<u>\$ 405,525</u>

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City of West St. Paul, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances (Continued)  
For the Year Ended December 31, 2019

	<b>337</b> 2017A G.O Improvement Bonds	<b>338</b> 2017B G.O Improvement Bonds	<b>339</b> 2018A G.O Improvement Bonds	<b>340</b> 2019A G.O Obligation Fund	Total
Revenues					
Taxes					
Property taxes	\$ 339,520	\$ 466,044	\$ 329,196	\$ 78,563	\$ 3,755,661
Franchise taxes	-	-	-	-	81,163
Intergovernmental	-	-	-	-	220,000
Special assessments	102,709	63,289	-	-	264,237
Interest on investments	27,393	7,638	2,270	396	163,066
Miscellaneous	-	-	-	3,084	3,084
Total Revenues	<u>469,622</u>	<u>536,971</u>	<u>331,466</u>	<u>82,043</u>	<u>4,487,211</u>
Expenditures					
Debt service					
Principal	260,000	265,000	-	-	2,600,000
Interest and other charges	164,470	176,243	367,134	-	1,343,941
Total Expenditures	<u>424,470</u>	<u>441,243</u>	<u>367,134</u>	<u>-</u>	<u>3,943,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,152	95,728	(35,668)	82,043	543,270
Other Financing Sources					
Transfers in	-	-	-	-	98,535
Net Change in Fund Balances	45,152	95,728	(35,668)	82,043	641,805
Fund Balances, January 1	<u>926,659</u>	<u>574,421</u>	<u>199,697</u>	<u>-</u>	<u>6,227,778</u>
Fund Balances, December 31	<u>\$ 971,811</u>	<u>\$ 670,149</u>	<u>\$ 164,029</u>	<u>\$ 82,043</u>	<u>\$ 6,869,583</u>

City of West St. Paul, Minnesota

TIF Districts

Combining Balance Sheet

December 31, 2019

	<b>451</b>	<b>452</b>	<b>453</b>	<b>Total</b>
	TIF 1-2	TIF 1-3	TIF 1-4	
<b>Assets</b>				
Cash and temporary investments	\$ 357,196	\$ 56,218	\$ 38,549	\$ 451,963
Receivables				
Accrued interest	646	218	84	948
	<u>357,842</u>	<u>56,436</u>	<u>38,633</u>	<u>452,911</u>
<b>Total Assets</b>	<b>\$ 357,842</b>	<b>\$ 56,436</b>	<b>\$ 38,633</b>	<b>\$ 452,911</b>
<b>Liabilities</b>				
Accounts payable	\$ 27,064	\$ -	\$ -	\$ 27,064
Deposits payable	10,000	798	-	10,798
Advances from other funds	-	1,136,296	-	1,136,296
<b>Total Liabilities</b>	<b>37,064</b>	<b>1,137,094</b>	<b>-</b>	<b>1,174,158</b>
<b>Fund Balances</b>				
Restricted	320,778	-	38,633	359,411
Unassigned	-	(1,080,658)	-	(1,080,658)
<b>Total Fund Balances</b>	<b>320,778</b>	<b>(1,080,658)</b>	<b>38,633</b>	<b>(721,247)</b>
	<u>357,842</u>	<u>56,436</u>	<u>38,633</u>	<u>452,911</u>
<b>Total Liabilities</b>	<b>\$ 357,842</b>	<b>\$ 56,436</b>	<b>\$ 38,633</b>	<b>\$ 452,911</b>
<b>and Fund Balance</b>				

City of West St. Paul, Minnesota  
TIF Districts  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended December 31, 2019

	<b>451</b> TIF 1-2	<b>452</b> TIF 1-3	<b>453</b> TIF 1-4	Total
Revenues				
Tax increments	\$ 163,136	\$ 77,518	\$ -	\$ 240,654
Interest on investments	14,568	3,388	1,544	19,500
Total Revenues	<u>177,704</u>	<u>80,906</u>	<u>1,544</u>	<u>260,154</u>
Expenditures				
Current				
Economic development	<u>63,542</u>	<u>47,643</u>	<u>-</u>	<u>111,185</u>
Excess of Revenues Over Expenditures	114,162	33,263	1,544	148,969
Other Financing Uses				
Transfers out	<u>(98,535)</u>	<u>-</u>	<u>-</u>	<u>(98,535)</u>
Net Change in Fund Balances	15,627	33,263	1,544	50,434
Fund Balances, January 1	<u>305,151</u>	<u>(1,113,921)</u>	<u>37,089</u>	<u>(771,681)</u>
Fund Balances, December 31	<u><u>\$ 320,778</u></u>	<u><u>\$ (1,080,658)</u></u>	<u><u>\$ 38,633</u></u>	<u><u>\$ (721,247)</u></u>

City of West St. Paul, Minnesota  
Recreation Fund  
Combining Schedule of Net Position  
December 31, 2019

Business-type Activities - Enterprise Funds

	<b>613</b>	<b>615</b>	<b>616</b>	<b>617</b>	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	Totals
<b>Assets</b>					
<b>Current Assets</b>					
Cash and temporary investments	\$ 31,784	\$ 409,297	\$ 139,881	\$ 2,022,596	\$ 2,603,558
Receivables					
Accrued interest	70	865	240	4,196	5,371
Accounts	-	110,449	-	9,026	119,475
Total Current Assets	<u>31,854</u>	<u>520,611</u>	<u>140,121</u>	<u>2,035,818</u>	<u>2,728,404</u>
<b>Noncurrent Assets</b>					
<b>Capital assets</b>					
Land	1,070,302	32,296	30,625	-	1,133,223
Buildings	276,975	3,953,119	1,719,949	7,194,013	13,144,056
Machinery and equipment	247,505	210,083	34,847	77,866	570,301
Less accumulated depreciation	(463,375)	(1,943,807)	(981,753)	(1,586,290)	(4,975,225)
Net Capital Assets	<u>1,131,407</u>	<u>2,251,691</u>	<u>803,668</u>	<u>5,685,589</u>	<u>9,872,355</u>
<b>Total Assets</b>	<u>1,163,261</u>	<u>2,772,302</u>	<u>943,789</u>	<u>7,721,407</u>	<u>12,600,759</u>
<b>Deferred Inflows of Resources</b>					
Deferred pension resources	-	8,502	-	-	8,502
Deferred other postemployment benefits	-	4,177	-	-	4,177
Total Deferred Inflows of Resources	<u>-</u>	<u>12,679</u>	<u>-</u>	<u>-</u>	<u>12,679</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	280	37,307	1,494	31,992	71,073
Accrued salaries payable	-	7,454	-	-	7,454
Due to other governments	-	-	100	-	100
Accrued interest payable	447	-	-	39,660	40,107
Unearned revenue	-	1,033	-	133,371	134,404
Compensated absences payable - current	-	7,782	-	-	7,782
Bonds payable - current	245,000	-	-	220,000	465,000
Total Current Liabilities	<u>245,727</u>	<u>53,576</u>	<u>1,594</u>	<u>425,023</u>	<u>725,920</u>

City of West St. Paul, Minnesota  
Recreation Fund  
Combining Schedule of Net Position (Continued)  
December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	
Noncurrent Liabilities					
Other postemployment benefits	\$ -	\$ 37,582	\$ -	\$ -	\$ 37,582
Compensated absences payable	-	6,367	-	-	6,367
Net pension liability	-	79,717	-	-	79,717
Bonds payable	-	-	-	3,834,825	3,834,825
Total Noncurrent Liabilities	<u>-</u>	<u>123,666</u>	<u>-</u>	<u>3,834,825</u>	<u>3,958,491</u>
 Total Liabilities	<u>245,727</u>	<u>177,242</u>	<u>1,594</u>	<u>4,259,848</u>	<u>4,684,411</u>
 Deferred Inflows of Resources					
Deferred pension resources	<u>-</u>	<u>18,175</u>	<u>-</u>	<u>-</u>	<u>18,175</u>
 Net Position					
Net investment in capital assets	886,407	2,251,691	803,668	1,630,764	5,572,530
Restricted	-	67,000	-	-	67,000
Unrestricted	<u>31,127</u>	<u>270,873</u>	<u>138,527</u>	<u>1,830,795</u>	<u>2,271,322</u>
 Total Net Position	<u>\$ 917,534</u>	<u>\$ 2,589,564</u>	<u>\$ 942,195</u>	<u>\$ 3,461,559</u>	<u>\$ 7,910,852</u>

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City of West St. Paul, Minnesota  
Recreation Fund  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	613	615	616	617	
	Golf Course	Civic Center Arena	Swimming Pool	Regional Athletic Center	
Operating Revenues					
Charges for services	\$ 7,794	\$ 259,569	\$ -	\$ 806,682	\$ 1,074,045
Operating Expenses					
Personal services	(11,257)	157,588	-	-	146,331
Supplies	87	10,213	15,681	15,842	41,823
Professional services	140	41,183	15,118	105,542	161,983
Insurance	4,033	9,276	5,545	7,764	26,618
Utilities	3,526	79,902	16,965	147,645	248,038
Repairs and maintenance	-	15,288	1,608	162,103	178,999
Depreciation	8,227	127,361	48,970	245,988	430,546
Total Operating Expenses	<u>4,756</u>	<u>440,811</u>	<u>103,887</u>	<u>684,884</u>	<u>1,234,338</u>
Operating Income (Loss)	<u>3,038</u>	<u>(181,242)</u>	<u>(103,887)</u>	<u>121,798</u>	<u>(160,293)</u>
Nonoperating Revenues (Expenses)					
Property taxes	-	-	100,404	231,820	332,224
Intergovernmental	-	155,000	-	-	155,000
Interest income	706	16,570	5,382	71,809	94,467
Miscellaneous	-	67,225	-	4,833	72,058
Gain on sale of capital assets	20,000	-	-	-	20,000
Interest expense	129	-	-	(95,464)	(95,335)
Total Nonoperating Revenues (Expenses)	<u>20,835</u>	<u>238,795</u>	<u>105,786</u>	<u>212,998</u>	<u>578,414</u>
Income Before Transfers and Capital Contributions	23,873	57,553	1,899	334,796	418,121
Capital Contributions - Intergovernmental	-	114,637	-	-	114,637
Transfers Out	-	-	-	(50,000)	(50,000)
Change in Net Position	23,873	172,190	1,899	284,796	482,758
Net Position, January 1	<u>893,661</u>	<u>2,417,374</u>	<u>940,296</u>	<u>3,176,763</u>	<u>7,428,094</u>
Net Position, December 31	<u>\$ 917,534</u>	<u>\$ 2,589,564</u>	<u>\$ 942,195</u>	<u>\$ 3,461,559</u>	<u>\$ 7,910,852</u>

City of West St. Paul, Minnesota  
Recreation Fund  
Combining Schedule of Cash Flows (Continued)  
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	613 Golf Course	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 7,794	\$ 314,402	\$ -	\$ 868,224	\$ 1,190,420
Payments to suppliers	(8,804)	(127,559)	(53,870)	(437,080)	(627,313)
Payments to employees	(251)	(158,383)	-	-	(158,634)
Net Cash Provided (Used) by Operating Activities	<u>(1,261)</u>	<u>28,460</u>	<u>(53,870)</u>	<u>431,144</u>	<u>404,473</u>
Cash Flows from					
Noncapital Financing Activities					
Property taxes received	-	-	100,404	231,820	332,224
Intergovernmental receipts	-	155,000	-	-	155,000
Transfers to other funds	-	-	-	(50,000)	(50,000)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>155,000</u>	<u>100,404</u>	<u>181,820</u>	<u>437,224</u>
Cash Flows from Capital Financing Activities					
Acquisition of capital assets	-	(59,648)	(34,847)	-	(94,495)
Proceeds from sale of capital assets	20,000	-	-	-	20,000
Intergovernmental receipts	-	114,637	-	-	114,637
Interest paid on bonds	-	-	-	(98,643)	(98,643)
Principal paid on bonds	-	-	-	(215,000)	(215,000)
Net Cash Provided (Used) by Capital Financing Activities	<u>20,000</u>	<u>54,989</u>	<u>(34,847)</u>	<u>(313,643)</u>	<u>(273,501)</u>
Cash Flows from Investing Activities					
Interest received (paid) on investments	<u>697</u>	<u>15,929</u>	<u>5,323</u>	<u>74,594</u>	<u>96,543</u>
Net Increase in					
Cash and Cash Equivalents	19,436	254,378	17,010	373,915	664,739
Cash and Cash Equivalents, January 1	<u>12,348</u>	<u>154,919</u>	<u>122,871</u>	<u>1,648,681</u>	<u>1,938,819</u>
Cash and Cash Equivalents, December 31	<u>\$ 31,784</u>	<u>\$ 409,297</u>	<u>\$ 139,881</u>	<u>\$ 2,022,596</u>	<u>\$ 2,603,558</u>

City of West St. Paul, Minnesota  
Recreation Fund  
Combining Schedule of Cash Flows (Continued)  
For the Year Ended December 31, 2019

	Business-type Activities - Enterprise Funds				Totals
	613 Golf Course	615 Civic Center Arena	616 Swimming Pool	617 Regional Athletic Center	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 3,038	\$ (181,242)	\$ (103,887)	\$ 121,798	\$ (160,293)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	8,227	127,361	48,970	245,988	430,546
Other income related to operations	-	67,225	-	4,833	72,058
(Increase) decrease in assets					
Accounts receivable	-	(13,425)	-	14,414	989
(Increase) decrease in deferred outflows of resources					
Deferred pension resources	2,297	8,544	-	-	10,841
Deferred other post employment benefit resources	-	(1,496)	-	-	(1,496)
Increase (decrease) in liabilities					
Accounts payable	(381)	28,584	947	1,920	31,070
Accrued salaries payable	-	690	-	-	690
Due to other governments	(637)	(281)	100	(104)	(922)
Unearned revenue	-	1,033	-	42,295	43,328
Other postemployment benefits	-	(1,577)	-	-	(1,577)
Compensated absences payable	-	(1,576)	-	-	(1,576)
Net pension liability	(11,099)	(3,192)	-	-	(14,291)
Increase (decrease) in deferred inflows of resources					
Deferred pension resources	(2,706)	(2,188)	-	-	(4,894)
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (1,261)</u>	 <u>\$ 28,460</u>	 <u>\$ (53,870)</u>	 <u>\$ 431,144</u>	 <u>\$ 404,473</u>
 Noncash Capital Financing and Investing Activities					
Amortization of deferred charges	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,404</u>	<u>\$ 1,404</u>

City of West St. Paul, Minnesota  
Summary Financial Report  
Revenues and Expenditures For General Operations  
Governmental Funds  
For the Years Ended December 31, 2019 and 2018

	Total		Percent Increase (Decrease)
	2019	2018	
Revenues			
Taxes	\$ 16,801,669	\$ 15,177,045	10.70 %
Licenses and permits	674,183	693,853	(2.83)
Intergovernmental	6,401,295	2,836,629	125.67
Charges for services	900,481	839,961	7.21
Fines and forfeits	118,187	158,754	(25.55)
Special assessments	1,136,441	656,171	73.19
Interest on investments	741,916	182,238	307.11
Miscellaneous	407,009	238,053	70.97
	<u>\$ 27,181,181</u>	<u>\$ 20,782,704</u>	30.79 %
Total Revenues	<u>\$ 27,181,181</u>	<u>\$ 20,782,704</u>	30.79 %
Per Capita	\$ 1,291	\$ 986	30.99 %
Expenditures			
Current			
General government	\$ 3,361,648	\$ 3,358,764	0.09 %
Public safety	8,212,054	7,821,246	5.00
Public works	8,572,338	2,810,677	204.99
Parks and recreation	2,602,546	949,742	174.03
Economic development	505,505	1,002,061	(49.55)
Capital outlay			
General government	223,697	1,196,743	(81.31)
Public safety	323,927	7,583	4,171.75
Public works	1,143,598	5,230,948	(78.14)
Parks and recreation	377,956	438,948	(13.90)
Debt service			
Principal	2,600,000	2,040,000	27.45
Bond issuance costs	136,313	153,175	(11.01)
Interest and other charges	1,343,941	1,068,269	25.81
	<u>\$ 29,403,523</u>	<u>\$ 26,078,156</u>	12.75 %
Total Expenditures	<u>\$ 29,403,523</u>	<u>\$ 26,078,156</u>	12.75 %
Per Capita	\$ 1,397	\$ 1,237	12.92 %
Total Long-term Indebtedness	\$ 47,000,000	\$ 44,275,000	6.15 %
Per Capita	2,232	2,100	6.32
General Fund Balance - December 31	\$ 9,611,680	\$ 8,845,920	8.66 %
Per Capita	457	420	8.82

STATISTICAL SECTION (UNAUDITED)

CITY OF WEST ST. PAUL  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2019

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## Statistical Section (Unaudited)

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

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government's ability to issue additional debt in the future.*

### **Demographic and economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

### **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

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

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 31,069,506	\$ 33,835,227	\$ 33,876,690	\$ 32,092,175
Restricted	5,065,984	5,223,837	4,686,286	3,399,206
Unrestricted	18,126,311	17,264,839	16,559,404	13,698,514
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 54,261,801</u></b>	<b><u>\$ 56,323,903</u></b>	<b><u>\$ 55,122,380</u></b>	<b><u>\$ 49,189,895</u></b>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 4,078,198	\$ 4,219,590	\$ 5,299,774	\$ 10,277,693
Restricted	257,135	-	-	-
Unrestricted	2,174,747	2,707,322	4,255,228	3,709,389
<b>Total Business-type Activities Net Position</b>	<b><u>\$ 6,510,080</u></b>	<b><u>\$ 6,926,912</u></b>	<b><u>\$ 9,555,002</u></b>	<b><u>\$ 13,987,082</u></b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 35,147,704	\$ 38,054,817	\$ 39,176,464	\$ 42,369,868
Restricted	5,323,119	5,223,837	4,686,286	3,399,206
Unrestricted	20,301,058	19,972,161	20,814,632	17,407,903
<b>Total Primary Government Net Position</b>	<b><u>\$ 60,771,881</u></b>	<b><u>\$ 63,250,815</u></b>	<b><u>\$ 64,677,382</u></b>	<b><u>\$ 63,176,977</u></b>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015.  
Net position information has been restated for 2015 for this accounting change.  
Years Prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018.  
Net position information has been restated for 2018 for this accounting change.  
Years prior to 2018 have not been restated.

**Table 1**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 25,948,421	\$ 30,272,393	\$ 25,581,953	\$ 21,553,165	\$ 14,637,278	\$ 14,907,996
7,208,765	4,697,697	3,631,128	4,714,357	5,770,993	6,308,095
13,721,487	2,484,651	733,497	1,171,013	4,475,645	6,157,614
<u>\$ 46,878,673</u>	<u>\$ 37,454,741</u>	<u>\$ 29,946,578</u>	<u>\$ 27,438,535</u>	<u>\$ 24,883,916</u>	<u>\$ 27,373,705</u>
\$ 10,719,869	\$ 13,490,986	\$ 11,877,211	\$ 12,222,536	\$ 13,484,035	\$ 11,252,882
-	-	-	-	-	67,000
4,182,686	2,494,754	3,410,467	2,843,384	2,800,071	6,186,594
<u>\$ 14,902,555</u>	<u>\$ 15,985,740</u>	<u>\$ 15,287,678</u>	<u>\$ 15,065,920</u>	<u>\$ 16,284,106</u>	<u>\$ 17,506,476</u>
\$ 36,668,290	\$ 43,763,379	\$ 37,459,164	\$ 33,775,701	\$ 28,121,313	\$ 26,160,878
7,208,765	4,697,697	3,631,128	4,714,357	5,770,993	6,375,095
17,904,173	4,979,405	4,143,964	4,014,397	7,275,716	12,344,208
<u>\$ 61,781,228</u>	<u>\$ 53,440,481</u>	<u>\$ 45,234,256</u>	<u>\$ 42,504,455</u>	<u>\$ 41,168,022</u>	<u>\$ 44,880,181</u>

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Changes in Net Position (Continued on the Following Pages)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities				
General government	\$ 3,302,702	\$ 3,437,501	\$ 3,642,850	\$ 3,389,974
Public safety	6,049,004	6,167,218	6,285,568	6,303,232
Public works	3,213,509	3,143,689	4,053,264	6,306,335
Parks and recreation	860,994	849,591	755,629	789,544
Economic development (1)	-	-	-	-
Interest on long-term debt	824,286	795,508	746,047	945,296
<b>Total Governmental Activities Expenses</b>	<b>14,250,495</b>	<b>14,393,507</b>	<b>15,483,358</b>	<b>17,734,381</b>
Business-type activities				
Public utilities (2)	2,139,272	2,146,608	2,341,621	2,462,051
Storm sewer (2)	-	-	-	-
Sanitary Sewer (2)	-	-	-	-
Recreation	584,478	516,700	809,898	1,118,008
<b>Total Business-type Activities Expenses</b>	<b>2,723,750</b>	<b>2,663,308</b>	<b>3,151,519</b>	<b>3,580,059</b>
<b>Total Primary Government Expenses</b>	<b>\$ 16,974,245</b>	<b>\$ 17,056,815</b>	<b>\$ 18,634,877</b>	<b>\$ 21,314,440</b>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 747,044	\$ 868,587	\$ 721,933	\$ 712,530
Public safety	393,749	354,840	362,190	392,902
Public works	219,053	223,280	248,158	120,755
Parks and recreation	67,479	63,568	69,121	73,920
Economic development (1)	-	-	-	-
Operating grants and contributions	808,067	582,445	843,318	568,633
Capital grants and contributions	797,237	880,307	576,047	733,961
<b>Total Governmental Activities Program Revenues</b>	<b>3,032,629</b>	<b>2,973,027</b>	<b>2,820,767</b>	<b>2,602,701</b>
Business-type activities				
Charges for services				
Public utilities	2,772,372	3,111,202	3,361,552	3,420,865
Storm sewer (2)	-	-	-	-
Sanitary Sewer (2)	-	-	-	-
Recreation	373,644	332,450	503,440	1,110,429
Operating grants and contributions	-	-	-	7,902
Capital grants and contributions	-	117,060	58,017	5,999
<b>Total Business-type Activities Program Revenues</b>	<b>3,146,016</b>	<b>3,560,712</b>	<b>3,923,009</b>	<b>4,545,195</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 6,178,645</b>	<b>\$ 6,533,739</b>	<b>\$ 6,743,776</b>	<b>\$ 7,147,896</b>

**Table 2**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 4,161,997	\$ 3,098,841	\$ 4,406,578	\$ 3,887,143	\$ 4,222,701	\$ 3,782,687
6,638,595	7,002,514	8,533,267	8,142,584	7,513,679	8,638,648
7,591,595	20,866,152	20,833,032	8,449,894	7,043,080	8,478,627
862,074	917,884	998,392	1,204,868	1,257,105	2,807,291
-	1,671,352	893,626	542,105	999,115	503,616
816,561	984,888	730,418	946,484	1,226,640	1,308,163
<u>20,070,822</u>	<u>34,541,631</u>	<u>36,395,313</u>	<u>23,173,078</u>	<u>22,262,320</u>	<u>25,519,032</u>
2,543,165	-	-	-	-	-
-	290,394	336,468	380,216	432,327	346,263
-	2,780,700	3,007,180	3,246,607	3,459,654	3,471,635
1,250,548	1,370,687	1,428,676	1,483,968	1,254,364	1,329,673
<u>3,793,713</u>	<u>4,441,781</u>	<u>4,772,324</u>	<u>5,110,791</u>	<u>5,146,345</u>	<u>5,147,571</u>
<u>\$ 23,864,535</u>	<u>\$ 38,983,412</u>	<u>\$ 41,167,637</u>	<u>\$ 28,283,869</u>	<u>\$ 27,408,665</u>	<u>\$ 30,666,603</u>
\$ 813,207	\$ 852,522	\$ 740,765	\$ 815,931	\$ 935,046	\$ 914,722
435,572	598,370	576,352	748,403	678,084	691,807
5,188	16,787	28,275	108,907	31,652	42,125
64,131	61,604	62,336	61,858	71,786	80,166
-	1,749	-	-	-	-
918,514	936,983	3,574,024	2,091,719	1,985,896	1,904,064
1,091,846	14,091,333	8,887,491	2,057,115	1,743,167	5,957,178
<u>3,328,458</u>	<u>16,559,348</u>	<u>13,869,243</u>	<u>5,883,933</u>	<u>5,445,631</u>	<u>9,590,062</u>
3,346,691	-	-	-	-	-
-	445,611	461,890	462,292	465,700	464,919
-	3,046,818	3,049,436	3,469,335	3,959,106	4,362,210
1,040,691	1,003,773	1,111,017	1,097,615	1,014,764	1,074,045
10,224	781,119	136,111	11,199	72,420	226,558
50,431	1,111,430	-	97,818	65,212	370,027
<u>4,448,037</u>	<u>6,388,751</u>	<u>4,758,454</u>	<u>5,138,259</u>	<u>5,577,202</u>	<u>6,497,759</u>
<u>\$ 7,776,495</u>	<u>\$ 22,948,099</u>	<u>\$ 18,627,697</u>	<u>\$ 11,022,192</u>	<u>\$ 11,022,833</u>	<u>\$ 16,087,821</u>

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Net Revenues (Expenses)				
Governmental activities	\$(11,217,866)	\$(11,420,480)	\$(12,662,591)	\$(15,131,680)
Business-type activities	422,266	897,404	771,490	965,136
Total Primary Government Net (Expenses) Revenues	<u>\$(10,795,600)</u>	<u>\$(10,523,076)</u>	<u>\$(11,891,101)</u>	<u>\$(14,166,544)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 8,593,238	\$ 9,304,895	\$ 10,112,316	\$ 10,525,106
Tax increments	1,017,676	898,424	886,540	870,109
Franchise and other taxes	727,378	854,084	829,627	915,396
Grants and contributions not restricted to specific programs	899,359	917,984	788,847	788,259
Gain on sale of capital assets	259,595	710,644	396,479	(177,976)
Unrestricted investment earnings	6,523	8,418	11,908	-
Miscellaneous revenues	84,894	125,488	155,250	130,619
Transfers - capital assets	-	-	-	-
Transfers	736,390	662,645	(1,719,899)	224,106
Total Governmental Activities	<u>12,325,053</u>	<u>13,482,582</u>	<u>11,461,068</u>	<u>13,275,619</u>
Business-type activities				
Property taxes	264,946	45,403	54,118	102,797
Grants and contributions not restricted to specific programs	3,866	658	-	-
Unrestricted investment earnings	14,432	45,269	82,583	(37,571)
Gain on sale of capital assets	-	-	-	-
Miscellaneous revenues	-	-	-	-
Transfers - capital assets	-	-	-	-
Transfers	(736,390)	(662,645)	1,719,899	(224,106)
Total Business-type Activities	<u>(453,146)</u>	<u>(571,315)</u>	<u>1,856,600</u>	<u>(158,880)</u>
Total Primary Government	<u>\$ 11,871,907</u>	<u>\$ 12,911,267</u>	<u>\$ 13,317,668</u>	<u>\$ 13,116,739</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,107,187	\$ 2,062,102	\$ (1,201,523)	\$ (1,856,061)
Business-type activities	(30,880)	326,089	2,628,090	806,256
Total Primary Government	<u>\$ 1,076,307</u>	<u>\$ 2,388,191</u>	<u>\$ 1,426,567</u>	<u>\$ (1,049,805)</u>

(1) Prior to 2015, economic development activity was combined with the general government function.

(2) Prior to 2015, the Storm Sewer and Sewer funds were aggregated into the Public Utilities fund.

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 71 in fiscal 2015. Net position information has been restated for 2015 for this accounting change. Years Prior to 2015 have not been restated.

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Net position information has been restated for 2018 for this accounting change. Years Prior to 2018 have not been restated.

**Table 2**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$(16,742,364)	\$(17,982,283)	\$(22,526,070)	\$(17,289,145)	\$(16,816,689)	\$(15,928,970)
654,324	1,946,970	(13,870)	27,468	430,857	1,350,188
<u>\$(16,088,040)</u>	<u>\$(16,035,313)</u>	<u>\$(22,539,940)</u>	<u>\$(17,261,677)</u>	<u>\$(16,385,832)</u>	<u>\$(14,578,782)</u>
\$ 10,571,093	\$ 11,233,695	\$ 11,710,599	\$ 12,711,291	\$ 13,830,174	\$ 15,392,049
853,759	255,830	380,874	257,640	261,993	240,654
930,176	893,817	942,289	948,583	1,085,443	1,182,809
1,168,041	472,840	288,957	14,361	111,861	144,361
574,401	12,203	7,069	13,574	28,004	9,971
-	417,937	386,434	129,363	182,238	741,916
109,389	156,211	176,256	98,972	28,485	56,999
-	(311,065)	(229,359)	-	(1,423,266)	-
224,280	1,335,594	1,354,788	607,318	1,189,000	650,000
<u>14,431,139</u>	<u>14,467,062</u>	<u>15,017,907</u>	<u>14,781,102</u>	<u>15,293,932</u>	<u>18,418,759</u>
387,054	386,730	385,859	335,394	584,708	332,224
-	-	-	-	-	-
98,378	56,989	51,884	21,669	29,179	162,563
-	-	-	-	-	20,000
-	-	3,494	1,029	18,727	7,395
-	311,065	229,359	-	1,423,266	-
(224,280)	(1,335,594)	(1,354,788)	(607,318)	(1,189,000)	(650,000)
<u>261,152</u>	<u>(580,810)</u>	<u>(684,192)</u>	<u>(249,226)</u>	<u>866,880</u>	<u>(127,818)</u>
<u>\$ 14,692,291</u>	<u>\$ 13,886,252</u>	<u>\$ 14,333,715</u>	<u>\$ 14,531,876</u>	<u>\$ 16,160,812</u>	<u>\$ 18,290,941</u>
\$ (2,311,225)	\$ (3,515,221)	\$ (7,508,163)	\$ (2,508,043)	\$ (1,522,757)	\$ 2,489,789
915,476	1,366,160	(698,062)	(221,758)	1,297,737	1,222,370
<u>\$ (1,395,749)</u>	<u>\$ (2,149,061)</u>	<u>\$ (8,206,225)</u>	<u>\$ (2,729,801)</u>	<u>\$ (225,020)</u>	<u>\$ 3,712,159</u>

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 278	\$ -	\$ -	\$ -
Unreserved				
Designated for working capital	5,374,535	-	-	-
Designated for contingencies	527,811	-	-	-
Designated for police forfeitures	8,929	-	-	-
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	782	560	110,133
Committed	-	-	809	809
Assigned	-	29,004	-	648,763
Unassigned	-	7,114,327	7,411,647	7,847,235
Total General Fund	<u>\$ 5,911,553</u>	<u>\$ 7,144,113</u>	<u>\$ 7,413,016</u>	<u>\$ 8,606,940</u>
All Other Governmental Funds				
Reserved	\$ 5,327,248	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	3,074,627	-	-	-
Capital project funds	9,291,114	-	-	-
Undesignated	574,511	-	-	-
Fund balance				
Nonspendable	-	2,003,349	1,588,890	-
Restricted	-	5,917,882	5,519,879	4,108,357
Committed	-	2,454,012	2,853,349	4,058,819
Assigned	-	7,363,458	6,789,739	3,806,759
Unassigned	-	(1,276,852)	(1,302,110)	(2,401,880)
Total All Other Governmental Funds	<u>\$ 18,267,500</u>	<u>\$ 16,461,849</u>	<u>\$ 15,449,747</u>	<u>\$ 9,572,055</u>

Note: The implemented GASB 54 in fiscal year 2011, resulting in significant reclassification of the components of fund balance. Years prior to 2011 have not been restated.

**Table 3**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	107,632	159,886	137,357	239,987	634,282
330,465	1,615	-	-	-	-
4,231	-	-	-	-	-
-	-	-	-	-	-
<u>8,679,813</u>	<u>9,144,534</u>	<u>9,184,804</u>	<u>9,568,132</u>	<u>8,605,933</u>	<u>8,977,398</u>
<u>\$ 9,014,509</u>	<u>\$ 9,253,781</u>	<u>\$ 9,344,690</u>	<u>\$ 9,705,489</u>	<u>\$ 8,845,920</u>	<u>\$ 9,611,680</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	195	-	1,295
8,126,495	6,951,008	4,702,048	5,532,989	7,463,904	10,261,929
3,533,479	3,484,820	4,115,670	3,800,093	3,247,769	3,254,869
5,028,547	3,024,937	2,392,043	2,378,012	2,904,822	3,787,958
(1,517,156)	(6,423,702)	(9,475,090)	(5,933,565)	(1,158,529)	(1,540,187)
<u>\$ 15,171,365</u>	<u>\$ 7,037,063</u>	<u>\$ 1,734,671</u>	<u>\$ 5,777,724</u>	<u>\$ 12,457,966</u>	<u>\$ 15,765,864</u>

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes				
General property tax	\$ 8,595,194	\$ 9,306,243	\$ 10,073,778	\$ 10,554,349
Tax increments	939,241	958,223	859,384	915,051
Franchise and other taxes	777,432	851,778	827,713	913,228
Licenses and permits	539,594	548,118	498,897	481,658
Intergovernmental	1,727,742	1,679,334	1,646,494	1,736,590
Charges for services	695,683	793,786	763,861	636,274
Fines and forfeitures	124,744	95,600	88,062	140,612
Special assessments	990,289	562,175	440,000	398,142
Investment income	250,374	710,644	396,479	(177,976)
Miscellaneous	192,541	416,228	237,398	179,864
Insurance policy dividends	4,310	-	-	-
<b>Total Revenues</b>	<u>14,837,144</u>	<u>15,922,129</u>	<u>15,832,066</u>	<u>15,777,792</u>
<b>Expenditures</b>				
Current				
General government	2,764,914	2,850,517	3,354,742	3,036,157
Public safety	5,868,395	6,031,175	6,101,857	6,143,197
Public works	1,415,267	1,440,843	1,451,514	3,315,490
Parks and recreation	771,283	724,218	660,754	681,584
Economic development (1)	-	-	-	-
Unallocated general expenditures	123,535	120,957	103,940	61,258
Capital outlay	8,148,622	2,902,851	5,332,713	6,687,137
Debt service				
Principal	1,402,900	2,327,900	1,479,700	1,880,000
Bond issuance costs	46,808	-	63,058	53,096
Interest and other charges	674,433	770,469	746,145	696,797
Miscellaneous	1,113	3,813	3,658	2,342
<b>Total Expenditures</b>	<u>21,217,270</u>	<u>17,172,743</u>	<u>19,298,081</u>	<u>22,557,058</u>
<b>Excess (Deficiency) or Revenues     Over (Under) Expenditures</b>	<u>(6,380,126)</u>	<u>(1,250,614)</u>	<u>(3,466,015)</u>	<u>(6,779,266)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,445,484	701,065	766,652	586,013
Sale of capital assets	21,103	8,418	18,940	10,644
Bond premium	71,453	-	-	31,498
Refunding bonds issued	2,940,000	-	690,000	-
Issuance of debt	-	-	3,105,000	1,530,000
Insurance recoveries	4,853	6,460	14,164	5,643
Transfers out	(709,094)	(38,420)	(1,872,000)	(68,300)
<b>Total Other Financing Sources (Uses)</b>	<u>3,773,799</u>	<u>677,523</u>	<u>2,722,756</u>	<u>2,095,498</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,606,327)</u>	<u>\$ (573,091)</u>	<u>\$ (743,259)</u>	<u>\$ (4,683,768)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<u>15.9 %</u>	<u>21.7 %</u>	<u>15.9 %</u>	<u>15.0 %</u>

(1) Prior to 2015, economic development activity was combined with the general government program.

**Table 4**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 10,554,349	\$ 11,263,846	\$ 11,735,485	\$ 12,994,764	\$ 13,856,838	\$ 15,485,241
915,051	255,830	380,874	257,640	261,993	240,654
913,228	872,919	917,403	922,750	1,058,214	1,075,774
481,658	637,216	547,130	596,208	693,853	674,183
1,736,590	14,606,633	9,276,992	5,420,045	2,836,629	6,401,295
636,274	753,646	681,171	795,681	839,961	900,481
140,612	136,400	175,941	239,325	158,754	118,187
398,142	503,657	335,038	837,539	656,171	1,136,441
(177,976)	417,937	386,434	129,363	182,238	741,916
179,864	658,282	736,614	418,770	238,053	407,009
-	-	-	-	-	-
<u>15,777,792</u>	<u>30,106,366</u>	<u>25,173,082</u>	<u>22,612,085</u>	<u>20,782,704</u>	<u>27,181,181</u>
3,612,770	2,874,300	3,402,485	3,494,343	3,358,764	3,361,648
6,460,699	6,871,961	7,110,041	7,707,321	7,821,246	8,212,054
1,872,708	1,954,618	2,620,991	8,260,796	2,810,677	8,572,338
767,457	793,358	874,301	930,829	949,742	2,602,546
-	1,671,032	883,134	535,810	1,002,061	505,505
81,160	-	-	-	-	-
8,360,197	23,447,147	17,836,065	5,556,965	6,874,222	2,069,178
1,530,000	10,125,000	3,130,000	2,045,000	2,040,000	2,600,000
196,441	146,521	45,849	153,238	153,175	136,313
700,007	943,923	736,513	676,550	1,068,269	1,343,941
5,580	-	-	-	-	-
<u>23,587,019</u>	<u>48,827,860</u>	<u>36,639,379</u>	<u>29,360,852</u>	<u>26,078,156</u>	<u>29,403,523</u>
<u>(7,809,227)</u>	<u>(18,721,494)</u>	<u>(11,466,297)</u>	<u>(6,748,767)</u>	<u>(5,295,452)</u>	<u>(2,222,342)</u>
555,000	1,592,693	2,699,796	845,223	2,764,504	748,535
1,350,398	12,203	7,069	13,574	28,004	9,971
234,063	232,667	67,957	789,367	349,121	311,029
-	9,195,000	4,825,000	10,000,000	9,550,000	-
9,775,000	-	-	-	-	5,325,000
-	-	-	-	-	-
<u>(7,705)</u>	<u>(257,099)</u>	<u>(1,345,008)</u>	<u>(237,905)</u>	<u>(1,575,504)</u>	<u>(98,535)</u>
<u>11,906,756</u>	<u>10,775,464</u>	<u>6,254,814</u>	<u>11,410,259</u>	<u>11,116,125</u>	<u>6,296,000</u>
<u>\$ 4,097,529</u>	<u>\$ (7,946,030)</u>	<u>\$ (5,211,483)</u>	<u>\$ 4,661,492</u>	<u>\$ 5,820,673</u>	<u>\$ 4,073,658</u>
<u>11.6 %</u>	<u>25.9 %</u>	<u>11.1 %</u>	<u>12.3 %</u>	<u>14.2 %</u>	<u>15.4 %</u>

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (Shown by Year of Tax Collectability)

Fiscal Year Ended December 31,	Residential Property	Commercial/ Industrial Property	All Other	Total Tax Capacity	Less Fiscal Disparity Contribution	Adjusted Tax Capacity Value
2010	\$ 11,048,101	\$ 5,569,775	\$ 2,596,131	\$ 19,214,007	\$ 3,271,505	\$ 15,942,502
2011	10,240,464	5,279,185	2,429,209	17,948,858	3,271,375	14,677,483
2012	8,821,628	5,182,698	2,443,500	16,447,826	2,023,373	14,424,453
2013	7,651,552	5,115,816	2,473,126	15,240,494	1,986,284	13,254,210
2014	7,498,805	5,018,719	2,652,624	15,170,148	1,962,727	13,207,421
2015	8,152,865	4,946,031	2,719,760	15,818,656	1,927,294	13,891,362
2016	8,944,793	4,910,545	2,791,840	16,647,178	1,876,417	14,770,761
2017	9,249,565	4,929,237	2,975,898	17,154,700	1,866,610	15,288,090
2018	10,372,379	4,935,125	3,831,982	19,139,486	1,860,876	17,278,610
2019	11,241,227	5,110,884	3,945,780	20,297,891	1,913,093	18,384,798

Source: Dakota County Assessing Services

Note: The year associated with a Tax Capacity or a Market Value means one of two things:  
 Assessment Year: the year for which the property market values are determined. Market values must be assessed annually on January 2nd. Pay year or tax payment year: the year in which the taxes are payable. Current year taxes - are based on the prior January 2nd assessment. To more accurately compare the information on this table to the financial statements the year is the pay year.

**Table 5**

<u>Total Direct Tax Rate</u>	<u>Estimated Market Value</u>	<u>Tax Capacity as a Percent of EMV</u>
50.873	\$1,594,050,200	1.00%
56.078	1,485,245,000	0.99%
62.205	1,339,567,341	1.08%
69.447	1,342,545,100	0.99%
71.249	1,336,402,600	0.99%
70.640	1,398,637,900	0.99%
69.795	1,474,190,900	1.00%
71.100	1,409,414,640	1.08%
71.412	1,597,495,173	1.08%
72.624	1,701,939,357	1.08%

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Property Tax Capacity Rates - Direct and Overlapping Governments  
 Last Ten Fiscal Years

**Table 6**

Fiscal Year	City Rate Applicable to Debt	City Rate Applicable to Operations	Total City Direct Rate	Overlapping Rates*			Total
				School District	Other Districts	County	
2010	11.036 %	39.837 %	50.873 %	18.850 %	4.421 %	27.269 %	101.413 %
2011	11.060	45.018	56.078	19.692	4.644	29.149	109.563
2012	13.123	49.082	62.205	21.857	5.021	31.426	120.509
2013	12.661	56.786	69.447	24.429	7.115	33.421	134.412
2014	15.496	55.753	71.249	23.863	6.242	31.827	133.181
2015	18.963	51.677	70.640	24.063	5.831	29.633	130.167
2016	15.104	54.691	69.795	22.170	6.398	28.570	126.933
2017	13.330	58.080	71.412	22.295	5.999	28.004	127.710
2018	16.643	52.644	69.287	21.224	5.280	26.580	122.371
2019	17.292	55.332	72.624	24.246	5.157	25.386	127.413

Source: Dakota County website [www.dakotacounty.us](http://www.dakotacounty.us)

Note: The City's basic property tax rate may be increased only by a majority vote of the City's Councilmembers. Rates for debt service are set based on each year's requirements.

\*Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners; for example, although the county property tax rates apply to all City property owners.

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**Table 7**

Taxpayer	2019			2010		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Mailand Properties LP	\$ 380,011	1	1.87 %	\$ 174,582	9	0.87 %
Robert Street 2008 LLC	317,802	2	1.57	308,058	1	-
Xcel Energy	254,288	3	1.25	182,818	7	0.91
Target Corp.	242,658	4	1.20	282,324	2	1.40
Westview Park Apartments	233,936	5	1.15	175,000	8	0.87
RPS Legacy Desota, LLC	228,026	6	1.12	-		-
Timberland Partners XXXIV LLP	211,440	7	1.04	-		-
Menards Inc.	210,780	8	1.04	211,238	6	1.05
Holiday Acres Limited	187,186	9	0.92	-		-
Ottawa Invest Co.	170,585	10	0.84	-		-
Signal Hills Company LLC	-		-	279,336	3	1.38
Wal-Mart	-		-	221,532	4	1.10
Lowes Home Centers Inc.	-		-	215,274	5	-
Walker Senior Housing Corp.	-		-	161,250	10	0.80
Total	<u>\$ 2,436,712</u>		<u>12.00 %</u>	<u>\$ 2,211,412</u>		<u>8.37 %</u>
Total All Property	<u>\$ 20,297,891</u>			<u>\$ 20,175,450</u>		

Source: 2019 information from Ehlers Annual Disclosure.  
2010 from City's 2010 CAFR.

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City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

**Table 8**

Fiscal Year Ended December 31,	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010*	\$ 9,265,888	\$ 8,844,367	95.45%	\$ 122,848	\$ 8,967,215	96.78%
2011*	9,760,512	9,212,265	94.38%	105,643	9,317,908	95.47%
2012	9,954,113	9,814,866	98.60%	103,549	9,918,415	99.64%
2013	10,339,245	10,105,751	97.74%	58,820	10,164,571	98.31%
2014	10,696,145	10,580,150	98.92%	59,679	10,639,829	99.47%
2015	11,610,896	11,465,520	98.75%	63,714	11,529,234	99.30%
2016	12,164,861	12,010,377	98.73%	99,509	12,109,886	99.55%
2017	12,935,220	12,620,994	97.57%	54,649	12,675,643	97.99%
2018	14,344,671	14,239,938	99.27%	50,400	14,290,338	99.62%
2019	15,773,645	15,654,271	99.24%	n/a	15,654,271	99.24%

Sources: City Budget Book (Levy) and Dakota County tax collection reports of Finance.

\* The total amount of property taxes levied is partially supported by property tax relief payments on behalf of lower-valued residential properties. In FY 2010 and 2011, 75% this payment, known as Market Value Homestead Credit was withheld by the State of Minnesota, resulting in a lower overall collection percentage.

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total Governmental Activities	Percentage of Tax Capacity
	General Obligation Bonds	Improvement Bonds	Tax Increment Bonds		
2010	\$ 6,907,600	\$ 11,730,000	\$ 1,525,000	\$ 20,162,600	104.94%
2011	6,609,700	9,730,000	1,495,000	17,834,700	99.36%
2012	6,239,233	12,530,995	1,443,412	20,213,640	122.90%
2013	6,083,359	12,400,635	1,404,435	19,888,429	130.50%
2014	15,916,872	11,075,466	1,365,457	28,357,795	186.93%
2015	15,664,710	9,329,421	2,655,000	27,649,131	174.79%
2016	19,932,993	8,101,105	1,335,036	29,369,134	176.42%
2017	29,989,101	6,753,901	1,273,962	38,016,964	221.61%
2018	36,629,188	7,908,612	1,219,928	45,757,728	239.08%
2019	35,140,151	12,377,700	1,136,814	48,654,665	239.70%

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

<sup>(a)</sup>See Table 14 for personal income and population data.

**Table 9**

Business-Type Activities					Total	Percentage of	Per
Storm Sewer	Sewer	Sports Dome	Term	Total	Primary	County-Wide	Per
Bonds	Bonds	Bonds	Loan	Business-Type	Government	Personal Income <sup>(a)</sup>	Capita <sup>(a)</sup>
			Payable	Activities			
\$ -	\$ 2,660,000	\$ -	\$ 525,000	\$ 3,185,000	\$ 23,347,600	0.13%	\$ 1,195
-	2,430,000	-	490,000	2,920,000	20,754,700	0.11%	1,059
-	2,230,101	5,099,650	455,000	7,784,751	27,998,391	0.14%	1,417
-	1,960,703	5,098,246	415,000	7,473,949	27,362,378	0.13%	1,393
-	1,702,746	5,096,843	375,000	7,174,589	35,532,384	0.17%	1,795
-	1,439,788	4,895,439	335,000	6,670,227	34,319,358	0.15%	1,697
1,063,391	5,420,395	4,689,035	290,000	11,462,821	40,831,955	N/A	1,963
1,060,537	5,131,019	4,482,633	245,000	10,919,189	48,936,153	N/A	2,420
1,001,682	4,607,644	4,271,228	245,000	10,125,554	55,883,282	N/A	2,650
940,828	5,260,465	4,054,825	245,000	10,501,118	59,155,783	N/A	2,810

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

**Table 10**

Fiscal Year	General Obligation Bonds	Less: Amount Available In Debt Service Fund	Total	Percentage of Est. Actual Taxable Value of Property <sup>(a)</sup>	Per Capita <sup>(b)</sup>
2010	\$ 23,347,600	\$ 214,880	\$ 23,132,720	1.45%	\$ 1,184
2011	20,754,700	303,451	20,451,249	1.38%	1,043
2012	27,998,391	346,611	27,651,780	2.06%	1,400
2013	27,362,378	337,619	27,024,759	2.01%	1,375
2014	35,532,384	750,054	34,782,330	2.60%	1,757
2015	34,319,358	1,316,032	33,003,326	2.36%	1,632
2016	40,831,955	805,362	40,026,593	2.72%	1,924
2017	48,936,153	4,312,827	44,623,326	3.17%	2,207
2018	55,883,282	5,422,866	50,460,416	3.16%	2,393
2019	59,155,783	5,945,784	53,209,999	3.13%	2,527

<sup>(a)</sup> See Table 5 for property value data.

<sup>(b)</sup> See Table 14 for population data.

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Computation of Direct and Overlapping Debt  
 December 31, 2018

**Table 11**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes</b>			
Dakota County	\$ 17,255,000	3.665%	\$ 632,396
School Districts			
ISD No. 197	142,045,000	26.061%	37,018,774
Metropolitan Council	262,885,000	41.860%	110,043,661
Subtotal - Overlapping Debt			<u>147,694,831</u>
City Direct Debt			<u>45,757,728</u>
Total Direct and Overlapping Debt			<u><u>\$ 193,452,559</u></u>

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

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

\*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for the County's capital lease, loan, and other debt. The applicable percentage of the County Economic Development Bonds, which are backed by county sales taxes, was estimated by dividing the City's retail sales by the County's retail sales.

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Estimated Market Value of Taxable Property	\$1,594,050,200	\$1,485,245,000	\$1,339,567,341	\$1,342,545,100
Statutory Percentage	3.0%	3.0%	3.0%	3.0%
Statutory Debt Limit	47,821,506	44,557,350	40,187,020	40,276,353
Total Net Debt Applicable to Limit	6,907,600	6,609,700	6,239,233	6,083,359
Legal Debt Margin	<u>\$ 40,913,906</u>	<u>\$ 37,947,650</u>	<u>\$ 33,947,787</u>	<u>\$ 34,192,994</u>

**Table 12**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$1,336,402,600	\$1,398,637,900	\$1,474,190,900	\$1,409,414,640	\$1,597,495,173	\$1,701,939,357
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
40,092,078	41,959,137	44,225,727	42,282,439	47,924,855	51,058,181
15,916,872	15,664,710	19,932,993	29,989,101	36,629,188	35,140,151
<u>\$ 24,175,206</u>	<u>\$ 26,294,427</u>	<u>\$ 24,292,734</u>	<u>\$ 12,293,338</u>	<u>\$ 11,295,667</u>	<u>\$ 15,918,030</u>

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Market Value of Taxable Property	\$1,701,939,357
Statutory percentage	<u>3.0%</u>
Statutory debt limit	<u>\$ 51,058,181</u>
Debt applicable to limit	<u>\$ 35,140,151</u>
Legal debt margin	<u>\$ 15,918,030</u>

City of West St. Paul, Minnesota  
Statistical Section (Unaudited)  
Pledged - Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Sanitary Sewer and Storm Revenue Bonds						Coverage
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2010	\$ 2,757,291	\$ 1,895,475	\$ 861,816	\$ 135,012	\$ 47,227	4.73	
2011	2,704,849	1,890,974	813,875	230,000	73,413	2.68	
2012	2,950,106	2,088,407	861,699	240,000	67,094	2.81	
2013	2,998,953	2,170,321	828,632	250,000	63,388	2.64	
2014	2,920,817	2,271,989	648,828	255,000	57,626	2.08	
2015	3,046,818	2,558,481	488,337	260,000	50,537	1.57	
2016	3,049,436	2,662,008	387,428	270,000	42,663	1.24	
2017	3,931,627	3,067,740	863,887	275,000	146,173	2.05	
2018	4,424,806	3,196,229	1,228,577	565,000	146,534	1.73	
2019	4,827,129	3,135,560	1,691,569	585,000	128,906	2.37	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. Golf course revenue bonds are excluded since they are an internal issue.

**Table 13**

Improvement Bonds				Tax Increment Bonds			
Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 233,585	\$ 1,190,000	\$ 340,929	0.15	\$ 96,587	\$ 30,000	\$ 66,587	1.00
254,479	2,000,000	331,910	0.11	95,463	30,000	65,463	1.00
188,232	1,055,000	331,910	0.14	99,200	35,000	64,200	1.00
225,526	1,685,000	294,513	0.11	102,700	40,000	62,700	1.00
226,234	1,330,000	273,298	0.14	101,100	40,000	61,100	1.00
260,426	1,300,000	257,583	0.17	104,400	45,000	59,400	1.00
417,789	1,320,000	373,029	0.25	207,089	50,000	29,250	2.61
151,525	1,320,000	162,664	0.10	215,185	60,000	30,010	2.39
118,410	1,045,000	135,282	0.10	176,203	65,000	29,073	1.87
102,709	1,030,000	203,934	0.08	163,136	70,000	28,060	1.66

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Demographic Statistics  
 Last Ten Fiscal Years

**Table 14**

Fiscal Year	Population *	County-Wide Personal Income **	Per Capita Personal Income **	Unemployment Rate ***
2010	19,540	\$17,907,280,000	\$ 44,863	7.30%
2011	19,605	19,521,455,000	48,557	6.20%
2012	19,756	20,407,330,000	50,396	5.60%
2013	19,648	20,488,967,000	50,116	4.70%
2014	19,800	21,524,339,000	52,177	3.90%
2015	20,222	22,272,614,000	53,710	3.70%
2016	20,800	22,807,156,736	54,975	2.40%
2017	20,222	23,514,178,595	59,736	3.60%
2018	21,085	24,243,118,131	54,300	2.60%
2019	21,053	24,994,654,793	**	2.90%

\* Source of data: Metropolitan Council, except 2010 for which the source is the U.S. Bureau of Census.  
 Data for 2017 is estimated.

\*\* Source of data: Bureau of Economic Analysis. Updated data is not available for 2019.

\*\*\* Source of data: Minnesota Department of Employment and Economic Development.

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Principal Employers  
 Current Year and Nine Years Ago

**Table 15**

Employer	2019			2010		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
I.S.D. No. 197	1,003	1	12.65%	724	1	8.68%
Dakota County	659	2	8.31%	595	2	7.13%
Super Target	375	3	4.73%	400	3	4.80%
Southview Acres Health Center	340	4	4.29%	375	4	4.50%
Wal-Mart	240	5	3.03%	170	7	2.04%
YMCA	200	6	2.52%	250	5	3.00%
Menards	150	7	1.89%	152	10	1.82%
TapeMark Company	150	8	1.89%	166	5	-
Westwood Ridge	150	9	1.89%	-		-
Cub Foods	140	10	1.77%	155	9	1.86%
Darts Senior Transportation	-		-	176	6	2.11%
<b>Total</b>	<b><u>3,407</u></b>			<b><u>3,163</u></b>		

Sources: Ehlers and Associates, Inc. and Metropolitan Council

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Full-time Equivalent City Government Employees by Function  
 Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of December 31,			
	2010	2011	2012	2013
General Government				
Administration	4.0	4.0	4.0	5.5
Finance	5.0	5.0	4.0	3.0
Community development	3.8	3.8	2.8	3.6
Building inspections	1.5	1.0	2.0	3.0
MIS	1.0	2.0	2.0	2.0
Police				
Officers	30.0	29.0	29.0	30.0
Civilians	5.6	5.6	5.6	3.0
Public Works				
Engineering	2.0	2.0	2.0	2.5
Streets	11.0	11.0	12.0	11.0
Sewer	3.0	3.0	3.0	3.0
Building maintenance	2.0	1.0	1.0	1.0
Parks and Recreation	7.0	7.0	7.0	6.0
Ice Arena / Pool Manager	1.0	1.0	1.0	1.5
<b>Total</b>	<b>76.9</b>	<b>75.4</b>	<b>75.4</b>	<b>75.1</b>

Source: City Budget Books

Notes: 1. The numbers above represent full-time and permanent part-time budgeted positions. Seasonal employees are not included.

**Table 16**

## Full-Time Equivalent Employees as of December 31,

2014	2015	2016	2017	2018	2019
6.0	6.0	7.0	8.0	8.0	8.0
3.0	4.0	3.0	3.0	3.0	3.0
3.6	3.6	4.0	4.0	4.0	4.0
3.0	3.0	4.0	5.0	5.0	5.0
2.0	3.0	3.0	3.0	3.0	2.0
30.0	30.0	30.0	32.0	32.0	32.0
4.5	5.0	6.0	6.0	6.0	6.0
3.0	3.0	3.0	3.0	3.0	3.0
11.0	11.0	11.0	11.0	11.0	11.0
3.0	3.0	4.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
7.0	7.0	7.0	7.0	7.0	7.0
1.0	1.0	1.5	1.5	1.5	1.5
<u>78.1</u>	<u>80.6</u>	<u>84.5</u>	<u>87.5</u>	<u>87.5</u>	<u>87.5</u>

City of West St. Paul, Minnesota  
 Operating Indicators by Function  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Police				
Part 1 Crimes reports	1,007	713	997	1,049
Part 2 Crimes reports	1,042	720	742	716
Total arrests	801	467	677	870
Part 1 arrests	334	226	345	445
Cases investigated	643	417	390	310
Building Inspection				
Permits issued				
Residential	744	689	874	349
Commercial/Other	886	967	768	1,475
Public Works				
Streets/Alleys patched (person hrs)	2,900	2,889	3,082	3,667
Parks and Recreation				
Recreation programs offered	60	59	61	65
Ice Arena annual admissions	65,750	65,750	65,800	65,800
Golf Course				
Rounds played	14,837	10,263	12,539	10,542
Golf cars rented	1,176	1,110	1,387	1,460
Sports Dome				
Field hours rented				6,280
Wastewater				
Average sewer lines cleaned (miles)	30	31	33	33

Sources: Various City departments.

**Table 17**

Fiscal Year						
2014	2015	2016	2017	2018	2019	
1,118	1,274	1,083	1,065	1,043	1,468	
936	945	853	873	796	792	
1,110	1,292	981	877	759	1,119	
509	630	487	414	370	738	
598	388	471	552	468	484	
1,260	1,357	1,256	1,453	1,425	1,654	
323	336	293	294	272	348	
4,023	4,938	3,008	5,038	5,038	5,588	
70	115	110	110	110	136	
65,700	64,000	65,500	66,000	66,000	66,750	
9,689	11,941	12,320	11,055	Closed	Closed	
1,556	1,798	1,825	1,875	N/A	N/A	
6,075	5,736	5,798	6,519	6,519	7,310	
31	31	30	37	37	35	

City of West St. Paul, Minnesota  
 Statistical Section (Unaudited)  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Police				
Stations	1	1	1	1
Police Vehicles				
Marked	11	11	11	11
Unmarked	8	9	9	8
Gun Range	1	1	1	1
Holding cells	3	3	3	3
Fire				
Stations	1	1	1	1
Public Works				
Streets (miles)	71.20	71.20	71.20	71.20
Alley (miles)	5	5	5	5
Streetlights	253	256	256	256
Parks and Recreation				
Acreage	155.0	155.0	155.0	155.0
Parks and playgrounds	17	17	17	17
Baseball/softball diamonds	9	9	9	9
Soccer/football fields	3	3	3	3
Community (senior) centers	1	1	1	1
Outdoor skating rinks	12	12	12	12
Executive golf course (par 29)	1	1	1	1
Public sports dome	-	-	1	1
Public swimming pool	1	1	1	1
Public ice arena	1	1	1	1
Wastewater				
Sanitary sewers (miles)	63	63	63	63
Storm sewers (miles)	35	35	35	35

Sources: Various City departments.

**Table 18**

Fiscal Year						
2014	2015	2016	2017	2018	2019	
1	1	1	1	1	1	1
11	11	12	11	11	11	11
8	8	8	9	9	9	9
1	1	1	1	1	1	1
3	3	3	3	3	3	3
1	1	1	1	1	1	1
71.20	71.20	71.20	71.20	71.20	71.20	71.20
5	5	5	5	5	5	5
256	256	256	256	256	256	256
155.0	155.0	155.0	155.0	155.0	155.0	155.0
17	17	17	17	17	17	17
9	9	9	9	9	9	9
3	2	2	2	2	2	2
1	1	1	1	1	1	1
12	12	12	12	12	12	12
1	1	1	1	Closed	Closed	
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
63	63	63	63	63	63	63
35	35	35	35	35	35	35

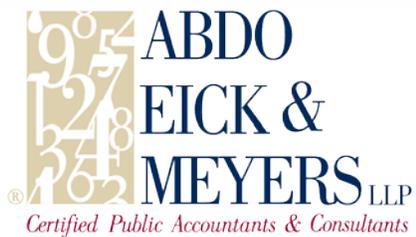
# Management Communication

## City of West St. Paul

West St. Paul, Minnesota

For the Year Ended

December 31, 2019



People  
+ Process®  
Going  
Beyond the  
Numbers

June 18, 2020

Management, Honorable Mayor and City Council  
City of West St. Paul, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West St. Paul, Minnesota (the City), for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 9, 2019. Professional standards also require that we communicate the following information related to our audit.

**Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards and Uniform Guidance**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting (internal control) of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

**Significant Audit Findings**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. Also, in accordance with *Uniform Guidance*, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose for expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or statutes set forth by the State of Minnesota.

## Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City did not change any accounting policies during 2019 related to accounting and financial reporting. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period, except as noted in Note 10.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation on capital assets, and allocation of payroll and compensated absences and other postemployment benefits payable and the liability for the City's pension.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

## Difficulties Encountered in Performing the Audit

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

## Corrected and Uncorrected Misstatements

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

## **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 18, 2020.

## **Disagreements with Management**

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

## **Management Consultations with Other Independent Accountants**

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

## **Other Matters**

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios), Schedule of Changes in the City's OPEB Liability and Related Ratios), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

## **Other Audit Findings or Issues**

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

## Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: <sup>(1)</sup>

### **GASB Statement No. 87 - Leases**

#### **Summary**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

#### **Effective Date and Transition**

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

#### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

### **GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period**

#### **Summary**

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

## **Future Accounting Standard Changes (Continued)**

### **Effective Date and Transition**

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

### **GASB Statement No. 91 - Conduit Debt Obligations**

#### **Summary**

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements - often characterized as leases - that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

### **Effective Date and Transition**

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

## Future Accounting Standard Changes (Continued)

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

<sup>(1)</sup> *Note.* From GASB Pronouncements Summaries. Copyright 2019 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

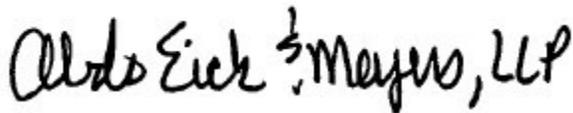
\* \* \* \*

### Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 18, 2020

# Other Required Reports

## City of West St. Paul

West St. Paul, Minnesota

For the Year Ended  
December 31, 2019

City of West St. Paul, Minnesota  
Other Required Reports  
Table of Contents  
For the Year Ended December 31, 2019

	<u>Page No.</u>
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<b>Federal Financial Award Programs</b>	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	5
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council  
City of West St. Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West St. Paul, Minnesota (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statement, and have issued our report thereon dated June 18, 2020.

**Internal Control Over Financial Reporting**

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

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

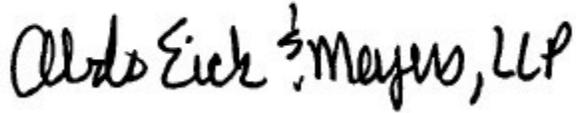
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

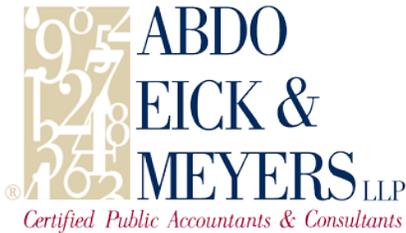
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

## Purpose of this Report

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



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 18, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Honorable Mayor and City Council  
City of West St. Paul, Minnesota

**Report on Compliance for Each Major Federal Program**

We have audited the City of West St. Paul, Minnesota (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

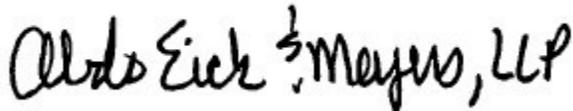
## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 18, 2020

City of West St. Paul, Minnesota  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2019

<u>Funding Source</u>	<u>Federal Domestic Assistance Number</u>	<u>Program Name</u>	<u>Program Expenditures</u>
U.S. Department of Transportation	20.205	Highway Planning and Construction	\$ 1,043,618
U.S. Department of Justice	16.710	Public Safety Partnership and Community Policing	54,302
U.S. Department of Justice	16.385	Body Worn Camera Policy and Implementation	<u>32,000</u>
			<u>\$ 1,129,920</u>

City of West St. Paul, Minnesota  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2019

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of West St. Paul, Minnesota (the City) under programs of the federal government for the year ended December 31, 2019. The City's reporting entity is defined in Note 1A to the City's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**Note 2: Summary of Significant Accounting Policies for Expenditures**

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Pass-through Entity Identifying Numbers**

Pass-through entity identifying numbers are presented where available.

**Note 4: Subrecipients**

No federal expenditures presented in this schedule were provided to subrecipients.

**Note 5: Indirect Cost Rate**

During the year ended December 31, 2019, the City did not elect to use the 10 percent de minimis indirect cost rate.

City of West St. Paul, Minnesota  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2019

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

***Identification of Major Programs/Projects***

	<b>CFDA No.</b>
U.S. Department of Transportation Highway Planning and Construction	20.205
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

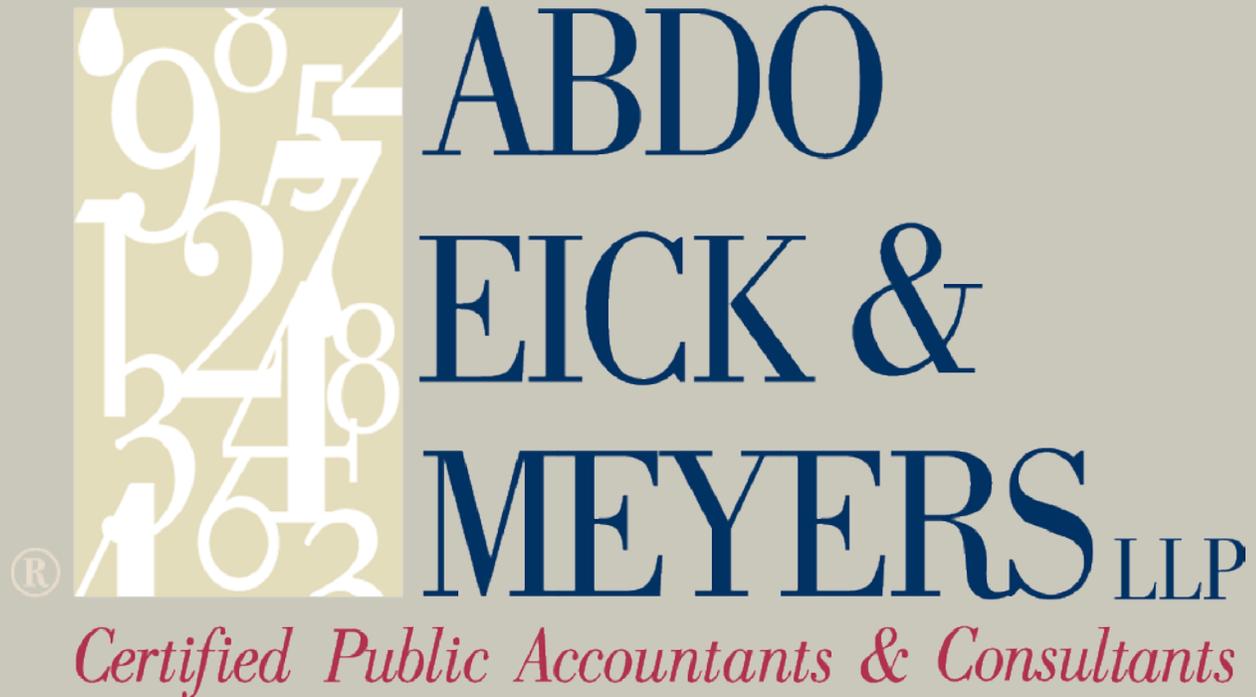
None

**Section III - Major Federal Award Findings and Questioned Costs**

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs

**Other Issues**

A Corrective Action Plan is not required because there were no findings required to be reported under the Federal



**City of  
West St.  
Paul**

**2019 Financial  
Statement Audit**

# Introduction

Audit Opinion and Responsibility

General Fund Results

Other Governmental Funds

Enterprise Funds

Ratios



# Audit Results

Auditor's Opinion



Minnesota Legal  
Compliance



Single Audit

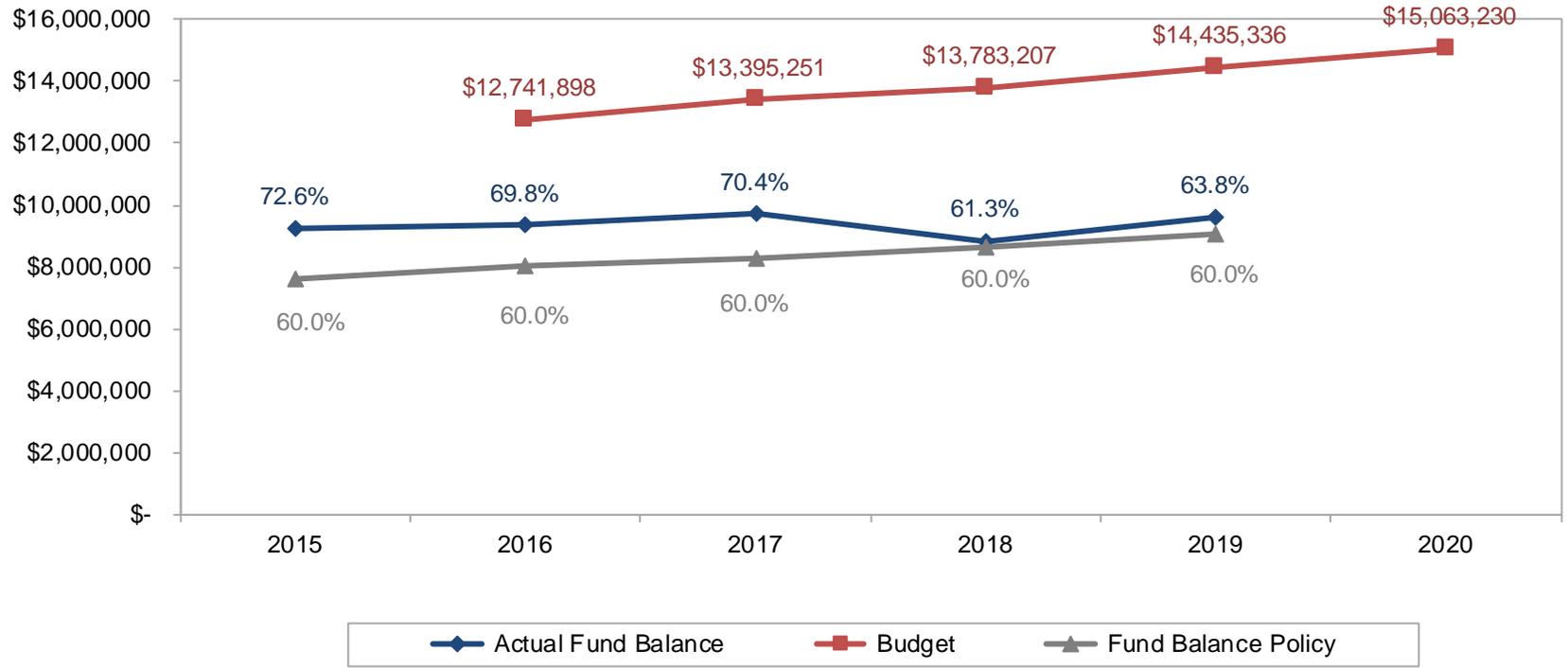
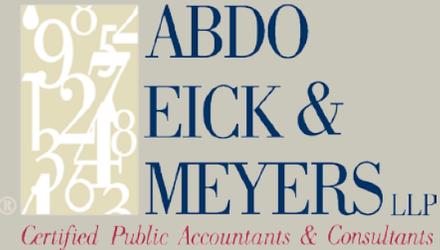


## Prior Year Audit Finding

### Material Audit Adjustment

- Additional contract payable recorded during the audit

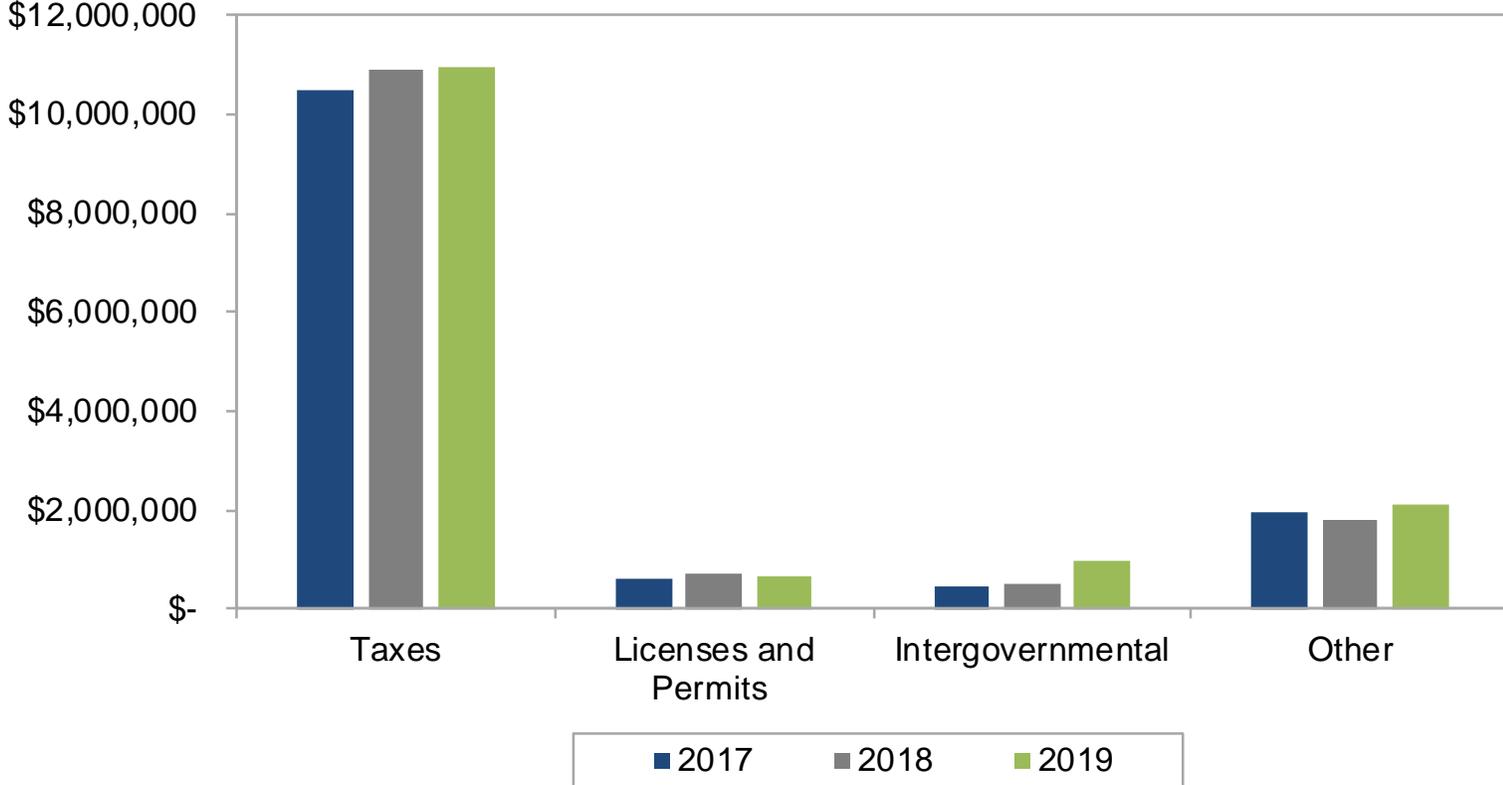
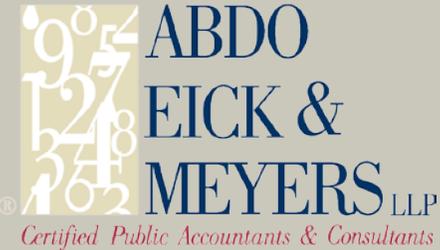
# General Fund Fund Balances



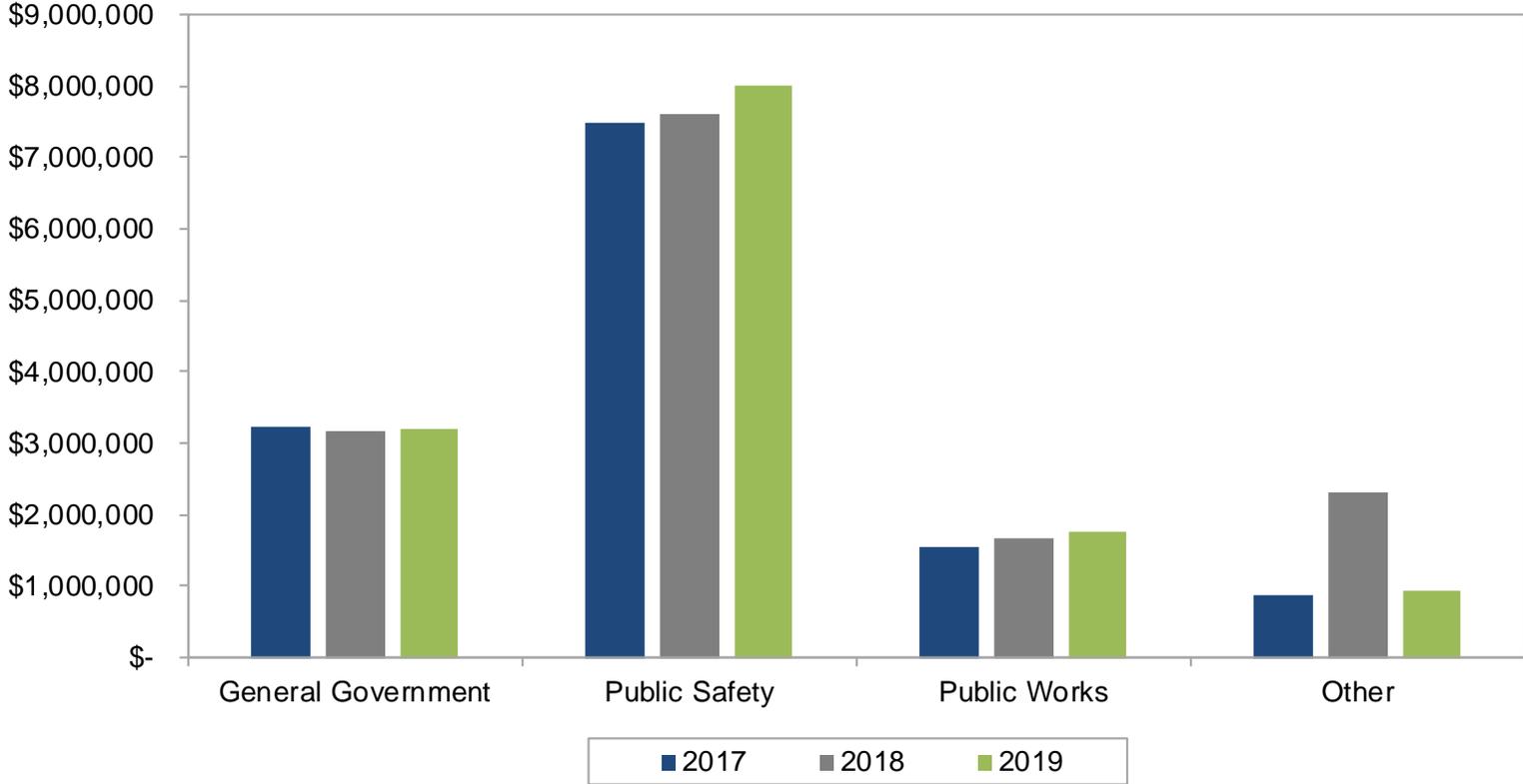
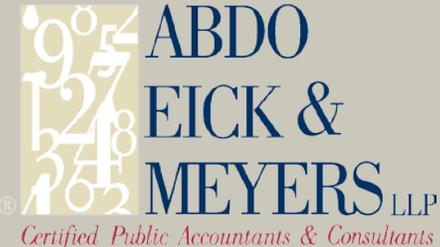
# General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 13,868,336	\$ 14,049,779	\$ 181,443
Expenditures	14,526,336	13,943,990	582,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(658,000)</u>	<u>105,789</u>	<u>763,789</u>
Other Financing Sources			
Transfers in	650,000	650,000	-
Sale of capital assets	8,000	9,971	1,971
Total Other Financing Sources	<u>658,000</u>	<u>659,971</u>	<u>1,971</u>
Net Change in Fund Balances	-	765,760	765,760
Fund Balances, January 1	<u>8,845,920</u>	<u>8,845,920</u>	-
Fund Balances, December 31	<u>\$ 8,845,920</u>	<u>\$ 9,611,680</u>	<u>\$ 765,760</u>

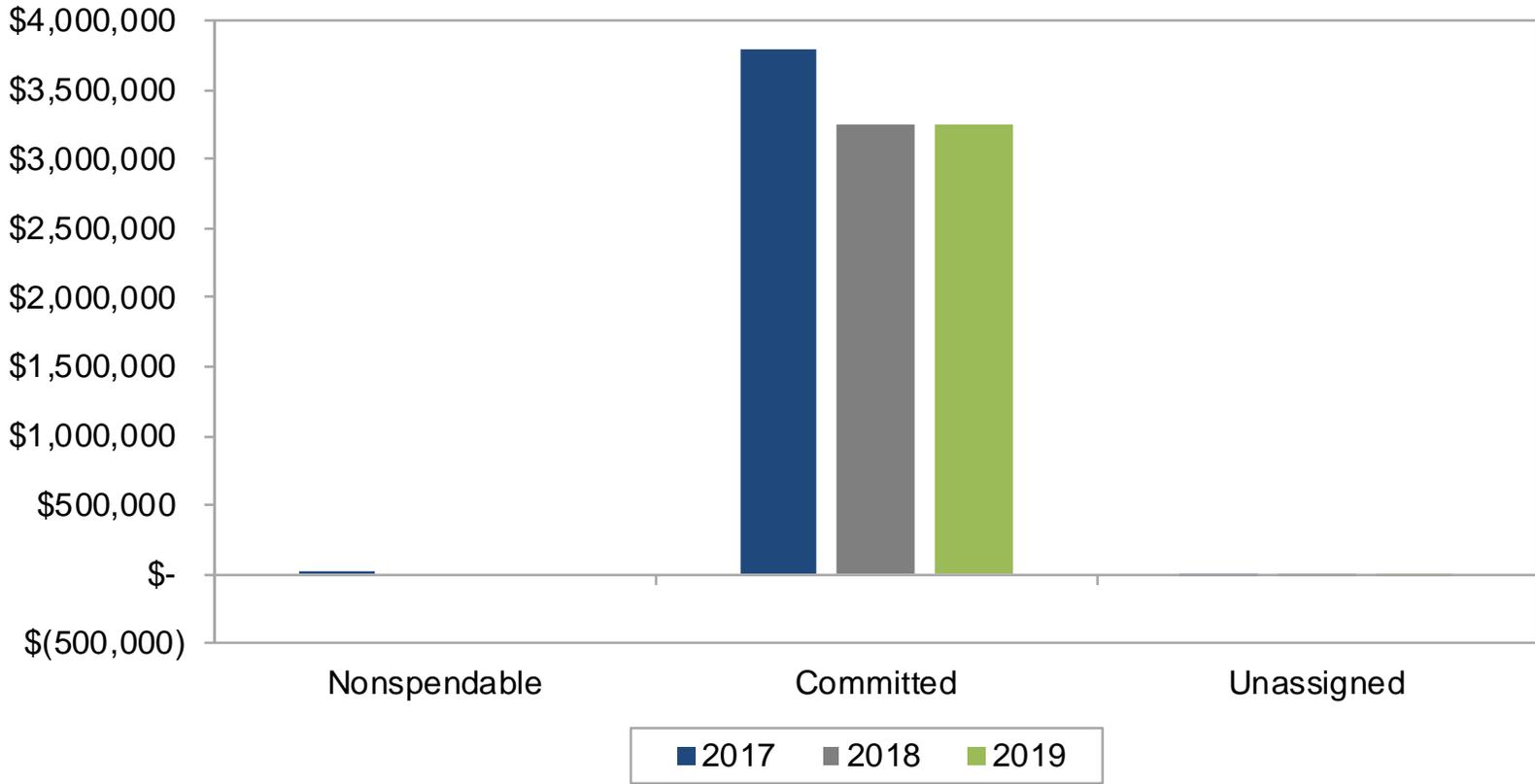
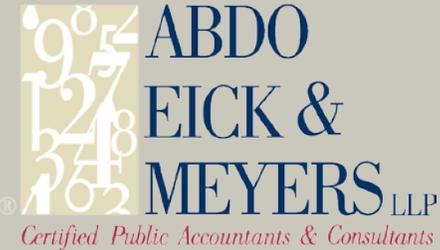
# General Fund Revenues by Type



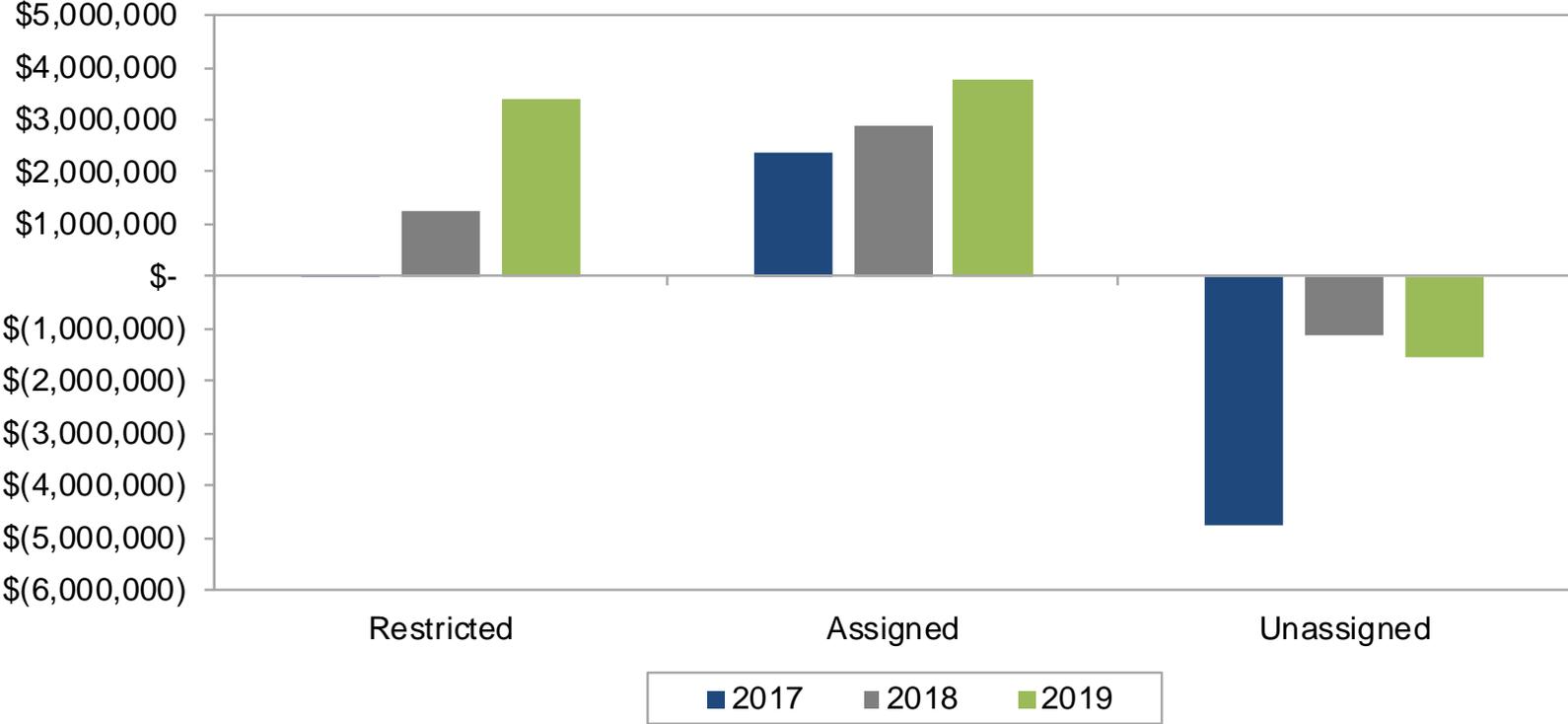
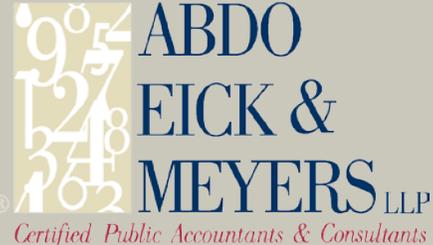
# General Fund Expenditures by Type



# Special Revenue Fund Balances

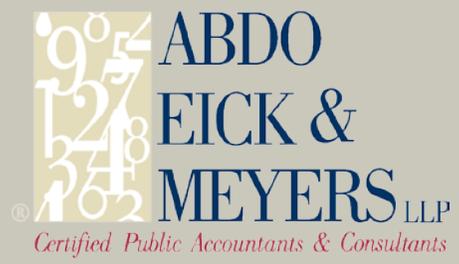
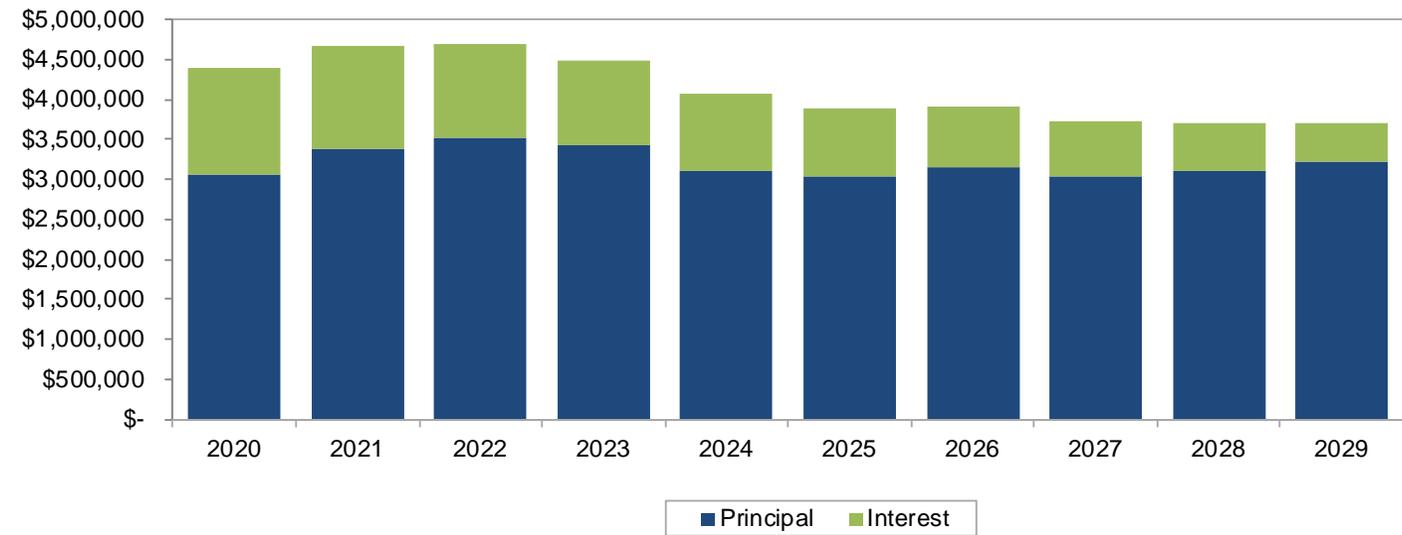


# Capital Projects Fund Balances

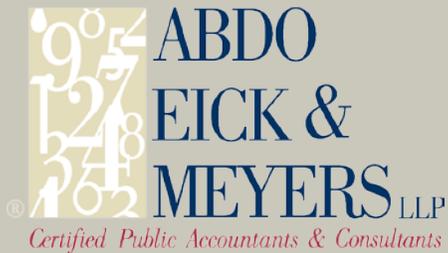
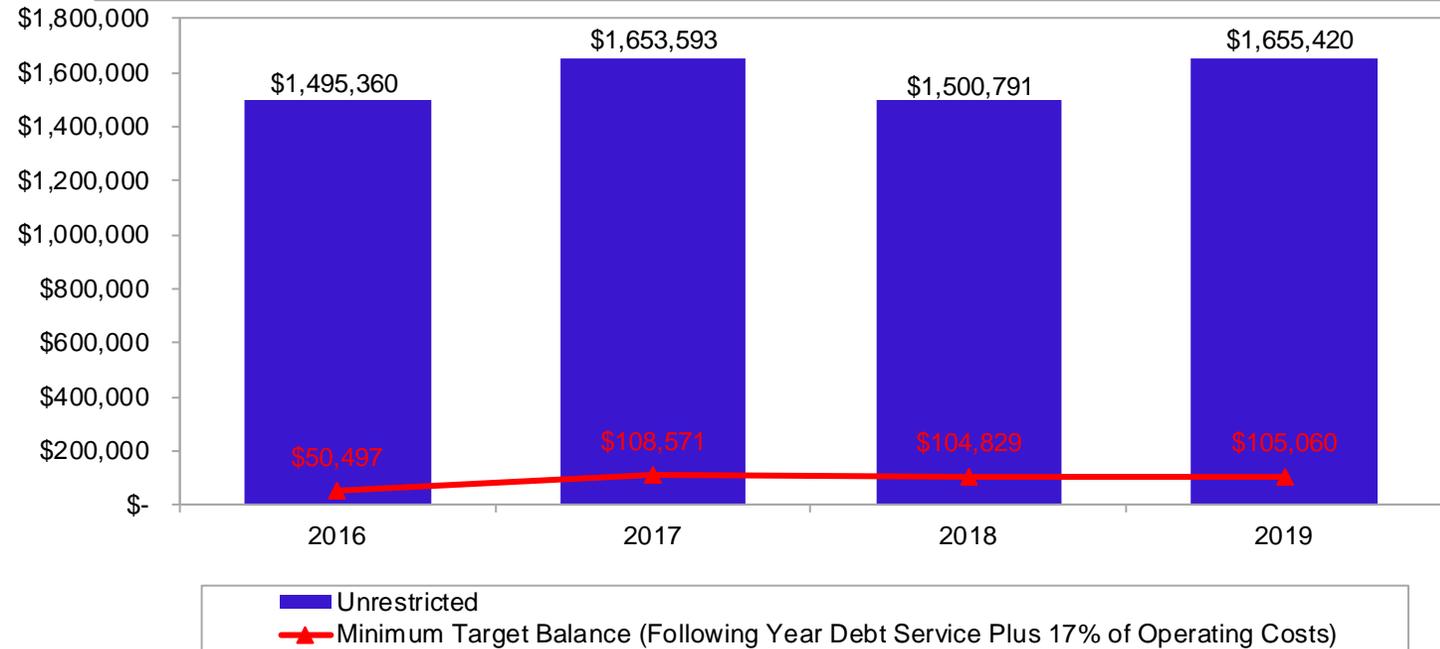
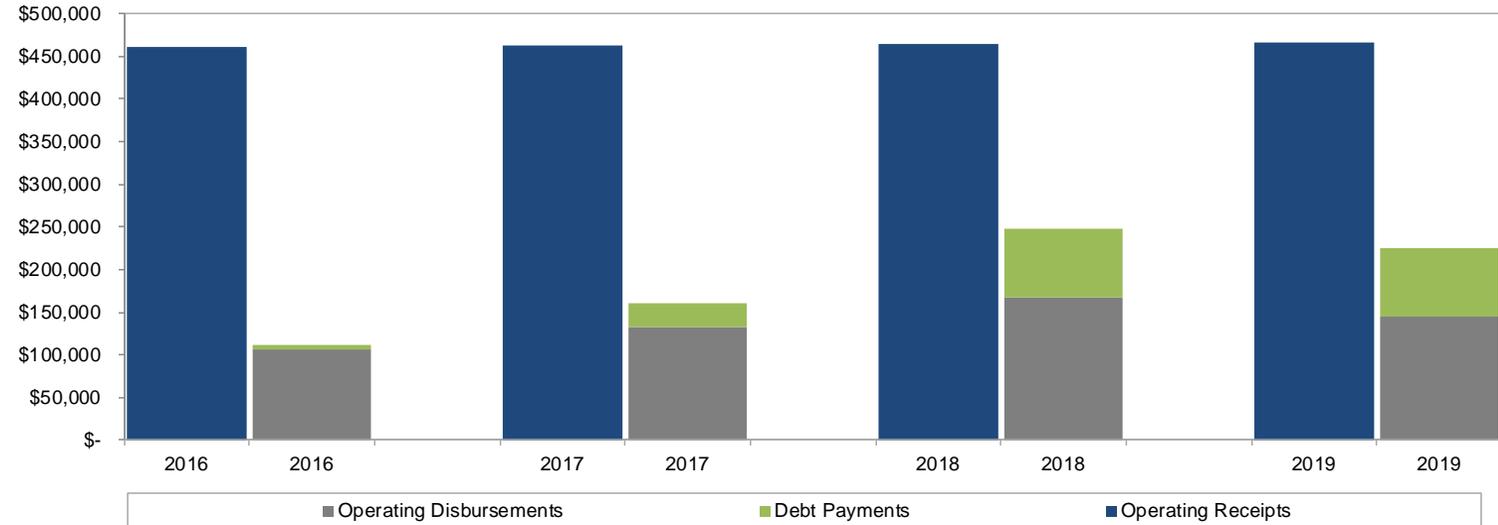


# Debt Service Funds

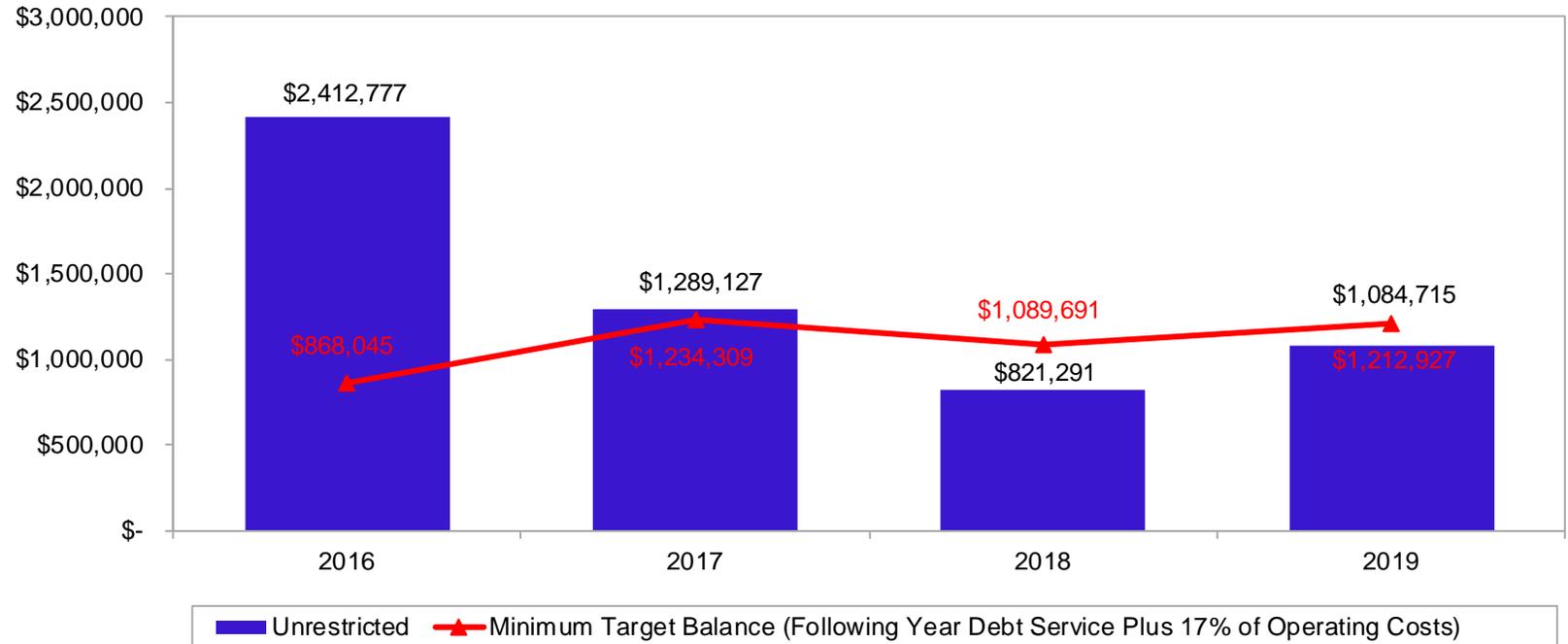
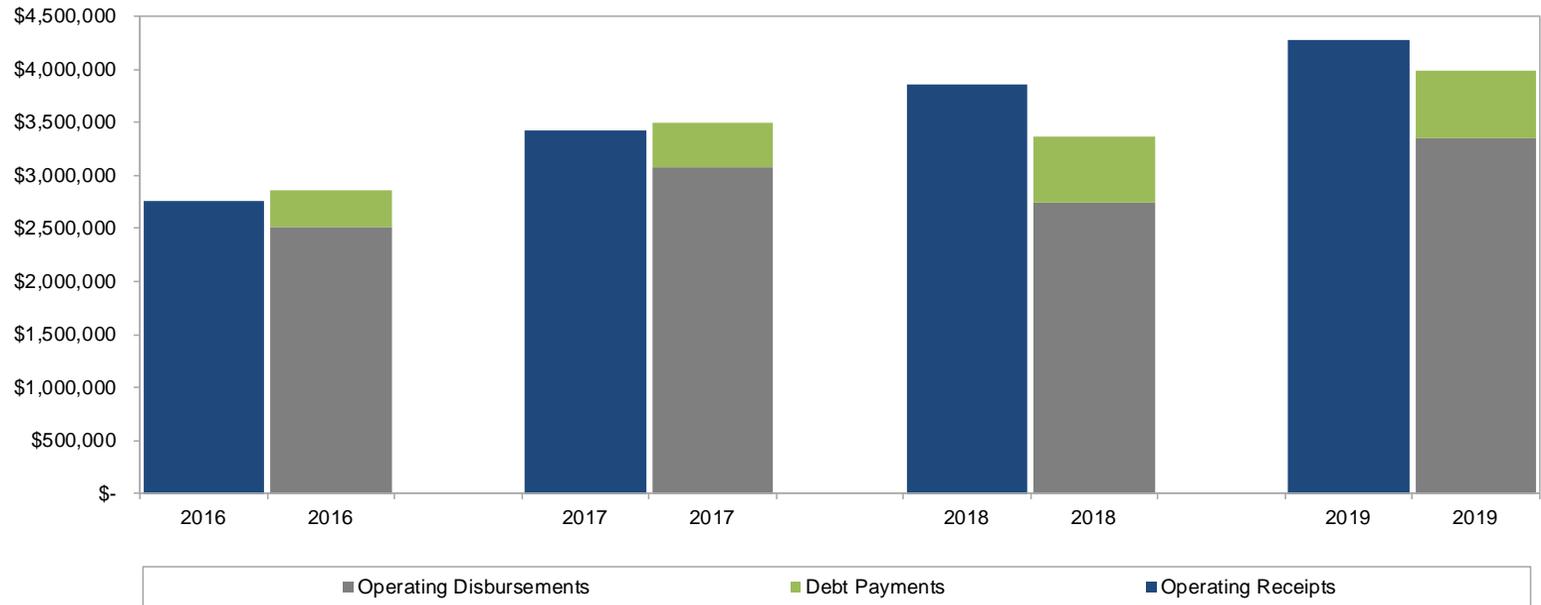
Debt Service Fund	Cash and Temporary Investments	Total Assets	Bonds Outstanding	Final Maturity Date
2010 G.O. Improvement Bonds	\$ 198,317	\$ 211,832	\$ 1,290,000	2/1/2026
2012 G.O. Improvement Bonds	715,404	806,789	1,240,000	2/1/2023
2013 G.O. Improvement Bonds	125,628	161,235	790,000	2/1/2024
2014A Tax Abatement Bonds	355,601	356,127	4,040,000	2/1/2035
2014B G.O. Improvement Bonds	456,637	474,689	3,785,000	2/1/2030
2015A Refunding Bonds	457,085	457,703	5,610,000	2/1/2022
2015B G.O. Refunding Bonds	33,292	33,818	485,000	12/1/2023
2015C G.O. Tax Increment Refunding Bonds	10,421	10,444	1,125,000	2/1/2031
2016B G.O. Improvement Bonds	404,941	405,525	4,285,000	2/1/2032
2017A G.O. Improvement Bonds	964,381	1,353,408	4,565,000	2/1/2033
2017B G.O. Improvement Bonds	662,625	882,518	4,910,000	2/1/2033
2018A G.O. Improvement Bonds	2,154,433	2,218,715	7,260,000	2/1/2034
2018B G.O. Improvement Bonds	163,911	164,029	2,290,000	2/1/2034
2019A G.O. Obligation Fund	80,792	82,043	5,325,000	2/1/2035
<b>Total</b>	<b><u>\$ 6,783,468</u></b>	<b><u>\$ 7,618,875</u></b>	<b><u>\$ 47,000,000</u></b>	
<b>Total Interest Payments</b>			<b><u>\$ 10,333,492</u></b>	



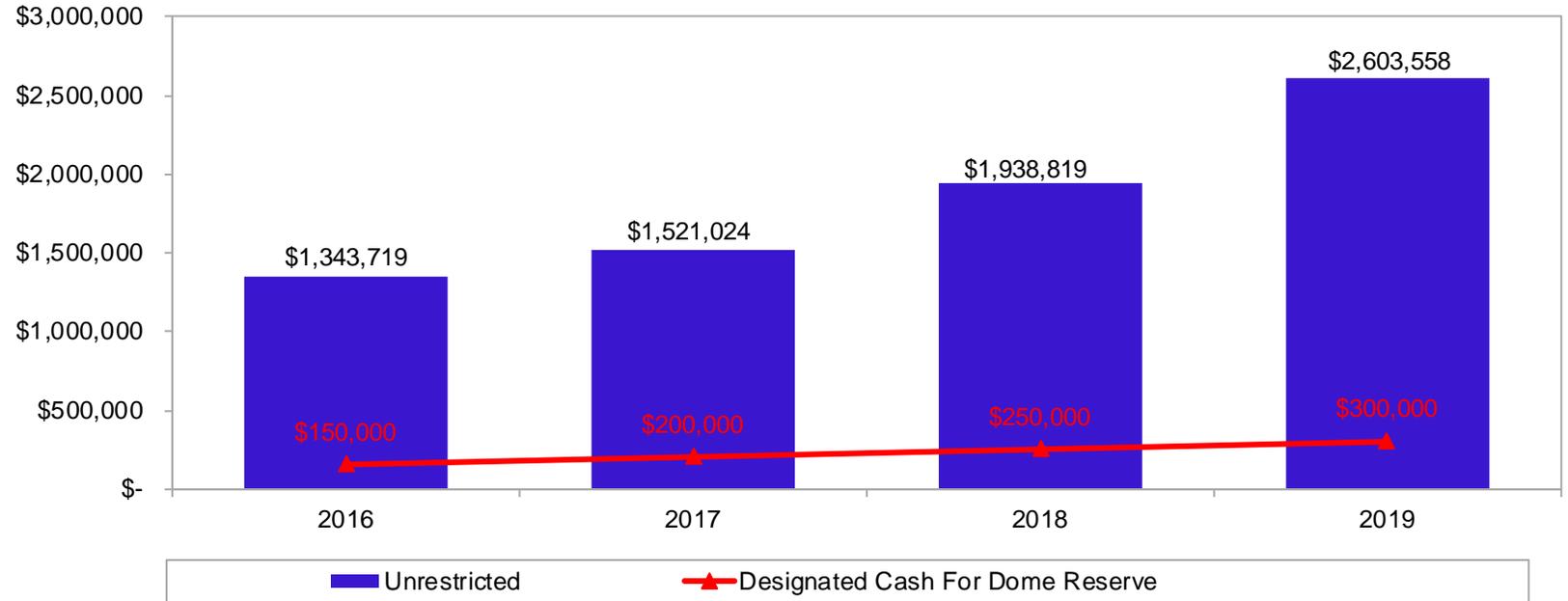
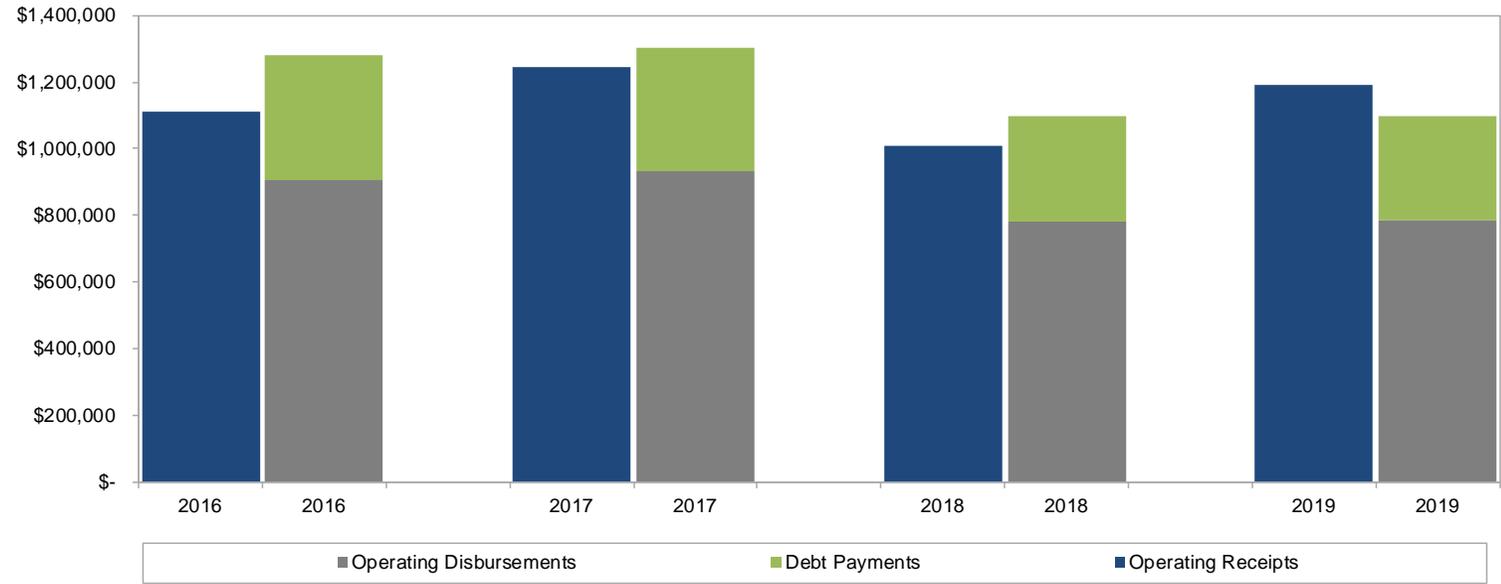
# Storm Sewer Fund - Cash Flows from Operations and Cash Balances



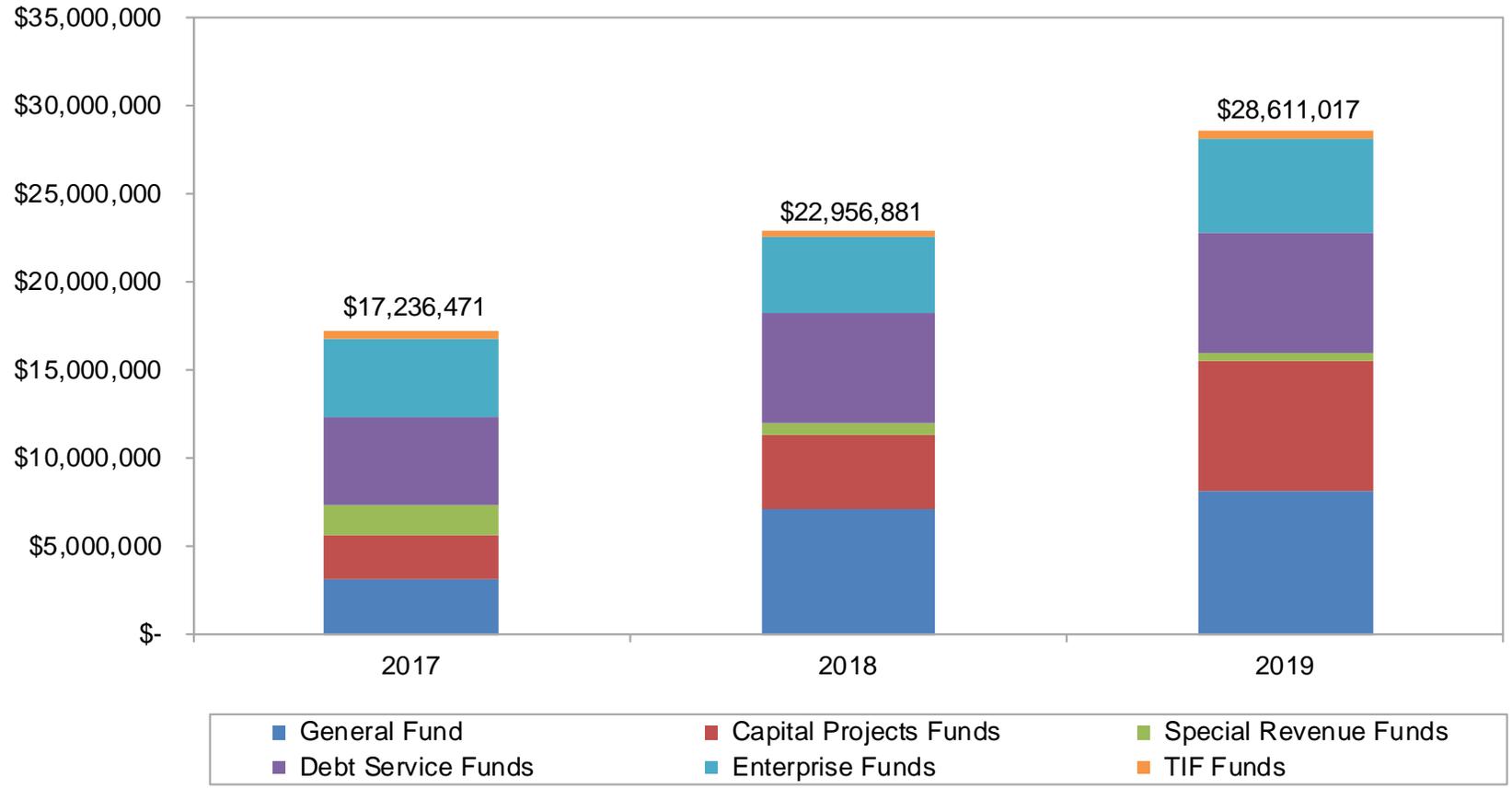
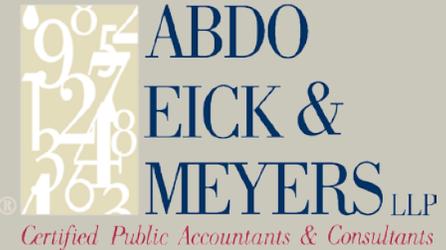
# Sanitary Sewer Fund - Cash Flows from Operations and Cash Balances



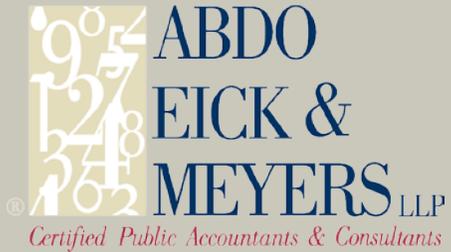
# Recreation Fund - Cash Flows from Operations and Cash Balances



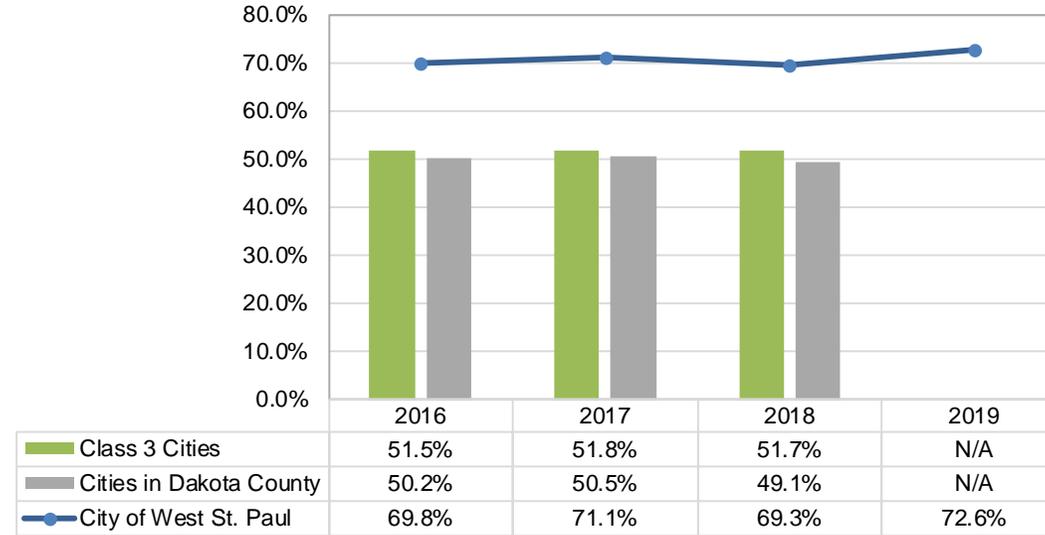
# Cash and Investments Balances by Fund Type



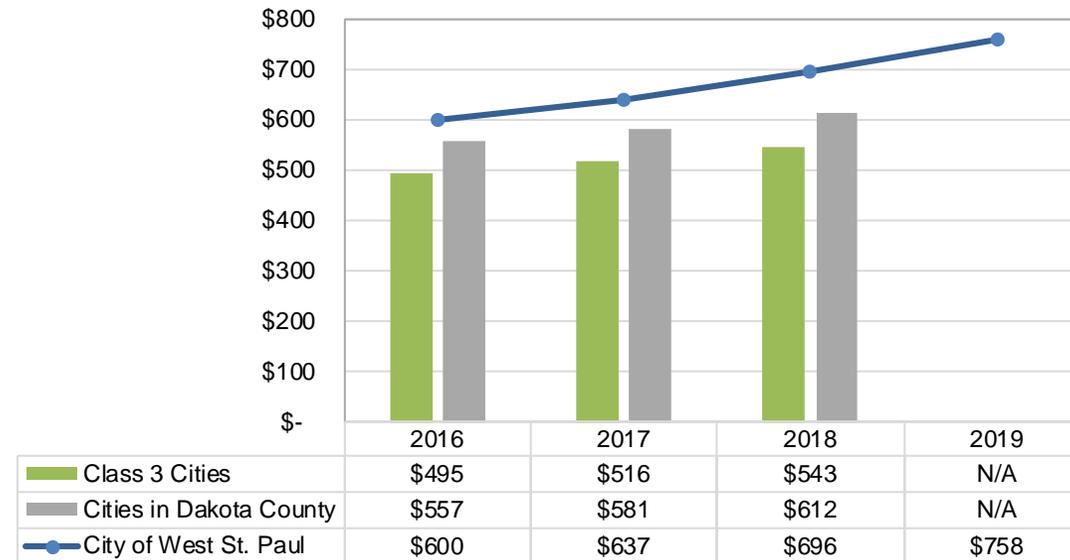
# Key Ratios



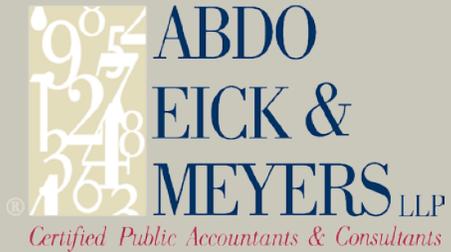
### Tax Rates



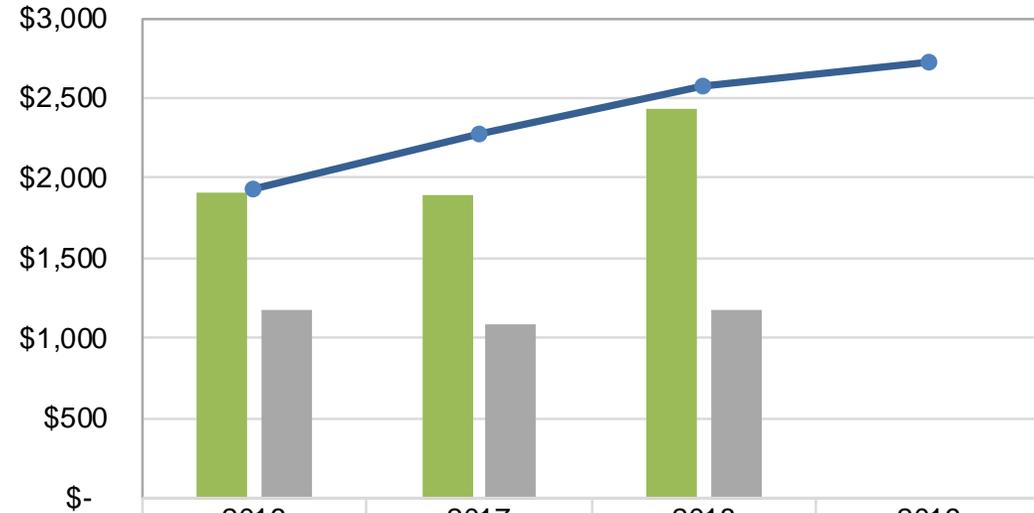
### Taxes Per Capita



# Key Ratios

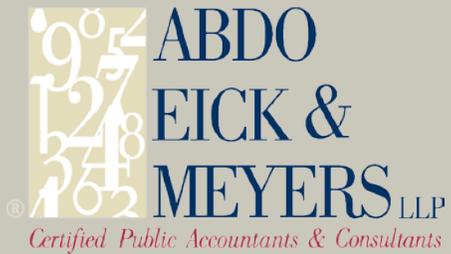


### Debt Per Capita

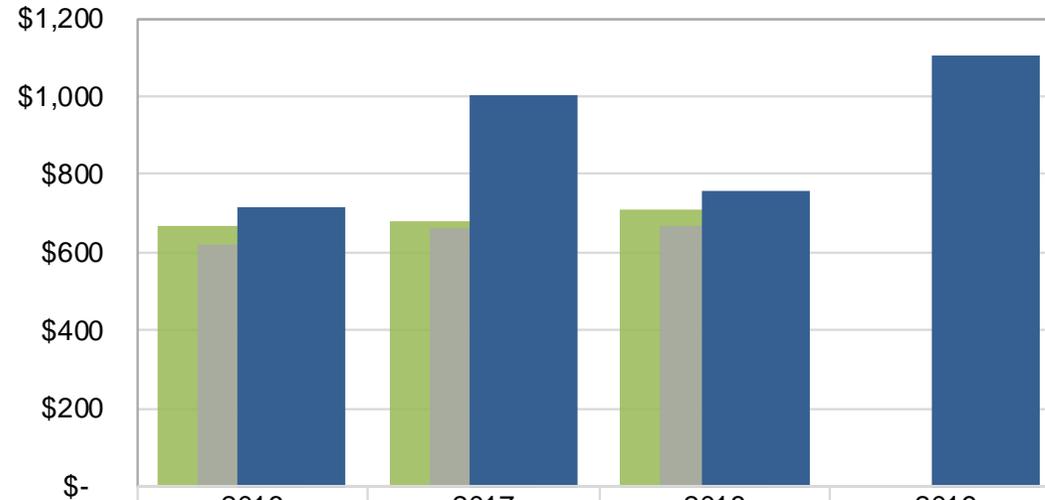


	2016	2017	2018	2019
Class 3 Cities	\$1,915	\$1,890	\$2,437	N/A
Cities in Dakota County	\$1,179	\$1,084	\$1,169	N/A
City of West St. Paul	\$1,925	\$2,273	\$2,571	\$2,720

# Key Ratios

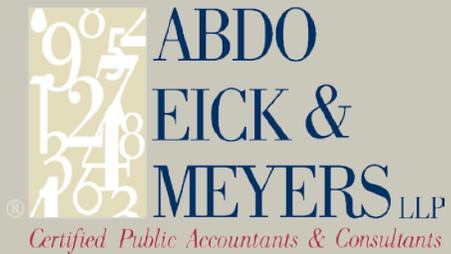


### Current Expenditures Per Capita

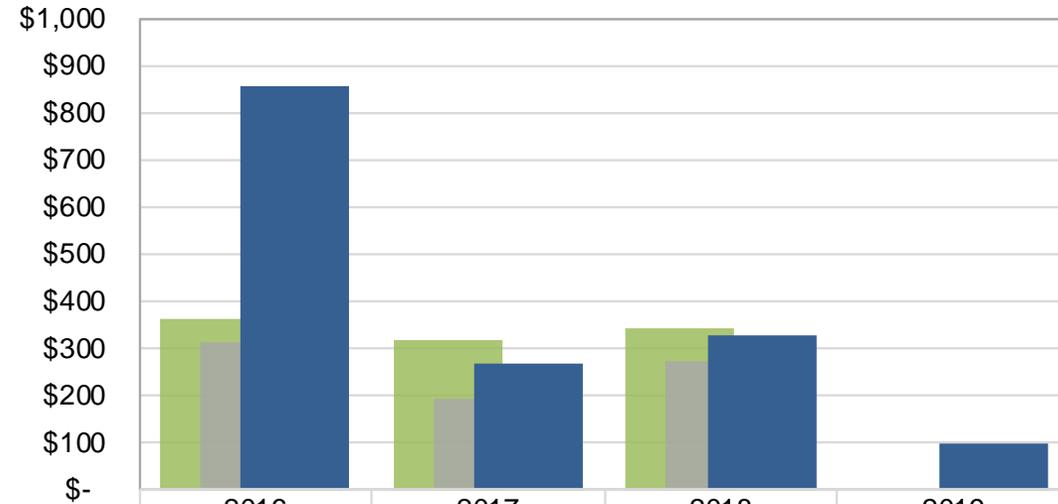


	2016	2017	2018	2019
■ Class 3 Cities	\$668	\$679	\$708	N/A
■ Cities in Dakota County	\$618	\$662	\$668	N/A
■ City of West St. Paul	\$716	\$1,002	\$756	\$1,105

# Key Ratios

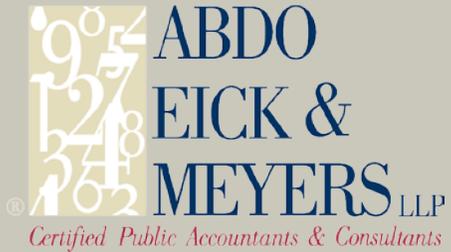


## Capital Expenditures Per Capita

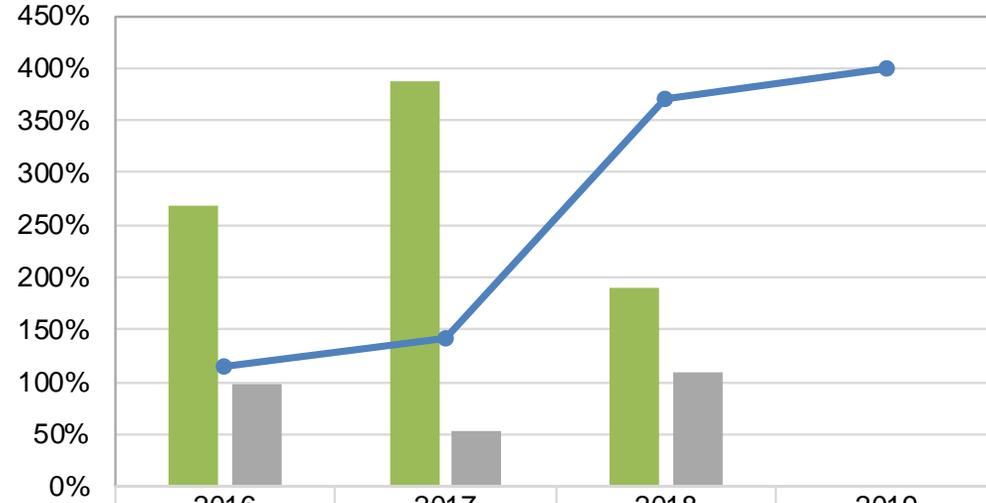


■ Class 3 Cities	2016	2017	2018	2019
■ Cities in Dakota County	\$364	\$315	\$340	N/A
■ City of West St. Paul	\$312	\$194	\$273	N/A
	\$858	\$266	\$326	\$98

# Key Ratios



**Sanitary Sewer Fund Debt Service Coverage**



 Class 3 Cities	267%	387%	190%	N/A
 Cities in Dakota County	98%	53%	109%	N/A
 City of West St. Paul	114%	141%	371%	400%

# Questions?

## Audit Team

**Brad Falteysek**  
**Bonnie Schwieger**  
**Jeff Hines**  
**MaryEllen Stuk**  
**Tomi McDonald**

City of West St. Paul

Cash Balances Projected to 2028 30320

Cash Minus Total Debt

	2012	2013	2014	2015	2016	2017	2018 Projection	Final 2018	2019 Projection	Final 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Cash	21,124,573	20,892,944	26,384,741	13,772,052	13,662,855	17,591,827	20,791,291	22,956,881	25,686,715	28,611,020	29,277,461	30,634,420	29,953,520	30,760,520	31,658,931	32,672,931	33,718,431	35,070,859	36,424,912
Debt	-27,875,000	-27,235,000	-35,185,000	-33,755,000	-40,040,000	-47,470,000	-54,160,000	-54,160,000	-57,170,000	-57,170,000	-53,005,000	(51,435,000)	(47,375,000)	(46,970,000)	(43,125,000)	(39,340,000)	(35,435,000)	(31,610,000)	(27,710,000)
Net	-6,750,427	-6,342,056	-8,800,259	-19,982,948	-26,377,145	-29,878,173	-33,368,709	-31,203,119	-31,483,285	-28,558,980	-23,727,539	-20,800,580	-17,421,480	-16,209,480	-11,466,069	-6,667,069	-1,716,569	3,460,859	8,714,912

Note: Cash includes restricted funds

Issue-Sewer Payment								6,455,000			3,900,000			3,500,000						
Early Redemption-2010A & 213 GO Bonds										(3,445,000)	(3,920,000)	(3,710,000)	(4,060,000)	(3,905,000)	(3,845,000)	(3,785,000)	(3,905,000)	(3,825,000)	(3,900,000)	
Pay off Golf Course Bonds											(1,760,000)									
Total Change in Outstanding Debt										3,010,000	(4,165,000)	(1,570,000)	(4,060,000)	(405,000)	(3,845,000)	(3,785,000)	(3,905,000)	(3,825,000)	(3,900,000)	

Dome and Street Project  
 Street Project  
 Robert St. Harmon Park  
 Street Project & Refinancing Old Debt  
 Robert St. and Sewer  
 Robert St. and Sewer

Robert St. and Street Project

Sewer and Street Project

Lift Station 1  
 Forcemain 4

Lift Station 2,3,4,6  
 Forcemain 2

Governmental Funds	Final Audited 2018	Budgeted 2019	4th Qtr. Projected Savings	Adjustment for YE Rollover	Add back	Projected	Final 2019	Goals	Funds Shortage/Overage
					Depreciation Subtract Debt payments				
General Fund/Innovation/Community	6,696,964		386,725			7,083,689.15	8,179,957.00	8,661,201.60	(481,244.60)
Insurance	138,494		12,163			150,657.00	108,110	500,000.00	(391,890.05)
EDA-	646,596		68,674			715,270.00	344,896	1,500,000.00	(1,155,104.00)
Debt Fund	4,372,940					4,372,940.00	4,629,036	5,000,000.00	(370,964.27)
Debt Mitigation Fund	1,827,684		495,000			2,322,684.00	2,154,433	4,310,000.00	(2,155,566.80)
Vehicle Fund	1,387,997	(354,000)	83,376	(333,000)		1,471,373.00	1,470,408	2,000,000.00	(529,592.31)
Government Facility Capital Project	461,745		464,628	(400,000)		926,373.00	612,379	5,000,000.00	(4,387,621.25)
Technology Replacement	159,469	45,000	54,982			214,450.57	223,753	300,000.00	(76,247.18)
Street Maintenance	1,098,520	(147,500)	35,197			1,133,717.27	1,120,553	700,000.00	420,553.46
Parks Improvement	744,695	44,000	222,695			967,390.00	1,012,127	2,000,000.00	(987,872.73)
Park redevelopment						-	-		-
Regional Athletic Center	1,648,681	(130,874)	386,665		16,500	2,035,346.00	2,022,596	3,000,000.00	(977,403.54)
Ice Arena	154,919	121,557	193,450		57,500	348,369.00	344,297	1,300,000.00	(955,702.79)
Restricted Cash-Hockey booster donation)			65,000			65,000.00	65,000		65,000.00
Golf Course	12,348		-			12,348.00	31,784	-	31,784.44
Pool	122,871	-	23,495		49,164	146,366.00	139,881	250,000.00	(110,118.99)
						-			
<b>Sub-total Projected Use/Saving of Cash</b>	<b>19,473,923</b>	<b>(421,817)</b>	<b>2,492,050</b>	<b>(733,000)</b>	<b>123,164</b>	<b>21,965,973</b>	<b>22,459,211</b>	<b>34,521,202</b>	<b>(12,061,991)</b>
<b>Enterprise funds-no tax levy</b>									
Sewer Fund	821,291	214,237	16,521		180,000		1,097,502	4,000,000.00	(2,902,497.78)
Storm Water Fund	1,500,791	(412,740)	(52,512)		145,000		1,655,420	1,000,000.00	655,420.41
<b>Sub-total Projected Use/Saving of Cash</b>	<b>2,322,082</b>	<b>(198,503)</b>	<b>(35,991)</b>		<b>325,000</b>		<b>2,752,923</b>	<b>5,000,000</b>	<b>(2,247,077)</b>
<b>TOTAL PROJECTED USE/SAVINGS OF CASH</b>	<b>21,796,005</b>	<b>(620,320)</b>	<b>2,456,059</b>		<b>448,164</b>		<b>25,212,134</b>	<b>39,521,202</b>	<b>(14,309,068)</b>