

Windemere Township

# Clerk & Treasurer's Report

---

BOARD OF AUDIT REVIEWED YEAR-END RESULTS

AS OF DECEMBER 31, 2019

# 2019 Highlights

---

Total revenue slightly below estimate due to delay in Dobo's property sale

Total expenses were under estimate due to delay in completion of Palon Road project

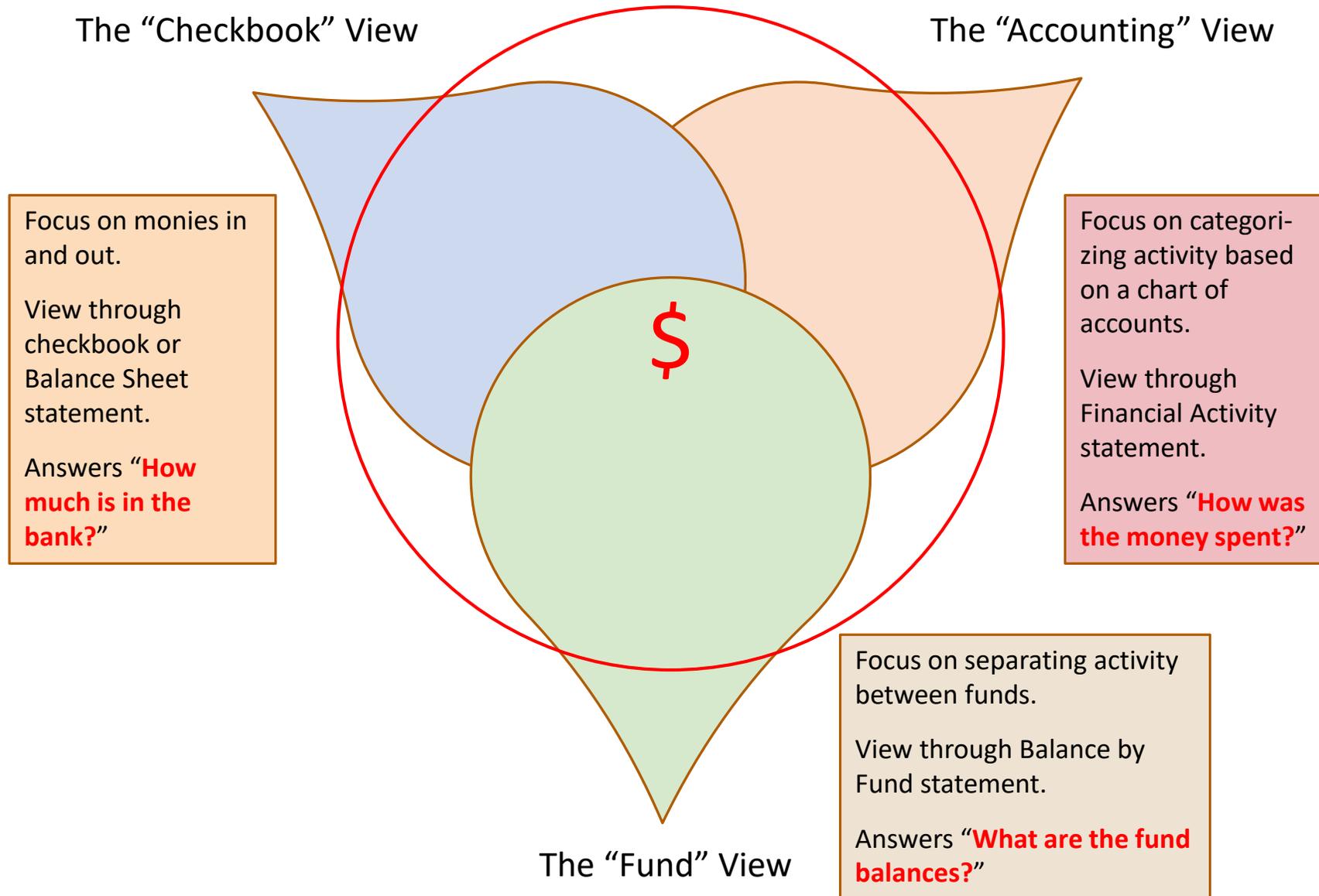
Made final payment on Island Lake Road bond debt. We're debt free!

Transferred remaining Bond Fund balance to Roads & Bridges Fund

Allocated all 2019 levy revenue to Roads & Bridges Fund

Spent down reserves by over \$427,700

# Three Lenses Into the Financial Numbers



# Revenue & Expense Comparison: FY 2019 vs 2018

		2019	2018
<b>Total Revenue</b>	Budgeted \$550,000	\$515,380.78	\$888,351.51
<b>Expenses</b>			
41100 · Supervisory		10,936.21	12,997.28
41400 · Clerk and Operations		68,034.47	63,129.86
41500 · Treasurer and Financial Management		29,256.44	39,621.04
41600 · Legal Services		9,223.36	40,965.71
41900 · Planning & Zoning / Other		19,900.17	25,036.61
42000 · Public Safety and Fire		85,923.85	85,471.69
43000 · Highways, Streets, Roadways, Sanitation		668,847.72	1,070,974.96
47000 · Debt Service		51,086.38	50,210.92
<b>Total Expenses</b>	Budgeted \$1,138,800	943,208.60	1,388,408.07
<b>Difference</b>		-427,827.82	-\$500,056.56

# 2019 Revenue by Source

---

General Property Taxes:	\$410,010	Tax Forfeiture Sales:	2,117
Interest Earnings:	41,088	Payment in Lieu of Taxes:	1,836
Refund of Gas Tax:	39,675	Variance Application Fees:	1,500
Zoning Fees:	7,861	Donations from Private Sources:	1,000
State Local Government Aid:	6,419	Recording Fees:	<u>4</u>
Miscellaneous Revenues:	3,871		
		<b>Total Revenue:</b>	<b>\$515,381</b>

# 2019 Expense Summary

---

Expenses totaled over \$943,000

Paid 91 different vendors

Paid 16 employees

# Top 2019 Vendors

---

VENDOR	TOTAL
Casper Construction, Inc	224,377.54
Erickson Engineering	105,928.51
Fahrner Asphalt Sealers, LLC	98,664.20
Moose Lake Area Fire Protection Dist	85,500.00
IUOE Local 49*	51,805.20
U.S. Bank (bond payment)	51,092.68
Moose Lake Township	26,840.95
United States Treasury*	26,443.82
Pine County Treasurer	21,661.00
Rydberg & Sons	18,238.50
Federated CO-OPS	15,775.25
PERA*	15,521.66

VENDOR	TOTAL
MN Assoc of Townships Ins Trust	14,152.00
Maney International, Inc.	11,968.27
Buetow Trucking & Excavating	11,280.00
Lakehead Trucking, Inc	8,475.00
Titan Machinery	8,248.43
Ledin, Hofstad, Troth & Fleming	6,593.08
First National Bank Omaha	6,241.05
Riverside Metal, Inc.	6,041.06
Bruno Deep Rock	4,716.12
Moose Lake Auto Parts	3,798.81
Minnesota Revenue*	3,021.38
Sylvia Ketchum	2,158.79

VENDOR	TOTAL
D.C. Garage Doors	2,130.00
TS Services LLC	1,998.96
Hinckley Trailer and Culvert Sales	1,991.75
Lake Country Power	1,893.00
United Rentals, Inc	1,844.81
Low Volts	1,779.53
Kris Engineering, Inc	1,744.01
Moose Lake Star Gazette	1,692.70
Minnesota Power	1,530.63
Verizon Wireless	1,425.97
ACME Tools Duluth	1,252.08
Pine County Auditor-Treasurer	1,249.31

\* - Includes employee payroll deductions (not just taxpayer dollars)

# 2019 Payroll: Wages + Employer Paid Benefits

---

<b>EMPLOYEE</b>	<b>TOTAL</b>
Michael Buetow	53,413.87
Kole Milczark	38,772.02
Scott Danelski	30,968.97
David Ketchum	25,715.48
Phillip White	17,074.61
Garrett Dahlen	8,861.17
Ronald Mossberg	7,595.44
John Wesely	4,448.96

<b>EMPLOYEE</b>	<b>TOTAL</b>
Peter Steen	3,638.57
Heidi Kroening	2,606.94
Ryan Clark	1,782.54
Clair Strandlie	565.16
David Pladson	545.78
Mark Fossum	435.98
Gary Pelton	322.95
Dianna Sandstrom	242.21

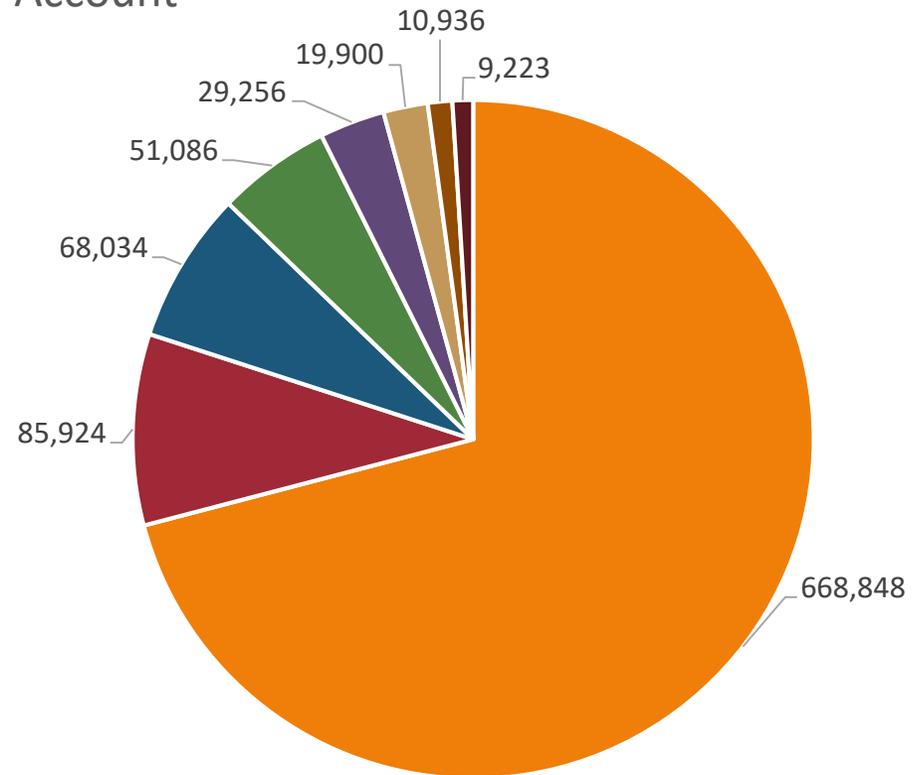
Includes: Salaries, wages, meetings, mileage reimbursement, phone allowance, Employer paid taxes (FICA, Medicare), Employer paid benefits (PERA, Union pension, Union health insurance)

# 2019 Expense Summary Chart

---

Expenses By Account

- Roads
- Public Safety & Fire
- Clerk & Operations
- Debt Service
- Treasurer & Fin Mgmt
- Planning & Zoning
- Supervisory
- Legal Services



# Account Balance Totals as of December 31, 2019

---

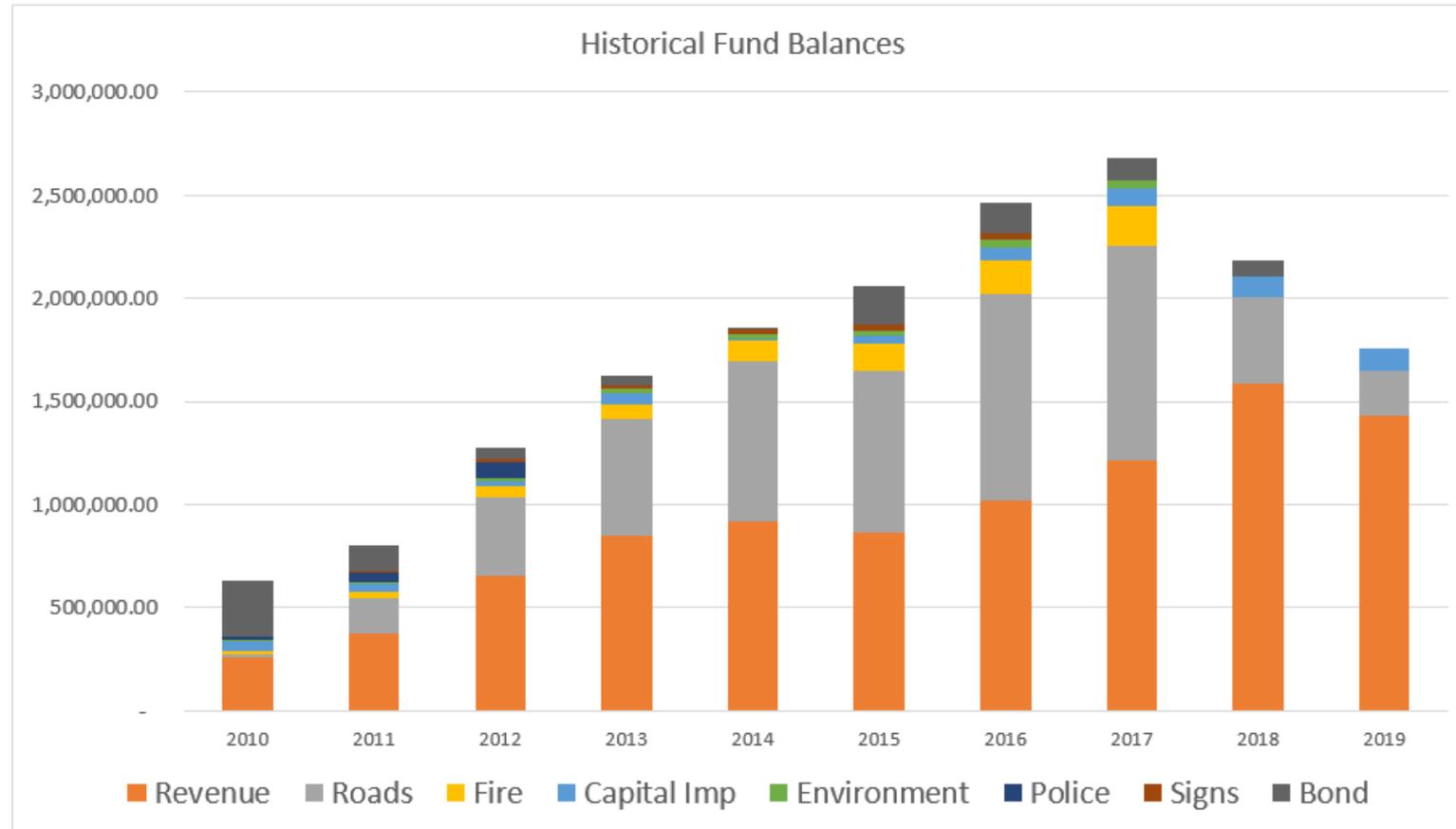
<b>Checking/Savings</b>	<b>Balance</b>
First National Bank Checking	379,581.41
First National Bank EFT	50.00
U.S. Bank Commercial	552.92
U.S. Bank Money Center	<u>1,375,158.39</u>
<b>Total Checking/Savings</b>	<b>1,755,342.72</b>

# Account Balances by Fund as of December 31, 2019

	<b>Revenue</b>	<b>Roads &amp; Bridges</b>	<b>Capital Improvement</b>	<b>Bond</b>	<b>TOTAL</b>
Checking/Savings					
1 <sup>st</sup> Natl Bank Checking	158,604.60	215,848.79	5,128.02	0.00	379,581.41
1 <sup>st</sup> Natl Bank EFT	50.00				50.00
US Bank Commercial	535.25		17.67		552.92
US Bank Money Center	1,272,859.26		102,299.13		1,375,158.39
<b>Totals</b>	<b>1,432,049.11</b>	<b>215,848.79</b>	<b>107,444.82</b>	<b>0.00</b>	<b>1,755,342.72</b>

## Windemere Township Historical Fund Balances

Year Ending	Revenue	Roads	Fire	Capital Imp	Environment	Police	Signs	Bond	Total
2010	261,087.17	11,564.37	13,577.14	49,656.12	7,466.60	13,074.06		275,908.88	632,334.34
2011	378,572.42	168,561.59	28,844.80	36,286.98	13,320.37	43,424.19	5,600.00	127,962.13	802,572.48
2012	658,775.03	378,244.97	50,316.48	24,893.31	19,317.16	75,702.22	11,557.25	60,451.69	1,279,258.11
2013	846,200.58	568,415.14	73,979.40	49,984.67	20,812.57		18,010.65	46,286.80	1,623,689.81
2014	917,402.77	779,405.16	102,111.71	6,916.54	22,517.93		21,609.30	11,321.66	1,861,285.07
2015	861,390.36	787,272.86	134,587.80	33,877.64	29,218.89		25,180.46	187,269.27	2,058,797.28
2016	1,018,338.76	1,004,034.75	163,249.83	60,106.62	35,925.39		31,052.98	151,915.21	2,464,623.54
2017	1,210,341.47	1,047,119.46	189,701.80	85,989.70	36,739.65			112,916.50	2,682,808.58
2018	1,586,951.48	416,933.21		104,638.06				74,540.79	2,183,063.54
2019	1,432,049.11	215,848.79		107,444.82					1,755,342.72



# Investment Portfolio as of December 31, 2019

Last Updated Tuesday, December 31, 2019

Custodian	Description	Identifier	Yield	Value Date	Maturity Date	Investment Amount	Estimated Interest	Estimated Maturity Value	Fund
USBank	Banker's Acceptance	9033A0A67	2.03%	9/3/2019	1/6/2020	206,346.55	1,428.45	207,775.00	Revenue
USBank	Banker's Acceptance	9033A0BA7	1.74%	11/6/2019	2/10/2020	102,299.13	465.87	102,765.00	Capital Improvement
USBank	Banker's Acceptance	9033A0BA7	1.72%	11/20/2019	2/10/2020	331,018.44	1,271.56	332,290.00	Revenue
USBank	Banker's Acceptance	9033A0BQ2	1.99%	9/12/2019	2/24/2020	206,968.20	1,856.80	208,825.00	Revenue
USBank	Banker's Acceptance	9033A0BS8	1.49%	12/10/2019	2/26/2020	155,621.16	493.84	156,115.00	Revenue
USBank	Banker's Acceptance	9033A0D64	1.76%	11/20/2019	4/6/2020	111,907.26	742.74	112,650.00	Revenue
USBank	Banker's Acceptance	9033A0EB2	1.78%	12/30/2019	5/11/2020	103,495.39	669.61	104,165.00	Revenue
USBank	Banker's Acceptance	9033A0EK2	1.78%	12/30/2019	5/19/2020	157,502.26	1,080.74	158,583.00	Revenue
<b>Average Yield</b>			<b>1.79%</b>	<b>Totals:</b>		<b>1,375,158.39</b>	<b>8,009.61</b>	<b>1,383,168.00</b>	

# 2019 Financial Report Questions?

---

# 2021 Tax Levy

---

Considerations to determine Levy:

1. Starting cash on hand
2. Board priorities
3. Current budget
4. 5-year projected revenue and expenses
5. Desired reserves

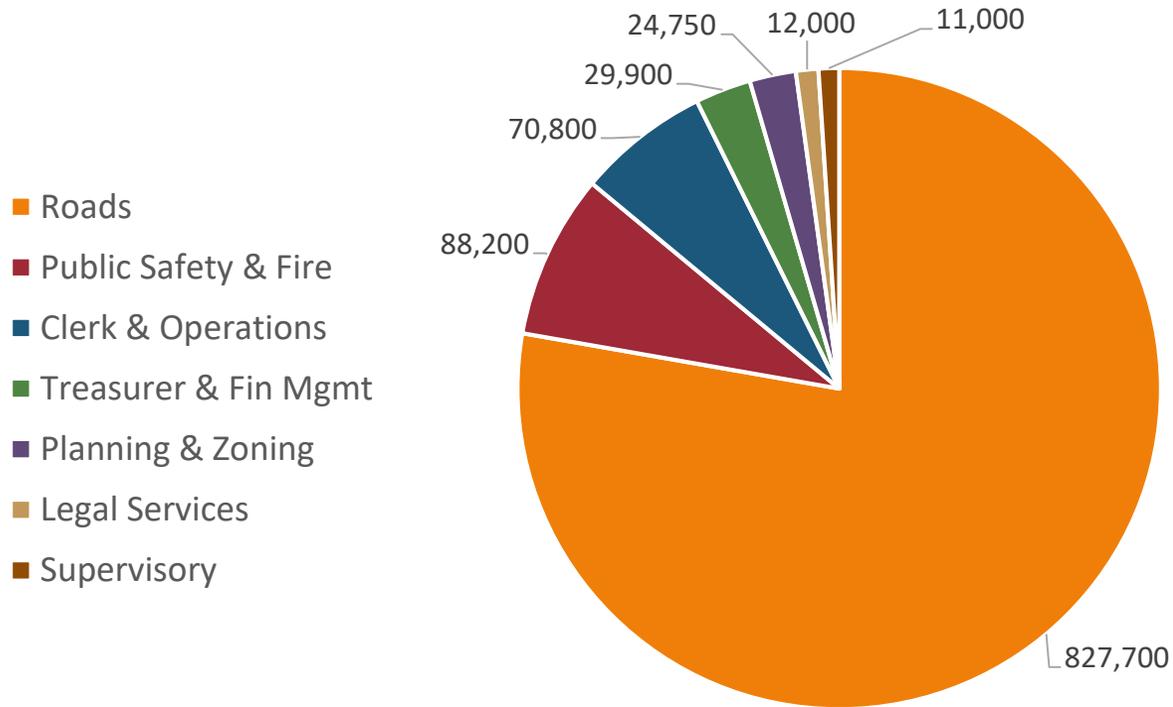
# 2020 Budget

## 2020 Budget Summary

	2020 Budget	Expense	2020 Budget
<b>Revenue</b>			
31000 · General Property Taxes	455,000.00	41000 · General Government	
31900 · Delinquent Taxes	2,000.00	41100 · Supervisory	10,915.00
32000 · Licenses and Permits	-	41400 · Clerk & Operations	70,737.00
33000 · Intergovernmental Revenues	47,800.00	41500 · Treasurer & Financial Mgmt	29,885.50
34000 · Charges for Services	7,504.00	41600 · Legal Services	12,000.00
36200 · Miscellaneous Revenues	30,000.00	41900 · Planning & Zoning / Other	<u>24,755.00</u>
<b>Total Revenue</b>	<b>542,304.00</b>	Total 41000 · General Government	148,292.50
		42000 · Public Safety & Fire	88,200.00
		43000 · Highways, Streets, Bridges	<u>827,717.50</u>
		<b>Total Expense</b>	<b>1,064,210.00</b>
		<b>Difference</b>	<b>(521,906.00)</b>

# 2020 Expense Budget by Account

2020 Expense Budget by Account



Roads & Bridges Line Item	2020 Budget
Road Construction	475,000
Wages & Benefits	132,118
Road Materials	100,000
Engineering & Surveying	40,000
Road Equipment	25,000
Motor Fuels	16,000
Maintenance Supplies	10,000
Equipment Repair	10,000
Machinery Rental	10,000
All Other Categories	<u>9,600</u>
<b>TOTAL</b>	<b>\$827,717</b>

# 5 Year Revenue & Expense Projection

---

- Formula:
  - Cash at start of Year
  - + Estimated Revenue
  - Estimated Expenses
  - = Cash at end of Year

(repeat the formula for 5 years)

- Estimates cash flow with a focus on reserves
- The further out the projection, the less reliable the estimates
- Along with the current year's budget, it is a tool to help set required revenues
- Lots of numbers (busy slide)

## Windemere Township 5-Year Budget Projection

	<u>2019 Actual</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cash on Hand: Start of Year	2,183,000	1,755,340	1,232,640	830,140	560,140	482,640
Levy Revenue	410,000	455,000★	500,000	550,000	600,000	600,000
Other Revenue	105,380	87,300	70,000	60,000	60,000	60,000
Operating Expenses	403,700	370,000	380,000	390,000	400,000	410,000
Capital Improvements (Direct Bill)	497,700	650,000	550,000	450,000	300,000	200,000
Capital Improvements (Overhead)	41,640	45,000	42,500	40,000	37,500	35,000
Cash on Hand: End of Year	1,755,340	1,232,640	830,140	560,140	482,640	497,640
Net Cash/Expenses	186%	116%	85%	64%	65%	77%
Cash Reserve @ 100% Exp.	943,040	1,065,000	972,500	880,000	737,500	645,000
Excess Cash	812,301	167,640	-142,360	-319,860	-254,860	-147,360

Note: "Pro forma" models the anticipated results of the 5-year planned budget, with particular emphasis on the projected cash flows, net revenues and tax levies.

**Capital Improvements** = Road Materials (224), Engineering (303), Machinery Rental (416), Building Maintenance (41940), Construction (43100), 1/3 Road Dept Salaries (43122) and Capital Equipment (43126)

**Board's Recommended 2021 Levy \$ 500,000 (\$0,000 Revenue + \$500,000 Roads)**



Current taxes, delinquent taxes, tax forfeiture (Dobo's)

# Projected Roads & Bridges Capital Expenses

2020	2021	2022	2023	2024
Chip Sealing	Chip Sealing	Chip Sealing	Chip Sealing	
Document R/O/W for all Roads	Document R/O/W for all Roads	Document R/O/W for all Roads	Document R/O/W for all Roads	Document R/O/W for all Roads
Gravel hauling	Gravel hauling	Gravel hauling	Gravel hauling	Gravel hauling
Equipment replacement	Equipment replacement	Equipment replacement	Equipment replacement	Equipment replacement
Palon Rd delayed invoices	Gravel pit storage building	Gravel pit storage building	Gravel pit storage building	Gravel pit storage building
Palon Rd materials	Palon Rd asphalt		Future unknown culvert Eng	Future unknown culvert Eng
Birchview Rd culvert installation	Sturgeon Island Rd asphalt		Future unknown culvert	Future unknown culvert
Rush Blvd culvert	Parkview asphalt		Gravel Crushing	
Harmony Ln asphalt	Striping			
Sturgeon Island Bridge	Island Lake Rd (north end) culvert Eng			
Sturgeon Island Bridge Eng	Island Lake Rd (north end) culvert			
Birchview Rd culvert Eng	Salt shed			
Rush Blvd culvert Eng	Purchase trailer			
Gravel Crushing				

# Township Tax Levy Changes

---

## Levy Amount

## Year Over Year Increase / Decrease

2018: \$757,550

2019: \$400,000

2020: \$400,000

2021: \$**500,000** (recommended by Board)

2021: \$550,000 (**projected**)

2022: \$600,000 (**projected**)

-53%

0%

25%

10%

9.1%

# Tax Levy Impact Analysis (Part 1)

## 2020 LEVY COMPARISON

2020 NTC 2876377  
 2020 Levy \$400,000  
 2020 Tax Rate 13.906%

						TAX DIFFERENCE BASED ON				
Parcel	2020 EMV	2020 Tax Capacity	Class	2020 Twp Levy		5% Levy Increase	10% Levy Increase	15% Levy Increase	25% Levy Increase	50% Levy Increase
<b>Proposed Levy</b>						420,000	440,000	460,000	500,000	600,000
<b>Proposed \$ Increase</b>						20,000	40,000	60,000	100,000	200,000
<b>Proposed Tax Rate</b>						14.602%	15.297%	15.992%	17.383%	20.860%
Requested Value	N/A	100,000	1,000	N/A	139	7	14	21	35	70
Average Value	N/A	171,500	1,497	Res-Hstd	208	10	21	31	52	104
Average Value	N/A	171,500	1,715	Seasonal	238	12	24	36	60	119
Property Owner A	33.04	233,200	2,161	Res-Hstd	301	15	30	45	75	150
Property Owner B	33.52	133,000	1,330	Res-Hstd	185	9	18	28	46	92
	33.52	303,200	3,032	Res-Hstd	422	21	42	63	105	211
	TOTALS	436,200	4,362	Res-Hstd	607	30	61	91	152	303
Property Owner C	33.57	215,300	2,007	Res-Hstd	279	14	28	42	70	140
	33.57	18,000	180	Res-Hstd	25	1	3	4	6	13
	33.57	18,000	180	Res-Hstd	25	1	3	4	6	13
	TOTALS	251,300	2,367	Res-Hstd	329	16	33	49	82	165
Property Owner D	33.04	401,300	4,002	Res-Hstd	557	28	56	83	139	278

# Tax Levy Impact Analysis (Part 2)

## 2020 LEVY COMPARISON

2020 NTC 2876377  
 2020 Levy \$400,000  
 2020 Tax Rate 13.906%

						TAX DIFFERENCE BASED ON				
Parcel	2020 EMV	2020 Tax Capacity	Class	2020 Twp Levy		5% Levy Increase	10% Levy Increase	15% Levy Increase	25% Levy Increase	50% Levy Increase
<b>Proposed Levy</b>						420,000	440,000	460,000	500,000	600,000
<b>Proposed \$ Increase</b>						20,000	40,000	60,000	100,000	200,000
<b>Proposed Tax Rate</b>						14.602%	15.297%	15.992%	17.383%	20.860%
Property Owner E	33.03	331,900	3,213	Res-Hstd	447	22	45	67	112	223
Property Owner F	33.07	45,600	189	Ag-Hstd	26	1	3	4	7	13
	33.07	308,300	1,666	Ag-Hstd	232	12	23	35	58	116
	33.07	23,400	117	Ag-Hstd	16	1	2	2	4	8
	33.07	31,800	318	Ag-Hstd	44	2	4	7	11	22
	33.07	41,000	202	Ag-Hstd	28	1	3	4	7	14
	33.06	236,400	1,540	Ag-Hstd	214	11	21	32	54	107
	33.06	124,200	1,233	Ag-Hstd	171	9	17	26	43	86
	33.07	51,900	212	Ag-Hstd	29	1	3	4	7	15
	33.07	79,600	399	Ag-Hstd	55	3	6	8	14	28
	TOTALS		942,200	5,876	Ag-Hstd	817	41	82	123	204
Property Owner G	33.05	437,800	8,006	Comm'l	1,113	56	111	167	278	557
Property Owner H	33.05	259,000	4,430	Comm'l	616	31	62	92	154	308
Property Owner I	33.05	471,400	8,678	Comm'l	1,207	60	121	181	302	603
Property Owner J	33.06	837,200	6,141	Mixed	854	43	85	128	213	427

# 2021 Levy Discussion and Vote

---