

BEMIDJI CITY COUNCIL WORK SESSION AGENDA

Monday, October 27, 2025

City Hall
317 4th Street NW
5:30 PM



1. CALL TO ORDER/ROLL CALL

2. BUSINESS
 - a) 2024 Financial Year End Review
 - i. Consider Resolution Designating Fund Balances

3. ADJOURN

2024 Financial Review



Introduction

- ◆ Meeting purpose is to review 2024 City Financial Results:
 - ◆ General Fund
 - ◆ Special Funds
 - ◆ Debt Service Funds
 - ◆ Enterprise Funds
- ◆ Only decision - Designate General Fund Balances.
- ◆ Items in **Red** are actual expenses over budget and revenues under budget. Items in **Green** are actual expenses under budget or revenues over budget (expect in white areas, those are Black).

General Fund

- ◆ General (1)- consisting of City “basic operations” represents 35% of the actual overall revenues received in 2024 and 38% of the actual overall expenses for 2024.
 - ◆ Gov’t Services - Council, Admin, Legal, Finance, Technology, Assessing, Planning & Zoning, Library & Election.
 - ◆ Public Safety - Police and Fire.
 - ◆ Public Works - GIS, Engineering, Parks & Recreation, Streets.
 - ◆ Miscellaneous - Transfers including Sanford Center, Contingencies, Econ Development. Mass transit & Special Requests.
- ◆ Most of the revenue is from Property Tax and Local Govt Aid (LGA) 71% Budgeted and 68% Actual.
 - ◆ Received two times a year, in July and December.

General Fund Budget Versus Actual Revenues

- ◆ Revenue received was less than budget by **\$61,420**.
 - ◆ Circle K Land Sale:
 - ◆ Not in budget of **\$1,230,031** and NOT reflected in the deficit above); these funds are designated to purchased First National Bank Property (2025) and for the Rail Corridor Project (2025/2026).
 - ◆ These funds have been removed from the General Fund Total after the audit.
- ◆ Revenues that were higher than budget were; Land Sale, Interest Earnings & Liquor Licenses.
- ◆ Revenues that were lower than budget were; Franchise Fees, Fire Revenue/Rural, Property Taxes collected, Grants & Parking Violations.
- ◆ Grant Departmental Revenues were **\$217,783**; these are used as reimbursements against expenses like supplies and equipment.

General Fund Budget versus Actual Revenues




FUND #	FUND DESCRIPTION	BUDGET 2024 REVENUE	ACTUAL 2024 REVENUE	BUDGET 2024 VARIANCE
	GENERAL FUND	Primary Operating Fund		
101	General Fund			
101	Property Taxes	\$ 7,155,561	\$ 7,124,620	\$ (30,941)
101	Other Taxes & Assessments	\$ 1,634,000	\$ 1,427,699	\$ (206,301)
101	Licenses & Permits	\$ 140,500	\$ 149,011	\$ 8,511
101	State Aid & Grants - LGA	\$ 4,822,632	\$ 4,914,968	\$ 92,336
101	Other Revenue	\$ 193,041	\$ 201,572	\$ 8,531
101	Fire Revenue	\$ 733,326	\$ 677,840	\$ (55,486)
101	Fines & Fees	\$ 170,500	\$ 150,719	\$ (19,781)
101	Transfer	\$ 1,946,202	\$ 1,869,630	\$ (76,572)
101	Sale Of Assets	\$ -	\$ 1,230,531	\$ 1,230,531
		\$ 16,795,762	\$ 17,746,590	\$ 950,828
101	Grants Received to offset Departmental Expenses		\$ 217,783	\$ 217,783
			\$ 17,964,373	\$ 1,168,611
101	Circle K Land Sale Designated Funds		\$ 1,230,031	\$ 61,420

General Fund Budget versus Actual Expenses


- ◆ Expenses were over budget by **\$89,747**.
 - ◆ Grant Dollars received for Departmental Expenses have been applied against the actual expenses. They are a revenue and should be broken out as such, in 2024 three departments received **\$217,783** in grants towards non-employee related expenses.
 - ◆ Expenses that were over budget were; Property and Liability Insurances, Maintenance, Professional Fees & Operating Supplies.
 - ◆ Expenses that were under than budget were; Personnel Salary & Wages, Fringe Benefits & Utilities.
 - ◆ CIP Expenses appear to be over budget; however, ARPA funds were transferred to cover those overages.

General Fund Budget versus Actual Expenses

		BUDGET 2024 EXPENSES	ACTUAL 2024 EXPENSES	BUDGET 2024 VARIANCE	GRANTS 2024 DEPT
FUND #	FUND DESCRIPTION				
	GENERAL FUND	Primary Operating Fund			
101	Mayor & Council	\$ 177,216	\$ 190,669	\$ (13,453)	
101	Administration	\$ 558,302	\$ 586,764	\$ (28,462)	
101	Election	\$ 9,100	\$ 14,672	\$ (5,572)	
101	Finance	\$ 805,305	\$ 654,396	\$ 150,909	
101	Technology Services	\$ 166,301	\$ 197,021	\$ (30,720)	
101	Assessing	\$ 143,850	\$ 131,080	\$ 12,770	
101	Legal	\$ 643,994	\$ 551,036	\$ 92,958	
101	Planning & Zoning	\$ 449,028	\$ 455,896	\$ (6,868)	
101	Police	\$ 5,910,848	\$ 5,615,048	\$ 295,800	\$ 155,397
101	Fire & Emergency	\$ 1,738,974	\$ 1,829,590	\$ (90,616)	\$ 5,000
101	Streets	\$ 1,736,923	\$ 1,614,514	\$ 122,409	
101	GIS	\$ 184,029	\$ 145,762	\$ 38,267	
101	Engineering & PW Admin	\$ 664,018	\$ 576,842	\$ 87,176	
101	Parks & Recreation	\$ 1,654,171	\$ 1,838,646	\$ (184,475)	\$ 57,385
101	Library	\$ 229,599	\$ 220,878	\$ 8,721	
101	Sanford Center	\$ 350,000	\$ 700,000	\$ (350,000)	
101	Economic Development	\$ 30,000	\$ 30,000	\$ -	
101	Contingencies	\$ 69,004	\$ 4,310	\$ 64,694	
101	Public Transportation	\$ 15,500	\$ 2,429	\$ 13,071	
101	Transfers	\$ 310,200	\$ 173,450	\$ 136,750	
101	Capital Expenditures	\$ 949,400	\$ 1,134,339	\$ (184,939)	
101	Special Requests	\$ -	\$ 386	\$ (386)	
		\$ 16,795,762	\$ 16,667,726	\$ 128,036	\$ 217,783
101	Grants Received, shown above				\$ 217,783
			\$ 16,885,509	\$ (89,747)	

Levy Funded Revenue Items


- ◆ Levy Funds - represents 42.6% of the Budgeted General Fund Revenues and 40.2% of the actual General Fund Revenues received for 2024.



FUND #	FUND DESCRIPTION	BUDGET 2024 REVENUE	ACTUAL 2024 REVENUE	VARIANCE
	LEVY			
101	General Fund	\$ 7,183,052	\$ 7,152,366	\$ (30,686)
604	Sanford Center Subsidy	\$ 210,000	\$ 207,125	\$ (2,875)
226	Street Improvements	\$ 385,000	\$ 385,556	\$ 556
306	Bonds	\$ 288,243	\$ 288,646	\$ 403
		\$ 8,066,295	\$ 8,033,693	\$ (32,602)

Levy Funded Expense Items

- ◆ Levy Funds - represents 42.6% of the Budgeted General Fund Revenues and 40.2% of the actual General Fund Revenues received for 2024.



FUND #	FUND DESCRIPTION	BUDGET 2024 ACTUAL	ACTUAL 2024 EXPENSES	VARIANCE
	LEVY			
101	General Fund	\$ 7,152,366	\$ 7,213,786	\$ (61,420)
604	Sanford Center Subsidy	\$ 207,125	\$ 210,000	\$ (2,875)
226	Street Improvements	\$ 385,556	\$ 470,405	\$ (84,849)
306	Bonds	\$ 288,646	\$ 279,619	\$ 9,027
		\$ 8,033,693	\$ 8,173,810	\$ (140,117)

Special Funds

- ◆ Special Funds (23)- activities restricted to “specific purposes” represents 12.4% of the actual overall revenues received in 2024 and 12.5% of the actual overall expenses for 2024.
 - ◆ Building/Rental, Arena, Construction Fund, ARP Funds, Railroad Corridor.
 - ◆ Joint Planning Board (JPB), Carnegie Library, Revolving Loan Fund (RLF).
 - ◆ Public, Education & Gov’t (PEG) Fee, Parking Development, Grants, Central Services.

Special Fund Budget Versus Actual Revenues

- ◆ Revenue received was over budget by **\$3,429,779**.
 - ◆ Revenues that were over budget were:
 - ◆ Permanent Improvement Funds, over budget by **\$2,562,130**.
 - ◆ Proceeds from Special Assessments, grants & Transfers Budgeted.
 - ◆ Other Revenues over budget are only because they were never entered into the budget by Abdo like the ARP Funds & Rail Corridor.
- ◆ Revenues that were under than budget were very minimal, this is a reflection of less transfers to the Central Services fund, that were not needed.

Special Fund Budget versus Actual Revenues



FUND #	FUND DESCRIPTION	BUDGET 2024 REVENUE	ACTUAL 2024 REVENUE	BUDGET 2024 VARIANCE
	SPECIAL REVENUE			
	Grants & Construction			
103	Building & Rental	\$ 555,000	\$ 570,295	\$ 15,295
104	ARPA Funds	\$ -	\$ 485,098	\$ 485,098
202	Railroad Corr Redevelopment	\$ -	\$ 127,365	\$ 127,365
203	Affordable Housing Aid	\$ -	\$ -	\$ -
204	Development Fund	\$ 34,000	\$ 54,517	\$ 20,517
205	UDAG	\$ 1,000	\$ 3,343	\$ 2,343
206	Stratacor Project	\$ 10,000	\$ 10,498	\$ 498
207	Nymore Area Project SCDP	\$ -	\$ 26,227	\$ 26,227
208	Program Income	\$ 100	\$ 416	\$ 316
209	DUI Penalty Assessment	\$ 27,000	\$ 141,939	\$ 114,939
211	Wolfe Center	\$ -	\$ 7,258	\$ 7,258
212	Police Canine Program	\$ -	\$ 65,434	\$ 65,434
214	PEG Cable Fee	\$ 15,050	\$ 11,952	\$ (3,098)
220	Parking Development & Maint	\$ 43,000	\$ 63,890	\$ 20,890
222	Carnegie Library Restoration	\$ 34,100	\$ 27,457	\$ (6,643)
224	OPC Rent Fund	\$ 16,000	\$ 3,685	\$ (12,315)
225	Firemen's Relief	\$ 240,000	\$ 301,252	\$ 61,252
226	Permanent Improvement	\$ 1,142,500	\$ 3,704,630	\$ 2,562,130
230	Parkland Dedication	\$ 100	\$ 2,733	\$ 2,633
231	Library Board Funds	\$ -	\$ -	\$ -
232	JPB	\$ -	\$ -	\$ -
615	Arena	\$ 1,100	\$ 3,338	\$ 2,238
701	Central Services	\$ 784,910	\$ 722,311	\$ (62,599)
		\$ 2,903,860	\$ 6,333,639	\$ 3,429,779

Special Fund Budget versus Actual Expenses

- ◆ Expenses were over budget by **\$1,178,708**.
 - ◆ Expenses that were over budget were:
 - ◆ Property and Liability Insurances, Maintenance, Professional Fees & Operating Supplies.
 - ◆ Expenses that were under budget were:
 - ◆ Personnel Salary & Wages, Fringe Benefits & Utilities.
 - ◆ CIP Expenses appear to be over budget; however, ARPA funds were transferred to cover those overages.

Special Fund Budget versus Actual Expenses



FUND #	FUND DESCRIPTION	BUDGET 2024 EXPENSES	ACTUAL 2024 EXPENSES	BUDGET 2024 VARIANCE
	SPECIAL REVENUE			
	Grants & Construction			
103	Building & Rental	\$ 597,622	\$ 491,235	\$ 106,387
104	ARPA Funds	\$ -	\$ 485,098	\$ (485,098)
202	Railroad Corr Redevelopment	\$ -	\$ 127,617	\$ (127,617)
203	Affordable Housing Aid	\$ -	\$ -	\$ -
204	Development Fund	\$ -	\$ -	\$ -
205	UDAG	\$ -	\$ -	\$ -
206	Stratacor Project	\$ -	\$ -	\$ -
207	Nymore Area Project SCDP	\$ -	\$ 11,727	\$ (11,727)
208	Program Income	\$ -	\$ -	\$ -
209	DUI Penalty Assessment	\$ 23,000	\$ 4,046	\$ 18,954
211	Wolfe Center	\$ -	\$ -	\$ -
212	Police Canine Program	\$ -	\$ 24,056	\$ (24,056)
214	PEG Cable Fee	\$ -	\$ 4,242	\$ (4,242)
220	Parking Development & Maint	\$ 12,000	\$ 13,876	\$ (1,876)
222	Carnegie Library Restoration	\$ 34,000	\$ 35,484	\$ (1,484)
224	OPC Rent Fund	\$ -	\$ 22,616	\$ (22,616)
225	Firemen's Relief	\$ 240,000	\$ 301,252	\$ (61,252)
226	Permanent Improvement	\$ 2,819,890	\$ 3,494,303	\$ (674,413)
230	Parkland Dedication	\$ -	\$ -	\$ -
231	Library Board Funds	\$ -	\$ 1,860	\$ (1,860)
232	JPB	\$ -	\$ 16,741	\$ (16,741)
615	Arena	\$ 40,300	\$ 36,276	\$ 4,024
701	Central Services	\$ 575,535	\$ 450,626	\$ 124,909
		\$ 4,342,347	\$ 5,521,055	\$ (1,178,708)


Debt Service Fund

- ◆ Debt Service (6) - bond issuance and pymts related to “long term debt” represents 1.3% of the actual overall revenues received in 2024 and 1.2% of the actual overall expenses for 2024.
 - ◆ Public Works Bonds.
 - ◆ Tax Increment “Pay as You Go” Debt.
 - ◆ University Heights, Mountain View Meadows, Red Pines Estates.
 - ◆ Energy Savings Project.
 - ◆ Does not include Enterprise Debt (Sanford Center, Liquor & Utilities).

Debt Service Budget Versus Actual Revenues

- ◆ Revenue received was over budget by \$50,140.
- ◆ Revenues that were over budget were:
 - ◆ Bonds, which required a higher transfer of funds.
- ◆ TIF accounts show over budget due to no budget entered (Note: Red Pines TIF not eligible for a payout until 2026).
- ◆ Revenues that were under budget were:
 - ◆ Energy Savings Project due to a lower amount of transferred funds not needed within 2024.

Debt Service Fund Budget versus Actual Revenues




FUND #	FUND DESCRIPTION	BUDGET 2024 REVENUE	ACTUAL 2024 REVENUE	BUDGET 2024 VARIANCE
	DEBT SERVICE	Bond Principal & Interest		
306	2007 GO Bonds	\$ 288,243	\$ 343,433	\$ 55,190
307	2008 Taxable GO Bonds	\$ -	\$ 8	\$ 8
375	1998 GO Bonds	\$ -	\$ -	\$ -
384	TIF University Heights	\$ 13,000	\$ 8,174	\$ (4,826)
385	Mountain View Meadows	\$ -	\$ 13,104	\$ 13,104
387	TIF Red Pine Estates	\$ -	\$ 15,000	\$ 15,000
388	TIF HRDC Workforce Housing Project	\$ -	\$ 2,450	\$ 2,450
512	Energy Savings Project	\$ 137,000	\$ 76,036	\$ (60,964)
520	2008 Improvement Bonds	\$ 190,000	\$ 220,179	\$ 30,179
		\$ 628,243	\$ 678,383	\$ 50,140

Debt Service Fund Budget versus Actual Expenses

- ◆ Expenses were over budget by **\$11,392**.
 - ◆ Expense that was over budget was the Energy Savings Project due to inaccurate budgeted numbers.
 - ◆ Expense that was under budget was the GO bonds due to inaccurate budgeted numbers.

Debt Service Fund Budget versus Actual Expenses



FUND #	FUND DESCRIPTION	BUDGET 2024 EXPENSES	ACTUAL 2024 EXPENSES	BUDGET 2024 VARIANCE
	DEBT SERVICE	Bond Principal & Interest		
306	2007 GO Bonds	\$ 288,243	\$ 274,475	\$ 13,768
307	2008 Taxable GO Bonds	\$ -	\$ -	\$ -
375	1998 GO Bonds	\$ -	\$ -	\$ -
384	TIF University Heights	\$ 13,000	\$ 13,000	\$ -
385	Mountain View Meadows	\$ -	\$ -	\$ -
387	TIF Red Pine Estates	\$ -	\$ -	\$ -
388	TIF HRDC Workforce Housing Project	\$ -	\$ -	\$ -
512	Energy Savings Project	\$ 137,000	\$ 162,160	\$ (25,160)
520	2008 Improvement Bonds	\$ 190,000	\$ 190,000	\$ -
		\$ 628,243	\$ 639,635	\$ (11,392)

City Bond Summary

◆ <u>General Obligation Debt</u>	<u>Balance Due</u>	<u>Maturity Date</u>
◆ Public Works Bldg	\$ 1,030,000	02/01/2028
◆ Energy Savings Lease	\$ 1,444,832	08/27/2034
◆ <u>Revenue Bonds (Enterprise Funds)</u>		
◆ Water/Sewer	\$ 2,190,000	02/01/2032
◆ Water Treatment Plant	\$ 2,790,000	02/01/2031
◆ Waste Water Plant	\$ 1,700,000	02/01/2041
◆ Sanford Center	\$40,150,000	02/01/2041
◆ Liquor Store	\$ 2,815,000	02/01/2038
◆ Water Treatment Plant	<u>\$ 6,270,000</u>	08/01/2045
◆ TOTAL	\$58,389,832	

Enterprise Funds

- ◆ Enterprise (5) - activities “operating like a business” represents 51% of the actual overall revenues received in 2024 and 48% of the actual overall expenses for 2024.
 - ◆ Utilities - Water/Sewer, Refuse, Storm Water.
 - ◆ Liquor - Lakeview Liquor and First City Liquor.
 - ◆ Sanford Center - SE Shore Development Bonds.

Enterprise Funds Budget Versus Actual Revenues

- ◆ Revenue received was less than budget by **\$5,438,199**.
- ◆ Storm Water Revenues higher than budget by **\$86,191**.
- ◆ Refuse Revenues were over budget by **\$67,724**.
- ◆ Sanford/South Shore Development Revenues from Sales Tax were over by **\$238,922**.
- ◆ Water/Sewer Revenues were under budget by **\$5,341,816**, mostly due to State Grant Revenue not received in 2024.
- ◆ Liquor Store Revenues were under budget by **\$489,221**.

Enterprise Funds Budget versus Actual Revenues



FUND #	FUND DESCRIPTION	BUDGET 2024 REVENUE	ACTUAL 2024 REVENUE	BUDGET 2024 VARIANCE
	ENTERPRISE			
		Business Like Activities		
601	WaterSewer	\$ 17,094,500	\$ 11,752,684	\$ (5,341,816)
602	Storm Water	\$ 1,020,500	\$ 1,106,691	\$ 86,191
603	Refuse	\$ 662,000	\$ 729,724	\$ 67,724
604	SE Shore Development	\$ 3,725,000	\$ 3,963,922	\$ 238,922
609	Liquor	\$ 8,877,000	\$ 8,387,779	\$ (489,221)
		\$ 31,379,000	\$ 25,940,801	\$ (5,438,199)

Enterprise Funds Budget versus Actual Expenses

- ◆ Expenses were under budget by \$15,224,720.
 - ◆ Expenses that were over budget were:
 - ◆ Sanford/South Shore Development due to Depreciation expense not included in budget \$444,526.
 - ◆ Expenses that were under budget were:
 - ◆ Water/Sewer, mostly due to WWTP project budgeted did not occur in 2024 \$14,796,569.
 - ◆ Storm Water, CIP items not executed to Buildings & Structures \$221,653.
 - ◆ Refuse, CIP equipment items not purchased in 2024 \$436,997.
 - ◆ Liquor Store, mostly due to sales on product costs savings \$214,047.

Enterprise Funds Budget versus Actual Expenses



FUND #	FUND DESCRIPTION	BUDGET 2024 EXPENSES	ACTUAL 2024 EXPENSES	BUDGET 2024 VARIANCE
	ENTERPRISE	Business Like Activities		
601	WaterSewer	\$ 22,346,305	\$ 7,549,736	\$ 14,796,569
602	Storm Water	\$ 1,110,582	\$ 888,929	\$ 221,653
603	Refuse	\$ 975,336	\$ 538,359	\$ 436,977
604	SE Shore Development	\$ 2,978,413	\$ 3,422,939	\$ (444,526)
609	Liquor	\$ 9,135,347	\$ 8,921,300	\$ 214,047
		\$ 36,545,983	\$ 21,321,263	\$ 15,224,720

Enterprise Funds Liquor Operations Summary

- ◆ Annual sales \$8.388 million.
 - ◆ Revenue lower than budget by **\$489,221**.
 - ◆ Revenue 1% less than 2023 (**\$69K**).
 - ◆ Expenses under budget by **\$214,047**.
 - ◆ COGS reduced with better purchasing practices; less building and structure maintenance completed than budgeted.

General Fund Designated Fund Balance

- ◆ Primary purpose of a designated fund balance is for cash flow.
 - ◆ Emergencies, natural disasters and unanticipated expenses are other reasons to maintain fund balance level.
 - ◆ Impacts City bond rating and interest rates.
- ◆ Fund balance
 - ◆ \$8,397,881 was the designated fund balance for 2024.
 - ◆ In accordance with City Charter, policy of 50% of expenses budgeted.

Recommendation

Resolution to designate General Fund balance:

- ◆ Increase designated fund balance for cash flow and unplanned expenses by **\$606,786** for a new total of **\$9,004,667**.
- ◆ This is 50% of 2025 General Fund budget amount of **\$18,009,334**.

RESOLUTION NO.

A RESOLUTION DESIGNATING FUND BALANCES

WHEREAS, on October 27, 2025, the City Council considered the designation of fund balances.

NOW, THEREFORE, BE IT RESOLVED that the Bemidji City Council hereby designates fund balances in accordance with the following schedule:

General Fund

- Increase designated fund balance for cash flow and other unplanned expenses by \$606,786 for a total of \$9,004,667; representing 50% of the 2025 General Fund Budget approved by Council of \$18,009,334.

BE IT FURTHER RESOLVED that the above designations are effective as of January 1, 2025.

The foregoing resolution was offered by Councilmember _____ who moved its adoption, and on due second by Councilmember _____ was passed by the following vote:

Yeas:

Nays:

Absent:

Passed: October 27, 2025

ATTEST:

APPROVED:

Michelle R. Miller, City Clerk

Jorge S. Prince, Mayor