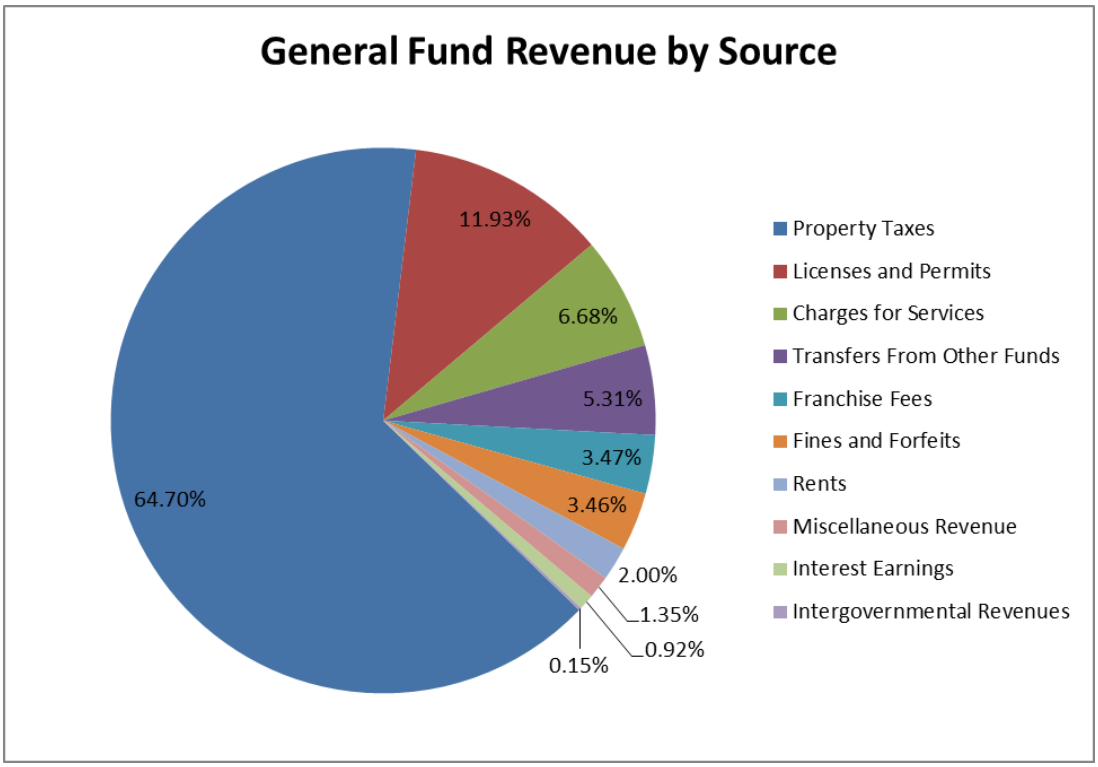
2016 Long Term Financial Plan (LTFP) Summary

General Fund

The General Fund is the City's main governmental operating fund and accounts for a majority of all City revenue and expenditures. Included in this fund are governmental activities such as: City Manager/Clerk, Elections, Finance, Planning & Zoning, Administration, Heritage Preservation, Police, Fire, Building Inspections, Streets, Parks, Recreation and Cemetery.

Major sources of revenue in the General Fund include: property taxes, gas and electric franchise fees, licenses and permits, intergovernmental revenues, charges for services, fines and forfeitures, rents, interest on investments and transfers from other funds. There are no significant changes in revenue sources expected over the next ten years.

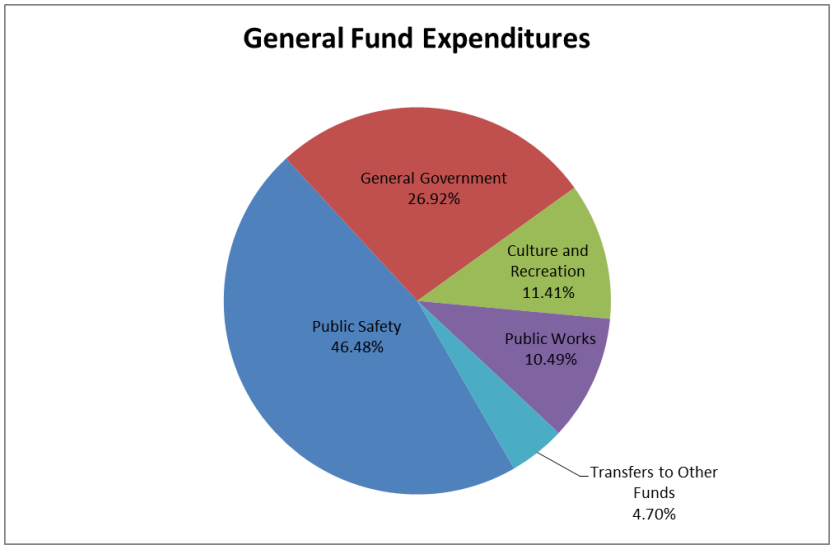


The City's property tax levy is estimated to grow 2% in each of the next ten years, which is in line with the long term consumer price index (CPI) increase of approximately 2% annually. Commercial properties pay just over 33% of the City's levied taxes, residential properties pay 57% and apartments pay approximately 10%.

The City's projected levy increases, by year, are listed in the chart below.

	Actual	Projected									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Property Tax Levy Increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Total General Fund expenditures are estimated to increase between 1.93% and 3.07% annually, for the years 2016 through 2026. There are no major changes projected in the General Fund. Increases for inflation have been factored into the LTFP. The split of General Fund expenditures is shown in the graph below.



A summary of revenues, expenditures and fund balance is outlined below for each year of the plan. Further detail about General Fund revenues and expenditures are included in the Comprehensive 2016 Long Term Financial Plan.

GENERAL FUND	Actual 2015	Budgeted 2016		Projected 2017	2018	2019	2020
Total Revenues	1,944,265	1,900,813		1,982,199	2,017,281	2,053,779	2,089,992
Total Expenditures	1,856,078	1,913,050		1,950,843	1,999,764	2,043,708	2,093,463
Other Sources/(Uses)	(79,660)	12,237		86,600	86,600	86,600	86,600
Net Change in Fund Balance	8,527	-		117,956	104,117	96,671	83,129
Fund Balance Beginning	1,186,877	1,195,404		1,195,404	1,313,360	1,417,477	1,514,148
Fund Balance Ending	1,195,404	1,195,404		1,313,360	1,417,477	1,514,148	1,597,277

GENERAL FUND	Projected 2021	2022	2023	2024	2025	2026
Total Revenues	2,127,652	2,164,039	2,199,905	2,235,513	2,272,632	2,307,509
Total Expenditures	2,133,918	2,185,938	2,234,261	2,288,727	2,334,260	2,391,252
Other Sources/(Uses)	86,600	86,600	86,600	86,600	86,600	86,600
Net Change in Fund Balance	80,334	64,701	52,244	33,386	24,972	2,857
Fund Balance Beginning	1,597,277	1,677,611	1,742,312	1,794,556	1,827,942	1,852,914
Fund Balance Ending	1,677,611	1,742,312	1,794,556	1,827,942	1,852,914	1,855,771

Please Note: Other Sources/(Uses) accounts for transfers to and from other funds. In 2015, the Council approved transferring $125,000 to the Capital Improvement Fund to bring the General Fund's Fund Balance down to 50% at the end of 2015.

Parking Lot Maintenance Fund

The Parking Lot Maintenance Fund was established to set aside funding for the maintenance of City-owned parking lots in Excelsior. The maintenance of these lots is funded through surcharges to the business in Excelsior as well as the charter boat companies who operate out of the Port of Excelsior. The fund's fund balance has been intentionally increasing over the past number of years to prepare for upgrades to both the east and west parking lots.

	Actual	Budgeted	Projected			
Parking Lot Maintenance Fund	2015	2016	2017	2018	2019	2020
Total Revenues	40,197	38,494	38,073	39,231	40,422	41,647
Total Expenditures	40,238	26,784	27,320	27,760	28,316	28,773
Net Change in Fund Balance	(41)	11,710	10,754	11,471	12,107	12,874
Fund Balance Beginning	130,537	130,496	142,206	152,960	164,431	176,537
Fund Balance Ending	130,496	142,206	152,960	164,431	176,537	189,412

	Projected					
Parking Lot Maintenance Fund	2021	2022	2023	2024	2025	2026
Total Revenues	42,908	44,154	45,439	46,761	48,124	49,527
Total Expenditures	29,348	29,823	30,419	30,912	31,530	32,161
Net Change in Fund Balance	13,559	14,331	15,019	15,849	16,593	17,366
Fund Balance Beginning	189,412	202,971	217,302	232,321	248,170	264,763
Fund Balance Ending	202,971	217,302	232,321	248,170	264,763	282,129

Capital Project Funds

Below is a list of major projects that are anticipated to take place in the next few years. These projects have been included in the LTFP and are projected to be funded via reserves with the exception of the Phase III Street Project, which is proposed to be funded through the issuance of bonds.

2016		2017
Sewer Lining		Phase III Street Project
The Commons Study		Replace Water Line on Mill Street
		MCES Highway 7 Lift Station Project (L20)
		Remodel City Hall and Former Library Space
		Sewer Lining
		Dock Extension
2018		2019
(none at this time)		St. Albans Bridge (Planning & Design)
2020		2021
St. Albans Bridge (Construction)		(none at this time)
Crack Seal 2010-2011 Pavement Project		
Crack Seal Met Council Project Streets		

2022		2023
Crack Seal 2017 Street Project		(none at this time)
2024		2025
Paint Water Tower		Crack Seal 2010-2011 Pavement Project
		Crack Seal Met Council Project Streets
2026		
(none at this time)		

Enterprise Funds

The City operates six enterprise funds including: Water, Sewer, Solid Waste (trash and recycling), Street Lighting, Docks (leased, public and residential docks) and Surface Water Management.

Water Fund

The Water Fund has taken on some significant projects over the past few years, and has a few more over the next number of years. Therefore, it is important to plan ahead for additional expenses associated with those projects and the funding for those projects. Because this fund will be incurring additional debt, rates will need to increase periodically to fund principal and interest payments. Although increases are projected, they are being kept as low as possible because the City realizes water costs have increased over the past number of years. Overall, the Water Fund is in good financial condition. The chart below illustrates projected water service charges over the next ten years which are factored into the LTFP. The increases projected are higher than the projected long term CPI of 2% per year, however are needed to fund system improvements.

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
0%	4%	3%	4%	0%	3%	0%	3%	0%	3%	3%

Sewer Fund

The Sewer Fund is in excellent financial position. Even with the addition of debt related to the 2017 Street Improvement Project, the fund has sufficient reserves. In an effort to offset the projected increases in water fees, the City is proposing decreases in sewer fees over the next couple of years. The table below illustrates projected sewer service charges over the next ten years which are factored into the LTFP.

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
0%	-2%	0%	-2%	0%	-2%	0%	-2%	0%	-2%	0%

Solid Waste Fund

The Solid Waste Fund is in a healthy financial position. Increases in the City's trash and recycling contract require the City to raise trash and recycling rates periodically. However, the City strives to keep increases to a minimum. Charges are projected to have minimal increases between 0% and 3% for the next ten years, which is in line with CPI estimates of 2% per year. The chart below shows projected increases which have been included in the LTFP.

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
0%	0%	2%	0%	2%	0%	2%	0%	3%	0%	3%

Street Lighting Fund

The Street Lighting Fund's fund balance decreased dramatically as of the end of 2015 because the City performed some major maintenance and replacement of street light conduit on one side of Water Street. This fund needs to accumulate funds again to bring the fund balance back up to reasonable levels. There are no additional improvements to street lights and additional street lights planned at this time. The City is projecting street lighting fees to increase in each of the next three years, then every other year in order to build back reserves and prepare for future repair and replacement of infrastructure and to keep up with increases in electricity charges. Increases in rates are slightly above CPI, but are essential to increase the fund balance and prepare for major maintenance needs.

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
0%	3%	3%	3%	0%	3%	0%	3%	0%	3%	0%

Docks Fund

The Docks Fund had unrestricted reserves of approximately $266,500 as of December 31, 2015. The City is planning to potentially extend some of the municipal piers into the lake further, creating new residential boat slips. Projected rate increases are shown in the chart below, and are in line with long term CPI projections of approximately 2% per year.

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
0%	0%	2%	0%	2%	0%	2%	0%	2%	0%	2%

Surface Water Fund

Currently the Surface Water Management Fund is in an acceptable financial position. However, the City does anticipate additional surface water mandates over the next number of years which will require extra funding. To prepare for surface water improvements and future mandates, the City is projecting marginal increases in surface water fees every few years. Increases included in the plan are shown in the chart below and are reasonable based on the estimated CPI increase of approximately 2% per year.

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
0%	0%	0%	0%	2%	0%	0%	0%	2%	0%	0%

For more detailed information please see the 2016 Comprehensive Long Term Financial Plan on the City's website at www.ci.excelsior.mn.us. You can also obtain further information by stopping by City Hall during regular business hours or by contacting the City's Finance Director at (952) 653-3677.