

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 25, 2020

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences. See "TAX EXEMPTION" herein.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF ROSEVILLE, MINNESOTA (Ramsey County)

\$7,705,000* GENERAL OBLIGATION BONDS, SERIES 2020A

PROPOSAL OPENING: December 7, 2020, 10:00 A.M., C.T. **CONSIDERATION:** December 7, 2020, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$7,705,000* General Obligation Bonds, Series 2020A (the "Bonds") are authorized pursuant to Minnesota Statutes, Chapters 444 and 475, and Sections 469.060 and 475.67, by the City of Roseville, Minnesota (the "City"), for the purposes of financing the City's 2020-2023 water utility system improvements and effecting a current refunding of certain outstanding general obligations of the City as more fully described herein. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Taft Stettinius & Hollister LLP, Minneapolis, Minnesota.

DATE OF BONDS: December 30, 2020

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$970,000	2026	\$990,000	2030	\$265,000
2023	980,000	2027	1,000,000	2031	265,000
2024	980,000	2028	1,005,000		
2025	990,000	2029	260,000		

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: August 1, 2021 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2029 and thereafter are subject to call for prior optional redemption on February 1, 2028 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: \$7,612,540.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$154,100 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation

BOND COUNSEL: Taft Stettinius & Hollister LLP

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF ROSEVILLE CITY COUNCIL

		<u>Term Expires</u>
Dan Roe	Mayor	January 2023
Jason Etten	Council Member	January 2021
Wayne Groff	Council Member	January 2023
Lisa Laliberte	Council Member	January 2021
Robert Willmus	Council Member	January 2023

ADMINISTRATION

Michelle Pietrick, Finance Director

Patrick Trudgeon, City Manager

PROFESSIONAL SERVICES

Taft Stettinius & Hollister LLP, Bond Counsel, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Roseville, Minnesota (the "City") and the issuance of its \$7,705,000* General Obligation Bonds, Series 2020A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on December 7, 2020.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 30, 2020. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2029 shall be subject to optional redemption prior to maturity on February 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued by the City pursuant to Minnesota Statutes, Chapters 444 and 475, and Sections 469.060 and 475.67, for the purposes of: (i) financing the City's 2020-2023 water utility system improvements (the "Water Revenue Portion"); and (ii) effecting a current refunding of the City's \$10,000,000 General Obligation Bonds, Series 2011A (the "Series 2011A Bonds" or the "Series 2011A Refunding Portion") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 778085
Series 2011A Bonds	12/29/11	3/1/21	Par	2022	2.15%	\$665,000	U32
				2023	2.30%	685,000	U40
				2024	2.50%	695,000	U57
				2025	2.65%	715,000	U65
				2026	2.75%	730,000	U73
				2027	2.90%	755,000	U81
				2028	3.05%	<u>775,000</u>	U99
Total Series 2011A Bonds Being Refunded						<u>\$5,020,000</u>	

Proceeds of the Bonds will be used to call and prepay the maturities described above and to pay all or most of the costs of issuance. The City will pay the principal and interest payment due on March 1, 2021 from the Debt Service Fund for the Series 2011A Bonds.

ESTIMATED SOURCES AND USES*

Sources	Water Revenue Portion	Series 2011A Refunding Portion	Total Bond Issue
Par Amount of Bonds	<u>\$2,570,000</u>	<u>\$5,135,000</u>	<u>\$7,705,000</u>
Total Sources	\$2,570,000	\$5,135,000	\$7,705,000
Uses			
Total Underwriter's Discount (1.200%)	\$30,840	\$61,620	\$92,460
Costs of Issuance	27,018	53,982	81,000
Deposit to Capitalized Interest (CIF) Fund	11,375	-	11,375
Deposit to Project Construction Fund	2,500,000	-	2,500,000
Deposit to Current Refunding Fund	-	5,020,000	5,020,000
Rounding Amount	<u>767</u>	<u>(602)</u>	<u>165</u>
Total Uses	\$2,570,000	\$5,135,000	\$7,705,000

Breakdown of Principal Payments:

Payment Date	Water Revenue Portion	Series 2011A Refunding Portion	Total Bond Issue
2/01/2022	\$250,000	\$720,000	\$970,000
2/01/2023	250,000	730,000	980,000
2/01/2024	255,000	725,000	980,000
2/01/2025	255,000	735,000	990,000
2/01/2026	255,000	735,000	990,000
2/01/2027	255,000	745,000	1,000,000
2/01/2028	260,000	745,000	1,005,000
2/01/2029	260,000	-	260,000
2/01/2030	265,000	-	265,000
2/01/2031	<u>265,000</u>	<u>-</u>	<u>265,000</u>
Total	\$2,570,000	\$5,135,000	\$7,705,000

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount.

The City anticipates that the debt service for the Water Revenue Portion of the Bonds will be paid from net revenues of the water and sewer utility system ("utility revenues") which are owned and operated by the City. Should the revenues pledged for payment of the Water Revenue Portion of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy a tax for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

The City anticipates that the debt service for the Series 2011A Refunding Portion of the Bonds will be paid from ad valorem property taxes, which will be levied in an amount sufficient to provide not less than 105% of principal and interest on the Series 2011A Refunding Portion of the Bonds as required by Minnesota law.

Receipt of utility revenues and collection of ad valorem taxes will be sufficient to provide not less than 105% of principal and interest on the Bonds as required by Minnesota law. Should the revenues pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AAA" by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB ") through its Electronic Municipal Market Access ("EMMA ") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Undertaking, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

On the date of issuance of the Bonds, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion, that, based on present federal and Minnesota laws, regulations, rulings and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts. The opinions are subject to the condition that the City complies with all applicable federal tax requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income and taxable net income, retroactive to their date of issuance. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences.

Other Federal and State Tax Considerations

Other Tax Considerations

Though excluded from gross income, interest on the Bonds is subject to federal income taxation for certain types of taxpayers and certain income taxes, including without implied limitation, taxation to the extent it is included as part of (a) the adjusted current earnings of a corporation for purposes of the alternative minimum tax, (b) effectively connected earnings and profits of a foreign corporation for purposes of the branch profits tax on dividend equivalent amounts, (c) excess net passive income of an S Corporation which has Subchapter C earnings and profits, or (d) minimum effectively connected net investment income of a foreign insurance company. Interest on the Bonds is also taken into account in other ways for federal income tax purposes, including without implied limitation, (a) reducing loss reserve deductions of property and casualty insurance companies, (b) reducing interest expense deductions of financial institutions, and (c) causing certain taxpayers to include in gross income a portion of social security benefits and railroad retirement benefits. Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion as to any of such consequences, and prospective purchasers who may be subject to such collateral consequences should consult their tax advisers.

Original Issue Discount

Some of the Bonds (“the OID Bonds”) may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds are sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holder’s tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder’s tax basis during the period such Bonds are held.

Original Issue Premium

Some of the Bonds may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

The above is not a comprehensive list of all federal tax consequences that may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State of Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2019, have been audited by Redpath and Company, Ltd., St. Paul, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (utility revenues) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor has extended the peacetime emergency by 30 days. On June 5, 2020, the Governor signed Emergency Executive Order 20-74 which outlines guidelines for continuing to safely reopen Minnesota's economy and ensuring safe non-work activities during the COVID-19 peacetime emergency. This order is effective as of June 10, 2020, and outlines the guidelines for continuing to lift the restrictions that were identified in prior executive orders signed by the Governor.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2017/18	2018/19	2019/20
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,940,000 - 0.50% ² Over \$1,940,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,880,000 - 0.50% ² Over \$1,880,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$121,000 - .75% Over \$121,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$139,000 - .75% Over \$139,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$150,000 - .75% Over \$150,000 - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2019/20 Economic Market Value \$5,324,721,807¹

	2019/20 Assessor's Estimated Market Value	2019/20 Net Tax Capacity
Real Estate	\$5,096,580,500	\$65,269,742
Personal Property	44,288,500	873,563
Total Valuation	<u>\$5,140,869,000</u>	<u>\$66,143,305</u>
Less: Captured Tax Increment Tax Capacity ²		(1,013,230)
Fiscal Disparities Contribution ³		<u>(10,840,186)</u>
Taxable Net Tax Capacity		\$54,289,889
Plus: Fiscal Disparities Distribution ³		4,871,778
Adjusted Taxable Net Tax Capacity		<u>\$59,161,667</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 96.76% of the actual selling prices of property most recently sold in the City. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in an Economic Market Value ("EMV") for the City of \$5,324,721,807.

² The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

³ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, and fiscal capacity indicated market value as determined by the Minnesota Department of Revenue. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2019/20 NET TAX CAPACITY BY CLASSIFICATION

	2019/20 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$26,273,849	39.72%
Commercial/industrial	29,336,508	44.35%
Public utility	397,332	0.60%
Railroad operating property	135,380	0.20%
Non-homestead residential	9,111,360	13.78%
Commercial & residential seasonal/rec.	15,313	0.02%
Personal property	873,563	1.32%
Total	<u>\$66,143,305</u>	<u>100.00%</u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent +/- in Estimated Market Value
2015/16	\$4,110,905,200	\$3,916,961,800	\$49,682,577	\$42,982,455	+ 0.90%
2016/17	4,339,334,300	4,152,526,300	55,675,350	49,476,356	+ 5.56%
2017/18	4,587,600,400	4,404,560,100	59,297,128	53,059,546	+ 5.72%
2018/19	4,912,869,100	4,740,536,700	63,351,516	56,719,583	+ 7.09%
2019/20	5,140,869,000	4,977,716,500	66,143,305	59,161,667	+ 4.64%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2019/20 Net Tax Capacity	Percent of City's Total Net Tax Capacity
PPF RTL Rosedale Shopping Center & c/o Morgan Stanley RE Advisor	Commercial	\$2,547,968	3.85%
St. Paul Fire and Marine Insurance Co.	Commercial	861,150	1.30%
Gateway Washington, Inc. & c/o Emmes Asset Management Co, LLC	Commercial	789,250	1.19%
Xcel Energy, Inc.	Utility	764,734	1.16%
WilCal Crossroads, LLC	Commercial	679,684	1.03%
Rosedale Square, LLC	Commercial	597,562	0.90%
Magellan Pipeline Co., LP	Utility	593,214	0.90%
PPRF RTL Rosedale Shopping Center, LLC	Commercial	550,388	0.83%
BRE Timberwolf Property Owner, LLC	Commercial	510,768	0.77%
Rosedale Commons, LP	Commercial	483,624	0.73%
Total		<u><u>\$8,378,342</u></u>	<u><u>12.67%</u></u>

City's Total 2019/20 Net Tax Capacity \$66,143,305

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Ramsey County.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by housing improvement area fees	\$ 470,000
Total G.O. debt secured by tax increment revenues	2,605,000
Total G.O. debt secured by taxes (includes the Series 2011A Refunding Portion of the Bonds)*	15,410,000
Total G.O. debt secured by utility revenues (includes the Water Revenue Portion of the Bonds)*	<u>2,570,000</u>
Total General Obligation Debt*	<u><u>\$21,055,000</u></u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

**City of Roseville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Housing Improvement Area Fees
(As of 12/30/2020)**

**Taxable Housing Improvement
Bonds
Series 2009A**

Dated Amount	8/1/2009 \$1,155,000
Maturity	03/01
Calendar Year Ending	Estimated Interest
2021	23,500
2022	18,900
2023	13,813
2024	8,540
2025	2,940
	67,693

	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	85,000	23,500	108,500	385,000	18.09%	2021
	90,000	18,900	108,900	295,000	37.23%	2022
	95,000	13,813	108,813	200,000	57.45%	2023
	95,000	8,540	103,540	105,000	77.66%	2024
	105,000	2,940	107,940	0	100.00%	2025
	470,000	67,693	537,693			

**City of Roseville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Incremental Revenues
(As of 12/30/2020)**

**Tax Incremental Revenue Bonds
Series 2015A**

Dated Amount	09/03/2015 \$3,060,000	
Maturity	03/01	
Calendar Year Ending	Principal	Interest
2021	200,000	78,456
2022	200,000	72,456
2023	200,000	65,456
2024	200,000	57,456
2025	200,000	49,456
2026	210,000	41,256
2027	220,000	34,581
2028	225,000	29,434
2029	230,000	23,888
2030	235,000	17,781
2031	240,000	10,950
2032	245,000	3,675
	2,605,000	484,847

Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
200,000	78,456	278,456	2,405,000	7.68%	2021
200,000	72,456	272,456	2,205,000	15.36%	2022
200,000	65,456	265,456	2,005,000	23.03%	2023
200,000	57,456	257,456	1,805,000	30.71%	2024
200,000	49,456	249,456	1,605,000	38.39%	2025
210,000	41,256	251,256	1,395,000	46.45%	2026
220,000	34,581	254,581	1,175,000	54.89%	2027
225,000	29,434	254,434	950,000	63.53%	2028
230,000	23,888	253,888	720,000	72.36%	2029
235,000	17,781	252,781	485,000	81.38%	2030
240,000	10,950	250,950	245,000	90.60%	2031
245,000	3,675	248,675	0	100.00%	2032
2,605,000	484,847	3,089,847			

City of Roseville, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 12/30/2020)

Calendar Year Ending	General Obligation Bonds Series 2011A		General Obligation Bonds Series 2012A		Refunding Bonds 1) Series 2020A		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity				
2021							2,125,954	13,675,000	11.26%	2021
2022							2,101,263	11,860,000	23.04%	2022
2023							2,123,180	9,975,000	35.27%	2023
2024							2,103,850	8,065,000	47.66%	2024
2025							2,113,866	6,105,000	60.38%	2025
2026							2,097,331	4,120,000	73.26%	2026
2027							2,108,974	2,080,000	86.50%	2027
2028							2,103,378	0	100.00%	2028
							15,410,000	15,410,000		
							1,467,795	1,467,795		
							16,877,795	16,877,795		

* Preliminary, subject to change.

1) This represents the \$5,135,000 Series 2011A Refunding portion of the \$7,705,000 General Obligation Bonds, Series 2020A. This portion refunds the 2022 through 2028 maturities of the City's \$10,000,000 General Obligation Bonds, Series 2011A dated December 28, 2011.

**City of Roseville, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 12/30/2020)**

**Water Revenue Bonds 1)
Series 2020A**

Dated Amount	12/30/2020 \$2,570,000*	Maturity 02/01	Estimated		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
			Principal	Interest						
			0	11,375	0	11,375	2,570,000	.00%	2021	
			250,000	18,908	250,000	18,908	2,320,000	9.73%	2022	
			250,000	17,845	250,000	17,845	2,070,000	19.46%	2023	
			255,000	16,645	255,000	16,645	1,815,000	29.38%	2024	
			255,000	15,306	255,000	15,306	1,560,000	39.30%	2025	
			255,000	13,776	255,000	13,776	1,305,000	49.22%	2026	
			255,000	11,991	255,000	11,991	1,050,000	59.14%	2027	
			260,000	9,865	260,000	9,865	790,000	69.26%	2028	
			260,000	7,395	260,000	7,395	530,000	79.38%	2029	
			265,000	4,638	265,000	4,638	265,000	89.69%	2030	
			265,000	1,590	265,000	1,590	0	100.00%	2031	
			2,570,000	129,334	2,570,000	129,334				

* Preliminary, subject to change.

1) This represents the \$2,570,000 Water Revenue portion of the \$7,705,000 General Obligation Bonds, Series 2020A.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations payable wholly or partly from special assessments levied against benefitted property; (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences (includes the Water Revenue Portion of the Bonds); (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations issued to pay judgments against the City; and (8) other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2019/20 Assessor's Estimated Market Value	\$5,140,869,000
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$ 154,226,070
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Series 2011A Refunding Portion of the Bonds)*	<u>(15,410,000)</u>
Unused Debt Limit*	<u><u>\$ 138,816,070</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT¹

Taxing District	2019/20 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt²	City's Proportionate Share
Ramsey County	\$ 663,489,369	8.9167%	\$135,325,000	\$ 12,066,524
Ramsey County Library	334,015,430	17.7123%	25,185,000	4,460,843
I.S.D. No. 621 (Mounds View Public Schools)	118,201,358	9.2908%	206,185,000	19,156,236
I.S.D. No. 623 (Roseville Area Schools)	79,733,353	60.4262%	171,455,000 ³	103,603,741
Metropolitan Council	4,576,187,142	1.2928%	230,225,000 ⁴	2,976,349
City's Share of Total Overlapping Debt				<u>\$142,263,693</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does *not* include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

⁴ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value (\$5,324,721,807)	Debt/ Current Population Estimate (36,644)
Direct G.O. Debt Secured By:			
Housing Improvement Area Fees	\$ 470,000		
Tax Increment Revenues	2,605,000		
Taxes*	15,410,000		
Utility Revenues*	<u>2,570,000</u>		
Total General Obligation Debt (includes the Bonds)*	\$ 21,055,000		
Less: G.O. Debt Paid Entirely from Revenues ¹ *	<u>(2,570,000)</u>		
Tax Supported General Obligation Debt*	\$ 18,485,000	0.35%	\$504.45
 City's Share of Total Overlapping Debt	 <u>\$142,263,693</u>	 <u>2.67%</u>	 <u>\$3,882.32</u>
 Total*	 <u>\$160,748,693</u>	 <u>3.02%</u>	 <u>\$4,386.77</u>

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has no current plans for additional financing in the next 12 months.

¹ Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date ²	% Collected
2015/16	\$ 18,842,147	\$18,663,300	\$18,775,418	99.65%
2016/17	19,771,939	19,659,496	19,751,922	99.90%
2017/18	20,920,824	20,807,311	20,870,815	99.76%
2018/19	21,731,440	21,485,131	21,549,618	99.16%
2019/20	23,078,644	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. Certain states have announced extended deadlines for payment of property taxes, although as of this date Minnesota has not taken such measures. The City cannot predict whether and how much payment of property taxes will be impacted. Any delays or reduction in the receipt of property taxes may materially adversely impact the City's finances and payment of debt obligations, including the Bonds.

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Collections are through July 31, 2020.

³ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2015/16	2016/17	2017/18	2018/19	2019/20
Ramsey County	54.012%	51.173%	49.473%	48.565%	48.081%
Ramsey County Library	4.873%	4.677%	4.489%	4.315%	4.221%
City of Roseville	39.324%	38.552%	38.177%	37.422%	39.201%
I.S.D. No. 621 (Mounds View Public Schools)	26.245%	25.305%	28.464%	26.330%	24.964%
I.S.D. No. 623 (Roseville Area Schools)	20.958%	18.894%	34.369%	31.687%	30.668%
Rice Creek Watershed	2.108%	1.985%	1.826%	1.858%	1.925%
Metropolitan Council	2.379%	2.243%	2.153%	2.098%	2.003%
Metro Mosquito Control	0.475%	0.455%	0.440%	0.423%	0.403%
Regional Rail	4.091%	3.875%	3.830%	3.886%	3.918%

Referendum Market Value Rates:

I.S.D. No. 621 (Mounds View Public Schools)	0.22261%	0.20712%	0.19724%	0.18765%	0.29347%
I.S.D. No. 623 (Roseville Area Schools)	0.21044%	0.19350%	0.21951%	0.22529%	0.19816%
City of Roseville	0.01881%	0.01782%	0.01685%	0.01574%	N/A

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Ramsey County.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1948. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Manager and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 193 full-time, 24 part-time, and 88 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
IAFF Local 5051 (Fire)	December 31, 2020
IUOE Local 49, AFL-CIO	December 31, 2021
LELS Local 431 (Lieutenants)	December 31, 2021
LELS Local 436 (Sergeants)	December 31, 2021
LELS Local 112 (Officers)	December 31, 2021

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$1,493,439 as of January 1, 2019. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (As of September 30, 2020)

Fund	Total Cash and Investments
General	\$ 5,582,426
Special Revenue	13,228,510
Debt Service	1,400,233
Capital Projects	16,001,495
Enterprise Funds	(648,560)
Total Funds on Hand	<u>\$35,564,104</u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2017	2018	2019
Sanitary Sewer			
Total Operating Revenues	\$5,270,628	\$5,458,020	\$ 5,733,880
Less: Operating Expenses	<u>(3,982,565)</u>	<u>(4,148,465)</u>	<u>(5,199,878)</u>
Operating Income	\$1,288,063	\$1,309,555	\$ 534,002
Plus: Depreciation	<u>383,593</u>	<u>418,733</u>	<u>455,789</u>
Revenues Available for Debt Service	<u><u>\$1,671,656</u></u>	<u><u>\$1,728,288</u></u>	<u><u>\$ 989,791</u></u>
Water			
Total Operating Revenues	\$6,613,415	\$6,649,903	\$ 6,806,682
Less: Operating Expenses	<u>(6,274,835)</u>	<u>(5,919,239)</u>	<u>(6,134,757)</u>
Operating Income	\$ 338,580	\$ 730,664	\$ 671,925
Plus: Depreciation	<u>335,881</u>	<u>353,044</u>	<u>375,320</u>
Revenues Available for Debt Service	<u><u>\$ 674,461</u></u>	<u><u>\$1,083,708</u></u>	<u><u>\$ 1,047,245</u></u>
Golf Course			
Total Operating Revenues	\$ 288,440	\$ 305,905	\$ 378,383
Less: Operating Expenses	<u>(367,665)</u>	<u>(448,514)</u>	<u>(430,186)</u>
Operating Income	\$ (79,225)	\$ (142,609)	\$ (51,803)
Plus: Depreciation	<u>9,792</u>	<u>6,921</u>	<u>28,427</u>
Revenues Available for Debt Service	<u><u>\$ (69,433)</u></u>	<u><u>\$ (135,688)</u></u>	<u><u>\$ (23,376)</u></u>
Storm Drainage			
Total Operating Revenues	\$1,947,644	\$2,019,311	\$ 1,999,186
Less: Operating Expenses	<u>(1,237,523)</u>	<u>(1,272,724)</u>	<u>(1,422,743)</u>
Operating Income	\$ 710,121	\$ 746,587	\$ 576,443
Plus: Depreciation	<u>458,461</u>	<u>478,815</u>	<u>491,437</u>
Revenues Available for Debt Service	<u><u>\$1,168,582</u></u>	<u><u>\$1,225,402</u></u>	<u><u>\$ 1,067,880</u></u>
Solid Waste Recycling			
Total Operating Revenues	\$ 436,304	\$ 427,065	\$ 477,805
Less: Operating Expenses	<u>(506,058)</u>	<u>(551,590)</u>	<u>(604,052)</u>
Operating Income	\$ (69,754)	\$ (124,525)	\$ (126,247)
Plus: Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>\$ (69,754)</u></u>	<u><u>\$ (124,525)</u></u>	<u><u>\$ (126,247)</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2019 audited financial statements.

FISCAL YEAR ENDING DECEMBER 31					
COMBINED STATEMENT					
	2016	2017	2018	2019	2020
	Audited	Audited	Audited	Audited	Adopted
					Budget 1)
Revenues					
General property taxes	\$11,919,681	\$12,032,298	\$11,523,078	\$11,862,099	\$13,542,755
Intergovernmental	1,213,476	1,107,228	1,208,340	1,198,710	1,276,315
Licenses and permits	484,004	544,957	496,416	543,865	518,200
Charges for services	535,975	285,867	284,886	328,053	1,370,040
Fine and forfeitures	107,229	90,045	97,415	84,801	117,000
Donations	15,705	33,680	41,401	12,259	0
Special assessments	0	0	11	36	0
Interest earned on investments	98,187	107,301	43,858	64,101	40,000
Increase (decrease) in fair value of investments	(136,768)	(21,093)	(11,852)	120,406	0
Miscellaneous	57,894	64,576	58,452	202,259	108,440
Total Revenues	\$14,295,383	\$14,244,859	\$13,742,005	\$14,416,589	\$16,972,750
Expenditures					
Current:					
General government	\$2,560,587	\$2,624,414	\$2,633,548	\$2,663,774	\$2,927,535
Public safety	9,229,332	9,593,726	10,359,705	10,208,128	11,231,605
Public works	2,238,271	2,402,973	2,477,806	2,481,851	2,955,610
Capital outlay	0	0	0	7,825	0
Total Expenditures	\$14,028,190	\$14,621,113	\$15,471,059	\$15,361,578	\$17,114,750
Excess of revenues over (under) expenditures	\$267,193	(\$376,254)	(\$1,729,054)	(\$944,989)	(\$142,000)
Other Financing Sources (Uses)					
Sale of capital assets	\$3,351	\$0	\$0	\$0	\$0
Transfers in	1,164,000	1,068,825	1,965,553	1,859,353	177,000
Transfers (out)	(230,000)	(1,654,968)	(219,221)	(225,000)	0
Total Other Financing Sources (Uses)	937,351	(586,143)	1,746,332	1,634,353	177,000
Net changes in Fund Balances	\$1,204,544	(\$962,397)	\$17,278	\$689,364	\$35,000
General Fund Balance January 1	\$5,968,686	\$7,173,230	\$6,210,833	\$6,228,111	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$7,173,230	\$6,210,833	\$6,228,111	\$6,917,475	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$80,717	\$0	\$9,814	\$11,536	
Restricted	446,436	407,132	373,225	364,145	
Assigned	790,016	955,594	1,708,956	1,534,866	
Unassigned	5,856,061	4,848,107	4,136,116	5,006,928	
Total	\$7,173,230	\$6,210,833	\$6,228,111	\$6,917,475	

1) The 2020 budget was adopted on December 2, 2019.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 33,660 and a current population estimate of 36,644, and comprising an area of 13.85 square miles, is located approximately 10 miles north west of the City of St. Paul.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 623 (Roseville Area Schools)	Elementary and secondary education	1,690 ²
University of Northwestern	University	1,167
MN Department of Transportation	State government transportation	800
MN Department of Education	State government	456
Lunds & Byerlys	Grocers-retail	377
Old Dutch Foods	Potato chip snack manufacturer	375
FedEx Freight	Trucking-motor freight courier service	240
Mc Kesson Corp	Computer software-manufacturers	210
Pediatric Home Respiratory Services LLC	Assisted living	200
McGough Construction	Developer/Contractor	200

Source: *Reference USA, City's Current CAFR., written and telephone survey (November 2020), and the Minnesota Department of Employment and Economic Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

² Reflects employees for the entire district, including those outside the City limits.

BUILDING PERMITS

	2016	2017	2018	2019	2020 ¹
<u>New Single Family Homes</u>					
No. of building permits	13	39	18	8	11
Valuation	\$4,823,000	\$12,001,500	\$6,053,000	\$3,300,000	\$4,270,800
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	1	2	3
Valuation	\$0	\$0	\$6,500,000	\$35,600,000	\$41,582,472
<u>New Commercial/Industrial</u>					
No. of building permits	7	5	7	15	8
Valuation	\$87,736,460	\$31,665,000	\$31,163,500	\$57,859,266	\$65,697,371
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	1,627	1,370	1,568	1,629	1,324
Valuation	\$139,799,268	\$88,525,521	\$111,733,937	\$210,281,522	\$141,453,826

Source: The City.

¹ As of October 31, 2020.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census population	33,757
2010 U.S. Census population	33,660
2019 State Demographer's Estimate	36,644
Percent of Change 2000 - 2010	-0.29%

Income and Age Statistics

	The City	Ramsey County	State of Minnesota	United States
2018 per capita income	\$38,001	\$34,049	\$36,245	\$32,621
2018 median household income	\$68,254	\$62,304	\$68,411	\$60,293
2018 median family income	\$89,427	\$82,925	\$86,204	\$73,965
2018 median gross rent	\$1,005	\$969	\$944	\$1,023
2018 median value owner occupied units	\$239,700	\$219,400	\$211,800	\$204,900
2018 median age	40.0 yrs.	34.9 yrs.	37.9 yrs.	37.9 yrs.

	State of Minnesota	United States
City % of 2018 per capita income	104.84%	116.49%
City % of 2018 median family income	103.74%	120.90%

Housing Statistics

	<u>The City</u>		Percent of Change
	2010	2018	
All Housing Units	14,924	15,490	3.79%

Source: 2000 and 2010 Census of Population and Housing, and 2018 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Ramsey County	Ramsey County	Ramsey County	State of Minnesota
2016	272,995	3.6%	3.9%	
2017	277,726	3.2%	3.4%	
2018	281,072	2.7%	2.9%	
2019	283,379	3.0%	3.2%	
2020, October	268,798	4.7%	3.9%	

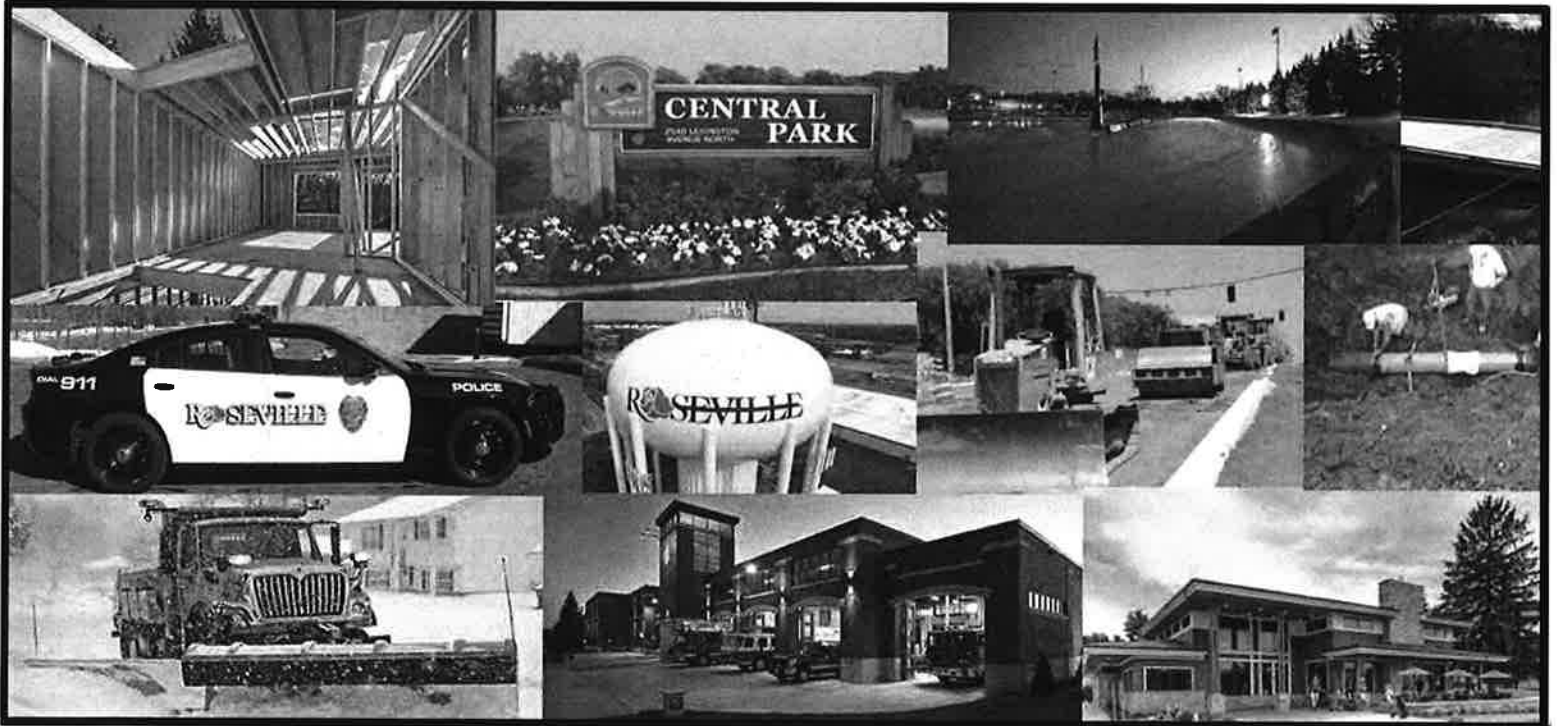
Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

ROSEVILLE



CITY OF ROSEVILLE, MINNESOTA COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2019

PREPARED BY:
The Finance Department



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Introductory Section



June 18, 2020

To the City Council and Citizens of the City of Roseville:

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles in the United States of America (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Roseville for the fiscal year ended December 31, 2019.

This report consists of management's representations concerning the finances of the City of Roseville. 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 of Roseville has established a comprehensive 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 of Roseville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Roseville's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Roseville's financial statements have been audited by Redpath and Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Roseville 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 the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Roseville's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 of Roseville's MD&A can be found immediately following the report of the independent auditors.

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Profile of the Government

The City of Roseville, incorporated in 1948, is a suburban community bordering both Minneapolis and St. Paul, Minnesota in the eastern part of the state. This area is considered to be the major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Roseville currently occupies a land area of 13.7 square miles and serves a population of 36,272. The City of Roseville is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, Roseville is a completely developed community and is bordered on all sides by other incorporated communities.

The City of Roseville has operated under the council-manager form of government since 1974. Policy-making and legislative authority are vested in a city council consisting of the mayor and four other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the city government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. The Mayor and Council members serve four-year staggered terms. The council and mayor are elected at large.

The City of Roseville provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; water and sewer services and recreational activities and cultural events.

The annual budget serves as the foundation for the City of Roseville's financial planning and control. All departments and agencies of the City of Roseville submit requests for appropriation to the City Manager in May of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review prior to August 31st. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31st, the close of the City of Roseville's fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 75 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the required supplementary information and the governmental fund subsection of this report, shown on pages 76-78 and 92-95.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Roseville operates.

Local Economy. The City of Roseville currently enjoys a favorable economic environment and local indicators point to continued stability and improvement. The region, while noted for a strong retail sector, enjoyed modest re-development in recent years. The re-development consisted of varied retail that added

to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include computer hardware and software manufacturers, electrical controls and medical services, and several divisions of state government departments which administer the state highway system and the State's educational administration of K-12 operations.

The City of Roseville area has an employed labor force of approximately 40,000 which is anticipated to remain steady for the foreseeable future.

Because of the fully developed nature of the community, the opportunity for new and expanded housing is limited. The city's emphasis has been, in recent years, on assisting homeowners to redevelop and remodel the current available housing so that as the change-over from older residents occurs, younger families will continue to be attracted to Roseville.

Long-term Financial Planning. The city council annually participates in the development of the City's long-term goals and objectives. Recently adopted goals include: establishing adequate funding mechanisms for infrastructure replacement, redeveloping the City's housing options, and securing funds for new initiatives.

The city is also working closely with state, federal and neighboring communities to improve the area's state and county transportation network, which includes upgraded highways and strategically-placed pathways. Funding for most of the transportation improvements will need to come from state, county and federal sources, with a smaller portion supported by the local taxpayers.

Relevant Financial Policies. As part of the annual budget process, the City reviews a number of fiscal and budget policies. There have been no significant changes to these policies from the previous year.

Major Initiatives. Each year the goal of the City is to provide residents and businesses with the necessary and desired services in the most efficient manner while limiting the financial burden to taxpayers. Secondary goals center on the allocation of resources to uphold previously identified community aspirations, and meeting the needs identified in the most recent citizen survey. Those aspirations included the following:

City of Roseville Community Aspirations

- Welcoming, inclusive, and respectful;
- Safe and law-abiding;
- Economically prosperous, with a stable and broad tax base;
- Secure in our diverse and quality housing and neighborhoods;
- Environmentally responsible, with well-maintained natural assets;
- Physically and mentally active and healthy;
- Well-connected through transportation and technology infrastructure; and
- Engaged in our community's success as citizens, neighbors, volunteers, leaders, and businesspeople.

Achieving these goals and strategies are not expected to have a significant financial impact however. It is expected that a portion of existing resources will be redirected to the extent possible. In addition, it is expected that future debt obligations will decline which will allow existing resources dedicated to debt service to be re-purposed.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseville for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the 40th consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and 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 submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the Finance Department Staff. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Roseville's finances.

Respectfully submitted



Jason C. Schirmacher
Interim Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Roseville
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018



Executive Director/CEO



Elected and Appointed Officials December 31, 2019

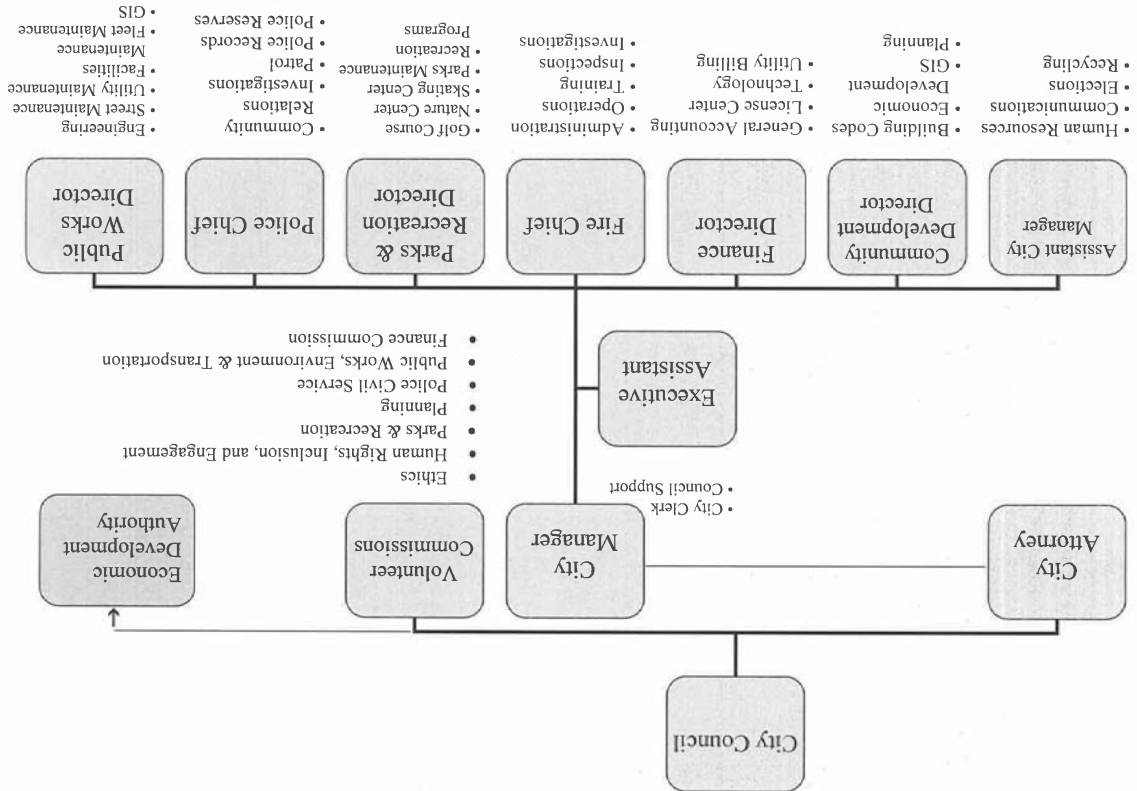
Elected Officials

Mayor	Dan Roe	Term expires 12/31/2022
Council	Jason Etten	Term expires 12/31/2020
Council	Wayne Groff	Term expires 12/31/2022
Council	Lisa Laliberte	Term expires 12/31/2020
Council	Robert Willmus	Term expires 12/31/2022

Appointed Officials

City Manager	Pat Trudgeon
Interim Finance Director	Jason Schirmacher
Police Chief	Rick Mathwig
Fire Chief	Tim O'Neill
Public Works Director	Marc Culver
Parks & Recreation Director	Lonnie Brokke
Community Development Director	Janice Gundlach

City of Roseville Organizational Chart



Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Roseville, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Roseville, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Roseville, Minnesota'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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 presentation of the financial statements. 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 of Roseville, Minnesota, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information of the General Fund, Recreation Fund, The Economic Development Authority Fund and Community Development Fund, schedule of changes in the OPEB liability and related ratios and Pension Information as listed in the table of contents 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 of Roseville, Minnesota's basic financial statements. The introductory section, supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2020, on our consideration of the City of Roseville, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Roseville, Minnesota's internal control over financial reporting and compliance.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

July 18, 2020

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CITY OF ROSEVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

As management of the City of Roseville, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements and the additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

Financial Highlights

- The assets and deferred outflows of the City of Roseville exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$188,374,929 (Net position). Of this amount, \$11,885,375 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position from operations increased by \$6,128,841.
- As of the close of the current fiscal year, the City of Roseville's governmental activities reported combined ending unrestricted net position of \$12,256,314.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$5,006,928 or 32% of total general fund expenditures.
- The City of Roseville total bonded debt and certificates of indebtedness decreased by \$2,675,000 during the current fiscal year.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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, and liabilities and deferred inflows of resources, with the difference between the two 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. To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from

CITY OF ROSEVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

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, economic development and recreation. The business-type activities of the City of Roseville include water, sanitary sewer, golf, storm drainage and recycling.

The government-wide financial statements can be found in the Basic Financial Statements section 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 governments, 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 of 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 12 individual governmental 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 Recreation, Economic Development Authority, Community Development, Debt Service, Revolving Improvements, Economic Increments Construction and Street Construction, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found in the Basic Financial Statements section of this report.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise 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 Sanitary Sewer, Water, Golf Course, Storm Drainage and Solid Waste Recycling operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for Workers' Compensation Self Insurance and Risk Management. The services provided by these funds

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

predominately benefit the governmental rather than the business-type functions. They have been included within governmental activities in the government-wide financial statements.

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 the Sanitary Sewer, Water, Golf Course, Storm Drainage and Solid Waste Recycling since they are considered to be major funds of the City. Both internal service funds are combined into a separate single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the Basic Financial Statements section 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.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, *Required Supplementary Information*, presents a detailed budgetary comparison schedule for the General, Recreation and the Community Development Fund to demonstrate compliance with the budget. In accordance with the requirements of GASB Statement 45, it also includes other post-employment benefit plan schedule of funding progress. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds and other information related to the individual funds are presented immediately following the required supplementary information

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

The analysis of the City's financial position begins with a review of the *Statement of Net Position* and the *Statement of Activities*. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations. Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Roseville, assets and deferred outflows exceeded liabilities by \$188,374,929 as of December 31, 2019. This represents an increase of \$6,128,841 from the previous year.

By far the largest portion of the City of Roseville's net position (86.4% percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of Roseville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Roseville'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.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$51,473,767	\$46,813,789	\$4,121,353	\$4,240,829	\$55,595,120	\$51,054,618
Capital assets	143,089,231	144,169,268	40,295,471	39,064,922	183,384,702	183,234,190
Total Assets	194,562,998	190,983,057	44,416,824	43,305,751	238,979,822	234,288,808
Deferred outflows of resources	7,385,292	10,153,290	131,436	-	7,516,728	3,025,539
Long-term liabilities						
Outstanding	37,346,668	40,182,292	1,364,834	1,377,479	38,711,502	41,559,771
Other liabilities	4,333,857	4,530,481	3,011,360	3,350,340	7,345,217	7,880,821
Total Liabilities	41,680,525	44,712,773	4,376,194	4,727,819	46,056,719	49,440,592
Deferred inflows of resources	11,817,368	12,708,609	247,534	287,123	12,064,902	1,581,240
Net Position						
Invested in capital assets	122,449,714	121,613,755	40,295,471	37,766,901	162,745,185	159,382,656
net of related debt	13,744,369	11,908,357	-	-	13,744,369	11,908,357
Restricted	12,256,314	10,192,563	(370,939)	762,222	11,885,375	10,955,075
Unrestricted	\$148,450,397	\$143,714,985	\$39,924,632	\$38,531,123	\$188,374,929	\$182,246,088
Total Net Position						

A portion of the of the City of Roseville's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position - \$11,885,375 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Roseville is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of the City's Operations – Governmental activities increased the City of Roseville's net position by \$4,735,432. Business-type activities increased Roseville's net position by \$1,393,409, for an overall increase of \$6,128,841. Key elements of this increase are as follows:

CITY OF ROSEVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities 2018	Business-Type Activities 2018	Business-Type Activities 2019	Business-Type Activities 2018	Total 2018	Total 2019
Revenues						
Charges for services	\$12,592,031	\$15,395,936	\$14,880,204	\$27,987,967	\$26,111,096	
Operating grants and contributions	2,018,935	540,008	124,248	2,558,843	1,659,634	
Capital grants and contributions	257,959	708,900	8,492	50,000	266,351	759,900
General Revenues	21,166,310	20,918,842	-	21,166,310	20,918,842	
Other taxes	1,577,072	1,363,297	-	1,577,072	1,363,297	
Grants & contributions not reported to specific purposes	73,372	88,710	-	73,372	88,710	
Investment earnings	568,744	376,003	12,365	6,039	581,089	384,102
Net increase (decrease) in fair value of investments	842,841	(115,486)	15,544	872	858,485	(114,614)
Gain on Sale of capital asset	46,800	65,101	22,690	1,982	69,480	(67,083)
Total Revenues	\$39,142,864	\$39,203,605	\$15,995,025	\$15,043,345	\$55,137,989	\$51,246,955
Expenses						
General government	\$8,880,774	\$8,435,979	\$0	\$8,880,774	\$8,435,979	
Public safety	12,109,588	12,702,978	-	12,109,588	12,702,978	
Public works	6,201,372	8,095,118	-	6,201,372	8,095,118	
Economic development	1,653,281	1,229,029	-	1,653,281	1,229,029	
Recreation	5,719,226	6,185,924	-	5,719,226	6,185,924	
Interest on debt	643,081	708,583	-	643,081	708,583	
Sanitary sewer	-	5,199,878	4,148,465	5,199,878	4,148,465	
Water	-	6,134,757	5,919,239	6,134,757	5,919,239	
Golf	-	430,186	448,514	430,186	448,514	
Storm drainage	-	1,422,743	1,272,724	1,422,743	1,272,724	
Recycling	-	604,052	551,890	604,052	551,890	
Total Expenses	\$35,217,532	\$37,357,611	\$13,791,616	\$12,340,532	\$49,009,148	\$49,688,143
Change in Net Position before Transfers	\$3,925,332	(\$1,154,006)	\$2,203,409	\$2,702,813	\$6,128,841	\$1,548,807
Transfers	810,000	(1,039,793)	(810,000)	1,039,793	-	-
Increase (decrease) in Net position	4,735,332	(2,193,799)	1,393,409	3,742,606	6,128,841	1,548,807
Net position on January 1st	143,714,865	145,908,764	38,531,123	34,788,517	182,246,088	180,697,281
Net position on December 31st	\$148,450,197	\$143,714,965	\$39,924,532	\$38,531,123	\$188,374,929	\$182,246,088

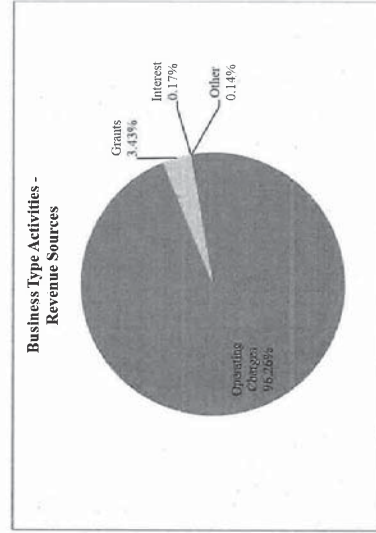
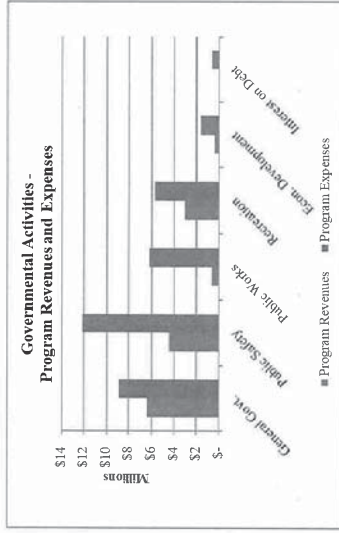
CITY OF ROSEVILLE, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Governmental Activities

The increase in net position resulted primarily from a record year in licenses and permits, which increased 68% over the prior year. In addition, the \$787,936 increase in fair value of investments is the first positive gain the City has had since 2015.

Below are specific graphs, which provide comparisons of the governmental activities revenues and expenses for the last fiscal year.



CITY OF ROSEVILLE, MINNESOTA

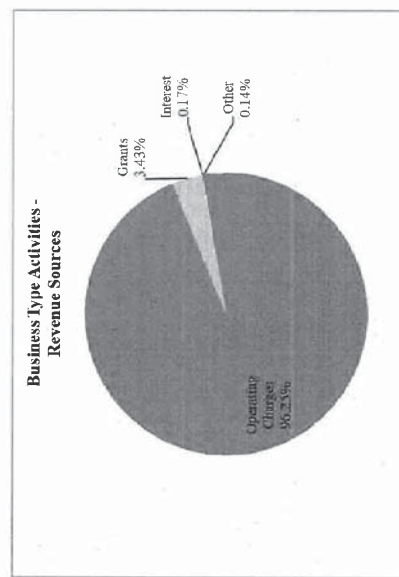
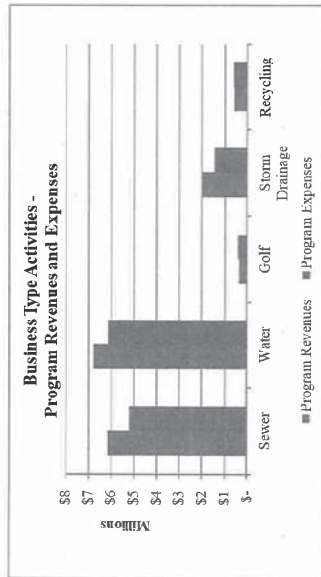
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Business-type Activities

The increase in net position for business-type activities reflects improved cost containment. Water, Sewer, Storm Drainage and Recycling rate increases in 2019 were also implemented to offset declining interest earnings and other non-tax revenue sources. The rate increases were also implemented to provide yearly contributions for future funding of capital asset replacement.

Below are graphs showing the business-type activities revenue and expense comparisons for the past fiscal year.



CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the City of Roseville'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 of Roseville's financing requirements. In particular, unrestricted fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Roseville's governmental funds reported combined ending fund balances of \$38,726,234. Approximately 64% of this total amount \$24,937,224 constitutes unrestricted fund balance. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it is legally restricted for: 1) various operating purposes - \$5,165,618, 2) for tax increment financing activities - \$4,611,087, 3) bond funded capital improvements - \$734,374, 4) debt service - \$2,390,172 and 5) housing and economic development - \$875,223.

The General Fund increased \$689,364 due to expenditures less than budget by \$589,392.

The Economic Increments Construction Fund accounts for the activities in the City's Tax Increment Financing (TIF) Districts. The Fund's balance increased by \$475,807.

The Street Construction Fund decreased by \$1,154,593 largely due a budgeted spend down of reserves for various capital improvement projects.

Proprietary Funds

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

The unrestricted net position in the respective proprietary funds is Sewer - \$1,046,300; Water - \$0; Golf - \$0; Storm - \$733,539 and Recycling - \$24,236. Overall, net position increased \$2,465,816 reflecting positive cash flow from utility rates, which were designated for future capital replacements.

General Fund Budgetary Analysis

The General Fund balance increased by \$689,364 in 2019 which was primarily due to a \$778,996 transfer in from funds that was a result of reallocating reserves for funds that were over their required reserve balances. The General Fund property tax revenue was \$454,506 less than the final budget due to pending property tax petitions. The General Fund Public Works function was \$196,347 under budget because of various incremental savings for vacant positions, delay of budgeted street contract maintenance, and energy savings from the installation of solar panels. This also resulted in less expenditures for professional services, supplies, and materials that would accompany this project. The \$225,000 was then transferred to the Street Fund to help fund street replacement projects, which also resulted in the General Fund being \$224,035 over budget for transfers out.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

CAPITAL ASSETS

The City of Roseville's investment in capital assets for its governmental and business type activities as of December 31, 2019, amounts to \$183,384,702 (net of accumulated depreciation) – a nominal from the previous year. This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

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

- Completion of approximately \$400 thousand in the construction of projects for Roseville Parks and Recreation.
- Approximately \$2.2 million in improvements to the City's streets and sidewalks
- Approximately \$2 million in improvements to the City's sewer line, water lines, lift station and storm drainage infrastructure.

**CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION**

	Governmental Activities 2019	Governmental Activities 2018	Business-Type Activities 2019	Business-Type Activities 2018	Total 2019	Total 2018
Land & easements	\$36,880,287	\$36,880,287	\$893,299	\$893,299	\$37,773,586	\$37,773,586
Buildings	27,249,235	28,213,041	2,654,196	43,998	29,903,431	28,257,039
Improvements other than buildings	6,270,833	6,521,484	382,800	437,911	6,653,633	6,959,395
Machinery & equipment	6,106,728	7,424,077	1,054,248	973,413	9,160,976	8,397,490
Infrastructure	60,499,124	62,169,666	33,250,407	32,102,144	93,749,531	94,271,810
Construction in progress	4,083,024	2,860,713	2,060,521	4,614,157	6,143,545	7,574,870
Total Capital Assets	\$143,089,231	\$144,169,268	\$40,295,471	\$39,064,922	\$183,384,702	\$183,234,190

Additional information on the City of Roseville's capital assets can be found in Notes 1D and Note 4-C in the Notes to the Financial Statements section of this report.

CITY OF ROSEVILLE, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended December 31, 2019

LONG-TERM OBLIGATIONS

At the end of the current fiscal year, The City of Roseville had total long-term debt outstanding of \$20,270,000. Of this amount:

- \$1,630,000 was for general obligation refunding bonds to refinance the debt originally issued to construct an expansion of City Hall
- \$7,575,000 for the general obligation to finance the construction of a new fire station and to make various park improvements
- \$12,560,000 for the general obligation for remaining construction of a new fire station and for various parks renewal projects
- \$700,000 for housing improvements
- \$3,035,000 in general obligation tax increment revenue bonds to finance public improvements within Tax Increment Financing District No. 17

**OUTSTANDING DEBT GENERAL OBLIGATION IMPROVEMENT BONDS
AND CERTIFICATES OF INDEBTEDNESS**

	Governmental Activities 2019	Governmental Activities 2018	Business-Type Activities 2019	Business-Type Activities 2018	Total 2019	Total 2018
General obligation						
Tax increment Revenue Bonds	\$2,775,000	\$2,940,000	\$0	\$0	\$2,775,000	\$2,940,000
Municipal bonds	17,495,000	20,005,000	-	-	17,495,000	20,005,000
Total Outstanding Debt	\$20,270,000	\$22,945,000	\$0	\$0	\$20,270,000	\$22,945,000

The City of Roseville maintains an Aaa rating from Moody's and an AAA from Standard and Poor's on all of its general obligation debt.

Minnesota State statutes limit the amount of general obligation debt a city may issue to 3% of total Estimated Market Value. The current debt limitation for the City of Roseville is \$145,830,645. \$20,270,000 of the City's outstanding debt is counted against the statutory limitation as the debt is wholly financed by a general tax levy.

Additional information on the City of Roseville's long-term debt can be found in Note 1-D and Note 4-H this report.

Financial Outlook

A number of local economic factors played a role in setting next year's budget, utility rates and fee schedule.

- ❖ The City made operational adjustments including a modest property tax increase and the limited use of cash reserves to ensure that the City's core services are funded in a manner that preserves the greatest value to the community.
- ❖ New building permit fees were added, existing permit fees and plan review fees were increased to reflect the rising administrative, attorney and inspection costs incurred by the City. In addition, user charges for proprietary funds were also changed to reflect current and anticipated conditions and asset replacement needs.

These factors were considered when the City of Roseville prepared its 2020 budget.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Office of the Finance Director, 2660 Civic Center Drive, Roseville, MN 55113.

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Basic Financial Statements

CITY OF ROSEVILLE, MINNESOTA
 STATEMENT OF NET POSITION
 December 31, 2019

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$41,776,589	\$189,517	\$41,966,106
Receivables			
Accounts	606,258	3,349,898	3,956,156
Taxes	627,180	-	627,180
Investment interest	93,205	3,154	96,359
Special assessments	1,631,403	565,787	2,197,190
Inventories	19,808	-	19,808
Due from other governments	345,319	12,997	358,316
Notes receivable	2,146,246	-	2,146,246
Prepays	12,536	-	12,536
Net pension asset - fire relief	4,215,223	-	4,215,223
Capital assets not being depreciated:			
Land	29,148,394	893,299	30,041,693
Easements	7,731,893	-	7,731,893
Construction in progress	4,083,024	2,060,521	6,143,545
Capital assets net of accumulated depreciation:			
Buildings	27,249,235	2,654,196	29,903,431
Improvements other than buildings	6,270,833	382,800	6,653,633
Machinery, equipment and vehicles	8,106,728	1,054,248	9,160,976
Infrastructure	60,499,124	33,250,407	93,749,531
Total assets	<u>194,562,998</u>	<u>44,416,824</u>	<u>238,979,822</u>
Deferred Outflows of Resources			
Deferred pension resource	7,385,292	131,436	7,516,728
Liabilities:			
Accounts payable	679,578	892,600	1,572,178
Accrued payable	133,282	9,246	142,528
Contracts and retainage payable	341,673	147,522	489,195
Bond interest payable	212,394	-	212,394
Due to other governmental units	1,738,410	549,262	2,287,672
Deposits payable	1,228,520	1,412,730	2,641,250
Noncurrent Liabilities:			
Due Within One Year	2,491,909	29,231	2,521,140
Due in More than One Year	34,854,759	1,335,603	36,190,362
Total liabilities	<u>41,680,525</u>	<u>4,376,194</u>	<u>46,056,719</u>
Deferred Inflows of Resources			
Deferred pension resources	11,817,368	247,534	12,064,902
Net Position:			
Investment in capital assets	122,449,714	40,295,471	162,745,185
Restricted for:			
Law enforcement	364,145	-	364,145
Telecommunication	160,316	-	160,316
Lawful Gambling	128,918	-	128,918
Community development	3,502,984	-	3,502,984
Park dedication	1,009,255	-	1,009,255
Tax increment	4,611,087	-	4,611,087
Debt service	2,358,067	-	2,358,067
Bond Funded Capital Improvements	875,223	-	875,223
Housing and Economic Development	734,374	-	734,374
Unrestricted	12,256,314	(370,939)	11,885,375
Total net position	<u>\$148,450,397</u>	<u>\$39,924,532</u>	<u>\$188,374,929</u>

The accompanying notes are an integral part of these financial statements.

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government			
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental activities:							
General government	\$8,890,774	\$6,178,307	\$170,368	\$ -	(\$2,542,099)	\$ -	(\$2,542,099)
Public safety	12,109,598	3,132,557	1,300,448	-	(7,676,593)	-	(7,676,593)
Public works	6,201,372	240,980	392,023	29,735	(5,538,634)	-	(5,538,634)
Economic development	1,653,281	202,850	-	228,124	(1,222,307)	-	(1,222,307)
Recreation	5,719,426	2,837,337	155,996	-	(2,726,093)	-	(2,726,093)
Interest on long-term debt	643,081	-	-	-	(643,081)	-	(643,081)
Total governmental activities	35,217,532	12,592,031	2,018,835	257,859	(20,348,807)	0	(20,348,807)
Business-type activities:							
Sewer	5,199,878	5,733,880	438,602	-	-	972,604	972,604
Water	6,134,757	6,806,682	-	-	-	671,925	671,925
Golf	430,186	378,383	-	8,492	-	(43,311)	(43,311)
Storm drainage	1,422,743	1,999,186	-	-	-	576,443	576,443
Recycling	604,052	477,805	101,406	-	-	(24,841)	(24,841)
Total business-type activities	13,791,616	15,395,936	540,008	8,492	-	2,152,820	2,152,820
Total governmental and business-type activities	\$49,009,148	\$27,987,967	\$2,558,843	\$266,351	(20,348,807)	2,152,820	(18,195,987)
General revenues:							
Property taxes				21,166,310	-		\$21,166,310
Tax increments				1,151,987	-		1,151,987
Cable franchise taxes				383,550	-		383,550
Gambling taxes				41,535	-		41,535
Grants and contributions not restricted to specific programs				72,372	-		72,372
Unrestricted investment earnings				568,744	12,355		581,099
Unrestricted net increase(decrease) in the fair value of investments				842,941	15,544		858,485
Gain on sale of capital assets				46,800	22,690		69,490
Transfers				810,000	(810,000)		-
Total general revenues and transfers				25,084,239	(759,411)		24,324,828
Change in net position				4,735,432	1,393,409		6,128,841
Net position - beginning				143,714,965	38,531,123		182,246,088
Net position - ending				\$148,450,397	\$39,924,532		\$188,374,929

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEVILLE, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	Special Revenue				
	General	Recreation	Roseville Economic Development Authority	Community Development	Debt Service
Assets:					
Cash and investments	\$7,832,192	\$1,637,756	\$3,610,288	\$4,103,784	\$2,353,324
Investment interest receivable	14,010	3,533	7,055	8,020	4,599
Accounts receivable	35,298	101,896	30,839	1,787	-
Inventories	-	-	-	-	-
Taxes receivable	347,621	78,506	13,505	-	85,708
Special assessments receivable	7,154	2,545	21,681	3,508	126,830
Due from other governments	14,023	-	-	-	-
Due from other funds	-	-	10,000	-	-
Notes receivable	-	-	982,505	1,163,741	-
Property held for sale	-	-	-	-	-
Prepaid items	11,536	-	-	-	-
Total assets	8,261,834	1,824,236	4,675,873	5,280,840	2,570,461
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	293,189	129,191	4,455	49,852	-
Accrued payroll	82,982	27,196	-	4,977	-
Contracts and retention payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	95,790	29,075	1,611	1,175,065	-
Deposit payable	651,075	500	-	547,962	-
Total liabilities	1,123,036	185,962	6,066	1,777,856	0
Deferred Inflows of Resources:					
Unavailable revenue - due from other governments	-	-	-	-	-
Unavailable revenue - property tax	221,323	48,967	8,371	-	53,459
Unavailable revenue - special assessments	-	-	1,783	-	126,830
Total deferred inflows of resources	221,323	48,967	10,154	0	180,289
Fund Balance:					
Nonspendable	11,536	-	-	-	-
Restricted	-	-	-	-	-
Law enforcement	364,145	-	-	-	-
Telecommunications	-	-	-	-	-
Lawful gambling	-	-	-	-	-
Community development	-	-	-	3,502,984	-
Park Dedication	-	-	-	-	-
Tax increments	-	-	-	-	-
Debt Services	-	-	-	-	2,390,172
Bond funded capital improvements	-	-	-	-	-
Housing and Economic Development	-	-	675,223	-	-
Committed	-	-	-	-	-
Street replacement	-	-	-	-	-
Assigned	-	-	-	-	-
Parks and Recreation Programs and Maintenance	-	1,589,307	-	-	-
License Center Improvements	-	-	-	-	-
Information Technology	-	-	-	-	-
Engineering Services	760,929	-	-	-	-
Accounting Service	17,439	-	-	-	-
General Service Reserve	756,498	-	-	-	-
Capital Projects	-	-	-	-	-
Housing and Economic Development	-	-	3,784,430	-	-
Unassigned	5,006,928	-	-	-	-
Total fund balance	6,917,475	1,589,307	4,659,653	3,502,984	2,390,172
Total liabilities, deferred inflows of resources, and fund balance	\$8,261,834	\$1,824,236	\$4,675,873	\$5,280,840	\$2,570,461

See accompanying notes to the required supplementary information.

Capital Projects					
Revolving Improvements	Economic Increments Construction	Street Construction	Other Governmental Funds	Intra Activity Elimination	Total Governmental Funds
\$9,382,662	\$4,661,172	\$3,584,574	\$2,372,366	\$ -	\$39,538,118
17,921	9,120	17,788	6,785	-	88,831
23,088	-	-	413,350	-	606,258
-	-	-	19,808	-	19,808
77,928	-	18,150	5,762	-	627,180
-	-	1,469,685	-	-	1,631,403
99,553	128,748	102,995	-	-	345,319
-	-	1,500,000	-	(1,510,000)	-
-	-	-	-	-	2,146,246
-	-	-	-	-	-
-	-	-	1,000	-	12,536
<u>9,601,152</u>	<u>4,799,040</u>	<u>6,693,192</u>	<u>2,819,071</u>	<u>(1,510,000)</u>	<u>45,015,699</u>
17,787	1,950	244	81,617	-	578,285
-	-	-	18,127	-	133,282
177,816	-	149,720	14,137	-	341,673
1,500,000	10,000	-	-	(1,510,000)	-
-	76,003	457	354,345	-	1,732,346
23,983	-	-	5,000	-	1,228,520
<u>1,719,586</u>	<u>87,953</u>	<u>150,421</u>	<u>473,226</u>	<u>(1,510,000)</u>	<u>4,014,106</u>
80,113	100,000	101,307	-	-	281,420
48,607	-	11,321	3,594	-	395,642
-	-	1,469,684	-	-	1,588,297
<u>128,720</u>	<u>100,000</u>	<u>1,582,312</u>	<u>3,594</u>	<u>0</u>	<u>2,275,359</u>
-	-	-	1,000	-	12,536
-	-	-	-	-	364,145
-	-	-	160,316	-	160,316
-	-	-	128,918	-	128,918
-	-	-	-	-	3,502,984
1,009,255	-	-	-	-	1,009,255
-	4,611,087	-	-	-	4,611,087
-	-	-	-	-	2,390,172
734,374	-	-	-	-	734,374
-	-	-	-	-	875,223
-	-	4,960,459	-	-	4,960,459
-	-	-	-	-	1,589,307
-	-	-	526,572	-	526,572
-	-	-	1,525,445	-	1,525,445
-	-	-	-	-	760,929
-	-	-	-	-	17,439
-	-	-	-	-	756,498
6,009,217	-	-	-	-	6,009,217
-	-	-	-	-	3,784,430
-	-	-	-	-	5,006,928
<u>7,752,846</u>	<u>4,611,087</u>	<u>4,960,459</u>	<u>2,342,251</u>	<u>0</u>	<u>38,726,234</u>
<u>\$9,601,152</u>	<u>\$4,799,040</u>	<u>\$6,693,192</u>	<u>\$2,819,071</u>	<u>(\$1,510,000)</u>	<u>45,015,699</u>
Fund balance reported above					\$38,726,234
Capital assets used in governmental activities are not financial resources and therefore, are not reported above					143,089,231
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenue in the funds					11,600,515
Long term liabilities, including pension related deferred outflows and inflows, are not due and payable in the current period and, therefore, are not reported in the funds					(46,768,486)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities are included in the governmental statement of net position.					1,802,903
Net position of governmental activities					<u>\$148,450,397</u>

See accompanying notes to the required supplementary information.

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019

	Special Revenue				
	General	Recreation	Roseville Economic Development Authority	Community Development	Debt Service
Revenues:					
General property taxes	\$11,862,099	\$2,602,025	\$452,277	\$ -	\$2,840,697
Tax increments	-	-	-	-	-
Intergovernmental revenue	1,198,710	-	47,937	-	-
Licenses and permits	543,865	-	-	2,586,833	-
Gambling taxes	-	-	-	-	-
Charges for services	328,053	2,065,995	85,528	71,321	-
Fines and forfeits	84,801	-	-	-	-
Cable franchise taxes	-	-	-	-	-
Rentals	-	83,707	-	-	-
Donation	12,259	68,546	-	-	-
Special assessments	36	198	99	3	38,988
Investment income	-	-	-	-	-
Interest earned on investments	64,101	19,830	60,826	50,237	17,455
Increase (decrease) in fair value of investments	120,406	46,849	60,745	43,484	47,854
Miscellaneous Revenue	202,259	56,775	47,755	4,294	-
Total revenues	14,416,589	4,943,925	755,167	2,756,172	2,944,994
Expenditures:					
Current:					
General government	2,663,774	-	-	-	-
Public safety	10,208,128	-	-	912,686	-
Public works	2,481,851	-	-	-	-
Economic development	-	-	403,058	440,005	-
Recreation	-	4,721,095	-	-	-
Capital outlay	7,825	-	528	5,260	-
Debt service:					
Bond principal	-	-	-	-	2,675,000
Interest and other charges - bonds	-	-	-	-	666,073
Total expenditures	15,361,578	4,721,095	403,586	1,357,951	3,341,073
Excess (deficiency) of revenues over (under) expenditures	(944,989)	222,830	351,581	1,398,221	(396,079)
Other financing sources (uses):					
Transfers in	1,859,353	-	-	-	252,331
Transfers out	(225,000)	(169,985)	(10,907)	(35,000)	-
Sale of capital asset	-	-	-	-	-
Total other financing sources (uses)	1,634,353	(169,985)	(10,907)	(35,000)	252,331
Net change in fund balance	689,364	52,845	340,674	1,363,221	(143,748)
Fund balance, January 1	6,228,111	1,536,462	4,318,979	2,139,763	2,533,920
Fund balance, December 31	\$6,917,475	\$1,589,307	\$4,659,653	\$3,502,984	\$2,390,172

See accompanying notes to the required supplementary information.

Capital Projects					
Revolving Improvements	Economics Increments Construction	Street Construction	Other Governmental Funds	Intra Activity Eliminations	Total Governmental Funds
\$2,582,884	\$ -	\$601,559	\$190,971	\$ -	\$21,132,512
-	1,151,987	-	-	-	1,151,987
233,796	228,124	29,735	280,097	-	2,018,399
-	-	-	-	-	3,130,698
-	-	-	41,535	-	41,535
17,957	-	-	4,939,239	-	7,508,093
-	-	-	-	-	84,801
-	-	-	383,550	-	383,550
167,750	-	-	-	-	251,457
35,364	-	-	129,928	-	246,097
-	-	221,511	-	-	260,835
-	-	-	-	-	-
102,200	62,767	125,709	36,380	-	539,505
141,498	78,062	199,718	49,320	-	787,936
510,413	-	11,483	475,688	-	1,308,667
<u>3,791,862</u>	<u>1,520,940</u>	<u>1,189,715</u>	<u>6,526,708</u>	<u>-</u>	<u>38,846,072</u>
<u>290,209</u>	<u>-</u>	<u>-</u>	<u>5,271,543</u>	<u>-</u>	<u>8,225,526</u>
<u>239,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,359,975</u>
<u>129,240</u>	<u>-</u>	<u>4,823</u>	<u>-</u>	<u>-</u>	<u>2,615,914</u>
<u>-</u>	<u>695,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,538,591</u>
<u>204,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,925,891</u>
<u>1,972,709</u>	<u>97,274</u>	<u>2,214,485</u>	<u>370,771</u>	<u>-</u>	<u>4,668,852</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,675,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>666,073</u>
<u>2,836,115</u>	<u>792,802</u>	<u>2,219,308</u>	<u>5,642,314</u>	<u>-</u>	<u>36,675,822</u>
<u>955,747</u>	<u>728,138</u>	<u>(1,029,593)</u>	<u>884,394</u>	<u>-</u>	<u>2,170,250</u>
<u>470,000</u>	<u>-</u>	<u>225,000</u>	<u>25,000</u>	<u>(2,021,684)</u>	<u>810,000</u>
<u>-</u>	<u>(252,331)</u>	<u>(350,000)</u>	<u>(978,461)</u>	<u>2,021,684</u>	<u>-</u>
<u>205,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,429</u>
<u>675,429</u>	<u>(252,331)</u>	<u>(125,000)</u>	<u>(953,461)</u>	<u>-</u>	<u>1,015,429</u>
<u>1,631,176</u>	<u>475,807</u>	<u>(1,154,593)</u>	<u>(69,067)</u>	<u>-</u>	<u>3,185,679</u>
<u>6,121,670</u>	<u>4,135,280</u>	<u>6,115,052</u>	<u>2,411,318</u>	<u>-</u>	<u>35,540,555</u>
<u>\$7,752,846</u>	<u>\$4,611,087</u>	<u>\$4,960,459</u>	<u>\$2,342,251</u>	<u>\$0</u>	<u>\$38,726,234</u>

See accompanying notes to the required supplementary information.

CITY OF ROSEVILLE, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENT FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019

Statement 5

Net change in fund balances - total governmental funds	\$3,185,679
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Net Position, the cost of these assets is capitalized and depreciated over their estimated useful lives with depreciation expense reported in the Statement of Activities	(942,605)
Net effect of sales, trade-ins and retirements of capital assets	(137,432)
Payments on general obligation debt	2,675,000
Premium on general obligation bonds amortized	140,996
Net change due to internal service funds incorporated into statement of activities	(84,556)
Net change in net pension obligation - City	(46,776)
Net change in net pension asset - Fire Relief	172,882
Net change in net pension obligation - OPEB	15,677
Change in compensated absences	(101,606)
Change in bond interest payable	22,992
Adjustment for modified accrual revenue recognition related to Special assessments, delinquent property tax and delinquent tax increment	(164,819)
Change in net position - governmental activities	<u>\$4,735,432</u>

The accompanying notes are an integral part of these financial statements.

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	Business Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling		
Assets:							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$189,517	\$ -	\$ -	\$189,517	\$2,238,471
Investment interest receivable	1,555	-	396	1,203	-	3,154	4,374
Accounts receivable	1,266,904	1,524,853	-	448,812	109,329	3,349,898	-
Special assessments receivable	472,385	50,896	-	42,506	-	565,787	-
Due from other funds	672,736	-	13,256	598,541	-	1,284,533	-
Due from other governments	4,997	-	-	8,000	-	12,997	-
Prepaid items	-	-	-	-	-	-	-
Total Current Assets	2,418,577	1,575,749	203,169	1,099,062	109,329	5,405,886	2,242,845
Noncurrent assets:							
Capital Assets:							
Land	-	-	319,892	573,407	-	893,299	-
Buildings and improvements	50,566	1,490,784	2,650,556	-	-	4,191,906	-
Improvements other than buildings	-	11,972	394,039	1,050,683	-	1,456,694	-
Machinery, equipment, and vehicles	1,127,191	1,514,934	369,439	1,664,295	-	4,675,859	-
Infrastructure	19,839,290	19,098,688	-	19,937,778	-	58,875,756	-
Construction in progress	434,458	1,426,413	-	199,650	-	2,060,521	-
Less accumulated depreciation	(8,003,065)	(10,238,302)	(606,895)	(13,010,302)	-	(31,858,564)	-
Total Noncurrent Assets	13,448,440	13,304,489	3,127,031	10,415,511	0	40,295,471	0
Total assets	15,867,017	14,880,238	3,330,200	11,514,573	109,329	45,701,357	2,242,845
Deferred Outflows of Resources:							
Deferred pension resources	33,791	45,790	15,209	29,852	6,794	131,436	-
Liabilities:							
Current liabilities (payable from current assets):							
Accounts payable	817,420	58,965	5,291	4,574	6,350	892,600	101,293
Accrued payroll	1,699	1,883	2,126	2,640	898	9,246	-
Compensated absences payable	6,306	7,047	9,769	6,109	-	29,231	-
Contracts and retainage payable	6,915	2,242	132,546	5,819	-	147,522	-
Customer deposits payable	-	1,412,730	-	-	-	1,412,730	-
Due to other funds	-	1,234,554	-	-	49,979	1,284,533	-
Due to other governmental units	140,468	399,597	1,243	7,655	299	549,262	6,064
Insurance claims payable	-	-	-	-	-	-	107,835
Total Current Liabilities	972,808	3,117,018	150,975	26,797	57,526	4,325,124	215,192
Noncurrent liabilities:							
Compensated absences payable	25,227	28,187	39,076	24,434	-	116,924	-
Net other postemployment benefits obligation	37,964	35,972	14,676	20,490	-	109,102	-
Net Pension liability	302,903	384,213	121,770	265,007	25,684	1,109,577	-
Insurance claims payable	-	-	-	-	-	-	224,750
Total Noncurrent Liabilities	366,094	458,372	175,522	309,931	25,684	1,335,603	224,750
Total Liabilities	1,338,902	3,575,390	326,497	336,728	83,210	5,660,727	439,942
Deferred Inflows of Resources:							
Deferred pension resources	67,166	86,691	26,353	58,647	8,677	247,534	-
Net position:							
Net Investment in Capital Assets	13,448,440	13,304,489	3,127,031	10,415,511	-	40,295,471	-
Unrestricted	1,046,300	(2,040,542)	(134,472)	733,539	24,236	(370,939)	1,802,903
Total net position	\$14,494,740	\$11,263,947	\$2,992,559	\$11,149,050	\$24,236	\$39,924,532	\$1,802,903

The accompanying notes are an integral part of these financial statements.

	Business Type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling		
Sales and costs of sales:							
Sales	\$ -	\$ -	\$30,542	\$ -	\$ -	\$30,542	\$ -
Cost of sales	-	-	(17,853)	-	-	(17,853)	-
Gross profit	-	-	12,689	-	-	12,689	-
Operating revenues:							
User charges	5,521,763	6,799,170	270,946	1,981,263	476,507	15,049,649	332,580
Delinquency collections	212,117	-	-	11,823	-	223,940	-
Miscellaneous	-	7,512	94,748	6,100	1,298	109,658	11,101
Total operating revenue	5,733,880	6,806,682	365,694	1,999,186	477,805	15,383,247	343,681
Operating expenses:							
Personal service	537,215	618,388	313,170	415,541	43,751	1,928,075	-
Supplies	37,327	221,460	37,452	84,916	733	381,888	-
Other services and shares	4,169,547	4,919,579	51,137	430,849	559,568	10,130,880	512,481
Depreciation	455,789	375,320	28,427	491,437	-	1,350,973	-
Total operating expense	5,198,878	6,134,757	430,186	1,422,743	604,052	13,791,616	512,481
Operating income (loss)	534,002	671,925	(51,803)	576,443	(126,247)	1,604,320	(168,800)
Non-operating revenues (expenses):							
Investment income							
Interest earned on investments	1,459	-	3,583	7,181	122	12,355	29,238
Increase (decrease) in fair value of investments	7,152	-	4,653	3,739	-	15,544	55,005
Intergovernmental revenue	438,602	-	-	-	101,406	540,008	-
Donations	-	-	-	-	-	-	-
Gain on sale of capital assets	18,500	14,889	(11,539)	2,840	-	22,690	-
Total non-operating revenues (expenses)	483,713	14,889	(3,303)	13,770	101,528	590,597	84,244
Income (loss) before capital contributions and transfers	997,715	686,814	(55,106)	590,213	(24,719)	2,194,917	(84,556)
Capital contributions	-	-	-	8,492	-	8,492	-
Transfers:							
Transfer in	-	-	-	-	-	-	-
Transfer out	(285,000)	(385,000)	(20,000)	(100,000)	(20,000)	(810,000)	-
Change in net position	712,715	301,814	(75,108)	498,705	(44,719)	1,393,409	(84,556)
Net position, January 1	13,782,025	10,982,133	3,067,665	10,650,345	68,955	38,531,123	1,887,459
Net position, December 31	\$14,494,740	\$11,283,947	\$2,992,559	\$11,149,050	\$24,236	\$39,924,532	\$1,802,903

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities Enterprise Funds			Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Sanitary Sewer	Water	Golf Course	Storm Drainage	Solid Waste Recycling	Totals	
Cash flows from operating activities:							
Cash received from customers and users, including deposits	\$5,510,983	\$6,808,882	\$284,433	\$1,965,021	\$480,237	\$15,049,556	\$332,580
Cash payments to suppliers for goods and services	(4,089,440)	(5,189,542)	(99,568)	(624,589)	(558,463)	(10,561,602)	(487,456)
Cash payments to employees	(530,818)	(614,640)	(300,310)	(410,239)	(42,756)	(1,898,863)	11,101
Other operating revenues	-	7,512	94,748	8,100	1,298	109,658	-
Net cash flows from operating activities	890,625	1,012,212	(20,697)	936,293	(119,684)	2,698,749	(143,775)
Cash flows from noncapital financing activities:							
Transfer in from other funds	-	-	-	-	-	-	-
Transfer out to other funds	(285,000)	(385,000)	(20,000)	(100,000)	(20,000)	(810,000)	-
Advance made to other funds	(257,689)	-	(13,256)	(359,835)	-	(630,780)	-
Advance received from other funds	-	582,624	-	-	38,156	630,780	-
Subsidy from governmental grants	-	-	-	-	101,406	101,406	-
Net cash flows from noncapital financing activities	(542,689)	207,624	(33,256)	(459,835)	119,562	(708,594)	-
Cash flows from capital and related financing activities:							
Purchase of capital assets	(834,631)	(1,234,722)	(9,402)	(515,252)	-	(2,594,007)	-
Subsidy from governmental grants	438,602	-	-	-	-	438,602	-
Donations	-	-	-	-	-	-	-
Capital contributions	-	-	-	8,492	-	8,492	-
Proceeds from sale of capital assets	16,499	14,886	950	2,840	-	35,175	-
Net cash flows from capital and related financing activities	(379,530)	(1,219,836)	(8,452)	(503,920)	-	(2,111,738)	-
Cash flows from investing activities:							
Interest and dividends received	743	-	3,646	6,482	122	10,993	30,246
Increase (decrease) in fair value of investments	7,152	-	4,653	3,739	-	15,544	55,005
Net cash provided (used) by investing activities	7,895	-	8,299	10,221	122	26,537	85,251
Net increase (decrease) in cash and cash equivalents	(23,699)	-	(54,106)	(17,241)	-	(95,046)	(58,524)
Cash and cash equivalents - January 1	23,699	-	243,623	17,241	-	284,563	2,286,965
Cash and cash equivalents - December 31	\$0	\$0	\$189,517	\$0	\$0	\$189,517	\$2,238,471
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$534,002	\$671,925	(\$51,803)	\$576,443	(\$126,247)	\$1,604,320	(\$168,800)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:							
Depreciation	455,789	375,320	28,427	491,437	-	1,350,973	-
Pension related activity	7,952	10,196	3,058	6,833	863	28,002	-
Changes in elements affecting cash:							
(Increase) decrease in accounts receivable	(111,463)	7,955	798	(34,448)	3,730	(133,428)	-
(Increase) decrease in special assessments	(107,493)	1,757	-	14,383	-	(91,353)	-
(Increase) decrease in due from other governmental units	(3,941)	-	-	(8,000)	-	(11,941)	-
(Increase) decrease in prepaid items	262,514	-	-	-	-	262,514	-
Increase (decrease) in accounts payable	(14,683)	(278,233)	(8,697)	(12,771)	2,045	(312,339)	92,717
Increase (decrease) in accrued payroll	(8,287)	(10,487)	(3,615)	(5,165)	132	(27,432)	-
Increase (decrease) in compensated absences	6,632	4,059	13,417	3,534	-	27,642	-
Increase (decrease) in contracts payable	(217,268)	(193,542)	470	(92,399)	-	(502,739)	-
Increase (decrease) in customer deposits	-	76,966	-	-	-	76,966	-
Increase (decrease) in due to other governmental units	86,871	346,306	(2,752)	(3,654)	(207)	426,564	(10,452)
Increase (decrease) in net other postemployment benefits obligation	-	-	-	-	-	-	-
Increase (decrease) in insurance claims payable	-	-	-	-	-	-	(57,240)
Total adjustments	356,623	340,287	31,106	359,850	6,563	1,094,429	25,025
Net cash provided by operating activities	\$890,625	\$1,012,212	(\$20,697)	\$936,293	(\$119,684)	\$2,698,749	(\$143,775)
Noncash investing, capital and financing activities:							
Increase/(Decrease) in fair market value of investments	\$7,152	\$-	\$4,653	\$3,739	\$-	\$15,544	\$55,005

Check to statement 6 \$ - \$ - \$ - \$ - \$ - \$ - \$ -

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
December 31, 2019

Statement 9

	<u>Roseville Islamic Cemetery Fund</u>
Assets:	
Cash and investments	\$87,748
Receivables:	
Investment interest receivable	<u>171</u>
Total assets	<u><u>\$87,919</u></u>
Liabilities:	
Due to other organizations	<u>\$87,919</u>
Net position:	
Restricted	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEVILLE, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS
 December 31, 2019

Statement 10

	<u>Roseville Islamic Cemetery Fund</u>
Additions:	
Investment income	
Interest earned on investments	\$1,239
Increase (decrease) in fair value of investments	1,610
Total additions	<u>2,849</u>
Deductions:	
Payments due to other entities	2,849
Total deductions	<u>2,849</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY DESCRIPTION OF THE PLAN

A. FINANCIAL REPORTING ENTITY

The City of Roseville is a municipal corporation formed under Section 412 of Minnesota State Statutes and operates under a Council-Manager form of government. The five-member Council and Mayor are elected on rotating terms in each even-numbered year.

The financial statements present the City and its component unit. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations are presented in this report as follows:

Blended Component unit. The Roseville Economic Development Authority (EDA) was established to facilitate development and redevelopment in the City. The governing board consists of the members of the City Council. The City approves the levy and appropriations for the EDA annually as part of the City's budget process. Any sale of bonds or obligations issued by the EDA must be approved by the City Council before issuance and the City Council may require the EDA to transfer any portion of the reserves generated by activities of the EDA to the City to reduce the tax levies for bonded indebtedness of the City. The EDA does not issue separate financial statements. Financial information may be obtained at the City's offices.

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 nonfund activities of the primary government and its component unit. 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 user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, service 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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. With the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 expenditure-related 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.

The City reports the following major governmental funds:

General

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.

Special Revenue

The recreation fund accounts for resources and payments related to adult and youth programs, nature center, skating center, and park maintenance activities. Most revenues are derived from user fees of various programs and activities, room rentals, donations, and concessions.

The community development fund accounts for resources and payments related to the City's building codes enforcement, development, and redevelopment activities. The funds primary revenue sources are through permits, contractor licenses, and plan check fees.

The Roseville Economic Development Authority fund accounts for the revenue and expenditures used for the activity of the Roseville Economic Development Authority general operations.

Debt Service

The debt service fund accounts for resources accumulated and payments for principal and interest on long term general obligation debt.

Capital

The revolving improvements fund accounts for revenues and expenditures from replacement funds set aside for equipment and building replacement, and general land improvements. The economic increments construction fund accounts for tax increment payments to various developers as part of Pay-as-you-go TIF agreements and infrastructure improvements. The street construction fund accounts for revenues and expenditures related to street construction and improvements.

The City reports the following major proprietary funds:

The sanitary sewer fund and the water fund account for the activities related to the operation of a sanitary collection system and a water distribution system, respectively.

The golf course fund, accounts for resources and payments related to the operation and maintenance of a municipal golf course.

The storm drainage fund accounts for activities related to the operation of a surface water collection system.

The recycling fund accounts for the resources and expenditures related to the operation of a solid waste recycling collection system.

Additionally, the City reports the following fund types:

Internal service funds account for the worker's compensation and general insurance services provided to other departments or agencies of the City.

Fiduciary Fund - Custodial funds are used to account for assets held by the City as an agent for other organizations. The City's custodial fund accounts for resources held by the City for the Roseville Islamic Cemetery. The funds are custodial in nature and do not involve measurement of results of operations.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

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

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

1. Deposits and Investments

The enterprise and internal service funds participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. As a result, the cash and investments of the enterprise and internal service funds are considered to be cash and cash equivalents for statement of cash flow purposes.

State statutes authorize investments in the following: direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 which receive the highest credit rating are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; municipal general obligations rated "A" or better; municipal revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers acceptances of United States banks eligible for purchase of by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualifies as a "depository" by the City 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 Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

Investments for the City and the component unit are reported at fair value.

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.

2. 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 loan).

All utility and property tax receivables, including those for the HRA, are shown at a gross amount, since both taxes and utility receivables are assessable to the property taxes and are collectible upon sale of the assessed property.

Property taxes are submitted to the County Auditor by December 28 of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15.

3. Prepaid Items

Certain payments to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain assets in the water fund are restricted to the extent of the customer deposits, which are carried as liabilities.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, 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, except infrastructure assets, are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of 2 years. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

With 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 or amount. The City's Pavement Management Plan contained all historical costs for the City's general infrastructure assets. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at their acquisition value on the date of donation.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	25
Furniture and Equipment	5
Light Vehicles	5
Heavy Vehicles	10
Fire Trucks	20
Streets and public infrastructure	50
Utility distribution systems	80

The City implemented GASB 51, Accounting and Financial Reporting for Intangible Assets effective January 1, 2010, which required the City to capitalize 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 was able to obtain historical costs and estimated fair value of donated intangible assets as of the date of donation for the initial reporting of easements through public works project records.

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time. The City has one item that qualifies for reporting in this category. The presents deferred outflows of resources on the Statement(s) of Net position for deferred outflows of resources related to pensions. Deferred outflows of resources related to pensions results from the difference between projected and actual earnings, changes in actuarial assumptions and employer contribution paid to PERA subsequent to the measurement date. 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 items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. 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. The City presents deferred inflows of resources on the Statement(s) of Net Position for deferred inflows of resources related to pensions. Deferred inflows of resources related to pensions results from the net difference expected and actual economic experience and changes in proportion.

7. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, paid time off (PTO), compensatory time, and sick pay benefits. There is an estimate for a liability for unpaid accumulated sick leave, as employees may receive up to 320 hours upon retirement only. Vacation, PTO, compensatory time, and estimated sick pay benefits are 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.

8. 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 the relief association and additions to/deductions from PERA's and the relief association's fiduciary net position have been determined on the same basis as they are reported by PERA and the relief association 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.

9. 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, and proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the effective interest method. 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.

10. Fund balance

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- **Nonspendable Fund Balance** – These are amounts that cannot be spent because they are not in spendable form.
- **Restricted Fund Balance** – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.

- **Committed Fund Balance** – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.
- **Assigned Fund Balance** – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Pursuant to Council resolution, the City Council is authorized to establish assignments of fund balance.
- **Unassigned Fund Balance** – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

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.

a. Minimum Fund Balance

It is the City's policy that at the end of each year, the City will maintain the unassigned portion of the fund balance for cash flow in a range equal to 35% to 45% of the General Fund operating expenditures.

11. Net position

The Statement of Net Position reports restrictions in net position for community development revenues which are used for building code enforcement, development and redevelopment activities. Telecommunication revenues are used for the administration and maintenance of telecommunication activities. Park dedication proceeds are used to create parks or park improvements within a new development area. Law Enforcement is proceeds received from forfeitures generated from driving under the influence (DUI) or drug possession whose proceeds are restricted for specific law enforcement uses. Debt service is to pay for future debt service obligations, while tax increment revenues are used to pay for costs associated with the development within a tax increment district. Minnesota law governs park dedication, debt service, tax increment and law enforcement uses. Community development and telecommunication uses are governed by other third party entities.

Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Elements of that reconciliation are detailed as follows:

Long-term liabilities:	
Bonds payable	(\$20,270,000)
Premium on bonds payable	(919,517)
Bond interest payable	(212,394)
Net OPEB obligation	(1,385,553)
Net Pension liability	(12,562,329)
Compensated absences	(1,876,684)
Deferred inflows of resources	(9,542,009)
Net change due to long-term liabilities	<u>(\$46,768,486)</u>
Other long-term assets:	
Net pension obligation - fire relief	\$4,215,223
Deferred outflows of resources	7,385,292
Capital assets - net of depreciation	<u>143,089,231</u>
Net change in other long-term assets	<u>\$154,689,746</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	\$4,668,852
Capital outlay not capitalized	169,735
Depreciation expense	<u>(5,781,192)</u>
Net change in fund-balances-total governmental funds and change in net position of governmental activities	<u>(\$942,605)</u>

Note 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

1. Components of Cash and Investments

Cash and investments at year-end December 31, 2019 consist of the following:

Deposits	\$3,640,991
Investments	38,401,564
Cash on Hand	11,300
Total	<u>\$42,053,855</u>

Cash and investments at year-end December 31, 2019 consist of the following:

Statement of Net Positions - Government Wide	\$41,966,107
Cash and cash equivalents	
Statement of Fiduciary Net Positions	
Cash and cash equivalents - Custodial Funds	87,748
Total	<u>\$42,053,855</u>

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost. Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the 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 City's investment policy has no additional deposit addressing custodial credit risk.

2. Deposits

At year-end, the carrying amount of the City's deposits was \$3,640,991 while the balance on the bank records was \$4,091,595. At December 31, 2019, all deposits were covered by federal depository insurance, or by collateral held by the City's agent in the City's name.

4. Investments

The City has the following investments at year-end December 31, 2019:

Investment type	Rating	Investment maturities			Total
		Less than one year	1-5 years	6-10 years	
U.S. Agencies	AA+	\$1,695,820	\$2,000,000	\$1,553,922	\$5,249,742
First American Government Obligation Fund	AAA-m	\$17,384,327	\$2,000,000	\$11,553,922	\$30,938,249
Total		\$19,080,147	\$4,000,000	\$13,107,844	\$37,188,191

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

- U.S. agency securities of \$21,007,237 are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly (Level 2 inputs)
- The First American Government Obligation money market fund is an external investment pool. The fund seeks to maintain a constant net asset value (NAV) of \$1 per share. The securities held by each fund are valued on the basis of amortized cost. Shares may be redeemed without penalty on any business day.

Investments are subject to various risks, the following of which are considered the most significant:

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts issued by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase 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 that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City's investment policy addresses credit risk beyond what is prescribed by State Statute. The City's investment policy restrict investments to only Repurchase Agreements with national or state chartered banks, U.S. Treasury and U.S. Government Agencies.

Custodial credit risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an

outside party. The City's investment policy does not further address this risk, but the City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Concentration risk – This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City's investment policy does not limit the concentration of investments. The City holds 26.7% with Freddie Mac, 14.2% with Federal Farm Credit Bank and 59.1% with Federal Home Loan Bank.

Interest rate risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy does not address interest rate risk. The City holds all investments to maturity.

B. Receivables

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer recognition in connection with resources that are not yet available. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	Unavailable
Unavailable revenue due from other governments (Economic Increments Construction)	\$100,000
Unavailable revenue due from other governments (Street Construction)	101,307
Unavailable revenue due from other governments (Revolving Improvements)	80,113
Delinquent property taxes (General)	221,323
Delinquent property taxes (Recreation)	24,710
Delinquent property taxes (Debt service)	53,459
Delinquent property taxes (Revolving Improvements)	48,607
Delinquent property taxes (Street Construction)	11,321
Delinquent property taxes (Information Technology)	3,594
Delinquent property taxes (EDA)	8,371
Delinquent property taxes (Park Maintenance)	24,257
Delinquent special assessments (Street Construction)	18
Delinquent special assessments (EDA)	1,783
Special assessments not yet due (G.O. Improvement Bonds)	126,830
Special assessments not yet due (Street Construction)	1,459,666
Total deferred inflows for governmental funds	\$2,275,539

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

Significant receivable balances not expected to be collected within one year of December 31, 2019 are as follows:

Major Funds:	Special Assessments Receivable	Notes Receivable	Total
Community Development	\$ -	\$1,163,741	\$1,163,741
Debt Service	100,600	-	100,600
Street Construction	1,025,000	-	1,025,000
Roseville Economic Development Authority	-	924,608	924,608
	<u>\$1,125,600</u>	<u>\$2,088,349</u>	<u>\$3,213,949</u>

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

C. Capital assets

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

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$29,148,394	\$ -	\$ -	\$ -	\$29,148,394
Permanent easements	7,731,893	-	-	-	7,731,893
Construction in progress	2,960,713	3,562,934	-	(2,440,623)	4,083,024
Total capital assets not being depreciated	39,841,000	3,562,934	-	(2,440,623)	40,963,311
Capital assets being depreciated					
Buildings	41,621,456	-	(103,235)	123,404	41,641,625
Improvements other than buildings	10,222,405	211,409	-	121,495	10,555,309
Machinery and equipment	20,224,162	1,064,244	(1,064,168)	1,270,261	21,494,499
Infrastructure	115,186,656	-	-	891,912	116,078,568
Total capital assets being depreciated	187,254,679	1,276,653	(1,167,403)	2,407,072	189,770,001
Less accumulated depreciation for					
Buildings	13,408,415	1,087,210	(103,235)	-	14,392,390
Improvements other than buildings	3,700,921	593,555	-	-	4,294,476
Machinery and equipment	12,800,085	1,947,973	(960,287)	-	13,987,771
Infrastructure	93,016,990	2,962,454	-	-	95,979,444
Total accumulated depreciation	82,926,411	5,781,192	(1,063,522)	-	87,644,081
Total capital assets being depreciated, net	104,328,268	(4,504,539)	(103,881)	2,407,072	102,125,920
Governmental activities capital assets, net	<u>\$144,169,268</u>	<u>(\$942,605)</u>	<u>(\$103,881)</u>	<u>(\$33,551)</u>	<u>\$143,089,231</u>

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

	Beginning Balance	Increases	Decreases	Completed Construction & Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$893,299	\$ -	\$ -	\$ -	\$893,299
Construction in progress	4,614,157	2,218,868	-	(4,772,504)	2,060,521
Total capital assets not being depreciated	5,507,456	2,218,868	-	(4,772,504)	2,953,820
Capital assets being depreciated					
Buildings	1,696,987	-	(129,671)	2,624,590	4,191,906
Improvements other than buildings	1,456,694	-	-	-	1,456,694
Machinery and equipment	4,344,377	375,138	(43,656)	-	4,675,859
Infrastructure	56,727,842	-	-	2,147,914	58,875,756
Total capital assets being depreciated	64,225,900	375,138	(173,327)	4,772,504	69,200,215
Less accumulated depreciation for					
Buildings	1,652,989	1,905	(117,184)	-	1,537,710
Improvements other than buildings	1,016,783	55,111	-	-	1,073,894
Machinery and equipment	3,376,964	294,306	(43,659)	-	3,627,611
Infrastructure	24,625,698	999,651	-	-	25,625,349
Total accumulated depreciation	30,668,434	1,350,973	(160,843)	-	31,858,564
Total capital assets being depreciated, net	33,557,466	(975,835)	(12,484)	4,772,504	37,341,651
Business-type activities capital assets, net	\$39,064,922	\$1,243,033	(\$12,484)	\$ -	\$40,295,471

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

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

Governmental activities:	\$556,220
General government	650,563
Public safety	2,906,311
Public works including depreciation of infrastructure	1,668,098
Recreation	
Total depreciation expense - governmental activities	\$5,781,192
Business-type activities:	\$455,789
Sanitary sewer	375,320
Water	28,427
Golf	491,437
Storm drainage	
Total depreciation expense - business-type activities	\$1,350,973

D. Construction commitments

The City has construction projects in progress as of December 31, 2019. The projects include the improvement and construction of streets, water, sewer, and storm systems. At year end the commitments with these contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Marion Street Park	\$200,722	\$11,188
Motor Vehicle Department Remodel	23,087	18,639
Parks Renewal Project	1,663,985	404,027
2018 Sanitary Sewer Lining	2,579,351	272,391
Ramsey County Library Improvements	137,623	115,170
Frenwood Lift Station	162,892	544,924
SCADA Radio Replacement	49,474	1,841

E. Interfund receivables, payables, and transfers

The following is a schedule of interfund transfers as of December 31, 2019:

	General	Debt Service	Transfer in Interfund	Street Contributions	Nonmajor	Total
General	\$ 169,985	\$ -	\$ -	\$ 225,000	\$ -	\$ 225,000
Recreation	10,907	-	-	-	-	10,907
Roseville Economic Development Authority	35,000	-	-	-	-	35,000
Community Development	-	-	-	-	-	-
Public Works	-	262,331	-	-	-	262,331
Street Construction	-	-	350,000	-	-	350,000
Non-major Governmental	859,461	-	120,000	-	-	979,461
Sanitary Sewer	285,000	-	-	-	25,000	310,000
Water	390,000	-	-	-	-	390,000
Golf Course	20,000	-	-	-	-	20,000
Storm Drainage	100,000	-	-	-	-	100,000
Stormwater Paying	20,000	-	-	-	-	20,000
Risk Management	-	-	-	-	-	-
Total	\$1,859,353	\$262,331	\$470,000	\$225,000	\$25,000	\$2,831,684

Total transfers in/out are created to assist in financing various activities and/or projects

F. Tax Increment Financing

The City has entered into two Tax Increment Financing agreements, which meet the criteria for disclosure under Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures. The City's authority to enter into these agreements comes from Minnesota Statute 469. The City entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2019, the City generated \$1,151,987 in tax increment revenue and made \$211,020 in payments to developers.

One agreement exceeded 10% of the total tax increment generated throughout the year.

- TIF District No. 19 was established in 2010 for the purpose of site improvements including landscaping, grading/earthwork, on site utilities, storm water ponding, etc. Under the agreement, up to \$659,000 of development costs will be reimbursed through tax increment over a 9-year period. During the year ended December 31, 2019, the City generated \$245,271 of tax increment revenue and made payments on the pay-as-you-go note of \$109,751. The note's balance at year-end was \$0.

G. Leases

1. Operating Leases

The City leases copiers and a postage machine under non-cancelable operating leases. Total costs for such leases were \$49,817 for the year ended December 31, 2019. The future minimum lease payments for these leases are as follows:

Year Ending Dec. 31	Amount
2020	\$26,763
2021	3,708
2022	927
Total	\$31,398

2. Antenna Leases

The City received revenue from agreements for the lease of space for antennas placed on City owned property. Terms of each lease are as follows:

2019	Lease Amount	Lessee	Location	Annual Lease Adjustment Factor	Expiration Date	Renewal Options
	\$31,680	AT&T	1901 Alts Vista	3% Increase on Aug 1	09/3/121	5 year terms
	24,885	Clearwire	1901 Alts Vista	1% Increase Apr 1 & 2% May 1	04/30/20	5 year terms
	59,358	Sprint	1901 Alts Vista	4% Increase Jan	12/31/22	5 year terms
	32,776	T-Mobile	1901 Alts Vista	4% Increase Jan	12/31/22	10 year terms
	32,144	Verizon	1901 Alts Vista	2.5% Increase on Jun 1	05/31/23	5 year terms
	2,484	Clearwire	2501 Fairview (Lattice Tower)	1% Increase Apr 1 & 2% May 1	04/30/21	5 year terms
	15,812	Sprint	2501 Fairview (Lattice Tower)	4% Increase Jan 1	12/31/21	5 year terms
	32,633	T-Mobile	2501 Fairview (Lattice Tower)	4% Increase Jan 1	12/31/23	5 year terms
	35,505	AT&T	2501 Fairview (Lattice Tower)	3% Increase on Aug 1	07/31/21	5 year terms
	38,400	Verizon	2680 Civic Center Dr (South Tower)	5% Increase on Aug 1	08/31/20	5 year terms
	49,588	Sprint	2680 Civic Center Dr (South Tower)	3% Increase on Sep 1	09/15/23	5 year terms
	32,893	T-Mobile	2680 Civic Center Dr (South Tower)	3% Increase on Sep 1	09/14/24	5 year terms
	33,610	Verizon	2680 Civic Center Dr (South Tower)	3% Increase on Sep 1	09/31/24	5 year terms
	33,619	AT&T	2680 Civic Center Dr (South Tower)	3% Increase on Sep 1	12/31/24	5 year terms

3. 2719 Lexington Avenue Shopping Center Leases

The City received revenue from agreements for the lease of suite space in the City owned shopping center located at 2719 Lexington Avenue. Terms of each lease are as follows:

Lessee	2019 Lease Amount	Annual Lease Adjustment Factor	Expiration Date
Hank Allwarden Insurance Agency, Inc.	\$21,760	3% Increase on June 1	5/31/2021
Hule and Company, Inc.	59,976	3% Increase on Jan 1	12/31/2021
Huntington Learning Center	19,720	3% Increase on Nov 1	10/31/2021
TDM Salons, LLC	21,000	3% Increase on May 1	4/30/2021

H. Long-term debt

The City issues general obligation debt to provide for financing construction of major capital facilities and street improvements. Debt service for street improvements is covered by special assessments against benefited properties with any shortfalls being paid from general taxes.

General obligation bonds and certificates of indebtedness are direct obligations and pledge the full faith and credit of the government. The original amount of general obligation bonds and certificates of indebtedness for the issues listed below is \$36,430,000.

General obligation debt currently outstanding is as follows:

Purpose	Net Interest Rates	Amount
Governmental activities	.85%-5.6%	\$20,270,000

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

Years ending December	Principal	Interest
2020	\$1,900,000	\$603,881
2021	2,020,000	540,786
2022	2,050,000	472,987
2023	2,135,000	400,873
2024	2,175,000	330,161
2025-2029	9,270,000	670,534
2030-2032	720,000	32,406
Total	\$20,270,000	\$3,051,628

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable	\$20,005,000	\$	\$2,510,000	\$17,495,000	\$1,730,000
General Obligation Bonds	1,080,513	-	140,986	939,527	140,986
Premium on Bonds Payable	2,560,000	-	155,000	2,405,000	170,000
Tax Incremental Revenue Bonds	24,985,513	-	2,813,986	21,171,527	2,540,986
Total Bonds Payable	1,658,185	-	244,398	1,413,787	107,835
Compensated Absences	389,825	187,148	-	576,973	-
Insurance Claims Payable	\$26,053,523	\$187,148	\$3,060,384	\$23,180,287	\$2,148,831
Governmental activities Long-Term Liabilities	\$118,513	\$	\$	\$118,513	\$
Business-Type Activities: Compensated Absences	\$118,513	\$	\$	\$118,513	\$
Business type activities Long-Term Liabilities					

For governmental activities, other post-employment benefits are liquidated through the general fund. For compensated absences, payments are made from the fund to which the employee is assigned at the time employment ceases. In addition to the general fund, recreation, community development, and all non-major special revenue funds are involved in paying compensated absences. For insurance claims payables, payments are made from the Worker's Compensation and Risk Management Funds.

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 payments 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 were seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$31.8 million.

Note 4 - OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of damage to, and the destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal years of 1980 and 1987, the City established a Workers Compensation Fund and a Risk Management Fund, respectively (internal service funds) to account for and finance its uninsured risks of loss. For the year 2019, the Worker's Compensation Fund provided coverage up to a maximum of \$470,000 for each occurrence. The City purchases excess loss coverage from the Workers' Compensation Reinsurance Association, a nonprofit organization established by Minnesota State Statutes.

The Risk Management Fund provides comprehensive general liability and comprehensive automotive liability up to the statutory maximum of \$1,500,000. The City retains the risk of the first \$100,000 of

each occurrence with an annual maximum exposure of \$200,000. Liabilities of the fund are reported if it is probable that a loss has occurred and amount of the loss can be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Estimated recoveries for example from salvage or subrogation, are another component of the claims liability estimate. The City purchased commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2019. Enterprise fund charges and the property tax levy are based on a management estimate of claims history and the amount necessary to maintain catastrophic reserves. The reserves as of December 31, 2019, were \$1,155,740 and \$647,163 for the Workers' Compensation Fund and Risk Management Fund, respectively. The claims liability of \$100,142 and \$232,443, respectively, reported in both funds at December 31, 2019 are based on the requirements of Governmental Accounting Standards Board Statement No. 10. This statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated (IBNR). Changes in the funds' claims liability amount in fiscal 2018 and 2019 were:

Year	Worker's Compensation Fund			
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claims Payment	Ending of Fiscal Year Liability
2018	\$74,674	\$14,119	\$33,564	\$55,229
2019	55,229	116,990	72,077	100,142

Year	Risk Management Fund			
	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claims Payment	Ending of Fiscal Year Liability
2018	\$376,336	\$54,053	\$95,793	\$334,596
2019	334,596	70,158	172,311	232,443

B. Contingent liabilities

The City had the usual and customary types of miscellaneous claims pending at year-end mostly of a minor nature, and usually all covered by insurance carried for that purpose or the City has reserved for settlement. The City also carries personal injury insurance against suits for false arrest, libel slander, violation of privacy, wrongful entry, etc. which can arise from enforcement of the city code and general laws. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel the resolution of these matter will not have a material adverse effect on the financial condition of the government.

C. Employee retirement systems and pension plans

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.

1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security. Basic Plan members are not covered by social security.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, 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 PEPFF 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.

1. GERF Benefits

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 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 Plan

members is 1.2% for each of the first ten years and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. The accrual for Minneapolis Employees Retirement Fund (MERF) members is 2% for each of the first 10 years of service and 2.5% for each additional year. 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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year 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 one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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.

1. GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2019. The City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2019, were \$802,161. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City's contributions to the PEPFF for the year ended December 31, 2019, were \$1,031,508. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. GERF Pension Costs

At December 31, 2019, the City reported a liability of \$7,867,448 for its proportionate share of the GERF'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 \$244,489. 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 proportion 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 proportion was 1423% which was a decrease of .0047% from its proportion measured as of June 30, 2018.

City's proportionate share of the net pension liability	\$7,867,448
State of Minnesota's proportionate share of the net pension liability associated with the City	244,489
Total	<u>\$8,111,937</u>

For the year ended December 31, 2019, the City recognized pension expense of \$1,024,381 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$18,310 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 ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

At December 31, 2019, the City reported its proportionate share of the GRRF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$221,537	\$5,150
Changes in actuarial assumptions	21,201	634,574
Differences between projected and actual investment earnings	-	797,079
Changes in proportion	250,119	295,357
Contributions paid to PERA subsequent to the measurement date	415,867	-
Total	<u>\$908,724</u>	<u>\$1,732,160</u>

\$144,186 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year ending December 31,	Pension expense amount
2020	-	(\$381,899)
2021	-	(639,724)
2022	-	(230,354)
2023	-	12,674
2024	-	-
Thereafter	-	-

2. PEPFF Pension Costs

At December 31, 2019, the City reported a liability of \$5,804,205 for its proportionate share of the PEPFF'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 proportion 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 proportion was .5452% which was an increase of .0193% from its proportion measured as of June 30, 2018. The City also recognized \$73,602 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 PEPFF.

CITY OF ROSEVILLE, MINNESOTA
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Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF 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 \$976,727 for its proportionate share of the PEPFF's pension expense.

At December 31, 2019, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$247,342	\$916,228
Changes in actuarial assumptions	4,952,105	6,571,832
Difference between projected and actual investment earnings	-	1,196,445
Changes in proportion	867,551	459,862
Contributions paid to PERA subsequent to the measurement date	537,705	-
Total	<u>\$6,604,703</u>	<u>\$9,144,367</u>

\$537,705 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year ending December 31,	Pension expense amount
2020	-	(\$280,948)
2021	-	(721,457)
2022	-	(2,286,339)
2023	-	175,540
2024	-	35,835
Thereafter	-	-

E. Actuarial Assumptions

The total pension liability on the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary 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 disabled for all plans 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 the General Employees Plan, 1.0 percent per year for the 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 Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016.

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 the 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:

Asset Class	Target Allocation	Long-term expected real rate of return
Domestic Equity	35.5%	5.10%
International Equity	17.5%	5.90%
Fixed Income	20%	0.75%
Private Markets	25%	5.90%
Cash Equivalents	2%	0.00%
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50%. 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 was 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.

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.

	1% decrease in discount rate (6.5%)	Discount Rate (7.5%)	1% increase in discount rate (8.5%)
City's proportionate share of the GERF net pension liability	\$12,933,661	\$7,867,448	\$3,684,282
City's proportionate share of the PEPFF net pension liability	\$12,686,913	\$5,804,205	\$112

CITY OF ROSEVILLE, MINNESOTA
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 December 31, 2019

The net pension liability is generally liquidated by the Employee Benefits Internal Service Fund.

H. Pension Plan Fiduciary 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.

I. Pension Expense

Pension expense recognized by the City for the fiscal year ended December 31, 2019 is as follows:

GERF	\$1,024,381
PEPFF	976,727
Total	<u>\$2,001,108</u>

Note 5 - OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described in Note 4, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees and police and firefighters disabled in the line of duty, through a single-employer defined benefit plan. The term Plan refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is 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, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate financial report.

B. Benefits Provided

Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Employees who satisfy the rule of 90 or attain age 55 and have completed 10 years of service at termination can immediately commence medical benefits. Retirees may obtain dependent coverage while the participating retiree is under age 65. 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 coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active

CITY OF ROSEVILLE, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2019

employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Disabled police and firefighter

The City continues to pay the employer's contribution toward health coverage for Police or Firefighters disabled in the line of duty per Minnesota Statute 299A.465, until age 65. Dependent coverage is included, if the dependents were covered at the time of the disability. The January 1, 2019 to December 31, 2019 monthly premiums paid for Police or Firefighters disabled in the line of duty are:

	Plan	Single	Two Person	Family
Health Partners National One		\$585	\$1,143	\$1,495
Health Partners Empower High Deductible		\$421	\$630	\$1,074

C. Participants

As of the actuarial valuation dated January 1, 2019, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	10
Disabled police and firefighters	2
Active Employees	<u>202</u>
Total	<u>214</u>

D. Total OPEB Liability and Changes in Total OPEB Liability

The City's total OPEB liability of \$1,493,439 was measured as of January 1, 2019, and was determined by an actuarial valuation dated January 1, 2019. Changes in the total OPEB liability during 2019 were:

Balances at January 1, 2019	\$1,510,332
Changes for the year	
Service cost	93,240
Interest	51,636
Plan changes	-
Differences between expected and actual experience	(21,855)
Changes in assumptions	(61,560)
Benefit payments	(78,354)
Net changes	<u>(16,893)</u>
Balance at December 31, 2019	<u>\$1,493,439</u>

There were no plan changes since the measurement date of January 1, 2019.

E. Actuarial Assumptions and Other Inputs

The total liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.80%
20-year municipal bond yield	3.80%
Medical cost trend rates	6.25% in 2018 grading to 5% over 6 years

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year, tax exempt, municipal bonds as of the measurement date.

Mortality rates were based on the RP-2014 Mortality tables adjusted to 2006 White Collar mortality tables with MP-2018 generational improvements scale (Blue Collar tables for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2019 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

Changes in assumptions and other inputs since the prior measurements date reflect change in the discount rate from 3.30% to 3.80%, and health care trend rates, the mortality table, and the retirement and withdrawal tables were updated.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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% lower (2.80%) or 1% higher (4.80%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$1,619,438	(3.80%)	(4.80%)
		\$1,493,439	\$1,377,454

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25% decreasing to 4.00%) or 1% higher (7.25% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$1,335,315	\$1,493,439	\$1,661,276

Note 6. GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 87 Leases. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 91 Conduit Debt Obligations. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92 Omnibus 2020. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 93 Replacement of Interbank Offered Rates. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2020.

Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

Note 7. SUBSEQUENT EVENTS AND UNCERTAINTIES

The COVID-19 pandemic continues to cause rapidly changing disruptions world-wide. Management has evaluated these conditions and believes that it is not possible to reasonably estimate the financial impact, if any, of COVID-19 on the City's financial statements at December 31, 2019.

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Required Supplementary Information

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 GENERAL FUND
 For The Year Ended December 31, 2019

Schedule 1

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 GENERAL FUND
 For The Year Ended December 31, 2019

Schedule 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Taxes:				
General property taxes	\$12,316,605	\$12,316,605	\$11,652,089	(\$664,506)
Licenses and permits	170,000	170,000	546,965	376,965
Intergovernmental revenue	1,094,210	1,084,210	1,196,710	104,500
Charges for services	434,315	434,315	326,053	(108,262)
Fines and forfeits	134,000	134,000	84,601	(49,399)
Donations	-	-	12,259	12,259
Special assessments	-	-	36	36
Investment income	40,000	40,000	64,101	24,101
Interest earned on investments	-	-	120,406	120,406
Increase (decrease) in fair value of investments	55,000	55,000	202,259	147,259
Miscellaneous revenue	-	-	-	-
Total revenues	14,544,130	14,544,130	14,416,589	(127,541)
Expenditures:				
Current:				
General government	2,733,270	2,733,270	2,663,774	(69,496)
Public safety	10,404,475	10,404,475	10,206,126	(198,347)
Public works	2,813,225	2,813,225	2,461,651	(351,574)
Capital outlay	-	-	7,625	7,625
Total Expenditures	15,950,970	15,950,970	15,361,576	(589,392)
Excess (deficiency) of revenues over (under) expenditures	(1,406,840)	(1,406,840)	(944,989)	461,851
Other financing sources (uses):				
Transfers in	1,067,000	1,067,000	1,656,353	792,353
Transfers out	(965)	(965)	(225,000)	(224,035)
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,066,035	1,066,035	1,634,353	568,318
Net Change in Fund Balance	(340,805)	(340,805)	689,364	1,030,169
Fund balance, January 1	6,228,111	6,228,111	6,228,111	-
Fund balance, December 31	\$5,887,306	\$5,887,306	\$5,917,475	\$1,030,169

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Taxes:				
General property taxes	\$2,725,045	\$2,725,045	\$2,602,025	(\$123,020)
Charges for services	2,067,990	2,067,990	2,065,995	(1,995)
Rentals	66,500	66,500	83,707	15,207
Donations	47,000	47,000	68,548	21,548
Special assessments	-	-	198	198
Investment income	15,000	15,000	18,630	4,630
Interest earned on investments	-	-	46,949	46,949
Increase (decrease) in fair value of investments	20,000	20,000	56,775	36,775
Miscellaneous Revenue	-	-	-	-
Total revenues	4,943,535	4,943,535	4,943,925	390
Expenditures:				
Current:				
Recreation	3,187,265	3,187,265	3,046,757	(140,508)
Personal services	321,270	321,270	321,185	(85)
Supplies and materials	1,435,000	1,435,000	1,353,153	(81,847)
Other services and charges	4,943,535	4,943,535	4,721,095	(222,440)
Total Expenditures	9,887,070	9,887,070	9,462,190	(424,880)
Revenue over (under) expenditures	-	-	222,830	222,830
Other financing sources (uses):				
Transfers out	-	-	(169,985)	(169,985)
Total other financing sources (uses)	-	-	222,830	222,830
Net Change in Fund Balance	-	-	52,845	52,845
Fund balance, January 1	1,536,462	1,536,462	1,536,462	-
Fund balance, December 31	\$1,536,462	\$1,536,462	\$1,589,307	\$52,845

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY FUND
 For The Year Ended December 31, 2019

Schedule 3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Taxes	\$473,660	\$473,660	\$452,277	(\$21,383)
Intergovernmental	-	-	47,937	47,937
Charges for service	-	-	85,528	85,528
Special assessments	-	-	89	89
Investment income:				
Interest earned on investments	-	-	60,826	60,826
Increase (decrease) in fair value of investments	-	-	60,745	60,745
Miscellaneous Revenue	-	-	47,755	47,755
Total revenues	473,660	473,660	755,167	281,507
Expenditures:				
Current:				
Economic development:				
Personal services	214,760	214,760	204,760	(10,000)
Supplies and materials	200	200	7	(193)
Other services and charges	196,050	188,050	198,291	241
Capital outlay	1,000	1,000	528	(472)
Total expenditures	414,010	414,010	403,586	(10,424)
Excess (deficiency) of revenues over (under) expenditures	59,650	59,650	351,581	291,931
Other financing sources (uses):				
Transfers out	(9,650)	(9,650)	(10,907)	(1,257)
Total other financing sources (uses)	(9,650)	(9,650)	(10,907)	(1,257)
Net change in fund balance	50,000	50,000	340,674	290,674
Fund balance, January 1	4,318,979	4,318,979	4,318,979	-
Fund balance, December 31	\$4,368,979	\$4,368,979	\$4,659,653	\$290,674

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT FUND
 For The Year Ended December 31, 2019

Schedule 4

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Licenses and permits	\$1,390,235	\$1,390,235	\$2,596,833	\$1,196,598
Charges for services	273,715	273,715	71,321	(202,394)
Special assessments	-	-	3	3
Investment income:				
Interest earned on investments	25,000	25,000	50,237	25,237
Increase (decrease) in fair value of investments	-	-	43,484	43,484
Interest Earned - Other	-	-	4,284	4,284
Miscellaneous Revenue	23,125	23,125	-	(18,831)
Total revenues	1,712,075	1,712,075	2,756,172	1,044,097
Expenditures:				
Current:				
Public safety	777,145	777,145	912,686	135,541
Economic development	651,955	651,955	440,005	(211,950)
Capital outlay	25,500	25,500	5,260	(20,240)
Total expenditures	1,454,600	1,454,600	1,357,951	(96,649)
Excess (deficiency) of revenues over (under) expenditures	257,475	257,475	1,398,221	1,140,746
Other financing sources (uses):				
Transfers out	(35,000)	(35,000)	(35,000)	-
Total other financing sources (uses)	(35,000)	(35,000)	(35,000)	-
Net Change in Fund Balance	222,475	222,475	1,363,221	1,140,746
Fund balance, January 1	2,139,763	2,139,763	2,139,703	-
Fund balance, December 31	\$2,362,238	\$2,362,238	\$3,502,924	\$1,140,746

Schedule 5
CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF CHANGES IN THE TOTAL
OPEB LIABILITY AND RELATED RATIOS
For The Last Ten Years

	2019	2018
Total OPEB Liability:		
Service cost	\$93,240	\$91,108
Interest cost	51,636	48,752
Changes in benefit terms	-	-
Differences between expected and actual experience	(21,855)	-
Changes in assumptions	(61,560)	(93,569)
Benefit payments	(75,354)	47,491
Net changes in total OPEB liability	1,510,332	1,462,841
Total OPEB Liability - beginning	\$1,483,439	\$1,510,332
Covered-employee payroll	\$15,660,104	\$13,011,570
Total OPEB liability as a percentage of covered-employee payroll	9.54%	11.61%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

Schedule 6
CITY OF ROSEVILLE, MINNESOTA
LIABILITY - GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Measurement Date	Fiscal Year Ending December 31	City's Proportional Share (percentage) of the Net Pension Liability	City's Proportional Share of the Net Pension Liability (\$)	City's Covered Payroll (\$)	City's Proportional Share of the Net Pension Liability As a % of Covered Payroll (COPSP)	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	2015	0.1360%	\$7,151,786	\$7,877,720	89.7%	78.20%
2016	2016	0.1422%	7,720,000	8,011,170	96.4%	75.90%
2017	2017	0.1412%	9,214,115	8,131,177	100.3%	75.90%
2018	2018	0.1470%	8,154,837	9,445,204	88.2%	78.50%
2019	2019	0.1425%	7,897,448	10,058,075	88.6%	82.50%
			\$7,151,786	\$7,877,720	89.7%	78.20%
			7,720,000	8,011,170	96.4%	75.90%
			9,214,115	8,131,177	100.3%	75.90%
			8,154,837	9,445,204	88.2%	78.50%
			7,897,448	10,058,075	88.6%	82.50%

The City implements the provisions of Governmental Accounting Standards Board Statement No. 68 for the City of Roseville. The City is not required to provide a separate financial statement for the Pension Liability. Section required a ten year presentation, but does not require retrospective reporting. Information prior to 2018 is not available.

Schedule 7
CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS -
GENERAL EMPLOYEES RETIREMENT FUND
 For The Last Ten Years

Year Ending	Statutory 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)
12/31/2015	\$619,013	\$619,013	\$ -	\$8,263,507	7.50%
12/31/2016	659,339	659,339	-	8,791,187	7.50%
12/31/2017	708,179	708,179	-	9,448,003	7.50%
12/31/2018	738,318	738,318	-	9,844,240	7.50%
12/31/2019	802,161	802,161	-	10,695,460	7.50%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available.

Schedule 8
CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF EMPLOYER'S PERA PENSION LIABILITY - PUBLIC EMPLOYEES POLICE AND FIRE FUND
 For The Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (percentage) of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (\$)	States Proportionate Share of the Net Pension Liability Associated with the City (\$)	Total (per)	City's Covered Payroll (\$)	City's Proportionate As a % of Covered Payroll (a/b/c)	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	2015	0.644%	\$5,812,898	\$ -	\$5,812,898	\$4,388,897	132.6%	88.9%
2016	2016	0.518%	6,996,814	-	6,996,814	5,293,956	132.3%	85.4%
2017	2017	0.518%	6,996,814	-	6,996,814	5,293,956	132.3%	85.4%
2018	2018	0.525%	5,805,552	-	5,805,552	5,412,123	107.3%	88.9%
2019	2019	0.645%	5,804,255	-	5,804,255	5,748,800	101.1%	89.3%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available.

Schedule 9

CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF EMPLOYER'S PERA CONTRIBUTIONS -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
 For The Last Ten Years

Year Ending	Statutory 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)
12/31/2015	\$763,596	\$763,596	\$ -	\$4,713,556	16.20%
12/31/2016	825,632	525,632	300,000	5,095,494	16.20%
12/31/2017	874,916	874,916	0	5,400,716	16.20%
12/31/2018	919,728	919,728	0	5,677,333	16.20%
12/31/2019	1,031,508	1,031,508	0	6,085,593	16.95%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2015 is not available

Schedule 10

CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - FIRE RELIEF ASSOCIATION
 For The Last Ten Years

	2019	2018	2017	2016	2015	2014
Total pension liability (TPL, actuarial accrued liability)						
Service cost	\$35,904	\$45,257	\$49,898	\$65,623	\$69,632	\$67,768
Interest	552,707	579,855	517,760	525,889	509,635	508,885
Differences between expected and actual experience	5,906	(16,259)	136,754	(389,429)	-	-
Changes of assumptions	(6,426)	53,585	111,219	(492,447)	231,856	-
Benefit payments, including member contributions	(673,245)	(682,053)	(659,632)	(589,784)	(563,896)	(574,072)
Net change in total pension liability	211,883	460,665	876,881	(840,048)	247,227	2,881
Total Pension Liability - beginning of year	8,488,972	8,028,507	7,151,645	7,981,894	7,762,467	7,759,786
Total Pension Liability - end of year	\$9,700,855	\$8,489,172	\$8,028,507	\$7,151,846	\$8,009,694	\$7,762,467
Plan fiduciary net position (FNP, assets)						
Contributions - State and local	\$238,755	\$239,050	\$222,882	\$221,324	\$220,012	\$341,617
Contributions - donations and other income	-	-	-	-	-	-
Contributions - members	2,626,352	(454,151)	1,775,014	846,802	22,183	882,050
Net investment income	(673,245)	(682,053)	(659,632)	(589,784)	(563,896)	(574,072)
Administrative expense	(25,435)	(24,894)	(24,935)	(25,100)	(20,589)	(23,479)
Net change in plan fiduciary net position	2,166,428	(951,048)	1,375,328	473,242	(342,280)	626,116
Plan Fiduciary Net Position - beginning of year	10,749,649	11,681,497	10,309,169	8,828,926	10,171,186	9,545,070
Plan Fiduciary Net Position - end of year	\$12,916,078	\$10,749,649	\$11,681,497	\$10,302,168	\$9,828,926	\$10,171,186
Net pension liability (NPL) - end of year	(4,215,223)	(2,260,677)	(3,652,990)	(3,150,522)	(1,818,232)	(2,408,719)
Plan fiduciary net position (FNP, assets)	148.45%	126.03%	145.50%	144.05%	122.71%	131.03%

The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information Section required a ten year presentation, but does not require retroactive reporting. Information prior to 2014 is not available.

CITY OF ROSEVILLE, MINNESOTA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - FIRE RELIEF ASSOCIATION
 For The Last Ten Years

Schedule 11

	2010	2011	2012	2013	2014
Employer:					
Actuarially determined contribution (ADC)	\$128,137	\$353,384	\$353,384	\$298,233	\$173,098
Contribution in relation to the ADC	53,975	166,264	205,530	88,220	130,995
Contribution deficiency (excess)	\$64,262	\$187,100	\$147,754	\$209,013	\$42,100
Non-employer:					
Contribution	\$148,002	\$148,733	\$148,754	\$210,012	\$210,621
Employer:					
Actuarially determined contribution (ADC)	\$115,204	\$55,689	\$55,689	\$2,541	\$ -
Contribution in relation to the ADC	-	-	-	-	-
Contribution deficiency (excess)	\$115,204	\$55,689	\$55,689	\$2,541	\$ -
Non-Employer:					
Contribution	\$220,012	\$221,324	\$222,882	\$228,050	\$238,755

CITY OF ROSEVILLE, MINNESOTA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO RS1
 December 31, 2019

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds classified as the general fund and special revenue funds. No budgets are prepared for other governmental funds which include the debt service and capital projects. All annual appropriations lapse at fiscal year-end.

On or before mid-May of each year, all departments and agencies of the City submit requests for appropriations to the City's manager so that a budget may be prepared. Before September 15, the proposed budget is presented to the city council for review and approval. By September 15, the proposed budget and tax levy must be submitted to the county auditor. The Council holds public hearings and a final budget and tax levy must be prepared, adopted and submitted to the county auditor, no later than December 28.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a fund with approval of the City's manager, without Council approval. Transfers of appropriations between funds require the approval of the Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the fund level.

Note A. LEGAL COMPLIANCE – BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund.

Note B. OPEB INFORMATION

Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. There are no factors that affect trends in the amounts reported, such as changes of benefit terms or assumptions.

Note C. PENSION INFORMATION

PERA – General Employees Retirement Fund

2019 Changes

Change in Actuarial Assumptions:

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

Changes in the 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.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.

- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2017 Changes

Changes in Actuarial Assumptions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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% to 3.25% for payroll growth and 2.50% for inflation.

PERA – Public Employees Police and Fire Fund

2019 Changes

Change in Actuarial Assumptions:

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

Changes in the Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% 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 3.0% 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% 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% for all years to 1.00% per year through 2064 and 2.50% thereafter.

2016 Changes

Changes in Actuarial Assumptions:

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

SPECIAL REVENUE FUNDS

Special revenue funds account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Information Technology: accounts for the revenue and expenditures used to provide information technology

Telecommunications: accounts for the revenue and expenditures in the administration, maintenance, and participant activities divisions for Telecommunications

Charitable Gambling: accounts for the revenue and expenditures used from charitable gambling

License Center: accounts for the revenue and expenditures used to provide state hunting, fishing and motor vehicle licenses, as well as passports

Assets	Information Technology	Telecommunications	Charitable Gambling	License Center	Total Nonmajor Special Revenue Funds
Cash and investments	\$1,500,722	\$91,558	\$128,742	\$651,344	\$2,372,366
Investments interest receivable	5,718	423	314	330	6,785
Accounts receivable	33,974	99,900	-	279,476	413,350
Inventories	19,808	-	-	-	19,808
Taxes receivable	5,762	-	-	-	5,762
Prepaid items	-	-	-	1,000	1,000
Total assets	\$1,565,984	\$191,881	\$129,056	\$932,150	\$2,819,071
Liabilities:					
Accounts payable	28,915	28,746	-	21,955	81,617
Accrued payroll	1,340	1,357	83	15,337	18,127
Contracts and retention payable	-	-	-	14,137	14,137
Due to other governmental units	690	462	-	353,148	354,345
Deposits payable	5,000	-	-	-	5,000
Total liabilities	36,945	31,565	138	404,578	473,226
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	3,594	-	-	-	3,594
Total deferred inflows of resources	3,594	-	-	-	3,594
Fund Balance:					
Nonspendable	-	-	-	1,000	1,000
Restricted:					
Telecommunications	-	160,316	-	-	160,316
Charitable Gambling	-	-	128,918	-	128,918
Assigned:					
Information technology	1,525,445	-	-	-	1,525,445
License center improvements	-	-	-	526,572	526,572
Total fund balance	1,525,445	160,316	128,918	527,572	2,342,251
Total liabilities and fund balance	\$1,565,984	\$191,881	\$129,056	\$932,150	\$2,819,071

See accompanying notes to the required supplementary information.

CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2019

Statement 12

Revenues:	Information Technology	Tele-Communications	Charitable Gambling	License Center	Total Nonmajor Special Revenue Funds
Taxes	\$190,971	\$ -	\$ -	\$ -	\$190,971
General government	-	-	41,535	280,097	41,535
Gambling taxes	-	-	-	1,977,123	4,939,239
Charges for services	2,982,116	383,550	129,928	-	365,550
Cable franchise taxes	-	-	-	-	129,928
Donations	-	-	-	-	-
Investment income:	31,680	3,901	1,876	(1,070)	36,386
Increase (decrease) in fair value of investments	21,304	5,156	1,311	21,549	49,320
Miscellaneous revenue	470,286	5,402	-	-	475,688
Total revenues	3,676,357	398,009	174,652	2,277,650	6,526,708
Expenditures:					
Current:					
General government	3,159,323	440,802	127,485	1,543,933	5,271,543
Capital outlay	315,862	-	-	54,909	370,771
Total expenditures	3,475,185	440,802	127,485	1,598,842	5,642,314
Excess (deficiency) of revenues over (under) expenditures	201,172	(42,793)	47,167	678,808	884,394
Other financing sources (uses):					
Transfers in	25,000	-	-	-	25,000
Transfers out	(235,374)	(141,947)	-	(601,140)	(978,461)
Total other financing sources (uses)	(210,374)	(141,947)	-	(601,140)	(953,451)
Net change in fund balance	(9,202)	(184,740)	47,167	77,708	(69,067)
Fund balance, January 1	1,534,647	345,056	81,751	449,864	2,411,318
Fund balance, December 31	\$1,525,445	\$160,316	\$128,918	\$527,572	\$3,342,251

See accompanying notes to the required supplementary information.

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 INFORMATION TECHNOLOGY FUND
 For The Year Ended December 31, 2019

Schedule 12

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Taxes	\$200,000	\$200,000	\$190,971	(89,029)
Charges for services	2,630,925	2,630,925	2,982,116	331,191
Investment income:				
Interest earned on investments	6,000	6,000	31,680	25,680
Increase (decrease) in fair value of investments	-	-	21,304	21,304
Miscellaneous Revenue	459,310	459,310	470,286	10,976
Total revenues	3,295,235	3,295,235	3,676,357	380,122
Expenditures:				
Current:				
General government:				
Personal Services	2,168,440	2,169,440	2,000,904	(168,536)
Supplies and Materials	31,000	31,000	3,827	(27,173)
Other services and charges	777,870	1,154,870	1,154,592	(78)
Capital outlay	317,475	317,475	315,862	(1,613)
Total expenditures	3,295,785	3,672,585	3,475,185	(187,400)
Excess (deficiency) of revenues over (under) expenditures	450	(376,350)	201,172	577,522
Other financing sources (uses)				
Transfer in	-	-	25,000	25,000
Transfers out	(450)	(450)	(235,374)	(234,924)
Total other financing sources (uses)	(450)	(450)	(210,374)	(209,924)
Net change in fund balance	-	(376,800)	(9,202)	367,598
Fund balance, January 1	1,534,647	1,534,647	1,534,647	-
Fund balance, December 31	\$1,534,647	\$1,157,847	\$1,525,445	\$367,598

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 TELECOMMUNICATIONS FUND
 For The Year Ended December 31, 2019

Schedule 13

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Cable franchise taxes	\$470,000	\$470,000	\$383,550	(\$86,450)
Investment income:				
Interest earned on investments	3,500	3,500	3,901	401
Increase (decrease) in fair value of investments	-	-	5,156	5,156
Miscellaneous Revenue	-	-	5,402	5,402
Total revenues	473,500	473,500	398,009	(75,491)
Expenditures:				
Current:				
General government:				
Personal services	290,390	290,390	247,321	(43,069)
Supplies and materials	2,000	2,000	2,561	561
Other services and charges	225,000	225,000	190,920	(34,080)
Capital outlay	22,000	22,000	-	(22,000)
Total expenditures	539,390	539,390	440,802	(98,588)
Excess (deficiency) of revenues over (under) expenditures	(65,890)	(65,890)	(42,793)	23,097
Other financing sources (uses):				
Transfers out	(17,000)	(17,000)	(141,947)	(124,947)
Total other financing sources (uses)	(17,000)	(17,000)	(141,947)	(124,947)
Net change in fund balance	(82,890)	(82,890)	(184,740)	(101,650)
Fund balance, January 1	345,056	345,056	345,056	-
Fund balance, December 31	\$262,166	\$262,166	\$160,316	(\$101,850)

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CHARITABLE GAMBLING FUND
 For The Year Ended December 31, 2019

Schedule 14

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Gambling taxes	\$7,350	\$7,350	\$41,535	\$34,185
Donations	100,000	100,000	129,928	29,928
Investment income:				
Interest earned on investments	-	-	1,878	1,878
Increase (decrease) in fair value of investments	-	-	1,311	1,311
Total revenues	107,350	107,350	174,652	67,302
Expenditures:				
Current:				
General government:				
Personal services	7,350	35,500	35,485	(15)
Other services and charges	100,000	100,000	92,000	(8,000)
Total expenditures	107,350	135,500	127,485	(8,015)
Net change in fund balance	-	(28,150)	47,167	75,317
Fund balance, January 1	81,751	81,751	81,751	-
Fund balance, December 31	\$81,751	\$53,601	\$128,918	\$75,317

CITY OF ROSEVILLE, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LICENSE CENTER FUND
 For The Year Ended December 31, 2019

Schedule 15

	Budgeted Amounts		Actual Amounts	Variances with Final Budget - Over (Under)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$280,087	\$280,087
Charges for services	1,768,300	1,768,300	1,377,123	208,823
Investment income	12,000	12,000	(1,079)	(13,079)
Increase (decrease) in fair value of invest	-	-	21,549	21,549
Total revenues	1,780,300	1,780,300	2,277,680	497,390
Expenditures:				
Current				
General government	1,381,880	1,396,880	1,395,504	(1,376)
Personal services	17,000	34,000	33,671	(329)
Supplies and materials	86,960	115,950	114,758	(1,192)
Other services and charges	4,800	54,800	54,939	109
Capital outlay	-	-	-	-
Total expenditures	1,490,640	1,601,630	1,598,842	(2,788)
Excess (deficiency) of revenues over (under) expenditures	289,670	178,670	678,848	500,178
Other financing sources (uses):				
Transfers out	(352,000)	(352,000)	(801,140)	(249,140)
Net Change in Fund Balance	(62,330)	(173,330)	77,708	251,038
Fund balance, January 1	449,864	449,864	449,864	-
Fund balance, December 31	\$387,534	\$276,534	\$527,572	\$251,038

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CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2019

Statement 13

INTERNAL SERVICE FUNDS

Internal Service funds account for the financing of goods or services provided by one department to other departments or to other governmental units.

Workers' Compensation Self Insurance Fund-Outside Services, accounts for revenue and expenditures in the administration and servicing of workers' compensation claims.

Risk Management Fund, accounts for the revenue and expenditures in the administration and servicing of general liability claims.

	Workers' Compensation Self- Insurance	Risk Management	Total Internal Service Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$1,286,628	\$951,843	\$2,238,471
Investment interest receivable	2,514	1,860	4,374
Total assets	1,289,142	953,703	2,242,845
Liabilities:			
Current liabilities:			
Accounts payable	27,196	74,097	101,293
Due to other governmental units	6,064	-	6,064
Insurance claims payable	36,870	70,965	107,835
Total current liabilities	70,130	145,062	215,192
Noncurrent liabilities:			
Insurance claims payable	63,272	161,478	224,750
Total noncurrent liabilities	63,272	161,478	224,750
Total liabilities	133,402	306,540	439,942
Net Position:			
Unrestricted	1,155,740	647,163	1,802,903
Total net position	\$1,155,740	\$647,163	\$1,802,903

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2019

Statement 14

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
Operating revenues:			
Departmental charges	\$104,908	\$227,672	\$332,580
Employee charges	-	11,101	11,101
Total operating revenue	104,908	238,773	343,681
Operating expenses:			
Professional services	6,432	15,216	21,648
Insurance	33,688	194,987	228,675
Training	-	10,007	10,007
Administrative charges	-	-	-
Payment of claims	116,991	135,160	252,151
Total operating expenses	157,111	355,370	512,481
Operating income (loss)	(52,203)	(116,597)	(168,800)
Nonoperating revenues (expenses):			
Investment income:			
Interest earned on investments	17,719	11,520	29,239
Increase (decrease) in fair value of investments	23,354	31,651	55,005
Total nonoperating revenues (expenses)	41,073	43,171	84,244
Income (loss) before capital contributions and transfers	(11,130)	(73,426)	(84,556)
Transfer out	-	-	-
Change in net position	(11,130)	(73,426)	(84,556)
Net position, January 1	1,166,870	720,569	1,887,439
Net position, December 31	\$1,155,740	\$647,143	\$1,802,903

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEVILLE, MINNESOTA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2019

Statement 15

	Workers' Compensation Self-Insurance	Risk Management	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers and users, including deposits	\$104,908	\$227,672	\$332,580
Cash payments to suppliers for goods and services	(97,435)	(390,021)	(487,456)
Cash payments to employees and others for resolved claims	-	11,101	11,101
Net cash provided (used) by operating activities	7,473	(151,248)	(143,775)
Cash flows from noncapital financing activities:			
Transfers out to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-
Cash flows from investing activities:			
Interest and dividends received	17,563	12,663	30,246
Increase (decrease) in fair value of investments	23,354	31,651	55,005
Net cash provided (used) by investing activities	40,937	44,314	85,251
Net increase (decrease) in cash and cash equivalents	48,410	(106,934)	(58,524)
Cash and cash equivalents - January 1	1,238,218	1,056,777	2,296,995
Cash and cash equivalents - December 31	\$1,286,628	\$951,843	\$2,238,471
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(\$2,203)	(\$116,597)	(\$168,800)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Changes in elements affecting cash			
(Increase) decrease in prepaid items	-	-	-
Increase (decrease) in accounts payable	25,215	67,502	92,717
Increase (decrease) in due to other governmental units	(10,452)	-	(10,452)
Increase (decrease) in insurance claims payable	44,913	(102,153)	(57,240)
Total adjustments	59,676	(34,651)	25,025
Net cash provided (used) by operating activities	\$7,473	(\$151,248)	(\$143,775)
Noncash investing, capital, and financing activities			
Increase/(decrease) in fair market value of investments	\$23,354	\$31,651	\$55,005

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEVILLE, MINNESOTA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Statistical Section (Unaudited)

This part of the City of Roseville'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 City of Roseville's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City of Roseville's current levels of outstanding debt and the City'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 the City of Roseville's financial activities take place.

Operating Information

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

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	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$114,015,800	\$114,666,064	\$114,334,627	\$114,983,470
Restricted	4,438,169	8,733,361	10,796,300	13,084,255
Unrestricted	25,508,724	23,237,740	24,940,748	23,751,419
Total governmental activities net position	\$143,962,693	\$146,637,165	\$150,071,675	\$151,829,144
Business-type activities:				
Net investment in capital assets	\$18,803,521	\$19,493,159	\$20,244,092	\$21,814,228
Restricted	-	-	-	-
Unrestricted	5,734,880	5,150,432	5,543,380	5,945,451
Total business-type activities net position	\$24,538,401	\$24,643,591	\$25,787,472	\$27,759,679
Primary government:				
Net investment in capital assets	\$132,819,321	\$134,159,223	\$134,578,719	\$136,797,698
Restricted	4,438,169	8,733,361	10,796,300	13,084,255
Unrestricted	31,243,604	28,388,172	30,484,128	29,696,870
Total primary government net position	\$168,501,094	\$171,280,756	\$175,859,147	\$179,588,823

CITY OF ROSEVILLE, MINNESOTA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 1

	2014	2015	2016	2017	2018	2019	2010	2011	2012	2013
Expenses:										
Governmental activities	\$116,028,830	\$120,125,324	\$119,659,369	\$121,203,724	\$121,613,755	\$122,449,714	4,266,736	\$4,395,483	\$4,654,650	\$5,376,860
General government	14,072,227	18,157,117	13,847,317	13,523,329	11,908,357	13,744,369	9,442,966	8,572,723	9,417,458	9,792,587
Public safety	25,475,158	12,948,135	16,617,276	11,181,711	10,192,853	12,256,314	2,800,235	4,868,114	4,475,774	4,399,267
Public works	\$155,576,215	\$151,230,576	\$150,423,962	\$145,908,764	\$143,714,965	\$148,450,397	4,698,518	4,737,072	4,794,338	5,523,875
Parks and recreation							10,950,324	1,696,156	1,261,035	954,315
Economic development							429,094	427,003	685,377	1,160,953
Interest on long-term debt							32,587,873	24,696,551	25,288,632	27,207,857
Total governmental activities expenses	\$25,215,099	\$28,391,384	\$30,729,106	\$33,862,002	\$37,768,901	\$40,285,471	3,763,009	3,403,703	3,638,421	3,575,823
Business-type activities:							5,058,883	5,417,818	6,307,221	5,915,805
Sewer	4,563,269	2,467,956	1,593,595	926,515	762,222	(370,939)	3,403,703	3,403,703	3,638,421	3,575,823
Water	\$29,778,368	\$30,859,340	\$32,322,701	\$34,788,517	\$38,531,123	\$39,924,532	5,058,883	5,417,818	6,307,221	5,915,805
Golf							338,660	332,480	360,516	345,816
Storm Drainage	\$141,243,929	\$148,516,708	\$150,688,475	\$155,065,726	\$158,382,656	\$162,745,185	797,535	1,073,180	1,000,570	942,598
Recycling	14,072,227	18,157,117	13,847,317	13,523,329	11,908,357	13,744,369	478,471	527,581	549,113	550,285
Total business-type activities expense	30,038,427	15,416,091	18,210,871	12,108,226	10,955,075	11,885,375	10,436,758	10,754,762	11,855,843	11,330,327
Total primary government expense	\$185,354,583	\$182,089,916	\$182,746,663	\$180,697,281	\$182,246,088	\$188,374,929	\$43,024,631	\$35,451,313	\$37,144,475	\$38,538,184
Program revenues:										
Governmental activities							\$2,611,668	\$2,857,048	\$3,007,528	\$3,488,483
Charges for services							1,545,830	1,890,436	1,807,988	1,925,320
General government							1,919,896	2,430,291	1,976,761	2,591,924
Public safety							687,435	560,173	351,514	1,173,925
Parks and recreation							870,158	983,149	905,922	1,029,327
Other activities							3,283,878	2,294,488	2,355,428	1,046,150
Operating grants and contributions							10,828,965	11,015,585	10,405,242	11,285,139
Capital grants and contributions										
Total governmental activities program revenues							3,600,334	3,087,514	3,740,826	4,105,523
Business-type activities:							5,048,473	5,580,048	6,607,234	6,628,378
Charges for services							302,610	270,434	299,555	271,085
Water							840,743	955,350	1,526,792	1,647,824
Golf							498,773	545,695	453,259	455,271
Storm drainage							69,775	70,267	104,891	69,613
Recycling							321,188	250,858	20,858	259,550
Operating grants and contributions							10,682,896	10,761,166	12,753,415	13,437,354
Capital grants and contributions							21,611,861	21,776,751	23,158,657	24,692,493
Total business-type activities program revenues							(21,658,908)	(13,680,966)	(14,883,390)	(15,952,716)
Total primary government program revenues							246,138	6,404	897,572	2,107,027
Net revenue (expense)/revenue:							(\$21,412,770)	(\$13,674,562)	(\$13,985,818)	(\$13,845,691)
Governmental activities										
Business-type activities										
Total primary government (expense)/revenue										

CITY OF ROSEVILLE, MINNESOTA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 2
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	2014	2015	2016	2017	2018	2019
\$5,856,306	\$6,126,713	\$7,615,373	\$8,180,795	\$8,435,979	\$8,890,774	
9,254,988	10,307,351	13,102,041	12,450,251	12,702,978	12,109,598	
5,249,925	4,834,914	9,676,272	7,759,394	8,095,118	6,201,372	
5,690,332	4,653,377	5,185,845	6,315,824	6,165,924	5,719,426	
1,671,768	2,603,786	4,729,987	4,047,461	1,229,029	1,653,281	
881,887	886,950	813,509	785,702	708,583	643,081	
28,605,206	29,412,491	41,123,027	39,579,427	37,357,611	35,217,532	
3,651,174	3,541,971	3,815,857	3,982,565	4,148,465	5,199,878	
5,553,800	5,698,196	5,977,512	6,274,885	5,919,239	6,134,757	
339,911	306,614	340,677	367,665	446,514	430,166	
1,324,675	1,120,225	1,327,856	1,237,523	1,272,724	1,422,743	
448,490	463,018	480,918	506,058	551,590	604,052	
11,319,050	11,130,224	11,942,820	12,368,646	12,340,532	13,791,616	
839,924,266	\$40,542,715	\$53,065,847	\$51,948,073	\$49,698,143	\$49,009,148	
\$3,382,230	\$3,736,297	\$4,059,091	\$4,550,361	\$5,418,566	\$6,178,307	
1,804,563	1,772,335	2,358,147	1,812,758	2,018,293	3,132,557	
2,000,010	2,297,610	2,390,468	2,314,762	2,567,059	2,837,337	
292,365	405,930	1,009,329	646,320	1,246,974	443,830	
967,703	1,055,810	1,219,715	1,418,596	1,535,286	2,018,835	
1,013,102	2,368,626	2,137,985	1,209,349	708,900	257,859	
9,459,973	11,638,608	13,173,845	11,952,146	13,495,078	14,868,725	
4,225,532	4,561,235	4,808,303	5,270,628	5,458,020	5,733,880	
6,662,987	6,643,628	6,687,934	6,613,415	6,649,903	6,806,682	
291,036	325,460	333,222	288,440	305,905	378,383	
1,722,757	1,696,055	1,798,727	1,947,644	2,019,311	1,999,166	
367,469	348,965	371,871	436,304	427,065	477,805	
70,419	189,251	90,533	87,901	124,248	540,008	
470,967	2,000	277,055		50,000	8,492	
13,811,177	13,766,594	14,367,645	14,644,332	15,034,452	15,944,436	
23,271,150	25,405,202	27,541,490	26,596,478	28,529,530	30,813,161	
(19,145,233)	(17,775,863)	(27,949,182)	(27,627,281)	(23,862,533)	(20,348,807)	
2,492,127	2,636,370	2,424,825	2,275,696	2,693,920	2,152,820	
(\$16,653,106)	(\$15,137,513)	(\$25,524,357)	(\$25,351,595)	(\$21,168,613)	(\$18,195,987)	

	2010	2011	2012	2013
General revenues and other changes in net assets:				
Governmental activities				
Taxes	15,611,387	\$13,501,068	\$15,065,154	\$16,895,804
Property taxes	1,966,665	1,592,214	2,342,447	1,607,882
Tax increments	380,108	393,657	415,385	424,812
Cable franchise taxes	80,282	86,952	74,504	76,272
Gambling taxes	25,577	25,738	24,693	24,928
Grants and contributions not restricted to specific progr	1,122,891	730,809	350,717	288,600
Unrestricted investment earnings	-	-	-	(1,535,227)
Unrestricted net increase (decrease)	84,007	25,000	25,000	(72,884)
Gain on sale of asset	19,270,917	16,355,438	18,317,900	17,710,187
Transfers	176,315	123,786	39,801	25,662
Total general activities	(84,007)	(25,000)	(25,000)	72,884
Business-Type Activities:	92,308	98,786	62,185	(134,820)
Unrestricted investment earnings	\$19,363,225	\$16,454,224	\$18,380,085	\$17,575,367
Unrestricted net increase (decrease)	(84,007)	(25,000)	(25,000)	72,884
Gain on sale of capital assets	92,308	98,786	62,185	(134,820)
Transfers	\$19,363,225	\$16,454,224	\$18,380,085	\$17,575,367
Change in net position - governmental activities	(\$2,387,991)	\$2,674,472	\$3,434,510	\$1,757,469
Business type activities	338,446	105,190	959,757	1,972,207
Total primary government	(\$2,049,545)	\$2,779,662	\$4,394,267	\$3,729,676

CITY OF ROSEVILLE, MINNESOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2010	2011 (1)	2012	2013
General fund:				
Reserved	\$402,564	\$ -	\$ -	\$ -
Unreserved	5,234,085	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	346,904	383,025	441,412
Law enforcement	-	-	-	-
Engineering services	-	658,760	596,685	596,341
Accounting services	-	15,589	16,677	18,869
General Service Reserve	-	-	-	-
Unassigned	5,190,027	5,190,027	5,568,600	5,151,271
Total general fund	\$5,636,659	\$6,211,290	\$6,564,987	\$6,207,893
All other governmental funds:				
Reserved	\$4,035,605	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	1,131,336	-	-	-
Debt service fund	1,452,411	-	-	-
Capital projects funds	16,347,739	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Telecommunications	-	521,444	591,108	584,645
Lawful Gambling	-	-	-	-
Community Development	-	163,163	367,417	595,148
Park Dedication	-	692,203	702,615	1,287,496
Tax Increment	-	5,202,462	6,884,619	7,692,065
Debt Service	-	1,425,518	6,884,619	6,362,028
Bond Funded Capital Improvements	-	10,000,000	23,073,514	17,485,834
Housing and Economic Development	-	-	-	-
Committed	-	-	-	-
Street Replacement	-	11,078,323	10,308,674	9,383,137
Equipment Replacement	-	109,189	226,365	359,115
Assigned	-	-	-	-
Parks and Recreation Programs and Maintenance	-	643,912	922,537	1,111,161
License Center Improvements	-	588,391	790,951	925,567
Information Technology	-	-	-	-
Capital project funds	-	-	-	-
Housing and Economic Development	-	4,295,277	5,689,502	5,283,935
Unassigned	-	-	-	-
Total all other governmental funds	\$22,967,091	\$34,682,489	\$56,412,144	\$51,089,816
Total	\$28,603,750	\$40,893,779	\$62,977,131	\$57,297,709

(1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the City's fund balance classifications.

Table 2
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	2014	2015	2016	2017	2018	2019
\$7,318,833	\$17,110,161	\$19,550,627	\$20,730,169	\$20,918,842	\$21,166,310	
1,927,267	2,220,661	1,677,742	1,191,202	922,055	1,151,987	
448,088	438,851	449,820	452,123	403,224	383,550	
777,604	83,879	93,815	58,591	38,018	41,535	
249,375	24,435	24,435	27,208	98,710	72,372	
474,218	579,253	758,630	860,242	378,063	568,744	
1,614,919	119,627	(897,640)	(197,305)	(115,486)	842,941	
782,000	782,000	129,474	112,600	65,101	46,800	
22,892,304	21,556,667	22,592,003	23,112,083	21,688,734	25,084,239	
56,806	45,199	36,658	31,735	6,039	12,355	
241,243	5,129	(46,107)	10,985	872	15,544	
10,513	145,442	7,635	24,673	1,982	22,690	
(782,000)	(782,000)	(805,000)	122,737	1,039,793	(810,000)	
(473,436)	(566,230)	(606,814)	190,130	1,048,686	(759,411)	
\$22,418,866	\$21,370,637	\$21,785,189	\$23,302,213	\$22,717,420	\$24,324,828	
\$3,747,071	\$4,182,984	(\$5,357,179)	(\$4,515,198)	(\$2,193,799)	\$4,735,432	
2,018,689	2,050,140	1,618,011	2,465,816	3,742,606	1,393,409	
\$5,765,760	\$6,233,124	(\$3,739,166)	(\$2,049,382)	\$1,548,807	\$6,128,841	

CITY OF ROSEVILLE, MINNESOTA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019
\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	479,360	481,341	446,436	407,132	373,225	364,145
	577,352	623,387	772,667	938,020	805,269	760,929
	19,941	20,209	17,319	17,574	17,439	17,439
	5,205,951	4,817,858	5,856,061	4,848,107	4,136,116	5,006,928
	\$6,282,604	\$5,968,686	\$7,173,230	\$6,212,708	\$6,228,111	\$6,917,475
\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	633,732	469,353	436,616	431,608	345,056	160,316
	5,820	42,615	81,118	110,672	81,761	128,918
	713,525	1,021,351	1,759,272	1,639,150	2,138,763	3,502,964
	1,094,437	1,247,663	1,373,738	1,387,845	512,171	1,009,255
	7,870,539	12,259,273	6,586,003	3,666,918	4,135,280	4,611,087
	2,726,165	2,635,521	2,693,499	2,626,667	2,533,920	2,390,172
	7,751,174	4,083,564	2,902,068	2,189,727	929,573	734,374
		2,165	410,081	75		1,000
	9,965,641	10,098,522	9,354,461		6,115,052	4,960,459
	653,669	844,302	1,041,002	1,125,426		
	1,099,011	1,282,696	1,637,111	1,945,172	1,536,462	1,589,307
	1,154,394	1,243,803	1,172,926	976,492	449,864	526,572
	5,308,484	3,612,552	3,529,937	12,137,748	1,534,647	1,525,445
			3,004,072	3,385,668	3,461,361	3,784,430
	\$38,976,591	\$38,843,660	\$36,809,725	\$32,666,778	\$29,312,444	\$31,808,759

Table 3

	2010	2011	2012	2013
Revenues:				
Taxes	\$17,958	\$15,574	\$17,462	\$18,844
Intergovernmental	3,904	3,299	2,995	1,880
Licenses and permits	1,098	1,638	1,532	1,630
Charges for services	5,117	5,190	5,248	5,665
Fines and forfeits	214	227	314	237
Special assessments	530	295	308	179
Investment earnings	1,030	668	326	280
Miscellaneous	1,106	1,338	804	590
Total revenues	30,953	28,229	28,989	29,695
Expenditures:				
General government	4,525	4,590	4,821	5,651
Public safety	8,794	8,314	8,780	9,111
Public works	2,361	2,279	2,183	2,334
Economic development	8,639	1,190	1,052	1,017
Recreation	3,638	3,623	3,688	3,808
Capital outlay	5,668	4,078	6,996	10,155
Debt services				
Principal	1,246	1,385	1,435	1,230
Interest/other	447	401	509	925
Other charges		46	118	83
Total expenditures	35,318	25,906	29,582	34,314
Excess of revenues over(under) expenditures	(4,365)	2,323	(593)	(4,619)
Other financing sources (uses):				
Transfers in	203	1,115	257	75
Transfers out	(176)	(1,090)	(231)	(50)
Refunding bonds issued				
Discount on bonds issued		(100)		
Bonds issued		10,000		
Premium on bonds issued			1,445	194
Payments to refunded bond escrow agent			15,665	3,980
Proceeds from letter of credit			31	210
Sale of assets	63	42		
Total other financing sources (uses)	88	9,667	17,187	4,409
Net change in fund balance	(\$4,277)	\$12,290	\$16,594	(\$210)
Debt service as a percentage of noncapital expenditures	5.71%	8.18%	8.61%	8.92%

(1) General Obligation Bonds Series 2003A were refunded with the General Obligation Bonds Series 2013A issuance. This caused an unusually high debt service as a percentage of noncapital expenditures percentage.

Table 4

	2014	2015	2016	2017	2018	2019
	\$19,962	\$20,042	\$22,235	\$22,474	\$22,252	\$22,710
	1,523	3,515	3,381	2,383	2,004	2,018
	1,514	1,751	2,414	1,962	2,035	3,131
	4,743	5,188	5,888	6,151	6,859	7,508
	205	136	107	90	97	85
	214	171	302	131	162	261
	444	661	(132)	622	244	1,327
	2,450	1,204	1,168	1,051	1,218	1,806
	31,055	32,672	35,363	34,864	34,871	38,946
	5,339	5,752	6,822	7,342	7,814	8,226
	9,353	9,683	10,086	10,679	11,501	11,360
	2,397	2,488	2,499	4,934	5,180	2,516
	1,280	1,114	4,602	3,944	1,179	1,538
	4,070	4,617	4,380	4,685	4,725	4,926
	14,098	10,552	9,822	4,836	3,822	4,669
	6,355	2,595	2,660	2,760	2,880	2,675
	980	877	849	789	730	666
	43,862	37,678	41,720	39,969	37,831	36,676
	(12,827)	(5,006)	(6,357)	(5,105)	(2,959)	2,170
	1,001	1,419	2,579	2,821	3,365	2,832
	(219)	(637)	(1,774)	(2,944)	(3,864)	(2,022)
	-	-	-	-	-	-
	-	3,060	-	-	-	-
	-	186	-	-	-	-
	-	-	-	-	-	-
	27	531	173	144	119	205
	809	4,558	978	21	(400)	1,015
	(\$12,018)	(\$447)	(\$5,379)	(\$5,064)	(\$3,356)	\$3,185
	24.66%	12.80%	11.00%	10.03%	10.62%	11.65%
	(1)					

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CITY OF ROSEVILLE, MINNESOTA
 GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
 Last Ten Fiscal Years

Table 5

Fiscal Year	Property Tax	Tax Increments	Cable Franchise Taxes	Gambling Taxes	Total
2010	15,611,387	1,966,665	380,108	80,282	18,038,442
2011	13,501,068	1,592,214	393,657	86,952	15,573,891
2012	15,085,154	2,342,447	415,385	74,504	17,917,490
2013	16,895,804	1,607,882	424,812	76,272	19,004,770
2014	17,318,833	1,927,267	448,088	77,604	19,771,792
2015	17,710,161	2,220,661	436,851	83,879	20,451,552
2016	19,550,637	1,677,742	449,920	93,815	21,772,114
2017	20,730,169	1,191,202	452,123	58,581	22,432,075
2018	20,918,842	922,055	403,224	38,018	22,282,139
2019	21,132,512	1,151,987	383,550	41,535	22,709,584

CITY OF ROSEVILLE, MINNESOTA
 ASSESSED VALUE AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year Ended December 31	Real Property			Gas & Electric	Personal Property Leases Machinery & Equipment
	Residential Property	Commercial Property	Other		
2010	33,951,760	16,112,699	7,480,896	470,187	29,739
2011	31,104,614	14,761,512	6,863,559	500,574	42,639
2012	29,774,282	14,130,173	6,560,437	535,063	55,906
2013	28,559,312	13,553,572	6,292,730	575,028	55,906
2014	29,146,350	13,832,166	6,422,077	579,255	55,197
2015	25,829,116	24,279,369	1,549,747	644,147	67,716
2016	25,639,545	16,230,896	9,066,597	707,709	65,466
2017	27,523,973	17,137,024	9,461,535	682,029	81,259
2018	29,331,022	18,261,950	10,082,719	739,086	72,205
2019	31,375,778	19,535,047	10,785,617	763,065	48,226

Sources: Ramsey County & League of MN Cities

CITY OF ROSEVILLE, MINNESOTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Fiscal Year Ended December 31	City of Roseville			Ramsey County			Special Districts Tax Capacity
	Operating Tax Capacity	Debt Service Tax Capacity	Total City Tax Capacity	Operating Tax Capacity	Debt Service Tax Capacity	Total County Tax Capacity	
2010	23.59%	3.78%	27.37%	50.25%		50.25%	8.69%
2011	26.82%	2.94%	29.76%	54.68%		54.68%	9.11%
2012	30.12%	3.33%	33.45%	61.32%		61.32%	10.78%
2013	33.42%	5.46%	38.90%	65.24%		65.24%	12.05%
2014	34.09%	6.03%	40.12%	63.74%		63.74%	11.78%
2015	33.78%	5.55%	39.33%	59.92%		59.92%	11.13%
2016	33.77%	5.55%	39.32%	59.89%		59.89%	9.65%
2017	33.38%	5.18%	38.55%	55.85%		55.85%	9.04%
2018	33.35%	4.83%	38.18%	53.96%		53.96%	9.20%
2019	33.53%	3.89%	37.42%	52.88%		52.88%	8.74%

Sources: Ramsey County & League of MN Cities
 (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Roseville. Not all overlapping rates apply to all City of Roseville property owners (e.g., the rates for special districts apply only to the portion of the government's property owners whose property is located within the geographic boundaries of the special district).

Table 6

Less: TIF & Fiscal Disparity Contribution (Net)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
(8,191,870)	45,071,027	27.37%	4,288,071,400	1.13%
(7,769,452)	45,459,056	29.76%	3,985,073,200	1.16%
(8,386,165)	42,669,706	33.45%	3,751,962,400	1.14%
(6,191,131)	42,845,417	38.90%	3,735,196,900	1.15%
(7,114,388)	42,920,657	40.12%	3,814,082,800	1.13%
(7,468,963)	44,901,131	39.33%	4,033,873,100	1.11%
(6,700,122)	45,983,266	39.32%	4,067,077,000	1.13%
(6,198,994)	49,475,356	38.56%	4,283,939,000	1.15%
(6,237,582)	53,066,460	38.18%	4,539,121,600	1.17%
(6,631,933)	56,719,579	37.42%	4,861,021,500	1.17%

Table 7

Overlapping Rates (1)		School District-ISD#623		Total Direct & Overlapping Tax Capacity
School District - ISD#621	Marked Value Based Tax Rate	Total Capacity Based	Market Value Based Tax Rate	
24.56%	0.18882%	13.07%	0.20374%	123.93%
25.57%	0.19536%	14.57%	0.19715%	133.68%
29.04%	0.21242%	17.07%	0.19581%	151.66%
29.44%	0.22834%	15.46%	0.24553%	161.10%
29.73%	0.21069%	16.25%	0.25826%	161.63%
27.38%	0.21901%	17.18%	0.25930%	153.94%
26.25%	0.22261%	20.95%	0.22104%	154.97%
25.31%	0.20119%	18.89%	0.19350%	147.64%
28.46%	0.19725%	34.40%	0.21951%	164.20%
26.33%	0.18765%	31.69%	0.22529%	157.06%

Table 8
CITY OF ROSEVILLE, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxes Levied	Rank	Percentage of Total Taxes Levied
PPF RRI Rosedale Shopping Ctr LLC	\$1,615,952	1	7.50%	\$148,839	3	1.13%
St Paul Fire And Marine Ins Co	430,674	2	2.00%	92,058	6	0.70%
Gateway Washington Inc	403,326	3	1.87%	158,995	2	1.21%
Witcal Crossroads LLC	347,315	4	1.61%	-	-	-
Rosedale Square LLC	266,556	5	1.38%	-	-	-
Magellan Pipeline Co LP	294,387	6	1.37%	-	-	-
Rosedale Commons LP	246,938	7	1.15%	75,059	9	0.57%
Arrow Lexington Apartments LLC	234,428	8	1.09%	-	-	-
Rosedale Markplaces Associate	224,912	9	1.04%	90,885	7	0.69%
2700 Shelling Ave LLC	207,917	10	0.96%	-	-	-
Compass Retail, Inc.	-	-	0.00%	423,058	1	3.22%
Williams Bros Pipeline	-	-	0.00%	130,171	4	0.98%
JTL Roseville Corp Center LLC	-	-	0.00%	95,868	5	0.73%
Kpers Realty Holding #41 INC	-	-	0.00%	87,901	8	0.67%
Minnesota Office Plaza LLC	-	-	0.00%	72,314	10	0.55%
Totals	\$4,302,414		19.96%	\$1,137,148		10.46%

Source: Ramsey County

CITY OF ROSEVILLE, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 9

Fiscal Year Ended December 31	Collected within the Fiscal Year of the Levy			Total Collections to date	
	Total tax Levy for Fiscal Year	Amount	Percentage of Levy	Amount	Percentage of Levy
2010	14,282,404	14,089,407	98.72%	14,089,407	98.72%
2011	14,703,044	13,501,068	91.82%	13,501,068	91.82%
2012	14,962,294	14,814,570	99.01%	14,814,570	99.01%
2013	17,319,826	16,861,841	97.36%	16,861,841	97.36%
2014	18,028,721	17,318,833	96.06%	17,318,833	96.06%
2015	18,276,902	17,592,866	96.26%	17,592,866	96.26%
2016	18,944,720	17,663,506	93.24%	17,663,506	93.24%
2017	19,513,060	18,131,382	92.92%	18,131,382	92.92%
2018	20,786,100	20,721,589	99.83%	20,721,589	99.83%
2019	21,551,650	21,105,455	97.93%	21,105,455	97.93%

CITY OF ROSEVILLE, MINNESOTA
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities				Certificate of Indebtedness	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Revenue Bonds					
2010	7,860,000	1,330,000	-	-	2,330,000	11,520,000	0.29%	337
2011	17,175,000	890,000	-	-	2,070,000	20,135,000	0.51%	588
2012	33,594,986	435,000	-	-	1,800,000	35,829,986	0.95%	1060
2013	36,827,216	225,000	-	-	1,525,000	38,677,216	1.04%	1122
2014	30,853,624	-	-	-	1,240,000	32,193,624	0.81%	934
2015	28,625,032	-	3,246,065	-	945,000	32,716,097	0.81%	927
2016	26,041,440	-	3,246,065	-	640,000	29,927,505	0.74%	849
2017	23,492,848	-	3,208,661	-	325,000	27,026,509	0.63%	754
2018	20,804,256	-	3,101,257	-	-	24,005,513	0.63%	671
2019	18,265,665	-	2,923,852	-	-	21,189,517	0.44%	584

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

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for the estimated actual taxable value.

(2) See Population on Demographic & Economic Statistics schedule.

CITY OF ROSEVILLE, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Debt	Resources Restricted for Repayment (4)	Net General Bonded Debt (4)	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	Estimated (3) Personal Income (amounts expressed in whole dollars)	Outstanding Debt to Personal Income
2010	\$11,520,000	N/A	N/A	0.27%	337.06	\$1,561,146,506	0.74%
2011	20,135,000	1,807,165	18,327,815	0.51%	598.19	1,582,289,280	1.27%
2012	35,829,996	1,683,956	36,994,160	0.95%	1,010.06	1,644,947,199	2.18%
2013	38,677,216	2,493,489	32,203,727	1.04%	933.82	1,590,632,284	2.43%
2014	30,780,000	3,024,612	27,755,388	0.81%	805.06	1,604,133,804	2.01%
2015	28,470,032	2,635,521	26,834,511	0.81%	760.06	1,660,052,814	1.97%
2016	26,681,440	2,693,499	23,987,941	0.74%	680.62	1,707,816,508	1.75%
2017	23,817,848	2,626,667	21,191,181	0.63%	591.34	1,784,095,260	1.51%
2018	20,904,256	2,533,921	18,370,336	0.53%	513.20	1,871,808,636	1.28%
2019	18,285,665	2,390,172	15,875,492	0.44%	437.68	1,992,566,048	1.06%

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for more detailed data.

(2) Population can be found in the Schedule of Demographic and Economic Statistics.

(3) The estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population.

(4) Implementation of GASB 54 in 2011

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CITY OF ROSEVILLE, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2019

Table 12

Governmental Unit	Gross Debt	Percentage	Amount
	Net of Refunding	Applicable (2)	Applicable
		to Roseville	to Roseville
Direct Debt:	\$ 20,270,000	100%	\$ 20,270,000
City of Roseville			
Overlapping Debt*			
School District #621	\$235,390,000.00	8%	\$18,831,200.00
School District #623	175,710,000	61%	107,183,100
Special School District #916	77,200,000	8%	6,176,000
Metropolitan Council	1,555,834,035	1%	15,558,340
Metropolitan Airports Commission	1,588,525,000	1%	15,885,250
Ramsey County	175,477,000	9%	15,792,930
Total Overlapping Debt	3,808,136,035		179,426,820
Total Direct and Overlapping Debt	\$3,828,406,035		\$199,696,820

*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 of Roseville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, their 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.

CITY OF ROSEVILLE, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal Year		
	2010	2011	2012
Debt limit	\$128,642,142	\$119,552,196	\$112,558,872
Total net debt applicable to limit	9,035,000	18,090,000	32,795,000
Legal debt margin	\$119,607,142	\$101,462,196	\$79,763,872
Total net debt applicable to the limit as a percentage of debt limit	8.24%	15.13%	29.14%
			33.28%

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Market Value	\$4,861,021,500
Debt Limit (3% of total estimated market value)	145,830,645
Debt applicable to limit:	
Total Bonded Debt	21,189,517
Less:	
Special Assessment Bonds	-
Housing Bonds	-
Total net debt applicable to limit	21,189,517
Legal Debt Margin	\$124,641,128

Note: Under Minnesota state law, the City of Roseville's net debt cannot exceed 3 percent of the estimated market value of property. This limit increased from 2% to 3% in calendar 2008.

CITY OF ROSEVILLE, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 14

Fiscal Year	Population (1)	Estimated Personal Income (2)	Per Capita Personal Income (3)	School Enrollment District #623 (4)	Un Enrollment District #623 (4)	Employment Rate (5)
2010	34,178	1,561,148,506	45,677	6,444	9,849	5.5%
2011	33,660	1,582,289,280	47,008	6,588	9,765	4.5%
2012	33,807	1,644,947,199	48,657	6,804	9,948	4.4%
2013	34,486	1,690,632,264	46,124	7,587	10,236	4.3%
2014	34,476	1,604,133,804	46,529	7,397	10,504	3.2%
2015	35,306	1,660,062,614	47,019	7,507	10,799	3.0%
2016	35,244	1,707,818,508	48,457	7,580	11,145	3.0%
2017	35,836	1,784,095,260	49,785	7,581	11,285	2.5%
2018	35,796	1,871,808,636	52,291	7,631	11,389	2.4%
2019	36,272	1,992,566,048	54,934	8,255	11,655	2.6%

(1) Population and per capita income figures, other than census year, are estimates provided by the Metropolitan Council. The last census was taken in the year 2010.

(2) This estimated personal income number is calculated by taking the per capita personal income of Ramsey County and multiplying it by the City population. Also see note (3) regarding the Per Capita Personal Income figures.

(3) The per capita personal income used is for that of Ramsey County, in which the city resides, the smallest region applicable to the City that this information is available for. In addition, the 2009 - 2011 figures are an estimate for the State of Minnesota provided by the Bureau of Economic Analysis as there were no other relevant estimates available at the time of this report.

(4) The City is served by two independent school districts.

District #623 covers approximately 67% of the City, while District #621 covers approximately 33% of the City. Accordingly, not all students enrolled in District #621 live in the City of Roseville.

Information is provided by the Roseville and Moundsview School Districts.

(5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development

Table 13

	2014	2015	2016	2017	2018	2019
	\$114,422,484	\$121,016,193	\$122,012,310	\$128,818,170	\$136,173,648	\$145,630,645
	(28,875,000)	28,185,000	28,585,000	27,026,509	24,005,513	21,189,517
	\$144,297,484	\$92,831,193	\$93,427,310	\$101,791,661	\$112,168,135	\$124,641,128
	26.11%	23.29%	23.43%	20.98%	17.63%	14.53%

CITY OF ROSEVILLE, MINNESOTA
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Table 15

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
MN Dept. of Transportation	5,796	1	29.31%	700	3	1.87%
Cernx MN, LLC	1,500	2	7.59%			
Minnesota Department-Education	729	3	3.69%	400	8	1.07%
Roseville Area Schools	658	4	3.33%	900	2	2.41%
Presbyterian Homes Housing	650	5	3.29%	1,120	1	2.99%
Alorica Customer Care, Inc.	563	6	2.85%			
University-Northwestern-St PI	500	7	2.53%			
Nortoniflock Inc.	500	8	2.53%	615	4	1.64%
Pediatric Home Respiratory Services, LLC	425	9	2.15%			
McGough Construction	414	10	2.09%	480	6	1.28%
Symantec Corp				600	5	1.60%
Target				407	7	1.09%
JC Penny				313	9	0.84%
Macy's				300	10	0.80%
Berger Moving & Storage Inc						
Totals	11,735		59.35%	5,835		15.59%

Sources: Minnesota Department of Employment and Economic Development
 Reference USA

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CITY OF ROSEVILLE, MINNESOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

Table 16

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	34	34	35.5	39.3	40.75	41.25	45.19	47.85	50.15	51.5
Public safety	56.5	56.5	57	54.25	54.5	63.5	62.99	58.66	58.74	57.23
Police	8	7	6	6	11	26.5	26.88	18.35	20.19	18.32
Fire	16.75	16.74	16.47	15.75	15.75	18.5	19.29	18.11	18.79	18.92
Public works	21.25	20.25	22.25	23	24	46.25	48.76	49.16	47.84	45.36
Recreation	10.9	10.9	9.9	10	11	13.5	14.06	13.16	13.57	13.46
Economic development	6.17	7.29	7.54	6.62	6.97	8.5	7.41	7.92	7.02	7.02
Water	5.66	3.71	3.71	5.47	5.12	5.75	5.41	5.21	5.22	5.49
Sewer	2.5	2.5	1.75	1.75	1.75	4.5	3.28	3.82	5.2	5.9
Recycling	0	0	0	0.3	0.3	0.3	0.3	0.3	0.3	0.54
Storm drainage	3.42	4.01	4.03	4.87	4.87	4.75	4.9	4.79	4.31	4.27
Total	167.15	167.15	164.15	167.31	176.01	232.25	238.47	227.33	224.31	228.01

Sources: City department records

(1) In 2015 the Finance Department discovered a new method to calculate and better represent the number of full-time equivalents employed by the City. The new calculation includes temporary or seasonal employee hours that were previously difficult to account for, which explains the large increase from 2014 to 2015.

CITY OF ROSEVILLE, MINNESOTA
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	2010	2011	2012	2013
Police	2,551	2,810	2,758	2,522
Serious offenses	38,000	36,571	34,665	34,942
Public Assistance Calls	8,551	8,404	10,503	10,823
Traffic citations	4,225	4,290	4,383	4,468
Fire	1,011	1,050	473	673
Fire incidents	900	920	715	810
Fire inspections	14	15	14	13
Public Works	125	125	125	125
Street patching (tons)	524	254	150	140
Sealcoating (miles)	112,700	112,750	112,730	112,825
Snow / ice control (miles)	1,080	1,075	1,060	1,170
Sign repair / replacements	1,146	1,714	1,508	1,763
Recreation	5,306	4,826	5,020	5,574
Recreation and leisure participations	29	30	35	27
Facility usage permits	1,807,879	1,857,404	1,995,677	1,826,482
Economic Development	592	780	590	900
Building permits issued	29	29	21	27
Number of inspections	1,711	1,836	1,799	1,875
Planning / zoning cases	1,807,879	1,857,404	1,995,677	1,826,482
Water	5,457	15,109	21,900	39,827
Meters repaired / replaced	261,000	274,960	274,673	255,672
Water main breaks	89,260	59,567	67,794	40,166
Hydrants repaired / flushed	1,157,210	1,399,720	1,213,440	1,243,730
Annual water pumped (thousands of gallons)	28,325	25,518	25,929	24,282
Sewer	3,321	3,244	3,173	3,226
Sewer pipes repaired / replaced (linear feet)	125	125	125	125
Sewer pipes cleaned (linear feet)	20,000	20,000	20,000	20,000
Sewer pipes televised (linear feet)	258	500	400	200
Annual sewer flow (thousands of gallons)	96	128	70	1,049
Golf	28,325	25,518	25,929	24,282
Number of rounds played	3,321	3,244	3,173	3,226
Recycling	125	125	125	125
Materials collected (tons)	20,000	20,000	20,000	20,000
Storm drainage	258	500	400	200
Sweeping (centerline miles)	96	128	70	1,049
Leaf collection (cubic yards)				
Structure inspections				
Infrastructure repair / replace				

Sources: Various city departments
 (1) In 2015, the leaf collection program was cancelled and not used in 2016.

CITY OF ROSEVILLE, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION PROGRAM
 Last Ten Fiscal Years

Table 17

	2014	2015	2016	2017	2018	2019
3,008	3,096	3,243	3,263	3,232	3,457	
32,624	33,549	36,058	36,378	42,085	39,218	
9,250	6,138	4,232	2,459	5,373	4,123	
4,701	4,746	4,997	4,793	4,969	5,540	
565	495	285	557	589	2,112	
770	655	612	625	1,150	1,200	
10	-	-	-	-	-	
125	125	125	125	125	125	
131	369	490	342	1,303	1,200	
113,000	115,000	110,000	137,000	145,210	151,290	
1,200	1,440	1,595	1,691	2,041	2,211	
1,539	1,874	1,625	1,370	1,568	1,629	
5,246	5,685	5,543	4,716	4,854	5,266	
33	26	32	23	29	28	
110	5,836	1,000	780	620	716	
49	31	40	35	30	36	
1,875	1,875	1,885	1,885	1,990	2,100	
1,650,069	1,645,610	1,653,881	1,640,606	1,714,346	1,627,211	
33,312	30,348	31,042	39,916	31,152	34,343	
230,923	282,740	258,564	241,031	257,350	259,110	
15,312	95,044	71,804	79,844	79,841	28,213	
1,248,820	1,134,520	1,133,420	1,202,980	1,246,420	1,175,780	
25,186	25,663	25,905	22,500	20,444	21,416	
3,150	3,305	3,241	3,261	3,188	3,102	
125	125	125	125	125	125	
20,000	20,000	-	-	-	300	
113	169	181	32	283	-	
1,233	2,074	2,940	809	100	-	

	2010	2011	2012	2013
Function				
Public Safety				
Police:				
Stations	1	1	1	1
Patrol units	34	36	33	38
Fire stations	3	2	2	1
Public works				
Streets (miles)	122	125	125	125
Street lights	1,125	1,125	1,133	1,133
Recreation				
Parks and playgrounds	30	30	0	30
Lighted park shelters	8	8	8	8
Parks acreage	685	685	685	685
Skating rinks				
Outdoor	8	8	12	10
Indoor	1	1	1	1
Golf course	1	1	1	1
Ballfields	41	41	41	41
Soccer/football fields	8	8	8	8
Tennis courts	17	17	17	17
Volleyball courts	9	9	6	6
Basketball courts	8	8	8	8
Miles of trails	69	69	69	69
Water				
Number of connections	10,261	10,303	10,303	10,303
Water mains (miles)	166	166	166	166
Fire hydrants	1,711	1,711	1,711	1,711
Water purchased from St. Paul (thousands of gallons)	1,807,879	1,857,404	1,996,677	1,826,482
Sewer				
Number of connections	10,188	10,200	10,130	10,130
Sanitary sewers (miles)	156	156	156	156
Storm drainage				
Storm sewers (miles)	145	145	145	145

Sources: Various city departments
 Note: No capital asset indicators are available for the general government function

Table 18

	2014	2015	2016	2017	2018	2019
	1	1	1	1	1	1
	38	38	38	37	36	36
	1	1	1	1	1	1
	125	125	125	125	125	125
	1,133	1,133	1,145	1,145	1,388	1,134
	30	30	32	32	32	32
	5	5	5	5	5	5
	685	685	685	685	685	685
	10	11	11	11	11	11
	1	1	1	1	1	1
	1	1	1	1	1	1
	21	21	21	21	21	21
	19	19	19	19	19	19
	17	17	17	17	17	17
	5	5	5	5	5	5
	15	15	15	15	15	15
	71	71	71	71	71	71
	10,303	10,311	10,224	10,278	10,303	10,311
	166	166	166	166	166	166
	1,711	1,711	1,711	1,711	1,784	1,784
	1,650,069	1,645,610	1,653,881	1,640,606	1,714,346	1,629,466
	10,130	10,135	10,159	10,280	10,320	10,258
	156	156	156	156	156	156
	145	145	145	145	145	145

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FORM OF LEGAL OPINION

(See following pages)

PROPOSED FORM OF LEGAL OPINION

\$7,705,000
GENERAL OBLIGATION BONDS, SERIES 2020A
CITY OF ROSEVILLE
COUNTY OF RAMSEY
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Roseville, County of Ramsey, Minnesota (the "Issuer"), of its \$7,705,000 General Obligation Bonds, Series 2020A, bearing a date of original issue of December 30, 2020 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

TAFT STETTINIUS & HOLLISTER LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

(See following pages)

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of Roseville, Minnesota (the "Issuer"), in connection with the issuance of its \$7,705,000 General Obligation Bonds, Series 2020A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on December 7, 2020 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated _____, 2020, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

A. Beginning in connection with the Fiscal Year ending on December 31, 2020, the Issuer shall, or shall cause the Dissemination Agent to provide to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2021, and by December 31 of each year thereafter.

B. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection A, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the captions: Current Property Valuations; Direct Debt; Tax Levies and Collections; US Census Data/Population Trend; and Employment/Unemployment Data.

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not

provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and,
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: _____, 2020.

CITY OF ROSEVILLE, MINNESOTA

By _____
Its Mayor

By _____
Its Manager

APPENDIX E

TERMS OF PROPOSAL

\$7,705,000* GENERAL OBLIGATION BONDS, SERIES 2020A CITY OF ROSEVILLE, MINNESOTA

Proposals for the purchase of \$7,705,000* General Obligation Bonds, Series 2020A (the "Bonds") of the City of Roseville, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on December 7, 2020, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are authorized pursuant to Minnesota Statutes, Chapters 444 and 475, and Sections 469.060 and 475.67, by the City, for the purposes of financing the City's 2020-2023 water utility system improvements and effecting a current refunding of certain outstanding general obligations of the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated December 30, 2020, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$970,000	2026	\$990,000	2030	\$265,000
2023	980,000	2027	1,000,000	2031	265,000
2024	980,000	2028	1,005,000		
2025	990,000	2029	260,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing August 1, 2021, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2029 shall be subject to optional redemption prior to maturity on February 1, 2028 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about December 30, 2020, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$7,612,540 plus accrued interest on the principal sum of \$7,705,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit (“Deposit”) in the amount of \$154,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder’s federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a “competitive sale” are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the “hold-the-offering-price rule”).

(d) If all of the requirements of a “competitive sale” are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a “competitive sale” are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of Roseville, Minnesota

PROPOSAL FORM

The City Council
City of Roseville, Minnesota

December 7, 2020

RE: \$7,705,000* General Obligation Bonds, Series 2020A (the "Bonds")
DATED: December 30, 2020

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$7,612,540) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2022	_____ % due	2026	_____ % due	2030
_____ % due	2023	_____ % due	2027	_____ % due	2031
_____ % due	2024	_____ % due	2028		
_____ % due	2025	_____ % due	2029		

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$154,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about December 30, 2020.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 30, 2020 of the above proposal is \$ _____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Roseville, Minnesota, on December 7, 2020.

By: _____ By: _____
Title: _____ Title: _____