

**ADDENDUM DATED SEPTEMBER 21, 2021
TO PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 16, 2021**

New Issue

CITY OF RAMSEY, MINNESOTA

\$10,700,000*
GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS
SERIES 2021A

PROPOSAL OPENING: September 28, 2021, 10:00 A.M.

The Future Financing section of the Preliminary Official Statement has been revised. Following is the revised Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 16, 2021

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 NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF RAMSEY, MINNESOTA (Anoka County)

\$10,700,000* GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS SERIES 2021A

PROPOSAL OPENING: September 28, 2021, 10:00 A.M., C.T.

CONSIDERATION: September 28, 2021, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$10,700,000* General Obligation Capital Improvement Plan Refunding Bonds Series 2021A (the "Bonds") are authorized pursuant to Minnesota Statutes, Chapter 475, and Sections 475.521 and 475.67, by the City of Ramsey, Minnesota (the "City"), for the purpose of 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: October 19, 2021

MATURITY: December 15 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$980,000	2026	\$1,070,000	2030	\$1,120,000
2023	1,020,000	2027	1,080,000	2031	1,135,000
2024	1,040,000	2028	1,090,000		
2025	1,065,000	2029	1,100,000		

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: June 15, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on December 15, 2029 and thereafter are subject to call for prior optional redemption on December 15, 2028 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: \$10,593,000.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$214,000 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 nor shall there be any sale of 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 RAMSEY CITY COUNCIL

		<u>Term Expires</u>
Mark Kuzma	Mayor	January 2025
Ryan Heineman	Council Member	January 2023
Chelsea Howell	Council Member	January 2025
Debra Musgrove	Council Member	January 2025
Chris Riley	Council Member	January 2023
Dan Specht	Council Member	January 2023
Matt Woestehoff	Council Member	January 2025

ADMINISTRATION

Kurt Ulrich, City Administrator

Diana Lund, Finance Director

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 Ramsey, Minnesota (the "City") and the issuance of its \$10,700,000* General Obligation Capital Improvement Plan Refunding Bonds Series 2021A (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 September 28, 2021.

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 October 19, 2021. The Bonds will mature on December 15 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 15 and December 15 of each year, commencing June 15, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 1st 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 December 15, 2029 shall be subject to optional redemption prior to maturity on December 15, 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 authorized pursuant to Minnesota Statutes, Chapter 475, and Sections 475.521 and 475.67, for the purpose of effecting a current refunding of the City's \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A (the "Series 2012A Bonds") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 751813
Series 2012A Bonds	6/1/12	12/15/21	Par	2022	3.000%	\$875,000	RA6
				2023	3.000%	920,000	RB4
				2024	3.000%	965,000	RC2
				2025	3.000%	1,010,000	RD0
				2026	3.000%	1,040,000	RE8
				2027	3.000%	1,070,000	RF5
				2028	3.000%	1,105,000	RG3
				2029	3.125%	1,135,000	RH1
				2030	3.250%	1,175,000	RJ7
				2031	3.375%	<u>1,215,000</u>	RK4
Total Series 2012A Bonds Being Refunded						<u>\$10,510,000</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 December 15, 2021 from the Debt Service Fund for the Series 2012A Bonds.

For Capital Improvement Plan Bonds, Minnesota Statutes, Section 475.521, adopted by the 2003 Minnesota State Legislature and amended in 2005, allows cities and towns to plan for and finance the acquisition and betterment of public lands, buildings, and certain other improvements within the municipality, including financing the construction of city halls, town halls, libraries, public safety, and public works facilities. Annual principal and interest payments on General Obligation Capital Improvement Bonds are limited to .16% of the City's estimated market value. The estimated market value of the City for taxes collectible in 2021 is \$3,043,492,300. This results in a maximum annual debt service allowable of \$4,869,587.68 for General Obligation Capital Improvement Bonds outstanding at any time.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	<u>\$10,700,000</u>	
Total Sources		\$10,700,000
Uses		
Total Underwriter's Discount (1.000%)	\$107,000	
Costs of Issuance	83,000	
Deposit to Current Refunding Fund	<u>10,510,000</u>	
Total Uses		\$10,700,000

*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. In accordance with Minnesota Statutes, the City will levy each year an amount not less than 105% of the debt service requirements on the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the City is required to levy an additional ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

RATING

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

The City has requested a rating on the Bonds from S&P Global Ratings, 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 Global Ratings. 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 Certificate, 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.

Prior continuing disclosure undertakings entered into by the City included language stating that an Annual Report including the City's audited financial statements and operating data would be filed "as soon as available." Although the City did not always comply with this requirement, the Annual Reports were timely filed within the required twelve (12) month timeframe as provided for in each undertaking. Except to the extent the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years 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 holders' 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.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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, 2020, have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A. ("MMKR"), Minneapolis, 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. 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 the declaration of 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 extended the peacetime emergency by 30 days. On May 14, 2021, the Governor signed Executive Order 21-23 to end the statewide mask requirement and align with new Centers for Disease Control and Prevention (CDC) guidance on face coverings. The Minnesota Legislature ended the peacetime emergency declaration on July 1, 2021.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic.

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	2018/19	2019/20	2020/21
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 \$1,880,000 - 0.50% ² Over \$1,880,000 - 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
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 \$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%	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 \$162,000 - .75% Over \$162,000 - .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

2020/21 Economic Market Value \$3,284,612,052¹

	2020/21 Assessor's Estimated Market Value	2020/21 Net Tax Capacity
Real Estate	\$3,011,940,500	\$32,195,710
Personal Property	31,551,800	628,274
Total Valuation	<u>\$3,043,492,300</u>	<u>\$32,823,984</u>
Less: Captured Tax Increment Tax Capacity ²		(1,930,661)
Fiscal Disparities Contribution ³		<u>(2,665,991)</u>
Taxable Net Tax Capacity		\$28,227,332
Plus: Fiscal Disparities Distribution ³		4,875,961
Adjusted Taxable Net Tax Capacity		<u>\$33,103,293</u>

¹ According to the Minnesota Department of Revenue, the Assessor's Estimated Market Value (the "AEMV") for the City is about 92.85% 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 \$3,284,612,052.

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.

2020/21 NET TAX CAPACITY BY CLASSIFICATION

	2020/21 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$21,640,789	65.93%
Agricultural	156,334	0.48%
Commercial/industrial	6,365,247	19.39%
Public utility	8,998	0.03%
Railroad operating property	79,994	0.24%
Non-homestead residential	3,944,348	12.02%
Personal property	628,274	1.91%
Total	<u>\$32,823,984</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
2016/17	\$2,236,219,500	\$2,082,025,855	\$23,635,124	\$24,606,159	+ 5.65%
2017/18	2,460,843,300	2,318,198,356	26,075,064	27,184,921	+10.04%
2018/19	2,645,430,600	2,499,734,179	28,214,447	29,171,939	+ 7.50%
2019/20	2,856,636,800	2,714,649,614	30,594,502	31,504,769	+ 7.98%
2020/21	3,043,492,300	2,911,007,883	32,823,984	33,103,293	+ 6.54%

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	2020/21 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Residence at the Cor Apartments, LLC	Apartments	\$ 665,519	2.03%
Connexus Energy	Utility	517,439	1.58%
Affinity at Ramsey LLC	Apartments	500,853	1.53%
Minnegasco, Inc.	Utility	496,973	1.51%
Life Fitness, LLC	Industrial	441,101	1.34%
Northstar Marketplace Station LLC	Commercial	303,630	0.93%
Parkview East - Minneapolis, LLC	Apartments	267,532	0.82%
Knoll Properties, LLC	Industrial	243,565	0.74%
Cars-DB4 LP	Commercial	235,657	0.72%
Vision Ease LP	Industrial	201,572	0.61%
Total		<u><u>\$3,873,841</u></u>	<u><u>11.80%</u></u>

City's Total 2020/21 Net Tax Capacity \$32,823,984

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

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes	\$ 4,740,000
Total G.O. debt secured by taxes (includes the Bonds)*	<u>24,285,000</u>
Total General Obligation Debt*	<u><u>\$ 29,025,000</u></u>

*Preliminary, subject to change.

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

City of Ramsey, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Special Assessments and Taxes
 (As of 10/19/2021)

Improvement Crosscover Refunding Bonds Series 2011B		Street Reconstruction Bonds 1) Series 2015B		Street Reconstruction Bonds 1) Series 2016A		Street Reconstruction Bonds 1) Series 2017A		Street Reconstruction Bonds 1) Series 2018A		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity				
12/01/2011 \$3,090,000	12/15	06/18/2015 \$1,205,000	12/01	07/21/2016 \$1,650,000	12/15	08/17/2017 \$895,000	12/15	07/19/2018 \$1,175,000	12/15				
Calendar Year Ending													
2021	285,000	120,000	6,625	165,000	10,200	90,000	6,200	115,000	14,475	55,369	3,965,000	16.35%	2021
2022	290,000	125,000	10,850	170,000	17,100	90,000	11,140	115,000	25,500	94,343	3,175,000	33.02%	2022
2023	295,000	125,000	8,350	170,000	13,700	90,000	9,655	115,000	22,050	76,983	2,380,000	49.79%	2023
2024	305,000	130,000	5,850	170,000	10,300	90,000	8,170	120,000	18,600	59,068	1,565,000	66.98%	2024
2025	310,000	130,000	2,925	170,000	6,900	90,000	6,460	125,000	15,000	39,655	740,000	84.39%	2025
2026				175,000	3,500	100,000	4,750	125,000	11,250	19,500	409,500	92.62%	2026
2027							2,500	125,000	7,500	10,000	125,000	97.36%	2027
2028	1,485,000	630,000	34,600	1,020,000	61,700	640,000	48,875	965,000	118,125	358,666	0	100.00%	2028
								4,740,000	118,125	5,098,666			

1) This issue is subject to the debt limit.

City of Ramsey, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/19/2021)

Dated Amount	CIP Bonds Series 2012A		Equipment Certificates Series 2013A		Equipment Certificates Series 2014A		CIP Bonds Series 2015A		CIP Bonds Series 2020A	
	06/01/2012 \$16,875,000	12/15	09/01/2013 \$635,000	09/01	12/04/2014 \$875,000	12/15	06/18/2015 \$3,880,000	12/01	12/30/2020 \$9,055,000	12/15
Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	820,000	178,506	0	0	90,000	4,123	180,000	45,206	0	60,608
2022			70,000	4,200	90,000	6,355	180,000	86,813	0	121,215
2023			70,000	2,100	95,000	4,465	185,000	83,213	0	121,215
2024					95,000	2,233	190,000	79,513	0	121,215
2025							195,000	75,238	0	121,215
2026							200,000	70,850	0	121,215
2027							205,000	65,850	0	121,215
2028							210,000	59,700	0	121,215
2029							215,000	53,400	0	121,215
2030							220,000	46,950	0	121,215
2031							230,000	40,350	0	121,215
2032							235,000	33,450	860,000	121,215
2033							245,000	25,813	865,000	112,615
2034							250,000	17,850	875,000	103,965
2035							260,000	9,100	885,000	94,340
2036									895,000	83,720
2037									905,000	72,085
2038									920,000	59,415
2039									935,000	45,615
2040									950,000	31,123
2041									965,000	15,923
	820,000	178,506	140,000	6,300	370,000	17,175	3,200,000	793,294	9,055,000	2,012,773

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**City of Ramsey, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/19/2021)**

**CIP Refunding Bonds 1)
Series 2021A**

Dated Amount	10/19/2021 \$10,700,000*	Maturity	12/15
Calendar Year Ending	Principal	Estimated Interest	
2021	0	0	
2022	980,000	112,976	
2023	1,020,000	93,848	
2024	1,040,000	88,748	
2025	1,065,000	82,508	
2026	1,070,000	75,053	
2027	1,080,000	66,493	
2028	1,090,000	56,773	
2029	1,100,000	45,328	
2030	1,120,000	31,578	
2031	1,135,000	16,458	
2032	1,095,000	154,665	
2033	1,110,000	138,428	
2034	1,125,000	121,815	
2035	1,145,000	103,440	
2036	895,000	83,720	
2037	905,000	72,085	
2038	920,000	59,415	
2039	935,000	45,615	
2040	950,000	31,123	
2041	965,000	15,923	
	10,700,000	669,758	

Calendar Year Ending	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2021	1,090,000	288,443	1,378,443	23,195,000	4.49%	2021
2022	1,320,000	331,558	1,651,558	21,875,000	9.92%	2022
2023	1,370,000	304,840	1,674,840	20,505,000	15.57%	2023
2024	1,325,000	291,708	1,616,708	19,180,000	21.02%	2024
2025	1,260,000	278,960	1,538,960	17,920,000	26.21%	2025
2026	1,270,000	267,118	1,537,118	16,650,000	31.44%	2026
2027	1,285,000	253,558	1,538,558	15,365,000	36.73%	2027
2028	1,300,000	237,688	1,537,688	14,065,000	42.08%	2028
2029	1,315,000	219,943	1,534,943	12,750,000	47.50%	2029
2030	1,340,000	199,743	1,539,743	11,410,000	53.02%	2030
2031	1,365,000	178,023	1,543,023	10,045,000	58.64%	2031
2032	1,095,000	154,665	1,249,665	8,950,000	63.15%	2032
2033	1,110,000	138,428	1,248,428	7,840,000	67.72%	2033
2034	1,125,000	121,815	1,246,815	6,715,000	72.35%	2034
2035	1,145,000	103,440	1,248,440	5,570,000	77.06%	2035
2036	895,000	83,720	978,720	4,675,000	80.75%	2036
2037	905,000	72,085	977,085	3,770,000	84.48%	2037
2038	920,000	59,415	979,415	2,850,000	88.26%	2038
2039	935,000	45,615	980,615	1,915,000	92.11%	2039
2040	950,000	31,123	981,123	965,000	96.03%	2040
2041	965,000	15,923	980,923	0	100.00%	2041
	24,285,000	3,677,806	27,962,806			

* Preliminary, subject to change.

1) This issue is refunding the 2022 through 2031 maturities of the City's \$16,875,000 General Obligation Capital Improvement Plan Bonds, Series 2012A dated June 1, 2012.

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; (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.

2020/21 Assessor's Estimated Market Value	\$3,043,492,300
Multiply by 3%	0.03
Statutory Debt Limit	<u>\$ 91,304,769</u>
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes ¹ (includes the Bonds)*	<u>(27,540,000)</u>
Unused Debt Limit*	<u><u>\$ 63,764,769</u></u>

*Preliminary, subject to change.

¹ Also includes the City's \$1,205,000 General Obligation Street Reconstruction Bonds, Series 2015B (\$630,000 outstanding principal amount); the City's \$1,650,000 General Obligation Street Reconstruction Bonds, Series 2016A (\$1,020,000 outstanding principal amount); the City's \$895,000 General Obligation Street Reconstruction Bonds, Series 2017A (\$640,000 outstanding principal amount); and the City's \$1,175,000 General Obligation Street Reconstruction Bonds, Series 2018A (\$965,000 outstanding principal amount), as they are subject to the debt limit.

OVERLAPPING DEBT¹

Taxing District	2020/21 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt²	City's Proportionate Share
Anoka County	\$ 453,476,406	7.2999%	\$49,315,000	\$ 3,599,946
I.S.D. No. 11 (Anoka-Hennepin)	301,895,093	9.8180%	251,620,000 ³	24,704,052
I.S.D. No. 728 (Elk River)	100,690,423	3.4395%	302,775,000 ³	10,413,946
Metropolitan Council	4,884,505,255	0.6777%	193,320,000 ⁴	1,310,130
City's Share of Total Overlapping Debt				<u>\$40,028,073</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 (\$3,284,612,052)	Debt/ Current Population Estimate (27,646)
Direct G.O. Debt Secured By:			
Special Assessments & Taxes	\$ 4,740,000		
Taxes*	<u>24,285,000</u>		
Total Tax Supported General Obligation Debt (includes the Bonds)*	\$29,025,000	0.88%	\$1,049.88
City's Share of Total Overlapping Debt	<u>\$40,028,073</u>	<u>1.22%</u>	<u>\$1,447.88</u>
Total*	<u><u>\$69,053,073</u></u>	<u><u>2.10%</u></u>	<u><u>\$2,497.76</u></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.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date ²	% Collected
2016/17	\$10,476,168	\$10,408,224	\$10,471,073	99.95%
2017/18	11,371,628	11,312,572	11,357,798	99.88%
2018/19	11,829,010	11,734,045	11,778,017	99.57%
2019/20	12,506,729	12,397,083	12,397,083	99.12%
2020/21	13,007,037	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 December 31, 2020.

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

TAX CAPACITY RATES¹

	2016/17	2017/18	2018/19	2019/20	2020/21
Anoka County w/Library	36.841%	35.334%	34.473%	33.078%	31.086%
Anoka County w/City Radio	0.432%	0.486%	0.435%	0.405%	0.383%
City of Ramsey	42.454%	41.730%	40.355%	39.592%	39.251%
I.S.D. No. 11 (Anoka-Hennepin)	18.590%	18.392%	16.330%	16.948%	16.152%
I.S.D. No. 728 (Elk River)	36.659%	36.137%	32.865%	34.371%	31.717%
Metropolitan Council	0.866%	0.841%	0.627%	0.596%	0.645%
Metropolitan Mosquito	0.467%	0.453%	0.415%	0.398%	0.387%
Metropolitan Transit District	1.416%	1.362%	1.388%	1.360%	1.248%
Anoka County RRA	0.802%	0.738%	0.685%	0.494%	0.481%
Anoka County HRA	1.536%	1.508%	1.504%	1.513%	1.573%

Referendum Market Value Rates:

I.S.D. No. 11 (Anoka-Hennepin)	0.21561%	0.25862%	0.26028%	0.24352%	0.23694%
I.S.D. No. 728 (Elk River)	0.19373%	0.19422%	0.19430%	0.29961%	0.30598%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Anoka 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 1974. The City operates under a home rule charter form of government consisting of a seven-member City Council of which the Mayor is a voting member. The City Administrator and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 85 full-time, 11 part-time, and 15 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
AFSCME	December 31, 2021
LELS Patrol Officers	December 31, 2021
LELS Sergeants	December 31, 2021
LELS Captains	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 \$461,540 as of December 31, 2020. 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 July 31, 2021)

Fund	Total Cash and Investments
General	\$ 7,612,499
Special Revenue	12,053,144
Debt Service	2,398,616
Capital Projects	24,422,922
Enterprise Funds	44,761,364
Internal Service	452,728
Developer Escrow	2,301,561
Total Funds on Hand	<u><u>\$94,002,834</u></u>

ENTERPRISE FUNDS

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

	2018	2019	2020
Water			
Total Operating Revenues	\$3,484,687	\$ 2,138,209	\$2,541,651
Less: Operating Expenses	<u>(1,590,737)</u>	<u>(1,481,163)</u>	<u>(1,657,356)</u>
Operating Income	\$1,893,950	\$ 657,046	\$ 884,295
Plus: Depreciation	<u>706,447</u>	<u>727,864</u>	<u>755,660</u>
Revenues Available for Debt Service	<u><u>\$2,600,397</u></u>	<u><u>\$ 1,384,910</u></u>	<u><u>\$1,639,955</u></u>
Sewer			
Total Operating Revenues	\$2,182,944	\$ 1,672,072	\$1,714,469
Less: Operating Expenses	<u>(1,523,670)</u>	<u>(1,628,839)</u>	<u>(1,723,238)</u>
Operating Income	\$ 659,274	\$ 43,233	\$ (8,769)
Plus: Depreciation	<u>523,140</u>	<u>528,995</u>	<u>554,914</u>
Revenues Available for Debt Service	<u><u>\$1,182,414</u></u>	<u><u>\$ 572,228</u></u>	<u><u>\$ 546,145</u></u>
Street Light			
Total Operating Revenues	\$ 211,360	\$ 217,169	\$ 216,545
Less: Operating Expenses	<u>(160,952)</u>	<u>(171,619)</u>	<u>(169,463)</u>
Operating Income	\$ 50,408	\$ 45,550	\$ 47,082
Plus: Depreciation	<u>40,125</u>	<u>40,008</u>	<u>37,437</u>
Revenues Available for Debt Service	<u><u>\$ 90,533</u></u>	<u><u>\$ 85,558</u></u>	<u><u>\$ 84,519</u></u>
Recycling			
Total Operating Revenues	\$ 317,090	\$ 319,940	\$ 319,664
Less: Operating Expenses	<u>(380,055)</u>	<u>(380,192)</u>	<u>(366,764)</u>
Operating Income	\$ (62,965)	\$ (60,252)	\$ (47,100)
Plus: Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>\$ (62,965)</u></u>	<u><u>\$ (60,252)</u></u>	<u><u>\$ (47,100)</u></u>
Storm Water			
Total Operating Revenues	\$1,057,705	\$ 1,168,494	\$1,164,868
Less: Operating Expenses	<u>(573,878)</u>	<u>(588,224)</u>	<u>(777,252)</u>
Operating Income	\$ 483,827	\$ 580,270	\$ 387,616
Plus: Depreciation	<u>310,649</u>	<u>316,122</u>	<u>338,921</u>
Revenues Available for Debt Service	<u><u>\$ 794,476</u></u>	<u><u>\$ 896,392</u></u>	<u><u>\$ 726,537</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 2020 audited financial statements.

	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Adopted Budget 1)
COMBINED STATEMENT					
Revenues					
Property taxes	\$8,594,143	\$9,411,418	\$9,902,811	\$10,578,482	\$11,109,848
Fees, licenses and permits	732,129	1,031,944	901,222	850,504	629,800
Intergovernmental	375,045	418,106	442,366	2,679,428	433,800
Charges for services	711,805	815,127	790,112	731,937	621,500
Fines and forfeitures	59,701	46,651	49,479	34,735	45,500
Investment earnings	88,753	111,849	202,865	213,601	100,000
Miscellaneous	21,726	21,873	16,637	12,861	20,700
Total Revenues	\$10,583,302	\$11,856,968	\$12,305,492	\$15,101,548	\$12,961,148
Expenditures					
Current:					
General government	3,009,414	3,292,680	3,386,029	3,782,634	3,685,946
Public safety	4,499,681	4,788,902	5,244,827	5,928,188	5,951,740
Highways and streets	1,702,747	1,756,372	1,827,573	2,009,196	2,188,999
Culture and recreation	1,019,376	1,190,099	1,266,338	1,355,711	1,360,090
Capital outlay	186,663	675,321	628,835	497,057	1,090,200
Debt service	75,891	61,853	61,853	0	0
Total Expenditures	\$10,493,772	\$11,765,227	\$12,415,455	\$13,572,786	\$14,276,975
Excess of revenues over (under) expenditures	\$89,530	\$91,741	(\$109,963)	\$1,528,762	(\$1,315,827)
Other Financing Sources (Uses)					
Transfers in	\$762,812	\$936,451	\$903,354	\$706,049	1,422,200
Transfers (out)	(457,117)	(450,683)	(403,072)	(1,025,204)	(106,373)
Total Other Financing Sources (Uses)	305,695	485,768	500,282	(319,155)	1,315,827
Net changes in Fund Balances	\$395,225	\$577,509	\$390,319	\$1,209,607	\$0
General Fund Balance January 1	\$7,517,393	\$7,912,618	\$8,490,127	\$8,880,446	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$7,912,618	\$8,490,127	\$8,880,446	\$10,090,053	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$12,393	\$21,335	\$23,640	\$16,849	
Unassigned	7,900,225	8,468,792	8,856,806	10,073,204	
Total	\$7,912,618	\$8,490,127	\$8,880,446	\$10,090,053	

2) The 2021 Budget was adopted on December 8, 2020.

GENERAL INFORMATION

LOCATION

The City of Ramsey, with a 2010 U.S. Census population of 23,668, and a current population estimate of 27,646, and comprising an area of 28.8 square miles, is located approximately 20 miles north of the City of Minneapolis.

LARGER EMPLOYERS¹

Larger employers in the City of Ramsey include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Life Fitness	Fitness equipment manufacturing	460
Connexus Energy	Utility	250
Hoya ²	Optical goods-manufacturing	230
Anderson Dahlen, Inc.	Steel manufacturing for food service industry	230
I.S.D. No. 11 (Anoka-Hennepin)	Elementary and secondary education	225 ³
Showdown Displays	Sign manufacturing	153
Diamond Graphics Inc.	Graphic designers	150
Coborn's Superstore	Grocery store	130
City of Ramsey	Municipal government and services	111
RJM Enterprises	Beverage distribution	100
One Hour Heating & Air Cond	Heating contractors	100
Ham Lake Haulers, Inc.	Garbage service	75

Source: *Data Axle Reference Solutions, written and telephone survey (August 2021), 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 Previously known as Vision-Ease Lens.

³ Includes employees within the City limits.

BUILDING PERMITS

	2017	2018	2019	2020	2021 ¹
<u>New Single Family Homes</u>					
No. of building permits	149	138	134	156	109
Valuation	\$32,259,356	\$34,024,861	\$32,536,000	\$37,252,000	\$27,269,500
<u>New Multiple Family Buildings</u>					
No. of building permits	1	1	1	4	3
Valuation	\$9,250,000	\$21,260,772	\$12,786,000	\$3,818,000	\$3,001,000
<u>New Commercial/Industrial</u>					
No. of building permits	3	5	7	1	2
Valuation	\$37,486,592	\$58,051,882	\$36,615,000	\$5,573,000	\$4,885,927
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	2,423	2,681	3,318	3,625	2,315
Valuation	\$74,525,523	\$10,972,905	\$109,437,471	\$55,865,240	\$41,916,829

Source: The City.

¹ As of August 25, 2021.

U.S. CENSUS DATA

Population Trend: The City

2000 U.S. Census population	18,490
2010 U.S. Census population	23,668
2020 Metropolitan Council's Estimate	27,646
Percent of Change 2000 - 2010	+ 28.00%

Income and Age Statistics

	The City	Anoka County	State of Minnesota	United States
2019 per capita income	\$38,492	\$36,978	\$37,625	\$34,103
2019 median household income	\$95,014	\$82,175	\$71,306	\$62,843
2019 median family income	\$102,342	\$95,429	\$89,842	\$77,263
2019 median gross rent	\$1,399	\$1,118	\$977	\$1,062
2019 median value owner occupied units	\$251,900	\$232,400	\$223,900	\$217,500
2019 median age	35.8 yrs.	38.5 yrs.	38.0 yrs.	38.1 yrs.

	State of Minnesota	United States
City % of 2019 per capita income	102.30%	112.87%
City % of 2019 median family income	113.91%	132.46%

Housing Statistics

	<u>The City</u>		Percent of Change
	2010	2019	
All Housing Units	5,971	8,302	39.04%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>) and 2020 Preliminary Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Anoka County		Anoka County	State of Minnesota
2017	188,873		3.3%	3.4%
2018	191,154		2.8%	3.0%
2019	192,712		3.1%	3.2%
2020	184,703		6.0%	6.2%
2021, July	188,343		3.5%	3.4%

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.

CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

Comprehensive Annual Financial Report
For Year Ended
December 31, 2020

Prepared by
Finance Department

Diana Lund
Finance Director

and

Angela McIntire
Assistant Finance Director

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CITY OF RAMSEY
ANOKA COUNTY, MINNESOTA

City Council and Other Officials
Year Ended December 31, 2020

CITY COUNCIL

John LeTourneau
Mark Kuzma
Jeff Menth
Debra Musgrove
Chris Riley
Dan Specht
Vacant

Mayor
Councilmember
Councilmember
Councilmember
Councilmember
Councilmember
Councilmember

INTRODUCTORY SECTION

CITY OFFICIALS

Kurt Ulrich

City Administrator

DEPARTMENT HEADS

Timothy Gladhill
Matthew Kohner
Jeff Katers
Diana Lund
Grant Riemer
Bruce Westby
Colleen Lasher

Deputy City Administrator/
Community Development Director
Fire Chief/
Emergency Management Director
Police Chief
Finance Director
Public Works Superintendent
City Engineer
Administrative Services Director



7550 Sunwood Drive NW • Ramsey, Minnesota 55303
 City Hall: 763-427-1410 • Fax: 763-427-5543
 www.cityoframsey.com

May 18, 2021

Honorable Mayor and Members of the City Council
 City of Ramsey, Minnesota

The comprehensive annual financial report of the City of Ramsey, Minnesota (the City) for the fiscal year ended December 31, 2020 is hereby submitted. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Minnesota Statutes and the City Charter require an annual audit of all accounts, financial records, and transactions of the City by independent certified public accountants. The accompanying financial statements have been audited by the firm of Malloy, Montague, Karmowski, Radosevich & Co., P.A., Independent Certified Public Accountants. The firm is engaged by the City Council to render an opinion on the City's financial statements in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion has been issued. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

Ramsey is located in the southwestern part of Anoka County and is situated approximately 25 miles from Minneapolis. The City has 28.8 square miles within its corporate boundaries and is bordered by two major rivers, the Mississippi River along the southern border and the Rum River along the east.

Ramsey was incorporated as a city in 1974, and is organized as a Home Rule City under a City Charter originally adopted in 1984. The City Council consists of a Mayor and six Councilmembers, and is elected at large on a nonpartisan basis. Elections are held in November of each even numbered year. The terms of office are four years for the Mayor and four years for Councilmembers. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, and appointing the City Administrator, City Attorney, and members of the various advisory boards and commissions. Because the City Council acts as the Board of Directors of the Ramsey Economic Development Authority (EDA) this organization is included as a blended component unit in these financial statements.

Goals/Imperatives

Financial Stability

Ensure strategic economic development that complements the City's desired quality of life and build a stable tax base, all while maintaining a low tax levy

A Balance of Rural Character & Urban Growth

Continue to respect the balance and connectivity between our unique urban, rural, and natural environment for current and future generations.

An Active & Connected Community

Ensure that the City is a connected City that is part of a comprehensive regional transportation system that enables all to easily navigate the community and attracts business development

Smart, Citizen-Focused Government

Continue the delivery of quality services to ensure the City will have safe and thriving neighborhoods and business districts, and a clean environment

An Effective Organization

Maintain a highly functional staff, citizen volunteers, and elected officials and governance structure that meets the ever-changing, increasing needs of the organization.

Measures of Success

In order to achieve its mission, the City must be accountable. The City defined what success will look like:

The City will look at a "Balanced Scorecard" of financial, internal, external and stakeholder metrics in order to measure success

The City will regularly measure and assess stakeholder satisfaction

The City leadership and staff will hold themselves accountable for results

The City will regularly report back to stakeholders about progress toward results

Core Values

Ethics and Integrity

Fiscal Responsibility

Cooperation and Teamwork

Open and Honest Communications

Excellence and Quality in the Delivery of Service

Treating People with Respect and Fairness

Adaptability and Continuous Learning

The City provides a variety of municipal services. These include a full-time police department, a volunteer fire department, engineering services, street and park maintenance, building inspections, planning, and zoning, public improvements, general administrative services, and public water and sewer utilities in the urban service areas.

The City adopts an annual budget for the General Fund and the EDA Special Revenue Fund. Legal level of control is at the function level. Department heads may transfer resources within a department as they see fit. Transfers between functions, however, need special approval from the City Council.

LOCAL ECONOMY

The City has an unemployment rate of 4.4% in comparison to the state average of 4.9%. Ramsey has an employed labor force of 15,247. Anoka County, in which Ramsey is located, has an employed labor force of 191,964 and an unemployment rate of 4.8%.

There are approximately 7,145 detached single-family homes and 2,498 multifamily units located within the City. In addition, there were 200 single-family homes constructed in 2020. Delta Mod Tech was constructed adding 230,000 square feet of new industrial space in Ramsey. An additional 115,000 square feet of industrial space was added to existing industrial businesses in 2020. Suite Living, a 33-unit assisted living and memory care facility and The Sapphire - a 118-unit market-rate apartment both opened their doors in 2020.

Five hundred and fifty-two businesses call Ramsey home; those businesses employ nearly 7,000 people.

The city began the construction on a new 92,300 square foot public works campus in the fall of 2020. When completed, the campus will house all operations of streets, park and utilities. Opening is scheduled for fall 2021.

The City has two major industrial districts containing multiple business parks with a combined capacity of 320 acres and 23 businesses. A 115-acre business park, west of Armstrong Boulevard, began construction in 2017. The business park is estimated to generate about two million dollars in total annual property taxes and create about 3,000 jobs. Through 2020, approximately 500 new jobs have been created as a result of this business park. In addition, the city is actively developing a city center known as The COOR (Center of Ramsey). The development vision for this 400 acre area located in the heart of Ramsey is for it to become the region's center of retail, restaurants, service and office space, outdoor entertainment and parks, community amenities and housing.

LONG-TERM FINANCIAL PLANNING

The City of Ramsey prepares a ten-year capital improvement plan in an attempt to anticipate major capital expenditures in advance of the year in which they are budgeted.

The City has a policy to maintain unrestricted General Fund balance in an amount equal to 50% of the following years adopted operating budget. This policy is designed to establish a fund balance at a level which is sufficient to avoid issuing debt to meet current operating needs.

RELEVANT FINANCIAL POLICIES

The City has a comprehensive set of financial policies that provide the basic framework for the overall fiscal management of the City. The City had no unusual occurrences affecting these policies.

MAJOR INITIATIVES

The City continued working with the State and County in what is termed the Ramsey Gateway Project. The Ramsey Gateway Project will provide grade separations of US Highway 10/169 and the BNSF Railway. Highway 10 improvements at Sunfish Lake and Ramsey Boulevard are part of the project plan. To date, \$80 million of the \$138 million needed to fund these improvements has been secured.

The City implemented a stable/dedicated funded source for its Pavement Management Program. This funding source was the collection of a franchise fee on all gas and electric customers. It is estimated that \$2 million will be generated annually and to be used strictly for the reconstruction and overlays of road as outlined in the City's Pavement Management Plan.

The City completed a feasibility study of a water treatment facility. Planning is on-going with possible construction of the facility in late fall of 2021.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting (CAEFR) to the City for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the twenty-sixth consecutive year the City has received this prestigious award. Also, the City had previously received the award from 1981 through 1988, after which the City did not participate in the program for several years.

The CAEFR is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the CAEFR Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENT

The 2020 Comprehensive Annual Financial Report of the City meets the highest professional standards and was prepared in a timely and cost-effective manner. This could never have been accomplished without the excellent work of the entire Finance Department. We would like to express our appreciation to the Finance Department and all members of the City's staff who contributed to its preparation.

Respectfully submitted,



Kurt Ulrich
City Administrator



Dianne Lund
Finance Director



Government Finance Officers Association

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

Presented to

**City of Ramsey
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Ramsey, 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 Ramsey, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund 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 and the required supplementary information (RSI), 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 RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
May 18, 2021

CITY OF RAMSEY

Management's Discussion and Analysis
Year Ended December 31, 2020

As management of the City of Ramsey, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. The discussion and analysis is intended to be considered in conjunction with the additional information that we have furnished in our letter of transmittal, located earlier in this report, and the City's financial statements contained within this report.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$194,948,869 (net position).
- Government-wide revenues totaled \$34,025,723 and were \$9,955,750 more than expenses.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$57,821,367, an increase of \$12,500,220 from the prior fiscal year.
- At the end of the current fiscal year the General Fund balance of \$10,090,053 included \$16,849 of nonspendable fund balance and \$10,073,204 of unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other 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 private sector businesses.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows, as applicable, (excluding Fiduciary Funds), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, culture and recreation, and economic development. The business-type activities of the City include enterprises for water, sewer, street light, recycling, and storm water utilities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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. The funds of the City are 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 the 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 Funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between Governmental Funds and governmental activities.

The fund financial statements present information for each Major Governmental Fund in separate columns. Data from the Nonmajor Governmental Funds are combined into a single, aggregated presentation. Individual Fund data for each of these Nonmajor Governmental Funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for the General Fund and the Economic Development Authority Special Revenue Fund. Budget-to-actual comparisons are provided in this financial report for these funds.

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 one Internal Service Fund to accumulate and allocate insurance costs internally among the various city functions. Because the Internal Service Fund is predominantly used by governmental functions, it is included within governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary Funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary Funds are not reflected in the government-wide financial statements because the resources for 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.

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules (presented as supplementary information) referred to earlier in connection with nonmajor governmental funds, which are presented immediately following the basic financial statements.

Further, a statistical section has been included as part of the comprehensive annual financial report to facilitate additional analysis, and is the third and final section of the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$194,948,869 at the close of December 2020. Total net position increased by \$9,955,750 from current year operating results.

By far, the largest portion of the City's net position (56 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the City's net position:

	Summary Statement of Net Position		
	Governmental Activities	Business-Type Activities	Total
	2020	2019	2019
Assets			
Current and other assets	\$ 66,140,545	\$ 51,956,945	\$ 118,097,490
Capital assets, net of depreciation	127,445,977	127,445,977	254,891,954
Total assets	\$ 193,586,522	\$ 179,402,922	\$ 358,478,476
Deferred outflows of resources			
OPEB plan delinquencies	\$ 65,284	\$ 27,297	\$ 92,581
Pension plan delinquencies	2,118,987	2,745,148	4,864,135
Total deferred outflows of resources	\$ 2,184,271	\$ 2,772,445	\$ 4,948,416
Liabilities			
Current and other liabilities	\$ 6,417,782	\$ 4,601,510	\$ 11,019,292
Long-term liabilities	36,493,319	35,307,416	71,800,735
Total liabilities	\$ 42,911,101	\$ 39,908,926	\$ 82,820,037
Deferred inflows of resources			
OPEB plan delinquencies	\$ 365,833	\$ 37,433	\$ 403,266
Pension plan delinquencies	2,103,893	4,043,743	6,147,636
Total deferred inflows of resources	\$ 2,469,726	\$ 4,081,176	\$ 6,551,402
Net position			
Net investment in capital assets	\$ 52,756,077	\$ 44,658,317	\$ 97,414,394
Restricted	18,557,706	21,008,537	39,566,243
Unrestricted	22,699,652	16,759,261	39,458,913
Total net position	\$ 94,013,435	\$ 82,424,115	\$ 176,437,550

The City's financial position is the product of many factors. For example, the determination of the City's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus a liberal approach to depreciation estimates, as well as capitalization policies, will produce a very significant difference in the calculated amounts.

The City has taken a conservative financial approach, carefully analyzing revenues and expenditures/expenses to assure operation of a balanced budget. The ongoing management of revenue and expenditures/expenses has resulted in an upgraded bond rating. The City's AA+ bond rating was reaffirmed by Standard and Poor's (S&P) in December 2020. This has also allowed the City to continue to provide quality public services at a tax rate that is affordable.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

At the end of the current fiscal year, the City 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.

Changes in the City's proportionate share of state-wide pension obligations contributed to the differences in amounts presented as deferred outflows, noncurrent liabilities, and deferred inflows in the previous table. The City also issued debt in the current year to finance a portion of the ongoing construction of a new public works facility, which changed assets, liabilities, and net position components.

The following is a summary of the City's changes in net position:

	Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
	2020	2019	2020
Revenues			
Program revenues			
Charges for services	\$ 2,142,064	\$ 2,878,991	\$ 5,021,055
Operating grants and contributions	603,389	461,826	1,065,215
Capital grants and contributions	4,930,496	3,434,344	8,364,840
General revenues	13,744,948	12,804,388	26,549,336
Property taxes	423,045	-	423,045
Fines/fees	2,053,933	5,617	2,059,550
General grants and contributions	1,035,274	1,122,573	2,157,847
Investment earnings	2,372	8,428	10,800
Gain on sale of capital assets	24,935,521	20,806,167	45,741,688
Total revenues	\$ 49,673,992	\$ 47,725,295	\$ 96,399,287
Expenses			
General government	\$ 6,440,679	\$ 5,139,352	\$ 11,580,031
Public safety	6,466,397	5,844,265	12,310,662
Highways and streets	4,028,294	4,442,720	8,471,014
Culture and recreation	1,917,228	1,756,810	3,674,038
Economic development	481,858	-	481,858
Interest and fiscal charges	839,444	845,651	1,685,095
Water utility	1,657,356	1,483,584	3,140,940
Waste utility	1,723,238	1,631,260	3,354,498
Street light utility	169,463	171,619	341,082
Recycling utility	366,764	380,192	746,956
Storm water utility	772,552	596,645	1,369,197
Total expenses	\$ 33,409,997	\$ 32,727,936	\$ 66,137,933
Change in net position before transfers	\$ 16,263,995	\$ 15,000,000	\$ 31,263,995
Transfers	6,229,699	(906,494)	5,323,205
Change in net position	\$ 22,493,694	\$ 14,093,506	\$ 36,587,200
Net position - beginning	\$ 82,424,115	\$ 80,152,240	\$ 162,576,355
Net position - ending	\$ 94,917,809	\$ 94,245,746	\$ 199,163,550

Governmental Activities – Governmental activities account for an \$11,789,320 increase in the City's net position. Charges for services decreased by \$736,927 to reflect the decrease in park dedication fees collected. Capital grants and contributions increased by \$1,496,152 due to the City being reimbursed for a major road project – Varfolie Street Reconstruction in 2020.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Investment earnings decreased \$87,299. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings. Property tax collections saw an increase of \$850,560 or 7% which was attributed to the city increasing their 2020 tax levy by almost 6% over the 2019 adopted levy. The city implemented franchise fees in October 2020, generating a one-quarter franchise fee collection of \$423,045. General grants and contributions increased \$2,048,316 which was attributed to the city receiving Coronavirus Relief Funds. Transfers in the amount of \$6,229,699 was attributed to funding for the new public works campus from the Water Utility, Sewer Utility, Street Light Utility and Storm Water Utility.

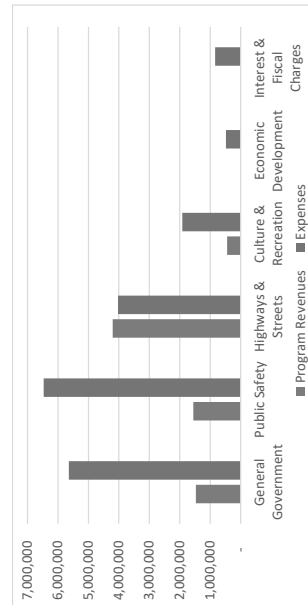
The general government function experienced a \$501,327 expense increase due largely to Covid pandemic expenses. An increase in personnel costs in the police and fire departments contributed to the \$624,132 increase in public safety. Highways and streets expense decreased by \$414,426 due to reduced spending for road improvements in 2020. The economic development function was added in 2020 to record the \$481,858 write-down to fair value for land held for resale in the COR area.

Business-Type Activities – Business-type activities, which are the City’s utility operations of water, sewer, street light, recycling, and storm water, decreased the City’s net position by \$1,833,570. Key elements of this decrease are as follows.

- Revenues exceeded expenses before transfers by \$4,396,129, with this excess decreasing \$988,751 from the prior year.
- Charges for services increased \$441,313 from the prior year. This is primarily due to an increase in utility rates.
- Capital grants and contributions decreased by \$912,872 from the prior year. This is primarily due to a reduction in capital contributions from developers for water and sewer utility improvements.
- Investment earnings decreased \$70,323. The city is required per the Governmental Accounting Standards Board to reflect most investments at fair value as of December 31st of the current year. The city reflects any changes in fair value against interest earnings.
- Transfers out in the amount of \$6,229,699 was attributed to funding for the new public works campus.

Governmental Activities – The following graph illustrates the City’s governmental activities:

Expenses and Program Revenues – Governmental Activities

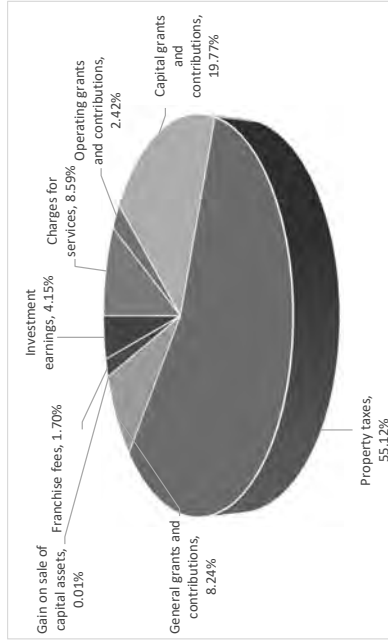


The graph clearly reflects the need for property taxes to supplement the governmental activities of the City. The trend of property taxes shows an increasing reliance on this source of revenue.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

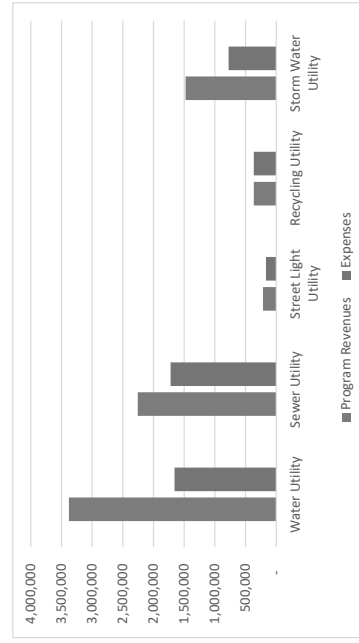
Governmental Activities – The following chart illustrates the City’s governmental activities revenues:

Revenue by Source – Governmental Activities



Business-Type Activities – The following graph illustrate the City’s business-type activities:

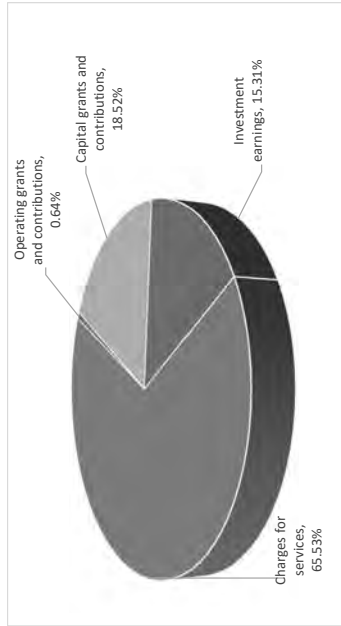
Expenses and Program Revenues – Business-Type Activities



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities – The following graph illustrate the City’s business-type activities revenues:

Revenues By Source – Business-Type Activities



Charges for services (65.53%) and Capital grants and contributions (18.52%) are the main sources of revenue for the business-type activities, which represent the Utility Funds.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental Funds – At the end of the fiscal year, the City’s Governmental Funds reported combined ending fund balances of \$57,821,367, an increase of \$12,500,220 in comparison with the prior year. The General Fund reported a fund balance increase of \$1,209,607 in the current year. The increase is attributed to the City’s fund balance policy which states that ending fund balance shall be equal to fifty percent (50%) of the next years adopted operating budget, plus prior-year encumbrances (if any) plus compensated absences.

General Fund – The General Fund operating results can be summarized as follows:

	Original Budget	Final Budget	Actual	Over (Under) Final Budget	% Over (Under) Budget
Revenue	\$ 12,507,589	\$ 12,507,589	\$ 15,101,548	\$ 2,593,959	20.74%
Expenditures	13,303,589	13,303,589	13,572,786	2,669,197	2.02%
Excess (deficiency) of revenue over expenditures	(796,000)	(796,000)	1,528,762	2,324,762	
Other financing sources (uses)	796,000	796,000	(319,155)	(1,115,155)	
Net change in fund balances	\$	\$	1,209,607	\$ 1,209,607	
Fund balances					
Beginning of year			8,880,446		
End of year			\$ 10,090,053		

FINANCIAL ANALYSIS OF THE CITY’S FUNDS (CONTINUED)

General Fund Budgetary Highlights

The city does not formally amend its original budget during the calendar year except for extraordinary circumstances. Budget to actual reports are reported monthly to City Council and responsible staff.

The city experienced a favorable revenue variance in that actual revenues exceeded budgeted revenues by \$2,593,959. The majority of the variance was attributed to the Coronavirus Relief Funds received.

The difference between the final expenditure budget and actual was a difference of \$269,197 and is attributed to the COVID-19 expenditures that occurred due to the pandemic.

Overall fund balance increased by \$1,209,607 to an ending fund balance of \$10,090,053. The city’s ending fund balance increase of \$1,209,607 is determined by its fund balance policy which for year ending 2020 is summarized as follows:

- \$539,880 increase based on 50% increase in next years adopted budget
- \$524,564 increase in prior year encumbrances related to public safety personnel costs, worker’s compensation, general liabilities and capital maintenance transfer
- \$145,163 increase in compensated absences liability

Tax Increment Fund – This Special Revenue Fund had a year-end fund balance of \$5,308,619 which reflects an increase of \$459,445 from 2019. The increase was due to additional property tax increments received for the current year.

COR Land Fund – This Special Revenue Fund had a reduction in fund balance of \$481,858 due to a write down in land held for resale to reflect current market conditions. The year-end fund balance was \$8,148,079.

Private Developer Fund – This Special Revenue Fund was previously reported as an Agency fund in years prior to 2019. There is no fund balance recorded for 2020.

2011A Armstrong/Bunker Bond Fund – This Debt Service Fund had a year-end fund balance of \$0. This debt issue was paid off early and retired in 2020.

Public Improvement Revolving Fund – This Capital Project Fund saw an overall increase in fund balance of \$532,192, with revenues and other financing sources exceeding expenditures and other financing uses in the current year.

Public Works Campus Fund – This Capital Project Fund was established in 2020 and had a year-end fund balance of \$13,133,106. The ending fund balance was an accumulation of transfers from the utility funds and bond proceeds that will be used to construct the new public works campus.

Proprietary Funds – The City’s Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. The City’s Enterprise Funds had a combined net position balance of \$100,735,434 at December 31, 2020. The financial activities of these funds have been summarized in previous charts within this discussion. The City’s Internal Service Fund had an ending net position of \$481,851.

The Enterprise Funds consist of the Water Utility Fund, Sewer Utility Fund, Street Light Utility Fund, Recycling Utility Fund, and Storm Water Utility Fund.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets – The City’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2020 are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Capital Assets - Not Depreciated	\$ 14,002,341	\$ 7,565,372	\$ 1,506,096	\$ 2,169,011	\$ 15,508,437	\$ 9,734,383
Capital Assets - Depreciated	57,273,115	59,217,945	54,660,825	53,406,200	111,933,940	112,624,145
Total capital assets, net of depreciation	<u>\$ 71,275,456</u>	<u>\$ 66,783,317</u>	<u>\$ 56,166,921</u>	<u>\$ 55,575,211</u>	<u>\$ 127,442,377</u>	<u>\$ 122,358,528</u>
Depreciation expense	\$ 3,618,521	\$ 3,556,745	\$ 1,686,932	\$ 1,612,989	\$ 5,305,453	\$ 5,169,734

The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to approximately \$127 million (net of accumulated depreciation).

The governmental activities show a net increase of \$4,492,139 in capital assets attributable to the construction of the public works campus. Business-type activities show a net increase of \$591,710 in capital assets. The increase is attributable to developer contributions to the City’s utility system as part of their private developments. Additional details of capital asset activity for the year can be found in Note 4 of the notes to basic financial statements.

Long-Term Liabilities – The Debt Service Funds account for the accumulation of resources to finance all of the City’s governmental activity general obligation bonds. The revenue sources for these funds include annual tax levies and special assessments. At year-end, fund balance was \$1,422,444 restricted for debt service.

The following table summarizes the City’s long-term liabilities:

	2020	2019
Governmental Activities		
COI improvement bonds	\$ 28,325,000	\$ 23,165,000
Capital equipment certificates	575,000	725,000
Compensated absences payable	1,093,863	948,700
Net pension liability	6,043,916	4,867,794
Total OPEB liability	<u>461,540</u>	<u>699,412</u>
Subtotal	<u>36,499,319</u>	<u>30,405,906</u>
Business-Type Activities		
Net pension liability	509,015	544,044
Total	<u>\$ 37,008,334</u>	<u>\$ 30,949,950</u>

During the current fiscal year, the City saw an increase of \$5,010,000 in bonds and certificates. The City had one debt issuance during the current year. The series 2020A, were \$9,055,000 General Obligation Capital Improvement Plan Bonds used to finance the construction of the new public works campus. Due to higher wages and employees retaining larger balances at year end, the compensated absence liability increased by \$145,163. Net pension liability saw an increase of \$1,141,093 to reflect the change in the City’s proportionate share of the state-wide PERA pension plan obligation. Other Post-Employment Benefits (OPEB) decreased \$237,872 due to the annual OPEB contributions exceeding costs as actuarially determined with the parameters of GASB Statement No. 75.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total assessed valuation. The current legal debt margin for the City is \$58,243,785.

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

The City has sufficient funds on hand to make all required bond payments, and anticipates an ongoing stream of revenue to make future bond payments.

Additional details of the long-term debt activity for the year can be found in Note 5 of the notes to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The unemployment rate for the City of Ramsey is currently 4.4%, which is an increase from a rate of 3.2% a year ago. The state of Minnesota shows an average unemployment rate of 4.9%, whereas, nationally the unemployment rate is 6.5%.
- The number of foreclosures in the City of Ramsey decreased from 32 units in 2019 to 5 in 2020. Due to the Covid-19 pandemic, there has been a moratorium on foreclosures and evictions.
- Inflationary trends in the region compare favorably to national indices.
- The COVID-19 pandemic caused substantial volatility in the economy and changes to the City’s operations in 2020, and is expected to continue to impact the City’s finances and operations in fiscal 2021 and beyond. Significant uncertainty remains about the breadth and duration of the pandemic. At this time, the City is unable to determine what effect this may have on its future financial condition.

All of these factors were considered in preparing the City of Ramsey’s budget for the 2021 fiscal year.

The water and recycling utility rates were increased for the 2021 budget year. The water utility, which has a tiered rate structure, will increase by an average of 2.5% for all customers. The recycling utility, which has a flat rate structure and charges residential accounts only, will see an increase of 35%. The city contracts with Ace to provide recycling service throughout the city. The recycling rate had not been increased since 2008. The increased rates are to not only offset current maintenance costs and depreciation, but to help finance future utility improvements that are documented in the City’s ten-year Capital Improvement Plan.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional information should be addressed by writing to the City of Ramsey, 7550 Sunwood Drive Northwest, Ramsey, MN 55303 or by calling (763) 427-1410.

CITY OF RAMSEY

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and temporary investments	\$ 55,755,985	\$ 42,662,308	\$ 98,418,293
Receivables			
Unremitted taxes	366,613	-	366,613
Delinquent taxes	181,791	-	181,791
Unremitted special assessments	4,688	-	4,688
Delinquent special assessments	2,836	18,443	21,279
Deferred special assessments	1,264,769	214,256	1,479,025
Accounts	470,728	1,487,600	1,958,328
Interest	240,098	-	240,098
Internal balances	(789,473)	789,473	-
Due from other governmental units	22,338	24,964	47,302
Prepays	17,144	70,748	87,892
Land held for resale	8,603,028	-	8,603,028
Capital assets			
Not depreciated	14,002,341	1,506,096	15,508,437
Depreciated	57,273,115	54,660,825	111,933,940
Total capital assets, net of depreciation	<u>71,275,456</u>	<u>56,166,921</u>	<u>127,442,377</u>
Total assets	137,416,001	101,434,713	238,850,714
Deferred outflows of resources			
OPEB plan deferments	65,284	-	65,284
Pension plan deferments	2,118,987	62,276	2,181,263
Total deferred outflows of resources	<u>2,184,271</u>	<u>62,276</u>	<u>2,246,547</u>
Total assets and deferred outflows of resources	<u>\$ 139,600,272</u>	<u>\$ 101,496,989</u>	<u>\$ 241,097,261</u>
Liabilities			
Accounts and contracts payable	\$ 2,140,470	\$ 119,850	\$ 2,260,320
Salaries and benefits payable	302,216	-	302,216
Accrued interest payable	29,861	-	29,861
Deposits payable	3,940,242	-	3,940,242
Due to other governmental units	5,003	57,459	62,462
Unearned revenue	-	49,396	49,396
Long-term liabilities			
Due within one year	2,641,011	-	2,641,011
Due in more than one year	33,858,308	509,015	34,367,323
Total long-term liabilities	<u>36,499,319</u>	<u>509,015</u>	<u>37,008,334</u>
Total liabilities	42,917,111	735,720	43,652,831
Deferred inflows of resources			
OPEB plan deferments	365,833	-	365,833
Pension plan deferments	2,103,893	25,835	2,129,728
Total deferred inflows of resources	<u>2,469,726</u>	<u>25,835</u>	<u>2,495,561</u>
Net Position			
Net investment in capital assets	52,756,077	56,166,921	108,922,998
Restricted for			
Road improvements	1,932,311	-	1,932,311
Debt service	1,747,835	-	1,747,835
Economic development	1,443,838	-	1,443,838
Housing and redevelopment	8,148,079	-	8,148,079
Recreation/community programs	322,320	-	322,320
Law enforcement programs	47,346	-	47,346
Tax increment	5,315,977	-	5,315,977
Unrestricted	22,499,652	44,568,513	67,068,165
Total net position	<u>94,213,435</u>	<u>100,735,434</u>	<u>194,948,869</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 139,600,272</u>	<u>\$ 101,496,989</u>	<u>\$ 241,097,261</u>

See notes to basic financial statements

CITY OF RAMSEY

Balance Sheet
Governmental Funds
December 31, 2020

	Special Revenue Funds				Debt Service Funds
	General	Tax Increment	COR Land	Private Developer	2011A Armstrong/Bunker Bond
Assets					
Cash and temporary investments	\$ 10,098,653	\$ 5,384,086	\$ -	\$ 3,749,435	\$ -
Receivables					
Unremitted taxes	266,115	54,626	-	-	-
Delinquent taxes	147,509	7,358	-	-	-
Unremitted special assessments	-	-	-	-	-
Delinquent special assessments	-	-	-	-	-
Deferred special assessments	-	-	-	-	-
Accounts	16,298	-	-	35,621	-
Interest	240,098	-	-	-	-
Due from other governmental units	12,774	-	-	-	-
Due from other funds	-	-	-	-	-
Prepays	16,849	-	-	-	-
Land held for resale	-	-	8,603,028	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 10,798,296	\$ 5,446,070	\$ 8,603,028	\$ 3,785,056	\$ -
Liabilities					
Accounts and contracts payable	\$ 94,964	\$ 87	\$ -	\$ 4,268	\$ -
Salaries and benefits payable	302,216	-	-	-	-
Deposits payable	159,500	-	-	3,780,742	-
Due to other governmental units	4,054	-	-	46	-
Due to other funds	-	30,000	-	-	-
Advances from other funds	-	100,006	454,949	-	-
Total liabilities	560,734	130,093	454,949	3,785,056	-
Deferred inflows of resources					
Unavailable revenue - property taxes	147,509	7,358	-	-	-
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	147,509	7,358	-	-	-
Fund balances					
Nonspendable	16,849	-	-	-	-
Restricted	-	5,308,619	8,148,079	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	10,073,204	-	-	-	-
Total fund balances	10,090,053	5,308,619	8,148,079	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,798,296	\$ 5,446,070	\$ 8,603,028	\$ 3,785,056	\$ -

See notes to basic financial statements

<u>Capital Project Funds</u>			
<u>Public</u>			
<u>Improvement</u>	<u>Public Works</u>		
<u>Revolving</u>	<u>Campus</u>	<u>Nonmajor</u>	<u>Totals</u>
\$ 4,757,831	\$ 14,960,246	\$ 16,323,714	\$ 55,273,965
-	-	45,872	366,613
-	-	26,924	181,791
673	-	4,015	4,688
2,580	-	256	2,836
713,726	-	551,043	1,264,769
-	-	418,809	470,728
-	-	-	240,098
-	-	9,564	22,338
-	-	30,000	30,000
-	-	295	17,144
-	-	-	8,603,028
100,006	-	-	100,006
<u>\$ 5,574,816</u>	<u>\$ 14,960,246</u>	<u>\$ 17,410,492</u>	<u>\$ 66,578,004</u>
\$ -	\$ 1,827,140	\$ 213,842	\$ 2,140,301
-	-	-	302,216
-	-	-	3,940,242
-	-	903	5,003
-	-	-	30,000
-	-	334,524	889,479
-	1,827,140	549,269	7,307,241
-	-	26,924	181,791
716,306	-	551,299	1,267,605
716,306	-	578,223	1,449,396
-	-	295	17,144
-	8,895,621	5,166,347	27,518,666
-	-	1,326,070	1,326,070
4,858,510	4,237,485	9,790,288	18,886,283
-	-	-	10,073,204
4,858,510	13,133,106	16,283,000	57,821,367
<u>\$ 5,574,816</u>	<u>\$ 14,960,246</u>	<u>\$ 17,410,492</u>	<u>\$ 66,578,004</u>

CITY OF RAMSEY

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2020

Total fund balances – Governmental Funds \$ 57,821,367

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in Governmental Funds.

Net book value of capital assets 71,275,456

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bonds and capital equipment certificates	(28,900,000)
Compensated absences payable	(1,093,863)
Net pension liability	(6,043,916)
Total OPEB liability	(461,540)

Certain revenues (including delinquent taxes and special assessments) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.

1,449,396

Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.

(29,861)

Governmental funds do not report certain amounts related to pensions and OPEB:

Deferred outflows of resources for OPEB plan deferments	65,284
Deferred outflows of resources for pension plan deferments	2,118,987
Deferred inflows of resources for OPEB plan deferments	(365,833)
Deferred inflows of resources for pension plan deferments	(2,103,893)

Internal Service Funds are used to manage insurance-related activity. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

481,851

Total net position – governmental activities

\$ 94,213,435

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2020

	Special Revenue Funds				Debt Service Funds
	General	Tax Increment	COR Land	Private Developer	2011A Armstrong/Bunker Bond
Revenue					
Property taxes	\$ 10,578,482	\$ 1,229,175	\$ -	\$ -	\$ -
Franchise fees	-	-	-	-	-
Special assessments	-	-	-	-	-
Licenses and permits	850,504	-	-	-	-
Intergovernmental revenue	2,679,428	-	-	-	575,000
Charges for services	731,937	-	-	-	-
Fines and forfeits	34,735	-	-	-	-
Other revenue					
Investment earnings	213,601	148,188	-	-	-
Miscellaneous	12,861	30,000	-	64,457	-
Total revenue	<u>15,101,548</u>	<u>1,407,363</u>	<u>-</u>	<u>64,457</u>	<u>575,000</u>
Expenditures					
Current					
General government	3,782,634	747,918	-	64,457	-
Public safety	5,928,188	-	-	-	-
Highways and streets	2,009,196	-	-	-	-
Culture and recreation	1,355,711	-	-	-	-
Economic development	-	-	481,858	-	-
Capital outlay	497,057	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	2,180,000
Interest and fiscal charges	-	-	-	-	52,223
Total expenditures	<u>13,572,786</u>	<u>747,918</u>	<u>481,858</u>	<u>64,457</u>	<u>2,232,223</u>
Excess (deficiency) of revenue over expenditures	1,528,762	659,445	(481,858)	-	(1,657,223)
Other financing sources (uses)					
Debt issued	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Proceeds on sale of capital assets	-	-	-	-	-
Transfers in	706,049	-	-	-	302,019
Transfers (out)	(1,025,204)	(200,000)	-	-	-
Total other financing sources (uses)	<u>(319,155)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>302,019</u>
Net change in fund balances	1,209,607	459,445	(481,858)	-	(1,355,204)
Fund balances					
Beginning of year	<u>8,880,446</u>	<u>4,849,174</u>	<u>8,629,937</u>	<u>-</u>	<u>1,355,204</u>
End of year	<u>\$ 10,090,053</u>	<u>\$ 5,308,619</u>	<u>\$ 8,148,079</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements

<u>Capital Project Funds</u>			
<u>Public</u>			
<u>Improvement</u>	<u>Public Works</u>		
<u>Revolving</u>	<u>Campus</u>	<u>Nonmajor</u>	<u>Totals</u>
\$ -	\$ -	\$ 1,874,691	\$ 13,682,348
-	-	423,045	423,045
58,423	-	426,387	484,810
-	-	-	850,504
-	-	2,538,760	5,793,188
-	-	514,441	1,246,378
-	-	-	34,735
149,953	11,347	497,566	1,020,655
21,030	20	714,379	842,747
<u>229,406</u>	<u>11,367</u>	<u>6,989,269</u>	<u>24,378,410</u>
-	1,714	252,570	4,849,293
-	-	39,582	5,967,770
54,325	-	5,306	2,068,827
-	-	121,016	1,476,727
-	-	-	481,858
-	4,194,168	2,715,006	7,406,231
-	-	1,865,000	4,045,000
-	163,447	657,953	873,623
<u>54,325</u>	<u>4,359,329</u>	<u>5,656,433</u>	<u>27,169,329</u>
175,081	(4,347,962)	1,332,836	(2,790,919)
-	9,055,000	-	9,055,000
-	4,068	-	4,068
-	-	2,372	2,372
723,374	8,422,000	1,084,889	11,238,331
(366,263)	-	(3,417,165)	(5,008,632)
<u>357,111</u>	<u>17,481,068</u>	<u>(2,329,904)</u>	<u>15,291,139</u>
532,192	13,133,106	(997,068)	12,500,220
<u>4,326,318</u>	<u>-</u>	<u>17,280,068</u>	<u>45,321,147</u>
<u>\$ 4,858,510</u>	<u>\$ 13,133,106</u>	<u>\$ 16,283,000</u>	<u>\$ 57,821,367</u>

CITY OF RAMSEY

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended December 31, 2020

Total net change in fund balances – Governmental Funds \$ 12,500,220

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	7,406,231
Contributed assets from Internal Service Fund	41,675
Contributed assets from developers	685,427
Disposals	(22,673)
Depreciation expense	(3,618,521)

Issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term liabilities is an expenditure in the Governmental Funds. Neither transaction, however, has any effect on net position.

Issuance of new debt	(9,055,000)
Repayment of principal on long-term debt	4,045,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

30,111

Certain revenues (including delinquent taxes, special assessments, and notes receivable) are included in the change in net position, but are excluded from the change in fund balances until they are available to liquidate liabilities of the current period.

(149,038)

Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in the fund balances.

Governmental activities – compensated absences payable	(145,163)
Governmental activities – pension expense	137,567

Other postemployment benefits reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.

(52,541)

Internal Service Funds are used to charge the cost of certain activities, such as insurance to individual funds. This amount represents the change in net position of the Internal Service Fund, which is reported with governmental activities.

(13,975)

Change in net position – governmental activities \$ 11,789,320

See notes to basic financial statements

CITY OF RAMSEY

Statement of Revenue, Expenditures, and Changes in Fund Balances
 General Fund – Budget and Actual
 Year Ended December 31, 2020

	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final		
Revenue				
Property taxes	\$ 10,625,932	\$ 10,625,932	\$ 10,578,482	\$ (47,450)
Licenses and permits	633,300	633,300	850,504	217,204
Intergovernmental revenue	405,595	405,595	2,679,428	2,273,833
Charges for services	666,162	666,162	731,937	65,775
Fines and forfeits	55,500	55,500	34,735	(20,765)
Other revenue				
Investment earnings	100,000	100,000	213,601	113,601
Miscellaneous	21,100	21,100	12,861	(8,239)
Total revenue	<u>12,507,589</u>	<u>12,507,589</u>	<u>15,101,548</u>	<u>2,593,959</u>
Expenditures				
Current				
General government	3,615,556	3,615,556	3,782,634	167,078
Public safety	5,668,072	5,668,072	5,928,188	260,116
Highways and streets	2,176,741	2,176,741	2,009,196	(167,545)
Culture and recreation	1,265,847	1,265,847	1,355,711	89,864
Capital outlay	471,000	471,000	497,057	26,057
Debt service				
Interest and fiscal charges	106,373	106,373	–	(106,373)
Total expenditures	<u>13,303,589</u>	<u>13,303,589</u>	<u>13,572,786</u>	<u>269,197</u>
Excess (deficiency) of revenue over expenditures	(796,000)	(796,000)	1,528,762	2,324,762
Other financing sources (uses)				
Transfers in	796,000	796,000	706,049	(89,951)
Transfers (out)	–	–	(1,025,204)	(1,025,204)
Total other financing sources (uses)	<u>796,000</u>	<u>796,000</u>	<u>(319,155)</u>	<u>(1,115,155)</u>
Net change in fund balances	<u>\$ –</u>	<u>\$ –</u>	1,209,607	<u>\$ 1,209,607</u>
Fund balances				
Beginning of year			<u>8,880,446</u>	
End of year			<u>\$ 10,090,053</u>	

See notes to basic financial statements

CITY OF RAMSEY

Statement of Net Position
 Proprietary Funds
 December 31, 2020

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Assets			
Current assets			
Cash and temporary investments	\$ 26,136,791	\$ 12,370,277	\$ 1,202,183
Receivables			
Delinquent special assessments	7,868	10,575	–
Deferred special assessments	93,847	120,409	–
Accounts	499,119	498,172	65,072
Due from other governmental units	–	–	–
Prepays	–	70,748	–
Total current assets	<u>26,737,625</u>	<u>13,070,181</u>	<u>1,267,255</u>
Noncurrent assets			
Advances to other Funds	561,998	227,475	–
Capital assets			
Land	868,513	–	–
Buildings and structures	6,058,847	–	–
Improvements other than buildings	–	–	1,135,881
Machinery and equipment	200,424	578,617	–
Water and sewer lines	30,362,803	25,787,537	–
	<u>37,490,587</u>	<u>26,366,154</u>	<u>1,135,881</u>
Less accumulated depreciation	11,793,616	9,271,500	663,561
Net capital assets	<u>25,696,971</u>	<u>17,094,654</u>	<u>472,320</u>
Total noncurrent assets	<u>26,258,969</u>	<u>17,322,129</u>	<u>472,320</u>
Total assets	52,996,594	30,392,310	1,739,575
Deferred Outflows of Resources			
Pension plan deferments	<u>29,062</u>	<u>16,607</u>	<u>–</u>
Total assets and deferred outflows of resources	<u>\$ 53,025,656</u>	<u>\$ 30,408,917</u>	<u>\$ 1,739,575</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 9,249	\$ 3,925	\$ 378
Due to other governmental units	30,139	27,062	244
Unearned revenue	–	48,906	490
Total current liabilities	<u>39,388</u>	<u>79,893</u>	<u>1,112</u>
Noncurrent liabilities			
Net pension liability	<u>237,541</u>	<u>135,736</u>	<u>–</u>
Total liabilities	276,929	215,629	1,112
Deferred Inflows of Resources			
Pension plan deferments	12,057	6,889	–
Net Position			
Investment in capital assets	25,696,971	17,094,654	472,320
Unrestricted	<u>27,039,699</u>	<u>13,091,745</u>	<u>1,266,143</u>
Total net position	<u>52,736,670</u>	<u>30,186,399</u>	<u>1,738,463</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 53,025,656</u>	<u>\$ 30,408,917</u>	<u>\$ 1,739,575</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 312,178	\$ 2,640,879	\$ 42,662,308	\$ 482,020
-	-	18,443	-
-	-	214,256	-
94,340	330,897	1,487,600	-
24,964	-	24,964	-
-	-	70,748	-
<u>431,482</u>	<u>2,971,776</u>	<u>44,478,319</u>	<u>482,020</u>
-	-	789,473	-
-	637,583	1,506,096	-
-	-	6,058,847	-
-	15,519,958	16,655,839	-
-	411,058	1,190,099	-
-	334,378	56,484,718	-
-	16,902,977	81,895,599	-
-	4,000,001	25,728,678	-
-	<u>12,902,976</u>	<u>56,166,921</u>	-
-	12,902,976	56,956,394	-
431,482	15,874,752	101,434,713	482,020
-	16,607	62,276	-
<u>\$ 431,482</u>	<u>\$ 15,891,359</u>	<u>\$ 101,496,989</u>	<u>\$ 482,020</u>
\$ 526	\$ 105,772	\$ 119,850	\$ 169
-	14	57,459	-
-	-	49,396	-
<u>526</u>	<u>105,786</u>	<u>226,705</u>	<u>169</u>
-	135,738	509,015	-
526	241,524	735,720	169
-	6,889	25,835	-
-	12,902,976	56,166,921	-
430,956	2,739,970	44,568,513	481,851
<u>430,956</u>	<u>15,642,946</u>	<u>100,735,434</u>	<u>481,851</u>
<u>\$ 431,482</u>	<u>\$ 15,891,359</u>	<u>\$ 101,496,989</u>	<u>\$ 482,020</u>

CITY OF RAMSEY

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2020

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Operating revenue			
Charges for services	\$ 2,541,651	\$ 1,709,747	\$ 216,545
Sewer access surcharge	–	4,722	–
Other	–	–	–
Total operating revenue	<u>2,541,651</u>	<u>1,714,469</u>	<u>216,545</u>
Operating expenses			
Personal services	364,210	209,340	124
Supplies	192,238	37,346	–
Service charges			
Disposal charges	–	853,599	–
Other	345,248	68,039	131,902
Depreciation	<u>755,660</u>	<u>554,914</u>	<u>37,437</u>
Total operating expenses	<u>1,657,356</u>	<u>1,723,238</u>	<u>169,463</u>
Operating income (loss)	884,295	(8,769)	47,082
Nonoperating revenue (expense)			
Intergovernmental revenue	10,637	364	–
Capital contributions to governmental funds	–	–	–
Investment earnings	<u>820,217</u>	<u>439,183</u>	<u>41,140</u>
Total nonoperating revenue (expense)	<u>830,854</u>	<u>439,547</u>	<u>41,140</u>
Income (loss) before contributions and transfers	1,715,149	430,778	88,222
Capital contributions - developer contributions	435,723	403,642	–
Capital contributions - connection fees	391,699	140,155	–
Transfers in	61,853	–	–
Transfers (out)	<u>(2,781,000)</u>	<u>(2,775,000)</u>	<u>(272,000)</u>
Change in net position	(176,576)	(1,800,425)	(183,778)
Net position			
Beginning of year	<u>52,913,246</u>	<u>31,986,824</u>	<u>1,922,241</u>
End of year	<u>\$ 52,736,670</u>	<u>\$ 30,186,399</u>	<u>\$ 1,738,463</u>

See notes to basic financial statements

<u>Recycling Utility</u>	<u>Storm Water Utility</u>	<u>Totals</u>	<u>Governmental Activities Internal Service</u>
\$ 319,664	\$ 1,164,868	\$ 5,952,475	\$ -
-	-	4,722	-
-	-	-	90,861
<u>319,664</u>	<u>1,164,868</u>	<u>5,957,197</u>	<u>90,861</u>
24,237	238,873	836,784	-
12,394	23,706	265,684	33,331
-	-	853,599	-
330,133	175,752	1,051,074	44,449
-	338,921	1,686,932	-
<u>366,764</u>	<u>777,252</u>	<u>4,694,073</u>	<u>77,780</u>
(47,100)	387,616	1,263,124	13,081
46,500	364	57,865	-
-	-	-	(41,675)
9,331	81,931	1,391,802	14,619
<u>55,831</u>	<u>82,295</u>	<u>1,449,667</u>	<u>(27,056)</u>
8,731	469,911	2,712,791	(13,975)
-	312,119	1,151,484	-
-	-	531,854	-
-	70,448	132,301	-
-	(534,000)	(6,362,000)	-
8,731	318,478	(1,833,570)	(13,975)
<u>422,225</u>	<u>15,324,468</u>	<u>102,569,004</u>	<u>495,826</u>
<u>\$ 430,956</u>	<u>\$ 15,642,946</u>	<u>\$ 100,735,434</u>	<u>\$ 481,851</u>

CITY OF RAMSEY

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2020

	Business-Type Activities – Enterprise Funds		
	Water Utility	Sewer Utility	Street Light Utility
Cash flows from operating activities			
Receipts from customers and users	\$ 2,496,807	\$ 1,728,264	\$ 216,072
Receipts from interfund services provided	–	–	–
Paid to suppliers/service providers	(527,006)	(939,786)	(133,917)
Paid to employees	(386,894)	(190,817)	(124)
Net cash flows from operating activities	<u>1,582,907</u>	<u>597,661</u>	<u>82,031</u>
Cash flows from capital and related financing activities			
Capital assets purchased and contributed to governmental activities	–	–	–
Capital contributions - connection fees	391,699	140,155	–
Transfers (out)	(2,781,000)	(2,775,000)	(272,000)
Acquisition of capital assets	(473,671)	(534,109)	–
Net cash flows from capital and related financing activities	<u>(2,862,972)</u>	<u>(3,168,954)</u>	<u>(272,000)</u>
Cash flows from investing activities			
Interest received on investments	820,217	439,183	41,140
Cash flows from noncapital financing activities			
Transfers in	61,853	–	–
Intergovernmental revenue	10,637	364	–
Repayment of advances to other funds	37,068	–	–
Net cash flows from noncapital financing activities	<u>109,558</u>	<u>364</u>	<u>–</u>
Net increase (decrease) in cash and temporary investments/cash equivalents	(350,290)	(2,131,746)	(148,829)
Cash and temporary investments/cash equivalents			
Beginning of year	<u>26,487,081</u>	<u>14,502,023</u>	<u>1,351,012</u>
End of year	<u>\$ 26,136,791</u>	<u>\$ 12,370,277</u>	<u>\$ 1,202,183</u>
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$ 884,295	\$ (8,769)	\$ 47,082
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	755,660	554,914	37,437
Change in assets, deferred inflows, liabilities and deferred outflows			
Receivables			
Delinquent and deferred special assessments	16,420	5,754	–
Accounts	(61,264)	(5,253)	1,977
Due from other governmental units	–	–	–
Prepays	650	385	–
Deferred outflows - pension plan deferment	43,784	11,235	–
Accounts payable	5,415	(3,329)	(2,201)
Unearned revenue	–	13,294	(2,450)
Due to other governmental units	4,415	22,142	186
Net pension liability	(47,762)	12,157	–
Deferred inflows - pension plan deferment	(18,706)	(4,869)	–
Net cash flow from operating activities	<u>\$ 1,582,907</u>	<u>\$ 597,661</u>	<u>\$ 82,031</u>
Noncash, investing, capital, and financing activities			
Contributions of capital assets from developers	<u>\$ 435,723</u>	<u>\$ 403,642</u>	<u>\$ –</u>

See notes to basic financial statements

			Governmental Activities
Recycling Utility	Storm Water Utility	Totals	Internal Service
\$ 335,532	\$ 1,178,608	\$ 5,955,283	\$ -
-	-	-	90,861
(342,228)	(124,295)	(2,067,232)	(78,782)
(24,237)	(237,552)	(839,624)	-
<u>(30,933)</u>	<u>816,761</u>	<u>3,048,427</u>	<u>12,079</u>
-	-	-	(41,675)
-	-	531,854	-
-	(534,000)	(6,362,000)	-
-	(119,378)	(1,127,158)	-
<u>-</u>	<u>(653,378)</u>	<u>(6,957,304)</u>	<u>(41,675)</u>
9,331	81,931	1,391,802	14,619
-	70,448	132,301	-
46,500	364	57,865	-
-	-	37,068	-
<u>46,500</u>	<u>70,812</u>	<u>227,234</u>	<u>-</u>
24,898	316,126	(2,289,841)	(14,977)
<u>287,280</u>	<u>2,324,753</u>	<u>44,952,149</u>	<u>496,997</u>
<u>\$ 312,178</u>	<u>\$ 2,640,879</u>	<u>\$ 42,662,308</u>	<u>\$ 482,020</u>
\$ (47,100)	\$ 387,616	\$ 1,263,124	\$ 13,081
-	338,921	1,686,932	-
-	-	22,174	-
2,951	13,740	(47,849)	-
12,917	-	12,917	-
-	-	1,035	-
-	11,141	66,160	-
299	75,149	75,333	(1,002)
-	-	10,844	-
-	14	26,757	-
-	576	(35,029)	-
<u>-</u>	<u>(10,396)</u>	<u>(33,971)</u>	<u>-</u>
<u>\$ (30,933)</u>	<u>\$ 816,761</u>	<u>\$ 3,048,427</u>	<u>\$ 12,079</u>
<u>\$ -</u>	<u>\$ 312,119</u>	<u>\$ 1,151,484</u>	<u>\$ -</u>

CITY OF RAMSEY

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	<u>Custodial Fund</u>
Assets	
Assets held for resale	\$ 13,582,499
Liabilities	
Due to other governmental units	<u>13,582,499</u>
Net Position	<u><u>\$ -</u></u>

CITY OF RAMSEY

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2020

	<u>Custodial Fund</u>
Additions	\$ -
Deductions	<u>-</u>
Net change of fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

See notes to basic financial statements

CITY OF RAMSEY

Notes to Basic Financial Statements
December 31, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Ramsey, Minnesota (the City) operates under the Home Rule Charter City form of government as defined in Minnesota Statutes. Under this plan, the government of the City is run by a City Council composed of an elected Mayor and elected Councilmembers. The City Council exercises legislative authority and determines all matters of policy. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units (GAAP).

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's Board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

1. Blended Component Units

The Ramsey Economic Development Authority (EDA) was created to carry out housing and economic development activities within the City. The governing board of the EDA is the City Council who approve the annual tax levy and direct the activities of the EDA's management. City employees such as the City Administrator, Deputy City Administrator, and the Economic Development Manager perform key management functions for the EDA. The activity of the EDA is reported in the Nonmajor Special Revenue Fund entitled Economic Development Authority. Separate financial statements are not prepared for the EDA.

2. Jointly Governed Organization

The City is a member of Local Governmental Information Systems (LOGIS), a consortium of Minnesota municipalities that provides data processing services and support to its members. LOGIS is a legally separate entity that is financially independent of the City. Further, the City does not appoint a voting majority of LOGIS' Board of Directors. Therefore, it has not been incorporated into the City's reporting entity. During the 2020 fiscal year, the City paid LOGIS approximately \$263,589 for services and equipment provided.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's Enterprise Funds and other functions are not eliminated as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt for governmental activities is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for Governmental, Proprietary, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental and Enterprise Funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining Nonmajor Governmental Funds is reported in a single column in the fund financial statements. A single column is presented in the Proprietary Fund statements to report Internal Service Fund activity. Fiduciary Funds are presented in the Fiduciary Fund financial statements by fund type.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days after year-end. Property tax revenue is generally considered as available if collected within 60 days after year-end.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Revenue Recognition (Continued) – 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Other revenue is considered measurable and available only when cash is received by the City. Proceeds of long-term debt is reported as other financing sources.

Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the Governmental Funds.

Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds and Internal Service Funds are charges to customers for sales and services. The operating expenses for the Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Information for the Internal Service Fund is reported in a single column in the Proprietary Fund financial statements. Because the principal user of the internal services is the City's governmental activities, the financial statements of the Internal Service Fund are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the City, these funds are excluded from the government-wide statements.

Description of Funds

The City reports the following Major Governmental Funds:

General Fund – This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Tax Increment Special Revenue Fund – This fund is used to account for resources received from general property taxes in the form of tax increments.

COR Land Special Revenue Fund – This fund is used to account for revenues and expenditures associated with land transactions within the COR area.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private Developer Special Revenue Fund – This fund is used to account for monies deposited from developers to offset city administrative costs.

2011A Armstrong/Bunker Bond Debt Service Fund – The \$4,365,000 Series 2011A bonds were repaid with annual allotments of Municipal State Aid and an annual assessment per the assessment agreement between the city of Ramsey and Hageman Holdings for the improvements that were necessary for the future Legacy School. These bonds were paid off and the fund was closed in the current year.

Public Improvement Revolving Capital Project Fund – This fund is used to account for the resources to be used to finance the City's share of the annual street maintenance program.

Public Works Campus Capital Project Fund – This fund is used to account for the resources to be used for the construction of the public works campus.

The City reports the following Major Proprietary Funds:

Water Utility Fund – This fund is used to account for the operation of the city-owned water system.

Sewer Utility Fund – This fund is used to account for the operation of the city-owned sewer system.

Street Light Utility Fund – This fund is used to account for the operation of city-owned streetlights within subdivisions and the priority streetlights throughout the City.

Recycling Utility Fund – This fund is used to account for the operation of the City's curbside recycling program and annual recycling days.

Storm Water Utility Fund – This fund is used to account for the operation of the city-owned storm water system repair and upkeep.

The City also reports the following fund types:

Internal Service Fund – This fund is used to account for the City's insurance refunds, dividends, and other miscellaneous insurance related revenues, and to provide for self-insuring the deductible portions of the City's insurance policies

Custodial Fund – This fund is used to account for property purchased on behalf of the state and the related liability for future state highway improvements.

E. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in short-term investments. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds.

The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that is not registered with the Securities and Exchange Commission (SEC). The City's investment in this fund is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The UBS Select Prime Industrial Fund is an external investment pool that operates in conformity with the Securities and Exchange Commission's rules and is assigned a AAA rating by Moody's.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports all other investments at fair value except for certain investment pools reported at amortized cost. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the City's recurring fair value measurements as of the current year-end.

F. Receivables

All miscellaneous accounts receivable are presented net of an allowance for doubtful accounts. Since the City is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on these receivables. The only receivables not expected to be fully collected within one year are property taxes and special assessments receivable.

G. Property Taxes

Property tax levies are set by the City Council by December of each year and are certified to the County Auditor for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. A portion of the property taxes levied is paid by the state of Minnesota through various tax credits, which is included in intergovernmental revenue in the financial statements.

The county spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts several times a year. Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable and are offset by deferred inflows of resources in the governmental fund financial statements.

H. Special Assessments

Special assessments primarily represent the financing for public improvements paid for by the benefiting property owners. As previously mentioned under receivables, the City is also generally able to certify delinquent amounts to the county for collection as special assessments. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by a deferred inflow of resources in the governmental fund financial statements.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaids are recognized by the consumption method, proportionately over the periods that service is provided.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements is reported as either "due to/from other funds" (current portion) or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

K. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA's fiduciary net positions have been determined on the same basis as they are reported by the PERA. For this purpose, plan contributions are recognized as of employer payroll dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position will sometimes report a separate section for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until that time.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) reported in the government-wide and enterprise funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes of assumptions, changes in proportion, differences between projected and actual earnings on pension plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Deferred inflows of resources for unavailable revenue, arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

M. Land Held for Resale

Land held for resale represents various property purchases made by the City with the intent to sell in order to increase tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Assets

Capital assets, which include property, buildings, improvements, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$10,000 or more with an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. As allowed by accounting principles generally accepted in the United States of America, the City has elected not to retroactively capitalize the infrastructure of its governmental activities acquired prior to January 1, 2004.

Capital assets are recorded in the government-wide and Proprietary Fund financial statements, but are not reported in the Governmental Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. Useful lives vary from 15 to 50 years for buildings and structures and improvements other than buildings, 5 to 10 years for office equipment, motor vehicles and machinery and equipment, and 20 to 50 years for water and sewer lines and infrastructure.

O. Compensated Absences Payable

Certain city employees earn personal time off, vacation, compensation time, and sick leave at various rates based on longevity. These compensated absences are paid to an employee leaving in good standing, at their current rate of pay, with the exception of sick leave. A minimum of one third of unused sick leave (based on longevity), is paid to the departing employee if they have completed 5 or more years of service prior to termination. Compensated absences payable are accounted for as long-term liabilities as described in the following section.

P. Long-Term Liabilities

In the government-wide and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities as they accrue. Bond premiums and discounts are immaterial and are recognized in the year of bond issuance. Bond issuance costs are expensed in the period incurred.

In the Governmental Fund financial statements, long-term debt and other long-term obligations are not reported as liabilities until due. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

Q. Net Position

In the government-wide, proprietary fund, and fiduciary fund financial statements, net position represents the difference between assets, liabilities, deferred inflows/outflows as applicable. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or enabling legislation.
- **Unrestricted Net Position** – All remaining net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

R. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts where there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or enabling legislation.
- **Committed** – Consists of amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- **Assigned** – Consists of internally imposed constraints for amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assigned amounts represent intended uses established by the City Council itself or by an official to which the City Council delegates the authority. Pursuant to City Council Resolution, the City’s Finance Director is authorized to establish assignments of fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, the City first uses restricted resources, then use unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, the City uses resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Budgets and Budgetary Accounting

Each fall the City Council adopts a General Fund budget for the following fiscal year beginning January 1. In addition, an annual budget is legally adopted for the Economic Development Authority, a nonmajor special revenue fund. The City has established budgetary control at the function level based upon GAAP, serving as the basis of budgeting. Budget appropriations lapse at year-end.

The government's department heads may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the council. The Economic Development Authority budget is recommended by their board and final approval comes from City Council.

For the year ended December 31, 2020, expenditures exceeded budget in the General Fund by \$269,197. This variance was financed with revenues in excess of budget.

T. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The Proprietary Funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

U. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation, and other miscellaneous insurance coverages. LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The City has elected higher deductibles through LMCIT in order to keep premiums at a minimum. To supplement the commercial coverages, the City established the Self-Insurance Internal Service Fund. This fund is funded primarily through dividend paybacks from LMCIT. Expenses from this fund consist solely of payments of those insurance related costs that are below the individual and/or commutative deductible amounts. Premiums for LMCIT policies are not paid from the Self-Insurance Internal Service Fund, but rather are budgeted and paid from the respective operating funds. The City does not retain significant uncovered risk.

The City also carries commercial insurance for certain other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in the City's insurance coverage in 2020.

V. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$	4,025,584
Investments		94,392,509
Cash on hand		200
Total	\$	98,418,293

B. Deposits

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 has no additional deposit policies addressing custodial credit risk.

At year end, the carrying amount of the City's deposits was \$4,025,584 while the balance on the bank records was \$4,185,394. At December 31, 2020, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City's agent in the City's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The City has the following investments at year end:

Investment Type	Credit Risk Rating	Agency	Fair Value Measurements	Interest Risk Maturity Duration in Years			
				Level 2	Level 1	1 to 5	Total
U.S. Agencies	AA+	S&P	\$ 25,101.5	\$ 1,441	\$ 6. m. 10	\$ -	\$ 25,542.5
Municipal Bonds	A-AAA	Moodys	2,821,133	9,459,970	4,334,218	-	16,615,321
Municipal Bonds	A-AAA	S&P	3,394,438	11,822,576	6,866,492	-	22,083,506
Commercial Paper	AAA	S&P	4,548,358	-	-	-	4,548,358
Investment Pools	AAA	S&P	9,996,500	-	-	-	9,996,500
Federated Hermes Institutional Fund	AAA	S&P	8,895,000	-	-	-	8,895,000
Minnesota Municipal Money Market	N/A	Amortized Cost	10,896,526	-	-	-	10,896,526
UBS Select Prime Institutional Fund	AAA	Moodys Net Asset Value	16,338,998	-	-	-	16,338,998
Total Investments							\$ 94,292,500

The City's investments include investment pools managed by 4M, which is an external investment pool regulated by Minnesota Statutes and is not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC. The City's investments in this investment pool are measured at the net asset value per share provided by the pools, which are based on amortized cost methods that approximate fair value. The 4M Fund is sponsored by the League of Minnesota Cities. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the liquid class; the redemption period is 14 days for the Plus Class.

The UBS Select Prime Institutional Fund includes investments primarily in short-term, high-credit-quality money market instruments that invest domestically and globally in both long and short-term common stocks across all market capitalizations. The fund aims to preserve capital, maintain liquidity and produce a competitive yield. This is an external investment pool that operates in conformity with the Securities and Exchange Commission's rules. There are no withdrawal restrictions related to the fund. The City's investments in this investment pool are measured at the net asset value per share provided by the pools that approximate fair value.

The Federated Hermes Institutional Fund invests in a portfolio of short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government that mature in 397 days or less. The fund aims to preserve principal, maintain liquidity and produce a competitive yield. It invests all or substantially all of its net assets in the institutional money market fund with similar investment objectives and strategies as the fund. It may also invest in government securities that are supported by the full faith and credit of the U.S. government.

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

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 does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; commercial paper issued by the 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; time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of the United States banks and Guaranteed Investment Contracts guaranteed by a United States commercial bank or domestic branch of a foreign bank, or a United States insurance company, or their Canadian subsidiary, and with a credit quality in one of the top two highest categories by a nationally recognized rating agency. The City's investment policies do not further address credit risk.

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 United States guaranteed investments (such as Treasuries), investment pools and mutual funds. The City's investment policies do not limit the concentration of investments. At December 31, 2020, the City held commercial paper issued by the Bank of China/Hong Kong that represented 10.6 percent of the investment portfolio.

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 does not have an investment policy limiting the duration of investments.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Short-Term Interfund Receivables/Payables

Individual interfund due from and to other funds at year-end were as follows:

	Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Fund		Major Governmental Fund	\$ 30,000
Economic Development Authority		Tax Increment	
Special Revenue Fund		Special Revenue Fund	

This internal loan was utilized for cash flow purposes.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

B. Advances To and From Other Funds

Individual interfund advances to and from other funds at year-end were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
Major Capital Project Fund; Public Improvement Revolving Utility	Major Special Revenue Fund; Tax Increment COR Land	\$ 100,006	Internally finance TIF loan land purchase
Major Enterprise Fund; Water Utility	Major Special Revenue Fund; COR Land	227,474	Internally finance development land purchase
Major Enterprise Fund; Sewer Utility	Major Special Revenue Fund; COR Land	227,475	Internally finance development land purchase
Major Enterprise Fund; Water Utility	Nonmajor Capital Project Fund; Public Facilities Construction	334,524	Internally finance facility loan
		<u>\$ 889,479</u>	

There are no specific terms for when the funds need to be repaid and interest rates range from 0% to 4%.

C. Interfund Transfers

Transfers Out	Transfers In										Total
	General Fund	2011A Armed/Boat Project Fund	Public Improvement Revolving Project Fund	Public Works Capital Project Fund	Nonmajor Governmental Fund	Water Utility Enterprise Fund	Storm Water Utility Enterprise Fund	Street Light Utility Enterprise Fund	Storm Water Utility Enterprise Fund	Storm Water Utility Enterprise Fund	
\$ -	\$ -	\$ -	\$ 412,865	\$ -	\$ 550,646	\$ 61,853	\$ -	\$ -	\$ -	\$ 1,025,204	
Public Improvement Revolving	125,600	-	-	-	200,000	-	-	-	-	200,000	
Capital Project Fund	45,000	302,019	310,509	2,200,000	241,263	-	-	-	-	3,498,791	
Nonmajor Governmental Funds	45,000	-	-	-	931,600	-	70,448	-	-	1,147,048	
Water Utility Enterprise Fund	39,000	-	-	-	-	-	-	-	-	2,730,000	
Street Light Utility Enterprise Fund	22,000	-	-	-	-	-	-	-	-	272,000	
Storm Water Utility Enterprise Fund	34,000	-	-	-	250,000	-	-	-	-	534,000	
Total	\$ 706,600	\$ 302,019	\$ 723,374	\$ 8,422,000	\$ 1,082,809	\$ 61,853	\$ -	\$ -	\$ 70,448	\$ 11,339,632	

The interfund receivables, payables and transfers are used to move funds to finance various programs or projects that the City must account for in other funds in accordance with budgetary authorizations and to move revenues from the fund with collection authorization to funds where related expenditures are occurring. Interfund activity is eliminated as needed for entity-wide financial statement reporting.

NOTE 4 – CAPITAL ASSETS

A. Changes in Capital Assets Used in Governmental Activities

Capital assets, not depreciated	Balance – Beginning of Year	Additions	Completed Construction/Adjustments	Deletions	Balance – End of Year
Land	\$ 770,350	7,003,390	(666,421)	-	\$ 7,107,319
Construction in progress	7,565,372	7,003,390	(666,421)	-	14,002,341
Total capital assets, not depreciated					
Capital assets, depreciated					
Buildings and structures	29,291,844	-	-	-	29,291,844
Improvements other than buildings	10,687,705	-	-	-	10,687,705
Office equipment	675,058	36,317	-	-	711,375
Motor vehicles	3,901,691	165,004	-	(320,588)	4,034,637
Machinery and equipment	7,283,867	132,220	8,1526	(202,528)	7,295,085
Infrastructure	42,566,089	696,402	584,895	-	43,847,386
Total capital assets, depreciated	95,406,254	1,029,943	666,421	(234,586)	96,866,032
Less accumulated depreciation on					
Buildings and structures	(7,800,748)	(627,040)	-	-	(8,427,788)
Improvements other than buildings	(5,042,243)	(557,930)	(408,317)	-	(6,008,510)
Office equipment	(477,585)	(41,330)	-	-	(518,915)
Motor vehicles	(3,257,257)	(227,357)	-	32,059	(3,452,555)
Machinery and equipment	(3,980,945)	(405,082)	-	179,854	(4,206,173)
Infrastructure	(5,537,531)	(17,597,600)	408,317	-	(16,886,974)
Total accumulated depreciation	(36,886,309)	(3,016,252)	-	210,900	(39,691,661)
Total capital assets, depreciated, net	\$ 58,519,945	(2,886,579)	666,421	(22,673)	\$ 57,275,115
Net capital assets	\$ 66,785,217	\$ 4,218,840	\$ -	\$ (22,673)	\$ 71,279,456

B. Changes in Capital Assets Used in Business-Type Activities

Capital assets, not depreciated	Balance – Beginning of Year	Additions	Completed Construction/Adjustments	Deletions	Balance – End of Year
Land	\$ 1,506,096	-	-	-	\$ 1,506,096
Construction in progress	2,109,011	-	(662,915)	-	1,446,096
Total capital assets, not depreciated					
Capital assets, depreciated					
Buildings and structures	6,058,847	431,498	-	-	6,490,345
Improvements other than buildings	1,071,856	123,663	662,915	-	2,258,434
Water and sewer lines	84,761,236	1,723,482	-	(5,398)	86,479,320
Total capital assets, depreciated	77,453,344	2,278,644	662,915	(5,398)	80,389,201
Less accumulated depreciation on					
Buildings and structures	(1,743,185)	(121,422)	-	-	(1,864,607)
Improvements other than buildings	(4,225,134)	(355,313)	-	-	(4,580,447)
Machinery and equipment	(437,051)	(77,561)	-	5,398	(509,214)
Water and sewer lines	(17,641,774)	(1,132,635)	-	-	(18,774,409)
Total accumulated depreciation	(24,047,144)	(1,686,932)	-	5,398	(25,728,678)
Total capital assets, depreciated, net	\$ 53,406,200	\$ 591,710	\$ 662,915	\$ -	\$ 54,660,825
Net capital assets	\$ 55,575,211	\$ 591,710	\$ -	\$ -	\$ 56,166,921

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Governmental activities	\$ 837,791
General government	391,966
Public safety	1,936,447
Highways and streets	452,317
Culture and recreation	3,618,521
Total depreciation expense – governmental activities	\$ 7,555,660
Business-type activities	554,914
Water Utility	37,437
Sewer Utility	338,921
Street Light Utility	1,686,932
Storm Water Utility	—
Total depreciation expense – business-type activities	\$ 1,686,932

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Debt

Governmental activities Bonds payable	Original Issue	Interest Rate	Issue Date	Maturity Date	Filed	Balance – End of Year
Capital Equipment Improvement Bonds						
Series 2011B	\$ 3,090,000	2.00-2.70%	12/29/2011	12/15/2025		\$ 1,485,000
Series 2012A	\$ 16,875,000	3.00-3.75%	6/7/2012	12/15/2031		11,330,000
Series 2015A	\$ 3,880,000	2.00-3.50%	6/15/2015	12/1/2035		3,200,000
Series 2016A	\$ 1,650,000	2.00%	7/21/2016	12/15/2026		1,020,000
Series 2017A	\$ 895,000	1.15-2.50%	8/17/2017	12/15/2027		640,000
Series 2018A	\$ 1,175,000	3.00%	7/17/2018	12/15/2028		965,000
Series 2019A	\$ 9,055,000	1.00-1.65%	12/30/2020	12/15/2041		28,325,000
Total capital equipment improvement bonds	\$ 635,000	0.50-3.00%	9/5/2013	9/1/2023		205,000
Series 2013A	\$ 975,000	0.60-2.35%	12/9/2014	12/15/2024		575,000
Total capital equipment certificates						1,093,863
Compensated absence payable						641,540
Total OPEB liability						3,639,319
Total governmental activities						5,09,015
Business-type activities						\$ 37,008,334
Total governmental and business-type activities						\$ 37,008,334

B. Descriptions of Long-Term Debt

• General Obligation Improvement Bonds –

The Series 2011B were Improvement Crossover Refunding bonds that were issued to refund the 2005B Series bonds that were called on December 15, 2014.

The Series 2012A bonds were issued to refund Public Facility Lease Revenue Bonds Series 2005A, dated June 1, 2005, issued by the Economic Development Authority (EDA) of the city of Ramsey.

The Series 2015A bonds were issued to finance the construction of Fire Station #2 in the City.

The Series 2015B were issued to fund the road improvements related to the reconstruction of Garnet and 168th Avenue and some overlay projects.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

• General Obligation Improvement Bonds (continued) –

The Series 2016A were issued to fund the road improvements related to the reconstruction of Andrie Street and 164th Lane and some overlay projects.

The Series 2017A were issued to fund road improvements related to the reconstruction of Alpine Drive and Sunwood Drive.

The Series 2018A were issued to fund road improvements related to the reconstruction of Riversbend Avenue and Stanhope Terrace.

The Series 2020A were issued to fund approximately 50% of the construction costs of the Public Works Facility in the City.

• Capital Equipment Certificates –

Series 2013A certificates were issued to finance various capital equipment purchases and will be repaid via ad valorem levies.

Series 2014A certificates were issued to finance various capital equipment purchases and will be repaid via ad valorem levies.

Debt service is covered respectively by special assessments, state aids, and general property taxes. General Obligation bonds and equipment certificates are direct obligations and have the pledge of the full faith and credit of the City.

• Compensated Absences – The liability represents vested benefits earned by Governmental Fund employees through the end of the year which will be paid or used in future periods. The General Fund is the primary fund used to liquidate this liability.

• Net Pension Liability (NPL) – The liability represents the City's proportionate share of PERA's collective net pension liability. The General, Water Utility, Sewer Utility and Storm Water Utility funds will be used to liquidate this liability.

• Total Other Post-Employment Benefits (OPEB) Liability – The liability represents non-pension benefits provided after the termination of employment. The General Fund is the primary fund used to liquidate this liability.

C. Changes in Long-Term Debt

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year	Due Within One Year
Governmental activities					
G.O. Improvement Bonds	\$ 23,165,000	\$ 9,055,000	\$ 3,895,000	\$ 28,325,000	\$ 1,775,000
Capital Equipment Certificates	725,000	—	150,000	575,000	155,000
Compensated absences payable	4,867,791	751,052	605,859	5,013,984	1,093,863
Net pension liability	4,867,791	2,040,311	6,908,140	—	711,011
Total OPEB liability	6,999,412	1,338,778	3,711,750	4,626,440	—
Total governmental activities	30,405,906	12,006,213	5,912,800	36,499,319	2,641,011
Business type Activities	544,044	23,883	58,912	509,015	—
Net pension liability	—	—	—	—	—
Total governmental and business-type activities	\$ 30,949,950	\$ 12,030,096	\$ 5,971,712	\$ 37,008,334	\$ 2,641,011

NOTE 5 – LONG-TERM DEBT (CONTINUED)

D. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bonds and capital equipment certificates are as follows:

Year Ending December 31,	Governmental Activities Bonded and Capital Equipment Certificate Debt	
	Principal	Interest
2021	1,030,000	688,397
2022	2,045,000	682,138
2023	2,065,000	585,937
2024	2,065,000	532,390
2025	2,030,000	477,520
2026-2030	7,315,000	1,668,769
2031-2035	5,920,000	720,918
2036-2040	4,965,000	218,667
2041	28,900,000	1,592,3
	\$ 28,900,000	\$ 5,618,949

NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION

A. Classifications

City of Ramsey had the following classifications of fund balances in its Governmental Funds:

	Special Revenue Funds			Debt Service Fund		Capital Project Funds			Nonmajor	Total
	General	Tax Increment	COR Land	Private Developer	2011A Armstrong/Bunker Bond	Public Improvement Revolving	Public Works Campus			
Fund balances	\$ 16,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295	\$ 17,144	
Nonspendable	-	-	-	-	-	-	-	-	-	
Prepays	-	-	-	-	-	-	-	-	-	
Restricted for										
Road improvements	-	-	-	-	-	-	-	1,932,311	1,932,311	
Capital improvements	-	-	-	-	-	-	8,895,621	-	8,895,621	
Debt service	-	-	-	-	-	-	-	1,422,444	1,422,444	
Economic development	-	-	-	-	-	-	-	1,441,926	1,441,926	
Housing and redevelopment	-	-	8,148,079	-	-	-	-	-	8,148,079	
Recreation/community programs	-	-	-	-	-	-	-	322,320	322,320	
Law enforcement programs	-	-	-	-	-	-	-	47,346	47,346	
Tax increment financing	-	5,308,619	-	-	-	-	-	-	5,308,619	
	-	5,308,619	8,148,079	-	-	-	8,895,621	5,166,347	27,518,666	
Committed										
Stormwater development projects	-	-	-	-	-	-	-	802,131	802,131	
Community/business programs	-	-	-	-	-	-	-	523,939	523,939	
	-	-	-	-	-	-	-	1,326,070	1,326,070	
Assigned										
Road improvements	-	-	-	-	-	4,858,510	-	1,697,249	6,555,759	
Capital improvements	-	-	-	-	-	-	4,237,485	2,374,082	6,611,567	
Cemetery improvements	-	-	-	-	-	-	-	67,136	67,136	
Park improvements	-	-	-	-	-	-	-	5,124,797	5,124,797	
Right-of-way acquisitions	-	-	-	-	-	-	-	453,633	453,633	
Parking ramp maintenance	-	-	-	-	-	-	-	73,391	73,391	
	-	-	-	-	-	4,858,510	4,237,485	9,790,288	18,886,283	
Unassigned	10,073,204	-	-	-	-	-	-	-	10,073,204	
Total fund balances	\$ 10,090,053	\$ 5,308,619	\$ 8,148,079	\$ -	\$ -	\$ 4,858,510	\$ 13,133,106	\$ 16,283,000	\$ 57,821,367	

NOTE 6 – FUND BALANCE POLICY AND CLASSIFICATION (CONTINUED)

B. Fund Balance Policy – General Fund

When General Fund actual revenues exceed actual expenditures in a given year, the excess shall be allocated as follows:

- a) Any excess shall be first allocated to "unassigned" fund balance to bring that portion of fund balance to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior-year encumbrances (if any) plus compensated absences.
- b) Any excess after complying with fund balance requirements in step "a," shall be allocated to equipment replacement, park trust, public facilities construction, and public improvement revolving funds in the following manner:

- Thirty percent (30%) to Fund #234 - Equipment Revolving Fund
- Thirty percent (30%) to Fund #810 – Capital Maintenance Fund (reported in General Fund)
- Ten percent (10%) to Fund #412 – Public Facilities Construction Fund
- Thirty percent (30%) to Fund #400 - Public Improvement Revolving Fund

When General Fund actual expenditures exceed actual revenues in a given year, the deficit shall be treated as follows:

- a) "Unassigned" fund balance shall first be adjusted to an amount equal to fifty percent (50%) of the next years adopted operating budget plus prior year encumbrances (if any) plus compensated absences.
- b) If shortage after complying with fund balance requirement in step "a," shall draw funds in the following manner:

- Thirty percent (30%) to Fund #234 - Equipment Revolving Fund
- Thirty percent (30%) to Fund #810 – Capital Maintenance Fund (reported in General Fund)
- Ten percent (10%) to Fund #412 – Public Facilities Construction Fund
- Thirty percent (30%) to Fund #400 - Public Improvement Revolving Fund

At December 31, 2020, the City has met its general fund balance policy goal.

NOTE 7 – DEFINED BENEFIT PENSION PLANS SUMMARY

The city has reported the following balances for defined benefit pension plans as detailed further in these notes:

Pension Plans	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PERA – GERP	\$ 3,393,429	\$ 415,171	\$ 172,231	\$ 242,415
PERA – PEPFF	3,159,502	1,766,092	1,957,497	476,905
Total - all pensions	\$ 6,552,931	\$ 2,181,263	\$ 2,129,728	\$ 719,320

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA) of Minnesota. The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. The 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 and certain part-time employees of the City are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are 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 local relief associations that elected to merge with and transfer assets and administration to the PERA.

B. Benefits Provided

The 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 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

Annuities, disability benefits, and survivor benefits are increased effective January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for a 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 a 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.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1%. 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 2020 and 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, 2020, were \$312,137. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members contribution rates increased from 11.3% to 11.8% and employer rates increased from 16.95% to 17.7% on January 1, 2020. The City's contributions to the PEPFF for the year ended December 31, 2020, were \$492,217. 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, 2020, the City reported a liability of \$3,393,429 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 2020. 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 \$104,560. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion share was 0.0566% which was an increase of 0.0036% from its proportion measured as of June 30, 2019.

City's proportionate share of the net pension liability	\$3,393,429
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>104,560</u>
Total	<u>\$3,497,989</u>

For the year ended December 31, 2020, the City recognized pension expense of \$233,315 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$9,100 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of sixteen million to the GERF.

At December 31, 2020, the City reported its proportionate share of the GERF'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	\$ 28,965	\$ 12,839
Changes in actuarial assumptions	-	121,088
Differences between projected and actual investment earnings	70,757	-
Changes in proportion	157,599	38,304
Contributions paid to the PERA subsequent to the measurement date	<u>157,850</u>	<u>-</u>
Total	<u>\$ 415,171</u>	<u>\$ 172,231</u>

\$157,850 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year ended December 31:	Pension Expense Amount
2021	\$	(165,931)
2022		55,080
2023		113,955
2024		<u>81,986</u>
Total	\$	<u>85,090</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. PEPFF Pension Costs

At December 31, 2020, the City reported a liability of \$3,159,502 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion was 0.2397% which was an increase of 0.0066% from its proportionate share measured as of June 30, 2019.

The State of Minnesota also contributed \$13.5 million to the PEPFF in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million of direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until funding is reached by July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota Retirement System) is 90% funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$74,418. For the year ended December 31, 2020, the City recognized pension expense of \$454,010 for its proportionate share of the PEPFF's expense. In addition, the City recognized an additional \$22,895 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the PEPFF allocation schedules for the \$9 million in fire state aid. The City also recognized \$21,573 for the year ended December 31, 2020 as revenue and an off-setting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF.

At December 31, 2020, 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	\$ 133,833	\$ 130,198
Difference between projected and actual investment earnings	918,788	1,805,829
Changes in proportion	139,088	-
Contributions paid to the PERA subsequent to the measurement date	326,576	21,470
Total	<u>247,807</u>	<u>\$1,957,497</u>
	<u>\$1,766,092</u>	<u>\$1,957,497</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

\$247,807 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	\$ (126,409)
2022	(678,548)
2023	172,930
2024	178,864
2025	13,951
Total	<u>\$ (439,212)</u>

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	GERF	PEPFF
Inflation	2.25% per year	2.50% per year
Active member payroll growth	3.00% per year	3.25% per year
Investment rate of return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disability for all plans were based on Pub-2020 General Employee Mortality table for the GERF Plan and RP-2014 tables for the PEPFF Plan 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 GERF and 1 percent per year for PEPFF.

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF were completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions occurred in 2020:

1. GERF:
 - The price inflation assumption was decreased from 2.50% to 2.25%.
 - The payroll growth assumption was decreased from 3.25% to 3.00%

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2020 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to MP-2019.

- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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

The following changes in plan provisions occurred in 2020:

- GERF:
 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

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.

NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The target allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	-
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.5%. 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 positions of GERF and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
The City's Proportionate Share of the GERF Net Pension Liability:	\$5,438,489	\$3,393,429	\$1,706,418
The City's Proportionate Share of the PEPFF Net Pension Liability:	\$6,297,343	\$3,159,502	\$563,489

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.impera.org.

NOTE 9 – DEFINED CONTRIBUTION PLAN – STATE-WIDE

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.25 percent) of the assets in each member's account annually.

Total contributions made by the City for the last three fiscal years were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employers and Employees	
	Employee	Employer	Employee	Employer	Employee	Employers
December 31, 2020	\$1,002	\$1,002	5%	5%	5%	5%
December 31, 2019	\$ 775	\$ 775	5%	5%	5%	5%
December 31, 2018	\$ 600	\$ 600	5%	5%	5%	5%

NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN – FIRE RELIEF ASSOCIATION

A. Plan Description

Volunteer firefighters of the City are members of the Ramsey Firefighter's Relief Association (the Association). The Association is a single-employer defined contribution pension plan that operates under the provisions of Minnesota Statutes § 69 and 424, as amended. It is governed by a Board of six officers and trustees elected by the members of the Association for three year terms. The chief of the Ramsey Volunteer Fire Department, the Mayor, and the Finance Director of the City are ex-officio members of the Board of Trustees. The City's payroll for members of the Association for the year ended December 31, 2020 was \$267,866, compared to a total city payroll of \$8,159,458.

For financial reporting purposes, the Association's financial statements are not included in the City's financial statements because it is not a component unit of the City. The Association issues a publicly available financial report. A copy of the report may be obtained at Ramsey Municipal Center, 7550 Sunwood Drive Northwest, Ramsey, Minnesota 55303.

B. Pension Benefits

Minnesota Statutes Chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. In order to be entitled to a pension benefit, a firefighter must have completed a minimum of 10 years of service with the fire department, 10 years membership in the Association, and attain the age of 50 years.

NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN – FIRE RELIEF ASSOCIATION (CONTINUED)

The firefighter will then be 60% vested with every year after that at 4% per year until the 20th year when 100% vesting will occur. Because this plan is a defined contribution plan, the amount of the retirement benefit is not predetermined, but rather is based on the individual member's allocable portion of contributions made during the participation period.

Firefighters also have the availability of other pensions such as deferred pension, disability pension, death benefits, and supplemental death benefits. Each of these other pensions are determined based on age and years of service.

C. Contributions Required and Contributions Made

Contributions to the plan include State Fire Aid pursuant to Minnesota Statutes Chapter 69. In addition, the City is allowed to make voluntary contributions of other public funds pursuant to Minnesota Statutes Chapter 69. The City's contribution to the Association in 2020, including both city and state fire aid passed through the City totaled \$212,640. This contribution represents nearly 79% of the current 2020 covered payroll of \$267,866.

There were no current year changes in plan provisions.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The City provides post-employment health care benefits for retired employees 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 administered by the City. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. No plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of all employee groups, the retiree must pay the full premium to continue coverage for medical and dental insurance. Per state statutes, the City is also required to contribute towards the cost of continued health insurance coverage for officers and firefighters disabled or killed in the line of duty.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees until the retiree reaches Medicare eligibility, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$9,111.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	0
Active plan members	83
Total members	83

E. Total OPEB Liability of the City

The City's total OPEB liability of \$461,540 as of year-end was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2020.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the entry age normal level percent of pay method. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.74%
20-year municipal bond yield	2.74%
Inflation rate	2.00%
Salary increases	3.25%
Healthcare cost trend rate	7.67% grading to 5.00% over 10 years

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Mortality rates were based on the RP-2014 mortality tables used in the PERA plan of which the employee, retiree, or beneficiary is a participant.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

G. Changes in the Total OPEB Liability

Beginning Balance	\$ 699,412
Changes for the year	
Service cost	55,942
Interest	30,837
Differences between expected and actual experience	(368,975)
Changes of assumptions	47,099
Benefit payments	(2,775)
Total net changes	(237,872)
Ending Balance	\$ 461,540

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 4.09 percent to 2.74 percent.
- The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments.

H. Total OPEB Liability Sensitivity to Discount and Health-Care Cost Trend Rate Changes

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB discount rate	1.74%	2.74%	3.74%
Total OPEB liability	\$ 497,411	\$ 461,540	\$ 426,418

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB healthcare trend rate	6.67% decreasing to 4.00% over 10 years	7.67% decreasing to 5.00% over 10 years	8.67% decreasing to 6.00% over 10 years
Total OPEB liability	\$ 395,223	\$ 461,540	\$ 541,695

I. OPEB Expense and Related Deferred Outflow of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$52,741. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Differences between expected and actual experience	\$ -	\$ 332,402
Changes of assumptions	56,173	33,431
City contributions subsequent to the measurement date	9,111	-
Total	<u>\$ 65,284</u>	<u>\$ 365,833</u>

A total of \$9,111 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	June 30,	Amount
2021	(34,038)	
2022	(34,038)	
2023	(34,038)	
2024	(34,038)	
2025	(34,038)	
Thereafter	(139,470)	
Total	<u>\$ (309,660)</u>	

NOTE 12 – FLEXIBLE BENEFIT PLAN

The City has a flexible benefit plan which is classified as a "cafeteria plan" (the Plan) under § 125 of the Internal Revenue Code. All full-time and part-time regular employees of the City are eligible. Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the Plan for health and dental care, dependent care, life insurance premiums, and disability insurance benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the plan year, which is from January 1 to December 31, each participant designates a total amount of pre-tax dollars to be contributed to the Plan during the year. At December 31, the City is contingently liable for claims against the total amount of participants' annual contributions to the health and dental care portion of the Plan, whether or not such contributions have been made.

The City serves as trustee and utilized the service of Total Administrative Services Corporation (TASC) - Genesis to handle all plan record keeping. The Plan is included within the General Fund in the financial statements.

All property of the Plan and income attributable to that property is solely the property of the City subject to the claims of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 13 – TAX ABATEMENT AGREEMENTS

The City, in order to spur economic development, housing and redevelopment will enter into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings or clean-up and redevelop blighted properties. The City has seven private development agreements: four redevelopment and three housing that would be considered a tax abatement under GASB Statement 77 as of December 31, 2020.

The City issued these seven agreements through the economic development vehicle known as tax increment financing whereby tax increment revenue is generated on the incremental increase in value above a base established on the date that the tax increment district is created. Per these agreements, the developer shall initially pay for the development property and any site improvements with the City reimbursing these expenses through the issuance of a tax increment revenue note payable solely from the tax increments generated from the project.

The City is authorized to create a tax increment financing plan under Minnesota Statute 469.175. Under this statute, the following criteria must be met:

- Proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future;
- The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan. The requirements of this item do not apply if the district is a housing district;

NOTE 13 – TAX ABATEMENT AGREEMENTS (CONTINUED)

- The tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole;
- The tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

For the fiscal year ended December 31, 2020, the City abated property taxes totaling \$431,689 related to the following:

- Housing Development: \$20,700 abated towards a \$711,000 Tax Increment Revenue Note issued in 2004 for the construction of a 31 unit townhome project. Final note payment date is February 2025 or sooner if the revenue note is retired.
- Redevelopment: \$15,900 abated for a \$238,491 Tax Increment Revenue Note issued in 2007 for the construction of an office and warehouse building. Final note payment date is December 2028.
- Redevelopment: \$187,556 abated towards a \$3,000,000 Tax Increment Revenue Note issued in 2015 for the construction of a 230-unit apartment building. Final note payment date is February 2038.
- Redevelopment: \$58,393 abated for a \$224,000 Tax Increment Revenue Note issued in 2017 for a 48,325 square foot expansion of an office and warehouse building. Final note payment is February 2033.
- Housing: \$120,730 abated towards a \$500,000 Tax Increment Revenue Note issued in 2017 for the construction of a 121-unit apartment building. Final note payment date is February 2022.
- Redevelopment: \$17,610 abated for a \$218,000 Tax Increment Revenue Note issued in 2019 for a 56,000 square industrial building in Bunker Lake Business Park. Final note payment is February 2028.
- Housing: \$10,800 abated for a \$681,395 Tax Increment Revenue Note issued in 2020 for a 174-unit senior living facility. Final note payment is February 2040.

The outstanding principal balance as of December 31, 2020 for all of these agreements was \$3,681,042.

This amount is not included in long-term debt because of the nature of these notes in that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and these obligations are not actual debt in substance.

NOTE 14 – INDUSTRIAL AND LEASE REVENUE BONDS

From time to time, the City has issued Industrial Revenue Bonds and Lease 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 of Minnesota, 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, 2020, there was one series of Industrial Revenue Bonds and one Lease Revenue Bond outstanding with aggregate principal amounts payable of \$990,000 and \$8,600,000 respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Commitments for Construction

At December 31, 2020, the City is committed to various construction contracts for the improvement of city property. The City's remaining commitment under these contracts is \$7,186,040. The City has resources available to cover these commitments.

B. Federal and State Revenue

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C. Legal Claims

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

D. Tax Increment Districts

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

E. COVID-19

The COVID-19 pandemic has caused economic and financial market volatility in the United States and around the world, along with significant business and operational disruptions for many organizations. Due to the unknown breadth and duration of this pandemic, any potential impact it may have on the City's future operations and financial conditions cannot be determined at this time and has not been reflected in these financial statements.

NOTE 16 – OPERATING LEASE

The City is the lessor of an operating lease. In February 2010, the City of Ramsey entered into a five-year agreement to lease approximately 2200 square feet of office space on the ground floor of the Ramsey Municipal Center to Anoka County for the operation of a license center. As part of the original lease, the tenant may extend the contract for three (3) five (5) year terms. Anoka County authorized a five (5) year extension in March 2020. The cost of the leased spaced is included in the total municipal center building cost of \$12,856,588, of which \$3,600,099 has been depreciated to date. These amounts are recorded in the City's capital assets. The City of Ramsey collected \$52,134 in lease revenue for the fiscal year ended December 31, 2020. The following is an estimate of the future lease payments:

Year Ending December 31,	Lease Payments
2021	\$ 56,326
2022	59,538
2023	63,060
2024	66,911
January 1 -June 30, 2025	34,464
Total	<u>\$ 280,299</u>

Lease payments may increase each year based on the increase in the Consumer Price Index – U.S. City Averages for ALL Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor for Urban Wage Earners and Clerical Workers for All Items (CPI-W).

NOTE 17 – SUBSEQUENT EVENTS

In April 2021, the City approved a resolution terminating the joint powers fire protection agreement between the City and the City of Nowthen. As of April 26, 2021, the City and the City's Fire Chief shall no longer have operational control of fire and rescue operations within the boundary of the City of Nowthen. Such operational control of fire and rescue operations within the City of Nowthen shall be vested in the City of Nowthen and the City of Nowthen Fire Chief.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RAMSEY

PERA – General Employees Retirement Fund
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0508%	\$ 2,632,720	88.20%	\$ 2,632,720	\$ 2,984,866	78.20%	
12/31/2016	06/30/2016	0.0508%	\$ 4,124,708	130.78%	\$ 4,178,616	\$ 3,154,867	68.90%	
12/31/2017	06/30/2017	0.0511%	\$ 3,317,550	99.08%	\$ 3,501,770	\$ 3,530,067	75.90%	
12/31/2018	06/30/2018	0.0527%	\$ 2,923,381	82.53%	\$ 3,019,429	\$ 3,542,360	79.50%	
12/31/2019	06/30/2019	0.0530%	\$ 2,930,253	78.09%	\$ 3,021,416	\$ 3,752,320	80.20%	
12/31/2020	06/30/2020	0.0566%	\$ 3,393,429	84.08%	\$ 3,497,989	\$ 4,036,013	79.10%	

CITY OF RAMSEY

PERA – Public Employees Police and Fire Fund
Schedule of City's and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Proportionate Share of the Net Pension Liability and the City's Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.2090%	\$ 2,374,729	123.85%	\$ 2,374,729	\$ 1,917,443	86.60%	
12/31/2016	06/30/2016	0.2080%	\$ 8,347,402	417.25%	\$ 8,347,402	\$ 2,000,574	63.90%	
12/31/2017	06/30/2017	0.2190%	\$ 2,956,761	131.77%	\$ 2,956,761	\$ 2,243,957	85.00%	
12/31/2018	06/30/2018	0.2161%	\$ 2,303,404	101.14%	\$ 2,303,404	\$ 2,277,516	88.80%	
12/31/2019	06/30/2019	0.2331%	\$ 2,481,585	100.94%	\$ 2,481,585	\$ 2,455,454	89.80%	
12/31/2020	06/30/2020	0.2397%	\$ 3,139,502	116.88%	\$ 3,233,920	\$ 2,703,234	87.20%	

PERA – Public Employees Police and Fire Fund
Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 238,004	\$ 238,004	\$ -	\$ 3,173,387	7.50%
12/31/2016	\$ 247,279	\$ 247,279	\$ -	\$ 3,297,053	7.50%
12/31/2017	\$ 261,117	\$ 261,117	\$ -	\$ 3,481,560	7.50%
12/31/2018	\$ 271,321	\$ 271,321	\$ -	\$ 3,615,613	7.50%
12/31/2019	\$ 293,639	\$ 293,639	\$ -	\$ 3,915,187	7.50%
12/31/2020	\$ 312,137	\$ 312,137	\$ -	\$ 4,161,827	7.50%

PERA – Public Employees Police and Fire Fund
Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 326,419	\$ 326,419	\$ -	\$ 2,014,315	16.20%
12/31/2016	\$ 339,699	\$ 339,699	\$ -	\$ 2,096,907	16.20%
12/31/2017	\$ 357,524	\$ 357,524	\$ -	\$ 2,206,938	16.20%
12/31/2018	\$ 382,968	\$ 382,968	\$ -	\$ 2,364,000	16.20%
12/31/2019	\$ 433,917	\$ 433,917	\$ -	\$ 2,559,982	16.95%
12/31/2020	\$ 492,217	\$ 492,217	\$ -	\$ 2,780,887	17.70%

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

CITY OF RAMSEY

Notes to Required Supplementary Information
 General Employees Retirement Fund
 Year Ended December 31, 2020

CITY OF RAMSEY

Other Post-Employment Benefits Plan
 Schedule of Changes in the City's Total
 OPEB Liability and Related Ratios

	Fiscal Year		
	2018	2019	2020
Total OPEB liability			
Service cost	\$ 40,892	\$ 74,389	\$ 55,942
Interest	22,858	24,695	30,837
Differences between expected and actual experience	—	—	(368,975)
Changes of assumptions	19,347	(41,435)	47,099
Benefit payments	(3,349)	(3,476)	(2,775)
Net change in total OPEB liability	79,748	54,173	(237,872)
Total OPEB liability – beginning of year	565,491	645,239	699,412
Total OPEB liability – end of year	\$ 645,239	\$ 699,412	\$ 461,540
Covered payroll	\$ 5,400,000	\$ 5,600,000	\$ 6,400,000
Total OPEB liability as a percentage of covered payroll	11.95%	12.49%	7.21%

Note 1: **Changes in Actuarial Assumptions.** (1) 2020 Changes - The discount rate was changed from 4.09 percent to 2.74 percent. The healthcare trend rates, mortality tables, and payroll growth rates were updated for changes in recent studies and inflationary adjustments. (2) 2019 Changes - The discount rate was changed from 3.44 percent to 4.09 percent. (3) 2018 Changes - The discount rate was changed from 4.50 percent to 3.44 percent.

Note 2: The City implemented GASB Statement No. 75 in fiscal 2018. This information is not available for previous fiscal years. Additional years' information will be displayed as it becomes available.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2020 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

CITY OF RAMSEY

Notes to Required Supplementary Information
General Employees Retirement Fund (continued)
Year Ended December 31, 2020

2019 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.
- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

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

CITY OF RAMSEY

Notes to Required Supplementary Information
General Employees Retirement Fund (continued)
Year Ended December 31, 2020

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

CITY OF RAMSEY

Notes to Required Supplementary Information
Public Employees Police and Fire Fund
Year Ended December 31, 2020

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

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

2018 CHANGES IN PLAN PROVISIONS

- Post-retirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.00 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF RAMSEY

Notes to Required Supplementary Information
Public Employees Police and Fire Fund (continued)
Year Ended December 31, 2020

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

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

CITY OF RAMSEY

Notes to Required Supplementary Information
Public Employees Police and Fire Fund (continued)
Year Ended December 31, 2020

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037, and 2.50 percent per year thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2037, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

CITY OF RAMSEY

Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020

	Special Revenue	Debt Service	Capital Project	Totals
Assets				
Cash and temporary investments	\$ 3,101,612	\$ 1,379,175	\$ 11,842,927	\$ 16,323,714
Receivables				
Unremitted taxes	2,280	43,592	-	45,872
Delinquent taxes	1,617	25,307	-	26,924
Unremitted special assessments	-	2,177	1,838	4,015
Delinquent special assessments	-	252	4	256
Deferred special assessments	-	329,693	221,350	551,043
Accounts	6,812	-	418,809	418,809
Due from other governmental units	30,000	-	2,752	9,564
Due from other funds	295	-	-	30,000
Prepays				295
Total assets	\$ 3,142,616	\$ 1,780,196	\$ 12,487,680	\$ 17,410,492
Liabilities				
Accounts and contracts payable	\$ 2,139	\$ 2,500	\$ 209,203	\$ 213,842
Due to other governmental units	903	-	-	903
Advances from other funds	-	-	334,524	334,524
Total liabilities	3,042	2,500	543,727	849,269
Deferred inflows of resources				
Unavailable revenue - property taxes	1,617	25,307	-	26,924
Unavailable revenue - special assessments	-	329,945	221,354	551,299
Total deferred inflows of resources	1,617	355,252	221,354	578,223
Fund balances				
Nonspendable	295	-	-	295
Restricted	1,811,592	1,422,444	1,932,311	5,166,347
Committed	1,326,070	-	-	1,326,070
Assigned	-	-	9,790,288	9,790,288
Total fund balance	3,137,957	1,422,444	11,722,599	16,283,000
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,142,616	\$ 1,780,196	\$ 12,487,680	\$ 17,410,492

CITY OF RAMSEY

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Project	Totals
Revenue				
Property taxes	\$ 90,950	\$ 1,739,221	\$ 44,520	\$ 1,874,691
Franchise fees	-	-	423,045	423,045
Special assessments	-	99,974	326,413	426,387
Intergovernmental revenue	34,215	338,510	2,166,035	2,538,760
Charges for services	-	-	514,441	514,441
Other revenue	90,690	68,047	338,829	497,566
Investment earnings	254,998	120	459,261	714,379
Miscellaneous	470,853	2,245,872	4,272,544	6,989,269
Total revenue				
Expenditures				
Current				
General government	123,820	-	128,750	252,570
Public safety	39,582	-	-	39,582
Highways and streets	-	-	5,306	5,306
Culture and recreation	-	-	121,016	121,016
Capital outlay	52,565	-	2,662,441	2,715,006
Debt service	-	-	-	-
Principal retirement	-	1,865,000	-	1,865,000
Interest and fiscal charges	-	650,491	7,462	657,953
Total expenditures	215,967	2,515,491	2,924,975	5,656,433
Excess (deficiency) of revenue over expenditures	254,886	(269,619)	1,347,569	1,332,836
Other financing sources (uses)				
Proceeds on sale of capital assets	2,372	-	-	2,372
Transfers in	-	334,403	750,486	1,084,889
Transfers (out)	(70,448)	(93,140)	(3,253,577)	(3,417,165)
Total other financing sources (uses)	(68,076)	241,263	(2,503,091)	(2,329,904)
Net change in fund balances	186,810	(28,356)	(1,155,522)	(997,068)
Fund balances				
Beginning of year	2,951,147	1,450,800	12,878,121	17,280,068
End of year	\$ 3,137,957	\$ 1,422,444	\$ 11,722,599	\$ 16,283,000

CITY OF RAMSEY

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2020

Nonmajor Special Revenue Funds are used to account for revenue derived from specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

Revolving Loan Fund – used to account for loans authorized by the City to prospective private businesses in accordance with Chapter 469 of the Minnesota Statutes.

Lawful Gambling Fund – used to account for lawful gambling revenues received by the City as authorized by Minnesota State Statutes Chapter 349.

Peace Officers Fund – used to account for post-board reimbursement and other restricted revenues which must be used exclusively for in-service training and other expenditures as specified.

Developer's Fees Fund – used to account for demand fees that will be used for storm water management.

General Govt Special Projects Fund – used to account for resources accumulated and expenditures related to special General Government projects.

Economic Development Authority Fund – used to account for revenues and expenditures associated with economic development activities within the City.

	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
Assets				
Cash and temporary investments	\$ 355,077	\$ 322,320	\$ 43,426	\$ 802,131
Receivables	–	–	–	–
Unremitted taxes	–	–	–	–
Delinquent taxes	–	–	6,812	–
Due from other governmental units	–	–	–	–
Due from other funds	–	–	–	–
Prepays	–	–	–	–
Total assets	<u>\$ 355,077</u>	<u>\$ 322,320</u>	<u>\$ 50,238</u>	<u>\$ 802,131</u>
Liabilities				
Accounts and contracts payable	\$ –	\$ –	\$ 1,989	\$ –
Due to other governmental units	–	–	903	–
Total liabilities	–	–	2,892	–
Deferred inflows of resources				
Unavailable revenue - property taxes	–	–	–	–
Fund balances				
Nonspendable	–	–	–	–
Restricted	–	322,320	47,346	–
Committed	355,077	–	–	802,131
Total fund balances	<u>355,077</u>	<u>322,320</u>	<u>47,346</u>	<u>802,131</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 355,077</u>	<u>\$ 322,320</u>	<u>\$ 50,238</u>	<u>\$ 802,131</u>

CITY OF RAMSEY

Nonmajor Special Revenue Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2020

	General Govt Special Projects	Economic Development Authority	Totals	Revolving Loan	Lawful Gambling	Peace Officers	Developer's Fees
Revenue							
Property taxes	\$ 168,862	\$ 1,409,796	\$ 3,101,612	\$ -	\$ -	\$ 34,215	\$ -
Intergovernmental revenue	-	2,280	2,280	-	-	-	-
Other revenue	-	1,617	1,617	-	-	-	-
Investment earnings	-	-	6,812	10,165	9,388	1,145	24,900
Miscellaneous	-	30,000	30,000	94,876	70,549	12,952	51,621
Total revenue	\$ 168,862	\$ 1,443,988	\$ 3,142,616	105,041	79,937	48,312	76,521
Expenditures							
Current							
General government	-	150	2,139	-	37,150	-	-
Public Safety	-	-	903	-	-	39,582	-
Capital outlay	-	150	3,042	-	52,565	-	-
Total expenditures	-	1,617	1,617	-	89,715	39,582	-
Excess (deficiency) of revenue over expenditures	105,041	(9,778)	8,730	105,041	(9,778)	8,730	76,521
Other financing sources (uses)							
Proceeds on sale of capital assets	-	295	295	-	-	-	-
Transfers (out)	-	1,441,926	1,811,592	-	-	-	(70,448)
Total other financing sources (uses)	-	1,442,221	3,137,957	-	-	-	(70,448)
Net change in fund balances	105,041	(9,778)	8,730	105,041	(9,778)	8,730	6,073
Fund balances							
Beginning of year	250,036	332,098	38,616	250,036	332,098	38,616	796,058
End of year	\$ 355,077	\$ 322,320	\$ 47,346	\$ 355,077	\$ 322,320	\$ 47,346	\$ 802,131

CITY OF RAMSEY

Schedule of Revenue, Expenditures, and Changes in Fund Balances
Economic Development Authority – Budget and Actual
Year Ended December 31, 2020

	General Govt Special Projects	Economic Development Authority	Totals	Budgeted Amounts		Actual	Over (Under) Final Budget
				Original	Final		
	\$ -	\$ 90,950	\$ 90,950	\$ 91,413	\$ 90,950	\$ (463)	
	-	-	34,215	7,500	40,633	33,133	
	4,459	40,633	90,690	98,913	131,583	32,670	
	25,000	-	254,998	-	-	-	
	29,459	131,583	470,853	-	-	-	
	1,137	85,533	123,820	98,913	85,533	(13,380)	
	-	-	39,582	-	-	-	
	-	-	52,565	-	-	-	
	1,137	85,533	215,967	-	-	-	
	28,322	46,050	254,886	-	46,050	46,050	
	2,372	-	2,372	-	-	-	
	-	-	(70,448)	-	-	-	
	2,372	-	(68,076)	-	-	-	
	30,694	46,050	186,810	-	-	-	
	138,168	1,396,171	2,951,147	-	1,396,171	1,396,171	
	\$ 168,862	\$ 1,442,221	\$ 3,137,957	-	\$ 1,442,221	\$ 1,442,221	

CITY OF RAMSEY
 Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2020

NONMAJOR DEBT SERVICE FUNDS

Nonmajor Debt Service Funds are used to account for the accumulation of resources used for the payment of principal and interest on long term debt.

2011B Refund GO Improvement Bonds – In 2011, \$3,090,000 Series 2011B Improvement Crossover Refunding bonds were issued to refund the 2005B Series AUAR roadway bonds that were called on December 15, 2014.

2009A State Aid Road Bond – The \$1,340,000 General Obligation Tax State Aid Road Bond was to finance the construction of Sunfish Lake Boulevard. The City made the final debt payments in 2019 and the fund was closed in 2020.

2012A GO Refund Improvement Bond – The Series 2012A \$16,875,000 General Obligation Capital Improvement Plan Bond was issued to refund the 2005A Public Project Lease Revenue Bond that was issued to finance the construction of the city's municipal center.

2013A Capital Equipment Certificates – The Series 2013A \$635,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

2014A Capital Equipment Certificates – The Series 2014A \$875,000 General Obligation Capital Equipment Certificate of Indebtedness is to finance the acquisition of capital equipment.

2015A GO Capital Improvement Bond – The \$3,880,000 General Obligation Capital Improvement Bond is to finance the construction of the city's Fire Station #2.

2015B GO Street Reconstruction Bond – The \$1,205,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Garnet Street and 168th Avenue.

2016A GO Street Reconstruction Bond – The \$1,650,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Andrie Street and 164th Lane.

2017A GO Street Reconstruction Bond – The \$895,000 General Obligation Street Reconstruction Bonds is to finance the reconstruction of Alpine Drive and Sunwood Drive.

2018A GO Street Reconstruction Bond – The \$1,175,000 General Obligation Street Reconstruction Bond is to finance the reconstruction of Riversbend Avenue and Stanhope Terrace.

	2011B Refund G.O. Improvement Bonds	2009A State Aid Road Bond	2012A GO Refund Improvement Bond	2013A Capital Equipment Certificates
Assets				
Cash and temporary investments	\$ 220,825	\$ -	\$ 722,686	\$ 26,078
Receivables	-	-	27,899	1,648
Unremitted taxes	-	-	16,318	1,066
Delinquent taxes	-	-	-	-
Unremitted special assessments	-	-	-	-
Delinquent special assessments	-	-	-	-
Deferred special assessments	-	-	-	-
Total assets	\$ 220,825	\$ -	\$ 766,903	\$ 28,792
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	16,318	1,066
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	-	-	16,318	1,066
Fund balances				
Restricted	220,825	-	750,585	27,726
Total deferred inflows of resources and fund balances	\$ 220,825	\$ -	\$ 766,903	\$ 28,792

CITY OF RAMSEY

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

Nonmajor Debt Service Funds

	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond	2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	2011B Refund G.O. Improvement Bonds	2009A State Aid Road Bond	2012A GO Refund Improvement Bond	2013A Capital Equipment Certificates
Revenue										
Property taxes	\$ 23,551	\$ 153,412	\$ 39,926	\$ 81,161	\$ 20,334	\$ 91,202	\$ -	\$ -	\$ 1,113,101	\$ 65,743
Special assessments	2,480	6,543	711	1,656	1,221	1,434	338,510	-	-	-
Intergovernmental revenue	1,449	3,215	698	1,069	682	810	14,106	-	-	-
Other revenue	-	-	143	1,718	-	316	-	-	26,850	676
Investment earnings	-	-	40	-	-	212	-	-	-	-
Miscellaneous	-	-	43,828	152,450	31,987	101,428	352,616	-	1,139,951	66,419
Total revenue	\$ 27,480	\$ 163,170	\$ 85,346	\$ 238,054	\$ 54,224	\$ 195,402	\$ 322,296	\$ -	\$ 770,000	\$ 65,000
Expenditures										
Debt service	-	-	-	-	2,500	-	42,299	-	391,779	8,412
Principal retirement	-	-	-	-	-	-	322,296	-	1,161,779	73,412
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ 322,296	\$ -	\$ 1,161,779	\$ 73,412
Excess (deficiency) of revenues over expenditures	\$ 27,480	\$ 163,170	\$ 85,346	\$ 238,054	\$ 51,724	\$ 195,402	\$ -	\$ -	\$ (21,828)	\$ (6,993)
Other financing sources (uses)										
Transfers in	1,449	3,215	698	1,069	682	810	-	-	-	-
Transfers out	-	-	43,868	152,450	31,987	101,640	-	-	-	-
Total other financing sources (uses)	\$ 1,449	\$ 3,215	\$ 44,566	\$ 153,519	\$ 32,669	\$ 102,450	\$ -	\$ (93,140)	\$ -	\$ -
Net change in fund balances	\$ 26,031	\$ 159,955	\$ 40,780	\$ 84,535	\$ 19,055	\$ 92,952	\$ 30,317	\$ (93,140)	\$ (21,828)	\$ (6,993)
Fund balances										
Beginning of year	\$ 27,480	\$ 163,170	\$ 85,346	\$ 238,054	\$ 54,224	\$ 195,402	\$ 190,508	\$ 93,140	\$ 772,413	\$ 34,719
End of year	\$ 27,480	\$ 163,170	\$ 85,346	\$ 238,054	\$ 54,224	\$ 195,402	\$ 220,825	\$ -	\$ 750,585	\$ 27,726

NONMAJOR CAPITAL PROJECTS FUNDS

Nonmajor Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

State-Aid Construction Fund – used to account for state-aid allotments used by the City for improvement projects to thoroughfare roads within the City.

Revolving Acquisition Loan Fund (RALF) Funded Projects Fund – This fund is used to account for resources and expenditures related to the purchase of property for future state road development.

Trott Brook Cemetery Perpetual Care Fund – used to account for perpetual care fees collected on the sale of cemetery plots in Trott Brook Cemetery.

Park Improvement Fund – used to account for all park dedication fees to be used for land acquisition and park development.

Parking Ramp Maintenance Fund – used to account for all expenditures that the City incurs to operate, maintain, and repair the parking ramp with costs to be allocated to the affected users.

Sunwood Drive Realignment Fund – used to account for all costs that are associated with the realignment of Sunwood Drive within The COR.

Puma/Bunker Street Improvement Fund – used to account for the resources used to finance the construction of Puma Street and Bunker Lake Boulevard near the City's new business park.

Landfill Fund – Used to account for certain landfill-related revenue, the expenditures the City may incur in relation to the landfill, and any other expenditures for improvements providing a benefit to the entire city. The fund does not present a potential liability for landfill closure and post closure care costs as defined by GASB Statement No. 18 as the landfill is not owned by the City.

Equipment Revolving Fund – used to account for resources to finance the replacement of city equipment, vehicles, and/or building facilities.

Public Facilities Construction Fund – used to account for the resources to be used for land acquisition and the construction of public utilities.

Pavement Management Fund – used to account for the resources to be used for road reconstructions and overlays per the City's Pavement Management Program.

	2014A Capital Equipment Certificates	2015A GO Capital Improvement Bond	2015B GO Street Reconstruction Bond	2016A GO Street Reconstruction Bond	2017A GO Street Reconstruction Bond	2018A GO Street Reconstruction Bond	Totals
\$	98,962	261,057	28,349	66,090	48,699	57,220	1,739,221
	-	-	12,321	46,969	6,251	34,433	99,974
	-	-	-	-	-	-	338,510
	1,150	5,170	2,087	3,111	11,834	3,063	68,047
	100,112	266,227	42,769	116,250	66,784	94,744	2,245,872
							120
							2,245,872
	85,000	175,000	120,000	165,000	90,000	115,000	1,865,000
	10,589	96,884	21,592	28,392	17,202	33,342	650,491
	95,589	271,884	141,592	193,392	107,202	148,342	2,515,491
	4,523	(5,657)	(98,823)	(77,142)	(40,418)	(53,598)	(269,619)
	-	93,140	58,541	76,377	48,878	57,467	334,403
	-	-	-	-	-	-	(93,140)
	-	93,140	58,541	76,377	48,878	57,467	241,263
	4,523	87,483	(40,282)	(765)	8,460	3,869	(28,356)
	21,508	72,472	81,062	85,300	10,595	89,083	1,450,800
\$	26,031	159,955	40,780	84,535	19,055	92,952	1,422,444

CITY OF RAMSEY

Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2020

	State-Aid Construction	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance	Sunwood Drive Realignment	Puma/Bunker Street Improvement	Landfill	Equipment Revolving	Public Facilities Construction	Pavement Management Program	Totals
Assets												
Cash and temporary investments	\$ 2,097,205	\$ 454,520	\$ 67,136	\$ 5,124,797	\$ 75,241	\$ -	\$ 222,154	\$ 1,063,780	\$ 806,579	\$ 838,376	\$ 1,093,139	\$ 11,842,927
Receivables	-	-	-	-	-	-	542	-	-	-	1,296	1,838
Unremitted special assessments	-	-	-	-	-	-	4	-	-	-	-	4
Delinquent special assessments	-	-	-	-	-	-	154,298	-	-	-	67,052	221,350
Deferred special assessments	-	-	-	-	-	-	-	-	-	-	417,531	418,809
Accounts	-	1,258	-	-	-	-	-	-	-	-	2,752	2,752
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,097,205	\$ 455,778	\$ 67,136	\$ 5,124,797	\$ 75,241	\$ -	\$ 376,998	\$ 1,063,780	\$ 806,579	\$ 838,376	\$ 1,581,790	\$ 12,487,680
Liabilities												
Accounts and contracts payable	\$ 164,894	\$ 2,145	\$ -	\$ -	\$ 1,850	\$ -	\$ 30,028	\$ -	\$ -	\$ 129	\$ 10,157	\$ 209,203
Advances from other funds	-	-	-	-	-	-	-	-	-	334,524	-	334,524
Total liabilities	164,894	2,145	-	-	1,850	-	30,028	-	-	334,653	10,157	543,727
Deferred inflows of resources												
Unavailable revenue - special assessments	-	-	-	-	-	-	154,302	-	-	-	67,052	221,354
Fund balances												
Restricted	1,932,311	-	-	-	-	-	-	-	-	-	-	1,932,311
Assigned	-	453,633	67,136	5,124,797	73,391	-	192,668	1,063,780	806,579	503,723	1,504,581	9,290,288
Total fund balances	1,932,311	453,633	67,136	5,124,797	73,391	-	192,668	1,063,780	806,579	503,723	1,504,581	11,722,599
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,097,205	\$ 455,778	\$ 67,136	\$ 5,124,797	\$ 75,241	\$ -	\$ 376,998	\$ 1,063,780	\$ 806,579	\$ 838,376	\$ 1,581,790	\$ 12,487,680

CITY OF RAMSEY

Nonmajor Capital Project Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2020

	State-Aid Construction	RALF Funded Projects	Trott Brook Cemetery Perpetual Care	Park Improvement	Parking Ramp Maintenance	Sunwood Drive Realignment	Puma/Bunker Street Improvement	Landfill	Equipment Revolving	Public Facilities Construction	Pavement Management Program	Totals
Revenue												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,520	\$ -	\$ 44,520
Franchise fees	-	-	-	-	-	-	-	-	-	-	423,045	423,045
Special assessments	-	-	-	-	-	-	311,174	-	-	-	15,239	326,413
Intergovernmental revenue	1,676,035	-	-	-	-	-	490,000	-	-	-	-	2,166,035
Charges for services	-	145,240	-	369,201	-	-	-	-	-	-	-	514,441
Other revenue	74,780	-	1,936	106,160	266	-	-	63,468	23,313	43,748	25,158	338,829
Investment earnings	-	36	1,300	-	122,847	-	25,325	-	47,000	2,001	260,752	459,261
Miscellaneous	-	-	-	-	-	-	826,499	63,468	70,313	90,269	724,194	4,272,544
Total revenue	1,750,815	145,276	3,236	475,361	123,113	-	-	-	-	-	-	-
Expenditures												
Current												
General government	-	-	-	-	109,129	-	1,092	-	18,529	-	-	128,750
Highways and streets	-	-	-	-	-	-	-	-	-	-	5,306	5,306
Culture and recreation	-	88,232	-	32,784	-	-	-	-	-	-	-	121,016
Capital outlay	1,925,900	-	-	-	-	-	694,799	-	12,870	-	28,872	2,662,441
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	7,462	-	7,462
Total expenditures	1,925,900	88,232	-	32,784	109,129	-	695,891	-	31,399	7,462	34,178	2,924,975
Excess (deficiency) of revenue over expenditures	(175,085)	57,044	3,236	442,577	13,984	-	130,608	63,468	38,914	82,807	690,016	1,347,569
Other financing sources (uses)												
Transfers in	200,000	-	-	-	-	-	-	-	412,864	137,622	-	750,486
Transfers (out)	-	-	-	-	-	(310,509)	(302,019)	(1,200,000)	(441,049)	(1,000,000)	-	(3,253,577)
Total other financing sources (uses)	200,000	-	-	-	-	(310,509)	(302,019)	(1,200,000)	(28,185)	(862,378)	-	(2,503,091)
Net change in fund balances	24,915	57,044	3,236	442,577	13,984	(310,509)	(171,411)	(1,136,532)	10,729	(779,571)	690,016	(1,155,522)
Fund balances												
Beginning of year	1,907,396	396,589	63,900	4,682,220	59,407	310,509	364,079	2,200,312	795,850	1,283,294	814,565	12,878,121
End of year	\$ 1,932,311	\$ 453,633	\$ 67,136	\$ 5,124,797	\$ 73,391	\$ -	\$ 192,668	\$ 1,063,780	\$ 806,579	\$ 503,723	\$ 1,504,581	\$ 11,722,599

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	138-143
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	144-147
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	148-151
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	152-153
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	154-156

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

City of Ramsey
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 39,794,321	\$ 41,988,822	\$ 40,374,256	\$ 41,657,601	\$ 41,216,689	\$ 42,170,710	\$ 42,129,791	\$ 43,551,135	\$ 44,658,317	\$ 52,756,077
Restricted	22,103,948	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706
Unrestricted	14,433,838	7,298,825	8,107,485	8,120,953	13,292,971	13,832,461	13,559,175	15,666,889	16,759,261	22,499,652
Total governmental activities net position	\$ 76,332,107	\$ 63,929,653	\$ 64,610,193	\$ 65,052,136	\$ 72,939,801	\$ 74,327,101	\$ 75,368,400	\$ 80,153,240	\$ 82,424,115	\$ 94,213,435
Business-type activities										
Net investment in capital assets	\$ 51,748,092	\$ 50,843,868	\$ 50,494,576	\$ 50,427,367	\$ 49,340,145	\$ 51,959,594	\$ 53,855,285	\$ 53,653,338	\$ 55,575,211	\$ 56,166,921
Unrestricted	23,764,060	27,486,732	28,969,730	30,915,832	34,206,676	35,953,541	38,306,851	43,024,292	46,993,793	44,568,513
Total business-type activities net position	\$ 75,512,152	\$ 78,330,600	\$ 79,464,306	\$ 81,343,199	\$ 83,546,821	\$ 87,913,135	\$ 92,162,136	\$ 96,677,630	\$ 102,569,004	\$ 100,735,434
Total government										
Net investment in capital assets	\$ 91,542,413	\$ 92,842,690	\$ 90,868,832	\$ 92,084,968	\$ 90,556,834	\$ 94,130,304	\$ 95,985,076	\$ 97,204,473	\$ 100,233,528	\$ 108,922,998
Restricted	22,103,948	14,632,006	16,128,452	15,273,582	18,430,141	18,323,930	19,679,434	20,935,216	21,006,537	18,957,706
Unrestricted	38,197,898	34,785,557	37,077,215	39,036,785	47,499,647	49,786,002	51,866,026	58,691,181	63,753,054	67,068,165
Total government net position	\$ 151,844,259	\$ 142,260,253	\$ 144,074,499	\$ 146,395,335	\$ 156,486,622	\$ 162,240,236	\$ 167,530,536	\$ 176,830,870	\$ 184,993,119	\$ 194,948,869

Note 1: The City implemented GASB Statement No. 68 in fiscal 2015, recording a change in accounting principle that decreased unrestricted net position. Prior year balances are not restated.

Note 2: The City reported a prior period adjustment in fiscal 2016 that increased the net investment in capital assets. Prior year balances are not restated.

City of Ramsey
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 5,559,732	\$ 18,976,842	\$ 3,735,657	\$ 4,087,755	\$ 4,075,505	\$ 4,528,920	\$ 4,992,809	\$ 5,078,516	\$ 5,139,352	\$ 5,640,679
Public safety	4,307,045	4,218,066	4,074,688	4,079,362	4,349,763	5,875,567	5,782,563	5,167,897	5,844,265	6,468,397
Highways and streets	6,129,272	5,659,428	5,215,280	4,263,552	3,197,571	3,826,143	4,254,234	4,191,395	4,442,720	4,028,294
Culture and recreation	1,267,292	1,216,583	1,415,736	1,422,810	1,867,274	1,931,537	2,384,845	1,751,345	1,756,810	1,917,228
Economic Development	-	-	-	-	-	-	-	-	-	481,858
Interest and fiscal charges	1,302,228	2,555,567	1,220,471	1,168,513	983,379	890,305	952,965	883,292	845,651	839,444
Total governmental activities expenses	<u>18,565,569</u>	<u>32,626,486</u>	<u>15,661,812</u>	<u>15,021,992</u>	<u>14,473,492</u>	<u>17,052,472</u>	<u>18,367,416</u>	<u>17,072,445</u>	<u>18,028,798</u>	<u>19,375,900</u>
Business-type activities:										
Water utility	1,358,050	1,228,012	1,293,201	1,221,211	1,278,204	1,489,070	1,396,021	1,590,737	1,483,584	1,657,356
Sewer utility	1,149,318	1,152,760	1,190,551	1,282,302	1,291,509	1,438,141	1,535,664	1,523,670	1,631,260	1,723,238
Street light utility	163,758	165,651	176,736	161,733	178,666	176,732	159,378	160,952	171,619	169,463
Recycling utility	302,947	302,936	308,629	321,321	320,901	359,418	373,775	380,055	380,192	366,764
Storm water utility	410,666	496,300	491,370	509,709	557,267	742,043	633,101	573,878	590,645	777,252
Total business-type activities	<u>3,384,739</u>	<u>3,345,668</u>	<u>3,460,487</u>	<u>3,495,276</u>	<u>3,626,547</u>	<u>4,205,404</u>	<u>4,097,939</u>	<u>4,229,292</u>	<u>4,257,300</u>	<u>4,694,073</u>
Total government expenses	<u>21,950,308</u>	<u>35,972,154</u>	<u>19,122,299</u>	<u>18,518,268</u>	<u>18,100,039</u>	<u>21,257,876</u>	<u>22,465,355</u>	<u>21,301,737</u>	<u>22,286,098</u>	<u>24,069,973</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 313,195	\$ 416,152	\$ 479,970	\$ 461,538	\$ 529,820	\$ 457,901	\$ 571,464	\$ 691,819	\$ 640,173	\$ 534,279
Public safety	918,296	1,177,840	901,570	626,844	946,887	698,310	878,141	1,168,258	1,098,016	974,955
Highways and streets	738,136	81,159	239,234	266,447	347,984	261,658	204,148	214,272	214,272	259,161
Culture and recreation	9,910	628,571	158,376	173,310	815,511	483,727	585,033	1,355,365	926,530	373,669
Operating grants and contributions	298,077	2,008,709	1,180,725	385,574	9,999,527	508,694	379,185	368,099	461,826	603,389
Capital grants and contributions	4,187,265	3,866,331	3,208,950	3,023,145	3,124,565	3,809,965	5,026,857	4,765,578	3,434,344	4,930,496
Total governmental activities program revenues	<u>6,464,879</u>	<u>8,178,762</u>	<u>6,188,825</u>	<u>4,936,858</u>	<u>15,764,294</u>	<u>6,220,255</u>	<u>7,675,700</u>	<u>8,578,674</u>	<u>6,775,161</u>	<u>7,675,949</u>
Business-type activities:										
Charges for services:										
Water utility	1,821,386	2,131,460	1,997,302	1,860,380	2,045,225	1,953,478	2,772,003	3,484,687	2,138,209	2,541,651
Sewer utility	1,236,771	1,324,342	1,341,674	1,393,157	1,392,101	1,458,250	1,784,755	2,182,944	1,672,072	1,714,469
Street light utility	178,850	179,124	177,158	188,185	190,872	196,253	204,148	211,360	217,169	216,545
Recycling utility	297,226	296,358	298,034	309,160	307,128	308,052	310,471	317,090	319,940	319,664
Storm water utility	617,579	647,169	677,936	706,135	770,812	1,034,552	988,960	1,057,705	1,168,494	1,164,868
Operating grants and contributions	50,279	57,239	79,358	65,817	39,423	67,100	92,602	67,961	57,865	57,865
Capital grants and contributions	88,349	1,315,030	488,687	101,107	1,799,057	1,864,137	1,884,137	906,190	2,596,210	1,683,338
Total business-type activities program revenues	<u>4,290,440</u>	<u>5,950,722</u>	<u>5,060,149</u>	<u>4,623,944</u>	<u>5,930,696</u>	<u>6,816,742</u>	<u>7,987,346</u>	<u>8,232,233</u>	<u>8,180,055</u>	<u>7,698,400</u>
Total government program revenues	<u>10,755,319</u>	<u>14,129,484</u>	<u>11,248,974</u>	<u>9,560,799</u>	<u>21,694,990</u>	<u>13,036,997</u>	<u>15,663,046</u>	<u>16,810,907</u>	<u>14,955,216</u>	<u>15,374,349</u>
Net (expense)/revenue	\$ (12,100,690)	\$ (24,447,724)	\$ (9,492,987)	\$ (10,085,134)	\$ 1,290,802	\$ (10,832,217)	\$ (10,691,716)	\$ (8,493,771)	\$ (11,253,637)	\$ (11,699,951)
Governmental activities	905,701	2,605,054	1,599,662	1,127,665	2,304,149	2,611,338	3,889,407	4,002,941	3,922,755	3,004,327
Business-type activities	(11,194,989)	(21,842,670)	(7,893,325)	(8,957,469)	(3,594,951)	(6,220,879)	(6,802,309)	(4,490,830)	(7,330,882)	(8,695,624)
Total government net expense	<u>\$ (10,289,288)</u>	<u>\$ (24,237,616)</u>	<u>\$ (6,293,663)</u>	<u>\$ (8,829,474)</u>	<u>\$ 1,005,248</u>	<u>\$ (8,211,481)</u>	<u>\$ (6,812,302)</u>	<u>\$ (4,490,830)</u>	<u>\$ (7,330,882)</u>	<u>\$ (5,691,324)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 11,671,760	\$ 11,454,519	\$ 10,421,456	\$ 9,423,457	\$ 10,064,621	\$ 10,674,696	\$ 11,136,810	\$ 12,384,300	\$ 12,894,388	\$ 13,744,948
Franchise fees	-	-	-	-	-	-	-	-	-	423,045
General grants and contributions	120,932	9,175	38,577	3,198	4,204	3,905	3,586	102,994	5,617	2,053,933
Investment earnings (charges)	903,786	474,076	(411,446)	980,922	422,405	280,597	454,089	578,770	1,122,573	1,035,274
Gain on sale of capital assets	14,716	-	12,940	8,914	8,914	5,300	5,300	75,047	8,428	2,372
Transfers	1,199,585	107,500	112,000	119,500	124,000	214,445	133,000	137,500	(506,494)	6,229,699
Total governmental activities	<u>13,910,779</u>	<u>12,045,270</u>	<u>10,173,527</u>	<u>10,527,077</u>	<u>10,624,144</u>	<u>11,173,643</u>	<u>11,733,015</u>	<u>13,278,611</u>	<u>13,524,512</u>	<u>23,489,271</u>
Business-type activities:										
Investment earnings (charges)	460,228	320,894	(353,956)	870,728	385,490	325,628	492,594	650,053	1,462,125	1,391,802
Transfers	(1,199,585)	(107,500)	(112,000)	(119,500)	(124,000)	(214,445)	(133,000)	(137,500)	506,494	(6,229,699)
Total business-type activities	<u>(739,357)</u>	<u>(213,394)</u>	<u>(465,956)</u>	<u>751,228</u>	<u>261,490</u>	<u>111,183</u>	<u>359,594</u>	<u>512,553</u>	<u>1,968,619</u>	<u>(4,837,897)</u>
Total government	<u>\$ 13,171,422</u>	<u>\$ 12,258,664</u>	<u>\$ 9,707,571</u>	<u>\$ 11,278,305</u>	<u>\$ 10,885,634</u>	<u>\$ 11,284,826</u>	<u>\$ 12,092,609</u>	<u>\$ 13,791,164</u>	<u>\$ 15,493,131</u>	<u>\$ 18,651,374</u>
Change in Net Position										
Governmental activities	\$ 1,810,089	\$ (12,402,454)	\$ 680,540	\$ 441,943	\$ 11,914,946	\$ 341,426	\$ 1,041,299	\$ 4,784,840	\$ 2,270,875	\$ 11,789,320
Business-type activities	166,344	2,818,448	1,133,706	1,878,893	2,565,639	2,722,521	4,249,001	4,515,494	5,891,374	(1,833,570)
Total government	<u>\$ 1,976,433</u>	<u>\$ (9,584,006)</u>	<u>\$ 1,814,246</u>	<u>\$ 2,320,836</u>	<u>\$ 14,480,585</u>	<u>\$ 3,063,947</u>	<u>\$ 5,290,300</u>	<u>\$ 9,300,334</u>	<u>\$ 8,162,249</u>	<u>\$ 9,955,750</u>

City of Ramsey
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment</u>	<u>Franchise Fees</u>	<u>Total</u>
2011	\$ 8,048,173	\$ 3,623,587	\$ -	\$ 11,671,760
2012	11,454,519	2,703,765	-	14,158,284
2013	8,186,852	2,234,604	-	10,421,456
2014	8,755,276	668,181	-	9,423,457
2015	9,393,365	671,256	-	10,064,621
2016	9,974,695	700,001	-	10,674,696
2017	10,423,864	712,946	-	11,136,810
2018	11,400,536	983,764	-	12,384,300
2019	11,819,552	1,074,836	-	12,894,388
2020	12,515,773	1,229,175	423,045	14,167,993

City of Ramsey
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 9,929	\$ 4,042	\$ 50,561	\$ 4,805	\$ 1,613	\$ 15,431	\$ 12,393	\$ 21,335	\$ 23,640	\$ 16,849
Assigned	125,015	142,419	175,008	—	—	—	—	—	—	—
Unassigned	6,253,688	6,578,822	6,545,825	6,977,764	7,271,432	7,501,962	7,900,225	8,468,792	8,856,806	10,073,204
Total general fund	<u>\$ 6,388,632</u>	<u>\$ 6,725,283</u>	<u>\$ 6,771,394</u>	<u>\$ 6,982,569</u>	<u>\$ 7,273,045</u>	<u>\$ 7,517,393</u>	<u>\$ 7,912,618</u>	<u>\$ 8,490,127</u>	<u>\$ 8,880,446</u>	<u>\$ 10,090,053</u>
All other governmental funds										
Nonspendable	\$ 304	\$ —	\$ 590	\$ —	\$ —	\$ 450	\$ 920	\$ 1,205	\$ 1,801	\$ 295
Restricted	25,032,219	17,606,291	19,148,705	15,295,400	18,484,179	18,377,993	18,187,321	19,369,642	19,957,595	27,518,666
Committed	819,839	946,312	927,557	743,944	890,603	1,041,932	1,226,234	1,631,444	1,184,262	1,326,070
Assigned	10,552,354	9,962,381	10,719,398	10,651,554	12,645,683	13,331,150	13,394,815	14,094,178	15,297,043	18,886,283
Unassigned	(853,086)	(456,692)	(282,159)	(110,979)	(556,135)	(87,659)	—	—	—	—
Total all other governmental funds	<u>\$ 35,551,630</u>	<u>\$ 28,058,292</u>	<u>\$ 30,514,091</u>	<u>\$ 26,579,919</u>	<u>\$ 31,464,330</u>	<u>\$ 32,663,866</u>	<u>\$ 32,809,290</u>	<u>\$ 35,096,469</u>	<u>\$ 36,440,701</u>	<u>\$ 47,731,314</u>

City of Ramsey
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 11,709,649	\$ 11,545,803	\$ 10,490,825	\$ 9,544,771	\$ 10,175,399	\$ 10,684,896	\$ 11,150,611	\$ 12,416,534	\$ 12,872,234	\$ 13,682,348
Franchise fees	-	-	-	-	-	-	-	-	-	423,045
Special assessments	545,764	436,854	370,791	326,465	468,844	444,235	959,217	559,599	1,025,527	484,810
Licenses and permits	368,153	534,910	718,875	458,532	784,954	526,008	732,129	1,031,944	901,222	850,504
Intergovernmental revenue	3,140,747	3,736,095	2,919,701	2,615,851	2,052,791	1,795,988	2,213,034	2,947,966	1,518,639	5,793,188
Charges for services	1,517,320	1,681,400	877,849	966,951	1,779,697	1,298,085	1,469,703	2,355,969	1,892,517	1,246,378
Fines and forfeits	105,833	75,562	73,110	72,216	60,236	66,410	59,701	46,651	49,479	34,735
Investment earnings (charges)	895,184	468,032	(403,836)	965,382	416,508	276,142	447,200	570,243	1,104,969	1,020,655
Other	746,505	1,909,229	1,402,508	596,208	10,679,794	773,836	707,675	765,601	1,036,319	842,747
Total Revenues	19,029,155	20,387,885	16,449,823	15,546,376	26,418,223	15,865,600	17,739,270	20,694,507	20,400,906	24,378,410
Expenditures										
General government	4,847,669	18,291,512	2,837,610	3,175,959	3,119,273	3,537,925	4,031,933	4,212,365	4,358,408	4,849,293
Public safety	3,886,613	3,860,697	3,740,132	3,809,209	4,011,871	4,234,482	4,727,493	4,788,902	5,360,402	5,967,770
Highways and streets	4,944,097	4,391,415	3,883,519	2,930,144	1,815,409	2,199,615	2,542,463	2,390,707	2,528,216	2,068,827
Culture and recreation	857,927	836,452	1,013,089	1,004,750	1,428,116	1,478,090	1,960,624	1,291,816	1,281,153	1,476,727
Economic development	-	-	-	-	-	-	-	-	-	481,858
Capital outlay	6,589,201	3,370,128	705,383	3,688,952	6,314,573	2,756,193	1,922,947	3,568,285	1,505,922	7,406,231
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	1,810,000	1,485,000	1,315,000	1,580,000	8,780,000	1,735,000	2,085,000	2,100,000	2,280,000	4,045,000
Interest	1,220,906	2,681,176	1,213,120	1,179,859	1,103,614	965,474	967,281	923,125	854,188	873,623
Total Expenditures	24,156,413	34,916,380	14,707,853	17,368,873	26,572,856	16,906,779	18,237,741	19,275,200	18,168,289	27,169,329
Excess (deficiency) of revenues over expenditures	(5,127,258)	(14,528,495)	1,741,970	(1,822,497)	(154,633)	(1,041,179)	(498,471)	1,419,307	2,232,617	(2,790,919)
Other financing sources (uses)										
Bonds issued	4,365,000	7,320,000	635,000	875,000	5,085,000	1,650,000	895,000	1,175,000	-	9,055,000
Refunding bonds issued	3,090,000	16,875,000	-	-	-	-	-	-	-	-
Premium/(Discount) on debt issues	(22,036)	284,907	-	-	111,606	69,482	5,590	35,246	-	4,068
Payments on refunded bonds	-	(17,227,352)	-	(2,895,000)	-	-	-	-	-	-
Proceeds on sale of capital assets	19,980	11,753	12,940	-	8,914	-	5,530	75,047	8,428	2,372
Transfers in	3,864,855	6,237,727	2,606,637	2,329,539	3,642,196	2,183,931	1,536,025	1,447,137	1,714,327	11,238,331
Transfers (out)	(2,665,270)	(6,130,227)	(2,494,637)	(2,210,039)	(3,518,196)	(1,418,350)	(1,403,025)	(1,287,049)	(2,220,821)	(5,008,632)
Total other financing sources (uses)	8,652,529	7,371,808	759,940	(1,900,500)	5,329,520	2,485,063	1,039,120	1,445,381	(498,066)	15,291,139
Net change in fund balances	\$ 3,525,271	\$ (7,156,687)	\$ 2,501,910	\$ (3,722,997)	\$ 5,174,887	\$ 1,443,884	\$ 540,649	\$ 2,864,688	\$ 1,734,551	\$ 12,500,220
Debt service as a percentage of noncapital expenditures	17.25%	13.21%	18.05%	20.17%	48.79%	19.08%	18.71%	19.25%	18.81%	24.89%

City of Ramsey
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment</u>	<u>Franchise Fees</u>	<u>Total</u>
2011	\$ 8,086,062	\$ 3,623,587	\$ -	\$ 11,709,649
2012	11,545,803	2,703,765	-	14,249,568
2013	8,256,221	2,234,604	-	10,490,825
2014	8,876,590	668,181	-	9,544,771
2015	9,504,143	671,256	-	10,175,399
2016	9,984,895	700,001	-	10,684,896
2017	10,437,665	712,946	-	11,150,611
2018	11,432,770	983,764	-	12,416,534
2019	11,797,398	1,074,836	-	12,872,234
2020	12,453,173	1,229,175	423,045	14,105,393

City of Ramsey
Taxable Market Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended Dec 31	Real Property		Personal Property		Total Taxable Market Value	Tax Capacity Value	Total Direct Tax Rate	Estimated Actual Value	Tax Capacity Value as a Percentage of Market Value
	Residential Property	Commercial Property	Other						
2011	\$ 1,672,477,900	\$ 301,333,900	\$ 18,253,100	\$ 1,992,064,900	\$ 20,609,005	39.801	\$ 2,015,100,000	1.03%	
2012	1,475,770,635	282,627,300	17,640,900	1,776,038,835	19,881,220	44.174	1,939,707,200	1.12%	
2013	1,360,374,300	257,979,400	18,811,000	1,637,164,700	18,068,054	44.290	1,806,808,800	1.10%	
2014	1,362,070,464	245,491,800	17,567,700	1,625,129,964	19,356,717	44.237	1,795,975,400	1.19%	
2015	1,598,276,536	251,254,300	16,579,800	1,866,110,636	21,196,036	42.259	2,025,977,100	1.14%	
2016	1,680,308,461	259,553,800	20,929,000	1,960,791,261	22,262,546	43.316	2,116,664,200	1.14%	
2017	1,788,112,555	272,746,700	21,166,600	2,082,025,855	23,635,124	42.454	2,236,219,500	1.14%	
2018	2,017,773,356	276,246,500	24,178,500	2,318,198,356	26,075,064	41.730	2,460,843,300	1.12%	
2019	2,173,440,579	298,573,500	27,720,100	2,499,734,179	28,214,447	40.355	2,645,430,600	1.13%	
2020	2,364,387,414	320,472,500	29,789,700	2,714,649,614	30,594,502	39.592	2,856,636,800	1.13%	

Note: The tax capacity value of property is calculated by applying a statutory formula to the estimated market value of the property.
Source: Anoka County records were the source of taxable market value and estimated actual values.

City of Ramsey
Property Tax Rates (1)
Direct and Overlapping (2) Governments
Last Ten Fiscal Years

Fiscal Year	City of Ramsey		County		School District		Other Special Taxing Districts (3)	Total	
	General Operating Levy	Debt Service Levy	Anoka County	Anoka County	ISD No 11	ISD No 728		Direct & Overlapping Rates-ISD No 11	Direct & Overlapping Rates-ISD No 728
2011	35.840	3.961	39.801	41.708	23.999	43.489	4.905	110.413	129.903
2012	37.186	6.988	44.174	43.298	23.325	45.548	4.124	114.921	137.144
2013	41.500	2.790	44.290	45.453	26.751	51.290	4.146	120.640	145.179
2014	37.073	7.164	44.237	44.495	28.265	51.286	6.031	123.028	146.049
2015	36.208	6.051	42.259	38.443	22.482	42.483	5.226	108.410	128.411
2016	36.185	7.131	43.316	39.398	20.885	39.266	5.448	109.047	127.428
2017	35.564	6.890	42.454	37.273	18.590	36.659	5.087	103.404	121.473
2018	34.830	6.900	41.730	35.820	18.392	36.137	4.902	100.844	118.589
2019	34.483	5.872	40.355	34.908	16.330	32.865	4.619	96.212	112.747
2020	34.063	5.529	39.592	33.483	16.948	34.371	4.361	94.384	111.807

Tax rates per \$100 of tax capacity

Source: Anoka County records

(1) Information reflects total tax rates levied by each entity. Tax rates are expressed as a percent of "net tax capacity." A property's tax capacity is determined by multiplying its taxable market value by a state-determined class rate. Class rates vary by property type and change periodically based on state legislation.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of Ramsey. Not all overlapping rates apply to all City of Ramsey property owners (e.g., the rates for special districts may apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

(3) Other taxing districts include the Metropolitan Council, Regional Transit Area, Mosquito Control, and the Anoka County Regional Railroad Authority.

**City of Ramsey
Principal Property Taxpayers
Current Year And Nine Years Ago**

Taxpayer	2020			2011		
	Taxable Market Value	Rank	Percentage of Total Taxable Market Value	Taxable Market Value	Rank	Percentage of Total Taxable Market Value
Residence at the COR Apartments	\$ 23,332,200	1	0.86%	\$ -	-	N/A
PSD LLC	17,517,950	2	0.65%	6,263,500	7	0.31%
Connexus Energy/Anoka Electric	16,695,200	3	0.62%	20,112,200	1	1.01%
Minnegasco/Centerpoint	14,862,400	4	0.55%	5,941,500	8	0.30%
Life Fitness LLC	13,605,800	5	0.50%	-	-	N/A
S & A Partners, LLC	11,479,500	6	0.42%	-	-	N/A
Northstar Marketplace Station	9,632,900	7	0.35%	11,985,700	2	0.60%
Parkview East, LLC	9,265,900	8	0.34%	-	-	N/A
Knoll Properties	7,729,700	9	0.28%	-	-	N/A
Vision Ease/Insight Equity	6,396,200	10	0.24%	-	-	N/A
Sophia-Ramsey LLC	-	-	N/A	8,599,300	3	0.43%
Brunswick Corporation	-	-	N/A	8,447,200	4	0.42%
21st Century Bank	-	-	N/A	7,352,700	5	0.37%
Insight Equity APX	-	-	N/A	6,995,200	6	0.35%
Zero-Zone Refrigeration	-	-	N/A	5,104,800	9	0.26%
Molin Concrete	-	-	N/A	4,569,100	10	0.23%
Total principal property taxpayers	\$ 130,517,750		4.81%	\$ 85,371,200		4.29%

Source: County Board of Equalization and Assessment

City of Ramsey
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (2)		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 8,497,158	\$ 7,975,431	93.86%	\$ 519,495	\$ 8,494,926	99.97%
2012	8,782,330	8,616,750	98.11%	163,286	8,780,036	99.97%
2013	8,185,481	7,961,650	97.27%	222,073	8,183,723	99.98%
2014	8,772,143	8,649,053	98.60%	121,028	8,770,081	99.98%
2015	9,407,821	9,330,900	99.18%	72,455	9,403,355	99.95%
2016	9,971,075	9,890,058	99.19%	76,198	9,966,256	99.95%
2017	10,479,058	10,409,108	99.33%	60,255	10,469,363	99.91%
2018	11,374,395	11,314,369	99.47%	39,375	11,353,744	99.82%
2019	11,831,335	11,736,217	99.20%	40,785	11,777,002	99.54%
2020	12,509,232	12,405,409	99.17%	—	12,405,409	99.17%

A-7

Source: Anoka County records

- (1) Includes general, debt service and EDA levy.
- (2) Includes property tax credit collections shown in intergovernmental revenue.

City of Ramsey
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income(1)	Per Capita(1)
	General Obligation Bonded Debt	Capital Equipment Certificates			
2011	\$ 30,505,000	\$ 170,000	\$ 30,675,000	3.34%	\$ 1,294
2012	36,345,000	-	36,345,000	5.02%	1,525
2013	35,030,000	635,000	35,665,000	4.69%	1,467
2014	30,615,000	1,450,000	32,065,000	4.04%	1,286
2015	27,060,000	1,310,000	28,370,000	3.40%	1,108
2016	27,120,000	1,165,000	28,285,000	3.28%	1,093
2017	26,075,000	1,020,000	27,095,000	2.93%	1,032
2018	25,295,000	875,000	26,170,000	2.77%	989
2019	23,165,000	725,000	23,890,000	2.30%	883
2020	28,325,000	575,000	28,900,000	2.75%	1,060

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Ramsey
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (3)	Total	Percentage of Total Taxable Market Value of Property(1)	Per Capita(2)
2011	\$ 30,505,000	\$ 5,753,130	\$ 24,751,870	1.24%	\$ 1,044
2012	36,345,000	5,618,631	30,726,369	1.73%	1,289
2013	35,030,000	4,963,143	30,066,857	1.84%	1,237
2014	30,615,000	1,914,472	28,700,528	1.77%	1,151
2015	27,060,000	1,721,796	25,338,204	1.36%	990
2016	27,120,000	1,778,495	25,341,505	1.29%	980
2017	26,075,000	2,380,281	23,694,719	1.14%	903
2018	25,295,000	2,573,517	22,721,483	0.98%	859
2019	23,165,000	2,749,777	20,415,223	0.88%	755
2020	28,325,000	1,422,444	26,902,556	0.99%	987

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

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

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

(3) The City is using governmental fund net position restricted for debt service. We believe this to be the best amount available to present a consistent net amount when refunding bonds are held for payment, which are not restricted on entity-wide statements due to conversion for full accrual accounting.

City of Ramsey
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Anoka County	\$ 59,945,000	7.35%	\$ 4,405,958
ISD No. 11, Anoka-Hennepin	258,745,000	9.88%	25,564,006
ISD No. 728, Elk River	303,850,000	3.47%	10,543,595
Metropolitan Council	230,225,000	0.69%	1,588,553
Subtotal, overlapping debt			<u>42,102,112</u>
City of Ramsey direct debt	28,900,000	100.00%	<u>28,900,000</u>
Total direct and overlapping debt			<u>\$ 71,002,112</u>

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

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 Ramsey. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable assessed value.

City of Ramsey
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 59,384,853	\$ 57,200,676	\$ 53,252,703	\$ 52,910,907	\$ 59,662,374	\$ 62,348,919	\$ 65,840,919	\$ 72,493,821	\$ 77,913,726	\$ 81,439,488
Total net debt applicable to limit	12,206,870	15,675,147	15,993,070	16,141,727	19,191,513	18,316,143	17,454,836	16,444,851	15,298,888	23,195,703
Legal debt margin	\$ 47,177,983	\$ 41,525,529	\$ 37,259,633	\$ 36,769,180	\$ 40,470,861	\$ 44,032,776	\$ 48,386,083	\$ 56,048,970	\$ 62,614,838	\$ 58,243,785
Total net debt applicable to limit as a percentage of debt limit	20.56%	27.40%	30.03%	30.51%	32.17%	29.38%	26.51%	22.68%	19.64%	28.48%

Legal Debt Margin Calculation for Fiscal Year 2020

Taxable Market value	\$ 2,714,649,614
Debt limit (3% of market value)	81,439,488
Debt applicable to limit:	
Total bonded debt and certificates	\$ 28,900,000
Less:	
Obligations issued with special assessments	(4,740,000)
Amounts available in respective Debt Service Funds	(964,297)
Total deductions	<u>(5,704,297)</u>
Legal debt margin	<u>23,195,703</u>
	<u>\$ 58,243,785</u>

Note: Under state finance law, the City of Ramsey's outstanding general obligation debt should not exceed 3 percent of total taxable market value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of Ramsey
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2011	23,702	\$ 917,504,420	\$ 38,710	3,757	6.7%
2012	23,835	724,488,660	30,396	3,714	5.2%
2013	24,306	760,381,280	31,754	4,979	5.0%
2014	24,935	793,032,740	31,804	5,012	5.3%
2015	25,598	834,034,036	32,582	5,126	3.8%
2016	25,868	863,189,292	33,369	5,217	3.7%
2017	26,251	925,584,009	35,259	5,410	3.0%
2018	26,462	945,222,640	35,720	5,449	2.5%
2019	27,051	1,037,649,309	38,359	5,464	3.2%
2020	27,263	1,049,407,396	38,492	5,395	4.4%

(1) Calculated based on census data and City of Ramsey community development estimates.

(2) Calculated based on Per Capita Personal Income (Anoka County average) times Ramsey population.

(3) U.S. Department of Commerce, Bureau of Economic Analysis - Anoka County Average.

(4) Anoka-Hennepin School District #11 and Elk River School District #728. Only includes schools located in Ramsey City limits.

(5) Minnesota Department of Employment and Economic Development.

**City of Ramsey
Principal Employers
Current Year And Nine Years Ago**

Employer	2020			2011		
	Employees*	Rank	Percentage of Total City Employment**	Employees*	Rank	Percentage of Total City Employment
Life Fitness/Parabody Inc.	278	1	4.19%	350	2	6.62%
Anderson & Dahlen (Knoll Properties)	254	2	3.83%	150	4	2.84%
ISD No. 11 (located in Ramsey)	228	3	3.44%	135	5	2.55%
Connexus Energy/Anoka Electric	213	4	3.21%	230	3	4.35%
BMC/Hoya Vision Ease/Care	189	5	2.85%	355	1	6.71%
Coborns Superstore	171	6	2.58%	-	-	N/A
Diamond Graphics	165	7	2.49%	-	-	N/A
Zero Zone Refrigeration	162	8	2.44%	130	6	2.46%
Green Valley Greenhouse	150	9	2.26%	-	-	N/A
Sign Zone/Showdown Displays	145	10	2.19%	-	-	N/A
Alltron Inc	-	-	N/A	120	7	2.27%
Waltek	-	-	N/A	108	8	2.04%
RJM Distributing	-	-	N/A	103	9	1.95%
InTech Industries	-	-	N/A	95	10	1.80%
Total	1,955		29.48%	1,776		33.59%

* Source: City Inquiries with Businesses / Full-time Equivalent

** Source 2020 Q3: DEED Employment; Workforce 6.632

City of Ramsey
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>
General government	19.10	18.60	16.00	20.00	19.13	17.36	18.36	18.86	18.92	19.10
Public safety										
Police										
Officers	23.00	23.00	22.00	22.00	24.00	24.00	26.26	26.26	27.00	27.00
Civilians	5.00	5.00	5.00	5.50	4.00	4.00	3.50	3.50	4.74	4.84
Fire										
Firefighters and officers	9.58	9.58	9.58	9.58	9.58	9.58	9.58	9.58	10.58	10.58
Civilians	1.00	0.50	0.50	0.50	0.50	1.00	0.70	0.70	0.70	0.70
Protective Inspections	1.00	1.00	2.00	3.25	3.75	3.75	3.75	3.25	2.81	2.81
Highways and streets										
Engineering	6.60	6.60	6.30	6.30	7.00	7.00	7.00	6.00	6.00	6.00
Streets	7.00	7.00	7.00	7.00	7.50	8.50	8.50	10.50	10.00	9.00
Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.13	3.13
Culture and recreation	3.47	3.47	5.47	3.97	3.97	3.97	3.97	3.97	8.50	8.50
Water	2.00	2.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	82.75	81.75	82.85	86.10	88.43	88.16	90.62	91.62	96.38	95.66

Source: City Budget documents

* Beginning with 2019 reporting, several positions have moved between departments.

**City of Ramsey
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police***										
Number of arrests	463	416	465	377	358	273	255	289	331	292
Motor Vehicle Accidents	631	471	493	279	279	289	162	466	423	335
Traffic violations	3,488	3,292	4,453	4,182	5,378	4,855	2,997	1,812	1,278	1,094
Fire										
Number of calls answered	483	459	443	486	460	498	698	821	975	1133
Inspections*	260	303	205	177	196	134	158	194	508	209
Highways and streets										
Street resurfacing (miles)	14.86	22.00	14.50	14.25	15.74	19.84	13.41	15.45	16.27	2.52
Culture and recreation										
Park Acreage maintained	565	565	571	571	571	571	571	571	572	572
Trails/sidewalks maintained (miles)**	45	45	46	50	50	50	55	55	97	97
Water										
Number of connections	4,013	4,087	4,228	4,308	4,406	4,510	4,611	4,777	4,884	5,038
Water main breaks	2	—	—	—	—	1	—	—	—	—
Average daily consumption (gallons)	1,616,376	1,890,290	1,697,771	1,610,006	1,811,752	1,645,027	1,923,213	1,948,161	1,755,575	2,004,024

Source: Various City departments

* Beginning in 2019, inspections include all inspections done by Fire Department, including construction and building inspections.

** In 2019 the trails were mapped with GIS and provided a more accurate number. This basis will be used going forward.

*** Beginning in 2018 new calculations and tracking processes were used for the Police statistics and are not able to be accurately used as comparisons to prior years.

**City of Ramsey
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	10	10	10	11	11
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles) ***	168.00	172.88	172.88	172.88	182.04	183.27	184.70	186.01	186.59	187.80
Streetlights	631	659	659	1,060	1,166	1,179	1,194	1,213	1,226	1,243
Culture and recreation										
Parks acreage	565	565	565	565	565	585	585	585	586	586
Parks *	35	35	38	38	38	38	38	38	39	39
Tennis courts	12	10	10	10	10	10	10	10	10	10
Water										
Water mains (miles)	89	90	90	91	91	91	94	97	98	99
Fire hydrants	1,020	1,030	1,030	1,045	1,047	1,047	1,079	1,100	1,150	1,160
Maximum daily capacity **	5,100,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	5,256,000	4,837,000	4,837,000
Sewer										
Sanitary sewers (miles)	63	63	63	64	65	65	67	69	72	73
Storm sewers (miles)	25	28	34	36	39	43	46	47	54	55

Source: Various City departments

* The city has 39 total parks with 32 receiving some form of maintenance

** Maximum water city is able to produce in 12 hour period

*** Street (miles) were previously reported including unbuild MSA segment roads. Beginning in 2019 they will be excluded. 2019 MSA roads = 4.81 miles

FORM OF LEGAL OPINION

(See following pages)

PROPOSED FORM OF LEGAL OPINION

§ _____
GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN
REFUNDING BONDS, SERIES 2021A
CITY OF RAMSEY
COUNTY OF ANOKA
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Ramsey, County of Anoka, Minnesota (the "Issuer"), of its \$ _____ General Obligation Capital Improvement Plan Refunding Bonds, Series 2021A, bearing a date of original issue of October 19, 2021 (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 Ramsey, Minnesota (the "Issuer"), in connection with the issuance of its \$ _____ General Obligation Capital Improvement Plan Refunding Bonds, Series 2021A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on September 28, 2021 (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 _____, 2021, 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, 2021, 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, 2022, 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: _____, 2021.

CITY OF RAMSEY, MINNESOTA

By _____
Its Mayor

By _____
Its Administrator

TERMS OF PROPOSAL

**\$10,700,000* GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS
SERIES 2021A
CITY OF RAMSEY, MINNESOTA**

Proposals for the purchase of \$10,700,000* General Obligation Capital Improvement Plan Refunding Bonds Series 2021A (the "Bonds") of the City of Ramsey, 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 September 28, 2021, 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 7:00 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, Chapter 475, and Sections 475.521 and 475.67, by the City, for the purpose of 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.

DATES AND MATURITIES

The Bonds will be dated October 19, 2021, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on December 15 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2022	\$980,000	2026	\$1,070,000	2030	\$1,120,000
2023	1,020,000	2027	1,080,000	2031	1,135,000
2024	1,040,000	2028	1,090,000		
2025	1,065,000	2029	1,100,000		

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 June 15 and December 15 of each year, commencing June 15, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 1st 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 December 15, 2029 shall be subject to optional redemption prior to maturity on December 15, 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 October 19, 2021, 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 \$10,593,000 plus accrued interest on the principal sum of \$10,700,000 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 \$214,000 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.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

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 Ramsey, Minnesota

PROPOSAL FORM

The City Council
City of Ramsey, Minnesota

September 28, 2021

RE: \$10,700,000* General Obligation Capital Improvement Plan Refunding Bonds Series 2021A (the "Bonds")
DATED: October 19, 2021

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 \$10,593,000) 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 \$214,000 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 October 19, 2021.

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 October 19, 2021 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 Ramsey, Minnesota, on September 28, 2021.

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