City Council Work Session
Tuesday, December 2, 2025 at 6:05 PM or Immediately Following the Special City Council Meeting
Public Meeting Room

AGENDA

1. **Call to Order**
2. **Items for Discussion**
   A. Final Review of 2026 Proposed Tax Levy
   B. Review of 2025 General Fund
   C. Proposed Update to Public Purpose Expenditure and Purchasing Policy
3. **Future Discussion**
4. **Adjournment**

(The Council may meet as a group for dinner)

Please contact the City Administrator's Office if you need special accommodations while attending this meeting.

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Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	December 2, 2025
SUBJECT:	Final Review of 2026 Proposed Tax Levy

Discussion:

In preparation for the final discussion of the 2026 tax levy, we reached out to the County Assessor to see if valuations had changed from the last check in late August. A slight change was made, and these figures are reflected at the top of the attached tax levy update. To summarize, the taxable market value dropped slightly, which caused the net tax capacity by $13,000. The TIF valuation withheld also dropped by $1,000. Overall, none of these changes significantly impact the overall tax levy. The County Assessor has advised that these figures could change well after we have certified the final tax levy, so we use the most accurate information we have at the time and know little changes could still happen.

Final Tax Levy

At this time, the final tax levy can be as low as $14,533,667 or a 7.74 percent increase in the tax dollars requested for 2025. This is a drop from the preliminary levy which was published at $14,888,823 or a 10.4 percent increase. The information below breaks down where changes occurred and some other considerations for the City Council given the drop that we are seeing.

General Fund

The General Fund saw the most changes from the preliminary levy to this point. The open enrollment period for City employees has ended, and we have "knowns" instead of unknowns for some new employees that have been added to the City's team in recent months. Workers Comp rates for 2026 are in, and they are lower than the 2025 rates, which is what was budgeted. The City has also seen a continued drop in the modification factor, meaning that we have minimal claims, resulting in an even further discount on the workers' comp rates. The Fire and Police Safety Aid figures were also under budgeted and resulted in additional revenue. For the General Fund, these items combined have resulted in more than $300,000 in savings from the preliminary levy.

While some personnel expense has been reduced, another expense has been added. Following the discussion related to the Community Center on the 18th, we added in $100,000 to the Park and Rec Administration budget for the costs of the professionals that will be needed to evaluate the options. The prior study was funded through fund 437, which is now in a deficit position and cannot continue to fund facility studies. This amount should be sufficient to get the Council the information needed to move forward.

As presented, the General Fund has $24,428,099 in both budgeted revenues and expenditures, netting to $0. The attached General Fund report shows the net of revenues against expenditures. Very few departments generate more revenue than expenditures, and the General Fund Govt is a very large negative number because it is only revenue and no expenditures. All net to zero, which is what we want to see.

While a 7.74 percent increase is as low as the levy could go with the factors above, there is one other item to bring forward for the Council to consider. One of the large items that was cut from the General Fund at the beginning of the budget process was the community survey. At that time, the $50,000 price tag was one that the Council decided to move to 2027, and keep the City on a three-year cycle for conducting the survey (last conducted in 2024). If the $50,000 were to be added back into the General Fund, this would change the total taxy levy request to $14,583,667 or a 8.11 percent increase.

After speaking with Dave Wanberg, we recommend delaying the conversation about updating the Unified Development Ordinance to 2027 and not reconsidering it further as part of the 2026 budget.

Community and Economic Development Fund
The Community and Economic Development Fund was also impacted by the same factors impacting the General Fund, but to a lesser extent. A reduction of $12,000 is proposed for the final levy, or a total dollar amount of $399,617. This is only a 0.67 percent increase over the 2025 tax amount.

Tax Abatement
The amount needed to capture revenue to pay out the tax abatement obligations has not changed and remains at $143,926. As a reminder, this is a decrease from prior years due to the payoff of two existing abatements in 2025 and the removal of the Vetrotech abatement which was supposed to start in 2026.

Debt Service
The debt service figure of $1,557,342 also has not changed. As a reminder, we have a new tax abatement bond planned for 2026 related to phase 2 of Viaduct Park. For this bond, we will be borrowing to include the December 2026 interest payment. However, this dollar amount is not reflected in the tax levy request, as the Council needs to authorize the borrowing before that can be included in a future tax levy request.

Attachments:
1. Presentation Levy 2026
2. GF 2026 Budget
3. CED Admin 2026 Budget

CITY OF FARIBAULT
2026 FINAL Tax Levy

				MARKET AND TAX CAPACITY VALUES				
Tax Years Payable		**2022**	**2023**	**2024**	**2025**	**2026**	**Change**	
Taxable Market Value	$	**1,661,037,400**	**1,952,217,600**	**2,154,605,500**	**2,235,466,200**	**2,377,275,600**	**6.34%**	
Tax Capacity:								
Gross Tax Capacity	$	20,686,820	23,879,474	26,199,879	27,233,164	28,931,417	**6.24%**	
Less: Captured Tax Increment		(254,980)	(305,930)	(448,837)	(570,798)	(727,386)	**27.43%**	
Net Tax Capacity	$	**20,431,840**	**23,573,544**	**25,751,042**	**26,662,366**	**28,204,031**	**3.54%**	
				Operating Tax Levies				
General (101)	$	8,675,211	9,255,408	10,220,851	11,423,928	12,432,782	**1,008,854**	**8.83%**
Community Development (240)		198,451	132,300	66,149	396,947	399,617	2,670	**0.67%**
					-		-	
Tax Abatement Projects (239)		426,275	401,976	409,651	237,133	143,926	**(93,207)**	**-39.31%**
Property Tax Levy	$	**9,309,937**	**9,789,684**	**10,696,651**	**12,111,765**	**12,976,325**	**864,560**	**7.14%**
Bond Principal & Interest (300's)		1,236,597	1,382,104	1,323,410	1,365,405	1,557,342	**191,937**	**14.06%**
Net Tax Levy	**$**	**10,559,078**	**11,184,332**	**12,032,605**	**13,489,714**	**14,533,667**	**1,043,953**	**7.74%**
				Special Tax Levies				
HRA (280)	$	**309,820**	**328,850**	**380,253**	**416,418**	**439,868**	**36,165**	**9.51%**
EDA (290)	$	**303,623**	**322,273**	**372,648**	**408,089**	**431,071**	**35,441**	**9.51%**
Total Tax Rate Special Levies		**0.0300**	**0.0276**	**0.0292**	**0.0309**	**0.0309**	**0.0570**	
Net Tax Levy - All City Levies	$	**11,172,521**	**11,835,455**	**12,785,506**	**14,314,221** #	**15,404,606**		
Total Tax Rate City and Special Levies		**11,785,964**	**12,486,578**	**13,538,407**	**15,138,728**	**16,275,545**	**11.82%**	
Local Government Aid (LGA)	$	6,029,788	6,102,837	6,972,221	6,982,826	6,999,458	**0.15%**	
Local Government Aid Change			73,049	942,433	10,605	16,632		

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 20261 2026 Operating Budget FOR PERIOD 99

ACCOUNTS FOR: General Fund	2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 Proposed	COMMENT
City Administration	219,963.71	276,612.00	279,612.00	146,281.67	.00	144,029.00	________
Adult Programs	180,040.44	171,308.00	171,308.00	84,651.92	.00	213,047.00	________
Aquatic Center	313,623.11	189,152.00	204,816.00	224,900.68	.00	217,811.00	________
Community Center Admin	328,311.28	453,010.00	454,010.00	402,754.12	.00	543,247.00	________
Community Center Facil	816,085.14	889,039.00	668,341.00	617,381.38	.00	774,899.00	________
City Hall Facility	157,841.95	181,081.00	181,081.00	163,795.81	.00	186,578.00	________
Code Enforcement & Ins	-262,181.05	-1,955.00	9,195.00	-117,526.51	.00	17,875.00	________
Communications	128,804.97	129,611.00	129,611.00	122,001.74	.00	167,974.00	________
Council	550,327.85	351,486.00	693,444.00	474,854.84	.00	428,758.00	________
Election	39,704.38	7,060.00	7,060.00	6,428.88	.00	50,461.00	________
Emergency Management	5,545.54	6,750.00	6,750.00	946.76	.00	7,200.00	________
Engineering	-236,964.04	-30,721.00	-30,721.00	580,309.77	.00	179,890.00	________
Equipment Maintenance	302,680.94	324,656.00	324,656.00	293,303.35	.00	338,431.00	________
Financial Administrati	769,798.53	564,875.00	564,875.00	2,350,057.46	.00	655,397.00	________
Fire Department	1,843,649.35	2,107,325.00	1,982,218.22	1,379,927.45	.00	1,963,571.00	________
Fire Facility	31,734.77	39,100.00	45,600.00	25,766.05	.00	42,700.00	________
General Fund Governmen	-18,884,758.01	-19,146,604.00	-19,239,154.00	-10,490,930.26	.00	-20,051,103.00	________
Human Resources	429,972.19	431,450.00	431,450.00	379,498.10	.00	469,920.00	________
Community Center Indoo	-67,327.21	-100,000.00	-200,000.00	8,903.01	.00	.00	________
Information Technology	404,151.60	422,457.00	422,457.00	346,907.64	.00	634,100.00	________
Legal Services	317,596.75	281,000.00	281,000.00	272,099.02	.00	306,741.00	________
Library Facility	23,010.85	.00	122,865.00	101,354.18	.00	102,400.00	________

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 20261 2026 Operating Budget FOR PERIOD 99

ACCOUNTS FOR: General Fund	2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 Proposed	COMMENT
Library	969,617.95	1,169,124.00	1,133,124.00	885,286.54	.00	1,154,959.00	________
Parks & Trails Mainten	1,200,858.90	1,359,259.00	1,368,174.25	1,120,629.78	.00	1,390,048.00	________
Planning & Zoning	410,058.39	443,359.00	440,359.00	309,424.78	.00	430,553.00	________
Police Facilities	134,260.68	140,000.00	133,500.00	111,936.20	.00	129,000.00	________
Police Department	6,038,698.03	6,631,707.00	6,800,939.00	5,547,807.36	.00	6,863,415.00	________
PW Facility	106,121.60	118,885.00	118,885.00	117,166.52	.00	160,831.00	________
Public Works Administr	-237,914.47	-225,188.00	-225,188.00	-6,190.40	.00	-253,623.00	________
Soccer Complex	29,548.03	31,934.00	31,934.00	33,146.92	.00	13,660.00	________
Street Lighting	299,157.73	324,400.00	324,400.00	250,574.72	.00	325,762.00	________
Street Maintenance/Pro	1,554,130.08	1,633,695.00	1,633,695.00	1,388,418.79	.00	1,695,150.00	________
Traffic Signs & Signal	47,083.04	45,630.00	45,630.00	34,575.44	.00	47,912.00	________
Ice & Snow Removal	104,009.44	131,000.00	131,000.00	133,494.38	.00	144,200.00	________
Other Financing Uses	103,855.00	.00	798,292.42	798,292.42	.00	.00	________
Mass Transit	26,360.00	12,000.00	12,000.00	30,784.80	.00	12,000.00	________
Unallocated General Go	782,067.11	60,316.00	60,316.00	315.53	.00	60,000.00	________
North Viaduct Area Par	.00	172,788.00	172,788.00	67,687.14	.00	198,533.00	________
Washington Center	62,944.19	73,291.00	73,291.00	38,895.04	.00	73,524.00	________
Youth Programs	33,221.05	35,150.00	151,848.00	52,621.12	.00	160,150.00	________
TOTAL General Fund	-924,310.21	-295,958.00	715,461.89	8,288,534.14	.00	.00	________

City of Faribault

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NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 20261 2026 Operating Budget FOR PERIOD 99

ACCOUNTS FOR: CED Administration		2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 Proposed	COMMENT
CEDAdmin CED Administration								
CEDAdmin 31010	Cur Tax	-65,594.22	-450,704.00	-450,704.00	.00	.00	-399,617.00	________
CEDAdmin 31020	Del Tax	-1,335.19	.00	.00	.00	.00	.00	________
CEDAdmin 34108	AdminFee	-64,793.08	-132,110.00	-132,110.00	-93,756.31	.00	-150,000.00	________
CEDAdmin 36200	OthMiscRev	-25.00	.00	.00	.00	.00	.00	________
CEDAdmin 36210	IntInvest	.00	-500.00	-500.00	-1,137.07	.00	-2,260.00	________
CEDAdmin 36211	Int MV	.00	.00	.00	337.73	.00	.00	________
CEDAdmin 36240	RefReimb	.00	-2,400.00	-2,400.00	-2,992.35	.00	.00	________
CEDAdmin 39101	SaleCA	.00	.00	.00	.00	.00	-1,000.00	________
CEDAdmin 39200	Trnsf In	.00	.00	219,367.00	-219,367.00	.00	.00	________
CEDAdmin 41010	FTEmployee	188,021.47	359,152.00	359,152.00	288,834.60	.00	379,698.00	________
CEDAdmin 41020	Overtime	530.49	1,100.00	1,100.00	194.02	.00	250.00	________
CEDAdmin 41110	Sev Pay	636.18	.00	.00	.00	.00	.00	________
CEDAdmin 41130	VacBybkPay	7,395.07	.00	.00	.00	.00	.00	________
CEDAdmin 41140	SickBbkPay	1,984.30	1,789.00	1,789.00	.00	.00	5,684.00	________
CEDAdmin 41170	VehAllow	3,374.92	3,375.00	3,375.00	2,953.02	.00	3,375.00	________
CEDAdmin 41190	OthPay	455.00	315.00	315.00	3,507.50	.00	315.00	________
CEDAdmin 41210	PERA	14,141.28	27,019.00	27,019.00	22,061.38	.00	28,495.00	________
CEDAdmin 41220	FICA	11,734.99	22,675.00	22,675.00	17,448.75	.00	24,138.00	________
CEDAdmin 41225	Medicare	2,744.43	5,303.00	5,303.00	4,080.78	.00	5,645.00	________
CEDAdmin 41300	MN PFML	.00	.00	.00	.00	.00	3,270.00	________
CEDAdmin 41310	Health Ins	30,255.61	60,513.00	60,513.00	49,883.99	.00	55,732.00	________
CEDAdmin 41311	HSA Contrb	1,200.12	2,375.00	2,375.00	1,729.31	.00	2,803.00	________
CEDAdmin 41312	HSAMedInv	56.24	.00	.00	.00	.00	.00	________
CEDAdmin 41320	Dental Ins	834.04	1,732.00	1,732.00	1,268.52	.00	1,878.00	________
CEDAdmin 41330	Life Ins	581.11	1,198.00	1,198.00	849.94	.00	1,259.00	________
CEDAdmin 41340	DisabilIns	341.58	783.00	783.00	527.97	.00	825.00	________
CEDAdmin 41420	Unemplmnt	6,900.92	.00	.00	.00	.00	.00	________
CEDAdmin 41510	WorkCmpIns	1,308.45	1,498.00	1,498.00	897.10	.00	765.00	________
CEDAdmin 42010	Supplies	294.33	2,350.00	2,350.00	762.25	.00	2,350.00	________
CEDAdmin 42120	Motor Fuel	766.24	200.00	200.00	438.36	.00	400.00	________
CEDAdmin 42180	Uniforms	.00	600.00	600.00	449.75	.00	450.00	________
CEDAdmin 42210	VehEqParts	234.92	500.00	500.00	142.70	.00	500.00	________
CEDAdmin 42410	MinorEquip	321.53	850.00	850.00	21.97	.00	2,000.00	________
CEDAdmin 43040	LegalCivil	81.90	10,000.00	10,000.00	.00	.00	.00	________
CEDAdmin 43090	ProfSrvc	10,446.62	10,000.00	10,000.00	446.66	.00	10,000.00	________
CEDAdmin 43095	SoftwrSupp	1,014.63	4,820.00	4,820.00	4,477.59	.00	3,500.00	________
CEDAdmin 43140	Train&Ed	305.00	1,000.00	1,000.00	1,274.00	.00	2,000.00	________
CEDAdmin 43210	Telephone	41.39	.00	.00	1,230.46	.00	1,920.00	________
CEDAdmin 43220	Postage	255.27	1,000.00	1,000.00	159.80	.00	1,920.00	________
CEDAdmin 43250	Other Comm	6,508.51	3,800.00	3,800.00	5,885.18	.00	7,000.00	________
CEDAdmin 43310	Travel Exp	10.00	500.00	500.00	1,665.21	.00	500.00	________

City of Faribault

NEXT YEAR / CURRENT YEAR BUDGET ANALYSIS

PROJECTION: 20261 2026 Operating Budget FOR PERIOD 99

ACCOUNTS FOR:

CED Administration		2024 ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2025 ACTUAL	2025 PROJECTION	2026 Proposed	COMMENT
CEDAdmin 43410	Advertisng	606.77	600.00	600.00	.00	.00	600.00	________
CEDAdmin 43510	LegalPubng	82.50	200.00	200.00	288.75	.00	200.00	________
CEDAdmin 43520	RecordFee	.00	200.00	200.00	.00	.00	200.00	________
CEDAdmin 43610	Ins & Bond	1,097.68	1,185.00	1,185.00	1,034.64	.00	1,055.00	________
CEDAdmin 44040	MachEqRpr	323.76	950.00	950.00	.00	.00	1,000.00	________
CEDAdmin 44160	Rents	684.12	2,700.00	2,700.00	1,480.81	.00	2,500.00	________
CEDAdmin 44325	BnkFeeChrg	.00	50.00	50.00	118.90	.00	50.00	________
CEDAdmin 44330	DuesSubscr	397.74	500.00	500.00	417.95	.00	500.00	________
CEDAdmin 44390	Taxes Lics	42.50	100.00	100.00	.00	.00	100.00	________
CEDAdmin 46030	LeasePncpl	1,292.16	.00	.00	.00	.00	.00	________
TOTAL CED Administration		165,556.28	-54,782.00	164,585.00	97,616.86	.00	.00	________
TOTAL CED Administration		165,556.28	-54,782.00	164,585.00	97,616.86	.00	.00	________
	GRAND TOTAL	165,556.28	-54,782.00	164,585.00	97,616.86	.00	.00	________

** END OF REPORT - Generated by Jessica Kinser **

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	
MEETING DATE:	December 2, 2025
SUBJECT:	Review of 2025 General Fund

Discussion:
The 2026 budget process has included budget amendments for a number of funds, but not for the General Fund. Given the nature of this fund and the number of different revenues and expenditures that make up the approximate $22-23 million budget, there is a reason to let history happen and make better judgments at the end of the fiscal year.

Revenues
The City Council has not amended the General Fund budget for any revenue adjustments in 2025. As of October, revenues are 60% collected, which is behind where you would expect to be after 10 months of the fiscal year. However, the total percent of revenue will always look low in the General Fund at different times of the year as property tax revenue, which is half of the budget, is credited in June, July and December. Luckily, this is a predictable revenue, so we do not need to make any changes to property tax revenues based on the June/July collections or the fiscal year 2025 request.

When breaking down each department into individual line items, there is a reason to amend the budget to add $740,801 to the 2025 revenue budget. This number is big and is a bit misleading in some respects, as described below.

- Lodging Tax 34140 - this was budgeted under GF Govt originally, but the actual revenue has been recorded in Admin. There are two adjustments for $120,000 each that cancel each other to move the budget to Admin.
- Aquatic - With the closure of the Faribault Family Aquatic Center, there are some items that produced less revenue than budgeted and can be removed. There are, however, indoor pool revenues that are

still going into this budget, so the net change is to remove $6,267 of revenue from the budget.

- CC Admin/Indoor Pool - There was a revenue budget established for the Indoor Pool (new department for 2025) of $200,000, which seemed to have no backing. When removing for this budget adjusting for CC Admin additional revenue, the net is removal of about $130,000 in revenue from the budget.
- CodeInsp - The revenue estimates for the building or other permits obtained by the State were overestimated. However, the plan check fees and mechanical permits have come in at a higher level than expected. Still, the net change of additions and subtractions is to remove $22,350 from the budget.
- Council Use of Fund Balance - This figure was actually a positive number, meaning negative revenue for 2025, as we were intentionally not utilizing some local government aid in the 2025 budget. When we remove that negative revenue, we are automatically "adding" revenue of $165,979, though this is not new revenue. In a review of the restricted cash and fund balances used to date, we have a total of $230,990, which is Public Safety Aid, donated funds, and Hiawathaland Transit. When this figure is added to the amount needed to get to zero, it appears that we are adding almost $400,000 to the budget, but that is not actually what is happening. There will never be any actual figures in this line item, as it is a placeholder for budgeting purposes. The use of fund balance is tracked separately to determine how much restricted cash is in the General Fund.
- Finance - There is a reduction of $26,565 in revenue from the Finance revenue line items, mostly due to there being a misclassification of a revenue budget to where the actual revenue is going for an administrative fee charged to the Airport. The revenue was budgeted in Finance but is actually in PWAdmin.
- Fire - There is additional revenue recognized in Fire, totaling more than $111,000. This is due to some revenues outperforming the original budget, but a significant portion is related to the Fire Safety Aid received annually. The 2025 budget included 2021 actual figures, which were around $80,000 less than what was actually received.
- GF Govt - This department captures all the non-departmental revenues in the General Fund. Overall, there are a few changes that positively impact the General Fund. We have received delinquent tax revenue from prior periods, which is expected but not budgeted. We have reduced the cable franchise fee paid by Spectrum to match what is coming through on actual receipts. Loan interest for the FDC loan and for the 2025 internal loan for capital was not budgeted correctly, but is now an expected $54,000 in revenue.

- Police - The revenue in the Police budget is being adjusted to increase by nearly $200,000. The Police Safety Aid came in higher than anticipated. The SRO contract with the School District has been amended based on the new agreement for the 2025/2026 school year. Donations are not budgeted but have been amended, while the same was true for the sale of a capital asset.
- PW Admin- This budget is increasing by nearly $60,000, due mostly to a higher level of excavating permits happening than what was budgeted. There is also the reclassification of the Airport administrative fee from Finance to PW Admin.

The attached draft resolution is proposed for the December 9th City Council meeting and is likely the only revenue adjustment the Council would see for 2025 in the General Fund.

Expenditures

The expenditures report for the General Fund is shown through November 30th, which captures the accounts payable payment issued at the November 25th City Council meeting, but does not include the final November payroll. This is accounted for in the analysis below. At this time, only one minor amendment is recommended for the General Fund expenditures as described below. Some departments have exceeded their budgets, but projecting through the end of December, it appears that the budget will remain at or below the total approved amount.

Rounding, each payroll is approximately $580,000, and there will be 3 payrolls not shown on the attached budget report, or an additional $1.74 million. This leaves $1.6 million left in the budget to account for additional accounts payable expenses through the end of the fiscal year out of the General Fund. Please note there is $253,000 outstanding in encumbrances. These will be reviewed to see if they are truly outstanding (meaning the funds will be spent) or if an encumbrance was created but not used when paying an invoice.

The one amendment that is recommended is to remove the $60,000 budget that is in the Unallocated function, which acts as a contingency. It is recommended that this authority be transferred to the Finance expert and professional services line item to help offset some of the additional costs incurred as part of the 2024 audit preparation. This is shown in the attached draft resolution.

After the proposed amendments, we have a budget of $23,751,007 in revenue and $23,741,332 in expenditures, which has a surplus of $9,675. This is still a good position for the end of 2025 and will likely improve. It will be a number of months before we can talk about how 2025 revenues and expenditures impact the total fund balance, though it is projected that there will not be funds to transfer out to capital funds at year-end, as General Fund cash was reduced by the 2025 capital internal loan.

Attachments:
1. October 2025 GF Revenue Summary
2. November 2025 GF Exp Summary 11.24
3. Resolution 2025-XXX Budget Amendment General Fund

YTD Available Budget Report

Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
Admin Admin		(102,533.00)	3,000.00	(99,533.00)	(176,529.45)	0.00	76,996.45	177.36 %
		(102,533.00)	3,000.00	(99,533.00)	(176,529.45)	0.00	76,996.45	177.36 %
		(102,533.00)	3,000.00	(99,533.00)	(176,529.45)	0.00	76,996.45	177.36 %
Aquatic AquaticCtr		(203,800.00)	0.00	(203,800.00)	(197,331.02)	0.00	(6,468.98)	96.83 %
		(203,800.00)	0.00	(203,800.00)	(197,331.02)	0.00	(6,468.98)	96.83 %
		(203,800.00)	0.00	(203,800.00)	(197,331.02)	0.00	(6,468.98)	96.83 %
CC Admin CC Admin		(308,740.00)	(2,000.00)	(310,740.00)	(368,770.43)	0.00	58,030.43	118.67 %
		(308,740.00)	(2,000.00)	(310,740.00)	(368,770.43)	0.00	58,030.43	118.67 %
		(308,740.00)	(2,000.00)	(310,740.00)	(368,770.43)	0.00	58,030.43	118.67 %
CodeInsp Code/Insp		(765,970.00)	11,150.00	(754,820.00)	(667,587.24)	0.00	(87,232.76)	88.44 %
		(765,970.00)	11,150.00	(754,820.00)	(667,587.24)	0.00	(87,232.76)	88.44 %
		(765,970.00)	11,150.00	(754,820.00)	(667,587.24)	0.00	(87,232.76)	88.44 %
Council Council		(165,979.00)	331,958.00	165,979.00	0.00	0.00	165,979.00	0.00 %
		(165,979.00)	331,958.00	165,979.00	0.00	0.00	165,979.00	0.00 %
		(165,979.00)	331,958.00	165,979.00	0.00	0.00	165,979.00	0.00 %
Engineer Engineer		(735,000.00)	0.00	(735,000.00)	(19,673.80)	0.00	(715,326.20)	2.68 %
		(735,000.00)	0.00	(735,000.00)	(19,673.80)	0.00	(715,326.20)	2.68 %
		(735,000.00)	0.00	(735,000.00)	(19,673.80)	0.00	(715,326.20)	2.68 %
Fin Finance		(37,793.00)	0.00	(37,793.00)	(9,492.77)	0.00	(28,300.23)	25.12 %
		(37,793.00)	0.00	(37,793.00)	(9,492.77)	0.00	(28,300.23)	25.12 %
		(37,793.00)	0.00	(37,793.00)	(9,492.77)	0.00	(28,300.23)	25.12 %
Fire Fire		(154,000.00)	(126,857.00)	(280,857.00)	(396,546.67)	0.00	115,689.67	141.19 %
		(154,000.00)	(126,857.00)	(280,857.00)	(396,546.67)	0.00	115,689.67	141.19 %
		(154,000.00)	(126,857.00)	(280,857.00)	(396,546.67)	0.00	115,689.67	141.19 %
GF Govt GF Govt		(19,146,604.00)	(92,550.00)	(19,239,154.00)	(10,542,318.11)	0.00	(8,696,835.89)	54.80 %
		(19,146,604.00)	(92,550.00)	(19,239,154.00)	(10,542,318.11)	0.00	(8,696,835.89)	54.80 %
		(19,146,604.00)	(92,550.00)	(19,239,154.00)	(10,542,318.11)	0.00	(8,696,835.89)	54.80 %

YTD Available Budget Report

Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
IndoorPl IndoorPool		(100,000.00)	(100,000.00)	(200,000.00)	0.00	0.00	(200,000.00)	0.00 %
		(100,000.00)	(100,000.00)	(200,000.00)	0.00	0.00	(200,000.00)	0.00 %
		(100,000.00)	(100,000.00)	(200,000.00)	0.00	0.00	(200,000.00)	0.00 %
Library Library		(238,390.00)	0.00	(238,390.00)	(240,782.29)	0.00	2,392.29	101.00 %
		(238,390.00)	0.00	(238,390.00)	(240,782.29)	0.00	2,392.29	101.00 %
		(238,390.00)	0.00	(238,390.00)	(240,782.29)	0.00	2,392.29	101.00 %
Parks P&Tmaint		0.00	0.00	0.00	(16,890.00)	0.00	16,890.00	100.00 %
		0.00	0.00	0.00	(16,890.00)	0.00	16,890.00	100.00 %
		0.00	0.00	0.00	(16,890.00)	0.00	16,890.00	100.00 %
Planning P & Z		(14,200.00)	(3,000.00)	(17,200.00)	(38,100.00)	0.00	20,900.00	221.51 %
		(14,200.00)	(3,000.00)	(17,200.00)	(38,100.00)	0.00	20,900.00	221.51 %
		(14,200.00)	(3,000.00)	(17,200.00)	(38,100.00)	0.00	20,900.00	221.51 %
Police Police		(805,682.00)	118,707.00	(686,975.00)	(744,348.08)	0.00	57,373.08	108.35 %
		(805,682.00)	118,707.00	(686,975.00)	(744,348.08)	0.00	57,373.08	108.35 %
		(805,682.00)	118,707.00	(686,975.00)	(744,348.08)	0.00	57,373.08	108.35 %
PWAdmin PW Admin		(371,923.00)	0.00	(371,923.00)	(275,776.78)	0.00	(96,146.22)	74.15 %
		(371,923.00)	0.00	(371,923.00)	(275,776.78)	0.00	(96,146.22)	74.15 %
		(371,923.00)	0.00	(371,923.00)	(275,776.78)	0.00	(96,146.22)	74.15 %
Soccer SoccerComp		0.00	0.00	0.00	(2,886.50)	0.00	2,886.50	100.00 %
		0.00	0.00	0.00	(2,886.50)	0.00	2,886.50	100.00 %
		0.00	0.00	0.00	(2,886.50)	0.00	2,886.50	100.00 %
StrLight StrLight		0.00	0.00	0.00	(14,800.00)	0.00	14,800.00	100.00 %
		0.00	0.00	0.00	(14,800.00)	0.00	14,800.00	100.00 %
		0.00	0.00	0.00	(14,800.00)	0.00	14,800.00	100.00 %
Viaduct ViaductPrk		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
	Grand Total:	(23,150,614.00)	140,408.00	(23,010,206.00)	(13,711,833.14)	0.00	(9,298,372.86)	59.59 %

YTD Available Budget Report

Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
Admin Admin		379,145.00	0.00	379,145.00	323,912.93	0.00	55,232.07	85.43 %
		379,145.00	0.00	379,145.00	323,912.93	0.00	55,232.07	85.43 %
		379,145.00	0.00	379,145.00	323,912.93	0.00	55,232.07	85.43 %
Adult Adult		171,308.00	0.00	171,308.00	81,768.52	2,883.40	86,656.08	49.42 %
		171,308.00	0.00	171,308.00	81,768.52	2,883.40	86,656.08	49.42 %
		171,308.00	0.00	171,308.00	81,768.52	2,883.40	86,656.08	49.42 %
Aquatic AquaticCtr		392,952.00	31,328.00	424,280.00	422,174.58	2,379.00	(273.58)	100.06 %
		392,952.00	31,328.00	424,280.00	422,174.58	2,379.00	(273.58)	100.06 %
		392,952.00	31,328.00	424,280.00	422,174.58	2,379.00	(273.58)	100.06 %
CC Admin CC Admin		761,750.00	3,000.00	764,750.00	792,650.26	820.00	(28,720.26)	103.76 %
		761,750.00	3,000.00	764,750.00	792,650.26	820.00	(28,720.26)	103.76 %
		761,750.00	3,000.00	764,750.00	792,650.26	820.00	(28,720.26)	103.76 %
CC Fac CC Fac		889,039.00	(220,698.00)	668,341.00	617,738.12	0.00	50,602.88	92.43 %
		889,039.00	(220,698.00)	668,341.00	617,738.12	0.00	50,602.88	92.43 %
		889,039.00	(220,698.00)	668,341.00	617,738.12	0.00	50,602.88	92.43 %
CH Fac CH Maint		181,081.00	0.00	181,081.00	163,795.81	0.00	17,285.19	90.45 %
		181,081.00	0.00	181,081.00	163,795.81	0.00	17,285.19	90.45 %
		181,081.00	0.00	181,081.00	163,795.81	0.00	17,285.19	90.45 %
CodeInsp Code/Insp		764,015.00	0.00	764,015.00	603,975.79	0.00	160,039.21	79.05 %
		764,015.00	0.00	764,015.00	603,975.79	0.00	160,039.21	79.05 %
		764,015.00	0.00	764,015.00	603,975.79	0.00	160,039.21	79.05 %
Comms Communicat		129,611.00	0.00	129,611.00	122,001.74	0.00	7,609.26	94.13 %
		129,611.00	0.00	129,611.00	122,001.74	0.00	7,609.26	94.13 %
		129,611.00	0.00	129,611.00	122,001.74	0.00	7,609.26	94.13 %
Council Council		517,465.00	10,000.00	527,465.00	452,515.93	22,091.41	52,857.66	89.98 %
		517,465.00	10,000.00	527,465.00	452,515.93	22,091.41	52,857.66	89.98 %
		517,465.00	10,000.00	527,465.00	452,515.93	22,091.41	52,857.66	89.98 %

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Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
Election Election		7,060.00	0.00	7,060.00	6,428.88	0.00	631.12	91.06 %
		7,060.00	0.00	7,060.00	6,428.88	0.00	631.12	91.06 %
		7,060.00	0.00	7,060.00	6,428.88	0.00	631.12	91.06 %
EmrgMgmt EmrgMgmt		6,750.00	0.00	6,750.00	946.76	0.00	5,803.24	14.03 %
		6,750.00	0.00	6,750.00	946.76	0.00	5,803.24	14.03 %
		6,750.00	0.00	6,750.00	946.76	0.00	5,803.24	14.03 %
Engineer Engineer		704,279.00	0.00	704,279.00	599,983.57	0.00	104,295.43	85.19 %
		704,279.00	0.00	704,279.00	599,983.57	0.00	104,295.43	85.19 %
		704,279.00	0.00	704,279.00	599,983.57	0.00	104,295.43	85.19 %
EqMaint EqMaint		324,656.00	0.00	324,656.00	292,388.87	0.00	32,267.13	90.06 %
		324,656.00	0.00	324,656.00	292,388.87	0.00	32,267.13	90.06 %
		324,656.00	0.00	324,656.00	292,388.87	0.00	32,267.13	90.06 %
Fin Finance		602,668.00	0.00	602,668.00	782,649.21	0.00	(179,981.21)	129.86 %
		602,668.00	0.00	602,668.00	782,649.21	0.00	(179,981.21)	129.86 %
		602,668.00	0.00	602,668.00	782,649.21	0.00	(179,981.21)	129.86 %
Fire Fire		2,261,325.00	1,750.22	2,263,075.22	1,781,948.39	1,368.00	479,758.83	78.80 %
		2,261,325.00	1,750.22	2,263,075.22	1,781,948.39	1,368.00	479,758.83	78.80 %
		2,261,325.00	1,750.22	2,263,075.22	1,781,948.39	1,368.00	479,758.83	78.80 %
Fire Fac Fire Fac		39,100.00	6,500.00	45,600.00	25,766.05	0.00	19,833.95	56.50 %
		39,100.00	6,500.00	45,600.00	25,766.05	0.00	19,833.95	56.50 %
		39,100.00	6,500.00	45,600.00	25,766.05	0.00	19,833.95	56.50 %
GF Govt GF Govt		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
HR HR		431,450.00	0.00	431,450.00	379,829.97	0.00	51,620.03	88.04 %
		431,450.00	0.00	431,450.00	379,829.97	0.00	51,620.03	88.04 %
		431,450.00	0.00	431,450.00	379,829.97	0.00	51,620.03	88.04 %

YTD Available Budget Report

Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
IndoorPl IndoorPool		0.00	0.00	0.00	8,007.32	0.00	(8,007.32)	100.00 %
		0.00	0.00	0.00	8,007.32	0.00	(8,007.32)	100.00 %
		0.00	0.00	0.00	8,007.32	0.00	(8,007.32)	100.00 %
IT IT		422,457.00	0.00	422,457.00	346,596.24	0.00	75,860.76	82.04 %
		422,457.00	0.00	422,457.00	346,596.24	0.00	75,860.76	82.04 %
		422,457.00	0.00	422,457.00	346,596.24	0.00	75,860.76	82.04 %
Legal Legal		281,000.00	0.00	281,000.00	258,271.27	0.00	22,728.73	91.91 %
		281,000.00	0.00	281,000.00	258,271.27	0.00	22,728.73	91.91 %
		281,000.00	0.00	281,000.00	258,271.27	0.00	22,728.73	91.91 %
Lib Fac Lib Fac		0.00	122,865.00	122,865.00	78,466.18	19,865.00	24,533.82	80.03 %
		0.00	122,865.00	122,865.00	78,466.18	19,865.00	24,533.82	80.03 %
		0.00	122,865.00	122,865.00	78,466.18	19,865.00	24,533.82	80.03 %
Library Library		1,407,514.00	(36,000.00)	1,371,514.00	1,123,007.13	0.00	248,506.87	81.88 %
		1,407,514.00	(36,000.00)	1,371,514.00	1,123,007.13	0.00	248,506.87	81.88 %
		1,407,514.00	(36,000.00)	1,371,514.00	1,123,007.13	0.00	248,506.87	81.88 %
Parks P&Tmaint		1,359,259.00	8,915.25	1,368,174.25	1,117,590.86	13,650.00	236,933.39	82.68 %
		1,359,259.00	8,915.25	1,368,174.25	1,117,590.86	13,650.00	236,933.39	82.68 %
		1,359,259.00	8,915.25	1,368,174.25	1,117,590.86	13,650.00	236,933.39	82.68 %
Planning P & Z		457,559.00	0.00	457,559.00	347,409.78	0.00	110,149.22	75.93 %
		457,559.00	0.00	457,559.00	347,409.78	0.00	110,149.22	75.93 %
		457,559.00	0.00	457,559.00	347,409.78	0.00	110,149.22	75.93 %
Pol Fac Pol Fac		140,000.00	(6,500.00)	133,500.00	111,811.22	0.00	21,688.78	83.75 %
		140,000.00	(6,500.00)	133,500.00	111,811.22	0.00	21,688.78	83.75 %
		140,000.00	(6,500.00)	133,500.00	111,811.22	0.00	21,688.78	83.75 %
Police Police		7,437,389.00	50,525.00	7,487,914.00	6,279,755.82	17,556.25	1,190,601.93	84.10 %
		7,437,389.00	50,525.00	7,487,914.00	6,279,755.82	17,556.25	1,190,601.93	84.10 %
		7,437,389.00	50,525.00	7,487,914.00	6,279,755.82	17,556.25	1,190,601.93	84.10 %

YTD Available Budget Report

Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
PW Fac PW Fac		118,885.00	0.00	118,885.00	116,285.60	0.00	2,599.40	97.81 %
		118,885.00	0.00	118,885.00	116,285.60	0.00	2,599.40	97.81 %
		118,885.00	0.00	118,885.00	116,285.60	0.00	2,599.40	97.81 %
PWAdmin PW Admin		146,735.00	0.00	146,735.00	213,459.64	70,181.00	(136,905.64)	193.30 %
		146,735.00	0.00	146,735.00	213,459.64	70,181.00	(136,905.64)	193.30 %
		146,735.00	0.00	146,735.00	213,459.64	70,181.00	(136,905.64)	193.30 %
Soccer SoccerComp		31,934.00	0.00	31,934.00	36,033.42	0.00	(4,099.42)	112.84 %
		31,934.00	0.00	31,934.00	36,033.42	0.00	(4,099.42)	112.84 %
		31,934.00	0.00	31,934.00	36,033.42	0.00	(4,099.42)	112.84 %
StrLight StrLight		324,400.00	0.00	324,400.00	250,574.72	0.00	73,825.28	77.24 %
		324,400.00	0.00	324,400.00	250,574.72	0.00	73,825.28	77.24 %
		324,400.00	0.00	324,400.00	250,574.72	0.00	73,825.28	77.24 %
StrMaint StrMaint		1,633,695.00	0.00	1,633,695.00	1,318,532.74	66,191.53	248,970.73	84.76 %
		1,633,695.00	0.00	1,633,695.00	1,318,532.74	66,191.53	248,970.73	84.76 %
		1,633,695.00	0.00	1,633,695.00	1,318,532.74	66,191.53	248,970.73	84.76 %
StrSign Sign Sig		45,630.00	0.00	45,630.00	34,359.44	216.00	11,054.56	75.77 %
		45,630.00	0.00	45,630.00	34,359.44	216.00	11,054.56	75.77 %
		45,630.00	0.00	45,630.00	34,359.44	216.00	11,054.56	75.77 %
StrSnow Snow Ice		131,000.00	0.00	131,000.00	103,918.63	29,575.75	(2,494.38)	101.90 %
		131,000.00	0.00	131,000.00	103,918.63	29,575.75	(2,494.38)	101.90 %
		131,000.00	0.00	131,000.00	103,918.63	29,575.75	(2,494.38)	101.90 %
Transfer OthFnUse		0.00	798,292.42	798,292.42	798,292.42	0.00	0.00	100.00 %
		0.00	798,292.42	798,292.42	798,292.42	0.00	0.00	100.00 %
		0.00	798,292.42	798,292.42	798,292.42	0.00	0.00	100.00 %
Transit Transit		12,000.00	0.00	12,000.00	30,784.80	0.00	(18,784.80)	256.54 %
		12,000.00	0.00	12,000.00	30,784.80	0.00	(18,784.80)	256.54 %
		12,000.00	0.00	12,000.00	30,784.80	0.00	(18,784.80)	256.54 %

YTD Available Budget Report

Account Number	Account Desc	Original Budget	Transfers	Revised Budget	YTD Actuals	Encumbrances	Available Budget	% Used
UnalGovt UnalGovt		60,316.00	0.00	60,316.00	315.53	0.00	60,000.47	0.52 %
		60,316.00	0.00	60,316.00	315.53	0.00	60,000.47	0.52 %
		60,316.00	0.00	60,316.00	315.53	0.00	60,000.47	0.52 %
UnallPS UnallPS		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
UnallPW UnallPW		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
UnallRec UnallRec		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
		0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
Viaduct ViaductPrk		172,788.00	0.00	172,788.00	64,783.87	48.45	107,955.68	37.52 %
		172,788.00	0.00	172,788.00	64,783.87	48.45	107,955.68	37.52 %
		172,788.00	0.00	172,788.00	64,783.87	48.45	107,955.68	37.52 %
Wshngtn Wshngtn		73,291.00	0.00	73,291.00	38,947.27	0.00	34,343.73	53.14 %
		73,291.00	0.00	73,291.00	38,947.27	0.00	34,343.73	53.14 %
		73,291.00	0.00	73,291.00	38,947.27	0.00	34,343.73	53.14 %
Youth Youth		35,150.00	116,698.00	151,848.00	43,818.12	6,823.00	101,206.88	33.35 %
		35,150.00	116,698.00	151,848.00	43,818.12	6,823.00	101,206.88	33.35 %
		35,150.00	116,698.00	151,848.00	43,818.12	6,823.00	101,206.88	33.35 %
	Grand Total:	22,854,656.00	886,675.89	23,741,331.89	20,171,497.40	253,648.79	3,316,185.70	86.03 %

State of Minnesota
County of Rice

CITY OF FARIBAULT

RESOLUTION #2025 - XXX

AMEND THE 2025 ADOPTED BUDGET FOR THE GENERAL FUND

WHEREAS, the City Council of the City of Faribault did formally adopt a 2025 Budget and establish fund appropriations for 2025 on December 10, 2024, on Resolution 2024-245 in accordance with City Charter and State Statutes; and

WHEREAS, throughout the fiscal year it is necessary to make certain amendments to the budget; and

WHEREAS, the Faribault City Council desires to revise the adopted 2025 budget to more accurately depict expected expenditures for the current year.

NOW, THEREFORE BE IT RESOLVED that City staff is hereby directed to revise the 2025 Budget as follows:

Org/Object	**Amount**	**Purpose**
Admin 31410	(120,000)	Establish lodging tax budget
Admin 32110	(125)	Increase budget based on actual revenues
Admin 32160	100	Decrease budget based on actual revenues
Admin 32190	(250)	Increase budget based on actual revenues
Admin 36220	5,938	Decrease due to relcass of lease revenue
Admin 36240	(1,666)	Increase budget based on actual revenues
Aquatic 34720	(7,000)	Increase budget based on actual revenues
Aquatic 34740	9,467	Decrease based on actual FFAC revenues
Aquatic 34780	2,600	
Aquatic 34920	1,200	
CC Admin 32275	(120)	Increase budget based on actual revenues
CC Admin 34720	(39,200)	
CC Admin 34780	(48,000)	
CC Admin 34920	(350)	
CC Admin 36200	(1,235)	
CC Admin 36230	(4,573)	
CC Admin 36240	21,740	Decrease budget based on actual revenues
CodeInsp 32211	73,000	Decrease based on less State work occuring
CodeInsp 32220	10,000	Decrease budget based on actual revenues
CodeInsp 32225	(45,000)	Establish mechanical permit budget
CodeInsp 32230	10,000	Decrease budget based on actual revenues
CodeInsp 32270	(3,000)	Increase budget based on actual revenues
CodeInsp 34104	(32,000)	

Org/Object	Amount	Purpose
CodeInsp 34106	14,500	Decrease based on less State work occuring
CodeInsp 34110	(1,000)	Increase budget based on actual revenues
CodeInsp 35102	(3,000)	
CodeInsp 36200	(1,150)	
Council 39998	(396,969)	Increase to remove negative revenue; increase based on estimated fund balance use
Fin 34107	1,000	Decrease budget based on actual revenues
Fin 34108	25,665	
Fin 36240	(100)	Increase budget based on actual revenues
Fire 32235	(18,000)	
Fire 32240	(2,000)	
Fire 33422	(86,145)	
Fire 34201	(117)	
Fire 36200	(202)	
Fire 36230	(4,913)	
Fire 36240	(286)	
GF Govt 31020	(60,000)	Establish budget for delinquent tax revenue
GF Govt 31030	(5,000)	Increase budget based on 2024 actual
GF Govt 31035	(2,000)	Increase budget based on actual revenues
GF Govt 31040	(7,407)	
GF Govt 31410	120,000	Remove lodging tax budget
GF Govt 31810	35,000	Decrease cable franchise fee revenue
GF Govt 36101	(5,100)	Increase budget based on actual revenues
GF Govt 36200	4,500	Decrease budget based on actual revenues
GF Govt 36215	(54,013)	Increase budget based on actual revenues
GF Govt 36240	(21,500)	
IndoorPl 34720	200,000	Remove budget; revenue placed in CC Admin or Aquatic
Library 34720	(2,250)	Increase budget based on actual revenues
Parks 34780	(16,890)	
Planning 32260	1,000	Decrease budget based on actual revenues
Planning 34103	(23,000)	Increase budget based on actual revenues
Police 32190	(2,853)	
Police 32263	500	Decrease budget based on actual revenues
Police 33160	(21,905)	
Police 33416	34,000	Decrease budget as going to different line item
Police 33422	(109,000)	Increase budget based on actual revenues
Police 33630	(15,473)	
Police 34110	3,000	Decrease budget based on actual revenues
Police 34201	(10,000)	Increase budget based on actual revenues
Police 34207	(4,000)	
Police 35200	(538)	Establish forfeited asset budget
Police 36200	400	Decrease budget based on actual revenues
Police 36230	(10,416)	Establish donation budget
Police 36230 25907	(5,000)	Establish donation budget (Safe Summer)

Org/Object	Amount	Purpose
Police 36240	(27,000)	Increase budget based on actual revenues
Police 39101	(17,850)	Establish sale of capital asset budget
PWAdmin 32261	(34,000)	Increase budget based on actual revenues
PWAdmin 32262	(1,000)	
PWAdmin 34108	(17,665)	
PWAdmin 36200	(2,213)	
PWAdmin 39101	(4,250)	
Soccer 36240	(2,887)	Establish refund/reimb budget
StrLight 36240	(14,800)	Establish refund/reimb budget
UnallGovt 48100	(60,000)	Reallocate contingency amount to audit prep expenditures
Finance 43090	60,000	

Date Adopted: December 9, 2025

Faribault City Council

Thomas J. Spooner, Mayor

ATTEST:

Jessica L. Kinser, City Administrator

City Of Faribault

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Jessica Kinser, City Administrator
FROM:	Kindra Papenfus, Finance DIrector
MEETING DATE:	December 2, 2025
SUBJECT:	Proposed Update to Public Purpose Expenditure and Purchasing Policy

Discussion:

The proposed Public Purchase Expenditure and Purchasing Policy is attached for discussion. We are recommending many updates to the policy, including reorganization of the layout to follow the current decision making process that happens during procurement. The policy has also been updated throughout to simplify language and clarify roles and limits in purchasing and to state accepted practices more directly.

Additionally, items of specific note are:

- Recognition of the annual resolution to grant the City Administrator authority to sign contracts up to $25,000
- City Administrator authority to pay contractually required payments (TIF and Tax Abatements, for example) prior to City Council approval of claims list.
- Additional authority for the City Administrator to authorize payment of unexpected costs of up to $500 prior to City Council approval of claims list.
- City Administrator designates authority to Department Heads to authorize purchases of up to $15,000
- Entire policy has been extended to cover the EDA and HRA under MN Statute 469. Their own policies may be more restrictive but not less.
- Includes the ability to dispose of out of service items with a value of $500 or less rather than treating as surplus property.
- Adds information on when sales tax is and isn't payable, and charges purchasers with recovering improperly charged sales tax.
- Refines the city apparel allowance to restrict it to full time employees who don't receive apparel, uniforms or allowances as part of an

employment contract and to clarify that it is taxable income to the recipient.

- Designates the City's ERP System - Currently Tyler MUNIS ERP - as the recordkeeping system for purchasing and expenditures
- Recognizes MN Statue 471.345, which requires the City to consider Cooperative Purchasing pricing when using the quotes method of procurement.
- Links specific purchasing requirements to Uniform Municipal Contract Law.

Attachments:

1. Public Purpose Expenditures and Purchasing Policy

Public Purpose Expenditure and Purchasing Policy

Date Adopted: **Date Effective:**

1. PURPOSE

The purpose of this policy is to establish guidelines for purchases made on behalf of the City of Faribault. Pursuant to provisions of the Faribault City Charter and the statutes and laws of the State of Minnesota, which permit and require the expenditure of public funds for public purposes, this policy establishes guidelines for purchases made by the officials, employees and representatives of the City of Faribault. The policy has the following objectives:

A. Ensure compliance with Minnesota Public Purpose Doctrine.
B. Ensure compliance with the Faribault City Charter, Chapter 7 – Taxation and Finances.
C. Ensure compliance with applicable state laws, particularly Minnesota Statute §471.345, Uniform Municipal Contracting.
D. Provide clear guidance to City Council and City employees to ensure purchasing decisions result in the best use of tax dollars for its constituents.
E. Encourage purchases from local and state vendors when cost effective.
F. Maintain fair, open competition and avoid conflicts of interest.

2. GUIDELINES

A. The Constitution of the State of Minnesota, Article X, Section 1, provides that taxes shall be levied and collected for public purposes. The Minnesota Public Purpose Doctrine provides that for an expenditure of public funds to be lawful, there must be specific or implied authority for the expenditure in state statute or the City's Charter and it must be a public purpose expenditure. To be considered a public purpose expenditure the activity must meet all the following criteria:

1. It benefits the city as a body.
2. It is directly related to functions of government.
3. The primary objective is not the benefit of a private interest, instead it promotes the public health, safety, general welfare, security, prosperity, and contentment of all city residents.

Exhibit A provides additional guidelines regarding expenditures that are authorized as being made for a public purpose, even though a limited personal employee benefit may be derived.

B. Under State Statute and City Charter Section 7.06, the annual adoption of the budget shall constitute Council appropriations for the year at the fund and department level. The City Administrator will identify Department Heads or other employees who will be responsible for each fund or department in the annual budget. These individuals will be responsible for compliance with the annual budget and for all expenditures for their departments and funds.

C. As provided in the Faribault City Charter, Section 7.14, the City Council establishes a Public Expenditure Policy which is reviewed and approved by the City Council a minimum of biannually. In reviewing and approving the policy, the City Council considers whether the expenditures serve a public purpose. When determining the content of the policy, the City Council considers the opinion of the City Attorney and statewide sources of authority, which may include judicial determinations, Minnesota Attorney General's opinions and findings of the Office of the State Auditor.

D. The Faribault City Charter, Section 6.05, Purchases and Contracts, provides that all contracts, bonds, and instruments of any kind to which the City is a party shall be signed by the Mayor and the City Administrator on behalf of the City and shall be executed in the name of the City.

E. A resolution approving the administrator's purchasing and contracting authority, is executed by the City Council annually, per the Faribault City Charter, Section 6.05, Purchases and Contracts. This resolution authorizes the City Administrator to make purchases and approve contracts when the amount involved does not exceed $25,000. The City Administrator may delegate purchasing and signature authority as listed in 2F of this policy. Further, this policy authorizes the City Administrator to delegate their purchasing authority to department heads and their designees as described.

F. Purchasing and budgetary control is the responsibility of each department head. The department head may designate other employees within their department to purchase goods and services in compliance with the annual budget. Department heads and their designees are authorized to make purchases of goods and services within their approved budget of up to $15,000.

G. All disbursements will be authorized by the City Council. All accounts, claims, and invoices will be reviewed by the Finance Department and presented to the Council for approval. The City Council has delegated its authority to the City Administrator to pay claims made against the City prior to formal authorization, when necessary to pay monthly utility, credit card, regular payroll costs, and contractually required payments that could result in late charges, unexpected costs of a value of $500 or less.

H. Additional purchasing limitations:

- Authorized purchasers are only allowed to authorize funds from within their department's budget. When making joint purchases, department heads must collaborate to ensure all participating departments approve.
- Employees may not make any purchases for personal use through the City. All items purchased by the City must be delivered to a City owned location.
- Information technology (IT) purchases should be coordinated with the City's IT Coordinator to ensure purchases are compatible with and supported by the City's IT infrastructure systems.

3. <u>Decentralized Purchasing</u>

The City of Faribault has a decentralized purchasing program where individual departments are responsible for making their own purchases. Procurement records will be maintained in the Finance ERP System using Projects, Contracts, Purchase Requestions / Purchase Orders and Accounts Payable functions. The following responsibilities lie with each department when contracting and purchasing

- obtain bids, proposals, or quotes according to applicable regulations
- obtain W2s from new vendors and submit to finance
- obtain proof that a vendor is not debarred when making a purchase using Federal funds
- purchase in the open market when appropriate
- place orders
- receive deliveries
- code invoices according to budget and approve invoices for payment
- maintain oversight to ensure contractors perform accordance to the terms, conditions and specifications of their contracts or performance agreements
- maintain records of the contracting & procurement process in accordance with applicable laws, funding requirements and city policy

4. Types of Contracts and Purchases

Different categories of purchased goods and services have different statutory requirements as described below. Refer to **Exhibit B** for a summary of these requirements.

A. Uniform Municipal Contracting Law (UMCL). It is the policy of the City that UMCL will govern all the contracts and purchases in which it applies. This includes contracts and purchases of all real and personal property: supplies, materials, equipment and equipment rental along with the construction, alteration, repair or maintenance of such property. The City will follow the contracting and bidding requirements of the UMCL based on the estimated contract cost categories as listed:

1. **UMCL Contracts Over $175,000** require sealed bids solicited by public notice in the manner and subject to the particular requirements of the City. The sealed bids will be kept on file. The City Council approves all contracts under this category.

2. **UMCL Contracts of between $25,000 and $175,000** may be made by Request for Proposal (RFP), direct negotiation with multiple quotes, or with sealed bids. When direct negotiation is chosen, 2 or more quotes must be solicited (see sole source provision) but do not require advertising for bids or other aspects of competitive bidding. The City Council approves all new contracts under this category.

   In accordance with Minnesota Statutes, Section 471.345 Subd. 15, for a contract estimated to exceed $25,000, the city **must** consider the availability, price and quality of supplies, materials or equipment available through the Cooperative Purchasing Venture or another cooperative purchasing agreement before purchasing through another source.

3. **UMCL Contracts of $25,000 or less** may be made upon quotation or in the open market. If the contract is made upon quotation, it will be based on at least 2 quotes which will

be kept on file for at least one year after receipt. Purchase agreements and contracts of up to $15,000 may be approved by the department head(s) from the department(s) making the purchase. Purchases and contracts between $15,001 and $24,999 require the City Administrator's approval.

B. Professional Service Contracts. Advisory, auditing, engineering, financial, legal, personnel, technical, training, and other services that rely on an individual's specific and advanced knowledge base are considered professional services.

1. Contracts will be made only with responsible providers who have the capacity to successfully fulfill the contractual requirements.

2. Consideration will be given to their past performance and experience, financial capacity to complete a project, the available of personnel and other appropriate criteria.

3. Solicitation for contracts of $15,000 and greater will be made through request for proposals advertised or distributed to potential service providers, through multiple quotes or through direct negotiation. Contracts under $15,000 may use the open market method of procurement.

4. Professional service providers will be selected on a best value basis, considering the difficulty of the work proposed, its value to the City, the expertise and capacity of the provider and the overall cost.

C. Intangibles. Intangibles are items such as dues, licenses, software, and access to data & information that do not take physical form and are a more passive form of service.

1. Contracts for intangibles will be made only with responsible suppliers who have the capacity to successfully fulfill the contractual requirements.

2. Solicitation levels follow those of Professional Service Contracts.

5. Methods of Solicitation

A. Open Market. Open Market solicitation is used for purchases of $15,000 or less. Purchases will be made in a way that is in the best interest of the City. It is the responsibility of each purchaser to ensure that the purchase price is reasonable using prior history or publicly available information to make price comparisons.

The City's priority is to make purchases with local businesses when their pricing is deemed reasonable. In order to maintain fair, open competition, employees will spread open market purchases among qualified local suppliers when value, which takes into account both price and quality of service, is comparative.

B. Quotes. A quote is a firm, fixed price for a specific product or service. A minimum of 2 quotes from unrelated vendors is required to meet the quote solicitation requirement. Quotes should be in writing. If an employee is unable to obtain a written quote, they may substitute documentation of a verbal quote which includes the supplier, date of quote, employee giving the quote, description of quoted items, and the quoted price. Quotes may be used for purchases from $15,001 to $174,999

C. Cooperative Purchasing Agreement. Every effort should be used to take advantage of cooperative purchasing agreements as cost savings measures. The City will maintain its membership with the state Cooperative Purchasing Venture (CPV) Program. Using a cooperative purchasing agreement eliminates the need for multiple quotes.

For contracts exceeding $25,000, Minnesota Statute Section 471.345 subd. 15 requires the City to consider the availability, price and quality of supplies, materials or equipment available through the state's CPV before purchasing through another source. The City may also purchase through a national municipal association's purchasing alliance or a joint powers cooperative agreement and similarly meet the bidding requirements of the state statue.

Under any cooperative purchasing method, the City Administrator or City Council, as applicable based on amount, must still approve the contract or purchase as otherwise defined by this policy.

D. Request for Proposals (RFPs). Requiests for proposal may be used to solicit proposals for professional services. Typical information to address in RFPs include:
1. Background and scope of the project
2. The project's budget to ensure that the proposals stay within that range
3. Proposal requirements should include adequate information to allow for proper review and evaluation including:
4. Description of firm and qualifications, including any specialized experience related to the project
5. A list of similar projects that the firm has completed
6. Project timetables including: estimate of hours, breakdown by hours by phase, and the City's expectation of a completion date
7. Designation of a firm principal who will be in charge of the project
8. Résumés for all personnel who will work on the project
9. Statement that either no subcontractors are allowed or that all subcontractors will be identified and are subject to the City's approval
10. Estimate of cost to provide the service, outline of fee schedule and payment schedule
11. Description of City's selection process
12. City's evaluation criteria, which typically may include:
    A. Quality and thoroughness of the proposal
    B. Similar past experience and/or experience
    C. References
    D. Cost estimate

13. Submittal deadline: date, time, project name, and addressee

14. Statement: "Proposers are solely responsible for delivery of their proposals to the City before the deadline. Any proposal received after the deadline will not be considered and will be returned."

15. Information about where questions should be directed

16. The following statement **must** be included: "The City reserves the right to reject any and all proposals, waive all technicalities and accept any proposal deemed to be in the City's best interest."

E. Sealed Bids. A formal sealed bid procedure is required for all Uniform Municipal Contracts of $175,000 or more.

1. A published notice of bid is required in the official City newspaper and/or the City's website per MN Statute 331A.03 at least ten days in advance of bid opening, except in cases where the estimated costs of the contract exceed $350,000 or special assessments are intended to finance a local improvement project, in which case the City will follow statutory requirements. The published notice must state where the plans and specifications can be obtained by bidders and specifically, where the bid opening will be held. The notice may also be published on the City's official web site; however, this publication is in addition to the official newspaper publication.

2. 2. All bid openings will be administered by originating department.

3. The preparation of all specifications are the responsibility of the originating department.

4. Required authorization for all plans and specifications is the responsibility of the originating department.

5. Contract change orders may be approved by the City Administrator or his/her designee provided the total change does not exceed purchasing limitations as outlined in the City Charter.

6. The City Council must formally approve the bid contract.

F. Direct Negotiation. Direct Negotiation may be used for engaging professional services, when the requirements are highly specialized or unique and depend on the professional providing them. It requires direct engagement in dialogue between City employees and suppliers. This method allows for flexibility in negotiations and allows the City to tailor the agreement to very specific requirements. The agreement must maintain price reasonableness.

6. Solicitation Exceptions

A. Sole Source. Procurement by non-competitive proposals is referred to as sole source. Sole source purchases are discouraged, however there are some circumstances where they are necessary. Examples include when an item is available from only one supplier, often due to the need for compatibility with existing equipment or software, unique requirements, or the proprietary nature of a product. Other justifications include public utilities, unique artistic services, and compelling urgency.

Department Heads are required to justify the use of the sole source method when seeking approval for use of the method and are required to keep records supporting the use.

B. Emergency Purchases. Occasions arise where an immediate purchase is necessary to protect life, health, or safety of citizens or to preserve the property of the City or its citizens. To the greatest extent possible, normal purchasing procedures will be followed. However, when expediency is required to mitigate an emergency situation, any or all of these procedures may be waived pursuant to Minnesota Statutes, Sections 12.29 and 12.37. If possible, the City Administrator will be contacted to approve the emergency purchase. In the absence of the City Administrator, a Department Head will approve the purchase and report to the City Administrator at the earliest opportunity. A report to the City Council will be made at the next regular Council meeting.

7. <u>Code of Conduct</u>

A. The City of Faribault holds its employees to the highest ethical standards. Purchases shall be conducted so they foster public confidence in the integrity of the City's procurement system, and open and free competition among prospective suppliers. The following code of conduct regarding purchasing conflicts of interest and the performance of its employees will be upheld:

1. No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial interest or other interest in or a tangible personal benefit from a firm considered for a contract.
   - A. Officers, employees, and agents of the City may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, vendors or parties to subcontracts.
   - B. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, it may be allowable upon review by the City Administrator.
   - C. Violations of these standards by officers, employees, or agents of the City will result in disciplinary action up to and including termination.
   - D. If federal funding is involved, the City must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through entity.
   - E. In keeping with the values and ethical standards expected from City employees, they should avoid the following practices when making purchases on behalf of the City:

      1. Circumventing competitive bidding requirements by splitting purchases so that they can be made through several small purchases; using the emergency procedure process when no true emergency exists; using a sole source exemption when competition is available; or other manners of avoiding competitive bidding.

      2. Denying one or more vendors the opportunity to bid on a contract using unnecessarily restrictive specifications; pre-qualifying bidders on a discriminatory basis; removing companies from a bidders list without just cause; requiring unnecessarily high bonding; or other manners of denying opportunities for vendors to bid.

3. Giving favored vendors an unfair advantage by providing vendors with information regarding their competition's offers in advance of a bid opening; making information available to favored vendors and not to others; giving un-favored vendors inaccurate or misleading information; or other manners to provide unfair advantages.

4. Avoiding the use of outside vendors by using employees of the City to provide goods or services through their personal business practices; not providing fair opportunity to vendors for all goods or services required for City operations; or other means to use City employees as an alternative to outside vendors.

2. City employees will avoid acquisitions of unnecessary or duplicative items. In addition, each department will implement internal controls to ensure that goods and services ordered are received, that only goods and services received are paid for, that goods and services ordered are necessary and that no duplicate payments are made.

3. City employees will seek out purchasing alternatives that result in the most economical outcomes. Consideration will be given to consolidating or breaking out purchases, lease versus purchase options, and other appropriate alternatives. In addition, Minnesota's Cooperative Purchasing Venture and other joint purchasing agreements will be considered.

4. Construction contracts will be awarded based on Minnesota Statute §412.311 which allows the City to use a "Best Value" alternative instead of awarding the bid to the lowest responsible bidder. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, qualifications of key personnel and financial and technical resources.

5. City employees will maintain records that sufficiently detail the history of their purchases. These records will include, but are not necessarily limited to, the rationale for the method of procurement, the selection of contract type, the contractor selection or rejection, and the basis for the contract price. Sole Source procurements will include justification for using the sole source method. All bids and quotes received will be kept on file for 1 year. Procurement records will be centrally maintained in the ERP System using Projects, Contracts, Purchase Requestions / Purchase Orders and Accounts Payable functions. Contracts or Purchase Requestions / Orders are required for purchases of $15,000 or more. Purchases of $175,000 or more for capital building, building & parkland improvements and infrastructure also require a project number in the ERP system.

6. Department Heads are responsible, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements led by their department. These

issues include source evaluation, protests, disputes, and claims.

7. All procurement transactions will be conducted in a manner that provides full and open competition. For federal contracts this includes prohibiting the use of statutory or administratively imposed state or local geographical preferences, except in those cases where applicable federal statutes expressly mandate or encourage geographical preference. In addition:

   A. All solicitations will provide clear and accurate descriptions of the technical requirements that must be provided for the material, product, or service to be procured.

   B. All solicitations will identify the requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

   C. All pre-qualified lists of people, firms, or products which are used in acquiring goods and services will be current and include enough qualified sources to ensure maximum open and free competition. The City will not preclude potential bidders from qualifying during the solicitation period.

8. The City will take all necessary affirmative steps to assure that small and minority businesses, women's business enterprises, and veterans' business enterprises are used when possible, including:

   A. Placing qualified businesses and enterprises on solicitation lists.

   B. Assuring that qualified businesses and enterprises are solicited whenever they are potential sources.

   C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by these businesses and enterprises.

   D. Establishing delivery schedules, when requirements permit, that encourage participation by these businesses and enterprises.

   E. Using the services and assistance, as appropriate, of organizations such as the Small Business Administration and the Minority Business Development Agency.

   F. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

9. City employees will make every effort to purchase goods and services from local vendors and award purchases to those vendors when cost effective, and when no federal funds are involved. This can be accomplished by ensuring that local and state vendors who have goods or services available are included in the competitive shopping process that will precede most purchases.

8. EDA / HRA

This policy will apply to the EDA and HRA, except where there are references to the City or Council; the EDA or HRA, as applicable, or the respective governing board of each shall be inserted instead. This policy is subject to the governing law contained in Minnesota Statutes, Chapter 469 as well as any provisions through their respective resolutions.

9. Surplus Equipment

If the purchase of items results in the need to dispose of existing city property, the following guidelines apply:

A. City employees will make a recommendation to the City Council, and the Council will determine if the capital assets are surplus and should be subsequently sold or disposed.

B. Council must approve the disposal of equipment via trade-in, which may be performed as part of the approval of the purchase of new equipment.

C. Surplus capital assets in a condition for sale are to be sold at public auction, online auction or through a sealed bid process with reasonable public notice regarding the upcoming sale.

D. Minnesota Statute §471.345, subd. 17 states that a city "may contract to sell supplies, materials, and equipment which is surplus, obsolete, or unused using an electronic selling process in which purchasers compete to purchase the surplus supplies, materials, or equipment at the highest purchase price in an open and interactive environment."

E. No employee of the City who is a member of the administrative department, a department head, a member of the Council, or an advisor serving the City in a professional capacity may be a purchaser of property sold under this section. Other City employees may be purchasers if they are not directly involved in the sale, if they are the highest responsible bidder in the public disposition process.

F. City property not in a condition for sale or of a value of less than $500 should be disposed of according to waste management guidelines.

G. In all instances, the City will abide by applicable Minnesota Statutes in regard to the disposal or sale of capital assets.

10. Sales Tax

It is the policy of the City of Faribault to use all available sales and use tax exemptions available under Minnesota Statutes, Chapter 297A.

A. Purchase for general government functions including tangible personal property and services are considered exempt. Employees must ensure purchases are billed directly to the City and provide vendors with a completed Minnesota Department of Revenue Form ST3, Certificate of Exemption.

B. The following purchases are still subject to sales tax, even when purchased directly for government functions
   1. Construction materials purchased by a contractor or subcontractor for use on a City owned project.
   2. Purchases of construction materials for buildings or facilities that are not principally used by local government.
   3. Lodging, prepared food, candy, and soft drinks.
   4. Leases and purchases of motor vehicles
   5. Other taxes on specific products such as solid waste tax and petroleum tax
   6. Purchases made by an employee and reimbursed by the local government.

C. It is the responsibility of the purchaser to recover incorrectly paid sales tax.

EXHIBIT A

Public Purpose Expenditures

Pursuant to provisions of the Faribault City Charter, Section 7.14 – Authority for expenditures, the City Council expressly authorizes expenditures related to any of the following activities to be deemed as public purpose expenditures. All benefited full time and part time employees, elected officials and commission members will follow the public purpose expenditures guidelines. Under no circumstances will expenditures be authorized as a public purpose if made for the benefit of spouses, partners, family members, or friends of employees unless those individuals are serving in an otherwise authorized capacity. Officials and employees must obtain separate receipts for authorized and non-authorized City expenditures for reimbursement and auditing purposes.

Certain awards or incentives may be considered additional compensation to employees and will be reported on the employees' W-2 form as required by law. The City's Personnel Policies provide guidelines and procedures related to clothing benefits, conference attendance and authorized travel expenses.

Permitted Expenditures

Every City expenditure must be valid based upon the public purpose for which it is expended. The following items are deemed to meet the Council definition of public purpose expenditures:

A. Employee Recognition and Retention

These permitted expenditures are intended to serve the public purpose of recruitment and retention of personnel. These practices are meant to ensure high employee productivity and morale and reduce expenses resulting from low productivity and high turnover.

1. City Employees and Retirees meeting the years of service recognition as per the Employee Recognition Award Program, not to exceed $675 as determined by City Council.
2. Annually, in conjunction with the presentation of service award catalogs, the City may sponsor an Employee Recognition event for City employees.
3. Annually, the City may sponsor a Volunteer Recognition event to promote teamwork and coordination among the City Council, department directors, commission/committee members, and employees. This event and a token gift for volunteers also serve as de minimis compensation for the service provided by the volunteers.
4. The City supports other events that are planned and paid for by employees to encourage team building activities.
5. The City may sponsor for a cake, or similar food, in recognition of long-time service or retirement for employees, volunteers, and elected officials.

B. Employee Wellness and Safety Programs

The City Council recognizes the importance of employee fitness and health as it relates to the overall work and life satisfaction of the employee and the overall impact on the City's health insurance plan. As such, the City Council supports an Employee Wellness Committee and Program, which has been designated to educate employees on fitness and health issues.

The incentives provided to employees through the Wellness Program are considered "additional compensation" for work performed by employees and is dependent on receiving funding from year-to-year.

The Employee Safety Program supports programs to promote and maintain a safe work environment. Safety incentives may be used to recognize accomplishments with an award to the department to sponsor a team event for participating in and promoting safety practices in their respective departments.

C. Meals and Refreshments

The City Council recognizes that situations in which City business needs to be discussed and may need to occur during or adjacent to a meal hour. In addition, there are public and employee meetings and events in which reasonable refreshments may be necessary to create a more productive environment and to be responsive to participants' time schedules. The following items meet the Council definition of public purpose expenditures regarding meals and refreshments:

1. Meals and refreshments are allowed when they are part of a meal hour meeting for official City business when it is the only practical time to meet. These meetings must have a pre-planned agenda and typically involve meetings with City Council members, Committee/Commission members, or local business or civic organizations.
2. Meals and refreshments are allowed at employee meetings and events that have the purpose of discussing City issues, part of employee training, or a City Employee Wellness, Appreciation, or Holiday Event. These meetings must have a pre-planned agenda and do not include routine staff meetings.
3. Meals and refreshments are allowed when work activities require continuous service and it is not possible to break for meals (e.g., election days, water main breaks, high profile criminal investigation, on-going emergency response activities, etc.). All non-emergency events require advance authorization by the department director responsible.
4. City sponsored training or work-related meetings where employees are required to participate or be available during break periods and/or lunch.
5. Travel expenses for employees, including meals, are outlined in the Personnel Policies.
6. No purchase of alcoholic beverages is allowed at any time.

D. Membership, Dues and Contributions

The City Council has determined that the City will fund memberships and dues (individual or organization) in professional organizations, and local social and community organizations when the purpose is to promote, advertise, improve or develop the City's resources and advantages that advance the City's efforts in improving economic development, civic, educational and governmental efficiency but such expenditures shall not have as their primary purpose the personal interest or gain of an individual employee.

Monetary contributions to civic organizations must be approved by the City Council during the annual budget process and/or by City resolution. Monetary contributions provided by the City must be for programs that serve our citizens and are deemed to meet the public purpose guidelines.

E. International, Cultural, and Economic Development Programs
The City Council has determined that funds may be expended for the purpose of advertising the City and its resources and advantages. Sister Cities programs, or their equivalent, are expressly authorized by this provision. Funds appropriated pursuant to this authority may be allocated for activities such as preparation or advertising materials, official travel to related events, and monuments memorializing participation in such events. Funds appropriated pursuant to this authority may further be used in any manner that the City Administrator deems appropriate for the purpose of advancing the City's interests with respect to international, cultural, or economic development activities.

F. Community Events, Festivals, and Celebrations
The City Council authorizes the allocation and expenditure of funds for the purpose of hosting or participating in community events, festivals, or celebrations. The City shall not expend any funds unless it has been determined, by the City Administrator, that participation in such event shall positively advertise the City.

G. City Apparel
The City Council recognizes the importance of allowing Elected and Appointed Officials and City employees to represent the City during the execution of tasks related to their role as members of the City and believes that providing apparel with the City's official logo is a cost-effective and efficient way for Elected and Appointed Officials and City employees to identify themselves as such and to promote the City.

The City Council authorizes the allocation of funds to purchase City apparel up to $150 each fiscal year for all full time, permanent employees that do not have a uniform allowance or have the City provide their uniforms as part of a collective bargaining agreement. This apparel is to be worn during the performance and execution of official City duties related to their role with the City. The clothing will be treated as taxable income. The City Administrator shall oversee the selection and ordering of the official City logo apparel.

EXHIBIT B

Purchasing Requirements - Approval, Method and Recordkeeping Summary

Purchase Amount	Approval	Contract Type	Solicitation Method	ERP Record
$0 - $15,000	Department Head	All	Open Market	Invoice
$15,001 - $25,000	City Administrator	All	Multiple Quotes Cooperative Purchasing	PO or Contract
$25,001 - $175,000	City Council	Uniform Municipal Contract	Cooperative Purchasing Consideration Required Multiple Quotes RFP	PO or Contract
		Professional Service Contracts & Intangibles	Multiple Quotes RFP Direct Negotiation Cooperative Purchasing	PO or Contract
Over $175,000	City Council	Uniform Municipal Contract	Sealed Bid	Project + PO or Contract
		Professional Service Contracts & Intangibles	RFP Direct Negotiation	PO or Contract

Purchase Amount	Approval	Contract Type	Exceptions	ERP Record
$15,001 - $25,000	City Administrator	All	Sole Source Emergency Purchase	PO or Contract
Over $25,000	City Council	All		PO or Contract

Appropriation of Funds

The cost of the authorized public purpose expenditures will be included in the City's annual budget and approved by the Council as part of the overall budget approval process which includes public notification and the opportunity for public input regarding budgeted expenditures.

THIS POLICY SPECIFICALLY REPEALS AND REPLACES PRIOR CITY POLICIES AND ADMINISTRATIVE MEMORANDA RELATIVE TO PUBLIC PURPOSE EXPENDITURES AND PURCHASING POLICIES.

Approved:

______________________________	______________________________
Mayor	City Administrator