

AGENDA
HARMONY CITY COUNCIL
HARMONY ECONOMIC DEVELOPMENT AUTHORITY
Some members may participate by telephone or other electronic means
Special Meeting

April 16, 2024
7:00 P.M.

Council Room
Community Center

1. Call to Order
2. Roll Call
3. Public Forum
4. New Business
 - a) Truth in Taxation Hearing
 - b) ABDO Audit Presentation
 - c) Park Board Summer Help recommendation
 - d) Electric and Water Metering Purchases (additional)
 - i. Metering and Technology Quotes
 - ii. Additional Vision collector with tower
5. Adjourn



Management's Discussion and Analysis

As management of the City of Harmony, Minnesota, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net assets table on the following pages. The increase this year was mainly due to an increase property taxes levied and tax increments, with revenues continuing to outweigh expenses.
- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to property taxes and miscellaneous revenues significantly exceeding expenditures, in which, there was a significant decrease in capital outlay expenditures mainly due to completion of ongoing projects in the prior year.
- Unassigned fund balance in the General fund as shown in the financial analysis of the City's funds section increased from prior year.
- The City's total bonded debt decreased during the fiscal year. The decrease was a result of regularly scheduled debt service payments as shown on the outstanding debt table.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Required Components of the
City's Annual Financial Report

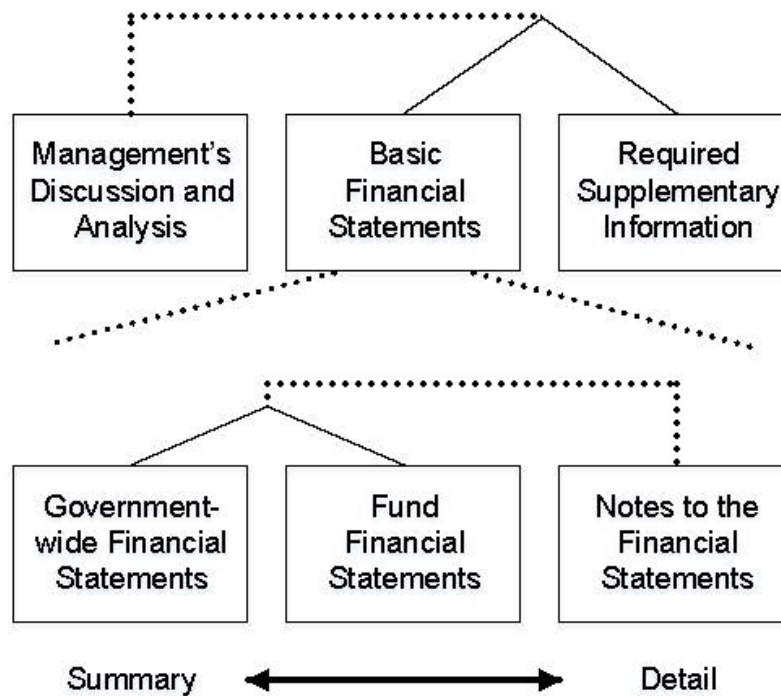


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

| | Fund Financial Statements | | |
|--|--|--|--|
| | Government-wide Statements | Governmental Funds | Proprietary Funds |
| Scope | Entire City government (except fiduciary funds) and the City’s component units | The activities of the City that are not proprietary or fiduciary, such as police, fire and parks | Activities the City operates similar to private businesses, such as the water and sewer system |
| Required financial statements | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of deferred outflows/inflows of resources information | All deferred outflows/inflows of resources, regardless of when cash is received or paid. | Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included | All deferred outflows/inflows of resources, regardless of when cash is received or paid |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid |

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*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 of the City include general government, public safety, streets and highway, culture and recreation, economic development and miscellaneous. The business-type activities of the City include water utility, sewer utility, refuse and recycling, electric and storm water.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. The EDA, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found starting on page 31 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 17 individual governmental funds, four of which are Debt Service funds which are considered one fund for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the Ambulance fund, the Economic Development Authority, the Debt Service funds, and the Capital Projects fund, all of which are considered to be major funds. Data from the other 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 or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund, the Ambulance fund and the Economic Development Authority fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found starting on page 36 of this report.

Proprietary Funds. The City maintains five types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility, refuse and recycling operations, electric utility and storm water utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds of which the Water, Sewer, and Electric funds are considered to be major funds of the City.

The basic proprietary fund financial statements can be found starting on page 46 of this report.

Fiduciary Funds. The fiduciary fund financial statements can be found starting on page 49 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 51 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 78 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 82 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by at the close of the most recent fiscal year, as shown in the table below.

A large portion of the City’s net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are 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.

City of Harmony, Minnesota’s Summary of Net Position

| | Governmental Activities | | | Business-type Activities | | |
|-----------------------------------|-------------------------|--------------|------------------------|--------------------------|--------------|------------------------|
| | 2023 | 2022 | Increase (Decrease) | 2023 | 2022 | Increase (Decrease) |
| Current and Other Assets | \$ 4,179,777 | \$ 3,931,994 | \$ 247,783 | \$ 1,744,347 | \$ 1,688,268 | \$ 56,079 |
| Capital Assets | 5,319,178 | 5,648,809 | (329,631) | 5,785,340 | 6,004,807 | (219,467) |
| Total Assets | 9,498,955 | 9,580,803 | (81,848) | 7,529,687 | 7,693,075 | (163,388) |
| Deferred Outflows of Resources | 44,427 | 74,311 | (29,884) | 23,578 | 41,459 | (17,881) |
| Long-term Liabilities Outstanding | 2,650,305 | 3,030,716 | (380,411) | 771,353 | 914,693 | (143,340) |
| Other Liabilities | 218,836 | 251,839 | (33,003) | 114,580 | 39,806 | 74,774 |
| Total Liabilities | 2,869,141 | 3,282,555 | (413,414) | 885,933 | 954,499 | (68,566) |
| Deferred Inflows of Resources | 58,405 | 8,428 | 49,977 | 30,997 | 4,701 | 26,296 |
| Net Investment in Capital Assets | 3,206,578 | 3,257,009 | (50,431) | 5,111,940 | 5,233,607 | (121,667) |
| Restricted | 1,041,978 | 1,017,646 | 24,332 | - | - | - |
| Unrestricted | 2,367,280 | 2,089,476 | 277,804 | 1,524,395 | 1,541,727 | (17,332) |
| Total Net Position | \$ 6,615,836 | \$ 6,364,131 | \$ 251,705 | \$ 6,636,335 | \$ 6,775,334 | \$ (138,999) |

An additional portion of the City’s net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* may be used to meet the City’s ongoing obligations to citizens and creditors.

The City’s net position increased during the current fiscal year. The majority of this increase is attributable to an increase in charges for services, capital grants & contributions, and property taxes levied for general purposes, continuing to outweigh expenses.

Governmental Activities. Governmental activities increased the City's net position by. This increase was mainly due to property taxes and miscellaneous revenues significantly exceeding expenditures, in which, there was a significant decrease in capital outlay expenditures mainly due to completion of ongoing projects in the prior year. Key elements of this decrease are as follows:

City of Harmony, Minnesota's Changes in Net Position

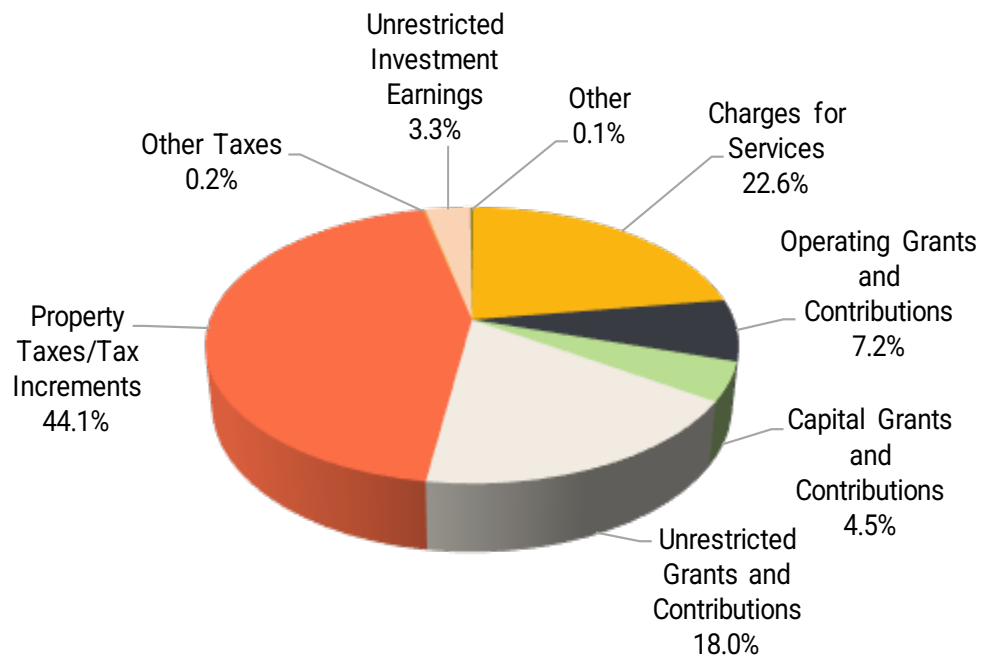
| | Governmental Activities | | | Business-type Activities | | |
|--|-------------------------|---------------------|------------------------|--------------------------|---------------------|------------------------|
| | 2023 | 2022 | Increase (Decrease) | 2023 | 2022 | Increase (Decrease) |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 451,044 | \$ 447,549 | \$ 3,495 | \$ 1,821,328 | \$ 1,816,925 | \$ 4,403 |
| Operating grants and contributions | 143,901 | 143,062 | 839 | 9,343 | 12,338 | (2,995) |
| Capital grants and contributions | 89,605 | 60,352 | 29,253 | 2,882 | 2,052 | 830 |
| General revenues | | | | | | |
| Property taxes/tax increments | 880,141 | 820,325 | 59,816 | - | - | - |
| Other taxes | 3,317 | 3,375 | (58) | - | - | - |
| Grants and contributions not restricted to specific programs | 359,790 | 356,684 | 3,106 | - | - | - |
| Unrestricted | | | | | | |
| investment earnings | 66,477 | 16,714 | 49,763 | 21,399 | 11,116 | 10,283 |
| Gain on sale of fixed assets | 2,526 | 31,530 | (29,004) | - | 69 | (69) |
| Total Revenues | 1,996,801 | 1,879,591 | 117,210 | 1,854,952 | 1,842,500 | 12,452 |
| Expenses | | | | | | |
| General government | 378,453 | 377,288 | 1,165 | - | - | - |
| Public safety | 547,195 | 526,231 | 20,964 | - | - | - |
| Streets and highways | 397,766 | 317,539 | 80,227 | - | - | - |
| Culture and recreation | 306,810 | 259,687 | 47,123 | - | - | - |
| Economic development | 231,362 | 163,272 | 68,090 | - | - | - |
| Miscellaneous | 8,823 | 8,720 | 103 | - | - | - |
| Interest on long-term debt | 46,459 | 50,175 | (3,716) | - | - | - |
| Water utility | - | - | - | 206,337 | 187,853 | 18,484 |
| Sewer utility | - | - | - | 413,538 | 396,210 | 17,328 |
| Electric utility | - | - | - | 1,029,618 | 948,481 | 81,137 |
| Refuse and recycling | - | - | - | 118,065 | 99,656 | 18,409 |
| Storm water | - | - | - | 54,621 | 33,732 | 20,889 |
| Total Expenses | 1,916,868 | 1,702,912 | 213,956 | 1,822,179 | 1,665,932 | 156,247 |
| Increase (Decrease) in Net Assets Before Transfers and Contributions | 79,933 | 176,679 | (96,746) | 32,773 | 176,568 | (143,795) |
| Capital Contributions | - | (482,052) | 482,052 | - | 482,052 | (482,052) |
| Transfers | 171,772 | 98,941 | 72,831 | (171,772) | (98,941) | (72,831) |
| Change in Net Position | 251,705 | (206,432) | 458,137 | (138,999) | 559,679 | (698,678) |
| Net Position - January 1 | 6,364,131 | 6,570,563 | (206,432) | 6,775,334 | 6,215,655 | 559,679 |
| Net Position - December 31 | \$ 6,615,836 | \$ 6,364,131 | \$ 251,705 | \$ 6,636,335 | \$ 6,775,334 | \$ (138,999) |

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



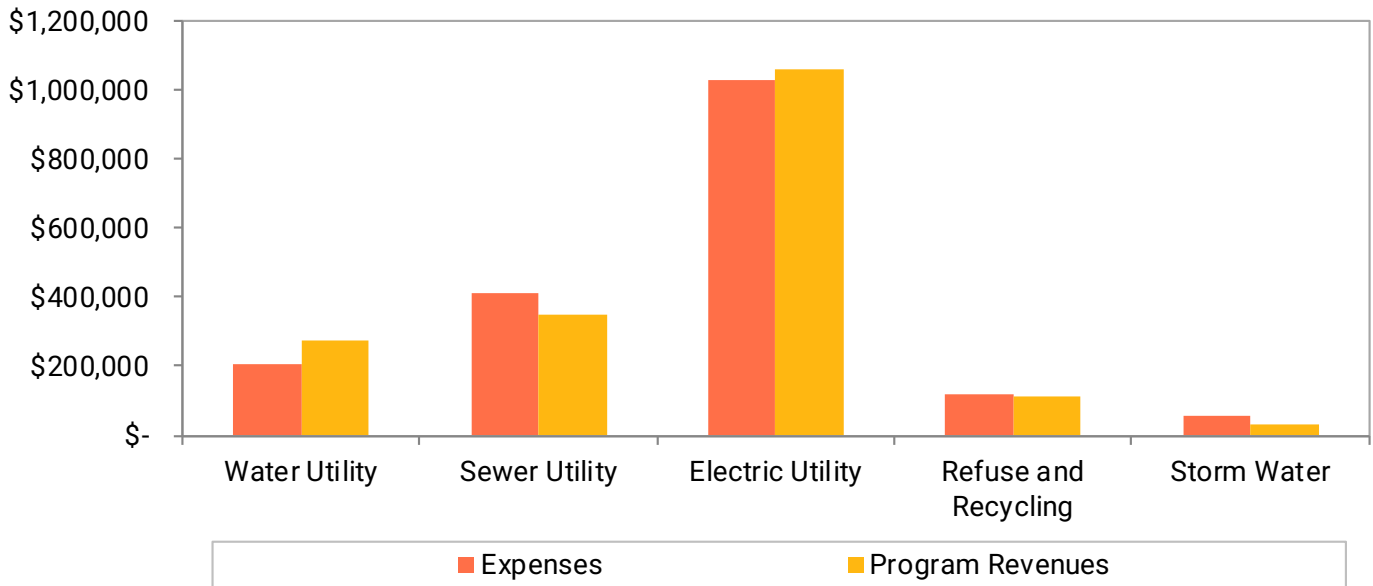
Revenues by Source - Governmental Activities



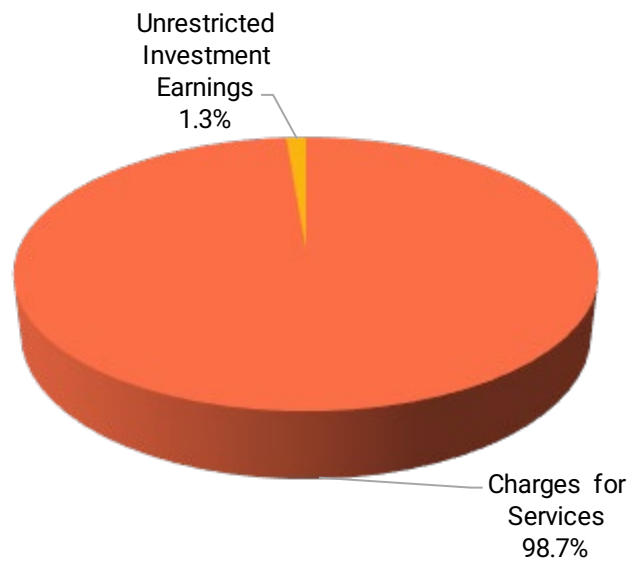
Business-type Activities. Business-type activities increased the City's net position, as shown in the changes in net position table.

- Total revenues for business-type activities increased slightly due to no significant changes of activity in comparison to prior year .
- Total expenses for business-type activities increased mainly due to purchased power charges in the Electric Utility.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2023.

| | General Fund | Ambulance Fund | Economic Development Authority | Debt Service | Capital Projects | Other Governmental Funds | Total | Prior Year Total | Increase (Decrease) |
|----------------------|-------------------|-------------------|--------------------------------|-------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| Fund Balances | | | | | | | | | |
| Nonspendable | \$ 23,185 | \$ 1,672 | \$ 112,034 | \$ - | \$ 261,460 | \$ 9,703 | \$ 408,054 | \$ 115,725 | \$ 292,329 |
| Restricted | 45,598 | - | - | 672,722 | - | 81,042 | 799,362 | 741,535 | 57,827 |
| Committed | - | - | - | - | 439,898 | 225,219 | 665,117 | 866,863 | (201,746) |
| Assigned | - | 332,906 | 164,870 | - | - | 340,872 | 838,648 | 641,299 | 197,349 |
| Unassigned | 880,047 | - | - | - | - | (6,251) | 873,796 | 768,206 | 105,590 |
| | <u>\$ 948,830</u> | <u>\$ 334,578</u> | <u>\$ 276,904</u> | <u>\$ 672,722</u> | <u>\$ 701,358</u> | <u>\$ 650,585</u> | <u>\$ 3,584,977</u> | <u>\$ 3,133,628</u> | <u>\$ 451,349</u> |

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 58 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditure.

| | Current Year Ending Balance | Prior Year Ending Balance | Increase (Decrease) |
|---|-----------------------------|---------------------------|---------------------|
| General Fund Fund Balances | | | |
| Nonspendable | \$ 23,185 | \$ 26,667 | \$ (3,482) |
| Restricted | 45,598 | - | 45,598 |
| Unassigned | 880,047 | 828,514 | 51,533 |
| | <u>\$ 948,830</u> | <u>\$ 855,181</u> | <u>\$ 93,649</u> |
| General Fund Expenditures | \$ 684,011 | \$ 601,064 | |
| Unassigned as a Percent of Expenditures | 128.7% | 137.8% | |
| Total Fund Balance as a Percent of Expenditures | 138.7% | 142.3% | |

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was mainly due to property taxes and intergovernmental revenue exceeding expenditures.

Other major governmental fund analysis is shown below:

| | Current Year Ending Balance | Prior Year Ending Balance | Increase (Decrease) |
|---|--------------------------------|------------------------------|------------------------|
| Ambulance Fund | \$ 334,578 | \$ 217,718 | \$ 116,860 |
| <i>The Ambulance fund increase in fund balance during the year was due to an excess of revenues over expenditures, specifically due to an increase in charges for services.</i> | | | |
| Economic Development Authority Fund | 276,904 | 202,877 | 74,027 |
| <i>The Economic Development Authority fund increase in fund balance can be attributed to the collection of outstanding special assessments related to development projects.</i> | | | |
| Debt Service fund | 672,722 | 670,270 | 2,452 |
| <i>The Debt Service fund increase in fund balance was due to scheduled principal and interest payments made on bonds during the year and an increase in tax increments.</i> | | | |
| Capital Projects | 701,358 | 670,270 | 31,088 |
| <i>The Capital Projects fund increase in fund balance is mainly due to a budgeted transfers from the General Fund to support capital purchases.</i> | | | |

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

| | Current Year Ending Balance | Prior Year Ending Balance | Increase (Decrease) |
|--|--------------------------------|------------------------------|------------------------|
| Water Utility | \$ 2,501,424 | \$ 2,529,565 | \$ (28,141) |
| <i>The Water Utility decrease in net position during the year is mainly due to a transfer out to the Debt Service fund to reimburse previously incurred project costs.</i> | | | |
| Sewer Utility | 1,641,656 | 1,741,118 | (99,462) |
| <i>The Sewer Utility decrease in net position can be attributed to an operating loss related to personal services and repairs and maintenance.</i> | | | |
| Electric Utility | 1,939,862 | 1,922,999 | 16,863 |
| <i>The Electric Utility increase in net position during the year is due to charges for services operating revenues continually exceeding operating expenses.</i> | | | |

General Fund Budgetary Highlights

| | Original Budgeted Amounts | Budget Amendments | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|---------------------------------|----------------------|------------------------------|-------------------|-------------------------------|
| Revenues | \$ 718,050 | \$ - | \$ 718,050 | \$ 851,160 | \$ 133,110 |
| Expenditures | 644,550 | - | 644,550 | 684,011 | (39,461) |
| Excess of Revenues Over Expenditures | 73,500 | - | 73,500 | 167,149 | 93,649 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 10,000 | - | 10,000 | 10,000 | - |
| Transfers out | (83,500) | - | (83,500) | (83,500) | - |
| Total Other Financing Sources (Uses) | (73,500) | - | (73,500) | (73,500) | - |
| Net Change in Fund Balances | - | - | - | 93,649 | 93,649 |
| Fund Balances, January 1 | 855,181 | - | 855,181 | 855,181 | - |
| Fund Balances, December 31 | <u>\$ 855,181</u> | <u>\$ -</u> | <u>\$ 855,181</u> | <u>\$ 948,830</u> | <u>\$ 93,649</u> |

The City's General fund budget was not amended during the year. Actual revenues and expenditures were over the final budget amounts, as shown above in the table above.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total decrease in the City's investment in capital assets for the current fiscal year for governmental and business-type activities mainly is due to completion of ongoing project in the prior year.

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

- The purchase of a new truck.
- The purchase of a tractor.
- The purchase of various infrastructure such as electric transformers and light poles.

Additional information on the City's capital assets can be found in Note 3C starting on pages 63 of this report.

City of Harmony, Minnesota's Capital Assets (Net of Depreciation)

| | Governmental Activities | | | Business-type Activities | | |
|----------------------------|-------------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|
| | 2023 | 2022 | Increase | 2023 | 2022 | Increase |
| | | | (Decrease) | | | (Decrease) |
| Land | \$ 420,168 | \$ 420,168 | \$ - | \$ 36,415 | \$ 36,415 | \$ - |
| Buildings and Improvements | 955,944 | 1,010,887 | (54,943) | 762,582 | 840,960 | (78,378) |
| Systems and Infrastructure | 2,607,888 | 2,776,222 | (168,334) | 3,700,671 | 3,800,787 | (100,116) |
| Equipment and Machinery | 429,212 | 501,376 | (72,164) | 1,285,672 | 1,326,645 | (40,973) |
| Vehicles | 905,966 | 940,156 | (34,190) | - | - | - |
| Total | \$ 5,319,178 | \$ 5,648,809 | \$ (329,631) | \$ 5,785,340 | \$ 6,004,807 | \$ (219,467) |

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of G.O. Improvement bonds, G.O. Tax Abatement bonds and G.O. Revenue bonds. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Harmony, Minnesota's Outstanding Debt

| | Governmental Activities | | | Business-type Activities | | |
|--------------------------|-------------------------|---------------------|---------------------|--------------------------|-------------------|--------------------|
| | 2023 | 2022 | Increase | 2023 | 2022 | Increase |
| | | | (Decrease) | | | (Decrease) |
| G.O. Improvement Bonds | \$ 2,112,600 | \$ 2,391,800 | \$ (279,200) | \$ - | \$ - | \$ - |
| G.O. Tax Abatement Bonds | 16,000 | 32,000 | (16,000) | - | - | - |
| G.O. Revenue Bonds | - | - | - | 673,400 | 771,200 | (97,800) |
| Total | \$ 2,128,600 | \$ 2,423,800 | \$ (295,200) | \$ 673,400 | \$ 771,200 | \$ (97,800) |

The City's total debt decreased during the current fiscal year due to regularly scheduled debt service payments. The City currently has no general obligation debt subject to Minnesota debt limits.

Additional information on the City's long-term debt can be found in Note 3E starting on page 66 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Fillmore County is currently 2.3 percent, which is a decrease from a rate of 3.4 percent a year ago. This compares favorably to the State's average unemployment rate of 2.7 percent and to the national average rate of 3.7 percent.
- Property valuations within the City remain strong.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

The City of Harmony has a housing incentive program that pledges future taxes from newly build home(s) to the owner. Several homes have been constructed utilizing the program over the past few years.

The City of Harmony will be updating its future capital improvement plan which will assist in planning for financing future street and utility projects and other needs.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator/Clerk/Treasurer, City of Harmony, Minnesota, P.O. Box 488, Harmony, MN 55939.

**CITY OF HARMONY
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

| | | |
|--|--|------------------------------|
| Originating Staff: Park Board – Samantha Grabau | Meeting Date: April 16, 2024 | Agenda Item No. 4c |
| Agenda Section: New Business | Item: Summer Help Recommendation | |
| BACKGROUND: Interviews were conducted of applicants for the 2024 summer season. The Harmony Park Board received three (3) applications and all were interviewed. It is recommended that Qwinton Tripp be hired for the 2024 summer maintenance position. | | |
| ATTACHMENTS: None | | |
| COUNCIL ACTION REQUESTED: Approve recommendation from Park Board on summer maintenance position. | | |



METERING AND TECHNOLOGY SOLUTIONS

Metering And Technology Solutions
12016 Riverwood Dr
Burnsville MN 55337
United States

Estimate

#EST2165

4/4/2024

Customer

Harmony, City of
PO Box 488
Harmony MN 55939
United States

TOTAL

\$9,283.00

Expires: 7/3/2024

Expires

7/3/2024

Sales Rep

Lee Martin

| Quantity | Item | Rate | Amount |
|----------|--|------------|------------|
| 1 | BEACONENGAGEMENT501-1500 BEACON Engagement Fee; Service 501-1500 - Badger Meter Beacon fees billed directly to the utility: \$1.00 / Orion Cellular Endpoint (each) / month. | \$4,138.00 | \$4,138.00 |
| 1 | BeaconBillingInt 501-1500 66220-201 Beacon Billing Integration Fee 501-1500 - The utility will need to contact their utility billing software vendor for the cost to implement a Beacon interface. THIS QUOTE ASSUMES THE UTILITY WILL RUN DUAL INTERFACE DURING THE TRANSITION - ONE FOR ITRON AND ONE FOR BEACON. | \$5,145.00 | \$5,145.00 |

Subtotal \$9,283.00

Tax Total (0%) \$0.00

Total \$9,283.00



**METERING AND
TECHNOLOGY
SOLUTIONS**

Metering And
Technology Solutions
12016 Riverwood Dr
Burnsville MN 55337
United States

Estimate

#EST2186

4/10/2024

Customer

Harmony, City of
PO Box 488
Harmony MN 55939
United States

TOTAL

\$7,500.00

Expires: 7/9/2024

Expires

7/9/2024

Sales Rep

Lee Martin

| Quantity | Item | Rate | Amount |
|----------|---|-----------------------|------------|
| 1 | EL-VM-LORAGATEWAY LoRa enabled Ethernet Gateway, 64 channel, Sentry 250 POE, Surge Protector, Mounting Bracket with GPS Antenna For LoRa Gateway Ethernet, External (MBGPS-38-001), GPS Antenna Cable for Lora Gateway (1 Meter Length), Antenna for LoRa Gateway (3db), and Antenna for LoRa Gateway (6db) | \$7,500.00 | \$7,500.00 |
| | | Subtotal | \$7,500.00 |
| | | Tax Total (0%) | \$0.00 |
| | | Total | \$7,500.00 |