



Agenda
City Council Meeting
Monday, June 23, 2025, 6:00 PM
City Council Chambers | 2780 Kelley Parkway, Orono, MN 55356
952-249-4600 / oronomn.gov

Roll Call

Pledge of Allegiance

Approval of Agenda

Consent Agenda

These items are considered routine and will be enacted by one motion with no discussion unless a council member or staff requests and the item will be removed from the consent agenda for separate discussion and action.

1. [City Council Minutes](#)
2. [Claims/Bills](#)
3. [Upcoming Work Session and Council Training Schedule](#)
4. [Annual Performance Review of the City Administrator](#)
5. [Hire Records Technician](#)

Presentations

6. [2024 Annual Comprehensive Financial Report Presentation](#)

Public Comments

This is an opportunity for the public to address the City Council. The council will not engage in discussion or take action on items presented at this time. However, the council may refer issues to staff for follow up or consideration at a future meeting. Speakers should state their name and home address at the podium before speaking. Speakers should be mindful of time and limit their remarks to three (3) minutes to allow sufficient opportunity for others to speak. We encourage speakers to address their comments to the mayor and council and to keep their remarks respectful and relevant. Please no personal attacks. Criticism of ideas is acceptable, but attacks against individuals are not tolerated. Please make your statements in a civil manner. Similarly, we ask everyone in the audience to be respectful of speakers and refrain from disruptive behavior, such as shouting, heckling, or making excessive noise.

Parks Report

7. [Tree Inventory Analysis & Maintenance Strategy](#)
8. [Update - Park and Facilities Department](#)
9. [Update - Park Commission](#)

Attorney Report

City Administrator/Engineer Report

Council Committee Reports

Mayor/Council Report

Adjournment

Upcoming Events

Jul 04 Holiday - offices closed

Sign up for email notifications at oronomn.gov

Jul 14 City Council
Jul 21 Planning Commission
Jul 28 City Council

AGENDA ITEM



Date: June 23, 2025

Item: 1

Title: City Council Minutes

Presenter: Christine Lusian, City Clerk

Section: Consent Agenda

1. **Purpose:**
The purpose of this item is to approve the City Council meeting minutes.
2. **Staff Recommendation:**
Approve the City Council work session and regular meeting minutes.

COUNCIL ACTION REQUESTED

Approve the City Council work session and regular meeting minutes.

Exhibits

[06-09-2025 CC Minutes - work session](#)

[06-09-2025 CC Minutes](#)



Minutes
City Council Work Session
Monday, June 9, 2025, 5:00 PM
City Council Chambers | 2780 Kelley Parkway, Orono, MN 55356

ROLL CALL

City Council members present: Mayor Bob Tunheim, City Council Members Alisa Benson, Jacqueline Ricks, and Jon Schwingler. Absent: Steve Persian

Staff present: City Administrator Adam Edwards, Community Development Director Laura Oakden.

REVIEW COUNCIL GOALS AND PRIORITIES (PART 2)

Administrator Edwards reviewed action items from the previous work session and detailed enhancements to the customer service process with the new key step of including all council in staff's follow up of requests, concerns, and complaints initially submitted to council.

Topics the group discussed included prioritization of resources for customer service improvements, strategies for environmental protection and tree canopy management, assessment of park needs and planning, development and use of short videos as a new communications tool, budget and levy planning process, review of capital needs for city facilities, and possible adjustments to work session scheduling.

The group directed staff to strengthen interagency collaboration and expand public education efforts around water and shoreland preservation priorities, including guidance such as a recommended species list.

ADJOURNMENT

Work session ended at 5:51 p.m.

ATTEST:

CITY COUNCIL

Christine Lusian, City Clerk

Bob Tunheim, Mayor



Minutes
City Council Regular Meeting
Monday, June 9, 2025, 6:00 PM
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Mayor Tunheim called the meeting to order at 6:00 p.m., followed by the Pledge of Allegiance.

ROLL CALL

Orono City Council members present: Mayor Bob Tunheim, City Council Members Alisa Benson, Jacqueline Ricks, and Jon Schwinger. Members absent: Steve Persian.

Staff present were City Attorney Soren Mattick, City Administrator/Engineer Adam Edwards, Finance Director Maggie Jin, and City Planner Melanie Curtis.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

The Agenda was approved by consensus with one deletion. The Community Development Report was removed from the agenda at the request of the applicant.

CONSENT AGENDA

1. City Council Minutes
2. Claims/Bills
3. Upcoming Work Session and Council Training Schedule
4. Hire Police Officer
5. Hire Seasonal Employees
6. Fireworks Display June 13
7. Fireworks Display June 19
8. Solicitor License
9. 2025 Sewer Rehabilitation Award (25-012)
This item was removed from the Consent Agenda
10. LA24-000068, 430 Old Crystal Bay Road, Final Plat Amendment, Resolution 7595
11. LA25-000007, 4745 North Shore Drive, After-the-fact Conditional Use Permit Amendment – Resolution 7589
This item was removed from the Consent Agenda.

Benson moved, Ricks seconded, to approve the Consent Agenda with Items 9 and 11 removed.

VOTE: Ayes 4, Nays 0.

PUBLIC COMMENTS

Ritchie Anderson, 3205 Crystal Bay Road, provided comments.

9. 2025 Sewer Rehabilitation Award (25-012)

Benson asked about the sewer use statistics provided by the Metropolitan Council.



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Benson moved, Schwingler seconded, to approve the 2025 Sewer Rehabilitation Award to Hydro-Klean for \$261,339.76 and authorize Bolton and Menk to perform design and construction oversight for a fee not to exceed \$12,800. VOTE: Ayes 4, Nays 0.

11. LA25-000007, 4745 North Shore Drive, After-the-fact Conditional Use Permit Amendment – Resolution 7589

Benson asked to pull this item as several Council members were not part of earlier discussions.

City Planner Curtis answered questions about the planting and screening planned.

Benson moved, Ricks seconded, to adopt Resolution No. 7589 as drafted. VOTE: Ayes 4, Nays 0.

PUBLIC HEARING

12. Stubbs Bay Lake Improvement District Public Hearing

The City Council is requested to receive a presentation from the group requesting that a Stubbs Bay Lake Improvement District be established.

Karena Casey, 255 Landmark Drive, Orono, presented the proposal for the Lake Improvement District (LID).

Mayor Tunheim opened the public hearing at 7:08 p.m.

Lee Harren, 175 Landmark Drive, spoke in favor of the LID.

John Theisse, 3855 Bayside Road, said he was in favor of the LID.

Jeff Strandberg, 3895 Bayside Road, asked for approval of the Stubbs Bay LID.

Mark Berg, 3845 Bayside Road, spoke in support of the LID.

Steve Nielsen, 3300 Carman Road, Carman Bay, a representative of the Carman Bay LID, spoke in support of the Stubbs Bay LID.

Marilyn Nelson, 446, 500, and 550 Tonkawa Road, a family ownership group, spoke in favor of the LID.

Sandy Rasmussen, 1186 Wildhurst Trail, Forest Lake Bay, asked the Council to recognize that each Bay will need to be taken into consideration based on its individual circumstances.

Mike Lee, 3424 Easton St., supported the LID.

Brian Rasmussen, 1186 Wildhurst Trail, Forest Lake Bay, mentioned the difference between milfoil and coontail.

Nancy Solie, 3500 Bayside Road, spoke in favor of the LID.

Cindy McDonnell, 1420 Baldur Park Road, talked about their experience on North Arm Bay and spoke in favor of LIDs.

Mark Casey, 255 Landmark Drive, spoke in favor of the LID.

Tom Goodyear, 712 Tonkawa Road, raised concerns about the chemicals that are used to treat invasive plants and the effects on fish based on studies done on minnows.

Maryann Merideth, 405 Oxford Road, asked the Council to approve the LID.

Mark Johnson, 555 Oxford Road, spoke in favor of the LID.

Kathy Sawicki, 4510 North Shore Drive, Forest Lake Bay, said milfoil has not disappeared from Forest Lake Bay.



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Barbara Schmidt, 50 Landmark Drive, agreed there is a weed problem, but asked the City to look at other options and think about the whole picture, the long-term cost, and commitment.

Ed Rockwell, 4888 Edgewater Drive, Mound, spoke in opposition to the LID on behalf of residents of the Lake Minnetonka area.

Lee Harren, 175 Landmark Drive, spoke about financing.

Karena Casey, 255 Landmark Drive, clarified points from the hearing concerning chemical safety and financing.

Eric Evenson, Executive Director of the Lake Minnetonka Association, spoke in favor of LIDs.

Barbara Schmidt, 50 Landmark Drive, read the Minnesota Rules on LIDS and liability for them.

Mayor Tunheim closed the public hearing at 8:12 p.m.

The Council discussed the issue and asked questions of staff, technical experts, and the public.

Benson moved, Schwingler seconded, to accept the Certified Petition for the establishment of the Stubbs Bay Lake Improvement District. VOTE: Ayes 4, Nays 0.

Benson moved, Schwingler seconded, to adopt Resolution 7495 establishing the Stubbs Bay Lake Improvement District. VOTE: Ayes 4, Nays 0.

Benson moved, Schwingler seconded, to appoint the Initial Board of Directors as submitted for the Stubbs Bay Lake Improvement District. VOTE: Ayes 4, Nays 0.

RECESS & RECONVENE

Mayor Tunheim recessed the meeting at 9:10 p.m. The meeting was reconvened at 9:15 p.m.

COMMUNITY DEVELOPMENT REPORT

13. LA25-000019, 245 Ferndale Road N, RUPD Concept Plan Review

This item was removed from the Agenda at the request of the applicant.

CITY ATTORNEY REPORT

None.

CITY ADMINISTRATOR/ENGINEER REPORT

City Administrator/Engineer Edwards gave an update on upcoming projects.

COUNCIL COMMITTEE REPORTS

14. Council Committee and Board Reports

Tunheim reported on the Long Lake Fire Advisory Council meeting. The minutes were distributed in the packet.

MAYOR/COUNCIL REPORT



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None

CLOSED SESSION

- 15. Annual Performance Review of the City Administrator
- 16. Labor Negotiation Discussion

Benson moved, Ricks seconded, to enter into closed session at 9:27 p.m., as permitted by Section 13D.05 Subd. 3a to discuss the Annual Review of the City Administrator and Section 13D.03 to discuss the City’s labor negotiation strategy related to the City’s negotiations with LELS Local 168, Police Sergeants, LELS Local No. 40, Patrol Officers, IUOE Local No. 49 AFL-CIO, and OPEIU Local No. 12 AFL-CIO. VOTE: Ayes 4, Nays 0.

(The City Council was in closed session from 9:27 p.m. to 11:37 p.m.)

ADJOURNMENT

Benson moved, Ricks seconded, to adjourn the meeting at 11:37 p.m. to Monday, June 23, 2025, at 6:00 p.m. VOTE: Ayes 4, Nays 0.

ATTEST:

Christine Lusian, City Clerk

Bob Tunheim, Mayor

Minutes approved by Orono City Council June 23, 2025. Meeting videos and transcripts available at oronomn.gov.

AGENDA ITEM



Date: June 23, 2025

Item: 2

Title: Claims/Bills

Presenter: Kellie Hoen, Administrative Assistant

Section: Consent Agenda

1. **Purpose:**

The purpose of this action item is to approve payment of claims made on the City for services and/or products provided to the City.

2. **Background:**

The attached claims for payment have been received by the City. Staff has reviewed the claims and is recommending approval of the listing for payment. The claims will be paid by checks 126192 to 126271, and ACH transactions 20130696 to 20130701 totaling \$356,271.73

3. **Staff Recommendation:**

Staff recommends approval of a motion authorizing payment to the claims listed as presented.

COUNCIL ACTION REQUESTED

Motion to approve the claims list as presented.

Exhibits

[Check Register 2025-06-18](#)

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
AT&T MOBILTY	06/13/2025	126192	2873263283	701-49800-321	AT&T BILL 04/26/24-05/25/25	Fleet Services	44.88
AT&T MOBILTY	06/13/2025	126192	2873263283	101-43100-321	AT&T BILL 04/26/24-05/25/25	Brush Site	38.23
AT&T MOBILTY	06/13/2025	126192	2873263283	602-49450-321	AT&T BILL 04/26/24-05/25/25	Sewer	123.39
AT&T MOBILTY	06/13/2025	126192	2873263283	601-49400-321	AT&T BILL 04/26/24-05/25/25	Water	161.62
AT&T MOBILTY	06/13/2025	126192	2873263283	101-41900-321	AT&T BILL 04/26/24-05/25/25	Central Services	241.08
AT&T MOBILTY	06/13/2025	126192	2873263283	101-43000-321	AT&T BILL 04/26/24-05/25/25	Public Works Department	439.28
AT&T MOBILTY	06/13/2025	126192	2873263283	613-49830-321	AT&T BILL 04/26/24-05/25/25	Golf Course	83.11
AT&T MOBILTY	06/13/2025	126192	2873263283	101-45200-321	AT&T BILL 04/26/24-05/25/25	Parks	38.23
AT&T MOBILTY	06/13/2025	126192	2873263283	101-42400-321	AT&T BILL 04/26/24-05/25/25	Building & Zoning	166.22
AT&T MOBILTY	06/13/2025	126192	2873263283	101-42110-321	AT&T BILL 04/26/24-05/25/25	Police Department	76.46
Total 126192:							1,412.50
1-800-RADIATOR & A/C OF MIN	06/23/2025	126193	76795805	701-49800-222	PD DURANGO RADIATOR	Fleet Services	165.00
Total 126193:							165.00
ABDO LLP	06/23/2025	126194	508100	601-49400-301	2024 AUDIT	Water	3,375.00
ABDO LLP	06/23/2025	126194	508100	602-49450-301	2024 AUDIT	Sewer	4,250.00
ABDO LLP	06/23/2025	126194	508100	613-49830-301	2024 AUDIT	Golf Course	500.00
ABDO LLP	06/23/2025	126194	508100	651-49910-301	2024 AUDIT	Storm Water	2,250.00
ABDO LLP	06/23/2025	126194	508100	101-41900-301	2024 AUDIT	Central Services	5,125.00
Total 126194:							15,500.00
ALL AROUND PROPERTY PRES	06/23/2025	126195	RAS25-0000	101-34410	BP REFUND - RAS25-000036 - 200 LEAF ST.		167.23
Total 126195:							167.23
ALLEN'S SERVICE	06/23/2025	126196	25-40368	701-49800-402	PD SQUAD TOWED TO DAVIS WITH BLOWN EN	Fleet Services	191.00
ALLEN'S SERVICE	06/23/2025	126196	25-40894	701-49800-402	PD TAHOE 271 TOWING	Fleet Services	191.00
Total 126196:							382.00
BIFFS INC	06/23/2025	126197	INV252362	101-45200-415	BIFF RENTAL-BEDERWOOD PARK	Parks	257.00
BIFFS INC	06/23/2025	126197	INV252363	101-45200-415	BIFF RENTAL-SUMMIT BEACH	Parks	166.00
BIFFS INC	06/23/2025	126197	INV252364	101-45200-415	BIFF RENTAL-HACKBERRY PARK	Parks	182.00
BIFFS INC	06/23/2025	126197	INV252365	613-49830-415	BIFF RENTAL-GOLF COURSE	Golf Course	91.00
BIFFS INC	06/23/2025	126197	INV252366	101-45200-415	BIFF RENTAL-CRYSTAL BAY PLAYGROUND	Parks	91.00
BIFFS INC	06/23/2025	126197	INV252367	101-45200-415	BIFF RENTAL-NAVARRRE PLAYGROUND	Parks	166.00

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
BIFFS INC	06/23/2025	126197	INV252368	101-45200-415	BIFF RENTAL-LURTON PARK	Parks	91.00
BIFFS INC	06/23/2025	126197	INV252369	101-43100-415	BIFF RENTAL-BRUSH SITE	Brush Site	91.00
Total 126197:							1,135.00
BOLTON & MENK INC.	06/23/2025	126198	0363470	101-42400-304	BUILSING PERMIT APPLICANT RESPONSE	Building & Zoning	285.00
Total 126198:							285.00
Bratt Tree Company	06/23/2025	126199	19513	101-43000-405	TREE REMOVAL TASK 95617	Public Works Department	5,350.00
Total 126199:							5,350.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0000G	101-41600-307	ADMINISTRATION/GENERAL MATTERS 05/25	Law/Legal Services	7,236.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0004G	101-42110-307	POLICE MATTERS 05/25	Police Department	799.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0115G	101-41600-308	CODE ENFORCEMENT RESEARCH - IVY AND RE	Law/Legal Services	272.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0201G	101-41600-307	MISC RECORDINGS 05/25	Law/Legal Services	1,643.36
CAMPBELL KNUTSON	06/23/2025	126200	2717-0802G	101-43280-307	B&Z ASSISTANCE 05/25	Special Services	595.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0939G	101-43280-307	RAS24-000071 - 1205 TONKAWA RD - COVENAN	Special Services	59.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0960G	101-43280-307	LA25-000015 485 ORONO ORCHARD RD S - FINA	Special Services	137.50
CAMPBELL KNUTSON	06/23/2025	126200	2717-0962G	101-43280-307	LA25-000012 - 1205 TONKAWA RD	Special Services	1,127.50
CAMPBELL KNUTSON	06/23/2025	126200	2717-0963G	101-43280-307	LA24-000068 - 430 OLD CRYSTAL BAY ROAD	Special Services	3,300.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0964G	101-43280-307	LA25-000007 - 4745 NORTH SHORE DR	Special Services	82.50
CAMPBELL KNUTSON	06/23/2025	126200	2717-0965G	101-43280-307	LA25-000010 - 2625 NORTH SHORE DR	Special Services	82.50
CAMPBELL KNUTSON	06/23/2025	126200	2717-0966G	101-43280-307	LA25-000011 - 3275 CARMAN ROAD	Special Services	82.50
CAMPBELL KNUTSON	06/23/2025	126200	2717-0967G	101-43280-307	LA25-000018 - 200 WOODHILL RD	Special Services	82.50
CAMPBELL KNUTSON	06/23/2025	126200	2717-0998G	101-41600-306	PROSECUTION SERVICES 05/25	Law/Legal Services	44.00
CAMPBELL KNUTSON	06/23/2025	126200	2717-0999G	101-41600-306	PROSECUTION SERVICES 05/25	Law/Legal Services	4,661.64
Total 126200:							20,205.00
CARGILL INCORPORATED	06/23/2025	126201	2911117103	601-49400-216	NAVARRE WATER PLANT SOFTENER SALT	Water	6,777.10
Total 126201:							6,777.10
CENTRAL PENSION FUND SOU	06/23/2025	126202	06.12.25 FU	101-21705	CENTRAL PENSION FUND 06.12.2025		2,160.00
Total 126202:							2,160.00
CENTURYLINK	06/23/2025	126203	06.2025 WT	601-49400-321	WTP PHONE/INTERNET 06/04/2025-07/03/2025	Water	151.38

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
Total 126203:							151.38
CHEVROLET	06/23/2025	126204	27109	701-49800-222	PD 271 TAHOE WINDOW SWITCHES	Fleet Services	104.82
Total 126204:							104.82
CITY OF LONG LAKE	06/23/2025	126205	05.2025 UTIL	601-49400-387	MAY WATER 2025	Water	2,724.20
CITY OF LONG LAKE	06/23/2025	126205	05.2025 UTIL	602-49450-387	MAY SEWER 2025	Sewer	4,097.58
Total 126205:							6,821.78
CJS SERVICES LLC	06/23/2025	126206	1653	101-43000-405	TASK 94552 ROW TREES	Public Works Department	4,341.00
Total 126206:							4,341.00
CORE & MAIN	06/23/2025	126207	INV0017905	602-49450-227	UTILITY FLAGS FOR LOCATES	Sewer	539.05
CORE & MAIN	06/23/2025	126207	INV0017905	601-49400-227	UTILITY FLAGS FOR LOCATES	Water	539.05
Total 126207:							1,078.10
DAHLHEIMER BEVERAGE MON	06/23/2025	126208	2488937	613-49830-093	SNACKS	Golf Course	51.30
DAHLHEIMER BEVERAGE MON	06/23/2025	126208	2488937	613-49830-091	BEER	Golf Course	260.30
Total 126208:							311.60
DELANO CARQUEST	06/23/2025	126209	6829-325117	701-49800-221	490 AIR COMPRESSOR BATTERY	Fleet Services	139.55
DELANO CARQUEST	06/23/2025	126209	6829-325166	701-49800-222	VEHICLE BATTERY	Fleet Services	27.00
DELANO CARQUEST	06/23/2025	126209	6829-325197	701-49800-221	483 TRAILER LICENSE PLATE LIGHT	Fleet Services	5.79
DELANO CARQUEST	06/23/2025	126209	6829-325479	701-49800-222	PD RAM TRUCK PARTS	Fleet Services	9.28
DELANO CARQUEST	06/23/2025	126209	6829-325491	701-49800-222	PD RAM TRUCK	Fleet Services	9.28
Total 126209:							136.90
DOCK & LIFT INC	06/23/2025	126210	516686	101-41900-404	DOCK INSTALL - BIG ISLAND	Central Services	1,165.00
Total 126210:							1,165.00
ECM PUBLISHERS INC	06/23/2025	126211	1049987	101-41300-340	JOB POSTING	Administration	348.20
ECM PUBLISHERS INC	06/23/2025	126211	1050798	101-42400-352	PH FOR B&Z - JUNE 2025	Building & Zoning	107.10

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
ECM PUBLISHERS INC	06/23/2025	126211	1050872	101-43000-340	PUBLIC WORKS JOB POSTING - MAINTENANCE	Public Works Department	349.20
ECM PUBLISHERS INC	06/23/2025	126211	1052081	101-43000-340	PUBLIC WORKS JOB POSTING - MAINTENANCE	Public Works Department	129.20
Total 126211:							933.70
EHLERS	06/23/2025	126212	101552	235-45690-319	2024 TIF REVIEW AND PREPARATION		700.00
Total 126212:							700.00
ESSAY HOLDINGS	06/23/2025	126213	UB REFUND	999-10015	UB REFUND - 2615 CASCADE LANE - ESSAY HO		253.29
Total 126213:							253.29
FACTORY MOTOR PARTS	06/23/2025	126214	1-10806514	701-49800-222	428 STEERING GEAR BOX	Fleet Services	1,155.72
FACTORY MOTOR PARTS	06/23/2025	126214	1-10816375	701-49800-222	PD 277 OIL FILTERS	Fleet Services	35.94
FACTORY MOTOR PARTS	06/23/2025	126214	1-10839128	701-49800-222	PD RAM TRUCK PARTS	Fleet Services	24.26
FACTORY MOTOR PARTS	06/23/2025	126214	229-028739	701-49800-222	PD RAM TRUCK PARTS	Fleet Services	364.10
FACTORY MOTOR PARTS	06/23/2025	126214	70-591222	701-49800-222	PD OIL FILTERS	Fleet Services	143.88
FACTORY MOTOR PARTS	06/23/2025	126214	70-591706	701-49800-222	STAFF VEHICLE BATTERY	Fleet Services	17.97
FACTORY MOTOR PARTS	06/23/2025	126214	70-591898	613-49830-221	GOLF CART PARTS / BATTERY	Golf Course	122.46
FACTORY MOTOR PARTS	06/23/2025	126214	70-592156	701-49800-222	PD DODGE JOURNEY ENGINE AIR AND CAB AIR	Fleet Services	35.27
FACTORY MOTOR PARTS	06/23/2025	126214	70-592159	701-49800-222	PD JOURNEY WIPERS	Fleet Services	18.60
FACTORY MOTOR PARTS	06/23/2025	126214	70-592298	701-49800-222	PD RAM TRUCK PARTS	Fleet Services	45.12
Total 126214:							1,963.32
FERGUSON WATERWORKS #25	06/23/2025	126215	0548904	601-49400-227	1" WATER METER GASKETS	Water	37.61
Total 126215:							37.61
FLATOUT TIRE SERVICE LLC	06/23/2025	126216	27924	701-49800-403	429 TIRE REPAIRS	Fleet Services	1,031.00
Total 126216:							1,031.00
G&H Distributing & Supply Inc	06/23/2025	126217	00186850	602-49450-222	EASEMENT MACHINE INLET WATER HOSE LEA	Sewer	223.99
G&H Distributing & Supply Inc	06/23/2025	126217	00186887	602-49450-222	VAC TRUCK FILL HOSE ADAPTER	Sewer	9.88
Total 126217:							233.87
GOPHER ACE	06/23/2025	126218	025115/1	701-49800-215	NUTS/BOLTS	Fleet Services	21.30

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
GOPHER ACE	06/23/2025	126218	025202/1	101-45200-404	PARK SIGN REPAIR	Parks	133.89
GOPHER ACE	06/23/2025	126218	025205/1	101-41900-223	PAINT SUPPLIES	Central Services	11.57
GOPHER ACE	06/23/2025	126218	025259/1	101-41900-221	DRINKING FOUNTAIN REPAIR	Central Services	24.58
GOPHER ACE	06/23/2025	126218	025302/1	101-41900-223	LANDSCAPING MATERIALS	Central Services	47.96
GOPHER ACE	06/23/2025	126218	025308/1	101-41900-221	HANG STRIPS	Central Services	13.99
GOPHER ACE	06/23/2025	126218	025319/1	101-41900-221	HANG STRIPS	Central Services	13.99
GOPHER ACE	06/23/2025	126218	25239/1	101-41900-223	DOOR REPAIR SUPPLIES	Central Services	20.88
GOPHER ACE	06/23/2025	126218	25250/1	101-41900-223	BUILDING REPAIRS COPY ROOM	Central Services	20.98
GOPHER ACE	06/23/2025	126218	25257/1	101-42260-223	STATION CLEANING SUPPLIES	Fire Protection Services	8.59
Total 126218:							317.73
GOPHER STATE ONE CALL	06/23/2025	126219	5050665	602-49450-319	SPLIT DISTRIBUTION LOCATES	Sewer	324.67
GOPHER STATE ONE CALL	06/23/2025	126219	5050665	601-49400-319	SPLIT DISTRIBUTION LOCATES	Water	324.68
Total 126219:							649.35
GOVT FINANCE OFFICERS ASS	06/23/2025	126220	300039995-2	101-41500-433	2025 MEMBERSHIP - MAGGIE JIN	Finance Department	170.00
Total 126220:							170.00
HAWKINS INC	06/23/2025	126221	7099479	601-49400-216	CHLORINE TANKS FOR WATER PLANTS	Water	60.00
Total 126221:							60.00
HENNEPIN COUNTY ACCOUNT	06/23/2025	126222	1000247162	101-42110-414	HC RADIO/MDC LEASE FEE	Police Department	3,073.86
HENNEPIN COUNTY ACCOUNT	06/23/2025	126222	1000247178	651-49910-414	PW RADIO LEASE 5/2025	Storm Water	320.43
HENNEPIN COUNTY ACCOUNT	06/23/2025	126222	1000247213	101-42260-414	FIRE RADIO LEASE 5/2025	Fire Protection Services	844.77
Total 126222:							4,239.06
HIGHVIEW PLUMBING INC	06/23/2025	126223	17623	602-49450-319	I&I INSPECTION BY HIGHVIEW PLUMBING	Sewer	250.00
HIGHVIEW PLUMBING INC	06/23/2025	126223	17631	602-49450-319	I&I INSPECTION BY HIGHVIEW PLUMBING	Sewer	250.00
Total 126223:							500.00
HOLIDAY OUTDOOR DECOR	06/23/2025	126224	INV20074	603-49500-442	BANNER REPLACEMENT FOR CLEAN UP EVENT	Recycling	392.25
Total 126224:							392.25

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
INDEPENDANT PET PARTNERS	06/23/2025	126225	PS-INV1043	101-42110-230	K9 SUPPLIES	Police Department	34.99
Total 126225:							34.99
JENNIFER SCHUGEL	06/23/2025	126226	1971 FAGER	999-10015	UB REFUND - 1971 FAGERNES POINT RD - SC		15.01
Total 126226:							15.01
KIRVIDA FIRE	06/23/2025	126227	13327	101-42260-402	REPAIR TO L1 PUMP	Fire Protection Services	489.97
Total 126227:							489.97
LAKESCAPE LLC	06/23/2025	126228	1565	101-45200-404	BEACH WEED REMOVAL	Parks	948.75
Total 126228:							948.75
LEAGUE OF MN CITIES INS TR	06/23/2025	126229	2025 LMC W	703-49960-151	2025 2ND HALF WC INSURANCE		72,039.00
Total 126229:							72,039.00
LEO WEB PROTECT INC.	06/23/2025	126230	8105988371	710-49970-416	MONTHLY SUBSCRIPTION 6/25	IT Services	143.06
Total 126230:							143.06
LI HWA TU OR WILLIAM PEPER	06/23/2025	126231	UB REFUND	999-10015	UB REFUND - 3650 LYRIC AVE - TU/PEPER		30.56
Total 126231:							30.56
MACQUEEN EQUIPMENT LLC	06/23/2025	126232	P49960	101-42260-310	NEW FIRE HELMET FOR FLERMOEN	Fire Protection Services	441.45
Total 126232:							441.45
MALONEY, MARK	06/23/2025	126233	UB REFUND	999-10015	UB REFUND - 2213 SHADYWOOD RD - MALONE		106.88
Total 126233:							106.88
MANSFIELD OIL COMPANY	06/23/2025	126234	26597585	701-49800-212	UNLEADED FUEL	Fleet Services	2,161.62
Total 126234:							2,161.62

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
MARTIN MARIETTA MATERIALS	06/23/2025	126235	46023441	101-43000-224	PATCHING	Public Works Department	76.60
Total 126235:							76.60
METROPOLITAN COUNCIL ENVI	06/23/2025	126236	0001188563	602-49450-383	WASTWATER SERVICE 7/2025	Sewer	60,575.15
Total 126236:							60,575.15
Mid-America Business Systems In	06/23/2025	126237	20250578	710-49970-401	MICROFICHE SCANNER SETUP	IT Services	308.00
Total 126237:							308.00
MINNESOTA DEPARTMENT OF	06/23/2025	126238	WATER TES	601-20802	2025-2ND QTR WATER TEST FEE		2,799.00
Total 126238:							2,799.00
Minnesota Topsoil	06/23/2025	126239	4468	101-43100-223	BLACK DIRT	Brush Site	495.00
Total 126239:							495.00
MORRIE'S BUFFALO FORD	06/23/2025	126240	1007694	701-49800-222	STAFF VEHICLE 110 WASHER FLUID SPRAY HO	Fleet Services	60.14
Total 126240:							60.14
MTI DISTRIBUTING INC	06/23/2025	126241	1477399-00	613-49830-404	MOWER REPAIR	Golf Course	80.96
Total 126241:							80.96
NAVARRE HARDWARE	06/23/2025	126242	350205	101-43000-222	TRUCK CLEANING SUPPLIES	Public Works Department	37.98
NAVARRE HARDWARE	06/23/2025	126242	350256	701-49800-215	SHOP SUPPLIES	Fleet Services	12.99
Total 126242:							50.97
Newegg Business Inc	06/23/2025	126243	1305498667	710-49970-221	LATOP FOR PWORKS	IT Services	542.99
Total 126243:							542.99
O'REILLY AUTO ENTERPRISES	06/23/2025	126244	2462-209033	701-49800-222	PD JOURNEY MIRROR REPAIR	Fleet Services	13.99

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
Total 126244:							13.99
PIONEER MANUFACTURING C	06/23/2025	126245	INV-252517	101-41900-223	STARLINER FIELD PAINTER SUPPLIES	Central Services	679.90
Total 126245:							679.90
PLUNKETT'S	06/23/2025	126246	9199617	101-41900-404	CITY HALL PEST CONTROL	Central Services	271.71
Total 126246:							271.71
QUADIENT INC	06/23/2025	126247	06.2025 POS	101-41900-322	POSTAGE REFILL	Central Services	999.29
Total 126247:							999.29
QUALITY FLOW SYSTEMS INC	06/23/2025	126248	49062	602-49450-406	GRINDER STATION REPAIRS	Sewer	3,460.00
Total 126248:							3,460.00
SCOTT OR MORGAN KIRSCHN	06/23/2025	126249	UB REFUND	999-10015	UB REFUND - 1090 HERITAGE LN - KIRSCHNER		23.71
Total 126249:							23.71
SECURITY & SOUND CO	06/23/2025	126250	29801	231-45650-580	PD CAMERA UPGRADES		7,989.00
Total 126250:							7,989.00
SERVIN PLUMBING & HEATING	06/23/2025	126251	BP REFUND	601-39610	BP REFUND - P24-000149 - 4423 NORTH SHORE		584.64
Total 126251:							584.64
SHEILA OR THOMAS BROWNE	06/23/2025	126252	UB REFUND	999-10015	UB REFUND - 760 BROWN RD S - BROWNE		15.16
Total 126252:							15.16
SHERWIN WILLIAMS	06/23/2025	126253	2393-8	101-41900-223	PAINT SUPPLIES	Central Services	31.44
Total 126253:							31.44
SiteOne Landscape Supply LLC	06/23/2025	126254	154626017-0	613-49830-225	GOLF COURSE SUPPLIES	Golf Course	212.54

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
Total 126254:							212.54
STA SAFE LOCKSMITH	06/23/2025	126255	012729	101-42110-404	REPAIR LOCK AT PD1	Police Department	548.60
STA SAFE LOCKSMITH	06/23/2025	126255	012792	101-42110-404	REPAIR LOCK AT PD1	Police Department	213.80
Total 126255:							762.40
STREICHER'S	06/23/2025	126256	11765424	101-42110-226	UNIFORMS/FOURNIER	Police Department	129.99
STREICHER'S	06/23/2025	126256	11765426	101-42110-226	UNIFORMS/RUSSETH	Police Department	48.00
STREICHER'S	06/23/2025	126256	11765570	101-42110-226	UNIFORMS/SZCZEPANIK	Police Department	94.99
STREICHER'S	06/23/2025	126256	11766923	101-42110-226	UNIFORMS/SCHWARZ	Police Department	51.99
STREICHER'S	06/23/2025	126256	11766934	101-42110-226	UNIFORMS/THOMAS	Police Department	53.98
STREICHER'S	06/23/2025	126256	11766972	101-42110-226	UNIFORMS/WHITE	Police Department	40.00
Total 126256:							418.95
STREICHER'S	06/23/2025	126257	11766840	101-42260-226	DUTY UNIFORM	Fire Protection Services	79.99
STREICHER'S	06/23/2025	126257	11766841	101-42260-226	DUTY UNIFORM	Fire Protection Services	517.98
Total 126257:							597.97
SUREFITTERS	06/23/2025	126258	79046	701-49800-221	452/604 SAFETY LIGHTS	Fleet Services	668.16
Total 126258:							668.16
U.S. AutoForce	06/23/2025	126259	INV0009569	701-49800-222	PD TIRES	Fleet Services	1,268.00
U.S. AutoForce	06/23/2025	126259	INV0009574	701-49800-222	PD TIRES	Fleet Services	370.06
Total 126259:							1,638.06
UNIFIRST CORPORATION	06/23/2025	126260	1410147726	613-49830-223	RUGS & CLEANING TOWELS-GOLF	Golf Course	109.92
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	101-45200-226	UNIFORMS - PARKS	Parks	16.14
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	613-49830-226	UNIFORMS-GOLF COURSE	Golf Course	16.14
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	101-41900-226	UNIFORMS-FACILITY	Central Services	2.70
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	101-43000-226	UNIFORMS - STORMWATER	Public Works Department	62.40
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	101-43000-226	UNIFORMS-STREETS	Public Works Department	62.40
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	601-49400-226	UNIFORMS PW-WATER DEPT	Water	25.50
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	602-49450-226	UNIFORMS PW-SEWER DEPT	Sewer	25.50
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	701-49800-226	UNIFORMS - FLEET	Fleet Services	33.47

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	101-41900-223	MOPS/CLEANING TOWELS	Central Services	24.41
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	701-49800-221	SHOP TOWELS - PW	Fleet Services	3.91
UNIFIRST CORPORATION	06/23/2025	126260	1410147761	101-43000-404	RUGS-PW	Public Works Department	28.73
UNIFIRST CORPORATION	06/23/2025	126260	1410149260	613-49830-223	RUGS & CLEANING TOWELS-GOLF	Golf Course	17.74
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	101-45200-226	UNIFORMS - PARKS	Parks	16.14
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	101-41900-226	UNIFORMS-FACILITY	Central Services	2.70
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	613-49830-226	UNIFORMS-GOLF COURSE	Golf Course	16.14
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	101-43000-226	UNIFORMS - STORMWATER	Public Works Department	62.40
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	101-43000-226	UNIFORMS-STREETS	Public Works Department	62.40
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	601-49400-226	UNIFORMS PW-WATER DEPT	Water	27.00
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	602-49450-226	UNIFORMS PW-SEWER DEPT	Sewer	27.00
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	701-49800-226	UNIFORMS - FLEET	Fleet Services	20.29
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	101-41900-223	MOPS/CLEANING TOWELS	Central Services	24.41
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	701-49800-221	SHOP TOWELS - PW	Fleet Services	3.91
UNIFIRST CORPORATION	06/23/2025	126260	1410149332	101-43000-404	RUGS-PW	Public Works Department	28.73
Total 126260:							720.08
UPNORTH GOLF	06/23/2025	126261	79547	613-49830-095	MERCHANDISE	Golf Course	93.61
Total 126261:							93.61
US Bank Equipment Finance	06/23/2025	126262	557835147	710-49970-413	COPIERS - 06/25	IT Services	1,519.43
Total 126262:							1,519.43
VERIZON WIRELESS	06/23/2025	126263	6115697949	101-43100-321	ARLO CAMERAS - BRUSH SITE	Brush Site	80.02
VERIZON WIRELESS	06/23/2025	126263	6115697949	101-45200-321	ARLO CAMERAS - LURTON DOG PARK	Parks	80.02
VERIZON WIRELESS	06/23/2025	126263	6115697949	101-42110-321	ARLO CAMERAS - PD	Police Department	80.02
VERIZON WIRELESS	06/23/2025	126263	6115697949	101-41900-321	ARLO CAMERAS - SPARE	Central Services	40.01
Total 126263:							280.07
Verizon Wireless Services LLC	06/23/2025	126264	9022402167	101-42110-311	INVESTIGATIONS DATA DUMP/25-2799 AND 25-2	Police Department	75.00
Total 126264:							75.00
WASTE MANAGEMENT	06/23/2025	126265	0124596-280	603-49500-444	ORGANICS MAY 2025	Recycling	194.10
WASTE MANAGEMENT	06/23/2025	126265	0124596-280	603-49500-316	RECYCLING JUNE 2025	Recycling	20,286.49

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
Total 126265:							20,480.59
WATER CONSERVATION SVC IN	06/23/2025	126266	150018	601-49400-405	LEAK DETECTION 2312 OLD BEACH RD	Water	451.25
Total 126266:							451.25
WESTSIDE WHOLESALE TIRE	06/23/2025	126267	963208	701-49800-222	SPARE RIM/WHEEL FOR FIRE TRUCKS AND VAC	Fleet Services	572.75
WESTSIDE WHOLESALE TIRE	06/23/2025	126267	964498	701-49800-222	428 REPLACEMENT RIMS	Fleet Services	479.98
WESTSIDE WHOLESALE TIRE	06/23/2025	126267	964677	613-49830-221	GOLF COURSE ROUGH MOWER TIRE	Golf Course	68.00
WESTSIDE WHOLESALE TIRE	06/23/2025	126267	964735	701-49800-222	PD 247 TRUCK TIRES	Fleet Services	605.32
Total 126267:							1,726.05
Wright-Hennepin Coop Electric	06/23/2025	126268	3503221469	101-43100-381	BRUSH SITE 05/01/25-06/01/25	Brush Site	31.62
Wright-Hennepin Coop Electric	06/23/2025	126268	3503221469	101-43000-381	ELECTRICAL SERVICE 05/01/25-06/01/25	Public Works Department	177.67
Wright-Hennepin Coop Electric	06/23/2025	126268	3503221469	613-49830-381	GC SECURITY TO 07/31/2025	Golf Course	43.30
Total 126268:							252.59
WS & D PERMIT SERVICE INC	06/23/2025	126269	RPS25-0000	101-32510	BP REFUND - RBG25-000098 - 2935 FARVIEW LA		1,192.82
WS & D PERMIT SERVICE INC	06/23/2025	126269	RPS25-0000	101-20802	BP REFUND - RBG25-000098 - 2935 FARVIEW LA		50.46
Total 126269:							1,243.28
Yamaha Golf & Utility	06/23/2025	126270	01-310199	613-49830-415	GOLF CART RENTAL	Golf Course	3,911.53
Yamaha Golf & Utility	06/23/2025	126270	01-310391	613-49830-221	GOLF CART REPAIR PARTS	Golf Course	336.57
Total 126270:							4,248.10
ZUMBRO TOOLS	06/23/2025	126271	06112517483	701-49800-240	MECHANICS TOOLS	Fleet Services	291.00
Total 126271:							291.00
AMAZON CAPITAL SERVICE	06/23/2025	20130696	116M-DW1T-	101-41900-201	TRANSPARENT ADHESIVE NOTES	Central Services	8.54
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FKP-PJYF-	101-43000-222	STREETS VEHICLES HITCHES	Public Works Department	235.16
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FKP-PJYF-	701-49800-215	SHOP SUPPLIES	Fleet Services	119.52
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FKP-PJYF-	701-49800-240	MECHANICS TOOLS	Fleet Services	20.78
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FKP-PJYF-	701-49800-212	DIESEL FUEL NOZZLE/HANDLE	Fleet Services	44.99
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FM3-49GN-	710-49970-221	PWORKS COMPUTER PERIPHERAL	IT Services	66.49

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FM3-49GN-	710-49970-221	CITY COMPUTER PERIPHERALS	IT Services	248.56
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1FM3-49GN-	710-49970-221	PD COMPUTER PERIPHERALS	IT Services	129.79
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1M6X-LL19-	101-41900-201	COMPUTER MONITOR STANDS	Central Services	51.98
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1M6X-LL19-	101-41900-223	LAUNDRY DETERGANT PODS	Central Services	19.99
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1M6X-LL19-	101-43000-489	PROMOTIONS AND DISCOUNTS	Public Works Department	10.40-
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1M6X-LL19-	101-43000-224	GRINDER CUTTING WHEELS	Public Works Department	42.36
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1M6X-LL19-	101-43000-224	PHONE CORDS	Public Works Department	9.99
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1RHP-KV6X-	101-42110-201	OFFICE SUPPLIES	Police Department	35.52
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1RHP-KV6X-	101-42110-221	SQAUD CAR EQUIPMENT	Police Department	59.96
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1RHP-KV6X-	101-42110-221	SQAUD CAR EQUIPMENT	Police Department	72.70
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1WKW-GG44	601-49400-240	UTILITY TRUCK TOOLS	Water	51.63
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1WKW-GG44	602-49450-227	UTILITY TRUCK TOOLS	Sewer	51.63
AMAZON CAPITAL SERVICE	06/23/2025	20130696	1WKW-GG44	601-49400-227	HYDRANT PARTS	Water	9.89
Total 20130696:							1,269.08
INNOVO BENEFITS ADMINISTR	06/23/2025	20130697	1529028	101-15998	HEALTH INSURANCE - 07.2025 AJ		730.68
INNOVO BENEFITS ADMINISTR	06/23/2025	20130697	1529028	601-49400-135	HEALTH INSURANCE - 07.2025-BR	Water	730.68
INNOVO BENEFITS ADMINISTR	06/23/2025	20130697	1529028	101-42110-135	HEALTH INSURANCE - 07.2025-DM	Police Department	730.68
INNOVO BENEFITS ADMINISTR	06/23/2025	20130697	1529028	101-42110-135	HEALTH INSURANCE - 07.2025-JW	Police Department	730.68
INNOVO BENEFITS ADMINISTR	06/23/2025	20130697	1529028	101-21706	HEALTH INSURANCE - 07.2025		69,265.02
Total 20130697:							72,187.74
LOGIS-WIRE	06/23/2025	20130698	152206	710-49970-575	SERVER MIGRATION	IT Services	4,623.75
LOGIS-WIRE	06/23/2025	20130698	152235	710-49970-319	GOPHER STATE LOCATES	IT Services	1.35
Total 20130698:							4,625.10
MEDSURETY LLC	06/23/2025	20130699	5.2.25-6.8.25	101-21719	MFSA 5.2.25-6.8.25 FUNDS		51.22
MEDSURETY LLC	06/23/2025	20130699	5.9.25-6.15.2	101-21719	MFSA 5.9.25-6.15.25 FUNDS		23.17
Total 20130699:							74.39
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	601-39610	WATER METER SALES		46.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	601-20806	WATER TAXABLE SALES		979.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	601-20806	BULK WATER SALES		16.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37910	GREEN FEES		4,480.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37920	GOLF CART RENTAL		1,565.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37930	ALCOHOL/BEER		369.00

Payee	Check Issue Date	Check Number	Invoice Number	Invoice GL Account	Description	Department	Invoice Amount
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37935	POP		24.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37940	CONCESSIONS - SALES TAX		162.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37960	GOLF BALLS		64.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	613-37970	PRO SHOP SALES - SALES TAX		21.00
MN DEPT OF REVENUE-WIRE	06/23/2025	20130700	05.2025 Sale	101-39610	CREDIT - WRITE OFF		5.00-
Total 20130700:							7,721.00
STREET FLEET EXPEDITED LL	06/23/2025	20130701	579816	701-49800-222	VEHICLE PARTS DELIVERY FOR PD SQUAD	Fleet Services	115.76
Total 20130701:							115.76
Grand Totals:							356,271.73

AGENDA ITEM



Date: June 23, 2025

Item: 3

Title: Upcoming Work Session and Council Training Schedule

Presenter: Adam Edwards, City Administrator / Engineer

Section: Consent Agenda

1. Purpose:

The purpose of the action item is to schedule future work session agendas and council training / orientations.

2. Background:

a. Work Sessions. This is an opportunity for council members to propose and agree to future work session topics. Work session meetings are at 5 pm on the same days as 6 pm regular council meetings. The table below lists upcoming *proposed* subjects and dates.

Date	Subject	Date	Subject
13 Jan		14 Jul	Code Enforcement Average Lakeshore set back (Part 6)
27 Jan	Council Code of Conduct	28 Jul	General Fund Budget Update
	Special Elections		
	Council Goals		
10 Feb	Council Code of Conduct (Part 2)	11 Aug	Communications Plan Update
24 Feb	Interview Commissioner Applicants (Parks/Planning)	25 Aug	Enterprise Budget Update
10 Mar	Fire Service Coverage Discussion	8 Sep	Preliminary Levy / Budget
14 Apr	Joint Meeting With Parks Commission	22 Sep	City Facilities Review
28 Apr	Street Maintenance 2026 Average Lakeshore set back (Part 6)	13 Oct	Draft Capital Improvement Plans
12 May	Request for Proposal (RFP) process summary	27 Oct	Draft Capital Improvement Plans
27 May	City Goals and Vision Discussion - Comp Plan look ahead	10 Nov	
9 Jun	City Goals and Vision Discussion Part 2	24 Nov	Fee Schedule Update
23 Jun	Preliminary Budget Guidance 2026	8 Dec	None

b. Council Trainings and Orientations. This is an opportunity for council members to propose and agree to additional trainings or orientations for council.. Staff will then prepare and execute the trainings. The table below lists upcoming *proposed* subjects and dates.

Date and Time	Subject	Location	Staff Lead
---------------	---------	----------	------------

March 7, 8:30-10:00	Salt and Commodities Tours	Wayzata and Medina	DJ
April 4, 10:00-12:00	Orono's Conservation Design Code Orientation	Council Chambers	Laura
May 21st and 22nd	New Council Member Orientation (CM Schwingler)	City Hall	Dept Heads

3. Staff Recommendation:

I recommend the next work session occur as scheduled.

COUNCIL ACTION REQUESTED

Move to approve the draft work session schedule.

AGENDA ITEM



Date: June 23, 2025

Item: 4

Title: Annual Performance Review of the City Administrator

Presenter: Adam Edwards, City Administrator / Engineer

Section: Consent Agenda

1. **Purpose:**

The purpose of this item is to summarize the closed session held on June 9 to review City Administrator Adam Edwards' performance in 2024.

2. **Background:**

Pursuant to the State's Open Meeting Law, Minn. Stat. Section 13D.05, Subd. 3(a), the City Council conducted a closed meeting as part of its June 9, 2025 regular council meeting to evaluate the performance of City Administrator/ City Engineer Adam Edwards in 2024.

3. **Summary:**

The Mayor, all Council Members, as well as Administrator Adam Edwards and City Attorney Soren Mattick attended the closed session. At the meeting, the council began a review. The discussion was a follow up to the meeting held in May which was curtailed due to the lateness of the hour. Discussion focused on ways to improve Council and Staff trust and teamwork.

4. **Staff Recommendation:**

None.

COUNCIL ACTION REQUESTED

Motion to approve this summary.

AGENDA ITEM



Date: June 23, 2025

Item: 5

Title: Hire Records Technician

Presenter: Christine Lusian, City Clerk

Section: Consent Agenda

1. **Purpose:**

The purpose of this action item is to approve hiring a Part-Time Records Technician.

2. **Background:**

On [May 12, 2025](#), Orono City Council approved the resignation of Karen Johnson and to rehire for the Records Technician position and directed staff to initiate recruitment. This is a part-time position scheduled for approximately 18 hours per week.

3. **Recruitment:**

Following City Council approval on May 12, 2025 the Part-Time Records Technician position was advertised, and applications were accepted from May 16, 2025 to June 5, 2025. A team of staff reviewed the submissions and three candidates were interviewed on June 4, 2025 by a two-person staff panel. After conducting background investigation, staff selected a candidate to fill the position.

4. **Recommended Candidate:**

Following the recruitment process for the Part-Time Records Technician position, staff recommends the appointment of Jen Robertson to the role, with a proposed start date of July 7, 2025.

Jen holds a Bachelor's Degree and brings over ten years of experience from the retirement plan industry, including the first six years in an administrative role with responsibilities including scanning and maintaining filing systems, as well as handling confidential information - experience that aligns well with the requirements of the Records Technician position.

5. **Recommended Compensation:**

a. **Salary.** Starting wage of \$16.48 per hour.

b. **Benefits.** Earned Sick and Safe Leave, accrual of one (1) hour for every thirty (30) hours worked. Enrollment in the Public Employees Retirement Association (PERA).

COUNCIL ACTION REQUESTED

Motion to appoint Jen Robertson as Records Technician at the rate of \$16.48 per hour with a start date of July 7, 2025.

AGENDA ITEM



Date: June 23, 2025

Item: 6

Title: 2024 Annual Comprehensive Financial Report Presentation

Presenter: Maggie Jin, Finance Director

Section: Presentations

1. **Purpose:**

The purpose of this item is to publicly present the 2024 audit and draft Annual Comprehensive Financial Report (ACFR) to the Council and public.

2. **Background:**

Upon completion of the annual audit, the City's auditors publicly present the results to the Mayor and Council. Andy Berg from Abdo is here tonight to present the 2024 audit results.

3. **Staff Recommendation:**

No action is required. This is an information item only.

COUNCIL ACTION REQUESTED

No action is required. This is an information item only.

Exhibits

[2024 Annual Comprehensive Financial Report](#)

[2024 Executive Governance Summary](#)

[2024 Other Required Reports](#)

[2024 Audit Presentation](#)

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

**CITY OF ORONO,
MINNESOTA**

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CITY OF ORONO, MINNESOTA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

REPORT PREPARED BY:
FINANCE DEPARTMENT

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INTRODUCTORY SECTION
CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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CITY OF ORONO

2750 KELLEY PARKWAY, ORONO, MINNESOTA 55356

www.oronomn.gov

June 17, 2025

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

The annual comprehensive financial report (ACFR) of the City of Orono, Minnesota (the City) for the fiscal year ended December 31, 2024 is hereby submitted. Management assumes full responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Minnesota Statutes require that the City have an annual audit on its financial performance, performed by a certified public accountant or the State Auditor. The City appointed the certified public accounting firm of Abdo to perform the audit for the year ended December 31, 2024. The independent auditor's report on the basic financial statements is unmodified, and is included in the financial section of this report.

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

PROFILE OF THE CITY

The City was incorporated effective January 1, 1955. The City is located on the northern shore of Lake Minnetonka about 15 miles west of the City of Minneapolis. Of the City's 24.5 square miles of area, 50% is open water or marshland (with a total of 12.3 square miles of land area).

The City is a third ring suburb in the seven-county metropolitan Twin Cities area of Minneapolis/St. Paul, and is located on Lake Minnetonka, the ninth largest and one of the most heavily used recreational lake in Minnesota. Of Lake Minnetonka, 40% of the shoreline and 33% of the lake area is in the City. This heavy use is a result of the quality of the lake's aesthetic appeal, together with its proximity to the metropolitan urban core. The City developed primarily because of this aesthetic amenity.

The City is a residential community with primarily single-family housing, and includes a small commercial district. The City totally surrounds two communities, Long Lake and Minnetonka Beach, which were part of the original township, and substantially surrounds a third community, Spring Park. The City cooperates with these cities for the most cost-effective provision of city services.

PROFILE OF THE CITY (CONTINUED)

The City is home to many of the metropolitan area's top executives who appreciate the community's natural amenities. Orono has an obligation to its resident to preserve and balance the lifestyles of lakeshore living and rural area. Due to the positive appeal of the community, Orono has a lack of undeveloped land and predominantly sees infill development.

The City operates under the "Optional Plan A" form of government as defined in Minnesota Statutes. Under this plan, the City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy. The City Administrator, appointed by the City Council, is responsible for the proper administering of all affairs relating to the City.

The City provides a variety of municipal services which include: police protection, fire protection, street maintenance, building inspection, planning, and zoning, public improvements, general administrative services, public water and sewer utilities, and a municipal golf course.

The City of Orono adopts an annual budget for the General Fund, certain Special Revenue Funds, and Enterprise Funds. The Special Revenue Funds with adopted budget include the Parks Fund, Drug and Felony Forfeiture Fund and the Senior Housing TIF Fund. The Enterprise Funds with adopted budgets include the Water, Sewer, Recycling, Stormwater, Cable and Golf Funds. The City has established budgetary control at the department level. All departments submit requests for appropriation to the City Administrator and Finance Director by June of each year for the General Fund and by August for the Enterprise Funds. The Finance Director assigns appropriation to the Special Revenue Funds by August. The City Council is required to adopt a proposed General Fund budget and tax levy by September 30. The Council is required to schedule and hold a Truth in Taxation (TNT) public hearing. The council must adopt the final budget and tax levy no later than December 31. The council also adopts the yearly fee schedule and Capital Improvement Plan in December.

LOCAL ECONOMY

The City is in a strong financial position. Because of its strong residential tax base, and conservative fiscal philosophy, the City continued in 2024 to have a tax capacity rate that is one of the lowest in the county, ranking fourth lowest of 45 communities. The strength of the City's financial condition is reflected in its bond rating of AAA since 2006 for all bond issues.

LONG-TERM FINANCIAL PLANNING

The Metropolitan Council requires all cities in the seven-county metropolitan area to have a Comprehensive Plan. The Metropolitan Council and state statutes require cities to update their plans every 10 years. The Orono Community Management Plan serves as a guide for orderly and economic private and public improvement. The scope of the plan is intended to include almost every factor that influences investments or improvements in the City. The City of Orono's Community Management Plan has been updated and approved by the City Council in 2019.

In 2011, the City analyzed the condition of its street infrastructure. This information was used to develop a pavement management plan, which provides the basis for planning and funding street improvements. In 2012, this plan was incorporated into a comprehensive Capital Improvement Plan (CIP). The CIP is

updated annually as part of the budgeting process and was completed during 2024 budget process, with final adoption in December.

RELEVANT FINANCIAL POLICIES

The City has formalized 6 additional financial policies in 2019 and continues to review and update as needed. The five financial policies adopted in 2019 include the following: Operating Budget Policy, Revenue Policy, Expenditure and Purchasing Policy, Debt Management Policy, Fixed Asset Policy and Grant Policy. In 2011, the City amended its fund balance policy to reflect the requirements of fund balance reporting addressed by GASB Statement No. 54. The policy also sets a fund balance minimum and maximum for the General Fund. In 2024, the fund balance policy was amended to adjust the minimum unassigned General Fund balance to 40% of the fund's annual operating budget and add in the Golf Course Fund to the policy. The CIP that was adopted in 2012 is updated annually and is the basis for long-range capital planning and budgeting for the City. The investment policy was established in 1988 and has since also been updated. The Cell Phone Use Policy was updated in 2020 and was originally adopted in 2013.

MAJOR INITIATIVES

Cooperative Efforts with Other Jurisdictions

The City is involved in a cooperative arrangement for fire services with the City of Long Lake. The cities of Long Lake and Orono jointly own a fire station. Orono Fire Department began operations in the Casco Point and Tonkawa areas on July 1, 2024. The current contract for fire protection service by the City of Long Lake expires December 31, 2025. There is an amendment to the current contract to ensure the development of a new Joint Powers Agreement are met and executed by July 1st, 2025 to be effective January 1, 2026. The City of Orono and Long Lake are in discussions to resolve fire matters.

The City provides police protection to the cities of Spring Park, Minnetonka Beach, and Mound. The efficiencies provided by one department serving four communities provide all of the cities enhanced services. For example, one larger department allows for dedicated investigators, school resource officers, and participation in a regional drug task force.

The City provides Public Works service to the City of Spring Park. In 2016, there was an official agreement for standby service, which was provided for decades prior unofficially. In 2021, agreement to provide full public works and parks support was approved and went into effect on September 1, 2021.

The City continues to be involved with a group of fourteen cities located adjacent to Lake Minnetonka in an effort to identify new opportunities for cooperative service delivery to enable improved services and increased efficiency.

Water and Sewer Infrastructure

The City operates and maintains both a water distribution and sanitary sewer collection system. The City's sanitary sewer collection system discharges into several Metropolitan Council Environmental Services (MCES) interceptor sewers for treatment by MCES at the Blue Lake treatment plant. The City pays MCES for sanitary sewer treatment charges on a monthly basis, and these MCES treatment costs are included in the City's sewer billing to residents.

The City is continuing a proactive infiltration and inflow reduction program to eliminate significant sources of inflow and infiltration of ground water into the City's sanitary sewer system. Over the last decade, the City has been investing approximately a quarter of a million dollar a year in sewer rehabilitation and lining projects. Because the MCES charges are based on measured flow, any reduction of inflow and infiltration results in lower charges. MCES charges are increasing faster than any other expense of the utility.

The City has two water towers and four wells to serve the needs of the urban portion of the City. The installation of well #4 in the northern part of the City provides firm capacity for fire protection, as well as capacity needed for future development along the highway 112 corridor. The development along the corridor picked up in 2018 resulting in a significant increase in utility connections.

The City has an asset management system that is utilized in daily operations and assists in future planning. Originally purchased in 2016 and used to track equipment and infrastructure life cycles in conjunction with the City's CIP, it is now being used to produce work orders, track time, and document maintenance. Specifically in 2018, the project management features of the system were developed and implemented. This process has resulted in improved efficiency and provides a more accurate tracking of project expenditures.

AWARDS AND ACKNOWLEDGEMENTS

Acknowledgements

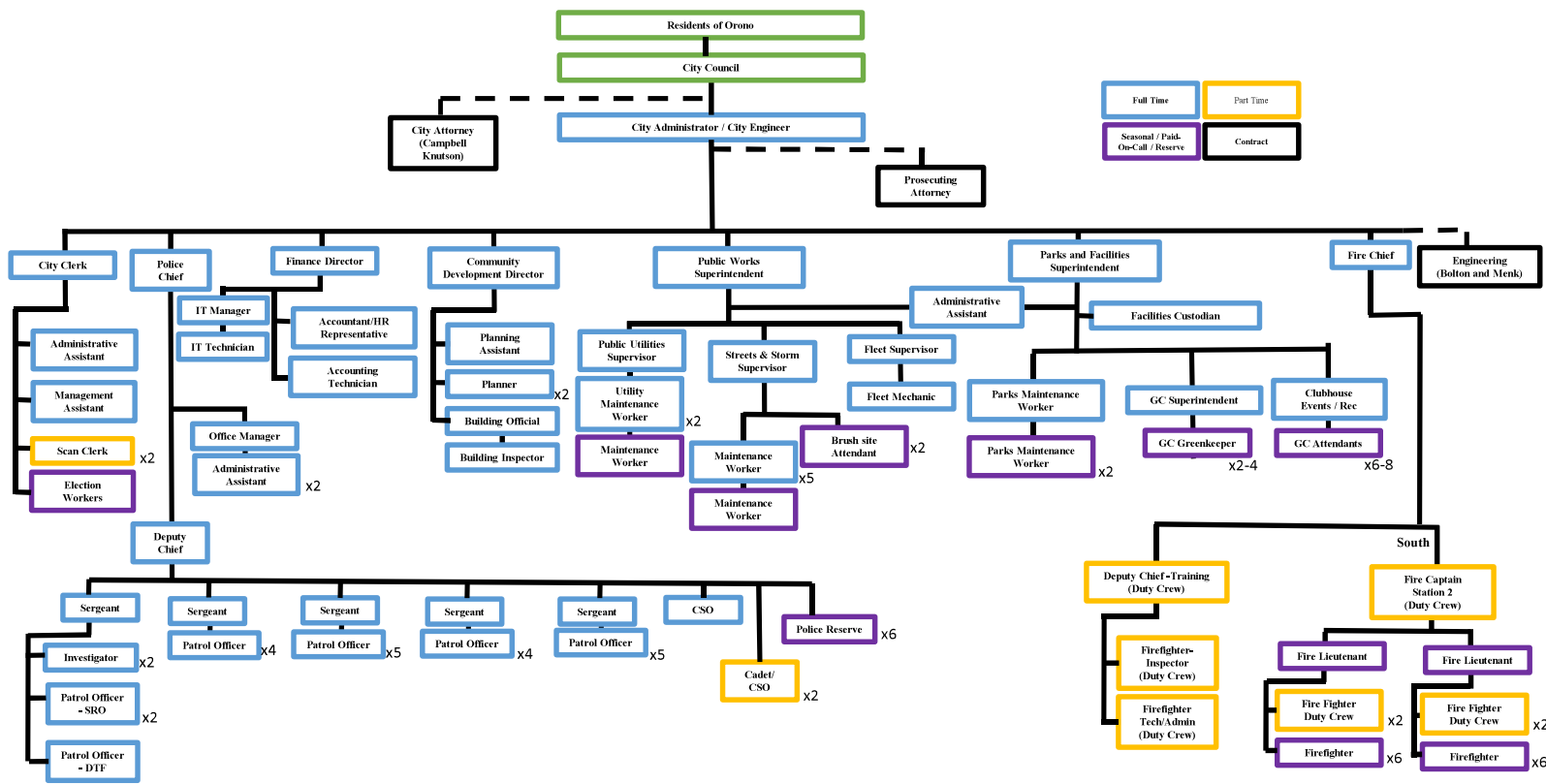
We would like to express our appreciation to the entire city staff for their individual contributions in assisting with the preparation of this report and to the outside agencies that assisted with essential information for this report. We also would like to express appreciation to the Mayor and City Council members for their interest and support in planning and conducting the financial operations of the City.

Sincerely,



Maggie Jin
Finance Director

City Staff Organization



City of Orono, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2024

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Bob Tunheim	Mayor	12/31/28
Alisa Benson	Council Member	12/31/26
Jon Schwingler	Council Member	12/31/27
Steve Persian	Council Member	12/31/28
Jacqueline Ricks	Council Member	12/31/28

APPOINTED

<u>Name</u>	<u>Title</u>
Adam Edwards	City Administrator
Maggie Jin	Finance Director

FINANCIAL SECTION
CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Orono, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Orono, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

As described in Note 8 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classification of the components of the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 8 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classification of the components of the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related notes disclosures and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
June 17, 2025



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Management's Discussion and Analysis

As management of the City of Orono, 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, 2024.

Financial Highlights

- The assets and deferred outflows of 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 due to an increase in capital assets from various construction projects, the change in net pension liability and charges for services in the business-type activities 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 decreased in comparison with the prior year. This decrease was mainly due to capital outlay expenses for project construction. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.
- The 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 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 following chart shows how the various parts of this annual report are arranged and related to one another:

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. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

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

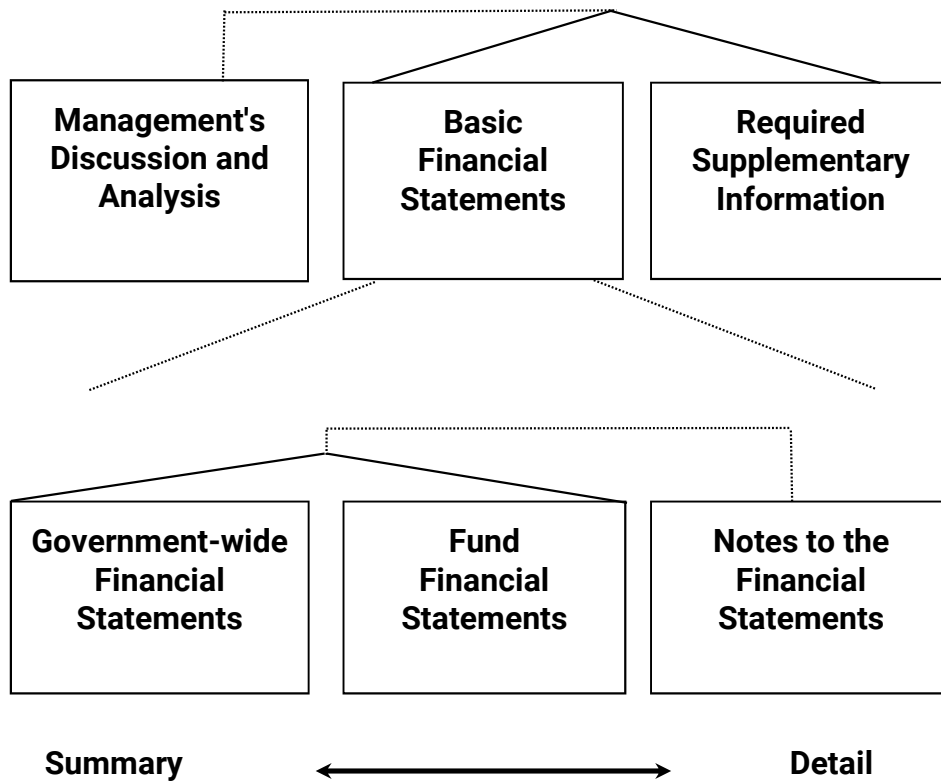


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the 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 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"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements 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 or 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, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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, public works, culture and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer utilities and the golf course.

The government-wide financial statements start on page 35 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 numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Municipal State Aid Street fund and Project Construction funds which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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. A budgetary comparison statement has been provided for these funds to demonstrate compliance with its budget.

The basic governmental fund financial statements start on page 44 of this report.

Proprietary Funds. 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 all the water, sewer, and golf course funds, which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for insurance, compensated absences, fleet management and IT services. Because these services benefit both governmental and business-type activities, they are allocated to both governmental and business-type activities in the government-wide financial statements.

The basic proprietary fund financial statements start on page 52 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 start on page 55 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pensions and other postemployment benefits to its employees.

Required supplementary information can be found starting on page 86 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplementary information.

Combining and individual fund financial statements and schedules start on page 96 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 and other post-employment benefits to its employees. Required supplementary information can be found on page 86 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 96 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

By far, the largest 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 is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Orono's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Assets						
Current and other assets	\$ 16,393,004	\$ 19,472,781	\$ (3,079,777)	\$ 4,072,768	\$ 4,960,984	\$ (888,216)
Capital assets, net of depreciation	55,643,009	51,422,252	4,220,757	22,149,066	21,905,248	243,818
Total Assets	72,036,013	70,895,033	1,140,980	26,221,834	26,866,232	(644,398)
Deferred Outflows of Resources						
Deferred pension resources	4,972,351	6,172,066	(1,199,715)	73,435	137,957	(64,522)
Total Deferred Outflows or Resources	4,972,351	6,172,066	(1,199,715)	73,435	137,957	(64,522)
Liabilities						
Noncurrent liabilities outstanding	23,051,397	24,496,956	(1,445,559)	952,920	1,286,004	(333,084)
Other liabilities	2,173,722	4,320,033	(2,146,311)	112,375	158,571	(46,196)
Total Liabilities	25,225,119	28,816,989	(3,591,870)	1,065,295	1,444,575	(379,280)
Deferred Inflows of Resources						
Deferred lease resources	625,696	1,206,973	(581,277)	-	-	-
Deferred pension resources	5,884,133	5,979,032	(94,899)	191,871	135,527	56,344
Total Deferred Inflows or Resources	6,509,829	7,186,005	(676,176)	191,871	135,527	56,344
Net Position						
Net investment in capital assets	38,658,205	34,721,961	3,936,244	21,666,516	21,343,572	322,944
Restricted	1,945,034	2,625,111	(680,077)	-	-	-
Unrestricted	4,670,177	3,717,033	953,144	3,371,587	4,080,515	(708,928)
Total Net Position	\$ 45,273,416	\$ 41,064,105	\$ 4,209,311	\$ 25,038,103	\$ 25,424,087	\$ (385,984)
Net Position as a Percent of Total						
Net Investment in						
Capital Assets	85.4%	84.5%		86.5%	84.0%	
Restricted	4.3%	6.4%		0.0%	0.0%	
Unrestricted	10.3%	9.1%		13.5%	16.0%	
	<u>100.0%</u>	<u>100.0%</u>		<u>100.0%</u>	<u>100.0%</u>	

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

At the end of the current fiscal year, the City is able to report positive balances in the net investment in capital asset, restricted, and unrestricted categories.

Significant changes from the prior year are noted below:

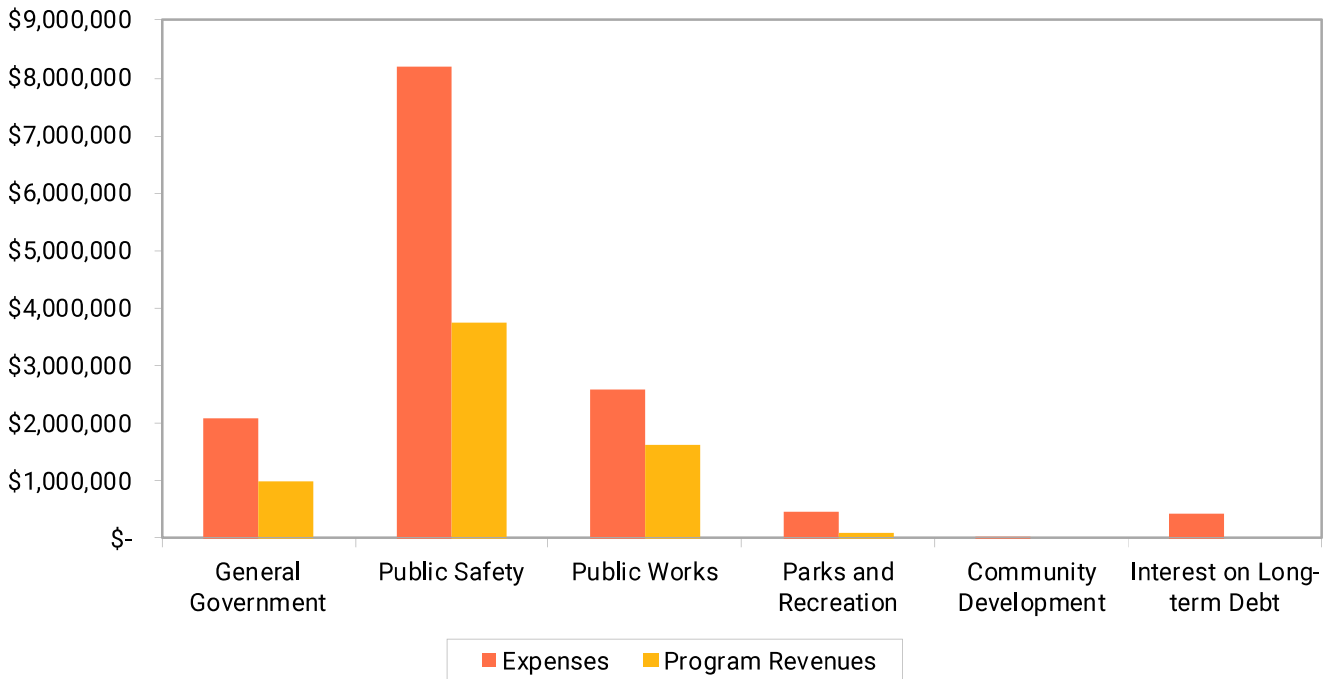
City of Orono's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 5,201,551	\$ 5,356,068	\$ (154,517)	\$ 5,237,399	\$ 5,504,609	\$ (267,210)
Operating grants and contributions	1,274,979	1,701,735	(426,756)	40,451	8,519	31,932
Capital grants and contributions	33,884	50,659	(16,775)	21,180	84,387	(63,207)
General Revenues						
Taxes						
Property taxes	9,378,684	8,368,232	1,010,452	-	-	-
Tax increment	90,904	78,908	11,996	-	-	-
Grants and contributions not restricted to specific programs	3,100	406	2,694	-	451,305	(451,305)
Unrestricted investment earnings	549,485	508,318	41,167	157,171	305,311	(148,140)
Total Revenues	16,532,587	16,064,326	468,261	5,456,201	6,354,131	(897,930)
Expenses						
General government	2,082,988	1,983,264	99,724	-	-	-
Public safety	8,184,781	7,894,893	289,888	-	-	-
Public works	2,579,666	2,047,315	532,351	-	-	-
Culture and recreation	456,916	562,310	(105,394)	-	-	-
Community development	4,559	154,566	(150,007)	-	-	-
Interest on long-term debt	417,269	399,542	17,727	-	-	-
Water	-	-	-	1,143,706	1,298,511	(154,805)
Sewer	-	-	-	2,062,389	2,079,800	(17,411)
Storm water	-	-	-	439,635	486,937	(47,302)
Recycling	-	-	-	290,484	242,530	47,954
Cable television	-	-	-	89,766	68,069	21,697
Golf course	-	-	-	413,302	492,173	(78,871)
Total Expenses	13,726,179	13,041,890	684,289	4,439,282	4,668,020	(228,738)
Change in Net Position before Transfers	2,806,408	3,022,436	(216,028)	1,016,919	1,686,111	(669,192)
Transfers (Net)	1,402,903	2,990,324	(1,587,421)	(1,402,903)	(2,990,324)	1,587,421
Change in Net Position	4,209,311	6,012,760	(1,803,449)	(385,984)	(1,304,213)	918,229
Net Position, January 1	41,064,105	35,051,345	6,012,760	25,424,087	26,728,300	(1,304,213)
Net Position, December 31	\$ 45,273,416	\$ 41,064,105	\$ 4,209,311	\$ 25,038,103	\$ 25,424,087	\$ (385,984)

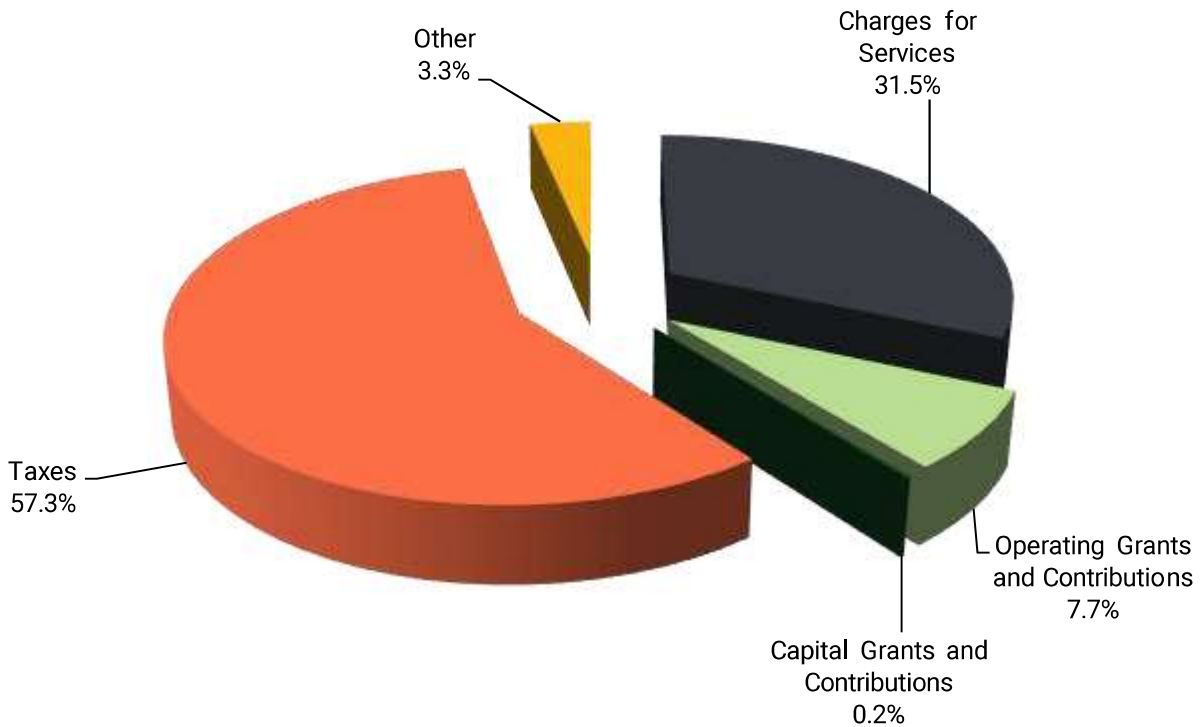
- The decrease in Program Revenues from the prior year relates to charges for services and operating grants and contributions. Charges for services decreased due to decreased water usage. Operating grants and contributions decreased due to public safety aid received in 2023.
- The increase in General government expenses from prior year is due to an increased administrative expense. The increase in public safety expenses from prior year is expenses is due to an increase in police and fire expenses.
- The governmental net position increased by 10.25% from last year and the business-type net position decreased by 1.52% from last year.

Governmental Activities. Governmental activities increased the City's net position. This increase was primarily the result of current year increase in capital assets and change in pension liability balances. The following graph depicts various governmental activities and shows the revenues and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



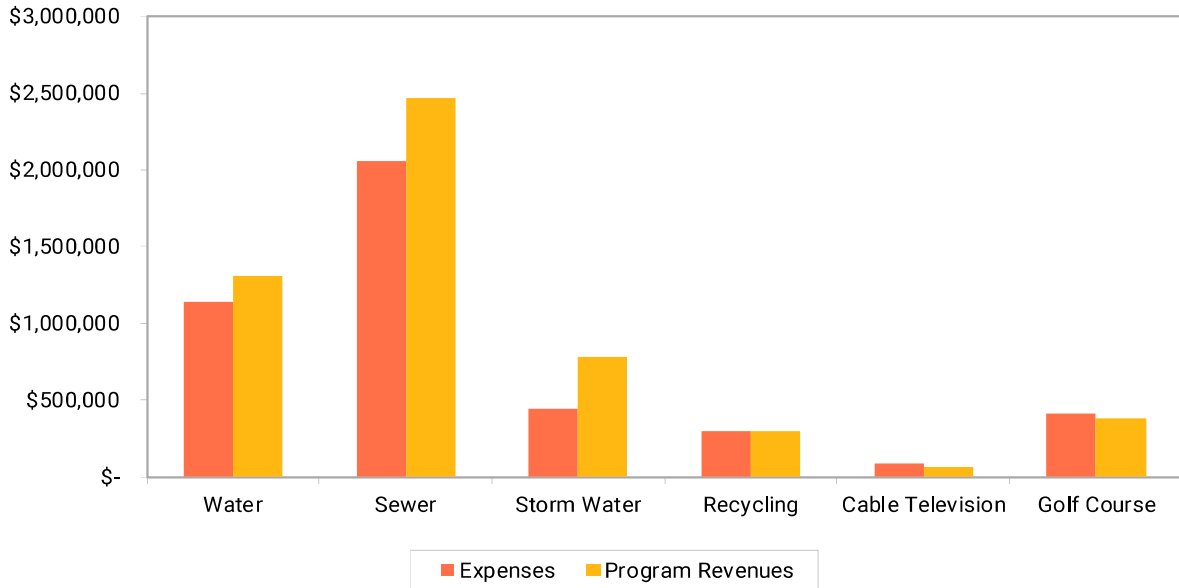
Revenues by Source - Governmental Activities



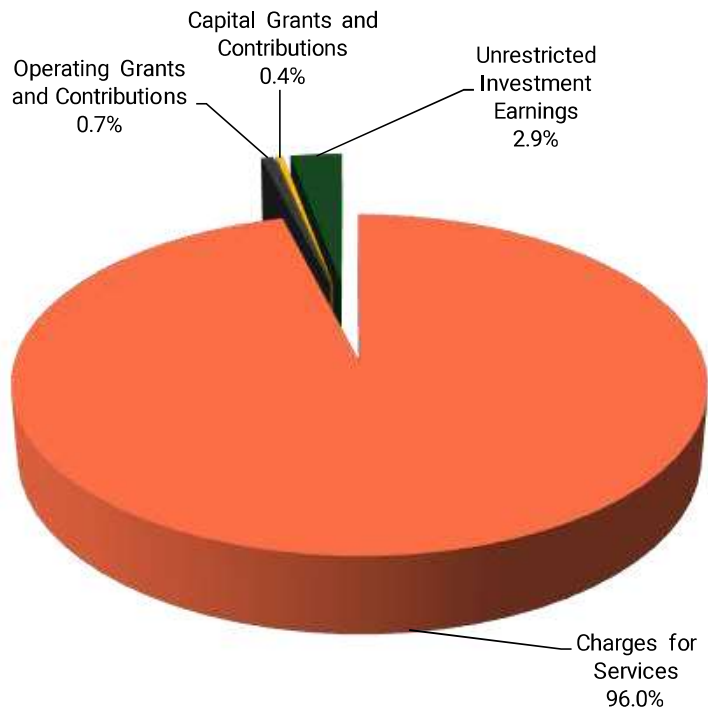
Business-type Activities. Business-type activities decreased the City's net position, as shown in the changes in net position table.

- Charges for services for business-type activities decreased due to a decrease in water, sewer, and stormwater sales because of a drop in usage.
- Operating grants and contributions for business-type activities decreased due to ARPA funding that was recognized in 2023.
- Total expenses for business-type activities decreased due to less personnel service charges than in the prior year due to a decrease in the net pension liability.

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 table below outlines the governmental fund balances for the year ending December 31, 2024:

	General Fund	Municipal State Aid Street	Project Construction Fund	Internal Service Funds	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ 92,393	\$ -	\$ 32,698	\$ -	\$ -	\$ 125,091	\$ 93,611	\$ 31,480
Restricted	-	-	225,259	-	2,074,035	2,299,294	3,807,341	(1,508,047)
Committed	-	-	-	-	617,233	617,233	313,344	303,889
Assigned	-	-	2,573,412	-	3,584,518	6,157,930	6,802,532	(644,602)
Unassigned	4,683,205	(1,120,809)	-	500,196	(488,535)	3,574,057	2,406,874	1,167,183
	<u>\$ 4,775,598</u>	<u>\$ (1,120,809)</u>	<u>\$ 2,831,369</u>	<u>\$ 500,196</u>	<u>\$ 5,787,251</u>	<u>\$ 12,773,605</u>	<u>\$ 13,423,702</u>	<u>\$ (650,097)</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 53 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 expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 92,393	\$ 93,611	\$ (1,218)
Unassigned	4,683,205	4,124,132	559,073
	<u>\$ 4,775,598</u>	<u>\$ 4,217,743</u>	<u>\$ 557,855</u>
General Fund expenditures	\$ 11,201,213	\$10,826,241	
Unassigned as a percent of expenditures	41.8%	38.1%	
Total Fund Balance as a percent of expenditures	42.6%	39.0%	

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 due to intergovernmental and building permit revenue in excess of the final budget. The city also had a positive budget variance for the expenditures mostly due to assessing services coming in under budget.

Other major governmental fund analysis is shown below:

Major Fund	Fund Balances December 31,		Increase (Decrease)
	2024	2023	
Municipal State Aid Street	\$ (1,120,809)	\$ (1,340,839)	\$ 220,030
<p>The Municipal State Aid Street fund is used to collect and spend resources on the various projects related to state aid streets and highways. The increase in fund balance is mainly due to a minimal expenditures in the current year. The fund currently owes the General fund \$1,504,286 and has \$390,327 in cash and investments as of year end.</p>			
Project Construction	2,831,369	5,108,357	(2,276,988)
<p>The Project Construction Fund is used to collect and spend resources related to various construction projects within the City. The decrease is due to the new public works facility project expenditures.</p>			

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 major proprietary funds increased or (decreased) as follows:

	Ending Net Position 2024	Ending Net Position 2023	Increase/ (Decrease)
Water	\$ 5,540,448	\$ 5,499,131	\$ 41,317
<p><i>The increase primarily is attributed to positive operating income.</i></p>			
Sewer	15,247,841	15,562,088	(314,247)
<p><i>The decrease primarily is attributed to transfers out to other funds</i></p>			
Storm Water	3,904,405	3,948,085	(43,680)
<p><i>The decrease primarily is attributed to transfers out to other funds</i></p>			

General Fund Budgetary Highlights

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 11,506,630	\$ 11,964,184	\$ 457,554
Expenditures	11,336,630	11,201,213	135,417
Excess of Revenues Over Expenditures	170,000	762,971	592,971
Other Financing Sources (Uses)			
Transfers in	-	19,244	19,244
Proceeds from sale of capital assets	30,000	32,047	2,047
Transfers out	(200,000)	(256,407)	(56,407)
Total Other Financing Sources (Uses)	(170,000)	(205,116)	(35,116)
Net Change in Fund Balances	-	557,855	557,855
Fund Balances, January 1	4,217,743	4,217,743	
Fund Balances, December 31	<u>\$ 4,217,743</u>	<u>\$ 4,775,598</u>	<u>\$ 557,855</u>

The City's General fund budget was *not* amended during the year as shown above. Actual revenues were over the final budget and actual expenditures were under the final budget amounts as shown above. Revenues were over budget due to more grant and building permit revenue being received than expected. The expenditures were under budget due to Hennepin County no longer charging cities with a population of under 10,000 assessing services.

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, 2024, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges.

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

- The Public Works Facility project was completed
- The Temporary North Fire Station Conversion Project was completed
- The Navarre Garage Remodel Project was completed
- The 2023 Fox Street Improvement Project was completed
- The 2024 Street improvement project was completed
- Substantial work was completed on the 2025 Street Improvement Project.
- The City purchased a Rescue Pumper
- The City purchased a Tanker/Tender.
- The City purchased Hook and Plow attachments for unit #433

City of Orono's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 7,677,435	\$ 7,677,435	\$ -	\$ 93,217	\$ 93,217	\$ -
Construction in Progress	655,125	15,594,167	(14,939,042)	63,440	1,427,921	(1,364,481)
Infrastructure	16,935,891	15,736,079	1,199,812	889,732	19,037,860	(18,148,128)
Buildings and Systems	24,470,458	7,199,213	17,271,245	41,694	866,862	(825,168)
Improvements other than Buildings	1,729,471	1,791,152	(61,681)	419,383	4,064	415,319
Machinery and Equipment	4,174,629	3,424,206	750,423	20,641,600	475,324	20,166,276
Total	\$ 55,643,009	\$ 51,422,252	\$ 4,220,757	\$ 22,149,066	\$ 21,905,248	\$ 243,818

Additional information on the City's capital assets can be found in Note 3B starting on page 66 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of revenue related debt and general obligation debt as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

State statutes limit the amount of G.O. debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$150,087,818. Only the \$16,665,259 in G.O. bonds is counted within the statutory limitation.

City of Orono's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
G.O. Revenue Bonds	\$ 15,960,000	\$ 16,555,000	\$ (595,000)	\$ 470,000	\$ 555,000	\$ (85,000)
Bond Premium	611,081	637,801	(26,720)	6,676	8,161	(1,485)
Finance purchase arrangement	638,982	484,900	154,082	-	-	-
Total	\$ 17,210,063	\$ 17,677,701	\$ (467,638)	\$ 476,676	\$ 563,161	\$ (86,485)

Additional information on the City's long-term debt can be found in Note 3F starting on page 69 of this report.

Economic Factors and Next Year's Budgets and Rates

- Utility rate increases are scheduled to be around 2% per year for water and sewer, 1% for stormwater and 4% for recycling in 2024 and will follow this trend into 2025. These sustainable increases were made possible by analyzing the utility funds capital needs and making the difficult decision to increase rates significantly over the last six years.
- Property values continue to rise, but at a much lower rate than in previous years. With indications that interest rates may remain at relatively high levels through next year, it is unlikely that the property tax base will expand as dramatically as it has over the last five years.
- The creation and equipping of the Orono Fire Department has resulted in short term spike in capital expenditures that will last for a couple of years. The new equipment is being worked into the City's Capital Improvement Plan so that large spikes in capital expenditures can be avoided in the future.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed by writing to the City of Orono, 2750 Kelley Parkway, Orono, Minnesota 55356 or by calling (952) 249-4600.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Orono, Minnesota
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 14,042,834	\$ 3,423,731	\$ 17,466,565
Cash held with fiscal agent	225,259	-	225,259
Receivables			
Accrued interest	84,191	10,030	94,221
Taxes	92,187	-	92,187
Accounts	58,715	565,788	624,503
Special assessments	33,600	8,128	41,728
Lease	658,394	-	658,394
Due from other governments	1,096,552	3,372	1,099,924
Prepaid items	101,272	61,719	162,991
Capital assets			
Land and construction in progress	8,332,560	156,657	8,489,217
Depreciable assets (net of accumulated depreciation)	47,310,449	21,992,409	69,302,858
Total Assets	<u>72,036,013</u>	<u>26,221,834</u>	<u>98,257,847</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>4,972,351</u>	<u>73,435</u>	<u>5,045,786</u>
Liabilities			
Accounts and contracts payable	176,719	43,910	220,629
Accrued salaries payable	195,039	22,559	217,598
Due to other governments	433,541	17,881	451,422
Accrued interest payable	162,601	5,255	167,856
Deposits payable	1,205,822	22,770	1,228,592
Noncurrent liabilities			
Due within one year			
Long-term liabilities	1,293,972	122,188	1,416,160
Other postemployment benefits liability - current	24,937	3,397	28,334
Due in more than one year			
Long-term liabilities	17,039,775	418,864	17,458,639
Net pension liability	3,907,064	301,440	4,208,504
Other postemployment benefits liability	785,649	107,031	892,680
Total Liabilities	<u>25,225,119</u>	<u>1,065,295</u>	<u>26,290,414</u>
Deferred Inflows of Resources			
Deferred lease resources	625,696	-	625,696
Deferred pension resources	5,884,133	191,871	6,076,004
Total Deferred Inflows of Resources	<u>6,509,829</u>	<u>191,871</u>	<u>6,701,700</u>
Net Position			
Net investment in capital assets	38,658,205	21,666,516	60,324,721
Restricted for			
Debt service	345,585	-	345,585
Park improvements	74,830	-	74,830
Drug and alcohol law enforcement	775,154	-	775,154
Home buyer purchase assistance program	147,998	-	147,998
Housing	601,467	-	601,467
Unrestricted	<u>4,670,177</u>	<u>3,371,587</u>	<u>8,041,764</u>
Total Net Position	<u>\$ 45,273,416</u>	<u>\$ 25,038,103</u>	<u>\$ 70,311,519</u>

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,082,988	\$ 1,010,081	\$ -	\$ -
Public safety	8,184,781	2,974,454	786,889	-
Public works	2,579,666	1,149,424	488,090	5,600
Parks and recreation	456,916	67,592	-	28,284
Community development	4,559	-	-	-
Interest on long-term debt	417,269	-	-	-
Total Governmental Activities	<u>13,726,179</u>	<u>5,201,551</u>	<u>1,274,979</u>	<u>33,884</u>
Business-type Activities				
Water	1,143,706	1,312,125	-	-
Sewer	2,062,389	2,467,152	-	-
Storm water	439,635	759,696	-	21,180
Recycling	290,484	271,531	20,226	-
Cable television	89,766	62,738	-	-
Golf course	413,302	364,157	20,225	-
Total Business-type Activities	<u>4,439,282</u>	<u>5,237,399</u>	<u>40,451</u>	<u>21,180</u>
Total	<u>\$ 18,165,461</u>	<u>\$ 10,438,950</u>	<u>\$ 1,315,430</u>	<u>\$ 55,064</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Transfers - Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,072,907)	\$ -	\$ (1,072,907)
(4,423,438)	-	(4,423,438)
(936,552)	-	(936,552)
(361,040)	-	(361,040)
(4,559)	-	(4,559)
(417,269)	-	(417,269)
<u>(7,215,765)</u>	<u>-</u>	<u>(7,215,765)</u>
-	168,419	168,419
-	404,763	404,763
-	341,241	341,241
-	1,273	1,273
-	(27,028)	(27,028)
-	(28,920)	(28,920)
<u>-</u>	<u>859,748</u>	<u>859,748</u>
<u>(7,215,765)</u>	<u>859,748</u>	<u>(6,356,017)</u>
8,562,245	-	8,562,245
816,439	-	816,439
90,904	-	90,904
3,100	-	3,100
549,485	157,171	706,656
1,402,903	(1,402,903)	-
<u>11,425,076</u>	<u>(1,245,732)</u>	<u>10,179,344</u>
4,209,311	(385,984)	3,823,327
<u>41,064,105</u>	<u>25,424,087</u>	<u>66,488,192</u>
<u>\$ 45,273,416</u>	<u>\$ 25,038,103</u>	<u>\$ 70,311,519</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS
CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Orono, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	General	Municipal State Aid Street	Project Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and temporary investments	\$ 4,515,625	\$ 390,327	\$ 3,152,997	\$ 5,563,197	\$ 13,622,146
Cash with fiscal agent	-	-	-	225,259	225,259
Receivables					
Accrued interest	8,787	756	53,563	18,642	81,748
Taxes	65,697	-	3,535	22,955	92,187
Accounts	58,715	-	-	-	58,715
Special assessments	-	-	-	33,600	33,600
Lease	-	-	658,394	-	658,394
Due from other governments	108,898	951,617	4,459	31,041	1,096,015
Due from other funds	1,504,286	-	-	520,000	2,024,286
Prepaid items	92,393	-	-	-	92,393
Total Assets	\$ 6,354,401	\$ 1,342,700	\$ 3,872,948	\$ 6,414,694	\$ 17,984,743
Liabilities					
Accounts and contracts payable	\$ 98,425	\$ 7,606	\$ 3,805	\$ 50,888	\$ 160,724
Accrued salaries payable	183,861	-	-	-	183,861
Due to other governments	24,998	-	408,543	-	433,541
Due to other funds	-	1,504,286	-	520,000	2,024,286
Deposits payable	1,205,822	-	-	-	1,205,822
Total Liabilities	1,513,106	1,511,892	412,348	570,888	4,008,234
Deferred Inflows of Resources					
Deferred lease resources	-	-	625,696	-	625,696
Unavailable revenues - delinquent taxes	65,697	-	3,535	22,955	92,187
Unavailable revenues - special assessments	-	-	-	33,600	33,600
Unavailable revenues - intergovernmental	-	951,617	-	-	951,617
Total Deferred Inflows of Resources	65,697	951,617	629,231	56,555	1,703,100
Fund Balances					
Nonspendable	92,393	-	32,698	-	125,091
Restricted	-	-	225,259	2,074,035	2,299,294
Committed	-	-	-	617,233	617,233
Assigned	-	-	2,573,412	3,584,518	6,157,930
Unassigned	4,683,205	(1,120,809)	-	(488,535)	3,073,861
Total Fund Balances	4,775,598	(1,120,809)	2,831,369	5,787,251	12,273,409
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,354,401	\$ 1,342,700	\$ 3,872,948	\$ 6,414,694	\$ 17,984,743

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
 Reconciliation of the Balance Sheet
 to the Statement of Net Position
 Governmental Funds
 December 31, 2024

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental Funds	\$ 12,273,409
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	68,800,022
Less: accumulated depreciation	(13,157,013)
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities on the statement of net position.	
	405,374
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Compensated absences payable	(1,123,684)
Bonds payable	(16,598,982)
Plus premium on bonds issued	(611,081)
Other postemployment benefits payable	(810,586)
Net pension liability	(3,907,064)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes	92,187
Special assessments	33,600
Intergovernmental	951,617
Governmental funds do not report long-term amounts related to pensions and OPEB.	
Deferred outflows of pension resources	4,972,351
Deferred inflows of pension resources	(5,884,133)
Governmental funds do not report a liability for accrued interest until due and payable.	(162,601)
Total Net Position - Governmental Activities	\$ 45,273,416

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Municipal State Aid Street	Formerly Major Fund Pavement Management Plan
Revenues			
Taxes	\$ 6,514,353	\$ -	
Special assessments	-	-	
Licenses and permits	765,454	-	
Intergovernmental	496,704	225,835	
Charges for services	3,810,287	-	
Fines and forfeitures	61,288	-	
Investment earnings	146,251	12,776	
Miscellaneous	169,847	-	
Total Revenues	<u>11,964,184</u>	<u>238,611</u>	
Expenditures			
Current			
General government	1,690,550	-	
Public safety	7,792,479	-	
Public works	1,173,200	-	
Parks and recreation	361,746	-	
Community development	-	-	
Capital outlay			
Public safety	183,238	-	
Public works	-	18,581	
Parks and recreation	-	-	
Debt service			
Principal	-	-	
Interest and other charges	-	-	
Total Expenditures	<u>11,201,213</u>	<u>18,581</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>762,971</u>	<u>220,030</u>	
Other Financing Sources (Uses)			
Transfers in	19,244	-	
Proceeds from sale of capital assets	32,047	-	
Transfers out	(256,407)	-	
Financed purchase issued	-	-	
Total Other Financing Sources (Uses)	<u>(205,116)</u>	<u>-</u>	
Net Change in Fund Balances	<u>557,855</u>	<u>220,030</u>	<u>-</u>
Fund Balances, January 1, as previously stated	4,217,743	(1,340,839)	449,730
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>(449,730)</u>
Fund Balances, January 1, as restated	<u>4,217,743</u>	<u>(1,340,839)</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 4,775,598</u>	<u>\$ (1,120,809)</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Project Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ 370,433	\$ 2,567,505	\$ 9,452,291
-	28,332	28,332
-	22,482	787,936
-	38,026	760,565
141,132	22,711	3,974,130
-	50,706	111,994
169,444	221,749	550,220
15,822	51,425	237,094
<u>696,831</u>	<u>3,002,936</u>	<u>15,902,562</u>
-	-	1,690,550
-	-	7,792,479
-	-	1,173,200
-	48,505	410,251
-	4,559	4,559
-	904,416	1,087,654
2,793,819	1,793,343	4,605,743
-	119,360	119,360
-	666,177	666,177
-	458,208	458,208
<u>2,793,819</u>	<u>3,994,568</u>	<u>18,008,181</u>
<u>(2,096,988)</u>	<u>(991,632)</u>	<u>(2,105,619)</u>
-	2,180,419	2,199,663
-	-	32,047
(180,000)	(575,353)	(1,011,760)
-	225,259	225,259
<u>(180,000)</u>	<u>1,830,325</u>	<u>1,445,209</u>
<u>(2,276,988)</u>	<u>838,693</u>	<u>(660,410)</u>
5,108,357	4,498,828	12,933,819
-	449,730	-
<u>5,108,357</u>	<u>4,948,558</u>	<u>12,933,819</u>
<u>\$ 2,831,369</u>	<u>\$ 5,787,251</u>	<u>\$ 12,273,409</u>

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2024

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ (660,410)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	5,507,133
Depreciation expense	(1,181,924)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
	(104,452)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments on bonds and financed purchases	666,177
Current year amortization of deferred charges	26,720
Financed purchase issued	(225,259)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	14,219
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities in the statement of activities.	
	8,850
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	5,600
Property taxes	17,297
Intergovernmental	262,255
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(431,823)
Other postemployment benefits	206,092
Long-term pension activity is not reported in governmental funds.	
Pension expense	(21,513)
Pension revenue from State contributions	120,349
	120,349
Change in Net Position - Governmental Activities	\$ 4,209,311

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,568,600	\$ 6,568,600	\$ 6,514,353	\$ (54,247)
Licenses and permits	585,200	585,200	765,454	180,254
Intergovernmental	305,000	305,000	496,704	191,704
Charges for services	3,725,770	3,725,770	3,810,287	84,517
Fines and forfeitures	85,000	85,000	61,288	(23,712)
Investment earnings	200,660	200,660	146,251	(54,409)
Miscellaneous				
Rents and refunds	5,400	5,400	900	(4,500)
Other	31,000	31,000	168,947	137,947
Total Revenues	<u>11,506,630</u>	<u>11,506,630</u>	<u>11,964,184</u>	<u>457,554</u>
Expenditures				
Current				
General government	1,876,850	1,876,850	1,690,550	186,300
Public safety	7,798,760	7,798,760	7,792,479	6,281
Public Works	1,007,770	1,007,770	1,173,200	(165,430)
Parks and recreation	431,750	431,750	361,746	70,004
Capital outlay				
Public safety	221,500	221,500	183,238	38,262
Total Expenditures	<u>11,336,630</u>	<u>11,336,630</u>	<u>11,201,213</u>	<u>135,417</u>
Excess of Revenues Over Expenditures	<u>170,000</u>	<u>170,000</u>	<u>762,971</u>	<u>592,971</u>
Other Financing Sources (Uses)				
Transfers in	-	-	19,244	19,244
Proceeds from sale of capital assets	30,000	30,000	32,047	2,047
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(256,407)</u>	<u>(56,407)</u>
Total Financing Sources (Uses)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(205,116)</u>	<u>(35,116)</u>
Net Change in Fund Balances	-	-	557,855	557,855
Fund Balances, January 1	<u>4,217,743</u>	<u>4,217,743</u>	<u>4,217,743</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 4,217,743</u>	<u>\$ 4,217,743</u>	<u>\$ 4,775,598</u>	<u>\$ 557,855</u>

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal
	Water	Sewer	Storm Water	Nonmajor Business-type	Total	Service Funds
	Assets					
Current Assets						
Cash and temporary investments	\$ 268,890	\$ 1,654,625	\$ 1,344,586	\$ 60,808	\$ 3,328,909	\$ 515,510
Receivables						
Accrued interest	556	4,743	4,449	282	10,030	2,443
Accounts	99,922	307,356	105,610	52,900	565,788	-
Special assessments	2,377	5,751	-	-	8,128	-
Due from other governments	-	3,372	-	-	3,372	537
Prepaid items	819	60,661	-	239	61,719	8,879
Total Current Assets	<u>372,564</u>	<u>2,036,508</u>	<u>1,454,645</u>	<u>114,229</u>	<u>3,977,946</u>	<u>527,369</u>
Noncurrent Assets						
Capital assets						
Land	62,195	24,654	6,368	-	93,217	-
Construction in progress	61,051	739	1,650	-	63,440	-
Buildings and systems	1,682,102	117,457	-	-	1,799,559	-
Distribution/collection system	7,918,460	22,425,059	2,949,578	247,037	33,540,134	-
Machinery and equipment	100,444	661,685	245,870	267,544	1,275,543	-
Total Capital Assets	9,824,252	23,229,594	3,203,466	514,581	36,771,893	-
Less accumulated depreciation	<u>(3,957,473)</u>	<u>(9,795,757)</u>	<u>(621,001)</u>	<u>(248,596)</u>	<u>(14,622,827)</u>	<u>-</u>
Net Capital Assets	<u>5,866,779</u>	<u>13,433,837</u>	<u>2,582,465</u>	<u>265,985</u>	<u>22,149,066</u>	<u>-</u>
Total Assets	<u>6,239,343</u>	<u>15,470,345</u>	<u>4,037,110</u>	<u>380,214</u>	<u>26,127,012</u>	<u>527,369</u>
Deferred Outflows of Resources						
Deferred pension resources	<u>22,463</u>	<u>22,712</u>	<u>13,202</u>	<u>15,058</u>	<u>73,435</u>	<u>-</u>
Liabilities						
Current Liabilities						
Accounts and contracts payable	20,953	26,572	2,832	9,323	59,680	15,995
Accrued salaries payable	6,641	6,510	4,592	4,816	22,559	11,178
Due to other governments	3,942	7,096	-	6,843	17,881	-
Accrued interest payable	5,255	-	-	-	5,255	-
Deposits payable	7,000	-	-	-	7,000	-
Compensated absences payable - current portion	9,163	10,518	12,507	-	32,188	-
Other postemployment benefits payable	975	967	762	693	3,397	-
Bonds payable - current portion	91,485	-	-	-	91,485	-
Total Current Liabilities	<u>145,414</u>	<u>51,663</u>	<u>20,693</u>	<u>21,675</u>	<u>239,445</u>	<u>27,173</u>
Noncurrent Liabilities						
Bonds payable	385,191	-	-	-	385,191	-
Compensated absences payable	9,163	10,518	12,507	-	32,188	-
Net pension liability	92,203	93,226	54,195	61,816	301,440	-
Other postemployment benefits payable	30,705	30,475	24,011	21,840	107,031	-
Total Noncurrent Liabilities	<u>517,262</u>	<u>134,219</u>	<u>90,713</u>	<u>83,656</u>	<u>825,850</u>	<u>-</u>
Total Liabilities	<u>662,676</u>	<u>185,882</u>	<u>111,406</u>	<u>105,331</u>	<u>1,065,295</u>	<u>27,173</u>
Deferred Inflows of Resources						
Deferred pension resources	<u>58,682</u>	<u>59,334</u>	<u>34,501</u>	<u>39,354</u>	<u>191,871</u>	<u>-</u>
Net Position						
Net investment in capital assets	5,385,509	13,433,505	2,581,517	265,985	21,666,516	-
Unrestricted	<u>154,939</u>	<u>1,814,336</u>	<u>1,322,888</u>	<u>(15,398)</u>	<u>3,276,765</u>	<u>500,196</u>
Total Net Position	<u>\$ 5,540,448</u>	<u>\$ 15,247,841</u>	<u>\$ 3,904,405</u>	<u>\$ 250,587</u>	<u>24,943,281</u>	<u>\$ 500,196</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities					<u>94,822</u>	
					<u>\$ 25,038,103</u>	

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal
	Water	Sewer	Storm Water	Nonmajor Business-type	Total	Service Funds
Operating Revenues						
Charges for services	\$ 1,287,443	\$ 2,451,692	\$ 757,167	\$ 552,583	\$ 5,048,885	\$ 710,960
Other	-	-	-	130,209	130,209	721,360
Total Operating Revenues	<u>1,287,443</u>	<u>2,451,692</u>	<u>757,167</u>	<u>682,792</u>	<u>5,179,094</u>	<u>1,432,320</u>
Operating Expenses						
Personnel services	282,638	286,233	173,401	247,940	990,212	414,137
Supplies	54,994	15,102	14,062	34,463	118,621	45,541
Professional services	105,416	102,990	50,344	305,485	564,235	303,420
Other Services and Charges	-	-	-	145,873	145,873	9,529
Utilities	82,887	37,447	-	-	120,334	-
Repairs and maintenance	175,055	215,709	26,914	-	417,678	516,861
Depreciation	222,500	367,615	66,631	23,252	679,998	-
Administrative charges from the General fund	115,000	115,000	55,680	2,519	288,199	-
Insurance	21,400	15,540	4,500	-	41,440	385,157
Other	73,070	907,265	48,356	34,177	1,062,868	-
Total Operating Expenses	<u>1,132,960</u>	<u>2,062,901</u>	<u>439,888</u>	<u>793,709</u>	<u>4,429,458</u>	<u>1,674,645</u>
Operating Income (Loss)	<u>154,483</u>	<u>388,791</u>	<u>317,279</u>	<u>(110,917)</u>	<u>749,636</u>	<u>(242,325)</u>
Nonoperating Revenues (Expenses)						
Investment earnings	9,418	73,862	69,896	3,995	157,171	37,638
Intergovernmental	-	-	-	20,226	20,226	-
Miscellaneous revenues	24,682	15,460	2,529	35,859	78,530	-
Interest and amortization expense	(11,287)	-	-	-	(11,287)	-
Total Nonoperating Revenues (Expenses)	<u>22,813</u>	<u>89,322</u>	<u>72,425</u>	<u>60,080</u>	<u>244,640</u>	<u>37,638</u>
Income (Loss) Before Contributions and Transfers	<u>177,296</u>	<u>478,113</u>	<u>389,704</u>	<u>(50,837)</u>	<u>994,276</u>	<u>(204,687)</u>
Contributions and Transfers						
Connection fees	-	-	21,180	-	21,180	-
Transfers In	-	-	-	-	-	260,000
Transfers out	(135,979)	(792,360)	(454,564)	(20,000)	(1,402,903)	(45,000)
Total Transfers and Contributions	<u>(135,979)</u>	<u>(792,360)</u>	<u>(433,384)</u>	<u>(20,000)</u>	<u>(1,381,723)</u>	<u>215,000</u>
Change in Net Position	41,317	(314,247)	(43,680)	(70,837)	(387,447)	10,313
Net Position - January 1	<u>5,499,131</u>	<u>15,562,088</u>	<u>3,948,085</u>	<u>321,424</u>	<u>25,330,728</u>	<u>489,883</u>
Net Position, December 31	<u>\$ 5,540,448</u>	<u>\$ 15,247,841</u>	<u>\$ 3,904,405</u>	<u>\$ 250,587</u>	<u>\$ 24,943,281</u>	<u>\$ 500,196</u>
					\$ (387,447)	
					1,463	
					<u>\$ (385,984)</u>	

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal
	Water	Sewer	Storm	Nonmajor Business-type	Total	Service Funds
	Cash Flows from Operating Activities					
Receipts from customers and users	\$ 1,294,702	\$ 2,344,148	\$ 776,103	\$ 688,134	\$ 5,103,087	\$ 1,431,783
Other operating receipts	24,682	15,460	2,529	35,859	78,530	-
Payments to suppliers	(627,466)	(1,442,077)	(199,015)	(507,505)	(2,776,063)	(1,284,080)
Payments to employees	(340,735)	(338,934)	(195,970)	(235,975)	(1,111,614)	(406,848)
Net Cash Provided (Used) by Operating Activities	<u>351,183</u>	<u>578,597</u>	<u>383,647</u>	<u>(19,487)</u>	<u>1,293,940</u>	<u>(259,145)</u>
Cash Flows from Noncapital Financing Activities						
Intergovernmental	-	-	-	20,226	20,226	-
Transfers from other funds	-	-	-	-	-	260,000
Transfers to other funds	(135,979)	(792,360)	(454,564)	(20,000)	(1,402,903)	(45,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(135,979)</u>	<u>(792,360)</u>	<u>(454,564)</u>	<u>226</u>	<u>(1,382,677)</u>	<u>215,000</u>
Cash Flows from Capital and Related Financing Activities						
Connection fees received	-	-	21,180	-	21,180	-
Special assessments received	7,331	20,153	-	-	27,484	-
Acquisition of capital assets	(131,122)	(547,952)	(233,547)	(41,563)	(954,184)	-
Interest paid on debt	(13,569)	-	-	-	(13,569)	-
Principal paid on bonds	(85,000)	-	-	-	(85,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(222,360)</u>	<u>(527,799)</u>	<u>(212,367)</u>	<u>(41,563)</u>	<u>(1,004,089)</u>	<u>-</u>
Cash Flows from Investing Activities						
Investment receipts	8,862	69,119	65,447	4,171	147,599	36,622
Net Increase (Decrease) in Cash and Cash Equivalents	1,706	(672,443)	(217,837)	(56,653)	(945,227)	(7,523)
Cash and Cash Equivalents, January 1	<u>267,184</u>	<u>2,327,068</u>	<u>1,562,423</u>	<u>117,461</u>	<u>4,274,136</u>	<u>523,033</u>
Cash and Cash Equivalents, December 31	<u>\$ 268,890</u>	<u>\$ 1,654,625</u>	<u>\$ 1,344,586</u>	<u>\$ 60,808</u>	<u>\$ 3,328,909</u>	<u>\$ 515,510</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 154,483	\$ 388,791	\$ 317,279	\$ (110,917)	\$ 749,636	\$ (242,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	222,500	367,615	66,631	23,252	679,998	-
Other income related to operations	24,682	15,460	2,529	35,859	78,530	-
(Increase) decrease in assets/deferred outflows of resources						
Accounts receivable	7,259	(113,902)	18,936	5,342	(82,365)	(537)
Due from other governments	-	6,358	-	-	6,358	-
Prepaid items	(819)	3,563	-	(197)	2,547	33,822
Deferred pension resources	27,026	27,168	5,860	4,468	64,522	-
Increase (decrease) in liabilities/deferred inflows of resources						
Accounts and contracts payable	7,782	(34,916)	841	8,400	(17,893)	(56,908)
Accrued salaries payable	155	101	1,726	2,349	4,331	7,289
Due to other governments	(6,607)	(1,671)	-	6,809	(1,469)	(486)
Compensated absences payable	2,671	7,584	(27,471)	-	(17,216)	-
Net pension liability	(80,732)	(81,074)	(12,417)	(6,416)	(180,639)	-
Other postemployment benefits payable	(17,282)	(16,813)	(6,041)	(8,608)	(48,744)	-
Deferred pension resources	10,065	10,333	15,774	20,172	56,344	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 351,183</u>	<u>\$ 578,597</u>	<u>\$ 383,647</u>	<u>\$ (19,487)</u>	<u>\$ 1,293,940</u>	<u>\$ (259,145)</u>
Schedule of Noncash Capital and Related Financing Activities						
Capital assets acquired on account	\$ 4,594	\$ 332	\$ 948	\$ -	\$ 5,874	\$ -
Amortization of bond premium	1,485	-	-	-	1,485	-

The notes to the financial statements are an integral part of this statement.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Orono (the City) operates under the State of Minnesota Statutory Plan A form of government. Under this plan, the City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy. The City Administrator, appointed by the City Council, is responsible for the proper administering of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationships with the City. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Included in the City's reporting entity, based upon the application of these criteria, is the following blended component unit.

Blended Component Unit

The Orono Housing and Redevelopment Authority (Orono HRA) is a legally separate organization created in accordance with Minnesota Statute § 469.003. Its purpose is to clear and redevelop blighted areas within the City and to provide adequate housing for low- and moderate-income residents. The Orono HRA meets the requirements for a blended component unit because the HRA is fiscally dependent upon the City, and its governing board consists of the City's mayor and council members and is substantially the same as the city council. Therefore, the Orono HRA has been reported as a blended component unit of the City, with its funds reported as though they are funds of the City. The financial activity at this time is limited to debt payments within the Orono HRA debt service funds, namely the public facilities and project revenue bonds.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Municipal State Aid Street fund* is used to collect and spend resources on the various projects related to state aid streets and highways.

The *Project Construction* fund is used to collect and spend resources related to various construction projects within the city.

The City reports the following major proprietary funds:

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

The *Sewer Fund* is used to account for the provision of water services to the residents of the City who have sanitary sewer service available.

The *Storm Water Fund* is used to account for the charges for and the costs of maintaining the City's storm water system.

The City's proprietary funds also include the following:

Internal service funds account for insurance, compensated absences, fleet management, and IT services provided to other departments or agencies of the City. These funds are used to account for the insurance costs incurred by the City for general liability, property, vehicle, workers' compensation, and other insurance and deductibles, the accrual of sick and vacation days that are earned by the City's employees, repairs and maintenance costs of the City's vehicles, and IT services provided to various City functions. These funds are reimbursed through charges to the various participating departments of the City.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes, payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

Cash balances from all funds are combined and invested to the extent available in short term investments. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statement of Cash Flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Note 1: Summary of Significant Accounting Policies (Continued)

The City has the following recurring fair value measurements as of December 31, 2024:

- Negotiable certificates of deposits, government and municipal bonds of \$13,002,641 are valued using a matrix pricing model (Level 2 inputs)

Property Taxes

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

Unpaid taxes at December 31 become liens on the respective property and are classified in the fund financial statements as delinquent taxes receivable.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

Accounts Receivable

All miscellaneous accounts receivable are shown at net of an allowance for doubtful accounts. Accounts receivable include amounts billed for services, such as water, sewer, storm water and nuisance charges, provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2024. The City annually certifies delinquent water, sewer, storm water and nuisance accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

All trade (utility) and property tax receivables are shown at gross amount, since both taxes and trade (utility) receivables are assessable to the property taxes and are collectible upon the sale of the assessed property.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Due From Other Governments

The amounts due from other government primarily include amounts for project cost in which the City is receiving grants to support the projects.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements. At December 31, 2024, the total delinquent special assessment receivable balance is \$33,600.

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Capital Assets

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

Capital assets are recorded in the government-wide and proprietary fund financial statements, but are not reported in the governmental fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated.

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

Assets	Useful Life in Years
Infrastructure	20 - 50
Buildings and Systems	15 - 50
Improvements Other Than Buildings	20 - 50
Machinery and Equipment	5 - 10

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

Certain city employees earn personal time off, vacation, earned compensation time and sick leave at various rates based on longevity. These compensated absences are paid to an employee leaving in good standing, at their current rate of pay and current status of union contracts. Employees with at least three years, but less than twelve years, of full-time service will receive 1/3 of their accumulated sick leave. Employees with 12 years or more will receive ½ of their accumulated sick leave. The City has recorded an additional amount for GASB 101 based on expected sick usage.

Postemployment Benefits other than Pensions

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 75, at January 1, 2021. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred. In accordance with federal regulations, the City's general obligation tax exempt bonds follow the arbitrage requirements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the most part, the General fund is typically used to liquidate governmental pension liabilities.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The City participates in various pension plans, total pension expense for the year ended December 31, 2024 is as follows:

	Public Employees Retirement Association of Minnesota (PERA)		Total All Plans
	GERP	PEPFP	
City's proportionate share	\$ 201,445	\$ 582,621	\$ 784,066
Porportionate share of state's contribution	852	12,704	13,556
 Total pension expense	 \$ 202,297	 \$ 595,325	 \$ 797,622

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items, which arise only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: delinquent property taxes, special assessments and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also recognizes a deferred lease resources, which is reported under both the modified accrual and full accrual basis

Furthermore, the City has one additional item which qualifies for reporting in this category on the statement of net position. The item, deferred pension resources, is reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- a. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- b. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

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

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Pursuant to the Fund Balance Policy approved by City Council, the City Administrator has been delegated the authority to assign and remove assignments of fund balance amounts for specific purposes.

Unassigned - These are residual amounts in the General fund not reported in any other classification. The General fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance of 40% of the fund's annual operating budget. Unassigned fund balance in excess of 50% will be transferred to the Pavement Management Plan Fund pursuant to Council approval.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Each fall, after holding a meeting to obtain public comments, the City Council legally adopts the General Fund budget, Park, Drug and Felony Forfeiture, Senior Housing TIF funds and enterprise fund budgets. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The City has established budgetary control at the department level. City management must request City Council approval before exceeding the budget at that level. City management may transfer appropriations within the department level without City Council approval. Appropriations lapse at year-end; however, the City Council may approve the carryover of specific amounts. Encumbrance accounting is not used.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Deficit Fund Equity

The following fund had a fund equity deficit at December 31, 2024:

Fund	Amount
Major	
Municipal State Aid Street	\$ 1,120,809
Nonmajor Governmental	
Fire	62,129
Senior Housing TIF	435,851
Internal Services	
Fleet Management	460,398
IT Services	190,800
Enterprise	
Golf Course	28,064

The fund deficits are expected to be eliminated with future fund revenues or transfers from other funds.

C. Excess of Expenditures Over Appropriations

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Nonmajor			
Park	\$ 40,000	\$ 44,511	\$ 4,511

The excess of expenditures over appropriation was funded by revenues in excess of budget.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$791,949 and the bank balance was \$897,528. The bank balance was covered by federal depository insurance and collateral pledged in the city's name.

Investments

The Minnesota Municipal Money Market Fund (the 4M Fund) is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is a customized cash management and investment program for Minnesota public funds. Sponsored and governed by the League of Minnesota Cities since 1987, the 4M Fund is a unique investment alternative designed to address the daily and long-term investment needs of Minnesota cities and other municipal entities. Allowable under Minnesota statutes, the 4M Fund is comprised of top quality, rated investments.

The Minnesota Municipal Money Market Fund and broker money market investment pools operate in accordance with appropriate State laws and regulations. The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool share. Financial statements of the 4M Fund can be obtained by contacting RBC Global Asset Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

At year end, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Broker Money Market Funds	N/A	less than 6 months	\$ 159,553			
4M fund	N/A	less than 6 months	3,737,681			
Non-pooled Investments at Fair Value						
Negotiable Certificates of Deposits	N/A	less than 1 year	1,951,285	\$ -	\$ 1,951,285	\$ -
Negotiable Certificates of Deposits	N/A	1 to 3 years	2,369,268	-	2,369,268	-
Negotiable Certificates of Deposits	N/A	more than 3 years	1,963,598	-	1,963,598	-
Municipal Bonds	AAA	less than 1 year	1,333,757	-	1,333,757	-
Municipal Bonds	AAA	1 to 3 years	3,773,426	-	3,773,426	-
Municipal Bonds	AAA	more than 3 years	1,611,307	-	1,611,307	-
Total Investments			\$ 16,899,875	\$ -	\$ 13,002,641	\$ -

(1) Ratings are provided by Standard & Poor's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

The investments of the City are subject to the following risks:

- **Interest Rate Risk** - Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy also provides a guideline that generally limits the duration of investments to a maturity of eight years, and twenty percent (20 percent) of the portfolio to a specific maturity. The City was not exposed to interest rate risks due to the fact that their investments are not exposed to highly sensitive changes in interest rates.
- **Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associate credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 54 of the notes to the financial statements. In accordance with its investment policy, the City will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The City's investment policies do not allow investing in the following instruments:
 - Reverse repurchase agreements
 - Mortgage-backed securities, as defined in Minnesota Statute § 118A.04, Subd. 6
 - Future contracts
 - Options
 - Guaranteed investment contracts

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

- *Concentration of Credit Risk* - Concentration of credit risk is defined as positions of five percent (5 percent) or more in the securities of a single issuer. The City's investment policies provide a guideline of limiting investments to 35% of a specific type. As of December 31, 2024, the following issuer exceeded 5 percent of the City's total investments: MN Municipal Money Markets (4M) (22 percent).
- *Custodial Credit Risk - Deposits*. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota statutes and the City's investment policy states that in order to provide a level of security for all funds, the collateralization level will be 110 percent of market value not covered by insurance. The City's investment policies further limit depositories to those located in the state of Minnesota, and must have a minimum capital and surplus of \$10,000,000 and a net worth to asset ratio minimum of 5 percent, except for the City's main checking account at the Bridgewater Bank. As of December 31, 2024, all of the City's bank balance was covered by federal depository insurance or by perfected collateral held by the City's agent in the City's name.
- *Custodial Credit Risk - Investments*. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2024, all securities were held by the City or its agent in the City's name. The City typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities. City investment policies require that security/broker/dealers be restricted to those regulated by the Securities and Exchange Commission, have a minimum capital of \$40,000,000 and may include "primary" dealers or regional dealers, and are located in Minnesota. The City limits the amount of investments with a specific dealer to 30 percent of the investment portfolio.

A reconciliation of cash and temporary investments as shown on the statement of net position for the City follows:

Carrying Amount of Deposits	\$ 791,949
Investments	<u>16,899,875</u>
Total	<u><u>\$ 17,691,824</u></u>
As Reported on the Financial Statements	
Statement of net position	
Cash and temporary investments	\$ 17,466,565
Cash held with fiscal agent	<u>225,259</u>
Total	<u><u>\$ 17,691,824</u></u>

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 7,677,435	\$ -	\$ -	\$ 7,677,435
Construction in progress	15,594,167	5,272,829	(20,211,871)	655,125
Total Capital Assets not Being Depreciated	<u>23,271,602</u>	<u>5,272,829</u>	<u>(20,211,871)</u>	<u>8,332,560</u>
Capital Assets Being Depreciated				
Infrastructure	20,241,895	1,656,861	-	21,898,756
Buildings and systems	9,187,905	17,539,733	(140,000)	26,587,638
Improvements other than buildings	3,709,882	41,563	-	3,751,445
Machinery and equipment	7,107,198	1,208,018	(85,593)	8,229,623
Total Capital Assets Being Depreciated	<u>40,246,880</u>	<u>20,446,175</u>	<u>(225,593)</u>	<u>60,467,462</u>
Less Accumulated Depreciation for				
Infrastructure	(4,505,816)	(457,049)	-	(4,962,865)
Buildings and systems	(1,988,692)	(178,888)	50,400	(2,117,180)
Improvements other than buildings	(1,918,730)	(103,244)	-	(2,021,974)
Machinery and equipment	(3,682,992)	(442,743)	70,741	(4,054,994)
Total Accumulated Depreciation	<u>(12,096,230)</u>	<u>(1,181,924)</u>	<u>121,141</u>	<u>(13,157,013)</u>
Total Capital Assets Being Depreciated, Net	<u>28,150,650</u>	<u>19,264,251</u>	<u>(104,452)</u>	<u>47,310,449</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,422,252</u>	<u>\$ 24,537,080</u>	<u>\$ (20,316,323)</u>	<u>\$ 55,643,009</u>

Depreciation expense was charged to functions of the governmental activities as follows:

Governmental Activities	
General Government	\$ 217,433
Public Safety	229,441
Public Works	630,462
Culture and Recreation	104,588
Total Depreciation Expense - Governmental Activities	<u>\$ 1,181,924</u>

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 93,217	\$ -	\$ -	\$ 93,217
Construction in progress	1,427,921	882,253	(2,246,734)	63,440
Total Capital Assets not Being Depreciated	<u>1,521,138</u>	<u>882,253</u>	<u>(2,246,734)</u>	<u>156,657</u>
Capital Assets Being Depreciated				
Buildings and systems	1,703,811	95,748	-	1,799,559
Land Improvements	205,474	41,563	-	247,037
Machinery and equipment	1,275,543	-	-	1,275,543
Distribution/collection system	31,142,111	2,150,986	-	33,293,097
Total Capital Assets Being Depreciated	<u>34,326,939</u>	<u>2,288,297</u>	<u>-</u>	<u>36,615,236</u>
Less Accumulated Depreciation for				
Buildings and systems	(836,949)	(72,878)	-	(909,827)
Land Improvements	(201,410)	(3,933)	-	(205,343)
Machinery and equipment	(800,219)	(55,941)	-	(856,160)
Distribution/collection system	(12,104,251)	(547,246)	-	(12,651,497)
Total Accumulated Depreciation	<u>(13,942,829)</u>	<u>(679,998)</u>	<u>-</u>	<u>(14,622,827)</u>
Total Capital Assets Being Depreciated, Net	<u>20,384,110</u>	<u>1,608,299</u>	<u>-</u>	<u>21,992,409</u>
Business-type Activities Capital Assets, Net	<u>\$ 21,905,248</u>	<u>\$ 2,490,552</u>	<u>\$ (2,246,734)</u>	<u>\$ 22,149,066</u>

Depreciation expense was charged to programs of the business-type activities as follows:

Business-type Activities	
Water	\$ 222,500
Sewer	367,615
Storm water	66,631
Cable	19,319
Golf course	3,933
Total Depreciation Expense - Business-type Activities	<u>\$ 679,998</u>

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

C. Lease Receivable

As of December 31, 2024, the City had the following lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Antenna Lease - Verizon	01/01/22	1.47%	\$ 52,141	<u>\$ 658,394</u>

Under the Verizon Antenna lease, Verizon pays the City \$49,754 per year in exchange for placing a cell phone antenna on a City owned building. The City is paid these amounts each January, with a 3% increase each year until 2036.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances at December 31, 2024 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Municipal State Aid Street	To provide cash flows	\$ 1,504,286
Senior Housing TIF	HRA General Fund	Loan for land purchase	<u>520,000</u>
Total			<u>\$ 2,024,286</u>

The City made transfers during the fiscal year 2024 as shown and described below:

	Transfer In			Total
	General	Internal Service	Nonmajor Governmental	
Transfer Out				
General	\$ -	\$ -	\$ 256,407	\$ 256,407
Project Construction	-	-	180,000	180,000
Internal Service Funds	-	-	45,000	45,000
Nonmajor Governmental	19,244	260,000	296,109	575,353
Water	-	-	135,979	135,979
Sewer	-	-	792,360	792,360
Storm Water	-	-	454,564	454,564
Nonmajor Enterprise	-	-	20,000	20,000
Total	<u>\$ 19,244</u>	<u>\$ 260,000</u>	<u>\$ 2,180,419</u>	<u>\$ 2,459,663</u>

The City annually budgets transfers for specific purposes. Annual transfers include transfers made to cover funds annual operations, transfers for debt service payments, transfers made as part of capital improvements plans and other transfers made for various reasons.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation Improvement (G.O.) Bonds

The bonds were issued to finance various improvements and will be repaid from taxes, special assessments, and pledged revenues.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
G.O. Improvement Bonds, Series 2021A	\$ 15,350,000	2.00 - 3.00 %	12/31/21	12/31/51	\$ 14,655,000
G.O. Improvement Bonds, Series 2014A	5,275,000	2.00 - 3.00	06/19/14	02/01/29	1,305,000
Total G.O. Improvement Bonds					<u>\$ 15,960,000</u>
Business Activities					
G.O. Improvement Bonds, Series 2014A	5,275,000	2.00 - 3.00	06/19/14	02/01/29	<u>\$ 470,000</u>

Annual debt service requirements to maturity for G.O. improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 615,000	\$ 387,275	\$ 1,002,275
2026	635,000	366,519	1,001,519
2027	655,000	344,557	999,557
2028	680,000	321,538	1,001,538
2029	705,000	297,169	1,002,169
2030-2034	2,395,000	1,222,920	3,617,920
2035-2039	2,675,000	943,720	3,618,720
2040-2044	2,945,000	665,920	3,610,920
2045-2049	3,255,000	356,864	3,611,864
2050-2051	1,400,000	44,724	1,444,724
Total	<u>\$ 15,960,000</u>	<u>\$ 4,951,206</u>	<u>\$ 20,911,206</u>
Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2025	\$ 90,000	\$ 11,544	\$ 101,544
2026	90,000	9,350	99,350
2027	95,000	6,919	101,919
2028	95,000	4,306	99,306
2029	100,000	1,500	101,500
Total	<u>\$ 470,000</u>	<u>\$ 33,619</u>	<u>\$ 503,619</u>

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Financed Purchase Agreement

In 2024, the City entered into a financed purchase agreement to acquire a Fire Medical Utility Vehicle for emergency response services. The total acquisition cost of the vehicle was \$225,259, which will be repaid over a period of five years. Under the terms of the agreement, the City will make varying payments of approximately \$25,100 which includes principal and interest, with a variable effective interest rate of 4.31%. The title of the vehicle will transfer to the City upon final payments. Funds are currently held in escrow.

The following note is related to the City's financed purchase activity as a whole for the current year:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental Activities					
Fire Pumper Truck Financed Purchase Agreement	\$ 484,900	5.00 %	12/01/23	12/01/29	\$ 413,723
Fire Medical Vehicle Financed Purchase Agreement	225,259	4.31- 4.33	10/09/24	11/01/29	<u>225,259</u>
					<u>\$ 638,982</u>

Annual debt service requirements to maturity for the financed purchase agreements is as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 117,130	\$ 28,143	\$ 145,273
2026	121,411	23,404	144,815
2027	127,255	17,560	144,815
2028	133,382	11,433	144,815
2029	<u>139,804</u>	<u>5,011</u>	<u>144,815</u>
Total	<u>\$ 638,982</u>	<u>\$ 85,551</u>	<u>\$ 724,533</u>

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
G.O. improvement bonds	\$ 16,555,000	\$ -	\$ (595,000)	\$ 15,960,000	\$ 615,000
Bond premium	637,801	-	(26,720)	611,081	-
Total Bonds Payable	<u>17,192,801</u>	<u>-</u>	<u>(621,720)</u>	<u>16,571,081</u>	<u>615,000</u>
Finance purchase arrangement	484,900	225,259	(71,177)	638,982	117,130
Compensated Absences Payable *	<u>691,861</u>	<u>431,823</u>	<u>-</u>	<u>1,123,684</u>	<u>561,842</u>
Governmental Activity Long-term Liabilities	<u>\$ 18,369,562</u>	<u>\$ 657,082</u>	<u>\$ (692,897)</u>	<u>\$ 18,333,747</u>	<u>\$ 1,293,972</u>
Business-type Activities					
Bonds Payable					
G.O. improvement bonds	\$ 555,000	\$ -	\$ (85,000)	\$ 470,000	\$ 90,000
Bond premium	8,161	-	(1,485)	6,676	-
Total Bonds Payable	<u>563,161</u>	<u>-</u>	<u>(86,485)</u>	<u>476,676</u>	<u>90,000</u>
Compensated Absences Payable*	<u>81,592</u>	<u>-</u>	<u>(17,216)</u>	<u>64,376</u>	<u>32,188</u>
Business-type Activity Long-term Liabilities	<u>\$ 644,753</u>	<u>\$ -</u>	<u>\$ (103,701)</u>	<u>\$ 541,052</u>	<u>\$ 122,188</u>

* Compensated absences presented as a net change.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

Fund equity balances are classified below to reflect the limitations and restrictions of the respective funds.

	General	Municipal State Aid Street	Project Construction Fund	Other Governmental	Total
Nonspendable					
Prepaid items	\$ 92,393	\$ -	\$ -	\$ -	\$ 92,393
Leases	-	-	32,698	-	32,698
Total Nonspendable	<u>92,393</u>	<u>-</u>	<u>32,698</u>	<u>-</u>	<u>125,091</u>
Restricted for					
Debt service	-	-	-	508,186	508,186
Building projects	-	-	225,259	40,417	265,676
Drug and alcohol law enforcement	-	-	-	775,154	775,154
Home buyer purchase assistance	-	-	-	147,998	147,998
Other improvements	-	-	-	813	813
HRA General fund	-	-	-	601,467	601,467
Total Restricted	<u>-</u>	<u>-</u>	<u>225,259</u>	<u>2,074,035</u>	<u>2,299,294</u>
Committed to					
Park maintenance	-	-	-	617,233	617,233
Assigned to					
Capital improvements	-	-	2,573,412	3,584,518	6,157,930
Unassigned					
	<u>4,683,205</u>	<u>(1,120,809)</u>	<u>-</u>	<u>(488,535)</u>	<u>3,073,861</u>
Total	<u>\$ 4,775,598</u>	<u>\$ (1,120,809)</u>	<u>\$ 2,831,369</u>	<u>\$ 5,787,251</u>	<u>\$ 12,273,409</u>

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Plan (Police and Fire Plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employee Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota Statutes chapters 353, 353E, 353G and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022, were \$224,067, \$203,588 and \$178,034, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2024, 2023 and, 2022 were \$597,752, \$546,390 and \$460,205, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,228,966 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$31,779.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

City's Proportionate Share of the Net Pension Liability	\$	1,228,966
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		31,779
Total	\$	1,260,745

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0332 percent at the end of the measurement period and 0.0322 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$201,445 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$852 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$56,544 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 113,936	\$ -
Changes in Actuarial Assumptions	5,469	454,487
Net Difference Between Projected and Actual Investment Earnings	-	328,233
Changes in Proportion	66,778	-
Contributions Paid to PERA Subsequent to the Measurement Date	113,162	-
Total	\$ 299,345	\$ 782,720

The \$113,162 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$	(285,795)
2026		(67,240)
2027		(149,310)
2028		(94,192)

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$2,979,538 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2265 percent at the end of the measurement period and 0.2196 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$113,579.

City's Proportionate Share of the Net Pension Liability	\$	2,979,538
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		113,579
Total		\$ 3,093,117

For the year ended December 31, 2024, the City recognized pension expense of \$582,621 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$12,704 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$64,312 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 1,137,181	\$ -
Changes in Actuarial Assumptions	3,186,329	4,254,146
Net Difference Between Projected and Actual Investment Earnings	-	924,584
Changes in Proportion	104,374	114,554
Contributions Paid to PERA Subsequent to the Measurement Date	318,557	-
Total	\$ 4,746,441	\$ 5,293,284

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The \$318,557 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$	(139,592)
2026		748,564
2027		(434,655)
2028		(1,108,376)
2029		68,659

E. Long-term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Return on Investment
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and Police and Fire Plan.

Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1.0% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the previous valuation.

Changes in Plan Provisions

- The State contribution of \$9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year.

- The additional \$9 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the City’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 2,684,258	\$ 1,228,966	\$ 31,854
Police and Fire Fund	7,041,230	2,979,538	(355,961)

I. Pension Plan Fiduciary Net Position

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

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Postemployment Benefits Other Than Pensions

A. Plan Description

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage and is administered by Health Partners, Inc.. It is the City's policy for Council to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. The City does not issue a publicly available report.

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	2
Active Plan Members	60
Total Plan Members	62

B. Funding Policy

Retirees receiving benefits contribute 100 percent of their premium costs. Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with HealthPartners, Inc. The required contributions are based on projected pay-as-you-go financing requirements. There are no assets accumulated in a trust.

For the year ended December 31, 2024, the City's average contribution rate was 14 percent of covered-employee payroll. For the fiscal year 2024, the City did not directly contribute to the plan. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$921,014 was measured as of December 31, 2023, and the OPEB liability was determined by an actuarial valuation as of December 31, 2023. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.77
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	3.77%
Inflation Rate	2.60%
Salary Increases	N/A
Medical Trend Rate	7.75% degrading to 6.55% by 2028

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Postemployment Benefits Other Than Pensions (Continued)

The discount rate used to measure the total OPEB liability was 3.77 percent.

Mortality rates were based on the recently published PERA actuarial valuations.

The actuarial assumptions used in the valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	\$ 1,175,850
Changes for the Year	
Service Costs	123,700
Interest Costs	51,779
Assumption Changes	(56,994)
Differences between expected and actual experience	(331,212)
Benefit Payment	(42,109)
Net Changes	(254,836)
Balances at December 31, 2024	\$ 921,014

Since the prior measurement date, the following assumptions changed:

- Medical trend was updated based on recently published trend model and trend surveys to better reflect future anticipated experience
- Medical per capita claims tables were updated based on recent experience and demographics.
- Future retiree participation rates were updated from 60% to 50% based on analysis of past plan experience.
- The discount rate was updated from 4.05% to 3.77% based on recent municipal bond index rates.

Since the prior measurement date, the following plan provisions changed:

- Medical premiums and disabled retiree City Contributions were updated to current levels.

Since the prior measurement date, the following benefit terms changed:

- None

E. Sensitivity of the Net OPEB Liability

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

1 Percent Decrease 2.77%	Discount Rate Current 3.77%	1 Percent Increase 4.77%
\$ 991,544	\$ 921,014	\$ 854,224

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Postemployment Benefits Other Than Pensions (Continued)

The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 6.55% Decreasing to 5.55%	Healthcare Cost Trend Rates 7.75% Decreasing to 6.55%	1 Percent Increase 8.75% Decreasing to 7.75%
\$ 809,185	\$ 921,014	\$ 1,052,486

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 6: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible.

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The risk management activities of the City are accounted for by the Risk Management fund, an internal service fund, which charges its costs to user departments. The fund is designed to build up a reserve which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

B. Contingencies

Tax Increment Financing Districts

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

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result, they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

C. Flexible Benefit Plan

The City offers a flexible benefit plan (the Plan). The Plan is a "cafeteria plan" under §125 of the Internal Revenue Code (IRC). All employees who meet the eligibility requirements may participate in the Plan. To be eligible, an employee must be at least 18 years of age and be regularly scheduled to work more than 30 hours per week.

Eligible employees can elect to participate by contributing pre-tax dollars withheld from payroll checks to the Plan for healthcare and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

All assets of the Plan are held and administered by an independent contract administrator for childcare and medical expense reimbursements, and by the City for health insurance premiums. All activity of the Plan is included in the financial statements as part of the General Fund and enterprise funds as employee benefits.

City of Orono, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 6: Other Information (Continued)

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

D. Conditional State Grant

In 2005, as a part of the City's acquisition of Big Island Park, the City was awarded a grant from the state of Minnesota in the amount of \$2,000,000. The grant is repayable to the state if the property is not maintained for low-impact recreation and conservation use.

E. Police Services Contracts

As of December 31, 2019, the City of Orono had several contracts to provide police services to neighboring cities. The most significant of those was a contract with the city of Mound, which the City entered into as of January 1, 2013 and which extends 10 years to December 31, 2022. The contract also included annual payments from the city of Mound starting at \$1,545,000 in 2013 and increasing between 1%-5% each year through the end of the contract. The contract has been renewed as through December 31, 2025.

The City also has a contract with the cities of Minnetonka Beach and Spring Park to furnish law enforcement services to each respective city. The original contract term ended December 31, 2012 and includes the option to verbally extend it each year for an additional one-year period. The contract has been extended each year through 2025.

Note 7: Subsequent Event

On April 28, 2025, the city council voted to dissolve the City's fire department terminating all paid on-call members. The City made a payout of \$169,973 to the laid off paid-on-call firefighters into the Orono Firefighters relief association.

Note 8: Adjustments to and Restatement of Beginning Balances

During the fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances						
	Funds					Government-Wide	
	General Fund	Municipal State Aid Street	Pavement Management Plan	Project Construction Fund	Nonmajor Governmental	Governmental Activities	Business-Type Activities
January 1, 2024, as previously reported	\$ 4,217,743	\$ (1,340,839)	\$ 449,730	\$ 5,108,357	\$ 4,498,828	\$ 41,064,105	\$ 25,424,087
Change in reporting entity							
Change from major to nonmajor fund	-	-	(449,730)		449,730	-	-
January 1, 2024, as adjusted or restated	<u>\$ 4,217,743</u>	<u>\$ (1,340,839)</u>	<u>\$ -</u>	<u>\$ 5,108,357</u>	<u>\$ 4,948,558</u>	<u>\$ 41,064,105</u>	<u>\$ 25,424,087</u>

A. Change within Major and Nonmajor Fund Reporting

During fiscal year 2024, the Pavement Management Plan fund was determined to be nonmajor. The effects of the changes within the financial reporting entity are shown in the table above.

B. Change in Accounting Principal

During the fiscal year 2024, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. There were no adjustments or restatements of beginning balances needed for the adoption of these statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Orono, Minnesota
 Required Supplementary Information
 For the Year Ended December 31, 2024

Schedule of Employer's Share of PERA Net Pension Liability - General Employee Retirement Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.0332 %	\$ 1,228,966	\$ 31,779	\$ 1,260,745	\$ 2,813,539	43.7 %	86.7 %
6/30/2023	0.0322	1,800,588	49,654	1,850,242	2,562,960	70.3	83.1
6/30/2022	0.0303	2,399,770	70,380	2,470,150	2,270,505	105.7	76.7
6/30/2021	0.0266	1,135,939	34,674	1,170,613	1,916,486	59.3	87.0
6/30/2020	0.0272	1,630,764	50,397	1,681,161	1,942,203	84.0	79.0
6/30/2019	0.0267	1,476,183	45,831	1,522,014	1,823,839	80.9	80.2
6/30/2018	0.0256	1,420,183	-	1,420,183	1,679,073	84.6	79.5
6/30/2017	0.0254	1,621,519	-	1,621,519	1,623,207	99.9	75.9
6/30/2016	0.0259	2,102,952	-	2,102,952	1,570,420	133.9	68.9
6/30/2015	0.0265	1,373,368	-	1,373,368	1,484,850	92.5	78.2

Schedule of Employer's PERA Contributions - General Employee Retirement Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 224,067	\$ 224,067	\$ -	\$ 2,987,560	7.50 %
12/31/2023	203,588	203,588	-	2,714,506	7.50
12/31/2022	178,034	178,034	-	2,373,789	7.50
12/31/2021	145,120	145,120	-	1,934,938	7.50
12/31/2020	152,742	152,742	-	2,036,563	7.50
12/31/2019	144,815	144,815	-	1,930,863	7.50
12/31/2018	129,021	129,021	-	1,720,280	7.50
12/31/2017	122,840	122,840	-	1,637,867	7.50
12/31/2016	120,641	120,641	-	1,608,547	7.50
12/31/2015	114,922	114,922	-	1,532,293	7.50

City of Orono, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

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

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of Orono, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024 was eliminated. A one-time non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

City of Orono, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.2265 %	\$ 2,979,538	\$ 113,579	\$ 3,093,117	\$ 3,136,102	95.0 %	87.0 %
6/30/2023	0.2196	3,792,207	152,722	3,944,929	2,883,738	131.5	86.5
6/30/2022	0.2234	9,721,486	424,580	10,146,066	2,713,224	358.3	70.5
6/30/2021	0.2136	1,648,766	74,123	1,722,889	2,524,268	65.3	93.7
6/30/2020	0.2173	2,864,247	-	2,864,247	2,453,352	116.7	87.2
6/30/2019	0.2257	2,402,804	-	2,402,804	2,309,629	104.0	89.3
6/30/2018	0.2170	2,312,996	-	2,312,996	2,237,340	103.4	88.8
6/30/2017	0.2130	2,875,753	-	2,875,753	2,144,407	134.1	85.4
6/30/2016	0.2180	8,748,719	-	8,748,719	2,078,460	420.9	63.9
6/30/2015	0.2310	2,624,701	-	2,624,701	1,137,988	230.6	86.6

Schedule of Employer's PERA Contributions - Public Employees Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 597,752	\$ 597,752	\$ -	\$ 3,377,130	17.70 %
12/31/2023	546,390	546,390	-	3,086,949	17.70
12/31/2022	460,205	460,205	-	2,600,029	17.70
12/31/2021	462,202	462,202	-	2,611,311	17.70
12/31/2020	455,708	455,708	-	2,574,623	17.70
12/31/2019	411,298	411,298	-	2,426,539	16.95
12/31/2018	370,490	370,490	-	2,286,975	16.20
12/31/2017	354,408	354,408	-	2,187,704	16.20
12/31/2016	340,380	340,380	-	2,101,111	16.20
12/31/2015	333,041	333,041	-	2,055,809	16.20

City of Orono, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year

City of Orono, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund (Continued)

Changes in Plan Provisions

2024 - The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023. The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years. A one-time non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability was increased, effective July 1, 2023.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.0 percent to 60.0 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Orono, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2024

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Costs	\$ 123,700	\$ 158,965	\$ 118,604	\$ 101,611	\$ 87,721	\$ 90,925	\$ 82,950
Interest Costs	51,779	28,284	24,704	27,156	38,684	31,294	30,294
Assumption Changes	(56,994)	(198,518)	(344,599)	53,610	114,403	(49,156)	23,193
Differences between expected and actual experience	(331,212)	141	405,645	(413)	(179,406)	-	-
Benefit Payment	(42,109)	(54,022)	(20,145)	(29,318)	(30,694)	(36,813)	(35,472)
Net Change in Total OPEB Liability	(254,836)	(65,150)	184,209	152,646	30,708	36,250	100,965
Total OPEB Liability - Beginning	1,175,850	1,241,000	1,056,791	904,145	873,437	837,187	736,222
Total OPEB Liability - Ending	<u>\$ 921,014</u>	<u>\$ 1,175,850</u>	<u>\$ 1,241,000</u>	<u>\$ 1,056,791</u>	<u>\$ 904,145</u>	<u>\$ 873,437</u>	<u>\$ 837,187</u>
Covered - Employee Payroll	\$ 6,600,000	\$ 6,100,000	\$ 4,900,000	\$ 4,400,000	\$ 4,200,000	\$ 4,000,000	\$ 3,900,000
City's total OPEB liability as a percentage of covered employee payroll	13.95 %	19.28 %	25.33 %	24.02 %	21.53 %	21.84 %	21.47 %

Changes in assumptions:

• None

Changes in Plan Provisions:

• None

Changes in benefits:

• None

Note - Schedules is intended to show 10-year trend. Additional years will be reported when they become available.

Note - there are no assets accumulated in a trust

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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NONMAJOR GOVERNMENTAL FUNDS

City of Orono, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and temporary investments	\$ 1,743,158	\$ 503,978	\$ 3,316,061	\$ 5,563,197
Cash held with fiscal agent	-	-	225,259	225,259
Receivables				
Accrued interest	5,261	2,680	10,701	18,642
Taxes	1,885	7,165	13,905	22,955
Special assessments	33,600	-	-	33,600
Due from other governments	2,518	10,973	17,550	31,041
Due from other funds	520,000	-	-	520,000
Total Assets	<u>\$ 2,306,422</u>	<u>\$ 524,796</u>	<u>\$ 3,583,476</u>	<u>\$ 6,414,694</u>
Liabilities				
Accounts and contracts payable	\$ 3,706	\$ -	\$ 47,182	\$ 50,888
Due to other funds	520,000	-	-	520,000
Total Liabilities	<u>523,706</u>	<u>-</u>	<u>47,182</u>	<u>570,888</u>
Deferred Inflows of Resources				
Unavailable revenues - delinquent taxes	1,885	7,165	13,905	22,955
Unavailable revenues - special assessments	33,600	-	-	33,600
Total Deferred Inflows of Resources	<u>35,485</u>	<u>7,165</u>	<u>13,905</u>	<u>56,555</u>
Fund Balances				
Restricted	1,565,849	508,186	-	2,074,035
Committed	617,233	-	-	617,233
Assigned	-	-	3,584,518	3,584,518
Unassigned	(435,851)	9,445	(62,129)	(488,535)
Total Fund Balances	<u>1,747,231</u>	<u>517,631</u>	<u>3,522,389</u>	<u>5,787,251</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,306,422</u>	<u>\$ 524,796</u>	<u>\$ 3,583,476</u>	<u>\$ 6,414,694</u>

City of Orono, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 289,281	\$ 816,439	\$ 1,461,785	\$ 2,567,505
Special assessments	28,332	-	-	28,332
Licenses and permits	22,482	-	-	22,482
Intergovernmental	-	-	38,026	38,026
Charges for services	22,711	-	-	22,711
Fines and forfeitures	50,706	-	-	50,706
Investment earnings	66,746	29,404	125,599	221,749
Miscellaneous	21,425	-	30,000	51,425
Total Revenues	<u>501,683</u>	<u>845,843</u>	<u>1,655,410</u>	<u>3,002,936</u>
Expenditures				
Current				
Parks and recreation	48,505	-	-	48,505
Community development	4,559	-	-	4,559
Capital outlay				
Public safety	-	-	904,416	904,416
Public works	-	-	1,793,343	1,793,343
Parks and recreation	119,360	-	-	119,360
Debt service				
Principal	-	595,000	71,177	666,177
Interest and other charges	-	433,764	24,444	458,208
Total Expenditures	<u>172,424</u>	<u>1,028,764</u>	<u>2,793,380</u>	<u>3,994,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>329,259</u>	<u>(182,921)</u>	<u>(1,137,970)</u>	<u>(991,632)</u>
Other Financing Sources (Uses)				
Transfers in	141,606	334,503	1,704,310	2,180,419
Transfers out	(109,658)	(153,594)	(312,101)	(575,353)
Financed purchase issued	-	-	225,259	225,259
Total Other Financing Sources (Uses)	<u>31,948</u>	<u>180,909</u>	<u>1,617,468</u>	<u>1,830,325</u>
Net Change in Fund Balances	<u>361,207</u>	<u>(2,012)</u>	<u>479,498</u>	<u>838,693</u>
Fund Balances, January 1, as previously stated	1,386,024	519,643	2,593,161	4,498,828
Change within financial reporting entity (major to nonmajor)	-	-	449,730	449,730
Fund Balances, January 1, as restated	<u>1,386,024</u>	<u>519,643</u>	<u>3,042,891</u>	<u>4,948,558</u>
Fund Balances, December 31	<u>\$ 1,747,231</u>	<u>\$ 517,631</u>	<u>\$ 3,522,389</u>	<u>\$ 5,787,251</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Park Fund accounts for received park dedication fees to be used for land acquisition and park development.

Drug and Felony Forfeiture Fund accounts for proceeds received from seizures relating to drug and felony criminal activity, donations received for the police department, other appropriate revenues authorized by the City Council, and all authorized related expenditures.

Affordable Housing Fund accounts for revenues and expenditures related to financial assistance packages provided to several low-income households to make new town home units affordable.

Lurton Park Fund accounts for revenues and expenditures related to the maintenance and trails within Lurton Park property.

Senior Housing TIF accounts for revenues and expenditures related to the senior housing property.

Big Island Fund accounts for revenues and expenditures related to the improvement of the Big Island Nature Park.

Carmen Bay Lake Improvement Fund accounts for revenues and expenditures related to the improvement of Carmen Bay.

HRA General Fund accounts for revenues from and expenditures related to housing programs.

City of Orono, Minnesota
 Nonmajor Special Revenue Funds
 Subcombining Balance Sheet
 December 31, 2024

	225	231	233	234
	Park	Drug and Felony Forfeiture	Affordable Housing	Lurton Park
Assets				
Cash and temporary investments	\$ 615,912	\$ 773,304	\$ 147,604	\$ 40,425
Receivables				
Accrued interest	2,426	1,850	394	210
Taxes	1,885	-	-	-
Special assessments	-	-	-	-
Due from other governments	2,383	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 622,606</u>	<u>\$ 775,154</u>	<u>\$ 147,998</u>	<u>\$ 40,635</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 3,706
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,706</u>
Deferred Inflows of Resources				
Unavailable revenues - taxes	1,885	-	-	-
Unavailable revenues - special assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>1,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	40,417	775,154	147,998	-
Committed	580,304	-	-	36,929
Unassigned	-	-	-	-
Total Fund Balances	<u>620,721</u>	<u>775,154</u>	<u>147,998</u>	<u>36,929</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 622,606</u>	<u>\$ 775,154</u>	<u>\$ 147,998</u>	<u>\$ 40,635</u>

235	238	239	241	
Senior Housing TIF	Big Island	Carmen Bay Lake Improvement	HRA General Fund	Total
\$ 83,776	\$ -	\$ 670	\$ 81,467	\$ 1,743,158
373	-	8	-	5,261
-	-	-	-	1,885
-	-	33,600	-	33,600
-	-	135	-	2,518
		-	520,000	520,000
<u>\$ 84,149</u>	<u>\$ -</u>	<u>\$ 34,413</u>	<u>\$ 601,467</u>	<u>\$ 2,306,422</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,706
520,000	-	-	-	520,000
<u>520,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>523,706</u>
-	-	-	-	1,885
-	-	33,600	-	33,600
-	-	33,600	-	35,485
-	-	813	601,467	1,565,849
-	-	-	-	617,233
(435,851)	-	-	-	(435,851)
<u>(435,851)</u>	<u>-</u>	<u>813</u>	<u>601,467</u>	<u>1,747,231</u>
<u>\$ 84,149</u>	<u>\$ -</u>	<u>\$ 34,413</u>	<u>\$ 601,467</u>	<u>\$ 2,306,422</u>

City of Orono, Minnesota
Nonmajor Special Revenue Funds
Subcombining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2024

	225	231	233	234
	Park	Drug and Felony Forfeiture	Affordable Housing	Lurton Park
Revenues				
Taxes	\$ 198,377	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	22,482	-	-	-
Charges for services	-	-	-	22,711
Fines and forfeitures	-	50,706	-	-
Investment earnings	22,486	29,938	5,903	3,046
Miscellaneous	20,225	-	-	1,200
Total Revenues	<u>263,570</u>	<u>80,644</u>	<u>5,903</u>	<u>26,957</u>
Expenditures				
Current				
Parks and recreation	-	-	-	20,362
Community development	-	-	-	-
Capital outlay				
Parks and recreation	44,511	-	-	74,849
Total Expenditures	<u>44,511</u>	<u>-</u>	<u>-</u>	<u>95,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>219,059</u>	<u>80,644</u>	<u>5,903</u>	<u>(68,254)</u>
Other Financing Sources (Uses)				
Transfers in	141,606	-	-	-
Transfers out	(19,244)	-	-	-
Total Other Financing Sources (Uses)	<u>122,362</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	341,421	80,644	5,903	(68,254)
Fund Balances, January 1	<u>279,300</u>	<u>694,510</u>	<u>142,095</u>	<u>105,183</u>
Fund Balances, December 31	<u>\$ 620,721</u>	<u>\$ 775,154</u>	<u>\$ 147,998</u>	<u>\$ 36,929</u>

235	238	239	241	
Senior Housing TIF	Big Island	Carmen Bay Lake Improvement	HRA General Fund	Total
\$ 90,904	\$ -	\$ -	\$ -	\$ 289,281
-	-	28,332	-	28,332
-	-	-	-	22,482
-	-	-	-	22,711
-	-	-	-	50,706
5,250	-	123	-	66,746
-	-	-	-	21,425
<u>96,154</u>	<u>-</u>	<u>28,455</u>	<u>-</u>	<u>501,683</u>
-	-	28,143	-	48,505
4,559	-	-	-	4,559
-	-	-	-	119,360
<u>4,559</u>	<u>-</u>	<u>28,143</u>	<u>-</u>	<u>172,424</u>
<u>91,595</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>329,259</u>
-	-	-	-	141,606
-	(90,414)	-	-	(109,658)
-	(90,414)	-	-	31,948
91,595	(90,414)	312	-	361,207
(527,446)	90,414	501	601,467	1,386,024
<u>\$ (435,851)</u>	<u>\$ -</u>	<u>\$ 813</u>	<u>\$ 601,467</u>	<u>\$ 1,747,231</u>

City of Orono, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Park Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 198,377	\$ 198,377
Licenses and permits	-	-	22,482	22,482
Investment earnings	-	-	22,486	22,486
Miscellaneous				
Other	-	-	20,225	20,225
Total Revenues	<u>-</u>	<u>-</u>	<u>263,570</u>	<u>263,570</u>
Expenditures				
Capital outlay				
Parks and recreation	<u>40,000</u>	<u>40,000</u>	<u>44,511</u>	<u>(4,511)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>219,059</u>	<u>259,059</u>
Other Financing Sources (Uses)				
Transfers in	-	-	141,606	141,606
Transfers out	<u>-</u>	<u>-</u>	<u>(19,244)</u>	<u>(19,244)</u>
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>122,362</u>	<u>122,362</u>
Net Change in Fund Balances	(40,000)	(40,000)	341,421	381,421
Fund Balances, January 1	<u>279,300</u>	<u>279,300</u>	<u>279,300</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 239,300</u>	<u>\$ 239,300</u>	<u>\$ 620,721</u>	<u>\$ 381,421</u>

City of Orono, Minnesota
 Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 Drug and Felony Forfeiture Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 50,706	\$ 50,706
Investment earnings	-	-	29,938	29,938
Total Revenues	<u>-</u>	<u>-</u>	<u>80,644</u>	<u>80,644</u>
Expenditures				
Current				
Public safety	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balances	(25,000)	(25,000)	80,644	105,644
Fund Balances, January 1	<u>694,510</u>	<u>694,510</u>	<u>694,510</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 669,510</u>	<u>\$ 669,510</u>	<u>\$ 775,154</u>	<u>\$ 105,644</u>

City of Orono, Minnesota
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Senior Housing TIF Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 90,904	\$ 90,904
Investment earnings	-	-	5,250	5,250
Total Revenues	<u>-</u>	<u>-</u>	<u>96,154</u>	<u>96,154</u>
Expenditures				
Current				
Community development	<u>120,000</u>	<u>120,000</u>	<u>4,559</u>	<u>115,441</u>
Net Change in Fund Balances	(120,000)	(120,000)	91,595	211,595
Fund Balances, January 1	<u>(527,446)</u>	<u>(527,446)</u>	<u>(527,446)</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ (647,446)</u></u>	<u><u>\$ (647,446)</u></u>	<u><u>\$ (435,851)</u></u>	<u><u>\$ 211,595</u></u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources for, and payment of, principal and interest and related costs on general long-term debt.

2010 General Obligation Bonds is used to collect and spend resources related to bonds issued in 2010.

2014 Improvement Bonds accounts for resources accumulated and payments for principal and interest associated with financing improvement projects.

2016 Refunding Bonds accounts for resources accumulated and payments for principal and interest on the 2016 Refunding bonds.

2021 Improvement Bonds accounts for resources accumulated and payments for principal and interest associated with financing improvement projects.

City of Orono, Minnesota
 Nonmajor Debt Service Funds
 Subcombining Balance Sheet
 December 31, 2024

	321	322	323	324	
	2010 General	2014	2016	2021	
	Obligation Bonds	Improvement Bonds	Refunding Bonds	Improvement Bonds	Total
Assets					
Cash and temporary investments	\$ -	\$ 503,576	\$ -	\$ 402	\$ 503,978
Receivables					
Accrued interest	-	2,680	-	-	2,680
Taxes	-	-	-	7,165	7,165
Due from other governments	-	1,930	-	9,043	10,973
	<u>-</u>	<u>508,186</u>	<u>-</u>	<u>16,610</u>	<u>524,796</u>
Total Assets	<u>\$ -</u>	<u>\$ 508,186</u>	<u>\$ -</u>	<u>\$ 16,610</u>	<u>\$ 524,796</u>
Deferred Inflows of Resources					
Unavailable revenues - delinquent taxes	\$ -	\$ -	\$ -	\$ 7,165	\$ 7,165
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,165</u>	<u>7,165</u>
Fund Balances					
Restricted	-	508,186	-	-	508,186
Unassigned	-	-	-	9,445	9,445
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,445</u>	<u>9,445</u>
Total Fund Balances	<u>-</u>	<u>508,186</u>	<u>-</u>	<u>9,445</u>	<u>517,631</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 508,186</u>	<u>\$ -</u>	<u>\$ 16,610</u>	<u>\$ 524,796</u>

City of Orono, Minnesota
 Nonmajor Debt Service Funds
 Subcombining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2024

	321	322	323	324	
	2010 General	2014	2016	2021	
	Obligation Bonds	Improvement	Refunding	Improvement	Total
	Bonds	Bonds	Bonds	Bonds	
Revenues					
Taxes	\$ -	\$ 63,582	\$ -	\$ 752,857	\$ 816,439
Investment earnings	-	29,587	-	(183)	29,404
Total Revenues	<u>-</u>	<u>93,169</u>	<u>-</u>	<u>752,674</u>	<u>845,843</u>
Expenditures					
Debt service					
Principal	-	240,000	-	355,000	595,000
Interest and other charges	2	49,888	-	383,874	433,764
Total Expenditures	<u>2</u>	<u>289,888</u>	<u>-</u>	<u>738,874</u>	<u>1,028,764</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2)</u>	<u>(196,719)</u>	<u>-</u>	<u>13,800</u>	<u>(182,921)</u>
Other Financing Sources (Uses)					
Transfers in	2,936	-	-	331,567	334,503
Transfers out	-	-	(153,594)	-	(153,594)
Total Other Financing Sources (Uses)	<u>2,936</u>	<u>-</u>	<u>(153,594)</u>	<u>331,567</u>	<u>180,909</u>
Net Change in Fund Balances	2,934	(196,719)	(153,594)	345,367	(2,012)
Fund Balances, January 1	<u>(2,934)</u>	<u>704,905</u>	<u>153,594</u>	<u>(335,922)</u>	<u>519,643</u>
Fund Balances, December 31	<u>\$ -</u>	<u>\$ 508,186</u>	<u>\$ -</u>	<u>\$ 9,445</u>	<u>\$ 517,631</u>

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NONMAJOR CAPITAL PROJECTS FUNDS

Capital Project funds account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary funds).

Improvement Equipment Outlay Fund accounts for the capital outlay costs of obtaining new equipment for various functions.

Permanent Improvement Revolving Fund accounts for the construction costs prior to obtaining permanent financing.

Pavement Management Plan Fund collects and allocates resources related to the repair and maintenance of roads within the city.

Community Investment Construction Fund is used to collect and spend resources on the various community assets of the City.

Fire Capital Fund accounts for the revenues and expenditures relating to the fire department.

Navarre Fire Station Construction Fund accounts for the construction costs of a new fire station in the Navarre area of the City.

Big Island Public Project Fund accounts for the improvement of the Big Island Nature Park.

Police Capital Fund accounts for the revenues and expenditures relating to the Orono Police Department.

City of Orono, Minnesota
 Nonmajor Capital Projects Funds
 Subcombining Balance Sheet
 December 31, 2024

	405	406	408	415
	Improvement Equipment Outlay	Permanent Revolving Improvement	Community Investment Construction	Fire
Assets				
Cash and temporary investments	\$ 690,098	\$ 1,140,756	\$ 337,750	\$ (259,438)
Cash held with fiscal agent	-	-	-	225,259
Receivables				
Accrued interest	3,182	2,835	2,183	-
Taxes	-	-	1,885	2,593
Due from other governments	-	-	2,383	3,273
	<u>\$ 693,280</u>	<u>\$ 1,143,591</u>	<u>\$ 344,201</u>	<u>\$ (28,313)</u>
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 31,223
Deferred Inflows of Resources				
Unavailable revenues - delinquent taxes	-	-	1,885	2,593
	<u>-</u>	<u>-</u>	<u>1,885</u>	<u>2,593</u>
Fund Balances				
Assigned	693,280	1,143,591	342,316	-
Unassigned	-	-	-	(62,129)
Total Fund Balances	<u>693,280</u>	<u>1,143,591</u>	<u>342,316</u>	<u>(62,129)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 693,280</u>	<u>\$ 1,143,591</u>	<u>\$ 344,201</u>	<u>\$ (28,313)</u>

425 Navarre Fire Station Construction	430 Big Island Public Project	435 Pavement Management Plan	437 Police Capital	Total
\$ -	\$ -	\$ 944,511	\$ 462,384	\$ 3,316,061
-	-	-	-	225,259
-	-	1,558	943	10,701
-	-	9,427	-	13,905
-	-	11,894	-	17,550
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 967,390</u>	<u>\$ 463,327</u>	<u>\$ 3,583,476</u>
\$ -	\$ -	\$ 15,959	\$ -	\$ 47,182
-	-	9,427	-	13,905
-	-	942,004	463,327	3,584,518
-	-	-	-	(62,129)
-	-	942,004	463,327	3,522,389
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 967,390</u>	<u>\$ 463,327</u>	<u>\$ 3,583,476</u>

City of Orono, Minnesota
 Nonmajor Capital Projects Funds
 Subcombining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2024

	405	406	408	415
	Improvement Equipment Outlay	Permanent Revolving Improvement	Community Investment Construction	Fire
Revenues				
Taxes	\$ -	\$ -	\$ 198,377	\$ 272,449
Intergovernmental	-	-	-	-
Investment earnings	30,477	45,621	16,316	54
Miscellaneous	-	-	-	-
Total Revenues	<u>30,477</u>	<u>45,621</u>	<u>214,693</u>	<u>272,503</u>
Expenditures				
Capital outlay				
Public safety	-	-	-	836,755
Public works	459,569	-	351,581	-
Debt service				
Principal	-	-	-	71,177
Interest and other	-	-	-	24,444
Total Expenditures	<u>459,569</u>	<u>-</u>	<u>351,581</u>	<u>932,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(429,092)</u>	<u>45,621</u>	<u>(136,888)</u>	<u>(659,873)</u>
Other Financing Sources (Uses)				
Transfers in	1,169,000	-	12,908	-
Financed purchase issued	-	-	-	225,259
Transfers out	<u>(260,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>909,000</u>	<u>-</u>	<u>12,908</u>	<u>225,259</u>
Net Change in Fund Balances	<u>479,908</u>	<u>45,621</u>	<u>(123,980)</u>	<u>(434,614)</u>
Fund Balances, January 1, as previously stated	213,372	1,097,970	466,296	372,485
Change within financial reporting entity (major to nonmajor)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, January 1, as restated	<u>213,372</u>	<u>1,097,970</u>	<u>466,296</u>	<u>372,485</u>
Fund Balances, December 31	<u>\$ 693,280</u>	<u>\$ 1,143,591</u>	<u>\$ 342,316</u>	<u>\$ (62,129)</u>

425 Navarre Fire Station Construction	430 Big Island Public Project	Formerly Major 435 Pavement Management Plan	437 Police Capital	Total
\$ -	\$ -	\$ 990,959	\$ -	\$ 1,461,785
-	-	-	38,026	38,026
2	-	17,513	15,616	125,599
-	-	-	30,000	30,000
<u>2</u>	<u>-</u>	<u>1,008,472</u>	<u>83,642</u>	<u>1,655,410</u>
-	-	-	67,661	904,416
-	-	982,193	-	1,793,343
-	-	-	-	71,177
-	-	-	-	24,444
<u>-</u>	<u>-</u>	<u>982,193</u>	<u>67,661</u>	<u>2,793,380</u>
<u>2</u>	<u>-</u>	<u>26,279</u>	<u>15,981</u>	<u>(1,137,970)</u>
-	-	465,995	56,407	1,704,310
-	-	-	-	225,259
<u>(909)</u>	<u>(51,192)</u>	<u>-</u>	<u>-</u>	<u>(312,101)</u>
<u>(909)</u>	<u>(51,192)</u>	<u>465,995</u>	<u>56,407</u>	<u>1,617,468</u>
<u>(907)</u>	<u>(51,192)</u>	<u>492,274</u>	<u>72,388</u>	<u>479,498</u>
907	51,192	-	390,939	2,593,161
-	-	449,730	-	449,730
<u>907</u>	<u>51,192</u>	<u>449,730</u>	<u>390,939</u>	<u>3,042,891</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 942,004</u>	<u>\$ 463,327</u>	<u>\$ 3,522,389</u>

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NONMAJOR PROPRIETARY FUNDS

Nonmajor proprietary funds are used to account for the financial resources that are produced and used by the business-type funds that are not significant enough to be presented individually.

Recycling Fund accounts for the revenues and expenses related to the City's recycling program.

Cable Television Fund accounts for the revenues and expenses created from the cable franchise agreements that the City is a part of.

Golf Course Fund accounts for the revenues and expenses relating to the operation of the City's golf course.

City of Orono, Minnesota
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds			
	Recycling	Cable Television	Golf Course	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 102,922	\$ (18,008)	\$ (24,106)	\$ 60,808
Receivables				
Accrued interest	226	-	56	282
Accounts	37,633	15,267	-	52,900
Prepaid items	-	-	239	239
Total Current Assets	<u>140,781</u>	<u>(2,741)</u>	<u>(23,811)</u>	<u>114,229</u>
Noncurrent Assets				
Capital assets				
Improvements other than buildings	-	-	247,037	247,037
Machinery and equipment	-	267,544	-	267,544
Total Capital Assets	-	267,544	247,037	514,581
Less accumulated depreciation	-	(105,787)	(142,809)	(248,596)
Net Capital Assets	-	161,757	104,228	265,985
Total Assets	<u>140,781</u>	<u>159,016</u>	<u>80,417</u>	<u>380,214</u>
Deferred Outflows of Resources				
Deferred pension resources	1,216	-	13,842	15,058

City of Orono, Minnesota
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds			
	Recycling	Cable Television	Golf Course	Total
Liabilities				
Current Liabilities				
Accounts and contracts payable	6,549	136	2,638	9,323
Accrued salaries payable	568	46	4,202	4,816
Due to other governments	6,651	-	192	6,843
Other postemployment benefits payable	7	-	686	693
Total Current Liabilities	<u>13,775</u>	<u>182</u>	<u>7,718</u>	<u>21,675</u>
Noncurrent Liabilities				
Net pension liability	4,994	-	56,822	61,816
Other postemployment benefits payable	231	-	21,609	21,840
Total Noncurrent Liabilities	<u>5,225</u>	<u>-</u>	<u>78,431</u>	<u>83,656</u>
Total Liabilities	<u>19,000</u>	<u>182</u>	<u>86,149</u>	<u>105,331</u>
Deferred Inflows of Resources				
Deferred pension resources	<u>3,180</u>	<u>-</u>	<u>36,174</u>	<u>39,354</u>
Net Position				
Investment in capital assets	-	161,757	104,228	265,985
Unrestricted	<u>119,817</u>	<u>(2,923)</u>	<u>(132,292)</u>	<u>(15,398)</u>
Total Net Position	<u>\$ 119,817</u>	<u>\$ 158,834</u>	<u>\$ (28,064)</u>	<u>\$ 250,587</u>

City of Orono, Minnesota
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	Recycling	Cable Television	Golf Course	Total
Operating Revenues				
Charges for services	\$ 259,364	\$ 62,738	\$ 230,481	\$ 552,583
Golf shop	-	-	21,266	21,266
Golf cart rentals	-	-	90,043	90,043
Food and beverage	-	-	18,900	18,900
Total Operating Revenues	<u>259,364</u>	<u>62,738</u>	<u>360,690</u>	<u>682,792</u>
Operating Expenses				
Personnel services	18,797	-	229,143	247,940
Other services and charges	-	-	145,873	145,873
Supplies	110	-	34,353	34,463
Professional services	237,413	68,072	-	305,485
Depreciation	-	19,319	3,933	23,252
Administrative charges from the General Fund	-	2,519	-	2,519
Other	34,177	-	-	34,177
Total Operating Expenses	<u>290,497</u>	<u>89,910</u>	<u>413,302</u>	<u>793,709</u>
Operating Income (Loss)	<u>(31,133)</u>	<u>(27,172)</u>	<u>(52,612)</u>	<u>(110,917)</u>
Nonoperating Revenues				
Intergovernmental	20,226	-	-	20,226
Investment earnings (losses)	3,718	(458)	735	3,995
Miscellaneous revenues	12,167	-	23,692	35,859
Total Nonoperating Revenues (Expense)	<u>36,111</u>	<u>(458)</u>	<u>24,427</u>	<u>60,080</u>
Income (Loss) Before Transfers	4,978	(27,630)	(28,185)	(50,837)
Transfers Out	-	-	(20,000)	(20,000)
Change in Net Position	4,978	(27,630)	(48,185)	(70,837)
Net Position - January 1	<u>114,839</u>	<u>186,464</u>	<u>20,121</u>	<u>321,424</u>
Net Position, December 31	<u>\$ 119,817</u>	<u>\$ 158,834</u>	<u>\$ (28,064)</u>	<u>\$ 250,587</u>

City of Orono, Minnesota
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	Recycling	Cable Television	Golf Course	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 263,930	\$ 63,514	\$ 360,690	\$ 688,134
Other operating receipts	12,167	-	23,692	35,859
Payments to suppliers	(258,727)	(70,455)	(178,323)	(507,505)
Payments to employees	(17,706)	(81)	(218,188)	(235,975)
Net Cash Provided (Used) by Operating Activities	<u>(336)</u>	<u>(7,022)</u>	<u>(12,129)</u>	<u>(19,487)</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental receipts	20,226	-	-	20,226
Transfers to other funds	-	-	(20,000)	(20,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>20,226</u>	<u>-</u>	<u>(20,000)</u>	<u>226</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	-	-	(41,563)	(41,563)
Cash Flows from Investing Activities				
Investment receipts	<u>3,492</u>	<u>-</u>	<u>679</u>	<u>4,171</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,382	(7,022)	(73,013)	(56,653)
Cash and Cash Equivalents, January 1	<u>79,540</u>	<u>(10,986)</u>	<u>48,907</u>	<u>117,461</u>
Cash and Cash Equivalents, December 31	<u>\$ 102,922</u>	<u>\$ (18,008)</u>	<u>\$ (24,106)</u>	<u>\$ 60,808</u>

City of Orono, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended December 31, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,568,600	\$ 6,568,600	\$ 6,514,353	\$ (54,247)
Licenses and permits	585,200	585,200	765,454	180,254
Intergovernmental	305,000	305,000	496,704	191,704
Charges for services	3,725,770	3,725,770	3,810,287	84,517
Fines and forfeitures	85,000	85,000	61,288	(23,712)
Investment earnings	200,660	200,660	146,251	(54,409)
Miscellaneous				
Rents and refunds	5,400	5,400	900	(4,500)
Other	31,000	31,000	168,947	137,947
Total Revenues	<u>11,506,630</u>	<u>11,506,630</u>	<u>11,964,184</u>	<u>457,554</u>
Expenditures				
Current				
General government				
Administration	599,650	599,650	556,124	43,526
Election	98,200	98,200	75,294	22,906
Assessing	270,000	270,000	127,000	143,000
Finance	339,600	339,600	301,232	38,368
Legal	128,000	128,000	123,659	4,341
Human services	12,000	12,000	12,000	-
Central services	429,400	429,400	495,241	(65,841)
Total general government	<u>1,876,850</u>	<u>1,876,850</u>	<u>1,690,550</u>	<u>186,300</u>
Public safety				
Police	5,498,410	5,498,410	5,527,014	(28,604)
Fire	1,437,450	1,437,450	1,425,022	12,428
Inspection and Zoning	862,900	862,900	840,443	22,457
Total public safety	<u>7,798,760</u>	<u>7,798,760</u>	<u>7,792,479</u>	<u>6,281</u>
Public works				
Streets	1,007,770	1,007,770	1,173,200	(165,430)
Parks and recreation				
Other	431,750	431,750	361,746	70,004
Capital outlay				
Public safety	221,500	221,500	183,238	38,262
Total Expenditures	<u>11,336,630</u>	<u>11,336,630</u>	<u>11,201,213</u>	<u>135,417</u>
Excess of Revenues Over Expenditures	<u>170,000</u>	<u>170,000</u>	<u>762,971</u>	<u>592,971</u>
Other Financing Sources (Uses)				
Transfers in	-	-	19,244	19,244
Proceeds from sale of capital assets	30,000	30,000	32,047	2,047
Transfers out	(200,000)	(200,000)	(256,407)	(56,407)
Total Other Financing Sources (Uses)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(205,116)</u>	<u>(35,116)</u>
Net Change in Fund Balances	-	-	557,855	557,855
Fund Balances, January 1	<u>4,217,743</u>	<u>4,217,743</u>	<u>4,217,743</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 4,217,743</u>	<u>\$ 4,217,743</u>	<u>\$ 4,775,598</u>	<u>\$ 557,855</u>

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. Revenues are recognized in the accounting period in which they are earned and become objectively measurable; expenses are recognized in the period incurred, if objectively measurable.

Insurance Fund was established to account for the insurance costs incurred by the City for general liability, property, vehicle, workers' compensation, and other insurance and deductibles.

Compensated Absences Fund was established to account for the accrual of sick and vacation days that are earned by the City's employees.

Fleet Management Fund was established to account for the costs of repairs, maintenance, and supplies for the City's various vehicles.

IT Services Fund was established to account for the cost of IT services to the various City functions and departments.

City of Orono, Minnesota
Internal Service Funds
Combining Statement of Net Position
December 31, 2024

	703 Insurance Fund	705 Compensated Absences	701 Fleet Management	710 IT Services	Total
Assets					
Current Assets					
Cash and temporary investments	\$ 371,432	\$ 770,063	\$ (442,925)	\$ (183,060)	\$ 515,510
Receivables					
Accrued interest	529	1,914	-	-	2,443
Due from other governments	-	-	537	-	537
Prepaid items	8,000	-	-	879	8,879
Total Assets	<u>379,961</u>	<u>771,977</u>	<u>(442,388)</u>	<u>(182,181)</u>	<u>527,369</u>
Liabilities					
Current Liabilities					
Accounts and contracts payable	102	-	12,822	3,071	15,995
Accrued salaries payable	442	-	5,188	5,548	11,178
Total Liabilities	<u>544</u>	<u>-</u>	<u>18,010</u>	<u>8,619</u>	<u>27,173</u>
Net Position					
Unrestricted	<u>\$ 379,417</u>	<u>\$ 771,977</u>	<u>\$ (460,398)</u>	<u>\$ (190,800)</u>	<u>\$ 500,196</u>

City of Orono, Minnesota
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2024

	703	705	701	710	
	Insurance Fund	Compensated Absences	Fleet Management	IT Services	Total
Operating Revenues					
Charges for services	\$ 704,592	\$ -	\$ 6,368	\$ -	\$ 710,960
Other	21,293	-	310,807	389,260	721,360
Total Operating Revenues	<u>725,885</u>	<u>-</u>	<u>317,175</u>	<u>389,260</u>	<u>1,432,320</u>
Operating Expenses					
Personnel services	253,335	-	-	160,802	414,137
Supplies	-	-	2,434.00	43,107	45,541
Professional services	-	-	-	303,420	303,420
Repairs and maintenance	-	-	479,200	37,661	516,861
Other Services and Charges			9,529		9,529
Insurance	385,157	-	-	-	385,157
Total Operating Expenses	<u>638,492</u>	<u>-</u>	<u>491,163</u>	<u>544,990</u>	<u>1,674,645</u>
Operating Income (Loss)	87,393	-	(173,988)	(155,730)	(242,325)
Nonoperating Revenues					
Investment earnings (losses)	8,184	30,797	(608)	(735)	37,638
Income (Loss) Before Transfers	95,577	30,797	(174,596)	(156,465)	(204,687)
Transfers In	-	-	-	260,000	260,000
Transfers Out	-	-	(45,000)	-	(45,000)
Change in Net Position	95,577	30,797	(219,596)	103,535	10,313
Net Position, January 1	<u>283,840</u>	<u>741,180</u>	<u>(240,802)</u>	<u>(294,335)</u>	<u>489,883</u>
Net Position, December 31	<u>\$ 379,417</u>	<u>\$ 771,977</u>	<u>\$ (460,398)</u>	<u>\$ (190,800)</u>	<u>\$ 500,196</u>

City of Orono, Minnesota
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2024

	703 Insurance Fund	705 Compensated Absences	701 Fleet Management	710 IT Services	Total
Cash Flows from Operating Activities					
Receipts from interfund charges	\$ 725,885	\$ -	\$ 316,638	\$ 389,260	\$ 1,431,783
Payments to suppliers	(386,705)	-	(486,522)	(410,853)	(1,284,080)
Payments to employees	(252,942)	-	3,586	(157,492)	(406,848)
Net Cash Provided (Used) by Operating Activities	<u>86,238</u>	<u>-</u>	<u>(166,298)</u>	<u>(179,085)</u>	<u>(259,145)</u>
Cash Flows from Noncapital					
Transfers from other funds	-	-	-	260,000	260,000
Transfers to other funds	-	-	(45,000)	-	(45,000)
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>260,000</u>	<u>215,000</u>
Cash Flows from Investing Activities					
Investment receipts	<u>7,739</u>	<u>28,883</u>	<u>-</u>	<u>-</u>	<u>36,622</u>
Net Increase (Decrease) in Cash and Cash Equivalents	93,977	28,883	(211,298)	80,915	(7,523)
Cash and Cash Equivalents, January 1	<u>277,455</u>	<u>741,180</u>	<u>(231,627)</u>	<u>(263,975)</u>	<u>523,033</u>
Cash and Cash Equivalents, December 31	<u>\$ 371,432</u>	<u>\$ 770,063</u>	<u>\$ (442,925)</u>	<u>\$ (183,060)</u>	<u>\$ 515,510</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 87,393	\$ -	\$ (173,988)	\$ (155,730)	\$ (242,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease in assets					
Interest receivable	-	-	(537)	-	(537)
Prepaid items	-	-	-	33,822	33,822
Increase (decrease) in liabilities					
Accounts and contracts payable	(1,548)	-	5,127	(60,487)	(56,908)
Accrued salaries payable	393	-	3,586	3,310	7,289
Due to other governments	-	-	(486)	-	(486)
Net Cash Provided (Used) by Operating Activities	<u>\$ 86,238</u>	<u>\$ -</u>	<u>\$ (166,298)</u>	<u>\$ (179,085)</u>	<u>\$ (259,145)</u>

STATISTICAL SECTION (UNAUDITED)

CITY OF ORONO, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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STATISTICAL SECTION (UNAUDITED)

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

Contents	<u>Pages</u>
<i>Financial Trends</i>	131 - 138
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	140 - 143
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
<i>Debt Capacity</i>	144 - 148
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	149 - 153
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	158 - 161
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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City of Orono, Minnesota
Summary Financial Report
Governmental Funds
Revenues and Expenditures For General Operations
For the Years Ended December 31, 2024 and 2023

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Taxes	\$ 9,452,291	\$ 8,438,864	12.01 %
Special assessments	28,332	22,698	24.82
Licenses and permits	787,936	863,960	(8.80)
Intergovernmental	760,565	1,306,012	(41.76)
Charges for services	3,974,130	4,144,378	(4.11)
Fines and forfeits	111,994	160,073	(30.04)
Investment earnings (loss)	550,220	507,584	8.40
Miscellaneous	237,094	176,889	34.04
	<u>\$ 15,902,562</u>	<u>\$ 15,620,458</u>	
Total Revenues	<u>\$ 15,902,562</u>	<u>\$ 15,620,458</u>	1.81 %
Per Capita	\$ 1,897	\$ 1,849	2.58 %
Expenditures			
Current			
General government	\$ 1,690,550	\$ 1,700,101	(0.56) %
Public safety	7,792,479	7,084,550	9.99
Public works	1,173,200	1,420,306	(17.40)
Parks and recreation	410,251	467,192	(12.19)
Community development	4,559	154,566	(97.05)
Capital outlay			
Public safety	1,087,654	887,534	22.55
Public works	4,605,743	15,434,170	(70.16)
Parks and recreation	119,360	31,432	279.74
Debt service			
Principal	666,177	1,095,000	(39.16)
Interest and other charges	458,208	450,581	1.69
	<u>\$ 18,008,181</u>	<u>\$ 28,725,432</u>	
Total Expenditures	<u>\$ 18,008,181</u>	<u>\$ 28,725,432</u>	(37.31) %
Per Capita	\$ 2,148	\$ 3,401	(36.83)
Total Long-term Indebtedness	\$ 17,210,063	\$ 17,677,701	(2.65) %
Per Capita	2,053	2,093	(1.90)
General Fund Balance - December 31	\$ 4,775,598	\$ 4,217,743	13.23 %
Per Capita	570	499	14.09

The purpose of this report is to provide a summary of financial information concerning the City of Orono to interested citizens. The complete financial statements may be examined at City Hall, 2750 Kelley Parkway, Orono, Minnesota 55356. Questions about this report should be directed to the Finance Department at (952) 249-4600.

City of Orono, Minnesota
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	\$ 14,269,848	\$ 16,660,990	\$ 19,020,035	\$ 23,370,988
Restricted	3,835,852	9,046,977	3,699,095	3,434,418
Unrestricted	3,740,883	(3,794,950)	894,132	(840,224)
Total Governmental Activities Net Position	<u>\$ 21,846,583</u>	<u>\$ 21,913,017</u>	<u>\$ 23,613,262</u>	<u>\$ 25,965,182</u>
Business-type Activities				
Net investment in capital assets	\$ 16,042,333	\$ 15,505,885	\$ 16,427,467	\$ 16,940,333
Unrestricted	5,946,733	6,411,818	6,001,307	5,687,684
Total Business-type Activities Net Position	<u>\$ 21,989,066</u>	<u>\$ 21,917,703</u>	<u>\$ 22,428,774</u>	<u>\$ 22,628,017</u>
Total Primary Government				
Net investment in capital assets	\$ 26,762,591	\$ 29,775,733	\$ 33,088,457	\$ 35,960,368
Restricted	3,535,595	3,835,852	9,046,977	3,699,095
Unrestricted	15,563,595	10,152,701	2,206,357	6,581,816
Total Primary Government Net Position	<u>\$ 45,861,781</u>	<u>\$ 43,764,286</u>	<u>\$ 44,341,791</u>	<u>\$ 46,241,279</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 67 in fiscal 2015. Years prior to 2015 have not been restated. The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 25,500,646	\$ 28,256,953	\$ 31,430,458	\$ 33,174,764	\$ 34,721,961	\$ 38,658,205
2,418,794	2,252,227	1,767,721	1,409,778	2,625,111	1,945,034
1,122,484	(116,070)	(544,720)	(828,174)	3,717,033	4,670,177
<u>\$ 29,041,924</u>	<u>\$ 30,393,110</u>	<u>\$ 32,653,459</u>	<u>\$ 33,756,368</u>	<u>\$ 41,064,105</u>	<u>\$ 45,273,416</u>
\$ 17,917,465	\$ 18,679,663	\$ 18,910,474	\$ 20,387,984	\$ 21,343,572	\$ 21,666,516
5,086,696	4,389,380	4,774,995	6,340,316	4,080,515	3,371,587
<u>\$ 23,004,161</u>	<u>\$ 23,069,043</u>	<u>\$ 23,685,469</u>	<u>\$ 26,728,300</u>	<u>\$ 25,424,087</u>	<u>\$ 25,038,103</u>
\$ 41,288,453	\$ 44,180,309	\$ 47,167,427	\$ 53,562,748	\$ 56,065,533	\$ 60,324,721
3,434,418	3,202,919	2,867,209	2,704,755	2,625,111	1,945,034
4,246,472	5,511,864	4,658,925	5,512,142	7,797,548	8,041,764
<u>\$ 48,969,343</u>	<u>\$ 52,895,092</u>	<u>\$ 54,693,561</u>	<u>\$ 61,779,645</u>	<u>\$ 66,488,192</u>	<u>\$ 70,311,519</u>

City of Orono, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued on the Following Pages)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	\$ 1,864,543	\$ 2,314,539	\$ 2,722,779	\$ 1,947,411
Public safety	5,107,619	6,263,133	5,486,330	5,661,624
Public works	999,097	752,976	393,354	2,131,198
Culture and recreation	324,731	413,797	420,410	465,170
Recycling	-	-	-	-
Interest on long-term debt	283,146	258,874	173,552	155,122
Total Governmental Activities Expenses	<u>8,579,136</u>	<u>10,003,319</u>	<u>9,196,425</u>	<u>10,360,525</u>
Business-type activities				
Water	581,758	634,562	680,595	915,730
Sewer	1,332,617	1,401,278	1,429,209	1,381,752
Storm water	163,747	225,113	190,935	143,194
Recycling	116,642	118,054	126,333	127,044
Cable television	31,802	31,724	48,684	51,943
Golf course	-	-	-	-
Total Business-type Activities Expenses	<u>2,226,566</u>	<u>2,410,731</u>	<u>2,475,756</u>	<u>2,619,663</u>
Total Primary Government Expenses	<u>\$ 10,805,702</u>	<u>\$ 12,414,050</u>	<u>\$ 11,672,181</u>	<u>\$ 12,980,188</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 736,643	\$ 770,750	\$ 947,851	\$ 1,147,449
Public safety	2,737,342	2,720,584	2,947,439	3,102,546
Public works	3,933	5,108	385	5,826
Culture and recreation	499,083	420,184	195,449	389,206
Operating grants and contributions	732,114	671,059	1,174,782	1,741,370
Capital grants and contributions	13,549	1,070	609	820,165
Total Governmental Activities Program Revenues	<u>4,722,664</u>	<u>4,588,755</u>	<u>5,266,515</u>	<u>7,206,562</u>
Business-type activities				
Charges for services				
Water	492,947	594,198	629,736	699,562
Sewer	1,297,786	1,505,467	1,408,480	1,477,225
Storm water	527,255	538,870	289,643	421,838
Recycling	128,387	142,470	140,218	136,922
Cable television	99,632	77,511	76,352	78,716
Golf course	-	-	-	-
Operating grants and contributions	34,500	34,500	-	34,500
Capital grants and contributions	16,765	-	45,218	7,400
Total Business-type Activities Program Revenues	<u>2,597,272</u>	<u>2,893,016</u>	<u>2,589,647</u>	<u>2,856,163</u>
Total Primary Government Program Revenues	<u>\$ 7,319,936</u>	<u>\$ 7,481,771</u>	<u>\$ 7,856,162</u>	<u>\$ 10,062,725</u>

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 818,147	\$ 1,865,451	\$ 1,572,281	\$ 2,028,478	\$ 1,983,264	\$ 2,082,988
5,422,838	6,361,790	5,445,046	6,607,975	7,894,893	8,184,781
946,735	1,946,959	1,705,585	2,084,036	2,047,315	2,579,666
535,357	696,274	731,394	832,389	562,310	456,916
141,722	111,781	59,265	46,406	154,566	4,559
150,164	138,240	359,970	543,012	399,542	417,269
<u>8,014,963</u>	<u>11,120,495</u>	<u>9,873,541</u>	<u>12,142,296</u>	<u>13,041,890</u>	<u>13,726,179</u>
984,452	1,044,516	1,110,702	1,170,772	1,298,511	1,143,706
1,538,449	1,743,277	1,676,642	1,974,089	2,079,800	2,062,389
433,908	354,524	310,626	443,573	486,937	439,635
173,049	227,227	232,165	244,021	242,530	290,484
90,586	91,128	100,970	64,010	68,069	89,766
-	-	-	-	492,173	413,302
<u>3,220,444</u>	<u>3,460,672</u>	<u>3,431,105</u>	<u>3,896,465</u>	<u>4,668,020</u>	<u>4,439,282</u>
<u>\$ 11,235,407</u>	<u>\$ 14,581,167</u>	<u>\$ 13,304,646</u>	<u>\$ 16,038,761</u>	<u>\$ 17,709,910</u>	<u>\$ 18,165,461</u>
\$ 966,665	\$ 984,876	\$ 1,225,915	\$ 1,168,166	\$ 897,294	\$ 1,010,081
2,656,733	2,607,888	2,798,742	2,772,525	2,965,900	2,974,454
881,011	638,149	849,480	1,118,347	1,417,579	1,149,424
86,501	11,711	175,232	120,403	75,295	67,592
419,114	976,217	550,474	493,022	1,701,735	1,274,979
649,359	617,082	273,445	763,475	50,659	33,884
<u>5,659,383</u>	<u>5,835,923</u>	<u>5,873,288</u>	<u>6,435,938</u>	<u>7,108,462</u>	<u>6,510,414</u>
871,125	1,257,201	1,616,435	1,818,457	1,680,871	1,312,125
1,600,046	1,902,088	2,232,546	2,294,626	2,278,986	2,467,152
361,199	701,562	715,037	741,332	765,631	759,696
131,013	212,038	234,732	248,455	269,132	271,531
80,237	79,588	74,787	72,991	68,368	62,738
-	-	-	-	441,621	364,157
21,058	-	15,982	468,486	8,519	40,451
253,370	6,050	364,815	44,627	84,387	21,180
<u>3,318,048</u>	<u>4,158,527</u>	<u>5,254,334</u>	<u>5,688,974</u>	<u>5,597,515</u>	<u>5,299,030</u>
<u>\$ 8,977,431</u>	<u>\$ 9,994,450</u>	<u>\$ 11,127,622</u>	<u>\$ 12,124,912</u>	<u>\$ 12,705,977</u>	<u>\$ 11,809,444</u>

City of Orono, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Net Revenues (Expenses)				
Governmental activities	\$ (3,856,472)	\$ (5,414,564)	\$ (3,929,910)	\$ (3,153,963)
Business-type activities	370,706	482,285	113,891	236,500
Total Primary Government Net Revenues (Expenses)	<u>\$ (3,485,766)</u>	<u>\$ (4,932,279)</u>	<u>\$ (3,816,019)</u>	<u>\$ (2,917,463)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 4,819,345	\$ 5,021,340	\$ 5,268,854	\$ 5,510,133
Tax increments	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Other general revenues	44,051	149,388	53,207	193,279
Unrestricted investment earnings (loss)	144,252	109,752	114,356	132,799
Gain on sale of capital assets	6,466	45,518	38,738	-
Transfers	320,209	155,000	155,000	(41,000)
Total Governmental Activities	<u>5,334,323</u>	<u>5,480,998</u>	<u>5,630,155</u>	<u>5,795,211</u>
Business-type activities				
Other general revenues	141,546	160,967	185,909	79,683
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings (loss)	67,076	57,319	54,443	51,588
Transfers	(320,209)	(155,000)	(155,000)	41,000
Total Business-type Activities	<u>(111,587)</u>	<u>63,286</u>	<u>85,352</u>	<u>172,271</u>
Total Primary Government	<u>\$ 5,222,736</u>	<u>\$ 5,544,284</u>	<u>\$ 5,715,507</u>	<u>\$ 5,967,482</u>
Change in Net Position				
Governmental activities	\$ 1,477,851	\$ 66,434	\$ 1,700,245	\$ 2,641,248
Business-type activities	259,119	545,571	199,243	408,771
Total Primary Government	<u>\$ 1,736,970</u>	<u>\$ 612,005</u>	<u>\$ 1,899,488</u>	<u>\$ 3,050,019</u>

Note: The City implemented GASB Statement No. 68 and GASB Statement No. 67 in fiscal 2015. Years prior to 2015 have not been restated. The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ (2,355,580)	\$ (5,284,572)	\$ (4,000,253)	\$ (5,706,358)	\$ (5,933,428)	\$ (7,215,765)
97,604	697,855	1,823,229	1,792,509	929,495	859,748
<u>\$ (2,257,976)</u>	<u>\$ (4,586,717)</u>	<u>\$ (2,177,024)</u>	<u>\$ (3,913,849)</u>	<u>\$ (5,003,933)</u>	<u>\$ (6,356,017)</u>
\$ 5,630,633	\$ 5,999,083	\$ 6,551,553	\$ 6,779,524	\$ 8,368,232	\$ 9,378,684
76,344	82,686	145,895	187,356	78,908	90,904
26,372	5,321	1,784	16,817	406	3,100
-	-	-	-	-	-
259,332	173,308	(6,927)	(287,466)	508,318	549,485
63,105	36,217	48,388	2,940	-	-
160,661	170,000	212,500	97,500	2,990,324	1,402,903
<u>6,216,447</u>	<u>6,466,615</u>	<u>6,953,193</u>	<u>6,796,671</u>	<u>11,946,188</u>	<u>11,425,076</u>
-	-	-	-	-	-
-	-	-	-	451,305	-
127,939	88,571	(17,927)	(244,980)	305,311	157,171
(160,661)	(170,000)	(212,500)	(97,500)	(2,990,324)	(1,402,903)
<u>(32,722)</u>	<u>(81,429)</u>	<u>(230,427)</u>	<u>(342,480)</u>	<u>(2,233,708)</u>	<u>(1,245,732)</u>
<u>\$ 6,183,725</u>	<u>\$ 6,385,186</u>	<u>\$ 6,722,766</u>	<u>\$ 6,454,191</u>	<u>\$ 9,712,480</u>	<u>\$ 10,179,344</u>
\$ 3,860,867	\$ 1,182,043	\$ 2,952,940	\$ 1,090,313	\$ 6,012,760	\$ 4,209,311
64,882	616,426	1,592,802	1,450,029	(1,304,213)	(385,984)
<u>\$ 3,925,749</u>	<u>\$ 1,798,469</u>	<u>\$ 4,545,742</u>	<u>\$ 2,540,342</u>	<u>\$ 4,708,547</u>	<u>\$ 3,823,327</u>

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 74,800	\$ 25,376	\$ 13,277	\$ 118,170
Unassigned	<u>4,233,687</u>	<u>4,400,222</u>	<u>4,433,559</u>	<u>4,336,396</u>
Total General Fund	<u>\$ 4,308,487</u>	<u>\$ 4,425,598</u>	<u>\$ 4,446,836</u>	<u>\$ 4,454,566</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	3,957,346	6,383,149	3,685,145	3,495,176
Committed	-	-	-	-
Assigned	2,951,616	3,358,915	3,148,848	2,403,358
Unassigned	<u>(178,573)</u>	<u>(872,147)</u>	<u>(1,050,959)</u>	<u>(2,759,730)</u>
Total All Other Governmental Funds	<u>\$ 6,730,389</u>	<u>\$ 8,869,917</u>	<u>\$ 5,783,034</u>	<u>\$ 3,138,804</u>

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 119,157	\$ 30,343	\$ 40,670	\$ 33,771	\$ 93,611	\$ 92,393
4,288,536	4,516,690	4,619,903	5,219,544	4,124,132	4,683,205
<u>\$ 4,407,693</u>	<u>\$ 4,547,033</u>	<u>\$ 4,660,573</u>	<u>\$ 5,253,315</u>	<u>\$ 4,217,743</u>	<u>\$ 4,775,598</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,698
3,250,008	2,908,430	18,561,508	18,046,016	3,807,341	2,299,294
16,741	36,329	38,712	64,885	313,344	617,233
2,721,806	2,773,589	3,245,236	3,217,483	6,802,532	6,157,930
<u>(2,676,572)</u>	<u>(3,111,513)</u>	<u>(4,484,366)</u>	<u>(4,088,655)</u>	<u>(2,207,141)</u>	<u>(1,609,344)</u>
<u>\$ 3,311,983</u>	<u>\$ 2,606,835</u>	<u>\$ 17,361,090</u>	<u>\$ 17,239,729</u>	<u>\$ 8,716,076</u>	<u>\$ 7,497,811</u>

City of Orono, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 4,839,722	\$ 5,057,941	\$ 5,258,546	\$ 5,448,238
Licenses and permits	846,343	715,281	613,218	954,278
Intergovernmental	545,236	496,497	1,025,044	1,616,583
Charges for services	2,896,458	2,973,534	3,165,196	3,211,749
Fines and forfeitures	134,754	133,354	101,824	124,060
Investment earnings	133,204	97,843	105,079	122,659
Special assessments	70,349	8,537	2,226	22,935
Miscellaneous	64,867	143,976	66,122	171,219
Total Revenues	<u>9,530,933</u>	<u>9,626,963</u>	<u>10,337,255</u>	<u>11,671,721</u>
Expenditures				
Current				
General government	1,285,064	1,362,293	1,474,265	1,433,076
Public safety	4,906,117	5,073,430	5,298,939	5,628,086
Streets	496,239	480,765	486,138	595,740
Culture and recreation	268,831	281,340	304,333	421,996
Community development	-	-	-	-
Recycling	-	-	1,590	-
Capital outlay	2,114,343	1,721,077	2,150,260	5,771,819
Debt service				
Principal	1,010,000	1,085,788	3,556,024	660,000
Interest and other charges	331,317	344,562	237,286	187,404
Bond issuance costs	-	-	-	-
Total Expenditures	<u>10,411,911</u>	<u>10,349,255</u>	<u>13,508,835</u>	<u>14,698,121</u>
Deficiency of Revenues under expenditures	<u>(880,978)</u>	<u>(722,292)</u>	<u>(3,171,580)</u>	<u>(3,026,400)</u>
Other Financing Sources (Uses)				
Transfers in	1,451,397	1,565,385	1,262,405	1,486,307
Transfers out	(1,131,188)	(1,410,385)	(1,107,405)	(1,217,307)
Bond issued	-	-	-	-
Financed purchase issued	-	-	-	-
Premium on bonds issued	-	94,956	-	-
Refunding bonds issued	-	2,680,000	-	-
Sale of capital assets	17,610	48,975	38,738	33,097
Total Other Financing Sources (Uses)	<u>337,819</u>	<u>2,978,931</u>	<u>193,738</u>	<u>302,097</u>
Net Change in Fund Balances	<u>\$ (543,159)</u>	<u>\$ 2,256,639</u>	<u>\$ (2,977,842)</u>	<u>\$ (2,724,303)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>24.20%</u>	<u>15.80%</u>	<u>16.40%</u>	<u>33.70%</u>

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 5,709,173	\$ 6,043,234	\$ 6,691,522	\$ 7,014,703	\$ 8,438,864	\$ 9,452,291
742,042	502,714	781,642	734,843	863,960	787,936
966,874	1,439,511	1,048,012	1,475,319	1,306,012	760,565
3,647,122	3,578,117	3,941,998	4,121,474	4,144,378	3,974,130
299,661	72,428	244,444	83,741	160,073	111,994
259,332	173,308	(6,927)	(287,118)	507,584	550,220
22,783	35,881	35,759	24,446	22,698	28,332
73,649	141,544	52,371	128,852	176,889	237,094
<u>11,720,636</u>	<u>11,986,737</u>	<u>12,788,821</u>	<u>13,296,260</u>	<u>15,620,458</u>	<u>15,902,562</u>
1,271,893	1,732,325	1,348,363	1,406,879	1,700,101	1,690,550
5,446,200	5,599,888	5,857,388	6,096,418	7,084,550	7,792,479
773,965	1,089,733	811,636	922,394	1,420,306	1,173,200
480,870	570,346	636,267	724,281	467,192	410,251
141,722	111,781	59,265	46,406	154,566	4,559
-	-	-	-	-	-
2,607,061	2,568,670	2,892,541	2,533,830	16,353,136	5,812,757
890,000	925,000	2,150,000	735,000	1,095,000	666,177
184,385	164,613	87,476	460,111	450,581	458,208
-	-	325,901	-	-	-
<u>11,796,096</u>	<u>12,762,356</u>	<u>14,168,837</u>	<u>12,925,319</u>	<u>28,725,432</u>	<u>18,008,181</u>
<u>(75,460)</u>	<u>(775,619)</u>	<u>(1,380,016)</u>	<u>370,941</u>	<u>(13,104,974)</u>	<u>(2,105,619)</u>
1,678,274	570,000	1,195,797	397,500	5,921,223	2,199,663
(1,517,613)	(400,000)	(983,297)	(300,000)	(2,860,374)	(1,011,760)
-	-	15,350,000	-	-	-
-	-	-	-	484,900	225,259
-	-	653,923	-	-	-
-	-	-	-	-	-
41,105	39,811	31,388	2,940	-	32,047
<u>201,766</u>	<u>209,811</u>	<u>16,247,811</u>	<u>100,440</u>	<u>3,545,749</u>	<u>1,445,209</u>
<u>\$ 126,306</u>	<u>\$ (565,808)</u>	<u>\$ 14,867,795</u>	<u>\$ 471,381</u>	<u>\$ (9,559,225)</u>	<u>\$ (660,410)</u>
<u>8.60%</u>	<u>10.92%</u>	<u>19.31%</u>	<u>11.32%</u>	<u>12.45%</u>	<u>8.99%</u>

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year Ended December 31, (1)	Tax Capacity				Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Real Property		Industrial Property	Total Market Value			
	Residential Property	Commercial Property					
2015	\$ 2,468,589,098	\$ 50,003,300	\$ 12,831,100	\$ 2,531,423,498	\$ 28,749,183	17.387	1.14 %
2016	2,664,593,042	51,885,300	14,602,600	2,731,080,942	31,164,748	17.325	1.14
2017	2,810,505,878	53,590,300	15,428,800	2,879,524,978	32,961,379	16.759	1.14
2018	2,932,517,796	49,881,300	20,720,700	3,003,119,796	34,422,178	16.555	1.15
2019	3,094,297,060	54,320,300	21,603,800	3,170,221,160	36,465,048	16.406	1.15
2020	3,345,856,800	62,889,100	19,996,200	3,428,742,100	39,482,419	16.512	1.15
2021	3,504,086,699	62,576,300	19,758,800	3,586,421,799	41,490,542	16.780	1.16
2022	4,244,348,144	67,523,100	21,577,100	4,333,448,344	50,742,986	16.820	1.17
2023	4,801,678,218	67,489,400	33,191,600	4,902,359,218	57,794,187	16.569	1.18
2024	4,892,419,082	76,604,400	33,903,800	5,002,927,282	59,098,971	16.349	1.18

Source: Hennepin County Assessor.

(1) Represents the year the taxes are payable, not the year the taxes are levied.

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Property Tax Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Year	City of Orono			School District No. 278	Hennepin County	Special Districts	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total Direct Rate				
2015	14.633 %	2.754 %	17.387 %	22.601 %	46.398 %	9.785 %	96.171 %
2016	14.685	2.640	17.325	23.166	45.356	9.520	95.367
2017	14.328	2.431	16.759	23.352	44.087	11.057	95.255
2018	14.391	2.164	16.555	24.024	42.808	10.667	94.054
2019	14.336	2.070	16.406	23.552	41.861	10.119	91.938
2020	14.557	1.955	16.512	23.109	41.084	9.712	90.417
2021	15.309	1.471	16.780	22.657	38.210	9.235	86.882
2022	14.758	2.062	16.820	23.903	38.535	9.217	88.475
2023	14.589	1.980	16.569	18.934	34.542	8.164	78.209
2024	14.925	1.424	16.349	18.811	34.681	7.858	77.699

Source: Hennepin County Assessing Department

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Principal Property Taxpayers
 Current and Nine Years Ago

Taxpayer	2024			2015		
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Brackett Point Property LLC	\$ 325,711	1	0.55 %	\$ -		- %
Private Residence	221,239	2	0.37	328,239	1	1.05
Private Residence	203,075	3	0.34	285,075	2	0.91
WJM Properties LLC	192,750	4	0.33			
Private Residence	180,720	5	0.31	260,139	3	0.83
1725 Bohns Point LLC	161,846	6	0.27			
Private Residence	154,544	7	0.26	211,113	4	0.67
Stonebay Senior Living LLC	150,075	8	0.25			
Metro Storage	149,050	9	0.25			
Hanks Bay II LLC	131,224	10	0.22			
Wayzata Country Club	-			142,028	5	0.45
Engelsma Limited-Trails of Orono	-			133,750	6	0.43
Private Residence	-			122,400	7	0.39
Woodhill Country Club	-			121,520	8	0.39
Private Residence	-			117,032	9	0.37
Private Residence	-			114,340	10	0.36
Total	\$ 1,870,234		3.15 %	\$ 1,835,636		5.85 %

Source: Hennepin County Assessor's Office

City of Orono, Minnesota
Statistical Section (Unaudited)
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2015	\$ 4,772,000	\$ 4,748,327	99.50 %	\$ 23,673	\$ 4,772,000	100.00 %
2016	4,954,480	4,968,026 *	100.27	(13,546)	4,954,480	100.00
2017	5,205,230	5,235,100 *	100.57	(29,870)	5,205,230	100.00
2018	5,439,951	5,379,375	98.89	60,576	5,439,951	100.00
2019	5,635,450	5,587,911	99.23	47,423	5,635,334	100.00
2020	6,007,450	5,935,931	98.81	71,295	6,007,226	100.00
2021	6,610,682	6,556,718	99.18	54,032	6,610,750	100.00
2022	6,944,776	6,897,016	99.31	47,468	6,944,484	100.00
2023	8,387,000	8,322,523	99.23	49,651	8,372,174	99.82
2024	9,415,100	9,338,301	99.06	-	9,338,301	99.18

Source: Hennepin County Treasurer - Auditor.

* In 2016 and 2017 the City collected slightly more taxes than they levied for as some residents chose to prepay their property taxes.

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation (G.O.) Bonds	Public Facility Bonds	Finance Purchase	General Obligation (G.O.) Bonds			
2015	\$ 9,610,000	\$ -	\$ 11,812	\$ 1,195,000	\$ 10,816,812	2.14 %	\$ 1,389
2016	11,431,701	-	6,024	1,138,557	12,576,282	1.83	1,633
2017	7,660,000	-	-	1,045,000	8,705,000	1.20	1,068
2018	7,000,000	-	-	965,000	7,965,000	1.03	983
2019	6,110,000	-	-	885,000	6,995,000	0.83	844
2020	5,265,000	-	-	805,000	6,070,000	0.69	730
2021	3,115,000	15,350,000	-	725,000	19,190,000	2.23	2,369
2022	2,300,000	15,350,000	-	640,000	18,290,000	1.71	2,165
2023	1,545,000	15,010,000	484,900	555,000	17,594,900	1.60	2,099
2024	1,327,551	15,243,530	638,982	476,676	17,686,739	1.52	2,051

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

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

City of Orono, Minnesota
Statistical Section (Unaudited)
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities General Obligation Bonds	Business-type Activities General Obligation Bonds	Less Amounts Restricted for Debt Service	Net Bonded Debt	Percentage of Estimated Market Value of Taxable Property (1)	Per Capita (2)
2015	\$ 9,610,000	\$ 1,195,000	\$ 2,209,951	\$ 8,595,049	0.34 %	\$ 1,104
2016	11,431,701	1,138,557	7,550,955	3,179,045	0.12	413
2017	7,660,000	1,045,000	1,854,112	10,622,589	0.37	1,304
2018	7,000,000	965,000	2,080,923	5,884,077	0.20	726
2019	6,110,000	885,000	2,152,818	4,842,182	0.15	585
2020	5,265,000	805,000	2,140,542	3,929,458	0.11	473
2021	18,465,000	725,000	1,298,000	17,892,000	0.50	2,209
2022	17,650,000	640,000	1,441,100	16,848,900	0.39	1,995
2023	16,555,000	555,000	858,499	16,181,401	0.33	1,916
2024	17,210,063	476,676	508,186	16,701,877	0.33	1,977

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

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

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

City of Orono, Minnesota
Statistical Section (Unaudited)
Direct and Overlapping Governmental Activities Debt
as of December 31, 2024

Governmental Unit	Total Debt Outstanding	Sinking Funds	Net Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:					
City of Orono	\$ 17,210,063	\$ 499,559	\$ 16,710,504	100.00 %	\$ 805,441
Overlapping Debt:					
ISD No. 276 (Minnetonka)	187,869,998	2,226,976	185,643,021	0.24	445,543
ISD No. 277 (Westonka)	67,615,000	984,076	66,630,924	26.43	17,610,553
ISD No. 278 (Orono)	51,675,000	3,824,573	47,850,427	52.29	25,020,988
ISD No. 284 (Wayzata)	187,700,000	17,771,664	169,928,336	0.93	1,580,334
Hennepin County	1,199,355,000	6,817,521	1,192,537,479	2.24	26,712,840
Hennepin Suburban Park	55,385,000	6,468,959	48,916,041	3.03	1,482,156
Hennepin Regional RR Authority	76,945,000	170,267	76,774,733	2.24	1,719,754
Metropolitan Council	178,505,000	137,895,071	40,609,929	1.02	414,221
Total Overlapping Debt	<u>2,005,049,998</u>	<u>176,159,107</u>	<u>1,828,890,891</u>		<u>74,986,389</u>
Total Direct and Overlapping Debt					<u>\$ 75,791,830</u>

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

Note 1: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. Excludes revenue and special assessment bonds.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

Source 1: Hennepin County

Source 2: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	\$ 72,942,051	\$ 75,942,705	\$ 81,932,428	\$ 86,385,749
Total Net Debt Applicable to Limit	<u>10,660,892</u>	<u>8,714,780</u>	<u>8,062,670</u>	<u>8,705,000</u>
Legal Debt Margin	<u>\$ 62,281,159</u>	<u>\$ 67,227,925</u>	<u>\$ 73,869,758</u>	<u>\$ 77,680,749</u>
Total Net Debt Applicable to the Limit as a Percent of Debt Limit	14.62%	11.48%	9.84%	10.08%

Note: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues, or tax increments. Prior to 2008, state law provided that general obligation debt should not exceed 2 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

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Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 90,093,594	\$ 95,106,635	\$ 102,551,528	\$ 107,592,654	\$ 147,070,777	\$ 150,087,818
<u>5,884,077</u>	<u>4,842,172</u>	<u>17,443,799</u>	<u>17,390,498</u>	<u>17,075,257</u>	<u>17,169,108</u>
<u>\$ 84,209,517</u>	<u>\$ 90,264,463</u>	<u>\$ 85,107,729</u>	<u>\$ 90,202,156</u>	<u>\$ 129,995,520</u>	<u>\$ 132,918,710</u>
6.53%	5.09%	17.01%	16.16%	11.61%	11.44%

Legal Debt Margin Calculation for Fiscal Year 2020

Taxable Market Value	<u>\$ 5,002,927,282</u>
Debt Limit (3 Percent of Market Value)	<u>\$ 150,087,818</u>
Debt Applicable to Limit	
General obligation bonds	17,686,739
Less: amount available in debt service funds	<u>(517,631)</u>
Total Net Debt Applicable to Limit	<u>17,169,108</u>
Legal Debt Margin	<u>\$ 132,918,710</u>

City of Orono, Minnesota
Statistical Section (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Water G.O. Revenue Bonds

Fiscal Year	Water Charges and other (2)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal (5)	Interest	Total	
2015	\$ 615,569	\$ 577,320	\$ 38,249	\$ 85,000	\$ 31,680	\$ 116,680	\$ 33 %
2016	706,460	624,253	82,207	75,000	74,044	149,044	81
2017	746,514	643,048	103,466	75,000	25,181	100,181	103.28
2018	714,159	818,330	(104,171)	80,000	21,480	101,480	(102.65)
2019	854,551	782,665	71,886	80,000	22,031	102,031	70.45
2020	1,254,730	883,550	371,180	80,000	20,431	100,431	3.70
2021	1,616,088	951,757	664,331	80,000	18,831	98,831	6.72
2022	2,115,650	1,150,471	965,179	85,000	17,180	102,180	9.45
2023	1,660,476	1,114,617	545,859	85,000	15,429	100,429	5.44
2024	1,287,443	910,460	376,983	85,000	13,569	98,569	3.82

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

(1) Excludes depreciation expense and operating transfers.

(2) There are no water fund debt service requirements before 2013.

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income	Median Age (2)	Education Level in Years of Formal Schooling	School Enrollment (3)	Unemployment Rate (4)
2015	7,785	\$ 506,281,905	\$ 65,033	46	-	2,757	2.9 %
2016	7,691	685,014,271	89,067	43	-	2,808	2.8
2017	8,147	724,455,244	89,923	47	-	2,790	3.3
2018	8,102	770,192,324	95,062	47	-	2,820	2.5
2019	8,284	838,995,236	101,279	47	-	2,850	2.6
2020	8,315	850,888,430	106,162	48	-	2,834	4.2
2021	8,100	859,912,200	106,162	48	-	2,850	2.3
2022	8,485	1,068,545,500	126,500	45	-	2,885	4.2
2023	8,447	1,100,687,900	131,300	46	-	2,928	3.0
2024	8,383	1,099,312,600	135,400	45	-	2,887	3.0

Note: Information on education level was only available in 2010 census data.

Data sources

- (1) Metropolitan Council Estimate in 2022 Estimated, publiclised 7/2023
- (2) Based on Metropolitan Council's estimate - numbers are delayed by a year.
- (3) Hennepin County average/median for non-census years.
- (4) Minnesota Department of Education, as reported by ISD No. 278 (Orono).
- (5) Minnesota Department of Economic Security; Hennepin County average for non-census years.

City of Orono, Minnesota
Statistical Section (Unaudited)
Principal Employers
Current Year and Nine Years Ago

	2024			2015		
	Employees	Rank	Percent of City Employment	Employees	Rank	Percent of City Employment
ISD No. 278 (Orono)	428	1	23.78 %	493	1	26.29 %
Woodhill Country Club	217	2	12.06	144	3	8.23
Wayzata Country Club	186	3	10.33	190	2	13.14
Jem Technical	124	4	6.89	108	4	6.57
Springhill Country Club	125	5	6.94	45	6	4.57
Otten Brothers	120	6	6.67	98	5	5.60
Lunds	86	7	4.78	64	7	4.29
City of Orono	65	8	3.61	63	9	2.86
Culver's	55	9	3.06	45	8	2.46
Trails of Orono	60	10	3.33	-	-	-
Service 800	-	-	-	30	10	1.71
Morries' Automotive	-	-	-	30	11	1.71
Total	<u>1,466</u>		<u>81.45 %</u>	<u>1,310</u>		<u>77.43 %</u>

Source: City of Orono and State Department of Commerce and Employers

*Total W-2's sent out, which includes part-time and seasonal employees.

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City of Orono, Minnesota
 Statistical Section (Unaudited)
 Full-time Equivalent Employees by Function
 Last Ten Fiscal Years

Function	2015	2016	2017	2018
General Government	7.8	8.0	8.0	8.0
Public Safety				
Police				
Officers	27.0	27.0	27.0	30.0
Civilians	4.0	4.0	4.0	4.0
Fire				
Full-time	-	-	-	-
Part-time	-	-	-	-
Paid on call	-	-	-	-
Code Enforcement	6.0	5.0	5.0	5.0
Public Works	4.5	4.5	4.5	5.0
Parks (1)	-	-	-	0.5
Water	1.5	1.5	1.5	2.5
Sewer	2.5	2.5	2.5	2.5
Storm Water	0.5	0.5	0.5	0.5
Fleet	-	-	-	-
Golf	5.0	5.0	5.0	3.0
	<u>58.8</u>	<u>58.0</u>	<u>58.0</u>	<u>61.0</u>
Total	<u>58.8</u>	<u>58.0</u>	<u>58.0</u>	<u>61.0</u>

Source: City budgets and personnel records.

Note: This table shows 66.5 employees while the Principal Employers schedule shows 63 due to their part time employees included within the table above.

(1) Separated Parks department in 2018 due to hiring Park Supervisor at the end of 2017

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
8.0	7.0	7.0	8.0	9.0	10.0
30.0	30.0	29.0	33.0	29.0	29.0
4.0	4.0	4.0	4.0	4.0	4.0
-	-	-	-	1.0	1.0
-	-	-	-	-	2.5
-	-	-	-	-	1.0
5.0	4.8	4.0	6.0	6.0	6.0
5.0	5.0	5.0	4.0	5.0	5.0
0.5	0.5	2.3	3.5	3.5	2.5
2.5	2.5	3.3	3.0	3.0	3.0
2.5	2.5	3.0	3.0	3.0	3.0
0.5	0.5	1.2	1.0	1.0	1.0
-	-	-	1.0	1.0	2.0
3.0	3.0	0.5	1.0	1.0	2.5
<u>61.0</u>	<u>59.8</u>	<u>59.3</u>	<u>67.5</u>	<u>66.5</u>	<u>72.5</u>

City of Orono, Minnesota
 Statistical Section (Unaudited)
 Operating Indicators by Function
 Last Ten Fiscal Years

Function	2015	2016	2017	2018
Public Safety				
Police				
Initial reports	10,056	9,320	6,462	5,875
Citations	1,495	1,929	1,509	1,675
Building/Zoning				
Building permits issued	470	466	518	535
Land use applications	63	59	110	81
Water				
New connections	1,023	1,036	1,041	1,087
Radio read meters - start 2004	1,010	1,024	1,029	1,072
Annual water pumped (thousands of gallons)	95,701	96,936	108,627	108,923
Waste Water				
New connections	2,238	2,243	2,256	2,287
Annual sewer flow (thousands of gallons) (2)	201,000	211,900	173,840	195,420
Storm Water				
Sweeping (centerline Miles) (1)	46	46	92	46
Drainage projects	1	3	3	7
Golf				
Rounds played	14,334	11,976	11,387	7,007
Parks				
Dog park pass (3)	-	-	475	546

Sources: City department records.

(1) Historical data is based on the miles of roads that was included in each sweeping. 2017 data is based on the miles of road that was swept in total.

(2) Data received from Metropolitan Council.

(3) Passes are issued for each year starting in November of the year prior. Lurton Dog Park opened in 2017.

2019	2020	2021	2022	2023	2024
4,997	4,496	4,582	4,094	3,124	2,593
1,331	907	1,064	1,428	1,321	1,279
660	442	460	425	530	501
95	77	62	71	63	70
1,109	1,090	1,126	1,165	1,186	1,195
1,096	1,071	1,165	1,161	1,186	1,195
106,490	131,048	161,542	160,986	149,705	99,828
2,352	2,298	2,485	2,403	2,384	2,395
219,740	234,390	111,024	163,214	238,880	222,680
46	48	48	48	52	52
6	6	5	3	1	4
7,289	16,000	13,964	14,549	15,745	14,565
537	512	788	799	609	533

City of Orono, Minnesota
Statistical Section (Unaudited)
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018
General Government				
City Hall	1	1	1	1
Parking Lots - Paved	10	11	11	11
Parking Lots - Gravel	7	7	7	8
Public Safety				
Police				
Stations	1	1	1	1
Patrol units	14	14	14	14
Fire				
Stations	1	1	1	1
Fire Units	-	-	-	-
Public Works				
Buildings	4	4	4	4
Highways and streets				
Streets (miles)	46	46	46	46
Street lights (1)	135	135	135	135
Culture and Recreation				
Parks acreage (2)	228	228	228	228
Parks	22	22	22	22
Beaches	4	4	4	4
Utilities				
Water				
Miles of water main	18	18	23	23
Wells	3	4	4	4
Water plants	2	2	2	2
Maximum daily capacity (thousands of gallons)	2,160	3,800	3,800	3,800
Sewer				
Miles of sanitary sewer	47	47	61	61
Pumping stations	46	46	46	45
Golf				
Clubhouse	1	1	1	1
Pavilion	-	-	-	-
Holes	9	9	9	9

Source: City department records.

(1) Historical streetlights was adjusted to reflect updated information

(2) Historical park acreage was adjusted to reflect updated information

Note: No capital asset indicators are available for the general government functions

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
11	11	11	11	11	12
8	8	9	9	9	9
1	1	1	1	1	1
14	14	18	18	18	18
1	1	1	1	1	1
-	-	-	-	1	6
4	4	4	4	4	4
46	48	48	48	48	48
148	151	151	151	151	151
228	228	228	228	228	228
22	22	22	22	22	22
4	4	4	4	4	4
23	23	23	23	23	23
4	4	4	4	4	4
2	2	2	2	2	2
3,800	3,800	3,800	3,800	3,800	3,800
62	63	63	63	63	63
45	45	45	45	46	47
1	1	1	1	1	1
-	-	-	-	-	1
9	9	9	9	9	9



Executive Governance Summary

City of Orono

Orono, Minnesota

For the year ended December 31, 2024



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

June 17, 2025

Management, Honorable Mayor and City Council
City of Orono, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Orono, Minnesota, (the City) for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 3, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City changed accounting policies during the year ended December 31, 2024 related to the accounting and financial reporting for accounting changes and error corrections (GASB 100) and compensated absences (GASB 101). We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements included below:

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.
- Management's estimate of its pension liabilities and assets are based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
 - The allocation of the pension liability related to Minnesota Public Employee Retirement Association (PERA) is based on the City's proportionate share of employer contributions to the PERA cost-sharing multiple employer Coordinated and Police and Fire pension plans.
- Management's estimate of future paid sick time usage is based on historical usage data.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.



Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 17, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer's Contributions and the Schedule of Funding Progress for Other Post-Employment Benefits Plan), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements:

GASB Statement No. 102 – *Certain Risk Disclosures* *Effective: 12/31/2025*

GASB Statement No. 103 – *Financial Reporting Model Improvements* *Effective: 12/31/2026*

GASB Statement No. 104 – *Disclosure of Certain Capital Assets* *Effective: 12/31/2026*

Further information on upcoming [GASB pronouncements](#).

* * * *

Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



Abdo
Minneapolis, Minnesota
June 17, 2025





Other Required Reports

City of Orono

Orono, Minnesota

For the year ended December 31, 2024



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
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City of Orono, Minnesota
Other Required Reports
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For the Year Ended December 31, 2024

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**INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE**

Honorable Mayor and City Council
City of Orono, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Orono, Minnesota (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.



Abdo
Minneapolis, Minnesota
June 17, 2025

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council
City of Orono, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Orono, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
June 17, 2025





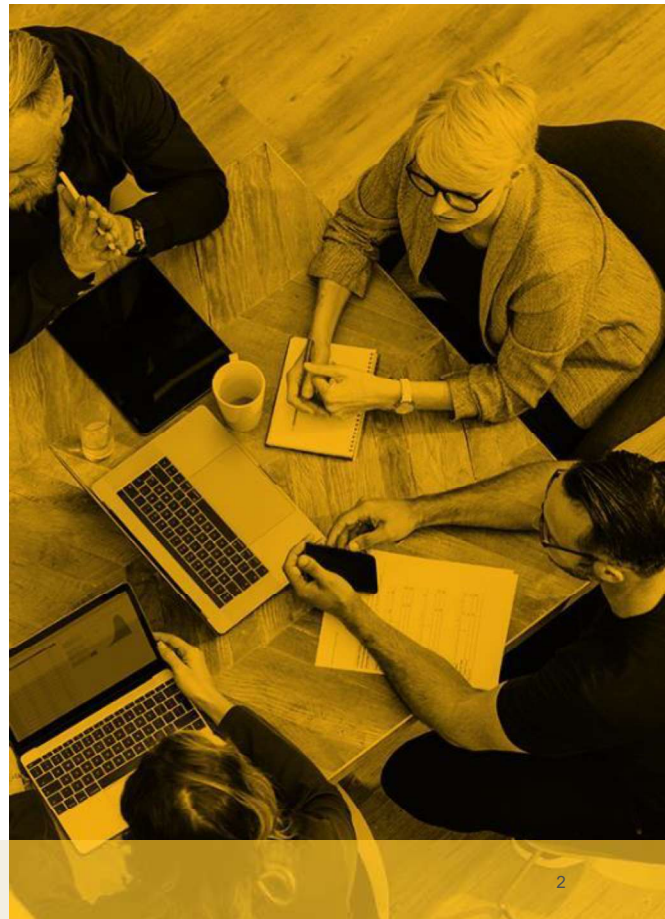
City of Orono

2024 Financial Statement Audit

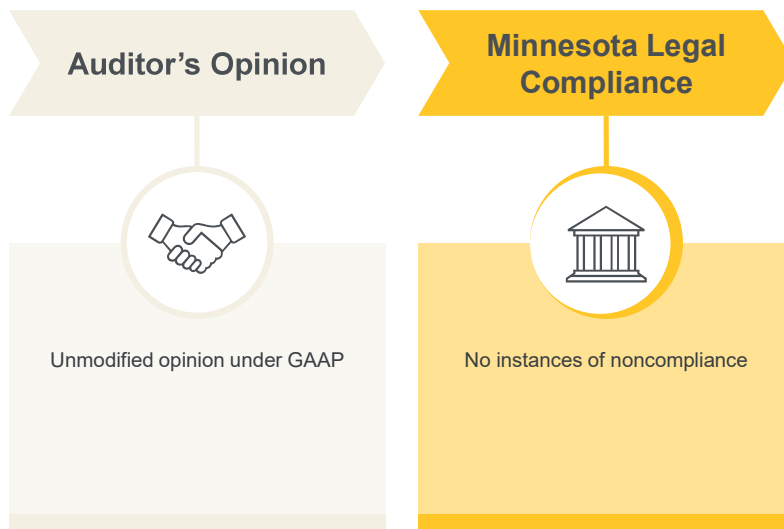


Introduction

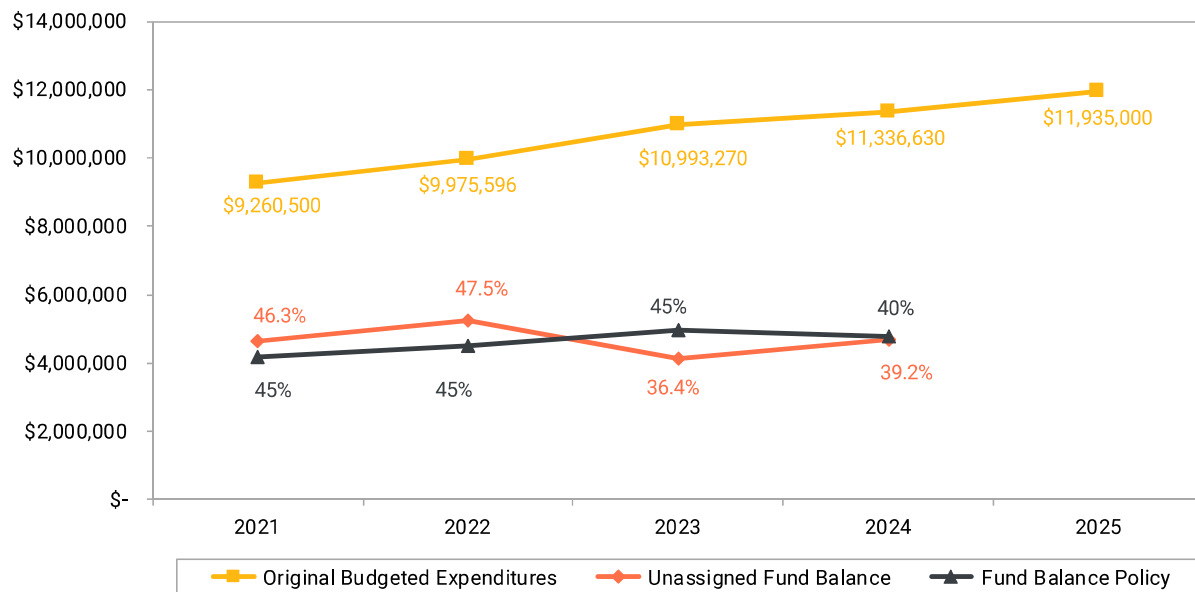
- Audit Results
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators



Audit Results



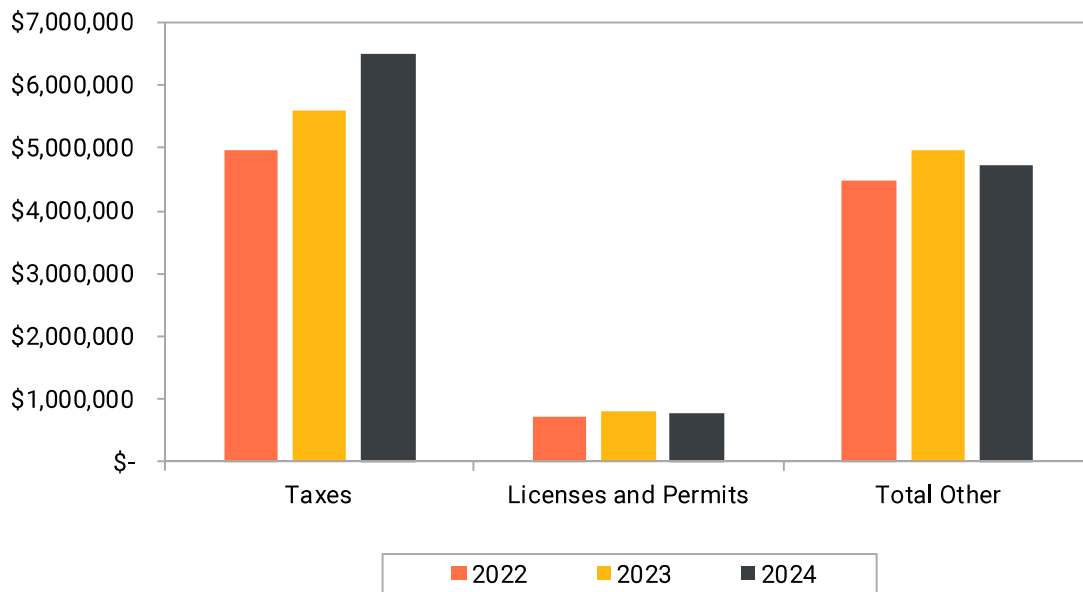
General Fund Fund Balances



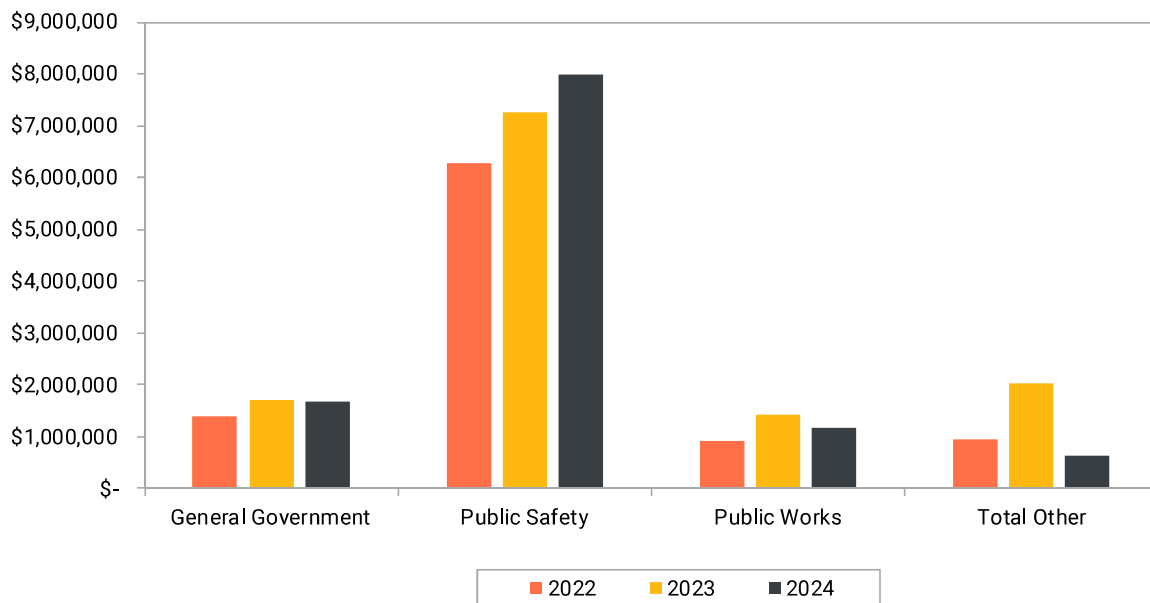
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 11,506,630	\$ 11,964,184	\$ 457,554
Expenditures	11,336,630	11,201,213	135,417
Excess of Revenues Over Expenditures	<u>170,000</u>	<u>762,971</u>	<u>592,971</u>
Other Financing Sources (Uses)			
Transfers in	-	19,244	19,244
Transfers out	(200,000)	(256,407)	(56,407)
Proceeds from sale of capital assets	<u>30,000</u>	<u>32,047</u>	<u>2,047</u>
Total Other Financing Sources (Uses)	<u>(170,000)</u>	<u>(205,116)</u>	<u>(35,116)</u>
Net Change in Fund Balances	-	557,855	557,855
Fund Balances, January 1	<u>4,217,743</u>	<u>4,217,743</u>	-
Fund Balances, December 31	<u>\$ 4,217,743</u>	<u>\$ 4,775,598</u>	<u>\$ 557,855</u>

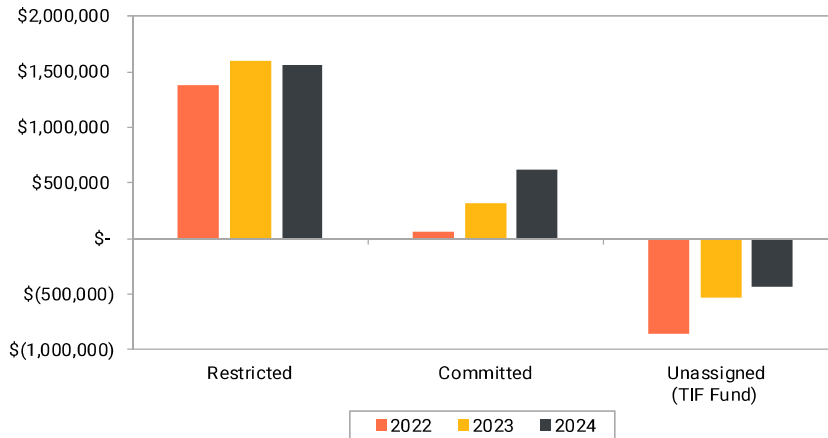
General Fund Revenues by Type



General Fund Expenditures by Type

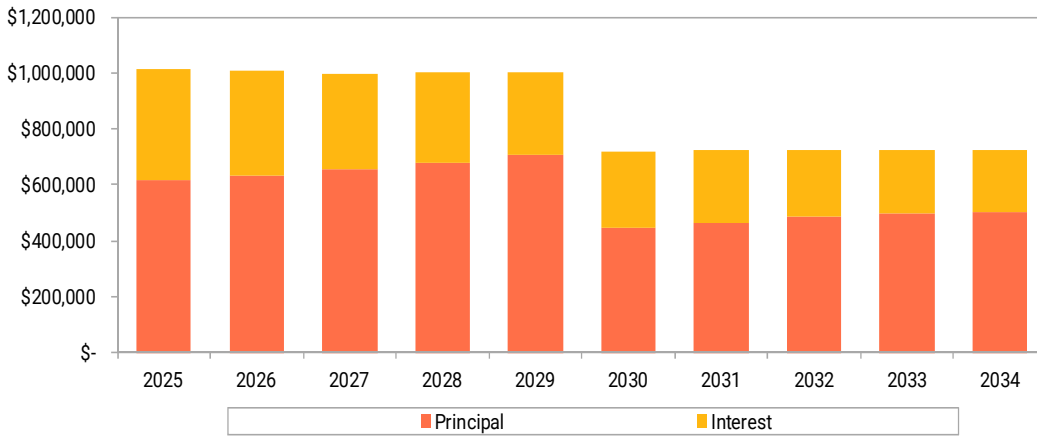


Fund	Fund Balances December 31,		Increase (Decrease)
	2024	2023	
Nonmajor			
Park	\$ 620,721	\$ 279,300	\$ 341,421
Drug and Felony Forfeiture	775,154	694,510	80,644
Affordable Housing	147,998	142,095	5,903
Lurton Park	36,929	105,183	(68,254)
Senior Housing TIF	(435,851)	(527,446)	91,595
Big Island	-	90,414	(90,414)
HRA General Fund	601,467	601,467	-
Carmen Bay Lake Improvement	813	501	312
Total	\$ 1,747,231	\$ 1,386,024	\$ 361,207



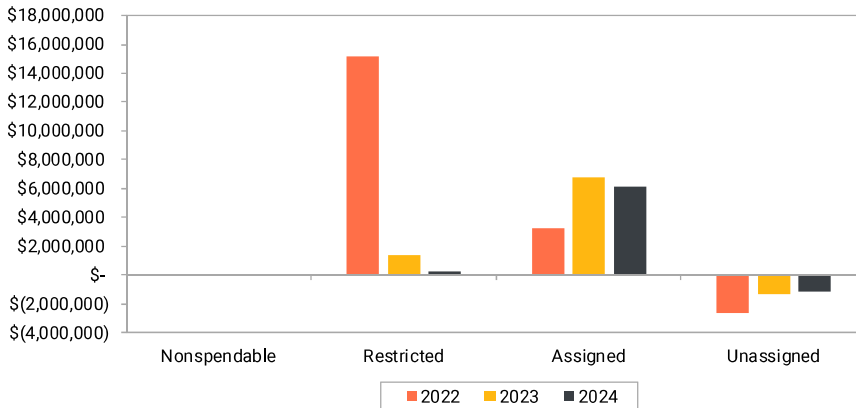
Special Revenue Fund Balances

Debt Service Fund	Debt Maturity	Cash Balance	Total Assets	Bonds Outstanding
Nonmajor				
2021A General Obligation Bond	12/31/2051	402	16,610	14,655,000
2000 Improvement Bonds (2014A Bonds)	2/1/2029	503,576	508,186	1,305,000
Total		\$ 503,978	\$ 524,796	\$ 15,960,000

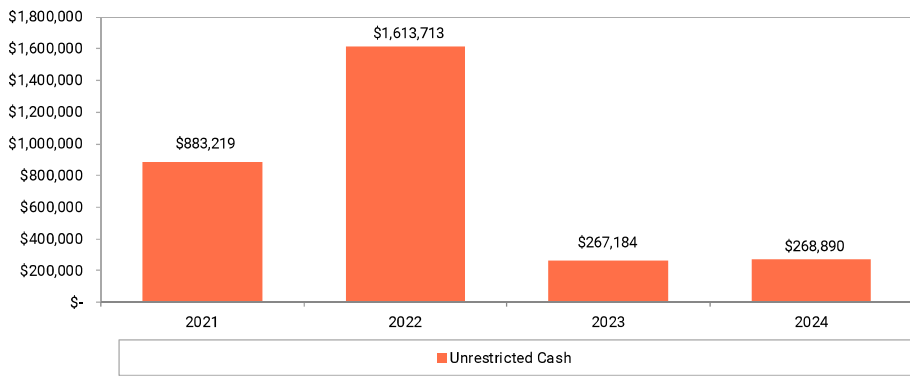
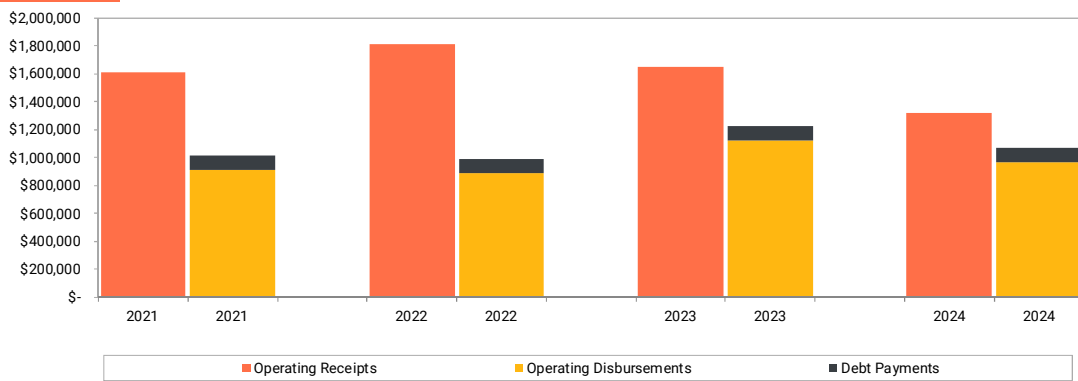


Debt Service Funds

Capital Projects Fund	Fund Balances December 31,		Increase (Decrease)
	2024	2023	
Major			
Municipal State Aid Street	\$ (1,120,809)	\$ (1,340,839)	\$ 220,030
Project Construction	2,831,369	5,108,357	(2,276,988)
Nonmajor			
Pavement Management	942,004	449,730	492,274
Improvement Equipment Outlay	693,280	213,372	479,908
Permanent Revolving Improvement	1,143,591	1,097,970	45,621
Community Investment Construction	342,316	466,296	(123,980)
Fire	(62,129)	372,485	(434,614)
Navarre Fire Station Construction	-	907	(907)
Big Island Public Project	-	51,192	(51,192)
Police	463,327	390,939	72,388
Total	\$ 5,232,949	\$ 6,810,409	\$ (1,577,460)

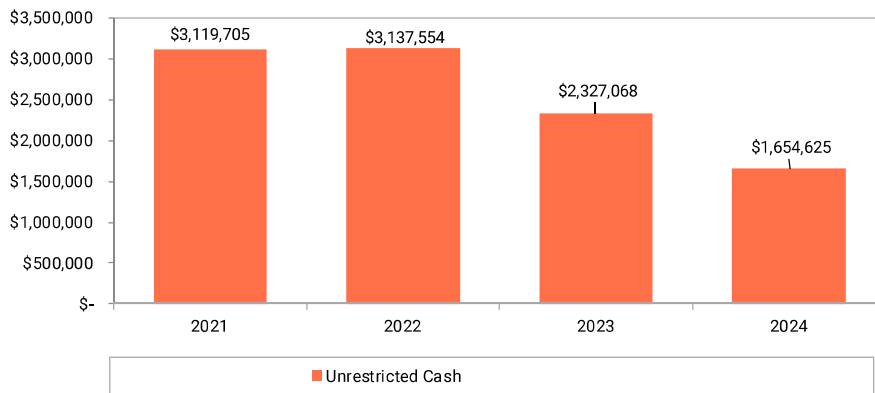
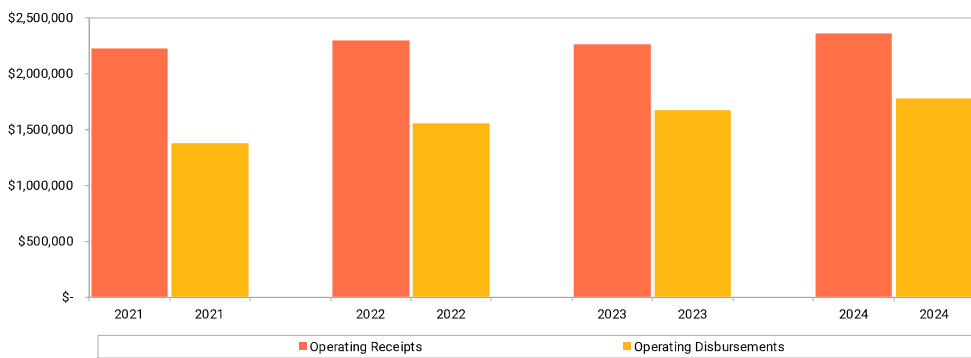


Capital Project Fund Balances



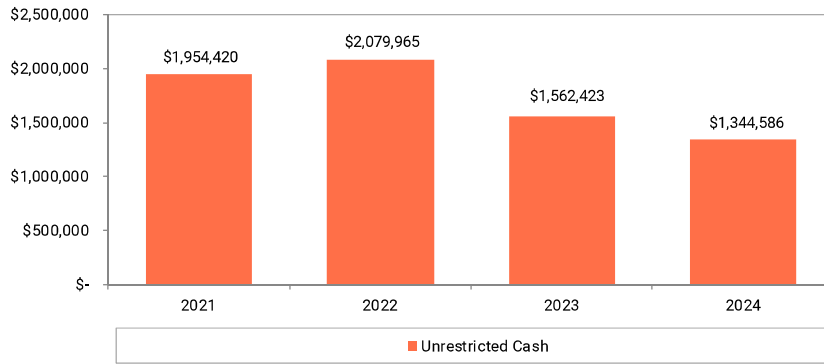
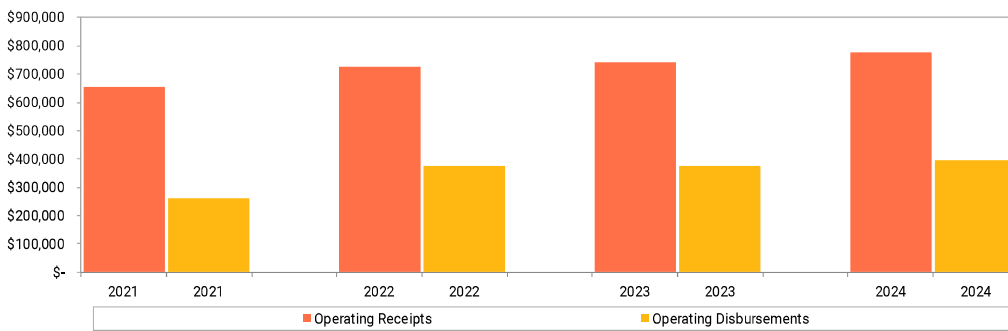
Water Fund

Cash Flows from Operations and Cash Balances



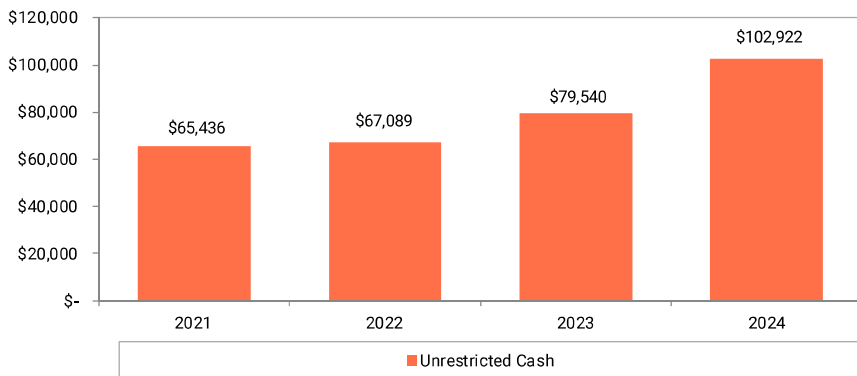
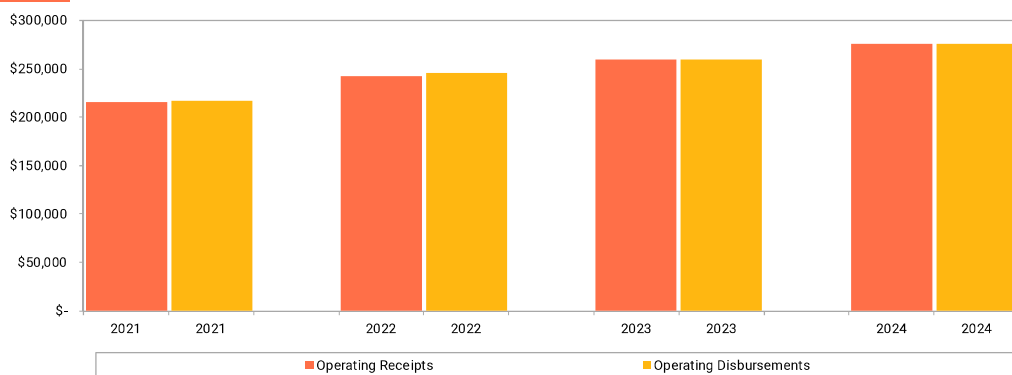
Sewer Fund

Cash Flows from Operations and Cash Balances



Storm Water Fund

Cash Flows from Operations and Cash Balances

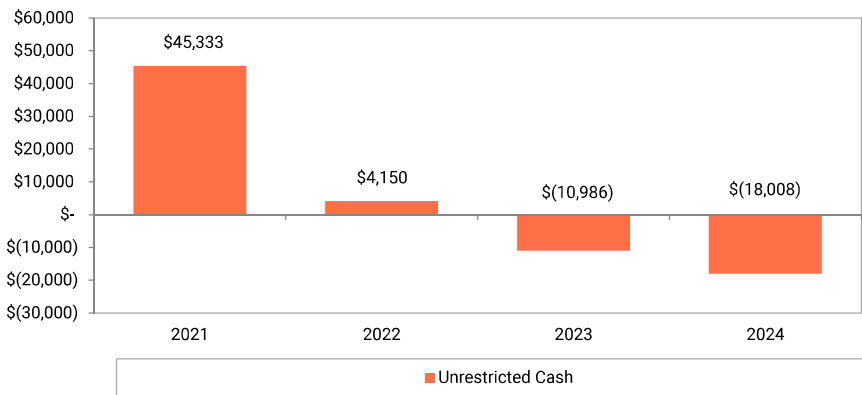
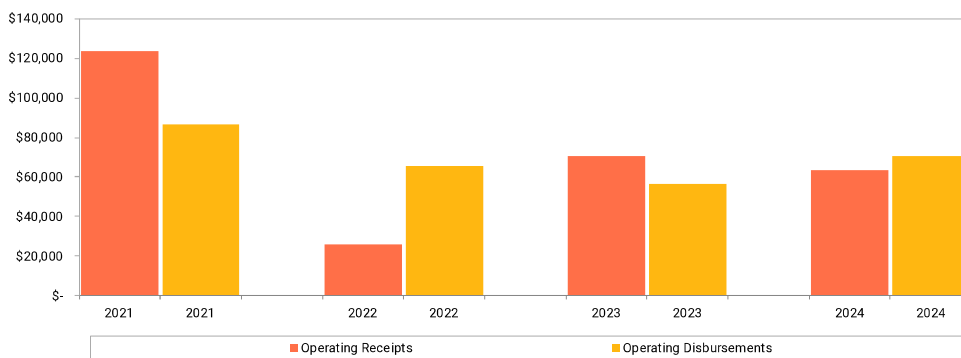


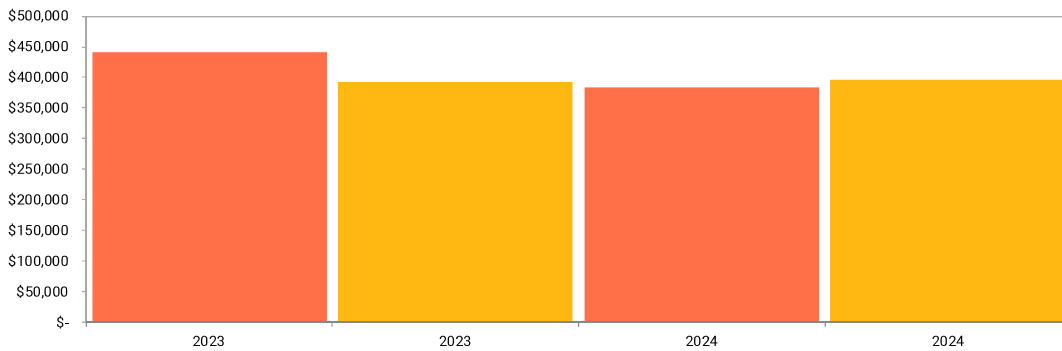
Recycling Fund

Cash Flows from Operations and Cash Balances

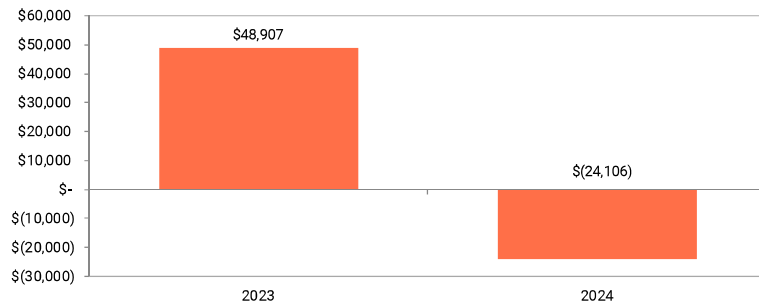
Cable Television Fund

Cash Flows from Operations and Cash Balances





Operating Receipts Operating Disbursements

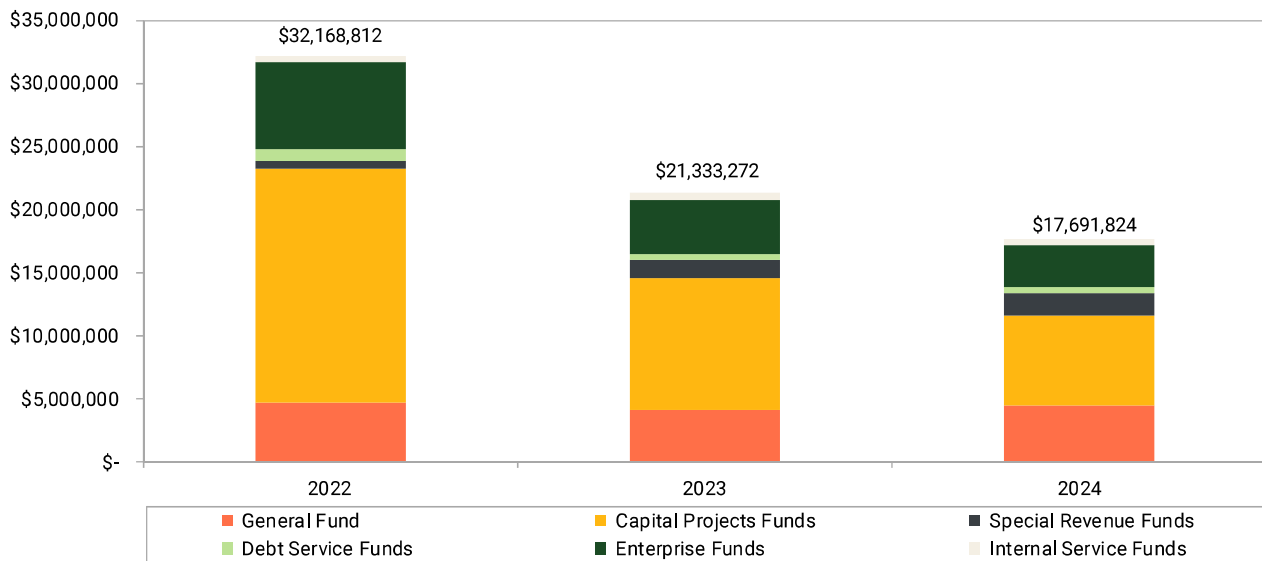


Unrestricted Cash

Golf Course Fund

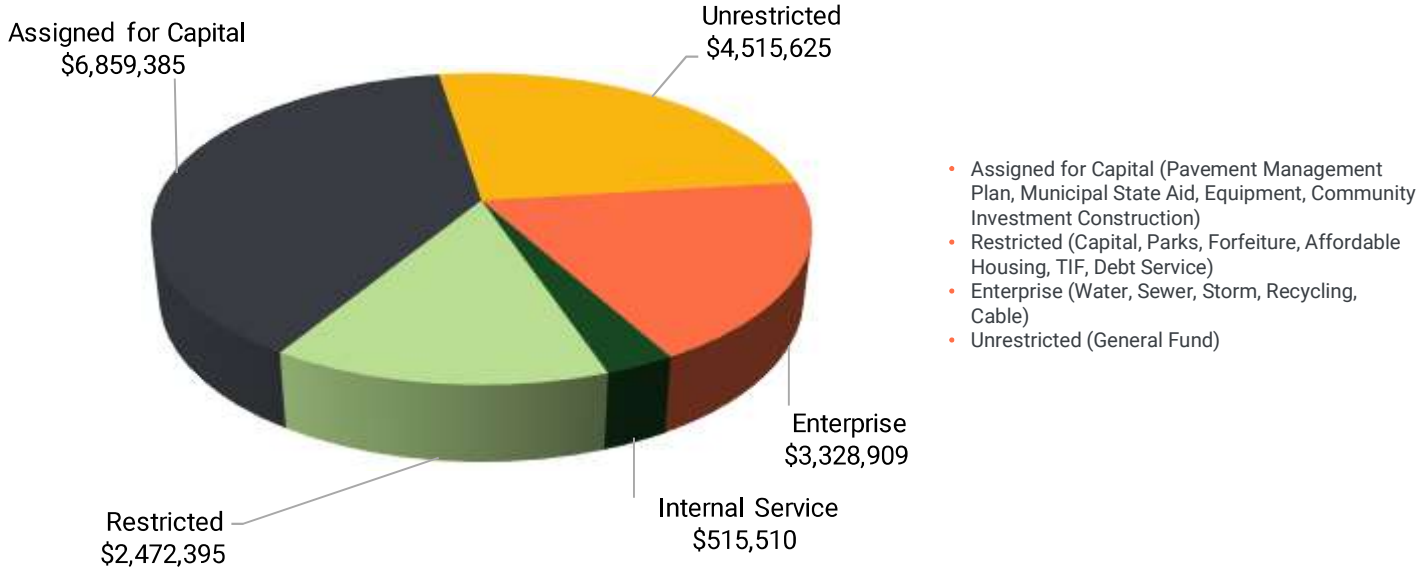
Cash Flows from Operations and Cash Balances

Cash and Investments Balances



Cash and Investments Balances

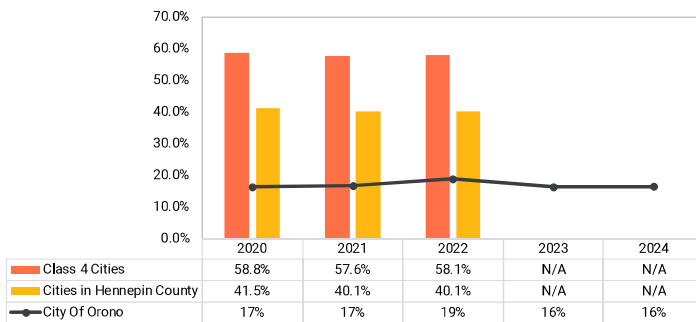
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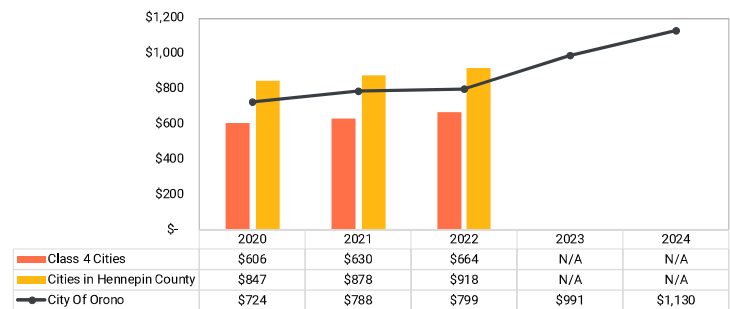
Taxes

Key Performance Indicators

Tax Rate

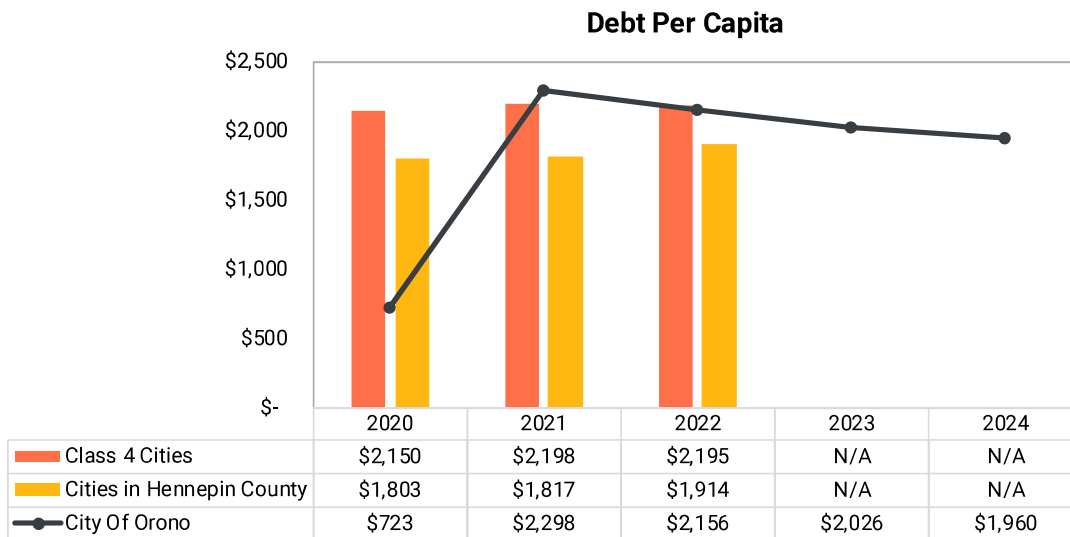


Taxes Per Capita



Debt

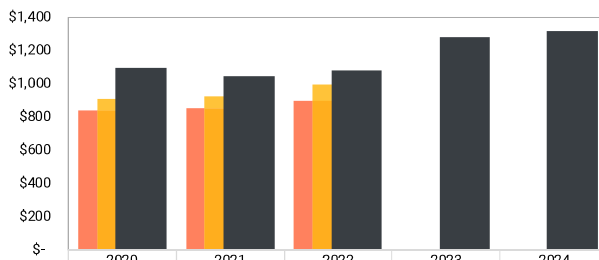
Key Performance Indicators



Expenditures

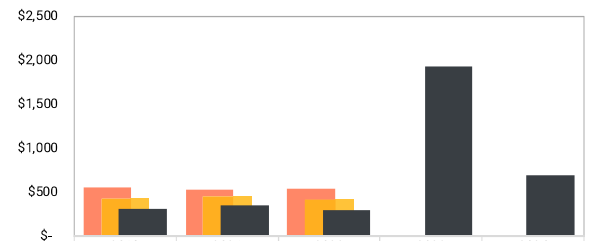
Key Performance Indicators

Current Expenditures Per Capita



	2020	2021	2022	2023	2024
Class 4 Cities	\$839	\$856	\$901	N/A	N/A
Cities in Hennepin County	\$913	\$929	\$995	N/A	N/A
City Of Orono	\$1,099	\$1,048	\$1,084	\$1,282	\$1,321

Capital Expenditures Per Capita



	2019	2021	2022	2023	2024
Class 4 Cities	\$558	\$527	\$536	N/A	N/A
Cities in Hennepin County	\$430	\$447	\$419	N/A	N/A
City Of Orono	\$310	\$348	\$299	\$1,936	\$693

Your Abdo Team



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AGENDA ITEM



Date: June 23, 2025

Item: 7

Title: Tree Inventory Analysis & Maintenance Strategy

Presenter: Joe Ruthenberg, Superintendent - Parks, Facilities

Section: Parks Report

1. **Purpose:**

The purpose of this item is to present the Orono Tree Inventory Analysis and Maintenance Strategy plan to the City Council.

2. **Background:**

Since 2019, the City has been using tree inventory grants from the Hennepin County Forestry division to assess the diversity and health of the trees within the City's parks and right-of-ways. In 2024, the City received a grant to complete an tree maintenance plan. A maintenance plan is a requirement for most tree management grants. The City of Orono's Tree Inventory Analysis & Maintenance Strategy, prepared by Davey Resource Group, Inc. (DRG), focuses on analyzing inventory data, quantifying the benefits provided by the community's inventoried trees, and identifying their maintenance needs.

3. **Summary:**

This project supports the City of Orono's commitment to community well-being through tree conservation and improved forestry management. The plan provides expert guidance to preserve and grow the urban canopy, ensuring the environmental, economic, and social benefits of trees are sustained for current and future generations.

The report recommends a proactive maintenance approach, focusing first on high-priority pruning and removals, to maximize long-term value, reduce future costs, and enhance urban forest health.

4. **Cost:**

The report provides estimates and recommended work schedules for addressing diseased trees on public lands. Tree work is funded by the general fund as part of the Park and Street departments' operating budgets. Some funding is available through state and county grants.

5. **Staff Recommendation:**

Staff will be using the tree plan to inform budget proposals for 2026 and beyond.

COUNCIL ACTION REQUESTED

Review the tree plan and provide guidance to staff on priorities and direction.

Exhibits

[Tree Inventory Analysis and Maintenance Strategy](#)
[Tree Management Planning](#)

TREE INVENTORY ANALYSIS & MAINTENANCE STRATEGY PREPARED FOR

City of Orono

March 2025



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APPENDICES

- A. Summary of Recommendations
- B. Study Area and Data Collection Study Area

ACKNOWLEDGMENTS



This project supports the City of Orono’s vision to promote and enhance community well-being through tree conservation and improved forestry management practices. This *Emerald Ash Borer Management Plan* offers expert recommendations for preserving and expanding urban canopy so the environmental, economic, and social benefits it provides are maximized today and for future generations.

The City of Orono is thankful for the grant funding it received from Hennepin County Healthy Tree Canopy grant. The Hennepin County Healthy Tree Canopy Grant Program is designed to encourage communities to create and support sustainable urban forestry programs throughout the county.

The City of Orono recognizes the support of:

The County of Hennepin, State of Minnesota

Adam Edwards, City Administrator

Joe Ruthenberg, Parks and Facilities Superintenden

Notice of Disclaimer: Inventory data was not provided by Davey Resource Group, Inc. (DRG). Visual records do not include individual testing or analysis, nor do they include aerial or subterranean inspection. DRG is not responsible for the discovery or identification of hidden or otherwise non-observable hazards. Records may not remain accurate after inspection due to the variable deterioration of inventoried material. DRG provides no warranty with respect to the fitness of the urban forest for any use or purpose whatsoever. Clients may choose to accept or disregard DRG’s recommendations or to seek additional advice. Important: know and understand that visual inspection is confined to the designated subject tree(s) and that the inspections for this project are performed in the interest of facts of the tree(s) without prejudice to or for any other service or any interested party.

EXECUTIVE SUMMARY

The City of Orono’s *Tree Inventory Analysis & Maintenance Strategy*, prepared by Davey Resource Group, Inc. (DRG), focuses on analyzing inventory data, quantifying the benefits provided by the community’s inventoried trees, and identifying their maintenance needs.

DRG received street and park tree inventory data from Orono that was collected by an outside contractor in 2019, 2020, and 2022. DRG’s staff then analyzed the inventory data to understand the structure of the City’s inventoried tree resource and provide recommendations on priority and routine maintenance programs for future tree care. The data was also analyzed using i-Tree Eco to calculate the economic value of the community’s inventoried public trees and their environmental benefits (i.e., stormwater, carbon, and air pollution).

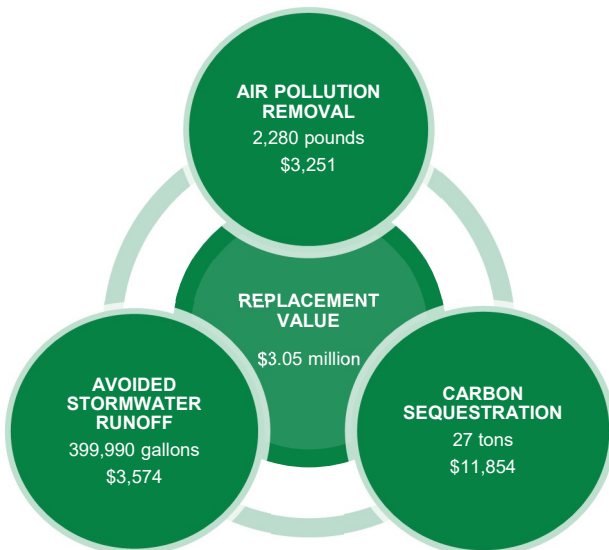
The City of Orono’s inventoried trees have an estimated replacement value of over \$3.05 million and provide \$18,679 annually in stormwater, air quality, and carbon benefits each year.

Supporting and funding proactive maintenance of Orono’s public trees is a sound long-term investment that will maximize tree benefits, reduce tree care costs over time, and increase the value of the urban forest. While other municipal infrastructure loses value over time depreciates, the value of public trees increases (appreciates).

Calculating Tree Benefits

The benefits of Orono’s inventoried trees presented in this Plan are calculated using **i-Tree Eco**. i-Tree is the industry recognized suite of tools used to measure and quantify the ecosystem benefits that trees provide.

i-Tree is a partnership between the USDA Forest Service, The Davey Tree Expert Company, the Arbor Day Foundation, the International Society of Arboriculture, Society of Municipal Arborists, Casey Trees, and SUNY College of Environmental Science and Forestry. It was released in 2006 and its models are updated regularly based on the latest science and research.



High priority tree removal and pruning, while initially requiring a significant portion of the Year 1 budget in the five-year schedule as depicted in Table 7, bring valuable benefits. As this essential work is accomplished, budgets are anticipated to decrease and become more stable. This shift marks the progression of tree management that focuses on a proactive maintenance strategy. Notably, this proactive approach plays a crucial role in increasing tree benefits and diminishing the emergence of new elevated risk trees over time by preventing minor tree defects from deterioration.

Inventory Analysis Summary

Inventoried Sites

- Trees = 4,602

Annual Benefits

- Avoided Stormwater Runoff = \$3,574
- Air Pollution Removal = \$3,251
- Carbon Sequestration = \$11,854

Species Diversity

Top 5 Inventoried Species

SPECIES	% OF INVENTORIED POPULATION
Green ash	26%*
Boxelder	9%
Sugar maple	8%
American elm	6%
American basswood	5%

* Exceeds industry guidelines of no more than 10% of one species in tree population.

Top 5 Inventoried Genera

GENUS	% OF INVENTORIED POPULATION
Ash	27%*
Maple	22%*
Elm	11%
Spruce	7%
Oak	5%

* Exceeds industry guidelines of no more than 10% of one species in tree population.

Relative Age Distribution

The approximate age of a tree can be identified by the tree's diameter size. Of the inventoried trees:

- 37% were young (0-8"), compared to the 40% industry guidelines.
- 43% were established (9-17"), compared to the 30% industry guidelines.
- 13% were maturing (18-24"), compared to the 20% industry guidelines.
- 7% were mature (>24"), compared to the 10% industry guidelines.

Pest Susceptibility

76% of inventoried trees are susceptible to one or more pests, including:

- Emerald ash borer.
- European spongy moth.
- Asian longhorned beetle.

Condition

Of the 4,602 inventoried trees, there were:

- 7% in Excellent condition.
- 30% in Good condition.
- 47% in Fair condition.
- 14% in Poor condition.
- 2% were Dead

Recommended Maintenance



Tree Removal

Trees designated for removal have defects that cannot be cost-effectively or practically corrected. Many of the trees in this category have a large percentage of dead crown.

Total = 4,602 trees

Poor Condition = 636 trees

Dead = 101 trees

*3 trees within the data set provided to DRG were not assigned a condition rating



Priority Pruning

Priority pruning removes defects such as dead and dying parts or broken and/or hanging branches. Pruning the defective part(s) can lower risk associated with the tree while promoting healthy growth.

Total = 0 trees



Routine Pruning Cycle

Over time, routine pruning of Low Risk trees can minimize reactive maintenance, limit instances of elevated risk, and provide the basis for a robust risk management program.

Total = 3,862 trees

Number of trees in cycle each year = approximately 772



New Tree Planting

Planting new trees in areas that have poor canopy continuity or sparse canopy is important to ensure that tree benefits are distributed evenly across the city.

Planting goal: 2:1 replacement to removal ratio



Young Tree Training Cycle

Younger trees may have branch structure that can lead to potential problems as the tree ages, requiring training to ensure healthy growth. Training is generally completed from the ground with a pole pruner or pruning shear.

Total = 957 trees

Number of trees in cycle each year = approximately 319



Routine Inspection & Inventory Updates

Routine inspections and inventory updates are essential to uncovering potential problems with trees and should be performed by a qualified arborist who is trained in the art and science of planting, caring for, and maintaining individual trees.

Total = 3,862 trees not recommended for removal

Number of trees in cycle each year = approximately 772

Introduction

The City of Orono is home to over 8,119 residents benefiting from public trees in their community. The City of Orono & the Parks and Facilities Department manages all the trees along the street right-of-way (ROW) and throughout public parks and golf courses.

In February 2025, the City of Orono worked with DRG to analyze its public tree data and develop this *Tree Inventory Analysis & Maintenance Strategy*. Consisting of three sections, this plan considers the diversity, distribution, and condition of the inventoried tree population and provides a prioritized system for managing Orono’s public trees.

The sections of this plan are as follows:

- *Section 1: Structure and Composition* summarizes the inventory data with trends representing the current state of public trees.
- *Section 2: Functions and Benefits* summarizes the estimated value of benefits provided to the community by public trees’ various functions.
- *Section 3: Recommended Maintenance* details a prioritized maintenance schedule and provides an estimated budget for recommended maintenance activities over a five-year period.

This *Tree Inventory Analysis & Maintenance Strategy* is designed to help the community understand the current state of its public trees, set future goals and benchmarks, anticipate future program needs, and focus on proactive maintenance.

The Urban Forest Program Continuum (shown on Page 2) outlines the steps to effectively and sustainably manage and care for Orono’s urban forest. The continuum includes other plans that can support Orono’s urban forest, including:

- **Urban Forest Management Plan** which establishes a detailed 3- to 5-year work plan to address maintenance needs using current tree inventory data to streamline Orono’s urban forest management program.
- An **Urban Forest Master Plan** engages stakeholder and community members to provide a comprehensive vision for the future of the City’s urban forest, with recommendations and a road map of action steps to reach Orono’s urban forestry goals.

URBAN FOREST PROGRAM CONTINUUM™

STAY ON TRACK FOR SUSTAINABLE GROWTH

Below are the steps that urban forest programs take to create and maintain the healthiest and most resilient urban forest possible. Each component creates a strong foundation of strategic planning, program funding, and community support which results in thriving urban forests.



TREE CITY USA
Tree Board
Funding
Ordinance



DEDICATED COMMITMENT
Certified
Arborist Staff
Annual Level 1 Assessments



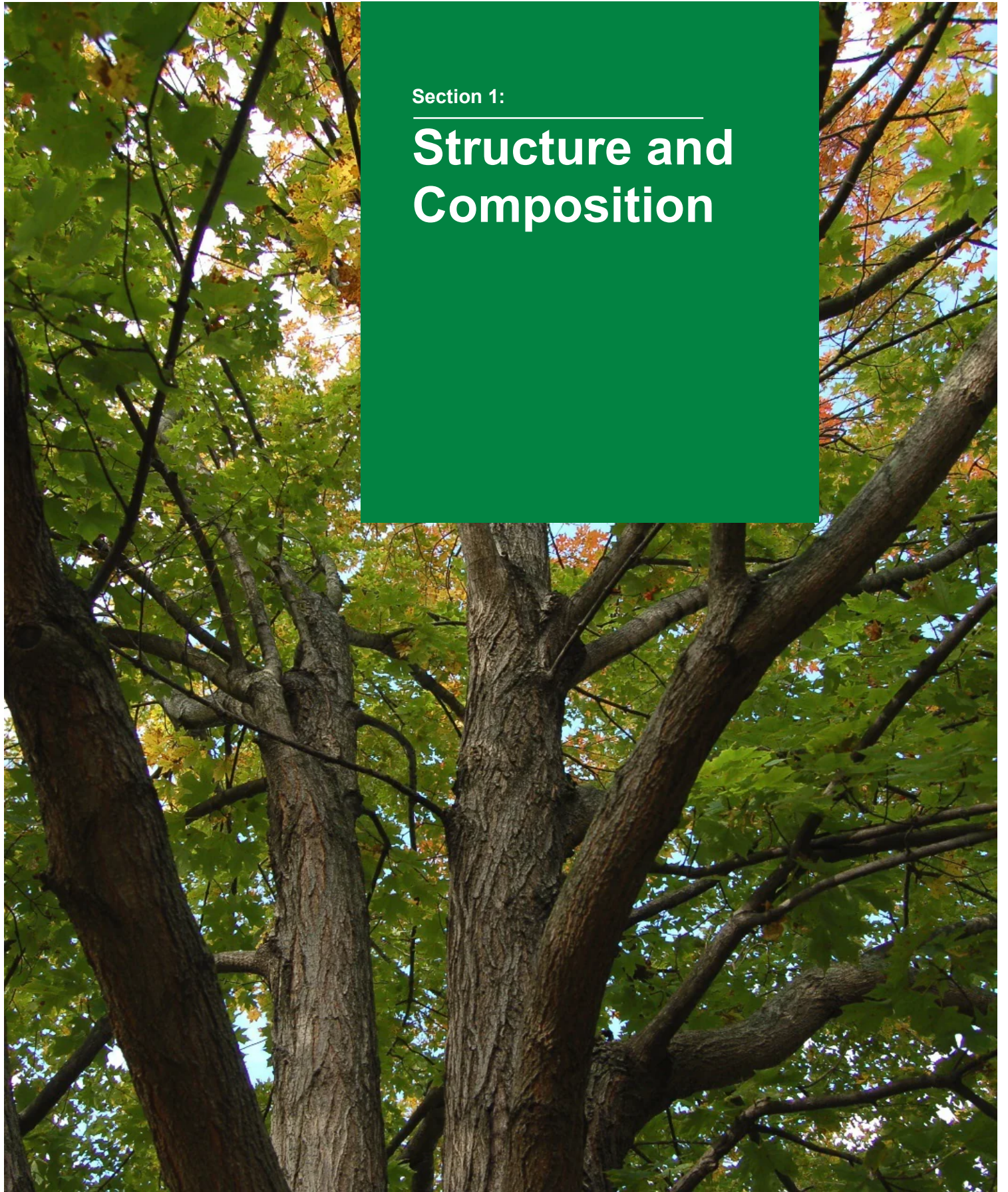
TREE INVENTORY
Inventory Updating
Goal Setting



FUNDED PROGRAM
Urban Forest
Management Plan
Proactive Maintenance



URBAN FOREST MASTER PLAN
20-year Vision
Urban Tree Canopy Analysis
Stakeholder Input



Section 1:

Structure and Composition

Section 1: Structure And Composition

The City of Orono contracted arborists who collected data on tree sites along the street ROW and in public parks throughout Orono; **4,602 sites were inventoried**, with 63% collected along the street ROW and 37% collected in parks (Figure 1).

SPECIES & GENERA DIVERSITY

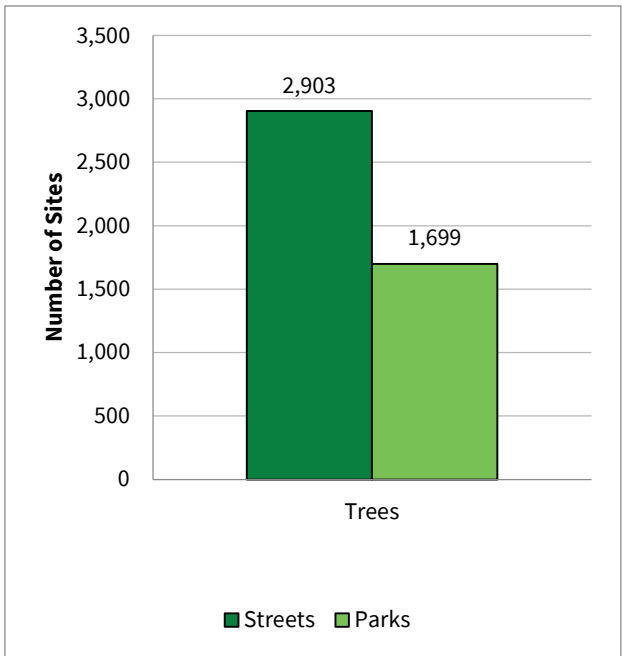


Figure 1. Number of inventoried sites by location and type.

Diversity within plant communities is important for increasing their resistance and resilience to disturbance (see side panel, “The Importance of Species Diversity”). The 10-20-30 rule is a common urban forestry industry metric for tree species diversity in which a single species should compose no more than 10% of the population, a single genus no more than 20%, and a single family no more than 30%. Some communities may be in the position to pursue more aggressive diversity goals, such as a 5-10-15 metric.

There are **80 different species within Orono’s ROW and parks**; however, there are five species collected that do not typically grow in this region. These species include Cornelian cherry (*Cornus mas*), Lodgepole pine (*Pinus contorta*), loblolly pine (*Pinus taeda*), Cascara buckthorn (*Rhamnus purshiana*), and western red cedar (*Thuja plicata*). Figure 2 shows the species diversity breakdown for Orono’s most common inventoried trees. **Green ash is the most common tree (26%)**, followed by boxelder (9%) and sugar maple (8%).

The City’s inventoried trees represent 32 distinct genera. Figure 3 shows the genera diversity breakdown for Orono’s inventoried trees. **Ash is the most common genus (27%)**, followed by maple (22%), elm (11%), and spruce (7%).

THE ROLE OF NON-NATIVE TREE SPECIES IN THE URBAN ENVIRONMENT

Certain non-native tree species that are especially tolerant of harsh urban conditions can be a practical choice to plant, especially when aiming to sustain high levels of species diversity. Non-native species of concern are those that are considered *invasive*, which should not be planted regardless of the site conditions.

SPECIES & GENERA DIVERSITY RECOMMENDATIONS

- Avoid or limit planting of green ash and increase planting of other species until green ash make up less than 10% of public trees.
- Avoid or limit planting of ash and maple and increase planting of other genera until ash and maple make up less than 20% of public trees.
- Remove volunteer trees that have invasive tendencies, such as boxelder, from maintained public areas while small.
- Increase planting of uncommon species and genera which are well suited to urban environments.

THE IMPORTANCE OF DIVERSITY

The Dutch elm disease epidemic of the 1930s provides a key historical lesson on the importance of diversity. The disease killed millions of American elm trees, leaving behind enormous gaps in the urban canopy of many communities. In the aftermath, ash trees became popular replacements and were heavily planted along city streets. History repeated itself in 2002 with the introduction of the emerald ash borer into US. This invasive beetle continues to devastate ash tree populations across the country.

Other invasive pests and diseases, severe weather events, and climate change threaten our urban forests today, so it's vital that we learn from history and plant a wider variety of tree species and genera to develop a resistant and resilient public tree resource.

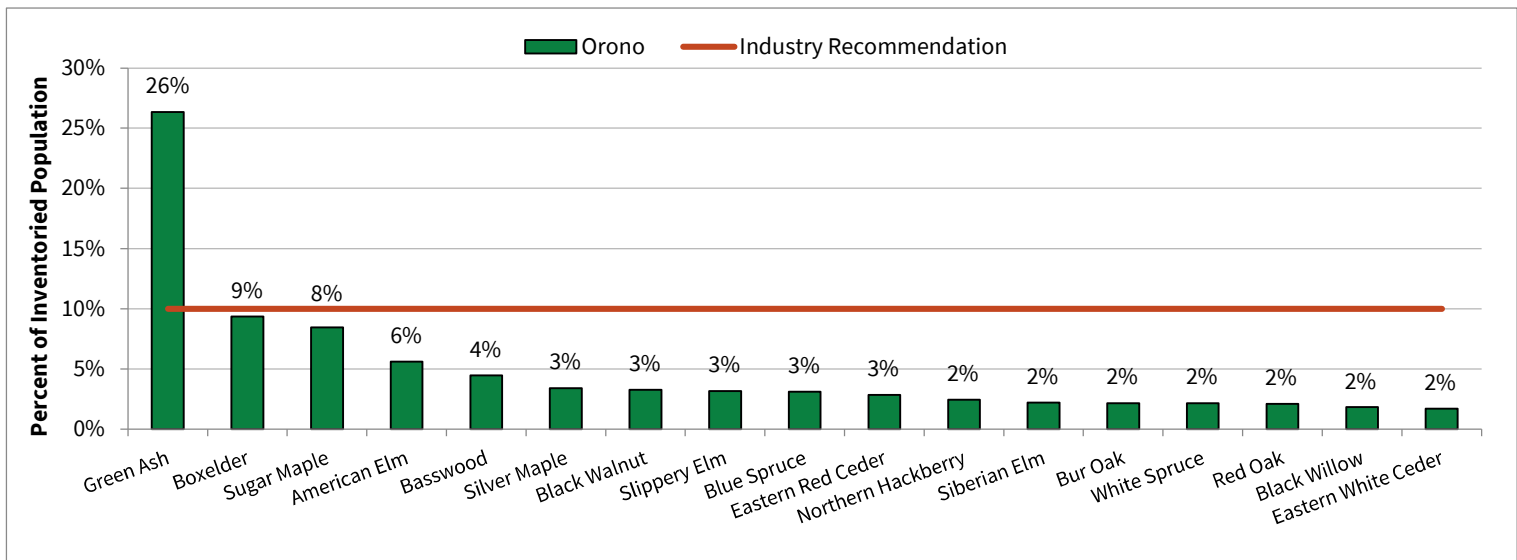


Figure 2. Species diversity of trees which make up at least 2% of the inventoried population.

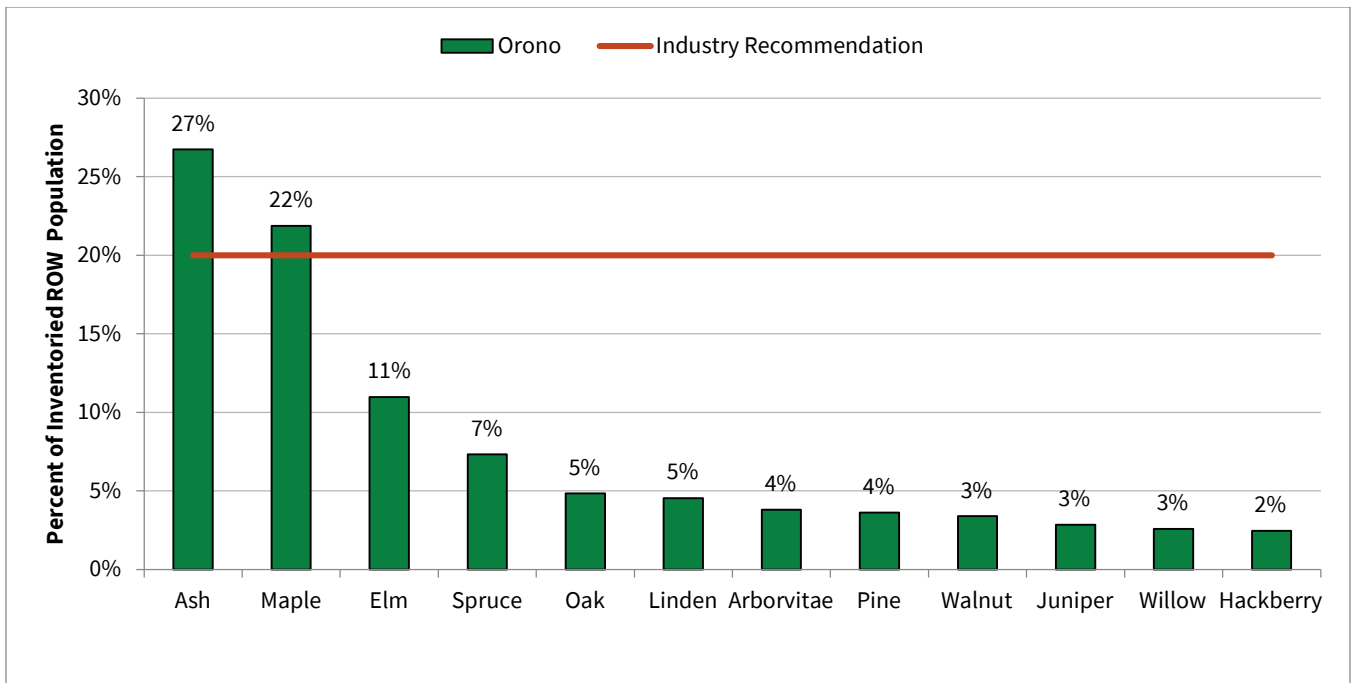


Figure 3. Genera diversity of trees which make up at least 2% of the inventoried population.

PEST SUSCEPTIBILITY

Early identification of tree pests and diseases can reduce the impact of infestations on the urban forest. Infestations which are caught while still limited to a small number of trees can be more easily and cost-effectively managed and help prevent the further spread of the pest or disease. Since many pests and diseases have preferred host tree species and genera, the susceptibility of an urban forest to a pest or disease can be predicted based on its species and genus diversity.

Figure 4 presents the percentage of inventoried trees which are susceptible to pests and diseases of concern in Minnesota. It is important to remember that this figure only represents data collected during the inventory, and many more trees throughout Orono, such as those on private property, may be susceptible to hosting these invasive pests.

63% of inventoried trees in Orono are susceptible to Asian longhorned beetle. Other pests which could affect a large portion of public trees include emerald ash borer (25% of street trees and 30% of park trees), and spongy moth (18% of street trees and 14% of park trees).

PEST SUSCEPTIBILITY RECOMMENDATIONS

- Monitor trees for signs and symptoms of pests and diseases on a regular basis. This can be done as part of other routine maintenance activities such as pruning.
- When a pest or disease is suspected, act quickly to confirm the identification and begin management.

- Prepare an invasive species management plan to guide the response to future pest or disease infestations.
- When planting trees, select pest- or disease-resistant species or cultivars whenever possible.
- Use preventative pesticide treatments on high-value or historic trees that are susceptible to problematic pests and/or diseases in Minnesota.

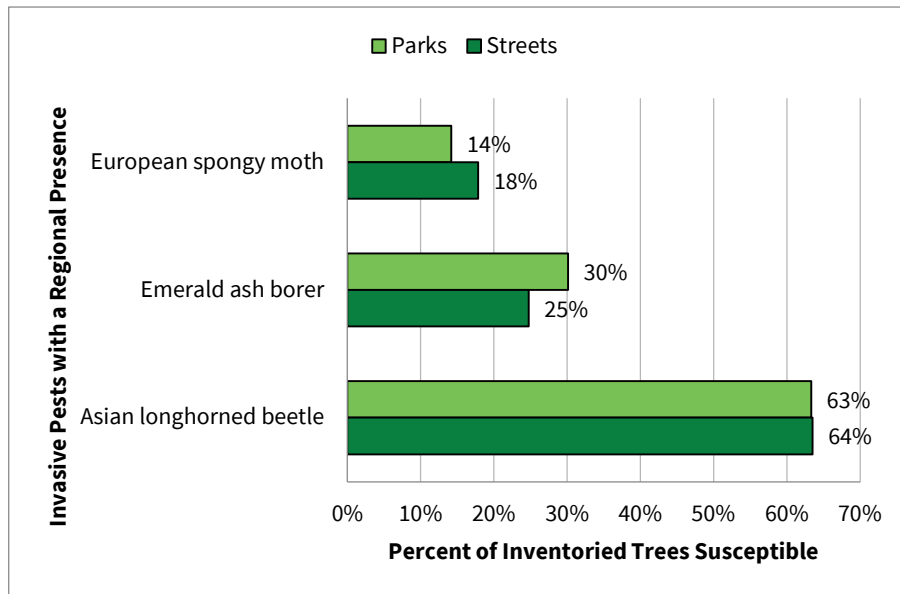


Figure 4. Susceptibility of the tree resource to pests and diseases of concern in Minnesota.

CONDITION

During the inventory, each tree was assigned a condition rating based on several factors, including root characteristics; branch structure, trunk, canopy, and foliage condition; and the presence of pests or disease. Tree condition was rated as Excellent, Good, Fair, Poor, and Dead.

Figure 5 provides the condition rating breakdown for street and park trees in Orono. **Most trees were in Good or Fair condition (78%).** 11% of the street trees and 5% of park trees were in Poor or Dead condition. 5% of the street trees and 8% of the park trees were in excellent condition. Within the provided data set, three trees were not assigned a condition rating and were not added to Figure 5.

CONDITION RECOMMENDATIONS

- Dead and dying trees should be removed as soon as possible in priority order from highest to lowest risk to reduce public hazards, create space for new planting, and improve the appearance of Orono’s streets and parks.

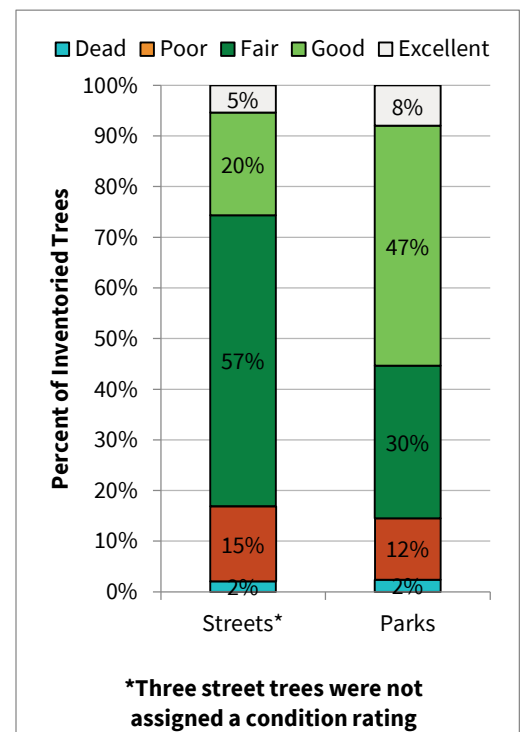


Figure 5. Condition ratings of street trees.

- Trees in Poor condition not recommended for removal should be maintained to reduce risk associated with defects and should be routinely monitored for further decline that would necessitate removal.
- Condition ratings can be improved over time by instituting proactive maintenance cycles such as routine pruning and young tree training. All tree pruning should follow *ANSI A300 (Clause 5)* guidelines.

RELATIVE AGE DISTRIBUTION

Analysis of a tree population’s relative age distribution can be performed by assigning age classes to the diameter of trees. While actual tree age cannot be determined by diameter alone, this industry standard method provides an estimate of the approximate age distribution of the inventoried tree population. Since trees at different stages of development need different types and frequencies of maintenance, age distribution can help inform management needs and decisions.

The size classes (left) are based on the industry-recognized ideal relative age distribution, which holds that the largest proportion of the inventoried tree population (40%) should be young trees, smaller portions should be established and maturing trees (30% and 20%, respectively), and the smallest proportion (10%) should be mature trees.

Figure 6 compares the age distribution of the tree population to standard industry recommendation. Overall, Orono’s **street trees are trending toward the industry recommended age distribution**, with a surplus of established trees (46%), moderate numbers of young and mature trees (38% and 6%, respectively), and fewer maturing trees (11%). **In parks, there is an underrepresentation of young and maturing trees** (35% and 16% versus the 40% and 20% recommendation) **and a surplus of established trees** (39% versus the 30% recommendation).

Figure 7 compares tree condition ratings across the relative age classes for inventoried trees. **Trees across all age classes are generally in Fair condition.** In general, trees in the young age class are more likely to be in Good condition, while maturing and mature age classes are more likely to have trees in Poor condition.

RELATIVE AGE RECOMMENDATIONS

- The city of Orono’s park and street trees are young. Orono should focus on tree pruning and proactive care for these young and established trees, and a maintenance plan should be implemented to ensure that the young and established trees can mature while retaining good health and proper form.
- A large proportion of street trees are young or established (53% of street trees and 28% of park trees). A young tree training cycle should be instituted to structurally prune these younger trees to ensure good form and improve health as they mature.
- Street tree planting is currently sufficient to maintain the recommended age distribution. However, sustained planting efforts over time will be necessary to retain this age distribution.

Age/Size Classes

Young: 0-8 inches diameter at standard height (DSH), as measured 4.5’ above the ground

Established: 9-17 inches DSH

Maturing: 18-24 inches DSH

Mature: 25+ inches DSH

- Routine, proactive maintenance, such as young tree training and routine pruning, may help improve tree condition, particularly among maturing and mature trees.

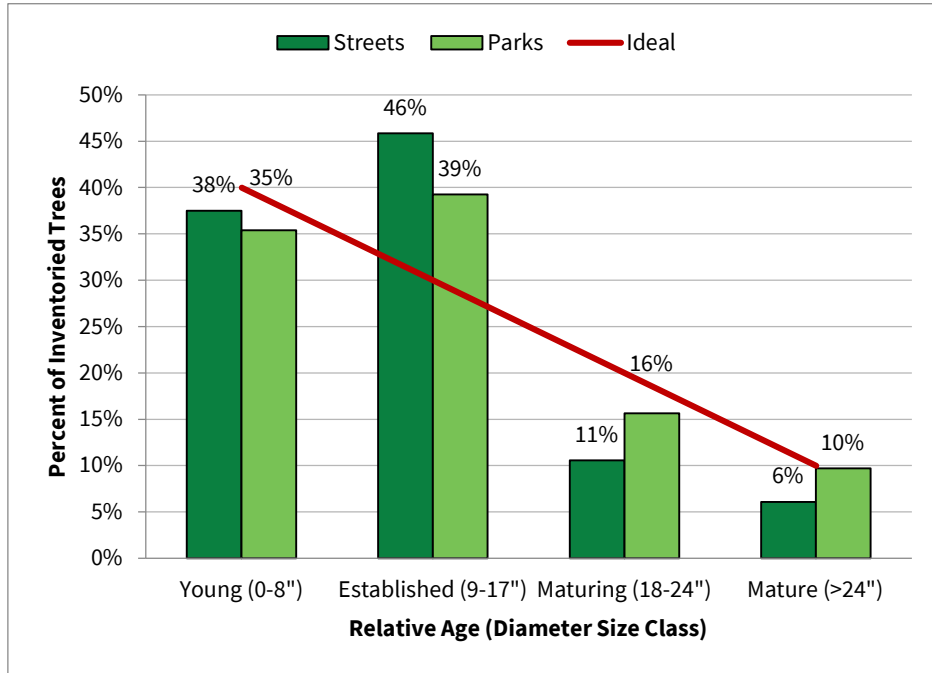


Figure 6. Relative age distribution of the inventoried trees.

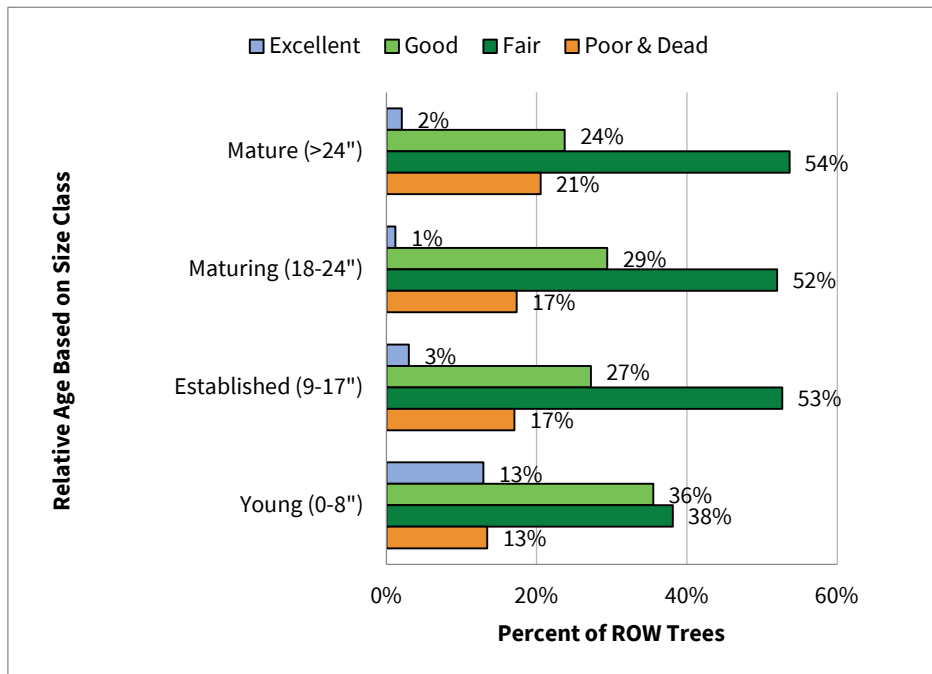
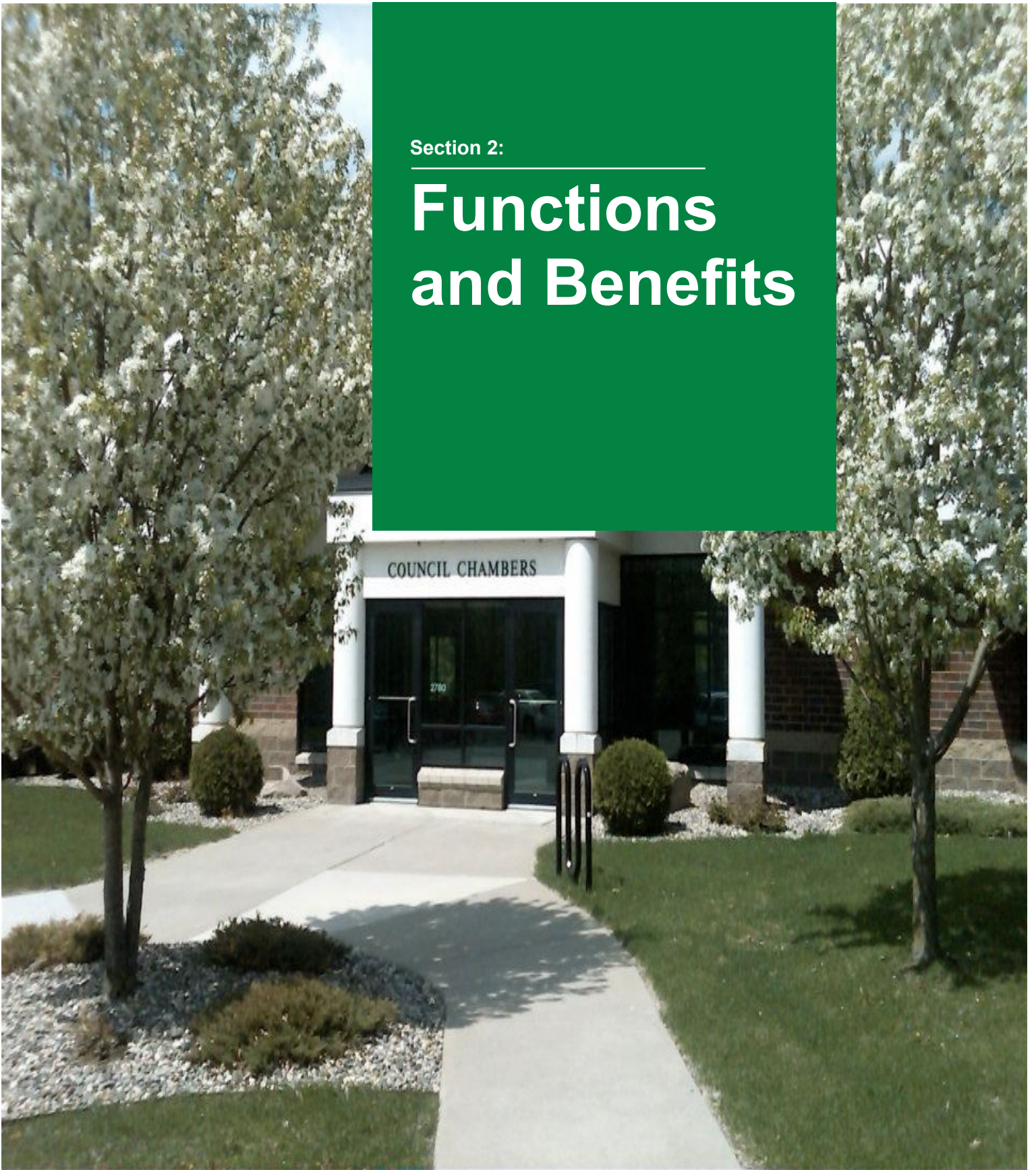


Figure 7. Inventoried tree condition ratings compared to age class.

Section 2:

Functions and Benefits



Section 2: Functions And Benefits

Trees play a vital role in the environment by providing a wide array of economic, environmental, and social benefits which far exceed the investments in planting, maintaining, and removing them. Trees reduce air pollution, improve public health outcomes, reduce stormwater runoff, sequester and store carbon, reduce energy use, and increase property value, among other benefits.

ENVIRONMENTAL BENEFITS

- Trees decrease energy consumption and moderate local climates by providing shade, cooling through their transpiration processes, and acting as windbreaks.
- Trees act as mini reservoirs, helping to slow and reduce the amount of stormwater runoff and pollutants that reaches storm drains, rivers, and lakes by 20-60% (Johnson et al. 2017).
- Trees reduce greenhouse gasses that can trap and retain heat in the atmosphere and cause the city to get warmer.
- Trees can reduce street-level air pollution by up to 60% (Coder 1996).
- Trees stabilize soil and provide a habitat for wildlife.

IMPROVED PUBLIC HEALTH

- Trees have been shown to prevent 1,200 heat-related deaths each year in the US (McDonald et al. 2020).
- By intercepting particulate matter, trees save over 850 lives and prevent 670,000 incidents of acute respiratory symptoms in the US each year (Nowak et al. 2014).
- Hospital patients recovering from surgery who had a view of a grove of trees through their windows required fewer pain relievers, experienced fewer complications, and left the hospital sooner than similar patients who had a view of a brick wall (Ulrich 1984, 1986).
- When surrounded by trees, physical signs of personal stress, such as muscle tension and pulse rate, were measurably reduced within three to four minutes (Ulrich 1991).

INCREASED SAFETY & COMMUNITY

- Tree-lined streets slow traffic and are safer for drivers, pedestrians, and cyclists (Swift et al. 1997, Ewing & Dumbaugh 2009).
- A 10% increase in neighborhood tree canopy cover has been associated with a 12-15% reduction in violent and property crimes (Gilstad-Hayden et al. 2015, O'Neil-Dunn 2012).

ECONOMIC BENEFITS

- Properly placing three trees around a home can reduce energy costs for the average household by \$100 to \$250 per year, while shading air conditioning units can help them run up to 10% more efficiently (U.S. Department of Energy, n.d.).
- Trees in a yard or neighborhood increase residential property values by an average of 10% (USDA Forest Service 2011), and commercial property rental rates are 7% higher when trees are on the property (Wolf 2007).
- Shoppers spend more time and money in shopping districts with mature, healthy tree canopies, and are willing to spend 9-12% more at businesses with trees in front of them (Wolf 2005, Hughes 2013).

i-TREE RESULTS

DRG used i-Tree Eco, a tool within the i-Tree suite, to model benefits provided by Orono’s inventoried public trees. i-Tree Eco combines tree inventory data with local air pollution and weather data to quantify the environmental benefits of a community’s trees (Table 1). By framing trees and their benefits as dollars saved per year, i-Tree models can help communities understand trees as both a natural resource and an economic investment. Understanding the composition, functions, and economic value of trees is essential for making informed planning and management decisions. This knowledge not only helps to better understand how decisions can affect human health and environmental quality but also empowers communities to advocate for the funding required to effectively manage and care for their valuable public trees.

Table 1. Summary of benefits provided by the most common inventoried street trees.

MOST COMMON TREES INVENTORIED	COUNT	PERCENT OF TOTAL	BENEFITS PROVIDED BY STREET TREES				
			CO ₂ STORED	CO ₂ SEQUESTERED	AVOIDED RUNOFF	AIR POLLUTION REMOVED	REPLACEMENT VALUE
COMMON NAME		%	TONS	TONS/YEAR	GAL/YEAR	LBS/YEAR	DOLLARS
Green ash	1,212	26.4%	266.9	5.0	653,574	520	\$611,208
Boxelder	431	9.4%	179.0	3.2	253,332	200	\$263,173
Sugar maple	389	8.5%	237.0	2.5	290,367	220	\$262,421
American elm	258	5.6%	77.6	1.7	126,786	100	\$154,167
American basswood	208	4.5%	92.6	1.3	234,370	180	\$211,149
Blue spruce	171	3.7%	25.4	0.4	47,847	40	\$42,800
Silver maple	157	3.4%	212.2	2.4	265,733	220	\$319,720
Black walnut	150	3.3%	57.7	1.4	109,164	80	\$90,539
Slippery elm	138	3.0%	21.9	0.7	55,224	40	\$61,797
Eastern red cedar	131	2.9%	36.9	0.4	70,225	60	\$62,655
Northern white cedar	119	2.6%	20.3	0.2	24,520	20	\$33,884
Northern hackberry	113	2.5%	7.0	0.1	100,276	80	\$74,669
Siberian elm	101	2.2%	25.9	0.4	26,076	20	\$33,531
White spruce	99	2.2%	26.6	0.2	43,510	40	\$37,846
Bur oak	99	2.2%	142.7	0.9	116,552	100	\$170,979
All Other Trees Inventoried	826	17.8%	535	6.4	574,575	360	\$624,458
Total	4,602	100%	1,964	27.4	2,992,130	2,280	\$3,054,995

ANNUAL BENEFITS

The i-Tree Eco model estimates the annual value of three environmental benefits: carbon sequestration, air pollutant removal, and stormwater runoff reduction. The model also calculates the lifetime carbon storage of inventoried trees as well as their replacement value. **The inventoried trees in Orono provide over \$18,679 of air quality, stormwater management, and carbon sequestration benefits each year** (Figure 8).

The amount of benefits provided by a tree is also influenced by species. Table 2 summarizes the key tree species that provide the greatest contribution to Orono’s annual benefits based on the results of the i-Tree Eco analysis of the public tree inventory. **The black maple, as well as bigtooth aspen, paper birch, eastern cottonwood, weeping willow, and various oak and maple, are major contributors to the annual quantifiable benefits** within the public tree resource.

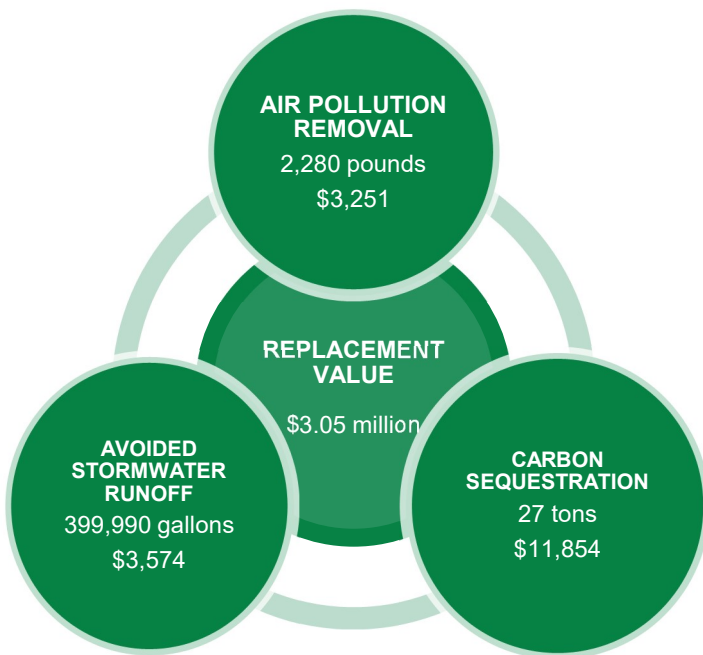


Figure 8. Breakdown of annual benefits provided by the inventoried tree resource.

Table 2. The inventoried species which provide the greatest annual benefit per tree.

SPECIES	ANNUAL BENEFITS PER TREE
Black maple	\$15.90
Bigtooth aspen	\$14.09
Paper birch	\$13.92
Eastern cottonwood	\$10.72
Weeping willow	\$10.65
Silver maple	\$10.46
Northern red oak	\$10.00
Northern pin oak	\$9.86
White oak	\$7.39
Kentucky coffee tree	\$7.29

IMPROVING AIR QUALITY

Trees and other vegetation improve air quality by intercepting and filtering particulate matter from the air, including dust, ash, pollen, and smoke. Their leaves also absorb harmful gaseous pollutants like ozone, nitrogen dioxide, and sulfur dioxide; and reduce ozone formation by shading surfaces and reducing air temperatures. Since airborne pollutants can have serious effects on human health, this benefit is extremely important, especially in heavily developed areas. **17% of Orono’s annual public tree benefits are associated with air pollution removal and are derived from the air pollutant removal.**

The **inventoried trees in Orono remove 2,280 lbs. of airborne pollutants each year; a service valued at \$3,251** (Table 3).

SEQUESTERING AND STORING CARBON

Trees are carbon sinks, which means they absorb carbon from the atmosphere– the opposite of carbon sources which produce and emit carbon into the atmosphere. While carbon is released from fossil fuel consuming vehicles and smokestacks, it is absorbed by trees during photosynthesis and stored in their tissue as they grow. **Orono’s public street trees sequester (absorb) an estimated 27 tons of carbon each year, valued at \$11,854, and have stored 1,964 tons of carbon over their lifetime, valued at \$849,963** (Table 3).

CONTROLLING STORMWATER

Trees play a significant role in local hydrology and water cycling helping to reduce the amount of stormwater runoff generated during rain events (Figure 9). Since stormwater runoff can cause infrastructure damage and flooding, reducing the amount of precipitation that becomes surface runoff can save a community costs in infrastructure repair and flooding mitigation. **The inventoried trees in Orono divert 399,990 gals. of stormwater each year valued at \$3,574** (Table 4).

REPLACEMENT VALUE

Replacement value is the approximate cost to replace an existing tree with a tree of a similar size and species. While doing this is typically not possible – for example, to replace a 20-inch diameter tree with another tree of similar size would not be feasible – replacement value can provide an idea of the overall value of the inventoried public trees in the city of Orono.

In total, Orono’s inventoried trees have a replacement value of \$3.05 million. Table 6 compares the per-tree replacement value of the street and park trees with the overall highest replacement values. **Bigtooth aspen is the most valuable tree in Orono among both the park and street tree populations**, with black maple and silver maple also making the top five. **Park trees generally have a greater per-tree replacement value than street trees, likely due to the greater age and larger size of park trees versus street trees** in Orono at the time of inventory.

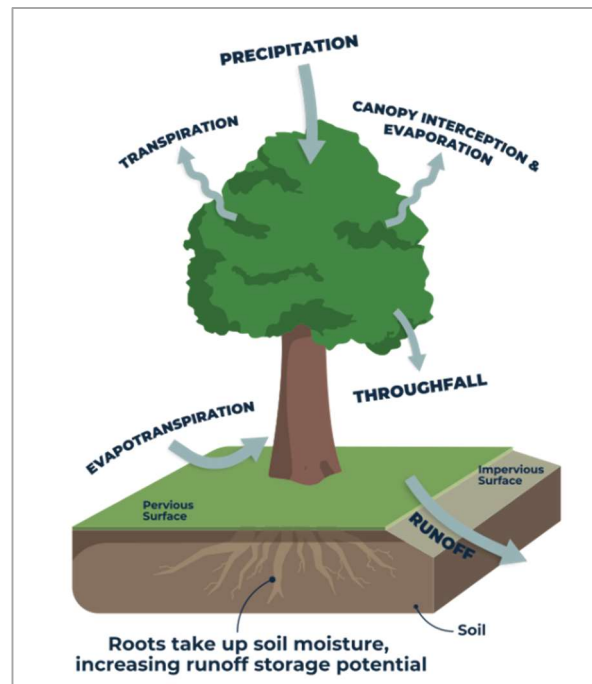


Figure 9. Hydrological functions of trees. Source: ‘Stormwater to Street Trees: Engineering Urban Forests for Stormwater Management’, EPA publication 841 B 13 001.

Table 3. Inventoried species with the highest per tree replacement value.

REPLACEMENT VALUE			
SPECIES	COUNT	TOTAL VALUE (\$/YR)	PER TREE VALUE (\$/TREE/YR)
White oak	178	\$977,740.89	\$5,492.93
American elm	10	\$45,538.05	\$4,553.81
Eastern cottonwood	5	\$18,181.02	\$3,636.20
Siberian elm	45	\$131,875.42	\$2,930.56
Silver maple	51	\$143,999.78	\$2,823.53

TREE BENEFIT RECOMMENDATIONS

- Large-stature, deciduous trees tend to provide the greatest benefits. The City of Orono should plan to plant these types of trees wherever possible to increase the benefits provided by the public trees. This may require enlarging existing tree planting spaces or creating large new tree planting spaces to accommodate large street trees. It also should include preserving existing large-stature trees and providing proactive care to young public trees to ensure they achieve mature status in the future.
- The protection of existing park trees should be a priority, and succession planning to replace park trees and increase tree cover in parks will have a large positive impact on tree benefits in Orono in the future.
- Oak were often among the largest contributors to tree benefits and are not currently overabundant in Orono. Planting oak will help to increase the benefits provided by public trees.
- The public trees in Orono account for only a fraction of the total benefits provided by the City’s trees, indicating that many of the trees which provide benefits to Orono are located on private property. The City of Orono should consider methods to preserve existing trees and promote new tree planting on private property throughout the city to increase tree benefits.



Section 3:

Recommended Maintenance

Section 3: Recommended Maintenance

Due to the absence of risk ratings, DRG recommends that tree maintenance activities are prioritized and completed based on the condition rating that was assigned to each tree during the inventory. Trees with a condition rating of Dead should be attended to first, followed by trees with a poor rating. Trees with a Fair, Good, or Excellent rating should be maintained once Poor and Dead trees have been removed. The following sections describe the recommended maintenance activities for each condition rating category.

This five-year tree maintenance schedule takes a multi-faceted and proactive approach to managing Orono's public inventoried trees.



PRIORITY MAINTENANCE

PRIORITY MAINTENANCE NEEDS

Addressing Dead and Poor condition trees identified in the inventory (Figures 10 & 11) in a timely manner will mitigate possible unidentified risk, improve public safety, maximize tree benefits, and reduce long-term costs. In general, Extreme and High Risk maintenance activities should be completed first for larger diameter trees that pose the greatest risk. Once these trees are addressed, recommended tree maintenance activities should be completed for small diameter trees.

The inventory identified:

- **60 Dead street trees and 41 park trees recommended for removal (Figure 10).** These Dead trees recommended for removal ranged in size from 3 to 32 inches DSH.
- **206 Poor condition street trees and 430 park trees recommended for removal (Figure 11).** These poor condition trees recommended for removal ranged in size from 1 to >31 inches DSH.

Fair, Good, and Excellent condition trees identified in the inventory are categorized as a part of routine maintenance and are discussed in the *Routine Pruning* section below.

PRIORITY MAINTENANCE RECOMMENDATIONS

- Trees with Dead or Poor condition ratings recommended for removal should be removed as soon as reasonably possible and prioritized based on their condition rating and size class. Tree removal is recommended when pruning will not correct the tree’s defects, will not eliminate the risks caused by defects, or when pruning would be cost-prohibitive.

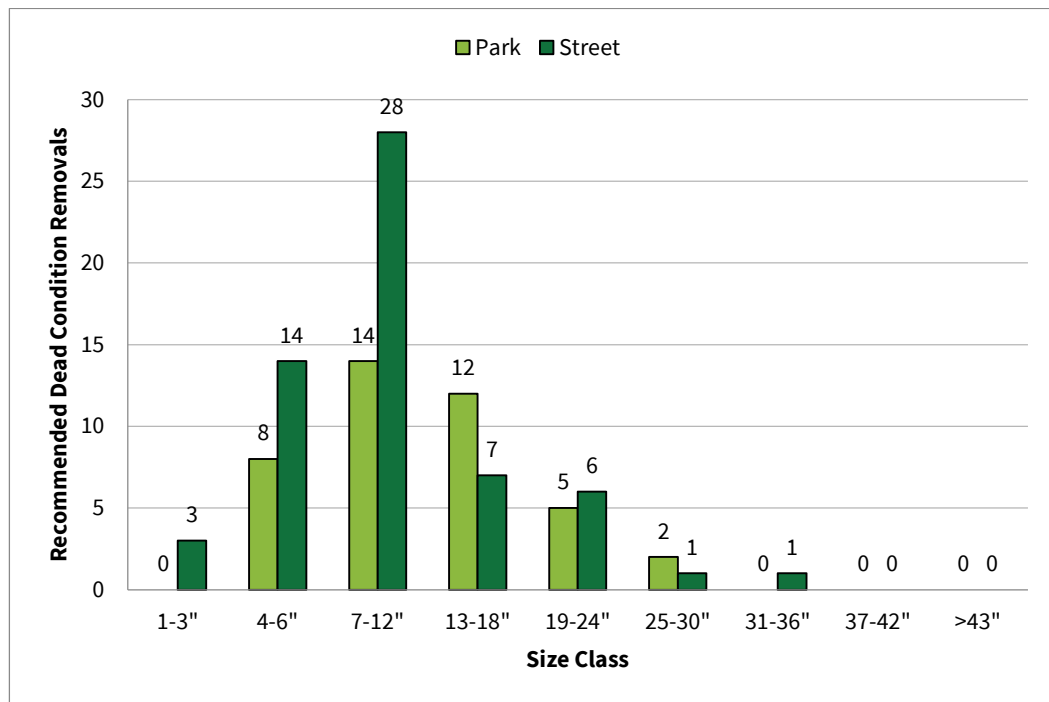


Figure 10. Removal recommendations for Dead condition trees.

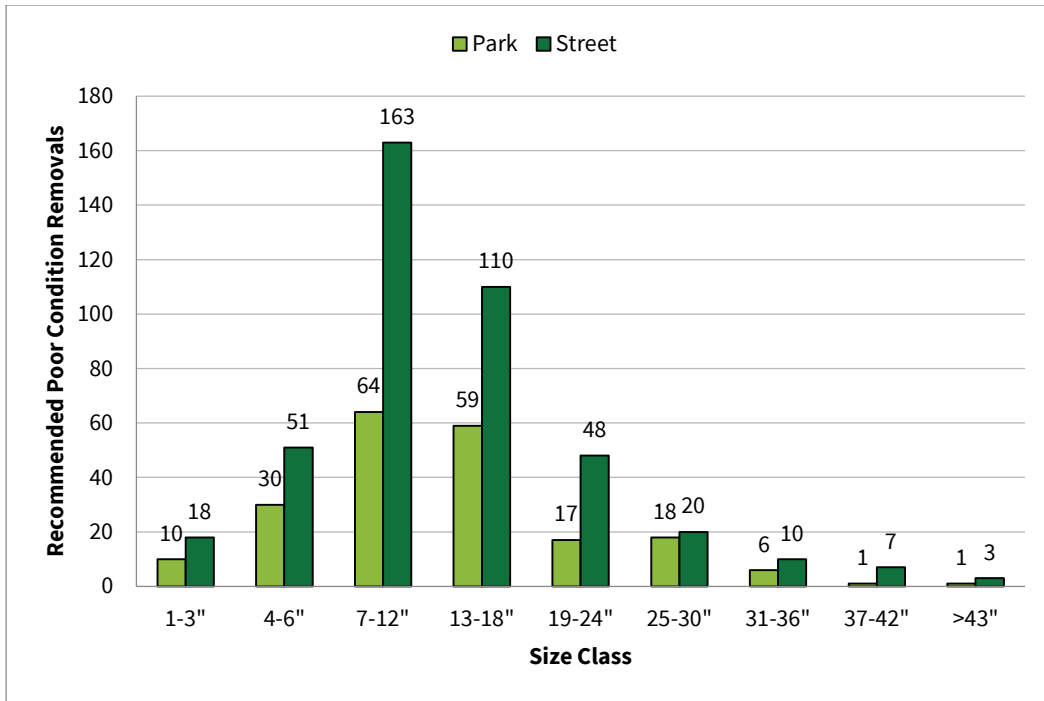


Figure 11. Removal recommendations for Poor condition trees.

ROUTINE PRUNING CYCLE

The routine pruning cycle includes all trees with a condition rating of Fair, Good, and Excellent. Over time, **routine pruning can minimize reactive maintenance, limit instances of elevated risk, and provide the basis for a robust risk management program.**

DRG recommends a five-year routine pruning cycle (see side panel, “Proactive Pruning”) to maintain the condition of the inventoried trees. However, this is not always possible based on budgetary constraints, the size of the inventoried tree population, or both. In these cases, extending the length of the routine pruning cycle is an option; however, best practice is to not exceed a 10-year pruning cycle. Tree condition has been shown to deteriorate significantly after 10 years without regular pruning as once-minor defects worsen, reducing tree health and potentially increasing risk.

A total of 3,862 trees in streets and parks were rated as condition of Excellent, Good, and Fair and should be included in a routine pruning cycle (Figure 12).

ROUTINE PRUNING CYCLE RECOMMENDATIONS

- Orono should aim to prune 1/5 of its public trees each year during a five-year routine pruning cycle. A five-year cycle would see around 482 street trees and around 290 park trees assessed and pruned, if needed, each year.
- Young trees (1-6”) which grow out of the young tree training cycle (see next section) should also be included in the routine pruning cycle.

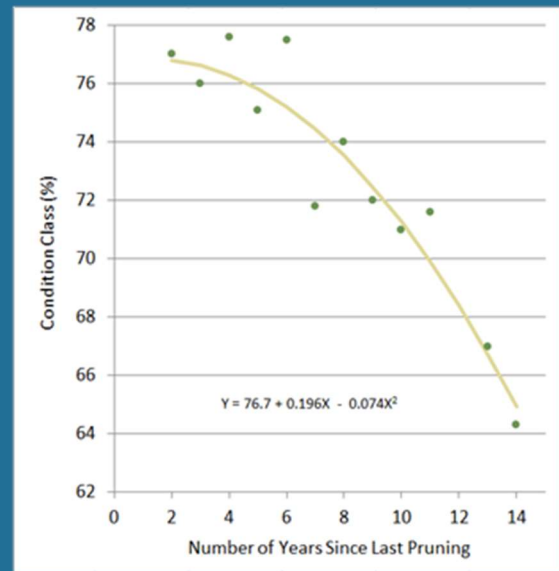
- The number of trees to be assessed and routinely pruned each year will vary depending on the number of trees which are planted and the number of trees which are removed in future years.
- Not every tree in the routine pruning cycle will need to be pruned each cycle – thus, the actual cost to maintain a routine pruning cycle will likely be lower than projected in the budget table at the end of this section (Table 4).

YOUNG TREE TRAINING CYCLE

Young tree training cycles are recommended to improve the form and structure of young, newly planted trees that are less than 6 inches in diameter. Young tree pruning addresses structural problems such as codominant leaders, multiple limbs attaching at the same point on the trunk, and crossing or interfering limbs that if not corrected can lead to problems as the tree ages.

A three-year cycle is recommended due to the rapid rate that young trees grow and the importance of correcting structural issues while the tree is young to reduce future risks and costly pruning when the tree is larger. **The inventory identified 957 small, young trees which should be included in a young tree training cycle.**

PROACTIVE PRUNING



Relationship between tree condition and years since previous pruning.
Adapted from Miller and Sylvester 1981

Miller and Sylvester studied the pruning frequency of 40,000 street trees in Milwaukee, Wisconsin. Trees that had not been pruned for more than 10 years had an average condition rating 10% lower than trees that had been pruned in the previous several years. Their research suggests that a five-year pruning cycle is optimal for urban trees.

Routine pruning cycles help detect and correct most defects before they reach higher risk levels. DRG recommends that pruning cycles begin after all Extreme and High risk tree maintenance has been completed.

DRG recommends two pruning cycles: a young tree training cycle and a routine pruning cycle. Newly planted trees will enter the young tree training cycle once they become established and will move into the routine pruning cycle when they reach maturity. A tree should be removed and eliminated from the routine pruning cycle when it outlives its usefulness.

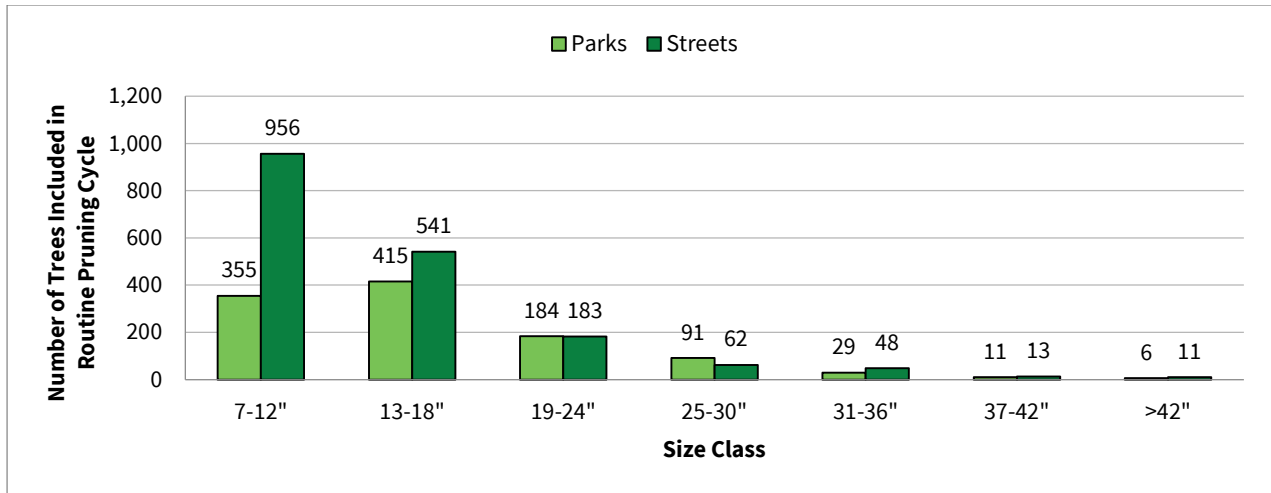


Figure 12. Trees included in the routine pruning cycle as of the completion of the inventory.

YOUNG TREE TRAINING CYCLE RECOMMENDATIONS

- The City of Orono should institute a three-year young tree training cycle beginning after the completion of all recommended higher priority work. **With 957 young trees with condition ratings of Excellent, Good, and Fair at the time of the inventory, approximately 319 need to be assessed and pruned each year during the three-year cycle.** In future years, the number of trees in the young tree training cycle will depend on the growth rates of young trees in the city and the number of new plantings.
- Young tree training is recommended to begin one to two years after planting and continue every three years until the tree can no longer be safely pruned from the ground with a pole pruner and pruning shears.
 - At the time of planting, new trees should be minimally pruned to remove broken or crossing branches.
- Not every tree in the young tree training cycle will need to be pruned each cycle – thus, the actual cost to maintain a young tree pruning cycle will likely be lower than projected in the budget table provided at the end of this section (Table 4).

ROUTINE INSPECTIONS AND INVENTORY UPDATES

Inspections are essential to uncovering potential problems with trees. They should be performed by a qualified arborist who is trained in the art and science of planting, caring for, and maintaining individual trees. Ideally, the arborist will be ISA Certified and hold the ISA Tree Risk Assessment Qualification (TRAQ) credential.

Level 1 and 2 assessments can be completed during regular tree maintenance activities, such as routine pruning, to streamline the process and reduce workloads and cost. When trees need additional maintenance, they should be added to the work schedule immediately. Use asset management software such as TreeKeeper® to update inventory data and schedule work records.

ROUTINE INSPECTIONS AND INVENTORY UPDATE RECOMMENDATIONS

- All public trees should be regularly inspected and attended to as needed. Inspections can be particularly effective and necessary after major storms which may cause damage to trees or increase the risk posed by trees.
 - Level 1 walk-by or drive-by assessments can be a cost-effective method of inspection for public trees after storm events and can help identify trees which need further detailed inspection.
- When trees require additional or new work, they should be added to the maintenance schedule. The budget should also be updated to reflect the additional work. Utilize asset management software such as TreeKeeper® to make updates, edits, and keep a log of work records.
- Level 2 risk assessments and inventory updates should also be completed on a routine basis, ideally every 5 to 10 years, to identify defects that are not easily observed during Level 1 assessments and to update tree inventory information.
 - **To keep costs regular, 1/5 of public trees should be re-inventoried each year.** With a total of around 3,862 public trees in the current inventory not recommended for removal, approximately 773 would need to be updated each year during a five-year inventory update cycle.

TREE PLANTING AND STUMP REMOVAL

Routinely planting trees is an important part of maintaining and growing Orono’s tree canopy and maximizing the tree benefits provided to the community. Opportunity exists in suitable vacant street sites and sites with stumps, as well as in parks and private property. Tree planting sites and stump data was not included in the data set presented to DRG for analysis.

Assessing a tree species growth characteristics, environmental preferences, and tolerance to urban conditions against a planting site’s condition is essential when selecting a species for planting. Planting the “right tree in the right place” will ensure the tree thrives, increasing its benefits, improving tree survival and condition, reducing future tree care costs, and minimizing conflicts with other infrastructure.

TREE PLANTING AND STUMP REMOVAL RECOMMENDATIONS

- Stump removal should be included in tree removal contracts. Quality assurance and control checks of the contractor’s work should be conducted to ensure that stumps are being removed fully and efficiently as part of the tree removal work.
- Stump removal should be done prior to targeted planting of any area to open locations for new tree planting. Planting in a location where a stump was recently removed should be avoided, if possible. Decomposing roots can cause air pockets, nutrient depletion, and space constraints that can impact the establishment of newly planted trees.
- Orono should strive to plant the largest possible tree in each vacant planting site. Large-stature, deciduous trees provide the greatest benefits to the community. See the strategies for providing sufficient growing space outlined in the *Growing Space Recommendations* section.

- To avoid loss of public trees, Orono should aim for, at minimum, a 1-for-1 replacement rate of planted trees to removed trees. Ideally, the community will surpass this and establish a 2-for-1 or even a 3-for-1 replacement rate, which will ultimately help to increase the community’s public trees. The budget table (Table 4) assumes a 2-for-1 replacement strategy to show the costs of maintaining such a planting program.
- Tree species selection for planting should assess their tolerance to heat, drought, salt, and climate change, among other factors, and appropriate trees should be selected for each individual planting location.
- Where planting space along streets is limited and traditional street tree planting is not possible, the community should consider alternate options for installing and increasing public tree canopy, including:
 - Creation of pocket parks.
 - Improvement and maintenance of existing nearby parks and public grounds.
 - Setback planting programs designed to install public street trees behind the right-of-way but within 20 feet of the public way.
 - Encouraging planting of trees on private property via education, tree giveaways, and other methods.
- Where possible, the City of Orono should enlarge and improve tree planting areas along streets by:
 - Enlarging the dimensions and soil volume of planting strips and planting wells.
 - Considering use of structural soils or *Silva Cells* to improve root movement through soils and reduce infrastructure conflicts.
 - Working with other city departments, such as engineering, to ensure that plans for new development or street improvement consider trees during the design process.
- Continue to seek out and apply for grant funding to support tree planting projects. Significant funding is typically available at the state and federal level, particularly for planting projects within Environmental Justice areas.
- Continue to develop and foster partnerships with groups such as Arbor Day Foundation who can help promote and support tree planting goals in the community.

MAINTENANCE STRATEGY AND EXAMPLE BUDGET

Using the Orono tree inventory data, an example 5-year annual maintenance schedule and budget is provided that details the recommended tasks to complete each year over (Table 4). Budget projections are based on industry knowledge and public bid tabulations. Following this schedule, or a similar schedule, can help shift the City’s tree care program from reactive toward a more proactive model.

To implement the maintenance schedule, Orono's tree maintenance budget should be:

- No less than \$316,694 for the first year of implementation.
- No less than \$315,384 for the second year.
- No less than \$313,843 for the third year.
- No less than \$312,535 for the fourth year.
- No less than \$311,697 for the fifth year.

These annual budget funds are needed to ensure that elevated risk trees are addressed as soon as possible, and that the vital young tree training and routine pruning cycles can be established. If routing efficiencies and/or contract specifications allow more tree work to be completed each year, or if this maintenance schedule requires adjustment to meet budgetary or other needs, then it should be modified accordingly. Unforeseen situations such as severe weather events may arise and change the maintenance needs of trees. If maintenance needs change, then budgets, staffing, and equipment should be adjusted to meet the new demand.

Table 4. Example maintenance schedule and budget for a five-year tree management program.

ACTIVITY COST			YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5		FIVE-YEAR COST
ACTIVITY	DIAMETER	COST/TREE	COUNT	COST	COUNT	COST	COUNT	COST	COUNT	COST	COUNT	COST	
Poor & Dead Removals	1-3"	\$28	0	\$0	0	\$0	0	\$0	15	\$420	16	\$448	\$868
	4-6"	\$58	0	\$0	0	\$0	23	\$1,334	30	\$1,740	50	\$2,900	\$5,974
	7-12"	\$138	0	\$0	19	\$2,622	80	\$11,040	80	\$11,040	90	\$12,420	\$37,122
	13-18"	\$314	38	\$11,932	38	\$11,932	38	\$11,932	37	\$11,618	37	\$11,618	\$59,032
	19-24"	\$605	16	\$9,680	16	\$9,680	15	\$9,075	15	\$9,075	14	\$8,470	\$45,980
	25-30"	\$825	10	\$8,250	10	\$8,250	8	\$6,600	6	\$4,950	7	\$5,775	\$33,825
	31-36"	\$1,045	6	\$6,270	6	\$6,270	3	\$3,135	2	\$2,090	0	\$0	\$17,765
	37-42"	\$1,485	3	\$4,455	3	\$4,455	1	\$1,485	1	\$1,485	0	\$0	\$11,880
>43"	\$2,035	3	\$6,105	1	\$2,035	0	\$0	0	\$0	0	\$0	\$8,140	
Activity Total(s)			76	\$46,692	93	\$45,244	168	\$44,601	186	\$42,418	214	\$41,631	\$220,586
Stump Removals	1-3"	\$18	7	\$126	6	\$108	6	\$108	6	\$108	6	\$108	\$558
	4-6"	\$28	21	\$588	21	\$588	21	\$588	20	\$560	20	\$560	\$2,884
	7-12"	\$44	54	\$2,376	54	\$2,376	54	\$2,376	54	\$2,376	53	\$2,332	\$11,836
	13-18"	\$72	38	\$2,736	38	\$2,736	38	\$2,736	37	\$2,664	37	\$2,664	\$13,536
	19-24"	\$94	16	\$1,504	15	\$1,410	15	\$1,410	15	\$1,410	15	\$1,410	\$7,144
	25-30"	\$110	9	\$990	8	\$880	8	\$880	8	\$880	8	\$880	\$4,510
	31-36"	\$138	4	\$552	4	\$552	3	\$414	3	\$414	3	\$414	\$2,346
	37-42"	\$160	2	\$320	2	\$320	2	\$320	1	\$160	1	\$160	\$1,280
>43"	\$182	1	\$182	1	\$182	1	\$182	1	\$182	0	\$0	\$728	
Activity Total(s)			152	\$9,374	149	\$9,152	148	\$9,014	145	\$8,754	143	\$8,528	\$44,822
Routine Inspection	Walk-by Assessment	\$5	773	\$3,865	773	\$3,865	772	\$3,860	772	\$3,860	772	\$3,860	\$19,310
Activity Total(s)			773	\$3,865	773	\$3,865	772	\$3,860	772	\$3,860	772	\$3,860	\$19,310
Young Tree Training (3-year Cycle)	1-3"	\$20	93	\$1,860	92	\$1,840	92	\$1,840	93	\$1,860	92	\$1,840	\$9,240
	4-6"	\$30	227	\$6,810	227	\$6,810	226	\$6,780	227	\$6,810	227	\$6,810	\$34,020
Activity Total(s)			320	\$8,670	319	\$8,650	318	\$8,620	320	\$8,670	319	\$8,650	\$43,260
Routine Pruning (5-year Cycle)	1-3"	\$20	55	\$1,100	55	\$1,100	55	\$1,100	56	\$1,120	56	\$1,120	\$5,540
	4-6"	\$30	136	\$4,080	136	\$4,080	136	\$4,080	136	\$4,080	136	\$4,080	\$20,400
	7-12"	\$75	262	\$19,650	262	\$19,650	262	\$19,650	262	\$19,650	263	\$19,725	\$98,325
	13-18"	\$120	191	\$22,920	191	\$22,920	191	\$22,920	191	\$22,920	192	\$23,040	\$114,720
	19-24"	\$170	73	\$12,410	73	\$12,410	73	\$12,410	74	\$12,580	74	\$12,580	\$62,390
	25-30"	\$225	30	\$6,750	30	\$6,750	31	\$6,975	31	\$6,975	31	\$6,975	\$34,425
	31-36"	\$305	15	\$4,575	15	\$4,575	15	\$4,575	16	\$4,880	16	\$4,880	\$23,485
	37-42"	\$380	4	\$1,520	5	\$1,900	5	\$1,900	5	\$1,900	5	\$1,900	\$9,120
>43"	\$590	3	\$1,770	3	\$1,770	3	\$1,770	4	\$2,360	4	\$2,360	\$10,030	
Activity Total(s)			769	\$74,775	770	\$75,155	771	\$75,380	775	\$76,465	777	\$76,660	\$378,435
Replacement Tree Planting and Maintenance	Purchasing	\$250	148	\$37,000	148	\$37,000	147	\$36,750	147	\$36,750	147	\$36,750	\$184,250
	Planting & Watering	\$200	148	\$29,600	148	\$29,600	147	\$29,400	147	\$29,400	147	\$29,400	\$147,400
	Mulching	\$25	148	\$3,700	148	\$3,700	147	\$3,675	147	\$3,675	147	\$3,675	\$18,425
Activity Total(s)			444	\$70,300	444	\$70,300	441	\$69,825	441	\$69,825	441	\$69,825	\$350,075
New Tree Planting and Maintenance	Purchasing	\$250	148	\$37,000	148	\$37,000	147	\$36,750	147	\$36,750	147	\$36,750	\$184,250
	Planting & Watering	\$200	148	\$29,600	148	\$29,600	147	\$29,400	147	\$29,400	147	\$29,400	\$147,400
	Mulching	\$25	148	\$3,700	148	\$3,700	147	\$3,675	147	\$3,675	147	\$3,675	\$18,425
Activity Total(s)			444	\$70,300	444	\$70,300	441	\$69,825	441	\$69,825	441	\$69,825	\$350,075
Natural Mortality (1%)	Tree Removal	\$314	38	\$11,932	38	\$11,932	38	\$11,932	38	\$11,932	38	\$11,932	\$59,660
	Stump Removal	\$72	38	\$2,736	38	\$2,736	38	\$2,736	38	\$2,736	38	\$2,736	\$13,680
	Replacement Tree	\$475	38	\$18,050	38	\$18,050	38	\$18,050	38	\$18,050	38	\$18,050	\$90,250
Activity Total(s)			114	\$32,718	114	\$32,718	114	\$32,718	114	\$32,718	114	\$32,718	\$163,590
Activity Grand Total			3,092		3,106		3,173		3,194		3,221		15,786
Cost Grand Total				\$316,694		\$315,384		\$313,843		\$312,535		\$311,697	\$1,570,153

Conclusion

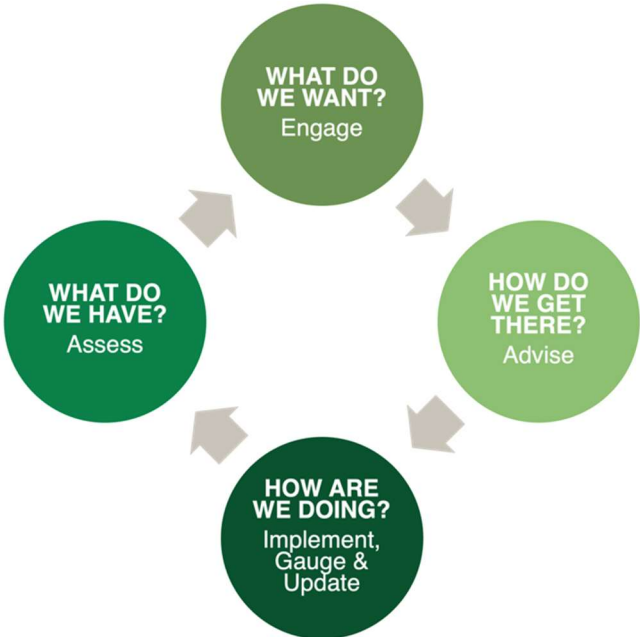
When properly cared for, public trees offer valuable, enduring benefits that can significantly surpass the investments of time and resources put into their planting, maintenance, and eventual removal. **The 4,602 inventoried public trees generate at least \$18,675 annually in estimated benefits, including stormwater reduction, carbon sequestration, and air pollutant removal.** It is important to note that these are just the quantifiable benefits provided by trees in the community. The complete array of benefits from Orono's public trees extends far beyond what can be calculated through inventory data and i-Tree Eco modeling alone. The successful execution of the five-year maintenance program is expected to amplify the benefits that the community's public trees provide.

This five-year maintenance initiative, with a focus on proactive tree care, necessitates a substantial upfront investment. While addressing Extreme, High, and Moderate Risk trees through removal or pruning can be costly, it is a vital step to enhance public safety and reduce long-term tree maintenance expenses. Once this priority work is accomplished, the remaining tasks can be spaced out over a more extended period, as dictated by budget, staffing, or equipment availability. This *Tree Inventory Analysis & Maintenance Strategy* can assist the community's tree care staff in advocating for increases in the urban forestry budget to support the recommended maintenance efforts.

The community's forestry program is making commendable progress toward cultivating a sustainable and resilient urban forest. To stay on course, it is crucial to establish clear goals, take action to achieve those goals, regularly update inventory data to assess progress, and be prepared to revise objectives as needed in an iterative manner. The Urban Forest Program Continuum, as designed by DRG and illustrated on Page 2, can serve as a valuable roadmap for Orono as it continues its ongoing mission to elevate the care of the community's public trees. This mission will enrich the lives of all residents, workers, and recreational enthusiasts within the city of Orono.

EVALUATING AND UPDATING THIS PLAN

This *Public Tree Inventory Analysis & Maintenance Strategy* provides management priorities for the next five years. To ensure the maintenance schedule and budget remain accurate, it is important to update the tree inventory using TreeKeeper® or other asset management software as work is completed, so the software can provide updated species distribution, maintenance needs, and benefit estimates. Keeping the inventory up to date empowers the community to assess its progress over time and set goals to strive toward by following the adaptive management cycle (flow chart).



Below are some examples of implementing the steps of this cycle:

- Preparing planting plans in advance to schedule and complete stump removal in the designated area, and to select species best suited to the available sites.
- Annually comparing the number of trees planted to the number of trees removed and the number of vacant planting sites remaining and adjusting future planting plans accordingly.
- Annually comparing the species distribution of the inventoried trees with the previous year after completing planting plans to monitor recommended changes in species and genera abundance.
- Scheduling and assigning high-priority tree work so it can be completed as soon as possible and not reactively addressing new lower priority work requests as they are received.
- Including data collection, such as measuring DSH and assessing condition into standard procedure for tree work and routine inspections, so changes over time can be monitored.

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Appendix A

Summary of Recommendations

SECTION	RECOMMENDATION
<p>Species & Genera Diversity</p>	<ul style="list-style-type: none"> • Avoid or limit planting of green ash and increase planting of other species until green ash make up less than 10% of public trees. • Avoid or limit planting of ash and maple and increase planting of other genera until ash and maple make up less than 20% of public trees. • Remove volunteer trees that have invasive tendencies, such as boxelder, from maintained public areas while small. • Increase planting of uncommon species and genera which are well suited to urban environments.
<p>Pest Susceptibility</p>	<ul style="list-style-type: none"> • Monitor trees for signs and symptoms of pests and diseases on a regular basis. This can be done as part of other routine maintenance activities such as pruning. • When a pest or disease is suspected, act quickly to confirm the identification and begin management. • Prepare an invasive species management plan to guide the response to future pest or disease infestations. • When planting trees, select pest- or disease-resistant species or cultivars whenever possible. • Use preventative pesticide treatments on high-value or historic trees that are susceptible to problematic pests and/or diseases in Minnesota.
<p>Condition</p>	<ul style="list-style-type: none"> • Dead and dying trees should be removed as soon as possible in priority order from highest to lowest risk to reduce public hazards, create space for new planting, and improve the appearance of Orono's streets and parks. • Trees in Poor condition not recommended for removal should be maintained to reduce risk associated with defects and should be routinely monitored for further decline that would necessitate removal. • Condition ratings can be improved over time by instituting proactive maintenance cycles such as routine pruning and young tree training. All tree pruning should follow <i>ANSI A300 (Clause 5)</i> guidelines.
<p>Relative Age Distribution</p>	<ul style="list-style-type: none"> • The City of Orono's park and street trees are young. Orono should focus on tree pruning and proactive care for these young and established trees, and a maintenance plan should be implemented to ensure that the young and established trees can mature while retaining good health and proper form. • A large proportion of street trees are young or established (53% of street trees and 28% of park trees). A young tree training cycle should be instituted to structurally prune these younger trees to ensure good form and improve health as they mature.

	<ul style="list-style-type: none"> • Street tree planting is currently sufficient to maintain the recommended age distribution. However, sustained planting efforts over time will be necessary to retain this age distribution. • Routine, proactive maintenance, such as young tree training and routine pruning, may help improve tree condition, particularly among maturing and mature trees.
<p style="text-align: center;">Tree Benefits</p>	<ul style="list-style-type: none"> • Large-stature, deciduous trees tend to provide the greatest benefits. The city of Orono should plan to plant these types of trees wherever possible to increase the benefits provided by the public trees. This may require enlarging existing tree planting spaces or creating large new tree planting spaces to accommodate large street trees. It also should include preserving existing large-stature trees and providing proactive care to young public trees to ensure they achieve mature status in the future. • The protection of existing park trees should be a priority, and succession planning to replace park trees and increase tree cover in parks will have a large positive impact on tree benefits in Orono in the future. • Oak were often among the largest contributors to tree benefits and are not currently overabundant in Orono. Planting oak will help to increase the benefits provided by public trees. • The public trees in Orono account for only a fraction of the total benefits provided by the City’s trees, indicating that many of the trees which provide benefits to Orono are located on private property. The City of Orono should consider methods to preserve existing trees and promote new tree planting on private property throughout the city to increase tree benefits.
<p style="text-align: center;">Priority Maintenance</p>	<ul style="list-style-type: none"> • Trees with Dead or Poor condition ratings recommended for removal should be removed as soon as reasonably possible and prioritized based on their condition rating and size class. Tree removal is recommended when pruning will not correct the tree’s defects, will not eliminate the risks caused by defects, or when pruning would be cost-prohibitive.
<p style="text-align: center;">Routine Pruning Cycle</p>	<ul style="list-style-type: none"> • Orono should aim to prune 1/5 of its public trees each year during a five-year routine pruning cycle. A five-year cycle would see around 482 street trees and around 290 park trees assessed and pruned, if needed, each year. • Young trees (1-6”) which grow out of the young tree training cycle (see next section) should also be included in the routine pruning cycle. • The number of trees to be assessed and routinely pruned each year will vary depending on the number of trees which are planted and the number of trees which are removed in future years. • Not every tree in the routine pruning cycle will need to be pruned each cycle – thus, the actual cost to maintain a routine pruning cycle will likely be lower than projected in the budget table at the end of this section (Table 7).

<p>Young Tree Training Cycle</p>	<ul style="list-style-type: none"> • The City of Orono should institute a three-year young tree training cycle beginning after the completion of all recommended higher priority work. With 957 young trees with condition ratings of Excellent, Good, and Fair at the time of the inventory, approximately 319 need to be assessed and pruned each year during the three-year cycle. In future years, the number of trees in the young tree training cycle will depend on the growth rates of young trees in the city and the number of new plantings. • Young tree training is recommended to begin one to two years after planting and continue every three years until the tree can no longer be safely pruned from the ground with a pole pruner and pruning shears. <ul style="list-style-type: none"> ○ At the time of planting, new trees should be minimally pruned to remove broken or crossing branches. • Not every tree in the young tree training cycle will need to be pruned each cycle – thus, the actual cost to maintain a young tree pruning cycle will likely be lower than projected in the budget table provided at the end of this section (Table 7).
<p>Routine Inspection and Inventory Updates</p>	<ul style="list-style-type: none"> • All public trees should be regularly inspected and attended to as needed. Inspections can be particularly effective and necessary after major storms which may cause damage to trees or increase the risk posed by trees. <ul style="list-style-type: none"> ○ Level 1 walk-by or drive-by assessments can be a cost-effective method of inspection for public trees after storm events and can help identify trees which need further detailed inspection. • When trees require additional or new work, they should be added to the maintenance schedule. The budget should also be updated to reflect the additional work. Utilize asset management software such as TreeKeeper® to make updates, edits, and keep a log of work records. • Level 2 risk assessments and inventory updates should also be completed on a routine basis, ideally every 5 to 10 years, to identify defects that are not easily observed during Level 1 assessments and to update tree inventory information. <ul style="list-style-type: none"> ○ To keep costs regular, 1/5 of public trees should be re-inventoried each year. With a total of around 3,862 public trees in the current inventory not recommended for removal, approximately 773 would need to be updated each year during a five-year inventory update cycle.
<p>Tree Planting and Stump Removal</p>	<ul style="list-style-type: none"> • Stump removal should be included in tree removal contracts. Quality assurance and control checks of the contractor’s work should be conducted to ensure that stumps are being removed fully and efficiently as part of the tree removal work. • Stump removal should be done prior to targeted planting of any area to open locations for new tree planting. Planting in a location where a stump was recently removed should be avoided, if possible. Decomposing roots can cause air pockets, nutrient depletion, and space constraints that can impact the establishment of newly planted trees.

	<ul style="list-style-type: none"> • Orono should strive to plant the largest possible tree in each vacant planting site. Large-stature, deciduous trees provide the greatest benefits to the community. See the strategies for providing sufficient growing space outlined in the <i>Growing Space Recommendations</i> section. • To avoid loss of public trees, Orono should aim for, at minimum, a 1-for-1 replacement rate of planted trees to removed trees. Ideally, the community will surpass this and establish a 2-for-1 or even a 3-for-1 replacement rate, which will ultimately help to increase the community’s public trees. The budget table (Table 4) assumes a 2-for-1 replacement strategy to show the costs of maintaining such a planting program. • Tree species selection for planting should assess their tolerance to heat, drought, salt, and climate change, among other factors, and appropriate trees should be selected for each individual planting location. • Where planting space along streets is limited and traditional street tree planting is not possible, the community should consider alternate options for installing and increasing public tree canopy, including: <ul style="list-style-type: none"> ○ Creation of pocket parks. ○ Improvement and maintenance of existing nearby parks and public grounds. ○ Setback planting programs designed to install public street trees behind the right-of-way but within 20 feet of the public way. ○ Encouraging planting of trees on private property via education, tree giveaways, and other methods. • Where possible, the City of Orono should enlarge and improve tree planting areas along streets by: <ul style="list-style-type: none"> ○ Enlarging the dimensions and soil volume of planting strips and planting wells. ○ Considering use of structural soils or <i>Silva Cells</i> to improve root movement through soils and reduce infrastructure conflicts. ○ Working with other city departments, such as engineering, to ensure that plans for new development or street improvement consider trees during the design process. • Continue to seek out and apply for grant funding to support tree planting projects. Significant funding is typically available at the state and federal level, particularly for planting projects within Environmental Justice areas. • Continue to develop and foster partnerships with groups such as Arbor Day Foundation who can help promote and support tree planting goals in the community.
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Appendix B

Study Area and Data Collection

Study Area

Orono covers an area of 25.15 square miles, of which around 36% is bodies of water and the remaining 64% is land. The city encompasses three communities: Long Lake in the North, Minnetonka Beach in the South, and Spring Park in the Southwest. The 2019-2022 Orono inventory focused data collection on all right of ways and parks – it is DRG’s understanding that no data collection was done in the wooded naturalized areas of the city. All other spatial analyses (i.e., i-Tree Canopy) were restricted to the same area as inventory data collection.

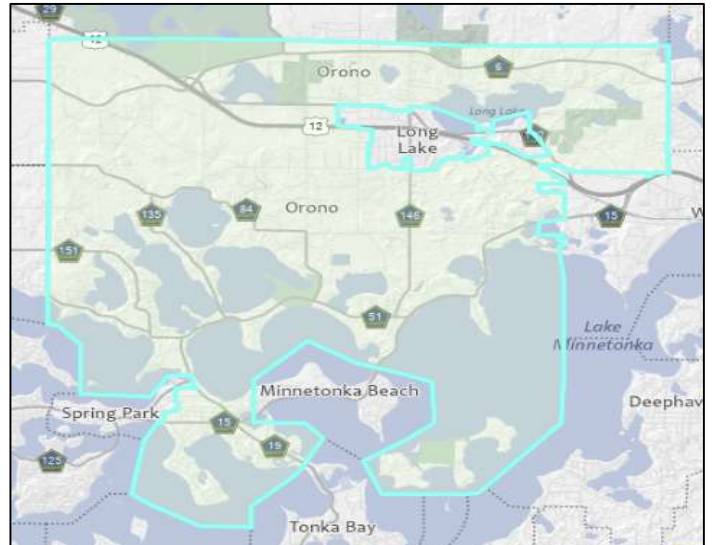


Image 1. Screenshot of Orono, MN boundary where data was collected.

DATA COLLECTION

DRG received an excel spreadsheet containing the inventoried tree data over a three-year time period. At each site, the following data fields were collected by a contractor hired by the city of Orono:

- Address
- Botanical Name
- Common Name
- DSH*
- Condition
- Date
- Land Use/Park Name

* measured in inches in diameter at 4.5 feet above ground or diameter at standard height (DSH).

Maintenance needs are based on *Best Management Practices: Tree Risk Assessment* (International Society of Arboriculture 2011). The knowledge, experience, and professional judgment of DRG’s arborists ensure the high quality of inventory data.

EQUIPMENT AND BASE MAPS

DRG received this data as an excel spreadsheet and the type of equipment used to collect the data is unknown.

ADDRESSING

Addressing information was present in the data provided to DRG. While geographic coordinates allow spatial representation of the data within a geographic information system, such as TreeKeeper® or ArcMap, addressing information allows each site to be located in the field without use of a GPS. The following fields were collected as part of the addressing of each site:

- **Address:** The numeric address of the parcel nearest to the site.

City of Orono Tree Management Planning



Tree Management Plan Outline

1. Define the Purpose and Scope

- **Identify goals:** Risk management, health monitoring, preservation, community benefits.
- **Determine the area:** Parks and city right of way, with some guidance on best practices for private land.
- **Set the timeline:** Short-term (1–3 years), medium-term (3–7 years), long-term (10+ years).

2. Conduct a Tree Inventory and Assessment

- **Tree inventory:** Record species, size, location, condition, and health of each tree. In process parks assessed and right-of-way currently being updated.
- **Use tools:** GPS, GIS mapping, and tree management software.
- **Assess risks:** Identify hazardous trees, pests, diseases, and environmental threats.

3. Analyze the Data

- **Evaluate tree diversity:** Look for over-reliance on certain species.
- **Canopy coverage:** Measure how much of the land area is shaded by trees.
- **Age distribution:** Ensure a mix of young, mature, and aging trees.
- *This information is included in the Tree Inventory Analysis*

4. Develop Management Objectives

Based on data, set specific, measurable goals:

- Replace dead/dying trees annually.
- Control invasive species.
- Improve public awareness and engagement.

5. Create Action Plans

Break objectives into actionable steps, such as:

- **Planting plans:** Locations, species selection, spacing.
- **Maintenance schedules:** Pruning, watering, fertilization.
- **Risk management:** Tree inspections, removal of hazardous trees.
- **Pest and disease control.**
- **Soil and root zone management.**

THE PLANNING PROCESS

The City of Orono tree management planning process will be focused on utilizing currently available budget and staffing resources to develop a condensed collaborative planning process that will set-up Orono's tree planning for future success.

- (1) a quick, yet thorough snapshot of the current program and resources;
- (2) bringing together City staff and leadership through a collaborative planning process that begins to build an understanding of the current program and team and sheds light on the opportunity for this team to work together toward future success, in-turn benefiting the health and resilience of the city's natural resources;
- (3) envisioning a future where Orono can establish a vision, that plans for, plants and grows a thriving community forest that delivers clean air, clean water, vibrant streetscapes, parks and public spaces that contribute quality to life for all of Orono.

Key Goals & Objectives

- Establish a clear understanding of the current status of Orono's tree inventory.
- Facilitate a planning process that builds a shared vision for the future Orono's tree planning team and City Council.
- Develop a collaborative roadmap for the future of Orono's Tree Management Program in alignment with the city's Mission and Values.

Natural Resources Issues and Opportunities

- Habitat Fragmentation
- Reduced Native Plant Diversity
- Soil Degradation
- Community Forest Alterations
- Pollinator Species
- Invasive Species
- Native Plant Herbivory
- Climate Change
- Altered Hydrology of Natural Areas & Landscape
- Human Perception of Natural Resources

Natural Resources Management Strategies

- Public Properties Natural Resource Management
 - Vegetation Management Prioritization
 - Natural Resources Management Approach
 - Community Forest Management
- Private Properties Natural Resource Management
 - Strategies for Managing Natural Resources on Private Properties
- Climate Change
 - Climate Adaptation Strategies
- Natural Resources Policies and Ordinances
- Engagement with People
 - Partnerships
 - Outreach, Education and Engagement
 - Technical Assistance and Incentives
- Future Planning, Research, and Monitoring

Deliverables & Project Timeline



AGENDA ITEM



Date: June 23, 2025

Item: 8

Title: Update - Park and Facilities Department

Presenter: Joe Ruthenberg, Superintendent - Parks, Facilities

Section: Parks Report

1. **Purpose:**
Parks and Facilities Superintendent will provide an update on the department and staff activities.
2. **Summary:**
A brief recap of Park and Facilities' projects during the spring period.
3. **Staff Recommendation:**
No action is required. This is an information item only.

COUNCIL ACTION REQUESTED

No action is required. This is an information item only.

Exhibits

[Parks and Facilities Spring Updates](#)

Parks, and Facilities Spring Selected Highlights

General Maintenance & Field Work

Staff performed regular maintenance across several park and field locations:

- Ag lime application and irrigation repairs were completed at Bederwood and Thor Thompson fields.
- Soccer fields received routine striping.
- Fence repairs were made at Bederwood.

Tree & Vegetation Management

- Hazardous trees were removed throughout multiple parks, especially at the golf course.
- Stump grinding and hole filling have begun for trees removed during the winter.
- Brush and limb removal has been ongoing and will continue throughout the summer.
- Tree removal, stump grinding, hole filling, and mulching were completed at Antoine Park, along with tree trimming.
- Targeted maintenance spraying was conducted in selected parks and fields.

Facility & Infrastructure Improvements

- Docks have been installed across the city.
- Repairs and brush clearing were completed at the Summit Beach kayak launch.
- Lurton Park received fence repairs, erosion control work, and tree removal.
- Drinking fountain repairs were done at Navarre Playground and Thor Thompson Park.
- New park signage and landscaping were added at Sandy Beach, Lurton Dog Park, and Lydiard Beach.
- Playground inspections were completed across all parks.



Big Island

- Bi-weekly maintenance, grass cutting, and cleaning efforts continue.
- Trail restoration work and tree pruning scheduled within the next few weeks.

Lurton Dog Park

- To date, 402 parking passes have been sold for Lurton Dog Park. Last year's total was approximately 550.



Golf Course Highlights

Spring preparations were completed to ensure a successful opening of the golf course.

- Extensive mainline irrigation system repairs were undertaken.
- New tee signs were installed, featuring the updated logo, and the course's branding rock was repainted.
- The fountain on the course was repaired, and ball washing stations were reinstalled.
- Pathway repairs and general course upkeep were carried out.
- The course hosted a busy schedule of school leagues in early spring and is now running full men's and women's leagues.

Items	2020	2021	2022	2023	2024	2025
Golf Fees	\$52,916.00	\$70,483.00	\$52,243.00	\$62,243.00	\$58,459.00	\$79,847.00
Rental	\$4,753.00	\$21,542.00	\$15,835.00	\$16,468.00	\$15,424.00	\$24,781.00
Alcohol	\$690.00	\$4,035.00	\$3,449.00	\$4,494.00	\$1,818.00	\$4,750.00
Concessions	\$323.00	\$1,814.00	\$1,871.00	\$2,846.00	\$3,627.00	\$3,077.00
Golf Balls	\$120.00	\$994.00	\$507.00	\$583.00	\$921.00	\$1,436.00
Merchandise	\$106.00	\$127.00	\$97.00	\$155.00	\$364.00	\$403.00
Clothing	\$0.00	\$288.00	\$284.00	\$1,280.00	\$843.00	\$856.00
total	\$58,908.00	\$99,283.00	\$74,286.00	\$88,069.00	\$81,456.00	\$115,150.00



Facilities Highlights

City Buildings Maintenance & Improvements

- Irrigation system repairs completed at City Hall and Spring Park City Hall.

- Interior painting at City Hall offices and workroom.
- Drywall repairs and installation of a bottle fill station in City Hall.
- Roof and ceiling repairs in the City Hall breakroom, and roof leak repairs at the Police Department (PD) entrance.
- Window cleaning completed at City Hall and the Public Works building.

Police Department (PD) Updates

- Replacement of damaged carpet tiles.
- Workbench constructed for the PD garage.
- TV installed in PD.
- Fire extinguisher inspections conducted across all city buildings.

Public Works & Equipment Upgrades

- Shelving built for use in the Public Works wood shop.
- Training completed and new floor scrubbers now in use.
- Gate repaired at the brush site.

Golf Course & Crystal Bay Post Office

- Screen doors replaced and new window A/C unit installed at the golf course.
- Furnace repaired at the Crystal Bay Post Office.

Administrative Highlights

Boards & Community Engagement

- Coordination of Park Commission candidate interviews and presentations for new member appointments.
- Conducted Park Commission work sessions and preparatory meetings.
- Ongoing Park Commission tours to assess park needs; approximately 25% of parks have been reviewed, with more tours scheduled in the upcoming weeks. All should be completed and data analyzed by the August Parks Commission meeting and presented to City Council shortly after.

Grant Applications & Awards

- Submitted grant applications for:
 - Solar panel installation at the Public Works building (award decision expected end of July).
 - Met Council tree planting grant submitted.
 - Community safety (City awarded maximum \$2,500 grant).

Staffing & Planning

- Recruitment, onboarding, and training of seasonal staff.
- Continued development and presentation of the City Tree Plan.

Environmental Initiatives

- Organization of the Monarch Butterfly Pledge project, including drafting an action plan to achieve pledge goals.

AGENDA ITEM



Date: June 23, 2025

Item: 9

Title: Update - Park Commission

Presenter: Joe Ruthenberg, Superintendent - Parks, Facilities

Section: Parks Report

1. **Purpose:**
Park Commission Chair Brian Roath will provide an update on Park Commission activities.
2. **Staff Recommendation:**
No action is required. This is an information item only.

COUNCIL ACTION REQUESTED

No action is required. This is an information item only.