



COUNCIL CONFERENCE MEETING

October 10, 2022

5:30 PM

Fridley Civic Center - 7071 University Avenue N.E.

AGENDA

1. Liquor Store #1 (Fridley Market) – Exercise Final 5-Year Lease Option
2. September 2022 Year-to-Date Financial Update

The City of Fridley will not discriminate against or harass anyone in the admission or access to, or treatment, or employment in its services, program, or activities because of race, color, creed, religion, national origin, sex, disability, age, marital status, sexual orientation or status with regard to public assistance. Upon request, accommodation will be provided to allow individuals with disabilities to participate in any of Fridley's services, programs, and activities. Hearing impaired persons who need any interpreter or other persons with disabilities who require auxiliary aids should contact Roberta Collins at (763) 572-3500. (TTD/763-572-3534).



AGENDA REPORT

Meeting Date: October 10, 2022

Meeting Type: City Council Conference Meeting

Submitted By: Joe Starks, Director of Finance/City Treasurer
 Kyle Birkholz, Liquor Operations Manager

Title

Liquor Store #1 (Fridley Market) – Exercise Final 5-Year Lease Option

Background

Council and staff will discuss the 5-year lease option being brought to Council at the October 24th Regular Council Meeting and what it means in the short-term and long-term future.

Focus on Fridley Strategic Alignment

☐ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☒ Financial Stability & Commercial Prosperity	☐ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Attachments and Other Resources

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



AGENDA REPORT

Meeting Date: October 10, 2022

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Submitted By: Joe Starks, Director of Finance/City Treasurer

Title

September 2022 Year-to-Date Financial Update

Background

A year-to-date financial update will be provided.

Focus on Fridley Strategic Alignment

☐ Vibrant Neighborhoods & Places	☐ Community Identity & Relationship Building
☒ Financial Stability & Commercial Prosperity	☐ Public Safety & Environmental Stewardship
☐ Organizational Excellence	

Attachments and Other Resources

- September 2022 YTD Financial Update
- September 2022 YTD Liquor Store Income Statement

Vision Statement

We believe Fridley will be a safe, vibrant, friendly and stable home for families and businesses.



For the fiscal period ending 9/30/2022
% of Year Remaining: 25%

Revenues	2022 Current Budget	2022 YTD Actual	2022 Balance	% Remaining	Note	2021 YTD Actual	22 vs. 21 YTD
General Fund	\$ 19,633,900	\$ 11,758,274	\$ 7,875,626	40%	A	\$ 11,428,242	\$ 330,032
Cable TV Fund	\$ 296,900	\$ 157,583	\$ 139,317	47%	B	\$ 194,492	\$ (36,909)
Solid Waste Abatement	\$ 520,400	\$ 294,528	\$ 225,872	43%		\$ 318,324	\$ (23,796)
Police Activity Fund	\$ 255,900	\$ 134,098	\$ 121,802	48%		\$ 199,863	\$ (65,765)
SNC Fund	\$ 678,700	\$ 350,377	\$ 328,323	48%	A/C	\$ 294,366	\$ 56,011
Water Utility Fund	\$ 4,465,800	\$ 2,583,784	\$ 1,882,016	42%	D	\$ 2,653,612	\$ (69,828)
Sewer Utility Fund	\$ 7,038,400	\$ 4,242,359	\$ 2,796,041	40%	D	\$ 3,650,262	\$ 592,097
Storm Water Utility Fund	\$ 2,242,000	\$ 1,294,445	\$ 947,555	42%	D	\$ 1,143,929	\$ 150,516
Liquor Fund	\$ 7,075,500	\$ 4,815,046	\$ 2,260,454	32%	E	\$ 5,482,829	\$ (667,783)
TOTAL REVENUES	\$ 42,207,500	\$ 25,630,494	\$ 16,577,006	39%		\$ 25,365,919	\$ 264,575

Expenditures	2022 Current Budget	2022 YTD Actual	2022 Balance	% Remaining	Note	2021 YTD Actual	22 vs. 21 YTD
General Fund	\$ 19,633,900	\$ 13,787,648	\$ 5,846,252	30%		\$ 17,531,095	\$ (3,743,447)
Cable TV Fund	\$ 296,900	\$ 226,815	\$ 70,085	24%		\$ 243,787	\$ (16,972)
Solid Waste Abatement	\$ 517,900	\$ 345,545	\$ 172,355	33%		\$ 328,482	\$ 17,063
Police Activity Fund	\$ 255,900	\$ 151,716	\$ 104,184	41%		\$ 226,825	\$ (75,109)
SNC Fund	\$ 691,600	\$ 416,158	\$ 275,442	40%		\$ 424,604	\$ (8,446)
Water Utility Fund	\$ 4,436,500	\$ 2,301,201	\$ 2,135,299	48%		\$ 2,134,007	\$ 167,194
Sewer Utility Fund	\$ 6,755,500	\$ 5,377,759	\$ 1,377,741	20%	J	\$ 5,320,388	\$ 57,371
Storm Water Utility Fund	\$ 2,210,200	\$ 1,169,882	\$ 1,040,318	47%		\$ 840,791	\$ 329,091
Liquor Fund	\$ 7,090,800	\$ 4,726,509	\$ 2,364,291	33%		\$ 5,208,510	\$ (482,001)
TOTAL EXPENDITURES	\$ 41,889,200	\$ 28,503,233	\$ 13,385,967	32%		\$ 32,258,489	\$ (3,755,256)

GENERAL FUND

GF Revenue Types	2022 Current Budget	2022 YTD Actual	2022 Balance	% Remaining	Note	2021 YTD Actual	22 vs. 21 YTD
Taxes	\$ 13,637,400	\$ 7,192,854	\$ 6,444,546	47%	A	\$ 6,884,355	\$ 308,499
Special Assessments	\$ 22,900	\$ 56,881	\$ (33,981)	-148%	A	\$ 56,312	\$ 569
Licenses and Permits	\$ 1,184,000	\$ 642,165	\$ 541,835	46%	F	\$ 1,078,471	\$ (436,306)
Intergovernmental	\$ 2,050,000	\$ 1,634,627	\$ 415,373	20%	G	\$ 1,469,558	\$ 165,069
Charges for Services	\$ 2,230,200	\$ 1,810,417	\$ 419,783	19%		\$ 1,729,616	\$ 80,801
Fines and Forfeitures	\$ 159,600	\$ 89,860	\$ 69,740	44%		\$ 94,747	\$ (4,887)
Miscellaneous	\$ 157,500	\$ 187,245	\$ (29,745)	-19%	H	\$ (27,017)	\$ 214,262
Other Financing Sources	\$ 192,300	\$ 144,225	\$ 48,075	25%		\$ 142,200	\$ 2,025
TOTAL GF REVENUES	\$ 19,633,900	\$ 11,758,274	\$ 7,875,626	40%		\$ 11,428,242	\$ 330,032

GF Dept. Expenditures	2022 Current Budget	2022 YTD Actual	2022 Balance	% Remaining	Note	2021 YTD Actual	22 vs. 21 YTD
Legislative	\$ 165,500	\$ 96,761	\$ 68,739	42%		\$ 121,203	\$ (24,442)
City Management	\$ 1,699,200	\$ 1,110,562	\$ 588,638	35%		\$ 1,051,278	\$ 59,284
Finance	\$ 1,656,100	\$ 1,238,780	\$ 417,320	25%		\$ 1,144,502	\$ 94,278
Non-Departmental	\$ 402,300	\$ 9,633	\$ 392,667	98%	I	\$ 4,345,541	\$ (4,335,908)
Public Safety	\$ 9,258,000	\$ 6,625,424	\$ 2,632,576	28%		\$ 6,477,147	\$ 148,277
Public Works	\$ 4,145,000	\$ 2,994,309	\$ 1,150,691	28%		\$ 2,980,128	\$ 14,181
Community Services	\$ 822,000	\$ 527,443	\$ 294,557	36%		\$ 483,768	\$ 43,675
Community Development	\$ 1,485,800	\$ 1,184,736	\$ 301,064	20%		\$ 927,528	\$ 257,208
TOTAL GF EXPENDITURES	\$ 19,633,900	\$ 13,787,648	\$ 5,846,252	30%		\$ 17,531,095	\$ (3,743,447)

Notes:

A - 1st Half Property Tax Settlement received in July, 2nd in December and short settlement in January.

B - 3rd Quarter Cable Franchise Fee payment will be received in late October.

C - Program revenue above last year's level but currently under budget due to timing of summer and fall programming

D - Timing of utility bills and receipt of payments

E - Liquor Store sales down 12% year-over-year at this time, but above pre-pandemic levels. See Liquor Store income statement trend.

F - See building permit trend below

G - 1st installment of Municipal State Aid and Local Government Aid received in July, 2nd in December. Police aid and fire aid (pass through) received in October

H - 2021 negative amount due to **unrealized** loss on investments.

I - 2021 YTD amount includes \$4,321,388 transfer from General Fund to Community Investment Fund

J - MCES monthly invoice billed/paid in advance

Building Permit Activity

Year	# of Permits	Valuation	Revenue
2020 YTD	2,158	\$ 40,656,509	\$ 515,049
2021 YTD	2,040	\$ 81,945,533	\$ 735,851
2022 YTD	1,840	\$ 23,328,984	\$ 488,185

Liquor Store #1 - Fridley Market		September YTD			
Category	2019	2020	2021	2022	
Sales	3,495,335	4,100,542	4,523,019	3,994,441	
Cost of Sales	2,547,570	2,987,992	3,215,263	2,855,909	
Gross Profit (\$)	947,765	1,112,550	1,307,756	1,138,532	
Gross Profit (%)	27.12%	27.13%	28.91%	28.50%	
Operating Expenses	668,491	699,128	814,999	822,536	
Income/Loss	279,274	413,422	492,757	315,996	
Nonoperating Revenues	884	(1,688)	(8,584)	6,202	
Nonoperating Expenses	18,642	21,974	10,000	-	
Net Profit/Loss	261,516	389,759	474,173	322,198	
Transfer	208,875	208,875	208,875	208,875	

Liquor Store #2 - Hwy. 65		September YTD			
Category	2019	2020	2021	2022	
Sales	1,003,761	667,652	968,394	814,403	
Cost of Sales	764,768	506,229	717,810	624,504	
Gross Profit (\$)	238,993	161,423	250,584	189,898	
Gross Profit (%)	23.81%	24.18%	25.88%	23.32%	
Operating Expenses	170,666	180,102	196,564	169,685	
Income/Loss	68,327	(18,679)	54,021	20,214	
Nonoperating Revenues	-	50	-	-	
Nonoperating Expenses	-	-	-	-	
Net Profit/Loss	68,327	(18,629)	54,021	20,214	
Transfer	45,000	45,000	45,000	45,000	

Liquor Stores - Combined		September YTD			
Category	2019	2020	2021	2022	
Sales	4,499,096	4,768,194	5,491,414	4,808,844	
Cost of Sales	3,312,339	3,494,221	3,933,073	3,480,413	
Gross Profit (\$)	1,186,758	1,273,973	1,558,340	1,328,431	
Gross Profit (%)	26.38%	26.72%	28.38%	27.62%	
Operating Expenses	839,156	879,230	1,011,562	992,221	
Income/Loss	347,601	394,743	546,778	336,210	
Nonoperating Revenues	884	(1,638)	(8,584)	6,202	
Nonoperating Expenses	18,642	21,974	10,000	-	
Net Profit/Loss	329,844	371,130	528,194	342,412	
Transfer	253,875	253,875	253,875	253,875	