

**CITY OF MAYER
CITY COUNCIL WORKSHOP MEETING
CITY COUNCIL CHAMBERS
MONDAY, OCTOBER 12, 2020
AFTER REGULARLY SCHEDULED CITY COUNCIL MEETING**

1. Call Meeting to Order
2. Enterprise Budget – Review
3. 2021 Water/Sewer Rates
4. Adjournment



Request for Council Action Memorandum - Workshop

Item: Enterprise Fund Budgets

Meeting Date: October 12, 2020

Presented By: Margaret McCallum, City Administrator

Recommendations/Council Action/Motion Requested:

To discuss the 2021 Enterprise Fund Budgets.

Details:

In 2018, the City of Mayer conducted a utility rate study based on future projects that would be needed to the Water, Sewer and Stormwater systems.

To pay for future projects and maintain the cost of day to day operations, the City needs to operate based on growth assumptions (number of new houses with connection fees) and rate/use increases of 3%.

Water Fund

The water fund day-to-day operation, maintenance and debt service is projected to be **\$575,943.50** in 2021. This is a decrease from \$668,752.00 in 2020 of \$92,808.50.

The 2021 budget will be decreasing significantly in the engineering section of the budget because of three 2020 facility projects that will have been significantly completed. The projected engineering for the water infrastructure improvements was \$121,500.00 for 2020. This will go down to \$35,000.00 for 2021 to cover any remaining project cost. Increases in the budget were seen in wages and benefits increases.

Debt service payments reduced a little bit from \$360,992.00 to \$336,605.00.

The projected revenues (based on the 2018 rate study) is **\$777,564.77** for 2021. Any excess revenue is put in the reserve fund for future projects and maintenance.

Sewer Fund

The sewer fund day-to-day operation, maintenance and debt service is projected to be **\$909,488.95** in 2021. This is an increase from \$899,741.00 from 2020 of \$9,747.95.

The 2021 budget will be increasing in the wages and benefits section. There is also a significant increase in the engineering section of the budget because there is a feasibility study potentially being done related to the operations at the wastewater facility.

The projected revenues (based on the 2018 rate study) is **\$1,020,883.44** for 2021. Any excess revenue is put in the reserve fund for future projects and maintenance.

Attachments:

2020 Water Fund Expenditures and Projected Revenues

2020 Sewer Fund Expenditures and Projected Revenues

Water Fund

	2019 Budget	2020 Budget	2021 Proposed Budget
<u>Debt Service</u>			
Debt Service Principal	\$296,100.00	\$313,600.00	\$302,350.00
Debt Service Interest	\$56,079.00	\$47,392.00	\$34,255.00
	\$352,179.00	\$360,992.00	\$336,605.00
<u>Water Treatment Facility</u>			
Chemicals and Chem Products	\$3,500.00	\$3,500.00	\$3,500.00
Telephone	\$1,500.00	\$2,000.00	\$2,000.00
Electric Utilities	\$21,000.00	\$21,000.00	\$21,000.00
Gas Utilities	\$800.00	\$800.00	\$800.00
Repairs and Maintenance	\$5,000.00	\$5,000.00	\$5,000.00
Capital Outlay	\$100,000.00	\$20,000.00	\$20,000.00
	\$131,800.00	\$52,300.00	\$52,300.00
<u>State Connection Fee</u>			
Miscellaneous	\$4,500.00	\$7,000.00	\$7,000.00
<u>Water Tower</u>			
Professional Services	\$1,000.00	\$0.00	\$0.00
Electric Utilities	\$1,500.00	\$1,500.00	\$1,500.00
Repairs and Maintenance	\$500.00	\$500.00	\$500.00
Capital Outlay	\$0.00	\$0.00	\$0.00
	\$3,000.00	\$2,000.00	\$2,000.00
<u>Well #2</u>			
Professional Services	\$1,000.00	\$0.00	\$500.00
Repairs and Maintenance	\$3,000.00	\$4,000.00	\$4,000.00
Capital Outlay	\$7,500.00	\$5,000.00	\$5,000.00
	\$11,500.00	\$9,000.00	\$9,500.00
<u>Water</u>			
Wages and Salaries	\$42,000.00	\$45,000.00	\$58,582.18

Employer Contribution Retirement	\$3,126.00	\$3,375.00	\$4,234.51
Employee Benefits	\$14,600.00	\$13,500.00	\$13,647.75
Employee Withholdings	\$3,200.00	\$3,450.00	\$4,439.06
Training and Instruction	\$1,000.00	\$1,000.00	\$1,250.00
Samples	\$600.00	\$600.00	\$600.00
Wellhead Protection	\$250.00	\$250.00	\$250.00
Fire Hydrant Supplies	\$4,500.00	\$4,500.00	\$4,500.00
Professional Services	\$3,000.00	\$3,000.00	\$3,000.00
Auditing and Accounting Services	\$2,835.00	\$2,835.00	\$2,835.00
Engineering Fees	\$0.00	\$121,500.00	\$35,000.00
Legal Fees	\$0.00	\$0.00	\$0.00
Software Support	\$2,400.00	\$2,400.00	\$2,400.00
ACH Processing Fees	\$75.00	\$200.00	\$200.00
Postage	\$1,500.00	\$2,000.00	\$2,000.00
Print/Binding	\$1,000.00	\$1,200.00	\$1,200.00
Gopher State Locates	\$400.00	\$400.00	\$400.00
Insurance	\$4,050.00	\$5,000.00	\$6,000.00
Repairs and Maintenance	\$5,000.00	\$6,500.00	\$6,500.00
Depreciation Expense	\$0.00	\$0.00	\$0.00
Misc	\$500.00	\$500.00	\$1,000.00
Dues and Subscriptions	\$250.00	\$250.00	\$500.00
Water Meters	\$15,000.00	\$20,000.00	\$20,000.00
	\$105,286.00	\$237,460.00	\$168,538.50
	\$608,265.00	\$668,752.00	\$575,943.50

Water - Revenue Sources	2020	2021
Receipts from customers and users	\$515,562.00	\$531,028.86
Other Operating Receipts	\$57,099.00	\$58,811.97
Special Assessments	\$0.00	\$0.00
Connection Fees	\$167,298.00	\$172,316.94
Interest on Investments	\$13,400.00	\$15,407.00
	<hr/>	<hr/>
	\$753,359.00	\$777,564.77

Sewer Fund

	2019 Budget	2020 Budget	2021 Proposed Budget
<u>Debt Service</u>			
Debt Service Principal	\$356,900.00	\$394,400.00	\$368,650.00
Debt Service Interest	\$75,600.00	\$61,931.00	\$32,960.00
	\$432,500.00	\$456,331.00	\$401,610.00

Sewer Lift Stations

Telephone	\$185.00	\$500.00	\$500.00
Electric Utilities	\$5,250.00	\$5,250.00	\$5,750.00
Repairs and Maintenance	\$5,000.00	\$6,000.00	\$6,500.00
Capital Outlay	\$500.00	\$0.00	\$0.00
	\$10,935.00	\$11,750.00	\$12,750.00

Sewer Treatment Plant

Chemicals and Chem Products	\$21,100.00	\$26,215.00	\$27,001.45
Bio-Solids Disposal	\$37,330.00	\$45,340.00	\$50,000.00
Professional Services	\$24,925.00	\$10,000.00	\$10,300.00
Telephone	\$2,200.00	\$1,100.00	\$1,133.00
Electric Utilities	\$29,295.00	\$30,500.00	\$31,415.00
Gas Utilities	\$11,700.00	\$11,700.00	\$12,051.00
Testing and Lab Services	\$16,700.00	\$20,000.00	\$21,000.00
Repairs and Maintenance	\$21,650.00	\$21,650.00	\$25,000.00
Capital Outlay	\$55,517.00	\$60,970.00	\$70,000.00
	\$220,417.00	\$227,475.00	\$247,900.45

Sewer

Wages and Salaries	\$42,000.00	\$45,000.00	\$58,582.18
Employer Contribution Retirement	\$3,126.00	\$3,375.00	\$4,234.51
Employee Benefits	\$14,600.00	\$13,500.00	\$13,647.75
Employee Withholdings	\$3,200.00	\$3,450.00	\$4,439.06
Training and Instruction	\$1,000.00	\$1,000.00	\$1,000.00
Professional Services	\$3,000.00	\$3,000.00	\$3,000.00
Auditing and Accounting Services	\$2,835.00	\$2,835.00	\$3,000.00

Engineering Fees	\$0.00	\$10,000.00	\$35,000.00
Legal Fees	\$0.00	\$0.00	\$0.00
Software Support	\$1,400.00	\$1,400.00	\$1,400.00
ACH Processing Fees	\$75.00	\$200.00	\$200.00
Postage	\$1,500.00	\$2,000.00	\$2,000.00
Print/Binding	\$1,000.00	\$1,200.00	\$1,200.00
Gopher State Locates	\$400.00	\$400.00	\$400.00
Insurance	\$13,200.00	\$13,200.00	\$14,000.00
Repairs and Maintenance	\$25,000.00	\$43,500.00	\$45,000.00
Dues and Subscriptions	\$125.00	\$125.00	\$125.00
Inflow and Infiltration	\$60,000.00	\$60,000.00	\$60,000.00
	\$172,461.00	\$204,185.00	\$247,228.50
	\$836,313.00	\$899,741.00	\$909,488.95

Sewer - Revenue Sources	2020	2021
Receipts from customers and users	\$573,548.00	\$590,754.44
Other Operating Receipts	\$7,672.00	\$7,903.00
Special Assessments	\$0.00	\$0.00
Property Tax Levy	\$243,000.00	\$234,500.00
Connection Fees	\$167,300.00	\$172,319.00
Interest on Investments	\$17,179.00	\$15,407.00
	<hr/>	<hr/>
	\$1,008,699.00	\$1,020,883.44



Request for Council Action Memorandum - Workshop

Item: 2021 Water, Sewer and Stormwater Utility Rates

Meeting Date: October 12, 2020

Presented By: Margaret McCallum, City Administrator

Recommendations/Council Action/Motion Requested:

To discuss the 2021 Water, Sewer and Stormwater Rates.

Details:

In 2018, the City of Mayer conducted a utility rate study based on future projects that would be needed to the Water, Sewer and Stormwater systems.

To pay for future projects and maintain the cost of day to day operations, the City needs to operate based on growth assumptions (number of new houses with connection fees) and rate/use increases of 3%.

Staff met with the City financial advisor and it was recommended to keep the 3% inflation rate increase. Attached are the 2018 rate study and 2020 long term plan. Both review the high cost utility project upgrades that are scheduled for this year (2020) and in the upcoming 2- 3 years.

The rate study reviews projected operating costs from year to year, existing debt payments and future added debt. While there is some significant debt falling off in the next 4-5 years, existing operating, current debt and some new debt is being added.

For these reasons, the financial advisor and staff are proposing the following changes to the utility rates for 2021 with the recommendation to reassess in 2021 for 2022 rates:

	2019	2020	2021
Water - Monthly			
Water = No Gallon Base	\$12.24	\$12.60	\$12.98
Water = 0 -6,000 gallons	\$5.41	\$5.57	\$5.74
6,001-15,000	\$6.26	\$6.45	\$6.64
15,001-20,000	\$7.36	\$7.59	\$7.81
20,001 and above	\$9.97	\$10.27	\$10.58

Sewer - Monthly			
Sewer = No Gallon Base	\$20.04	\$20.65	\$21.26
Sewer = per 1000 gallons	\$7.62	\$7.85	\$8.09

Storm Sewer - Monthly	Residential	\$4.00	\$5.60	\$7.00
	Commercial	\$12.00	\$16.80	\$21.00
	School & Churches	\$4.00	\$5.60	\$7.00
	Industrial	\$12.00	\$16.80	\$21.00
	Multi-Family	\$8.00	\$11.20	\$14.00

Connection Chargers	Water (WAC)	\$4,640.00	\$4,780.00	\$4,920.00
	Sewer (SAC)	\$4,460.00	\$4,780.00	\$4,920.00

Bill Impact Example:

If a single person used 2,000 Gallons per month:

2020 Bill –

Water Base - \$12.60
 Water Usage - \$5.57 x 2 = \$11.14
 Sewer Base - \$20.65
 Sewer Usage - \$7.85 x 2 = \$15.70
 Storm - \$5.60

\$65.69

2021 Bill -

Water Base - \$12.98
 Water Usage - \$5.74 x 2 = \$11.48
 Sewer Base - \$21.26
 Sewer Usage - \$8.09 x 2 = \$16.18
 Storm - \$7.00

\$68.90

If a family of four used 8,000 Gallons per month:

2020 Bill –

Water Base - \$12.60
 Water Usage - \$5.57 x 6 = \$33.42
 \$6.45 x 2 = \$12.90
 Sewer Base - \$20.65
 Sewer Usage - \$7.85 x 8 = \$62.80
 Storm - \$5.60

\$147.97

2021 Bill -

Water Base - \$12.98
 Water Usage - \$5.74 x 6 = \$34.44
 \$6.64 x 2 = \$13.28
 Sewer Base - \$21.26
 Sewer Usage - \$8.09 x 8 = \$64.72
 Storm - \$7.00

\$153.68

Attachments:

- 2018 Utility Rate Study.
- 2020 Long Term Plan.

Water, Sewer and Stormwater Rate Study

City of Mayer
Mayer, Minnesota

October 8, 2018

Draft

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
Table of Contents
October 8, 2018

	<u>Page No.</u>
Introductory Section	
I. Introduction	4
II. Assumptions	7
III. Water, Sewer and Stormwater Rate Study	11
Summary	21
Supplementary Information	
Sewer and Water Fund	
Cash Flow Projections	
Schedule of Cash Flows - Water - Increase in Billing Revenue from Population Increase, 3% Rate Increase	23
Schedule of Cash Flows - Sewer - Increase in Billing Revenue from Population Increase, 3% Rate Increase	24
Schedule of Cash Flows - Storm - Scenario 1 - Current State	25
Schedule of Cash Flows - Storm - Scenario 2 - Increase in Billing Revenue from Population Increase and Additional Increase Spread Over Several Periods to Achieve Target	26

Draft

INTRODUCTORY SECTION

CITY OF MAYER
MAYER, MINNESOTA

Draft

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

I. Introduction

The City of Mayer, Minnesota (the City) owns and operates Water, Sewer and Stormwater utilities. The table below summarizes the Water service and average usage by the Residential, Senior Residents, Multi-Residential and Commercial customer classes. Sewer is billed based on water usage and Stormwater is a flat monthly rate.

AVERAGE NO. OF CUSTOMERS BY USAGE

CUSTOMER CLASS: Residential

SERVICE: Water

Water Usage (Gallons)	High Use Month	Low Use Month	Moderate Use Month 1	Moderate Use Month 2	Total # of Cusomters in Usage Level	Avg # of Customers in Usage Level	Customer % of Total	Avg Use	Avg Total Water Use	Use % of Total	
0	1,000	121	137	121	127	506	127	16.60%	500	63,500	2.47%
1,001	2,000	111	126	106	121	464	116	15.16%	1,500	174,000	6.76%
2,001	3,000	128	163	143	142	576	144	18.82%	2,500	360,000	13.98%
3,001	4,000	129	164	135	142	570	143	18.69%	3,500	500,500	19.44%
4,001	5,000	99	73	101	98	371	93	12.16%	4,500	418,500	16.25%
5,001	6,000	70	54	69	64	257	64	8.37%	5,500	352,000	13.67%
6,001	7,000	49	27	48	38	162	41	5.36%	6,500	266,500	10.35%
7,001	8,000	12	10	18	12	52	13	1.70%	7,500	97,500	3.79%
8,001	9,000	12	4	7	7	30	8	1.05%	8,500	68,000	2.64%
9,001	10,000	11	1	4	4	20	5	0.65%	9,500	47,500	1.84%
10,001	11,000	7	0	1	1	9	2	0.26%	10,500	21,000	0.82%
11,001	12,000	1	0	2	1	4	1	0.13%	11,500	11,500	0.45%
12,001	13,000	0	1	2	1	4	1	0.13%	12,500	12,500	0.49%
13,001	14,000	6	0	0	0	6	2	0.26%	13,500	27,000	1.05%
14,001	15,000	1	0	0	0	1	0	0.00%	14,500	-	0.00%
Over	15,000	6	3	6	5	20	5	0.65%	31,050	155,250	6.03%
						765	100.00%			2,575,250	100.00%

AVERAGE NO. OF CUSTOMERS BY USAGE

CUSTOMER CLASS: Senior Residents

SERVICE: Water

Water Usage (Gallons)	High Use Month	Low Use Month	Moderate Use Month 1	Moderate Use Month 2	Total # of Cusomters in Usage Level	Avg # of Customers in Usage Level	Customer % of Total	Avg Use	Avg Total Water Use	Use % of Total	
-	1,000	2	4	1	4	11	3	30.00%	500	1,500	8.33%
1,001	2,000	2	3	4	2	11	3	30.00%	1,500	4,500	25.00%
2,001	3,000	3	2	2	1	8	2	20.00%	2,500	5,000	27.78%
3,001	4,000	1	1	2	2	6	2	20.00%	3,500	7,000	38.89%
4,001	5,000	1	0	0	0	1	0	0.00%	4,500	-	0.00%
5,001	6,000	0	0	0	1	1	0	0.00%	5,500	-	0.00%
6,001	7,000	1	0	0	0	1	0	0.00%	6,500	-	0.00%
7,001	8,000	0	0	0	0	0	0	0.00%	7,500	-	0.00%
8,001	9,000	0	0	1	0	1	0	0.00%	8,500	-	0.00%
9,001	10,000	0	0	0	0	0	0	0.00%	9,500	-	0.00%
10,001	11,000	0	0	0	0	0	0	0.00%	10,500	-	0.00%
11,001	12,000	0	0	0	0	0	0	0.00%	11,500	-	0.00%
12,001	13,000	0	0	0	0	0	0	0.00%	12,500	-	0.00%
13,001	14,000	0	0	0	0	0	0	0.00%	13,500	-	0.00%
14,001	15,000	0	0	0	0	0	0	0.00%	14,500	-	0.00%
Over	15,000	0	0	0	0	0	0	0.00%	-	-	0.00%
						10	100.00%			18,000	100.00%

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

I. Introduction (Continued)

AVERAGE NO. OF CUSTOMERS BY USAGE

CUSTOMER CLASS: Multi Residential

SERVICE: Water

Water Usage (Gallons)	High Use Month	Low Use Month	Moderate Use Month 1	Moderate Use Month 2	Total # of Cusomters in Usage Level	Avg # of Customers in Usage Level	Customer % of Total	Avg Use	Avg Total Water Use	Use % of Total
-	1,000	0	0	0	0	0	0.00%	500	-	0.00%
1,001	2,000	4	4	0	0	8	14.29%	1,500	3,000	9.09%
2,001	3,000	10	10	14	14	48	85.71%	2,500	30,000	90.91%
3,001	4,000	0	0	0	0	0	0.00%	3,500	-	0.00%
4,001	5,000	0	0	0	0	0	0.00%	4,500	-	0.00%
5,001	6,000	0	0	0	0	0	0.00%	5,500	-	0.00%
6,001	7,000	0	0	0	0	0	0.00%	6,500	-	0.00%
7,001	8,000	0	0	0	0	0	0.00%	7,500	-	0.00%
8,001	9,000	0	0	0	0	0	0.00%	8,500	-	0.00%
9,001	10,000	0	0	0	0	0	0.00%	9,500	-	0.00%
10,001	11,000	0	0	0	0	0	0.00%	10,500	-	0.00%
11,001	12,000	0	0	0	0	0	0.00%	11,500	-	0.00%
12,001	13,000	0	0	0	0	0	0.00%	12,500	-	0.00%
13,001	14,000	0	0	0	0	0	0.00%	13,500	-	0.00%
14,001	15,000	0	0	0	0	0	0.00%	14,500	-	0.00%
Over	15,000	0	0	0	0	0	0.00%	-	-	0.00%
14							100.00%		33,000	100.00%

AVERAGE NO. OF CUSTOMERS BY USAGE

CUSTOMER CLASS: Commercial

SERVICE: Water

Water Usage (Gallons)	High Use Month	Low Use Month	Moderate Use Month 1	Moderate Use Month 2	Total # of Cusomters in Usage Level	Avg # of Customers in Usage Level	Customer % of Total	Avg Use	Avg Total Water Use	Use % of Total
-	1,000	25	24	26	26	101	71.43%	500	12,500	8.86%
1,001	2,000	3	4	2	3	12	8.57%	1,500	4,500	3.19%
2,001	3,000	3	2	2	1	8	5.71%	2,500	5,000	3.54%
3,001	4,000	0	0	1	0	1	0.00%	3,500	-	0.00%
4,001	5,000	0	1	0	0	1	0.00%	4,500	-	0.00%
5,001	6,000	1	1	1	1	4	2.86%	5,500	5,500	3.90%
6,001	7,000	0	0	0	1	1	0.00%	6,500	-	0.00%
7,001	8,000	1	0	2	1	4	2.86%	7,500	7,500	5.31%
8,001	9,000	0	1	0	0	1	0.00%	8,500	-	0.00%
9,001	10,000	0	0	0	0	0	0.00%	9,500	-	0.00%
10,001	11,000	1	0	0	0	1	0.00%	10,500	-	0.00%
11,001	12,000	0	0	0	0	0	0.00%	11,500	-	0.00%
12,001	13,000	0	0	0	0	0	0.00%	12,500	-	0.00%
13,001	14,000	0	0	0	0	0	0.00%	13,500	-	0.00%
14,001	15,000	0	1	0	0	1	0.00%	14,500	-	0.00%
Over	15,000	3	3	3	4	13	8.57%	35,385	106,154	75.20%
35							100.00%		141,154	100.00%

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

I. Introduction (Continued)

This rate study analyzes the cash flows of the Water, Sewer and Stormwater utilities of the City. Sources and uses of cash are projected for the years ending December 31, 2018 to December 31, 2027. The study uses the current number and type of accounts to project future revenue at a suggested rate for each of the utility funds, each year.

Annual capital costs are projected separately for each of the funds for the projection period. The City has a Capital Improvement Plan (CIP) and a Surface Water Management Plan that go from 2018 to 2022, averages for that 5 year period were used to estimate capital spending from 2023 to 2028. The Surface Water Management Plan is dated June 28, 2018.

The financial projection is based on billings inflated from the current rate. Expense assumptions are outlined in the assumptions section on the following page and present, to the best of management's knowledge and belief, the City's expected results of cash flows for the projection period if such uses of cash occur. Accordingly, the projection reflects management's judgment, as of the date of this projection, of the expected conditions and the City's expected course of action if such usage and expense totals were attained. The presentation is designed to provide information to the City Council concerning recovery of expenses that might be achieved if rates were adjusted and should not be considered to be a presentation of expected future results. Accordingly, this projection may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projection. Furthermore, there will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

Draft

II. Assumptions

Water Fund

- The projection assumes fees are inflated 3% annually.
- Operating expense inflation is assumed to be 3%.
- New connections are estimated at 35 new residential connections annually. Connection fee revenue assumes a 3% annual inflation increase.
- Planned acquisition of capital assets is taken from the City CIP. Major purchases are offset with bond proceeds and future debt payments.
- **Target cash reserve will be set at 100% of following year's debt service and 50% of following years operating expenses. Based on the current state, the cash balance will not be sufficient to meet the target and operating cash will not generate enough surplus to cover the following year's debt service and operating expenses. Scenario 2 creates positive cash flow sufficient to hit the targeted cash balance.**

Sewer Fund

- The projection assumes fees are inflated 3% annually.
- Operating expense inflation is assumed to be 3%.
- New connections are estimated at 35 new residential connections annually. Connection fee revenue assumes a 3% annual inflation increase.
- Planned acquisition of capital assets is taken from the City CIP. Major purchases are offset with bond proceeds and future debt payments. The average calculated and used as an estimate for years 2023 through 2027 does not include the Waste Water Treatment expansion project of \$3,000,000 in 2021.
- Property tax levy of \$273,000 in 2017 is continued but decreased by \$10,000 annually.
- **Target cash reserve will be set at 100% of following year's debt service and 50% of following years operating expenses. Based on the assumptions above, the cash balance will exceed the target and operating cash will generate enough surplus to cover the following year's debt service and operating expenses.**

Stormwater Fund

- Both scenarios assume fees are inflated at least 3% annually. Scenario 2 assumes additional increases to the rates are applied over several periods. The initial increase is consistent with the Surface Water Management Plan is dated June 28, 2018.
- Operating expense inflation is assumed to be 3%.
- Planned acquisition of capital assets is taken from the City CIP plan. No purchases are assumed to be offset with bond proceeds and future debt payments.
- **Target cash reserve will be set at 100% of following year's debt service and 50% of following years operating expenses. Based on the assumptions above, the cash balance will exceed the target and operating cash will generate enough surplus to cover the following year's debt service and operating expenses.**

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

II. Assumptions (Continued)

A schedule of the planned capital projects are listed below.

The assumption is that the City will be doing these projects at some point during the projection period.

Water	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Well no. 3	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
* Additional Water Treatment 500 gal	-	-	-	-	100,000	-	-	-	-	-
* Water Tower	-	-	-	-	1,200,000	-	-	-	-	-
Total Water Fund Capital	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,300,000	\$ -				
Average annual cost over a 5 year period	\$ 340,000									
*Bonding										

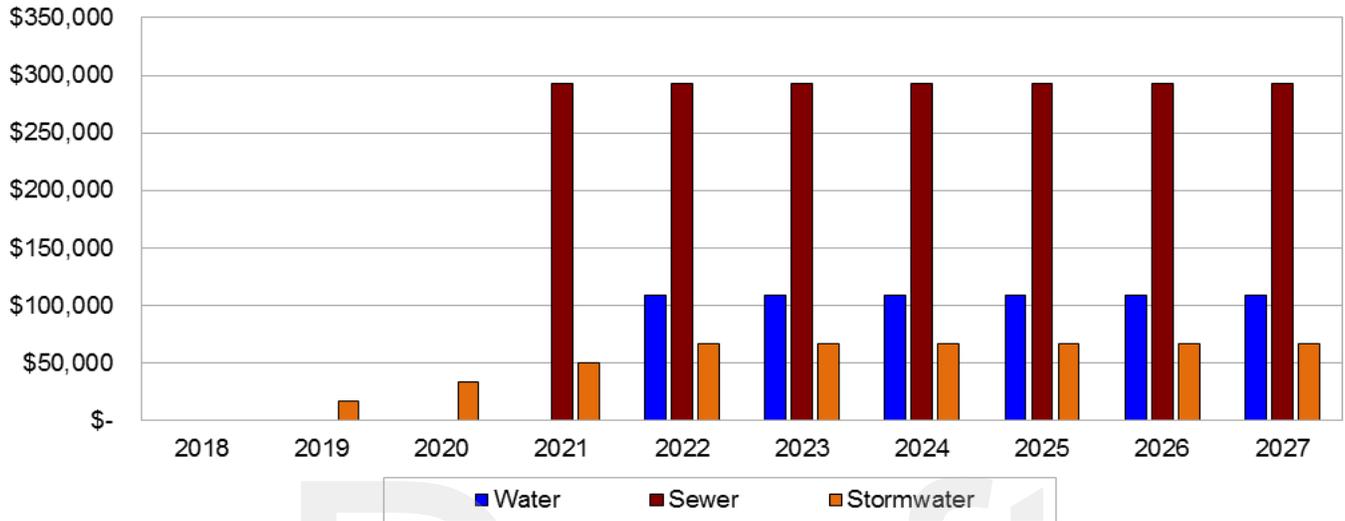
Sewer	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual budgeted amount	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ -	\$ -	\$ -	\$ -	\$ -
Slip Lining 2018	60,000	-	-	-	-	-	-	-	-	-
Slip Lining 2019	-	60,000	-	-	-	-	-	-	-	-
Enlargement of the Main	-	-	-	100,000	-	-	-	-	-	-
* WWTF -Expansion	-	-	-	3,000,000	-	-	-	-	-	-
Lift Station 4	-	-	-	250,000	-	-	-	-	-	-
Expansion of Lift Station 2	-	-	-	-	75,000	-	-	-	-	-
Lift Station 3	-	-	-	-	250,000	-	-	-	-	-
Total Sewer Fund Capital	\$ 147,000	\$ 147,000	\$ 87,000	\$ 3,437,000	\$ 412,000	\$ -				
Average annual cost over a 5 year period (excludes WWTF-Expansion)	\$ 246,000									
*Bonding										

Stormwater	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Storm Water 2018	\$ 52,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Water 2019	-	73,000	-	-	-	-	-	-	-	-
Storm Water 2020	-	-	73,000	-	-	-	-	-	-	-
Storm Water 2021	-	-	-	73,000	-	-	-	-	-	-
Storm Water 2022	-	-	-	-	73,000	-	-	-	-	-
Total Sewer Fund Capital	\$ 52,500	\$ 73,000	\$ 73,000	\$ 73,000	\$ 73,000	\$ -				
Average annual cost over a 5 year period	\$ 68,900									
*Bonding										

II. Assumptions (Continued)

A summary of the total future debt service associated with the planned capital projects is presented below.

Future Debt Service (Principal and Interest) Summary by Fund



Draft

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

II. Assumptions (Continued)

A schedule of the projected new connections, developer charges and additional revenues from billing is presented below.

CONNECTION CHARGES										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual Increase in Users										
New Connections - Residential	35	35	35	35	35	35	35	35	35	35
New Connections - Commercial	-	-	-	-	-	-	-	-	-	-
Population	2,127	2,162	2,197	2,232	2,267	2,302	2,337	2,372	2,407	2,442
Connection Charges										
Water Connection Charge	\$ 4,500	\$ 4,640	\$ 4,780	\$ 4,920	\$ 5,070	\$ 5,220	\$ 5,380	\$ 5,540	\$ 5,710	\$ 5,880
Sewer Connection Charge	4,500	4,640	4,780	4,920	5,070	5,220	5,380	5,540	5,710	5,880
Connection Revenue - Residential										
Water Connection Charge	\$ 157,500	\$ 162,400	\$ 167,300	\$ 172,200	\$ 177,450	\$ 182,700	\$ 188,300	\$ 193,900	\$ 199,850	\$ 205,800
Sewer Connection Charge	157,500	162,400	167,300	172,200	177,450	182,700	188,300	193,900	199,850	205,800
ADDITIONAL BILLING REVENUE										
Annual Increase in Users										
Cumulative increase in connections	35	70	105	140	175	210	245	280	315	350
Water Billing Revenue - Residential										
Monthly bill based on 3,500 gallons	\$ 30.26	\$ 31.16	\$ 32.10	\$ 33.06	\$ 34.05	\$ 35.07	\$ 36.13	\$ 37.21	\$ 38.33	\$ 39.48
Annual revenue - Water	12,707	26,177	40,443	55,542	71,510	88,386	106,211	125,025	144,873	165,799
Sewer Billing Revenue - Residential										
Monthly bill based on 3,500 gallons	\$ 45.36	\$ 46.72	\$ 48.12	\$ 49.57	\$ 51.05	\$ 52.58	\$ 54.16	\$ 55.79	\$ 57.46	\$ 59.18
Annual revenue - Sewer	19,051	39,245	60,634	83,271	107,211	132,513	159,237	187,445	217,201	248,575
Storm Billing Revenue - Residential										
Monthly bill 3% increase	\$ 2.00	\$ 2.06	\$ 2.12	\$ 2.19	\$ 2.25	\$ 2.32	\$ 2.39	\$ 2.46	\$ 2.53	\$ 2.61
Annual revenue - Storm 3% increase	840	1,730	2,673	3,672	4,727	5,843	7,021	8,265	9,577	10,960
Monthly bill - Scenario 2	\$ 2.00	\$ 4.00	\$ 5.60	\$ 7.00	\$ 8.75	\$ 10.94	\$ 11.27	\$ 11.60	\$ 11.95	\$ 12.31
Annual revenue - Storm - Scenario 2	840	3,360	7,056	11,760	18,375	27,563	33,121	38,988	45,177	51,703
DEVELOPER AREA CHARGES										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual Developed Acreage										
New development - Residential	6	6	6	6	6	6	6	6	6	6
New development - Commercial	-	-	-	-	-	-	-	-	-	-
New development - Industrial	-	-	-	-	-	-	-	-	-	-
Area Charges										
Water Area Charge	\$ 2,350	\$ 2,421	\$ 2,493	\$ 2,568	\$ 2,645	\$ 2,724	\$ 2,806	\$ 2,890	\$ 2,977	\$ 3,066
Sewer Area Charge	2,350	2,421	2,493	2,568	2,645	2,724	2,806	2,890	2,977	3,066
Residential Storm Sewer Charge	2,650	2,730	2,811	2,896	2,983	3,072	3,164	3,259	3,357	3,458
Commercial Storm Sewer Charge	2,900	2,987	3,077	3,169	3,264	3,362	3,463	3,567	3,674	3,784
Industrial Storm Sewer Charge	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
Area Charge Revenue										
Water Area Charge	\$ 14,100	\$ 14,523	\$ 14,959	\$ 15,407	\$ 15,870	\$ 16,346	\$ 16,836	\$ 17,341	\$ 17,861	\$ 18,397
Sewer Area Charge	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397
Residential Storm Sewer Charge	15,900	16,377	16,868	17,374	17,896	18,432	18,985	19,555	20,142	20,746
Commercial Storm Sewer Charge	-	-	-	-	-	-	-	-	-	-
Industrial Storm Sewer Charge	-	-	-	-	-	-	-	-	-	-
Total Storm Sewer Area Charge Revenue	15,900	16,377	16,868	17,374	17,896	18,432	18,985	19,555	20,142	20,746

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

III. Water, Sewer and Stormwater Rate Study

Water Utilities Operating Fund

Goal

- The Water fund will maintain a targeted cash balance sufficient to cover operations, capital and debt service. Targeted cash balance for the fund refers to the following years' debt service obligations well as 50 percent of estimated operating costs.

Rates

A summary of the current rates and proposed rates are listed below. Allowing for annual inflationary increase in rates will result in cash flows that will achieve the annual targets.

Rates Increased Over Several Periods

<u>Water - Residential</u>	Current	Proposed Rates								
		2019	2020	2021	2022	2023	2024	2025	2026	2027
Proposed increase on fixed rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Proposed increase on usage rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Monthly bill based on 3,500 gallons	\$ 30.26	\$ 31.16	\$ 32.10	\$ 33.06	\$ 34.05	\$ 35.07	\$ 36.13	\$ 37.21	\$ 38.33	\$ 39.48
Monthly \$ increase for a 3,500 gallon user		0.91	0.93	0.96	0.99	1.02	1.05	1.08	1.12	1.15
Annual \$ increase for an average 3,500 gallon user		10.89	11.22	11.56	11.90	12.26	12.63	13.01	13.40	13.80
Base Fee	\$ 11.88	\$ 12.24	\$ 12.60	\$ 12.98	\$ 13.37	\$ 13.77	\$ 14.19	\$ 14.61	\$ 15.05	\$ 15.50
Meter Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Usage Fee - Per 1,000 gallons</u>										
0 6,000	\$ 5.25	\$ 5.41	\$ 5.57	\$ 5.74	\$ 5.91	\$ 6.09	\$ 6.27	\$ 6.46	\$ 6.65	\$ 6.85
6,001 15,000	\$ 6.08	\$ 6.26	\$ 6.45	\$ 6.64	\$ 6.84	\$ 7.05	\$ 7.26	\$ 7.48	\$ 7.70	\$ 7.93
15,001 20,000	\$ 7.15	\$ 7.36	\$ 7.59	\$ 7.81	\$ 8.05	\$ 8.29	\$ 8.54	\$ 8.79	\$ 9.06	\$ 9.33
20,001 999,999,999	\$ 9.68	\$ 9.97	\$ 10.27	\$ 10.58	\$ 10.89	\$ 11.22	\$ 11.56	\$ 11.91	\$ 12.26	\$ 12.63

Rates Increased Over Several Periods

<u>Water - Commercial</u>	Current	Proposed Rates								
		2019	2020	2021	2022	2023	2024	2025	2026	2027
Proposed increase on fixed rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Proposed increase on usage rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Monthly bill based on 35,400 gallons	\$ 282.92	\$ 291.41	\$ 300.15	\$ 309.16	\$ 318.43	\$ 327.98	\$ 337.82	\$ 347.96	\$ 358.40	\$ 369.15
Monthly \$ increase for a 35,400 gallon user		8.49	8.74	9.00	9.27	9.55	9.84	10.13	10.44	10.75
Annual \$ increase for an average 35,400 gallon user		101.85	104.91	108.05	111.30	114.64	118.07	121.62	125.27	129.02
Base Fee	\$ 11.88	\$ 12.24	\$ 12.60	\$ 12.98	\$ 13.37	\$ 13.77	\$ 14.19	\$ 14.61	\$ 15.05	\$ 15.50
Meter Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Usage Fee - Per 1,000 gallons</u>										
0 6,000	\$ 5.25	\$ 5.41	\$ 5.57	\$ 5.74	\$ 5.91	\$ 6.09	\$ 6.27	\$ 6.46	\$ 6.65	\$ 6.85
6,001 15,000	\$ 6.08	\$ 6.26	\$ 6.45	\$ 6.64	\$ 6.84	\$ 7.05	\$ 7.26	\$ 7.48	\$ 7.70	\$ 7.93
15,001 20,000	\$ 7.15	\$ 7.36	\$ 7.59	\$ 7.81	\$ 8.05	\$ 8.29	\$ 8.54	\$ 8.79	\$ 9.06	\$ 9.33
20,001 999,999,999	\$ 9.68	\$ 9.97	\$ 10.27	\$ 10.58	\$ 10.89	\$ 11.22	\$ 11.56	\$ 11.91	\$ 12.26	\$ 12.63

City of Mayer, Minnesota
 Water, Sewer and Stormwater Rate Study
 October 8, 2018

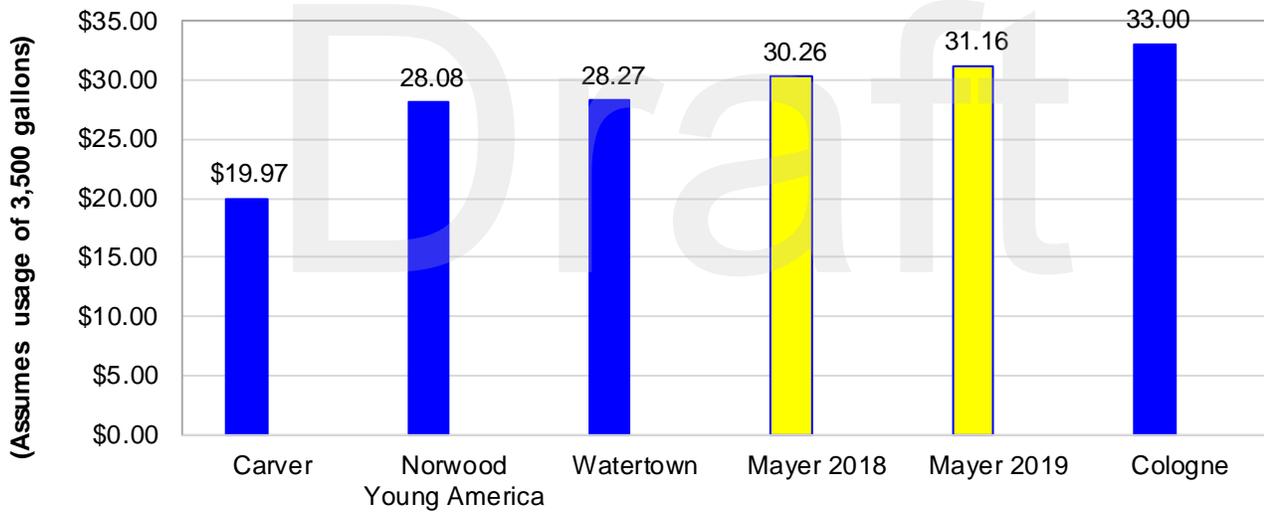
III. Water, Sewer and Stormwater Rate Study (Continued)

Water Utilities Operating Fund (Continued)

The table below summarizes comparable communities monthly Residential bill if average usage is 3,500 gallons. Currently, Mayer has Water rates in the middle of the comparable communities, annual inflation increase in the Water rates will allow Mayer's Water rates to remain within comparable range.

WATER	
<u>City</u>	<u>Monthly Bill (\$)</u>
Carver	\$ 19.97
Norwood Young America	28.08
Watertown	28.27
Mayer 2018	30.26
Mayer 2019	31.16
Cologne	33.00
 Average Bill (w/o Mayer)	 <u>\$ 27.33</u>

COMPARISON OF MONTHLY WATER BILLINGS



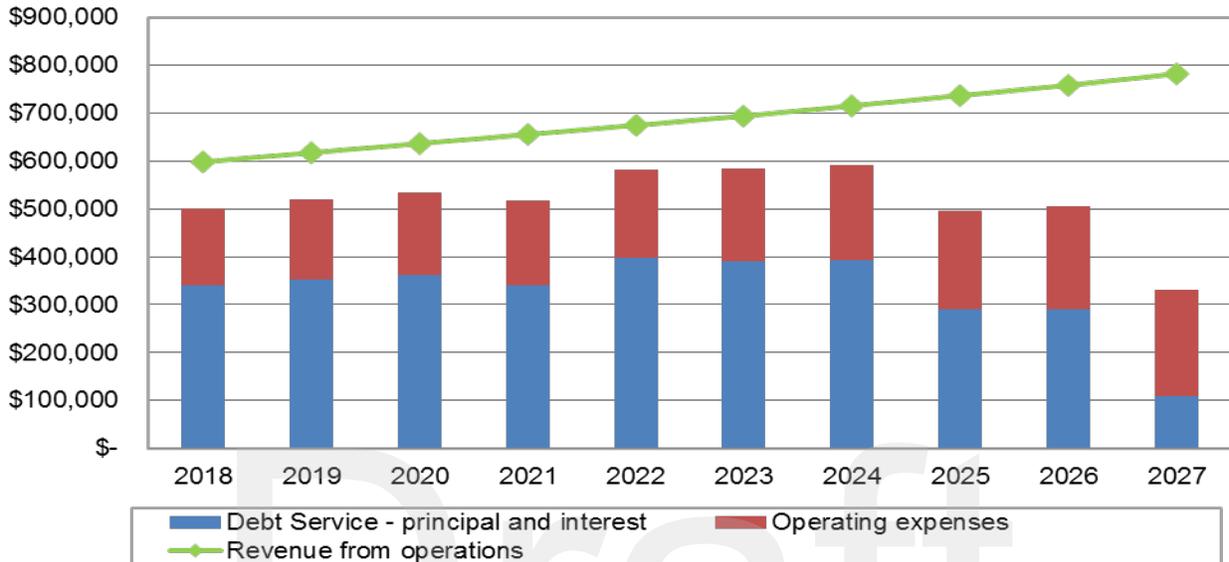
Average bill excluding Mayer is \$27.33

III. Water, Sewer and Stormwater Rate Study (Continued)

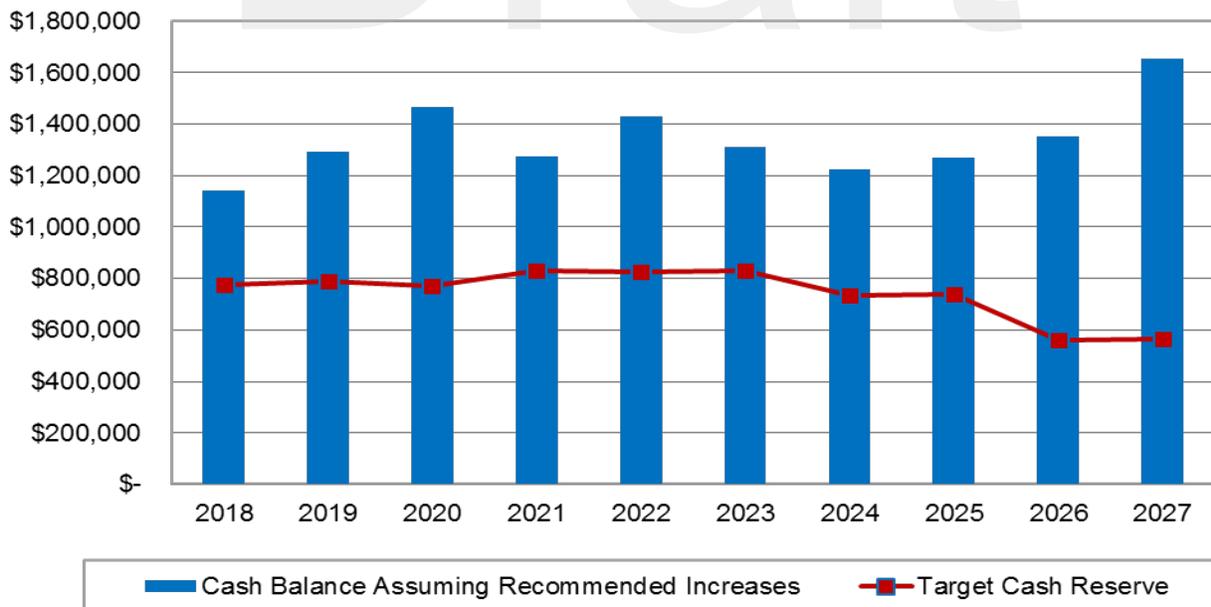
Water Utilities Operating Fund (Continued)

Current rates inflated at 3% annually with increase in billing revenues from estimated population increase

Revenue from 3% Rate Increase Compared with Debt and Operating Expense



Projected Ending Cash Balance Compared to Targeted Cash Reserve



Target Cash Reserve is lowest amount needed to fund operations. Excess above target would be used to future capital improvement needs above target.

As evidenced by the graphs above, the City's Water rates are sufficient to grow the existing cash balance if population increases are achieved as anticipated. Revenues are sufficient to cover operating expenses, debt and capital.

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

III. Water, Sewer and Stormwater Rate Study (Continued)

Sewer Utilities Operating Fund

Goal

- The Sewer Operating fund will maintain a sufficient working capital balance. Targeted cash balance for the fund refers to the following years' debt service obligations well as 50 percent of estimated operating costs.

Rates

A summary of the current rates and proposed rates are listed below. Allowing for rate increases over several periods as well as annual inflationary increases will result in cash flows that will achieve the annual targets in Scenario 2.

Rates Increased Over Several Periods

<u>Sewer - Residential</u>	Current	Proposed Rates								
		2019	2020	2021	2022	2023	2024	2025	2026	2027
Proposed increase on fixed rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Proposed increase on usage rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Monthly bill based on 3,500 gallons	\$ 45.36	\$ 46.72	\$ 48.12	\$ 49.57	\$ 51.05	\$ 52.58	\$ 54.16	\$ 55.79	\$ 57.46	\$ 59.18
Monthly \$ increase for a 3,500 gallon user		1.36	1.40	1.44	1.49	1.53	1.58	1.62	1.67	1.72
Annual \$ increase for an average 3,500 gallon user		16.33	16.82	17.32	17.84	18.38	18.93	19.50	20.08	20.69
Base Fee	\$ 19.46	\$ 20.04	\$ 20.65	\$ 21.26	\$ 21.90	\$ 22.56	\$ 23.24	\$ 23.93	\$ 24.65	\$ 25.39
Meter Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Usage Fee - Per 1,000 gallons</u>										
0 999,999,999	\$ 7.40	\$ 7.62	\$ 7.85	\$ 8.09	\$ 8.33	\$ 8.58	\$ 8.84	\$ 9.10	\$ 9.37	\$ 9.66

Rates Increased Over Several Periods

<u>Sewer - Commercial</u>	Current	Proposed Rates								
		2019	2020	2021	2022	2023	2024	2025	2026	2027
Proposed increase on fixed rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Proposed increase on usage rates		3%	3%	3%	3%	3%	3%	3%	3%	3%
Monthly bill based on 35,400 gallons	\$ 281.42	\$ 289.86	\$ 298.56	\$ 307.52	\$ 316.74	\$ 326.24	\$ 336.03	\$ 346.11	\$ 356.49	\$ 367.19
Monthly \$ increase for a 35,400 gallon user		8.44	8.70	8.96	9.23	9.50	9.79	10.08	10.38	10.69
Annual \$ increase for an average 35,400 gallon user		101.31	104.35	107.48	110.71	114.03	117.45	120.97	124.60	128.34
Base Fee	\$ 19.46	\$ 20.04	\$ 20.65	\$ 21.26	\$ 21.90	\$ 22.56	\$ 23.24	\$ 23.93	\$ 24.65	\$ 25.39
Meter Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Usage Fee - Per 1,000 gallons</u>										
0 999,999,999	\$ 7.40	\$ 7.62	\$ 7.85	\$ 8.09	\$ 8.33	\$ 8.58	\$ 8.84	\$ 9.10	\$ 9.37	\$ 9.66

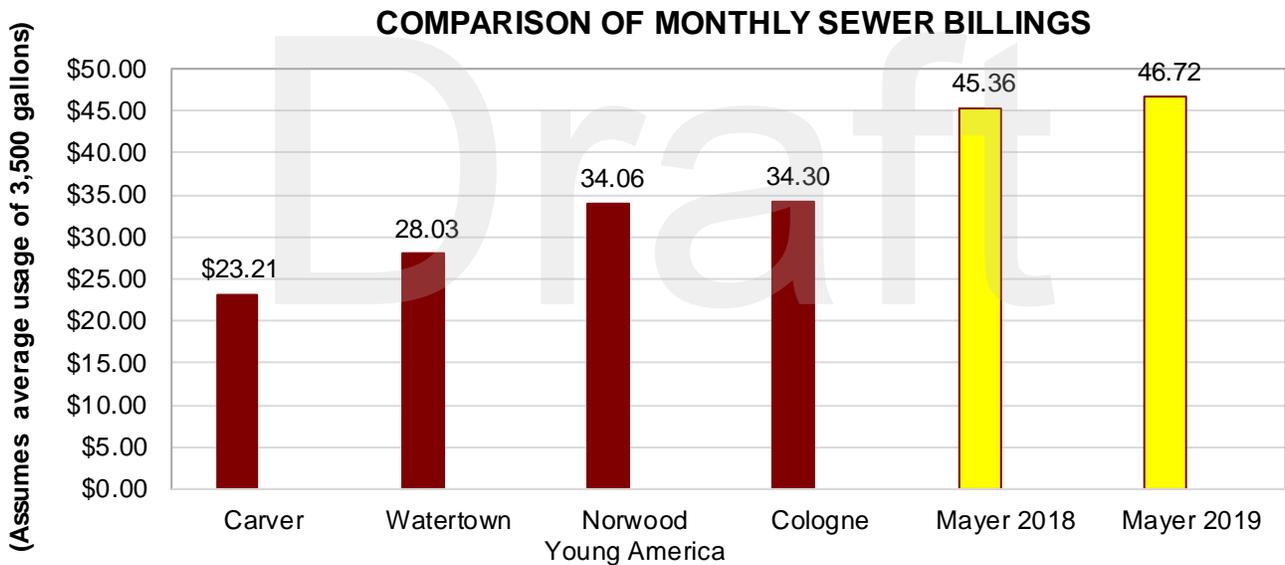
City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

III. Water, Sewer and Stormwater Rate Study (Continued)

Sewer Utilities Operating Fund (Continued)

The table below summarizes comparable communities monthly Residential bill if average usage is 3,500 gallons. Currently, Mayer’s Sewer rates are above average in comparison to the cities below. With the proposed rate increases in Scenario 2, Mayer’s Sewer rates will be the highest of the comparison the cities below.

SEWER	
City	Monthly Bill (\$)
Carver	\$ 23.21
Watertown	28.03
Norwood Young America	34.06
Cologne	34.30
Mayer 2018	45.36
Mayer 2019	46.72
 Average Bill (w/o Mayer)	 \$ 29.90



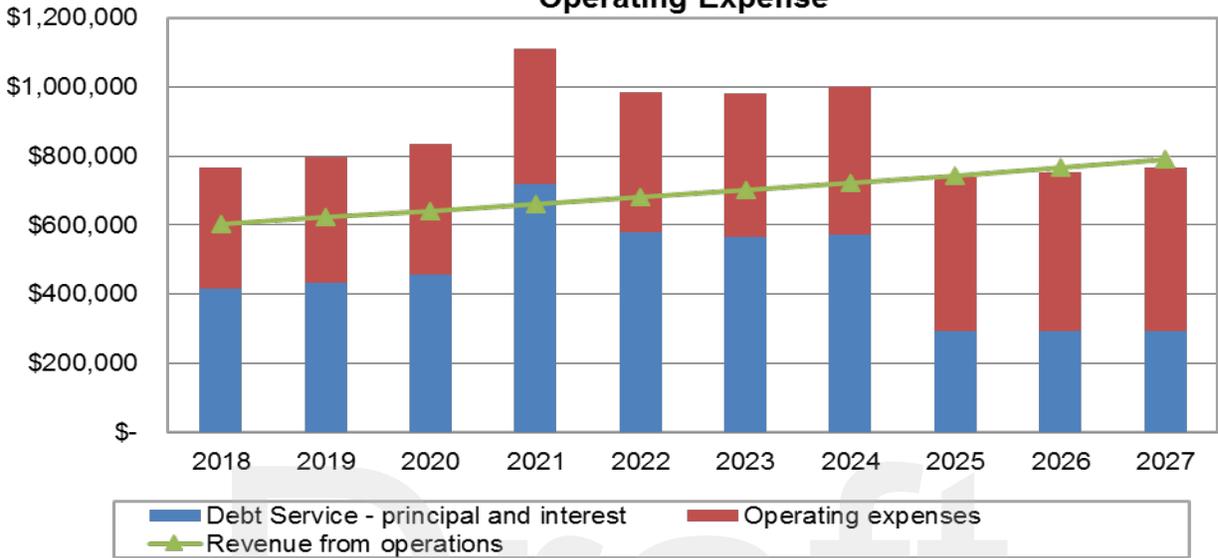
Average bill excluding Mayer is \$29.90

III. Water, Sewer and Stormwater Rate Study (Continued)

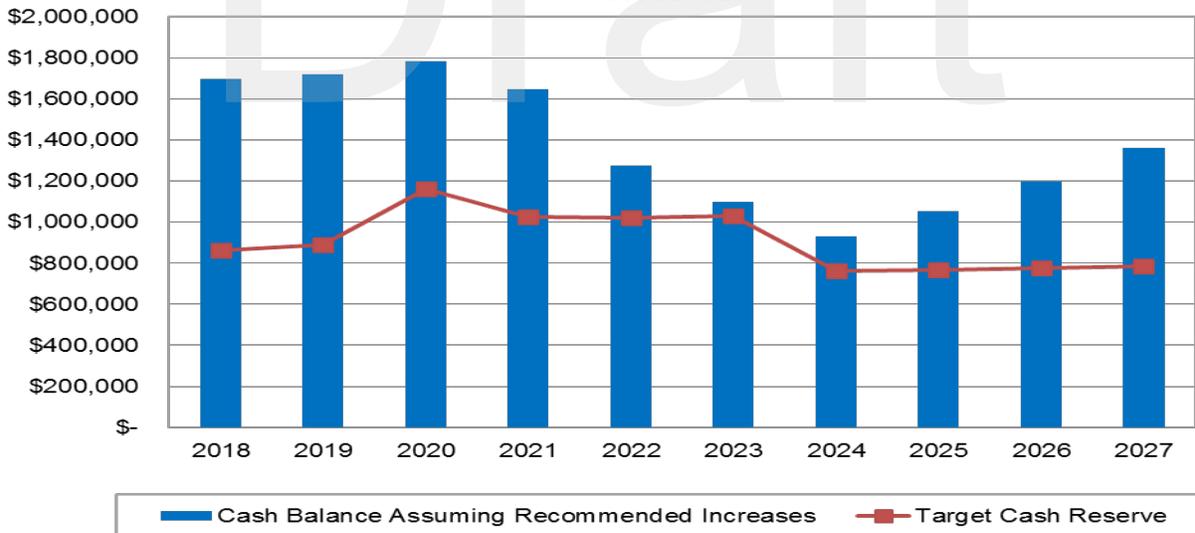
Sewer Utilities Operating Fund (Continued)

Current rates inflated at 3% annually with increase in billing revenues from estimated population increase

Revenue from 3% Rate Increase Compared with Debt and Operating Expense



Projected Ending Cash Balance Compared to Targeted Cash Reserve



Target Cash Reserve is lowest amount needed to fund operations. Excess above target would be used to future capital improvement needs above target.

Sewer Utilities Operating Fund

As evidenced by the graphs above, the City's current Sewer rates are not sufficient to sustain the existing cash balance. The connection fees and area charges are needed to fund necessary capital and continue payment on existing debt. Additionally the tax levy will still be necessary for the sewer bonds but because of the projected population increase, the amount can be reduced by \$20,000 per year from the 2019 levy. This is substantially less than the scheduled levy when the bonds were originally issued. With inflationary usage increases and population growth, revenues will increase over the years and achieve sufficient cash reserves over the life of the projection.

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

III. Water, Sewer and Stormwater Rate Study (Continued)

Stormwater Utilities Operating Fund

Goal

- The Stormwater fund will maintain a targeted cash balance sufficient to cover operations and debt service. Targeted cash balance for the fund refers to the following years' debt service obligations well as 50 percent of estimated operating costs.

Rates

A summary of the proposed rates are listed below. Allowing for rate increases over several periods as well as annual inflationary increases will result in cash flows that will achieve the annual targets in Scenario 2.

Rates Increased Over Several Periods

<u>Stormwater - Residential</u>	Current	Proposed Rates								
		2019	2020	2021	2022	2023	2024	2025	2026	2027
Proposed increase on fixed rates		100%	40%	25%	25%	25%	3%	3%	3%	3%
Monthly bill - Scenario 2	\$ 2.00	\$ 4.00	\$ 5.60	\$ 7.00	\$ 8.75	\$ 10.94	\$ 11.27	\$ 11.60	\$ 11.95	\$ 12.31
Monthly \$ increase		2.00	1.60	1.40	1.75	2.19	0.33	0.34	0.35	0.36
Annual \$ increase		24.00	19.20	16.80	21.00	26.25	3.94	4.06	4.18	4.30
Base Fee	\$ 2.00	\$ 4.00	\$ 5.60	\$ 7.00	\$ 8.75	\$ 10.94	\$ 11.27	\$ 11.60	\$ 11.95	\$ 12.31

Rates Increased Over Several Periods

<u>Stormwater - Commercial</u>	Current	Proposed Rates								
		2019	2020	2021	2022	2023	2024	2025	2026	2027
Proposed increase on fixed rates		100%	40%	25%	25%	25%	3%	3%	3%	3%
Monthly bill	\$ 6.00	\$ 12.00	\$ 16.80	\$ 21.00	\$ 26.25	\$ 32.81	\$ 33.80	\$ 34.81	\$ 35.86	\$ 36.93
Monthly \$ increase		6.00	4.80	4.20	5.25	6.56	0.98	1.01	1.04	1.08
Annual \$ increase		72.00	57.60	50.40	63.00	78.75	11.81	12.17	12.53	12.91
Base Fee	\$ 6.00	\$ 12.00	\$ 16.80	\$ 21.00	\$ 26.25	\$ 32.81	\$ 33.80	\$ 34.81	\$ 35.86	\$ 36.93

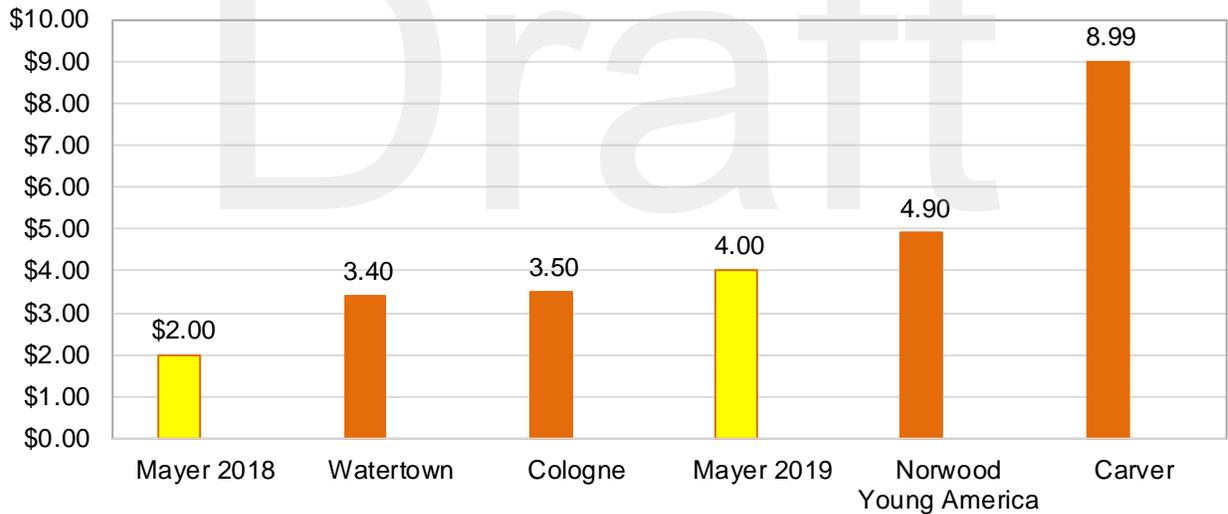
III. Water, Sewer and Stormwater Rate Study (Continued)

Stormwater Utilities Operating Fund (Continued)

The table below summarizes comparable communities monthly Residential Stormwater bill. Currently Mayer's Stormwater rates are below average and the lowest of the comparison cities below. With the proposed Stormwater rate increases in Scenario 2, Mayer's Stormwater rates will still be below average and in the middle range of the comparison the cities.

STORMWATER	
City	Monthly Bill (\$)
Mayer 2018	\$ 2.00
Watertown	3.40
Cologne	3.50
Mayer 2019	4.00
Norwood Young America	4.90
Carver	8.99
Average Bill (w/o Mayer)	<u>\$ 5.20</u>

COMPARISON OF MONTHLY STORMWATER BILLINGS

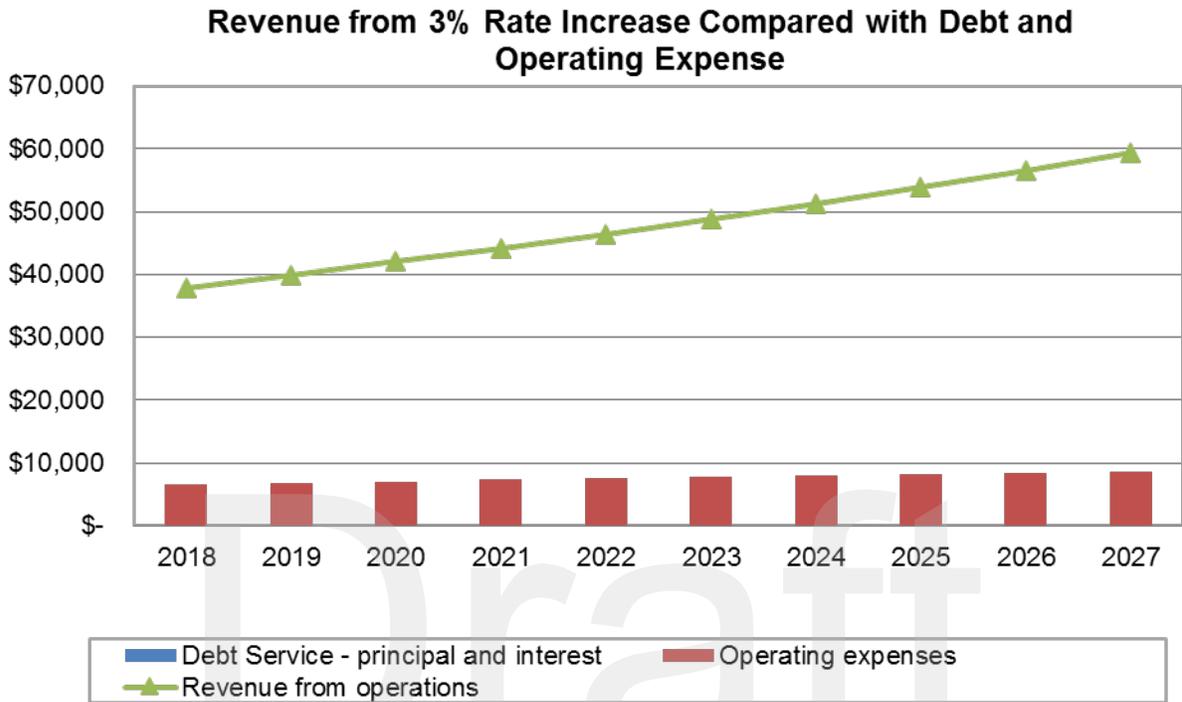


Average bill excluding Mayer is \$5.20

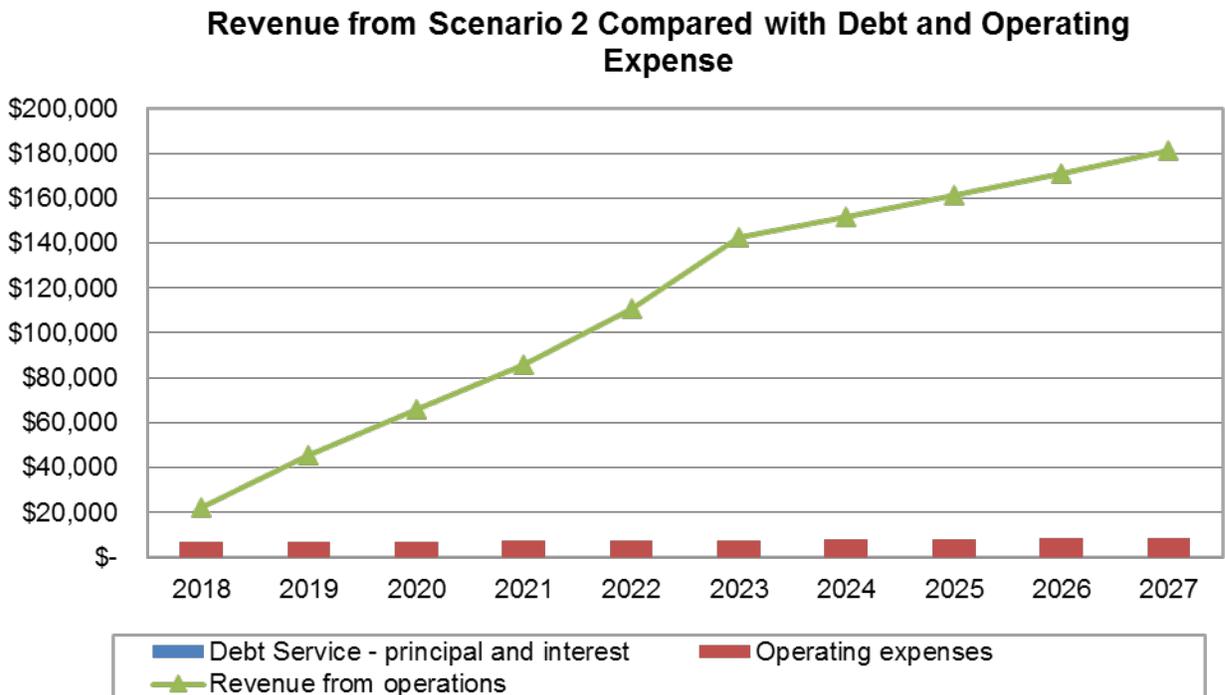
III. Water, Sewer and Stormwater Rate Study (Continued)

Stormwater Utilities Operating Fund (Continued)

Current rates inflated at 3% annually



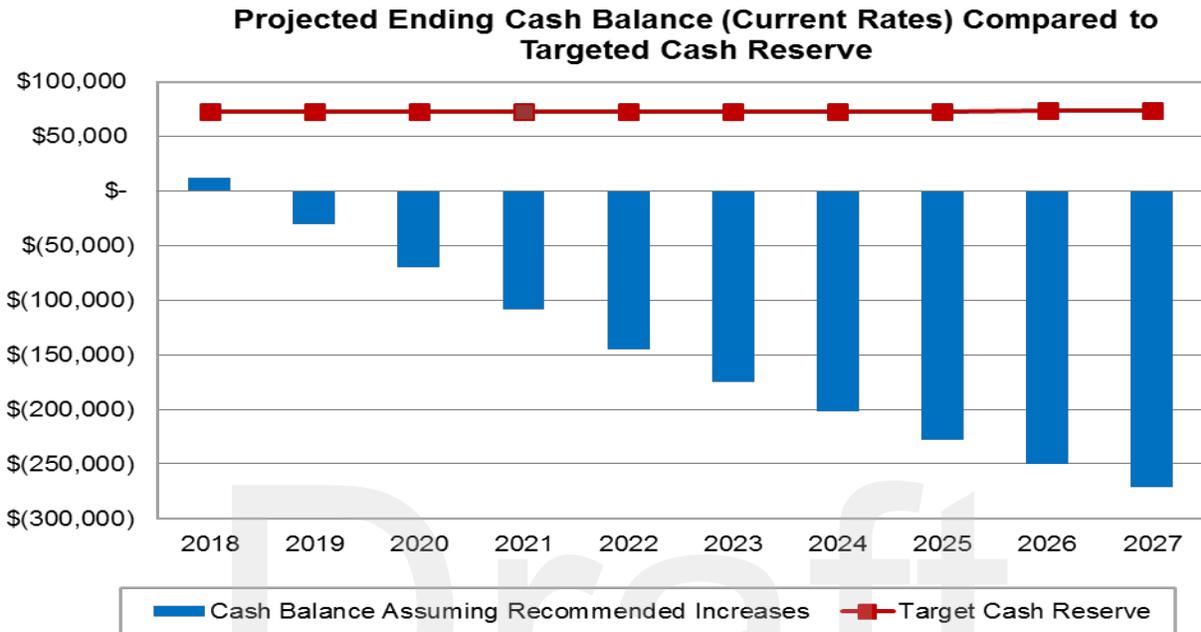
Scenario 2 - Increase in rates spread over several periods to achieve target



III. Water, Sewer and Stormwater Rate Study (Continued)

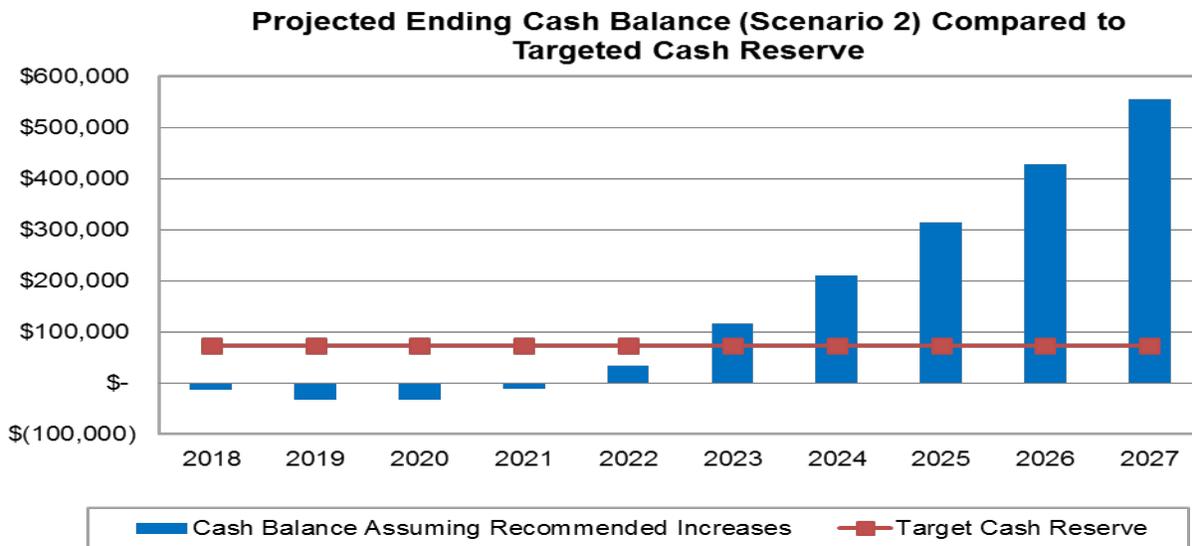
Stormwater Utilities Operating Fund (Continued)

Current rates inflated at 3% annually



Target Cash Reserve is lowest amount needed to fund operations. Excess above target would be used to future capital improvement needs above target.

Scenario 2 - Increase in rates spread over several periods to achieve target



Target Cash Reserve is lowest amount needed to fund operations. Excess above target would be used to future capital improvement needs above target.

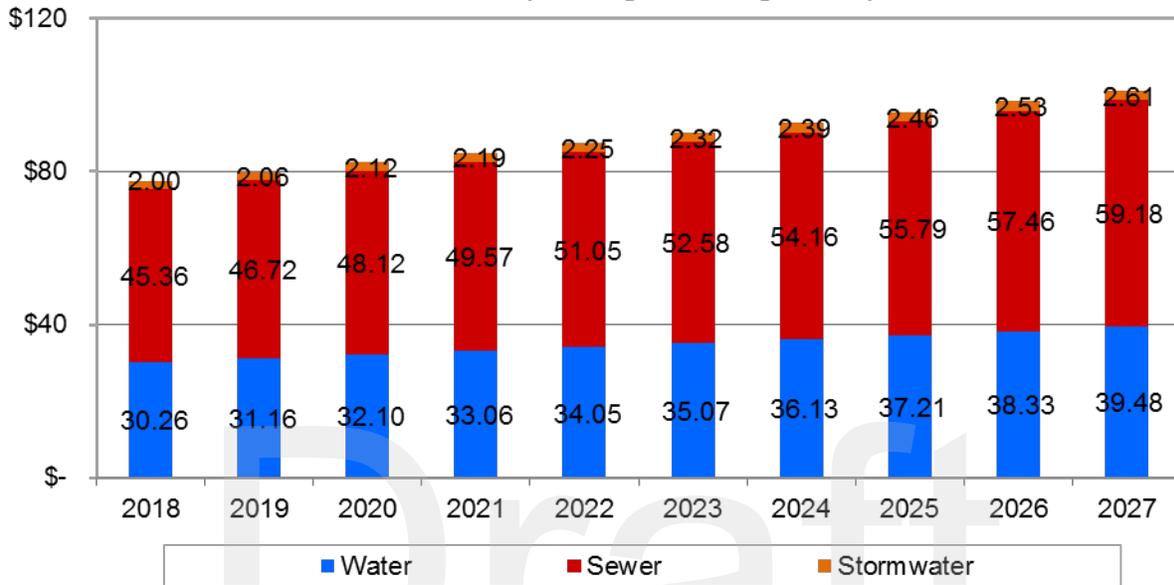
As evidenced by the graphs above, the City's Stormwater rates are insufficient to sustain the existing cash balance. Revenues are not sufficient to cover operating expenses, debt and capital. Scenario 2 rates achieve sufficient cash reserves over the life of the projection.

City of Mayer, Minnesota
Water, Sewer and Stormwater Rate Study
October 8, 2018

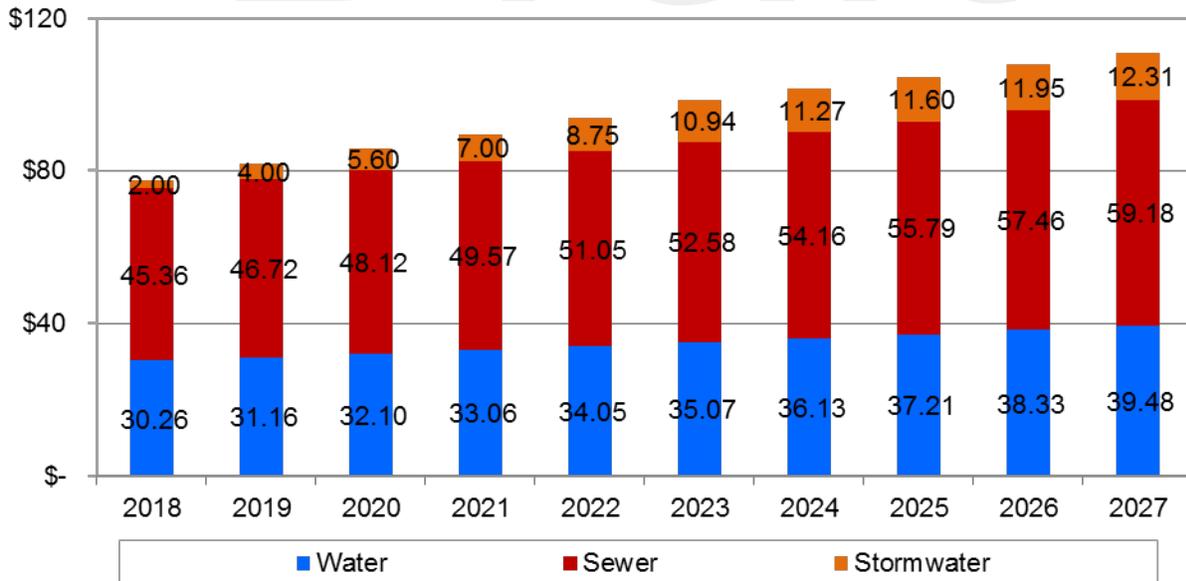
Summary

As evidenced in the discussions above, it appears the City's utility rates are competitive with similar communities. For Sewer and Stormwater an increase in rates will help the utilities achieve sufficient cash flows to meet the targets. For the Water utility, annual inflation increases will provide cash flows sufficient to meet the targets.

Projected Total Residential Monthly Utility Bill Under Current Rates (Average 3,500 gallons)



Projected Total Residential Monthly Utility Bill Under Scenario 2 (Average 3,500 gallons)



SUPPLEMENTARY INFORMATION

CITY OF MAYER
MAYER, MINNESOTA

Draft

City of Mayer, Minnesota
Water Fund
Schedule of Cash Flows - Rates Inflated 3%
For the Years Ending December 31, 2015 Through 2027

	Actual			RATE STUDY PROJECTIONS									
	2015	2016	2017	Estimated 2018	Estimated 2019	Estimated 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027
Projected Rate Increase					3%	3%	3%	3%	3%	3%	3%	3%	3%
Usage Rates					3%	3%	3%	3%	3%	3%	3%	3%	3%
Fixed					3%	3%	3%	3%	3%	3%	3%	3%	3%
Cash Flows from Operating Activities													
Overall % Increase		15.14%	25.03%	6.67%	6.26%	6.16%	6.07%	5.98%	5.89%	5.81%	5.74%	5.67%	5.60%
Receipts from customers and users	\$ 261,518	\$ 301,120	\$ 376,486	\$ 401,580	\$ 426,716	\$ 452,998	\$ 480,473	\$ 509,190	\$ 539,196	\$ 570,545	\$ 603,290	\$ 637,485	\$ 673,190
Other operating receipts	45,015	45,555	76,277	53,822	55,436	57,099	58,812	60,577	62,394	64,266	66,194	68,179	70,225
Payments to suppliers, contractors and other governments	(71,908)	(113,577)	(81,915)	(103,871)	(106,987)	(110,196)	(113,502)	(116,907)	(120,414)	(124,027)	(127,748)	(131,580)	(135,527)
Payments to employees	(16,155)	(41,085)	(46,616)	(56,244)	(59,056)	(62,009)	(65,109)	(68,365)	(71,783)	(75,372)	(79,141)	(83,098)	(87,253)
Net cash from operating activities	218,470	192,013	324,232	295,287	316,109	337,892	360,674	384,494	409,393	435,412	462,595	490,987	520,634
Cash Flows from Noncapital Financing Activities													
Special assessments received	550	1,420	2,050	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from noncapital financing activities	550	1,420	2,050	-	-	-	-	-	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities													
Acquisition of capital assets	(163,006)	-	-	-	-	-	(412,000)	(1,339,000)	(350,200)	(350,200)	(350,200)	(350,200)	(350,200)
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes received	-	-	-	-	-	-	-	-	-	-	-	-	-
Connection fees collected	114,236	169,816	213,207	157,500	162,399	167,298	172,197	177,446	182,695	188,294	193,893	199,842	205,791
Developer area charges	-	-	-	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397
Proceeds of bonds issued, net of issuance costs	190,000	-	-	-	-	-	-	1,300,000	-	-	-	-	-
Proceeds of refunding bonds issued	-	-	777,880	-	-	-	-	-	-	-	-	-	-
Payment on refunding bonds	-	-	(777,600)	-	-	-	-	-	-	-	-	-	-
Principal paid on long-term debt	(231,400)	(239,450)	(265,550)	(276,300)	(296,100)	(313,600)	(301,400)	(328,397)	(332,144)	(342,703)	(249,379)	(255,670)	(81,029)
Interest paid on long-term debt	(90,230)	(79,944)	(86,167)	(64,165)	(56,079)	(47,392)	(38,028)	(68,138)	(58,901)	(49,451)	(39,625)	(33,712)	(27,868)
Net cash from capital and related financing activities	(180,400)	(149,578)	(138,230)	(168,865)	(175,257)	(178,735)	(563,824)	(242,220)	(542,204)	(537,224)	(427,970)	(421,878)	(234,909)
Cash Flows from Investing Activities													
Interest received on investments	3,027	1,685	6,314	10,036	11,401	12,924	14,644	12,759	14,310	13,125	12,238	12,706	13,525
Net Increase (Decrease) in Cash and Cash Equivalents	41,647	45,540	194,366	136,458	152,253	172,081	(188,505)	155,034	(118,501)	(88,688)	46,863	81,815	299,250
Cash and Cash Equivalents, January 1	722,094	763,741	809,281	1,003,647	1,140,105	1,292,358	1,464,439	1,275,934	1,430,967	1,312,466	1,223,778	1,270,641	1,352,456
Cash and Cash Equivalents, December 31	\$ 763,741	\$ 809,281	\$ 1,003,647	\$ 1,140,105	\$ 1,292,358	\$ 1,464,439	\$ 1,275,934	\$ 1,430,967	\$ 1,312,466	\$ 1,223,778	\$ 1,270,641	\$ 1,352,456	\$ 1,651,706
Target Cash Reserve	\$ 396,725	\$ 415,983	\$ 420,522	\$ 775,201	\$ 787,094	\$ 768,734	\$ 829,171	\$ 827,143	\$ 831,854	\$ 732,448	\$ 736,721	\$ 560,287	\$ 564,501
Cash in Excess of Reserve	\$ 367,016	\$ 393,299	\$ 583,125	\$ 364,905	\$ 505,264	\$ 695,705	\$ 446,762	\$ 603,824	\$ 480,612	\$ 491,330	\$ 533,920	\$ 792,169	\$ 1,087,204
Average Monthly Bill (3,500 Gallons)				\$ 30.26	\$ 31.16	\$ 32.10	\$ 33.06	\$ 34.05	\$ 35.07	\$ 36.13	\$ 37.21	\$ 38.33	\$ 39.48
Average Percentage Increase					3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Monthly Dollar Increase				\$ 30.26	\$ 0.91	\$ 0.93	\$ 0.96	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.08	\$ 1.12	\$ 1.15
Average Annual Dollar Increase				\$ 363.06	\$ 10.89	\$ 11.22	\$ 11.56	\$ 11.90	\$ 12.26	\$ 12.63	\$ 13.01	\$ 13.40	\$ 13.80
Five Year Average Capital Expenses				\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000

City of Mayer, Minnesota
Sewer Fund
Schedule of Cash Flows - Rates Inflated 3%
For the Years Ending December 31, 2015 Through 2027

	Actual	Actual	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Projected Rate Increase					3%	3%	3%	3%	3%	3%	3%	3%	3%
Usage Rates					3%	3%	3%	3%	3%	3%	3%	3%	3%
Fixed					3%	3%	3%	3%	3%	3%	3%	3%	3%
Cash Flows from Operating Activities													
Overall % Increase		7.22%	11.00%	6.89%	7.30%	7.13%	6.97%	6.82%	6.69%	6.56%	6.44%	6.33%	6.22%
Receipts from customers and users	\$ 358,610	\$ 384,502	\$ 426,810	\$ 456,237	\$ 489,547	\$ 524,445	\$ 560,996	\$ 599,268	\$ 639,332	\$ 681,260	\$ 725,128	\$ 771,016	\$ 819,004
Other operating receipts	-	-	13	7,232	7,449	7,672	7,903	8,140	8,384	8,635	8,894	9,161	9,436
Payments to suppliers, contractors and other governments	(199,428)	(226,188)	(224,820)	(296,974)	(305,883)	(315,059)	(324,511)	(334,246)	(344,274)	(354,602)	(365,240)	(376,197)	(387,483)
Payments to employees	(16,155)	(41,085)	(46,616)	(56,244)	(59,056)	(62,009)	(65,109)	(68,365)	(71,783)	(75,372)	(79,141)	(83,098)	(87,253)
Net cash from operating activities	143,027	117,229	155,387	110,252	132,057	155,049	179,278	204,797	231,659	259,921	289,642	320,882	353,704
Cash Flows from Noncapital Financing Activities													
Special assessments received	550	1,420	2,330	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from noncapital financing activities	550	1,420	2,330	-	-	-	-	-	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities													
Acquisition of capital assets	(5,873)	(87,550)	(52,660)	(147,000)	(151,410)	(89,610)	(3,540,110)	(424,360)	(253,380)	(253,380)	(253,380)	(253,380)	(253,380)
Intergovernmental receipts	-	-	-	3,516	3,691	3,876	4,070	4,273	4,487	4,711	4,947	5,194	5,454
Property taxes received**	336,000	309,000	273,000	282,000	274,500	254,500	234,500	214,500	194,500	174,500	154,500	134,500	114,500
Connection fees collected	117,658	173,283	216,836	157,500	162,400	167,300	172,200	177,450	182,700	188,300	193,900	199,850	205,800
Developer area charges	-	-	-	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397
Proceeds of bonds issued, net of issuance costs	-	-	-	-	-	-	3,500,000	-	-	-	-	-	-
Proceeds of refunding bonds issued	-	-	2,103,156	-	-	-	-	-	-	-	-	-	-
Payment on refunding bonds	-	-	(2,102,400)	-	-	-	-	-	-	-	-	-	-
Principal paid on long-term debt	(272,600)	(284,550)	(307,450)	(326,700)	(356,900)	(394,400)	(567,783)	(449,328)	(451,493)	(472,083)	(211,802)	(218,156)	(224,700)
Interest paid on long-term debt	(120,927)	(110,910)	(101,428)	(88,059)	(75,592)	(61,931)	(151,784)	(130,955)	(114,920)	(98,541)	(81,381)	(75,027)	(68,483)
Net cash from capital and related financing activities	54,258	(727)	29,054	(104,643)	(128,788)	(105,306)	(333,500)	(592,550)	(421,760)	(439,657)	(175,875)	(189,158)	(202,412)
Cash Flows from Investing Activities													
Interest received on investments	5,233	3,016	9,513	16,748	16,972	17,174	17,844	16,480	12,767	10,994	9,306	10,537	11,960
Net Increase (Decrease) in Cash and Cash Equivalents	203,068	120,938	196,284	22,357	20,242	66,917	(136,378)	(371,274)	(177,334)	(168,742)	123,073	142,261	163,251
Cash and Cash Equivalents, January 1	1,154,556	1,357,624	1,478,562	1,674,846	1,697,203	1,717,444	1,784,362	1,647,984	1,276,710	1,099,376	930,634	1,053,707	1,195,968
Cash and Cash Equivalents, December 31	\$ 1,357,624	\$ 1,478,562	\$ 1,674,846	\$ 1,697,203	\$ 1,717,444	\$ 1,784,362	\$ 1,647,984	\$ 1,276,710	\$ 1,099,376	\$ 930,634	\$ 1,053,707	\$ 1,195,968	\$ 1,359,219
Target Cash Reserve	\$ 529,097	\$ 544,596	\$ 591,368	\$ 860,961	\$ 890,865	\$ 1,160,377	\$ 1,027,588	\$ 1,020,441	\$ 1,031,611	\$ 761,373	\$ 768,831	\$ 776,551	\$ 784,545
Cash in Excess of Reserve	\$ 828,528	\$ 933,966	\$ 1,083,478	\$ 836,241	\$ 826,579	\$ 623,985	\$ 620,395	\$ 256,269	\$ 67,765	\$ 169,260	\$ 284,876	\$ 419,417	\$ 574,675
Average Monthly Bill (3,500 Gallons)				\$ 45.36	\$ 46.72	\$ 48.12	\$ 49.57	\$ 51.05	\$ 52.58	\$ 54.16	\$ 55.79	\$ 57.46	\$ 59.18
Average Percentage Increase					3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Monthly Dollar Increase				\$ 45.36	\$ 1.36	\$ 1.40	\$ 1.44	\$ 1.49	\$ 1.53	\$ 1.58	\$ 1.62	\$ 1.67	\$ 1.72
Average Annual Dollar Increase				\$ 544.32	\$ 16.33	\$ 16.82	\$ 17.32	\$ 17.84	\$ 18.38	\$ 18.93	\$ 19.50	\$ 20.08	\$ 20.69
Five Year Average Capital Expenses				\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000	\$ 246,000

City of Mayer, Minnesota
Storm Fund
Schedule of Cash Flows - Scenario 1 - Current State
For the Years Ending December 31, 2015 Through 2027

	Actual			Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Projected Rate Increase				3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Usage Rates				3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Fixed				3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Cash Flows from Operating Activities													
Overall % Increase		1.38%	1.34%	7.16%	6.99%	6.85%	6.71%	6.58%	6.46%	6.35%	6.24%	6.14%	6.05%
Receipts from customers and users	\$ 19,673	\$ 19,945	\$ 20,213	\$ 21,659	\$ 23,174	\$ 24,761	\$ 26,421	\$ 28,160	\$ 29,978	\$ 31,880	\$ 33,870	\$ 35,950	\$ 38,125
Other operating receipts	-	-	-	346	356	367	378	389	401	413	425	438	451
Payments to suppliers, contractors and other governments	(6,762)	(11,913)	(5,995)	(6,658)	(6,857)	(7,063)	(7,275)	(7,493)	(7,718)	(7,949)	(8,188)	(8,434)	(8,687)
Payments to employees	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from operating activities	12,911	8,032	14,218	15,347	16,673	18,064	19,524	21,055	22,661	24,344	26,107	27,954	29,889
Cash Flows from Noncapital Financing Activities													
Special assessments received	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	92,931	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from noncapital financing activities	92,931	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities													
Acquisition of capital assets	(28,309)	(160,742)	(110,791)	(52,500)	(75,190)	(75,190)	(75,190)	(75,190)	(70,967)	(70,967)	(70,967)	(70,967)	(70,967)
Intergovernmental receipts	-	25,000	-	-	-	-	-	-	-	-	-	-	-
Property taxes received	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer area charges	2,901	27,701	57,743	15,900	16,377	16,868	17,374	17,896	18,432	18,985	19,555	20,142	20,746
Proceeds of bonds issued, net of issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment on refunding bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal paid on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from capital and related financing activities	(25,408)	(108,041)	(53,048)	(36,600)	(58,813)	(58,322)	(57,816)	(57,294)	(52,535)	(51,982)	(51,412)	(50,825)	(50,221)
Cash Flows from Investing Activities													
Interest received on investments	588	144	268	329	120	-	-	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	81,022	(99,865)	(38,562)	(20,924)	(42,020)	(40,257)	(38,291)	(36,239)	(29,874)	(27,638)	(25,305)	(22,871)	(20,332)
Cash and Cash Equivalents, January 1	90,310	171,332	71,467	32,905	11,981	(30,039)	(70,296)	(108,588)	(144,827)	(174,700)	(202,338)	(227,643)	(250,514)
Cash and Cash Equivalents, December 31	\$ 171,332	\$ 71,467	\$ 32,905	\$ 11,981	\$ (30,039)	\$ (70,296)	\$ (108,588)	\$ (144,827)	\$ (174,700)	\$ (202,338)	\$ (227,643)	\$ (250,514)	\$ (270,847)
Target Cash Reserve	\$ 5,957	\$ 2,998	\$ 3,329	\$ 72,329	\$ 72,431	\$ 72,537	\$ 72,647	\$ 72,759	\$ 72,875	\$ 72,994	\$ 73,117	\$ 73,243	\$ 73,374
Cash in Excess of Reserve	\$ 165,376	\$ 68,470	\$ 29,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Monthly Bill				\$ 2.00	\$ 2.06	\$ 2.12	\$ 2.19	\$ 2.25	\$ 2.32	\$ 2.39	\$ 2.46	\$ 2.53	\$ 2.61
Average Percentage Increase				3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average Monthly Dollar Increase				\$ 2.00	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.08
Average Annual Dollar Increase				\$ 24.00	\$ 0.72	\$ 0.74	\$ 0.76	\$ 0.79	\$ 0.81	\$ 0.83	\$ 0.86	\$ 0.89	\$ 0.91
Average Year Average Capital Expenses				\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900

City of Mayer, Minnesota
Storm Fund
Schedule of Cash Flows - Storm - Scenario 2 - Increase Spread Over Several Periods to Achieve Target
For the Years Ending December 31, 2015 Through 2027

	Actual			Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Projected Rate Increase				100%	40%	25%	25%	25%	3%	3%	3%	3%	
Fixed				100%	40%	25%	25%	25%	3%	3%	3%	3%	
Cash Flows from Operating Activities													
Overall % Increase		1.38%	1.34%	7.93%	107.70%	45.19%	29.47%	29.31%	29.17%	6.33%	6.22%	6.12%	6.03%
Receipts from customers and users	\$ 19,673	\$ 19,945	\$ 20,213	\$ 21,816	\$ 45,312	\$ 65,789	\$ 85,176	\$ 110,145	\$ 142,275	\$ 151,275	\$ 160,687	\$ 170,527	\$ 180,813
Other operating receipts	-	-	-	346	356	367	378	389	401	413	425	438	451
Payments to suppliers, contractors and other governments	(6,762)	(11,913)	(5,995)	(6,658)	(6,857)	(7,063)	(7,275)	(7,493)	(7,718)	(7,949)	(8,188)	(8,434)	(8,687)
Payments to employees	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from operating activities	12,911	8,032	14,218	15,504	38,811	59,092	78,279	103,041	134,958	143,738	152,924	162,531	172,577
Cash Flows from Noncapital Financing Activities													
Special assessments received	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	92,931	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from noncapital financing activities	92,931	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities													
Acquisition of capital assets	(28,309)	(160,742)	(110,791)	(52,500)	(75,190)	(75,190)	(75,190)	(75,190)	(70,967)	(70,967)	(70,967)	(70,967)	(70,967)
Intergovernmental receipts	-	25,000	-	-	-	-	-	-	-	-	-	-	-
Property taxes received	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer area charges	2,901	2,701	57,749	15,900	16,377	16,868	17,374	17,896	18,432	18,985	19,555	20,142	20,746
Proceeds of bonds issued, net of issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds of refunding bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment on refunding bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal paid on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from capital and related financing activities	(25,408)	(133,041)	(53,042)	(36,600)	(58,813)	(58,322)	(57,816)	(57,294)	(52,535)	(51,982)	(51,412)	(50,825)	(50,221)
Cash Flows from Investing Activities													
Interest received on investments	588	144	268	79	-	-	-	-	339	1,166	2,096	3,132	4,280
Net Increase (Decrease) in Cash and Cash Equivalents	81,022	(124,865)	(38,556)	(21,017)	(20,002)	771	20,463	45,746	82,762	92,923	103,607	114,837	126,636
Cash and Cash Equivalents, January 1	90,310	171,332	46,467	7,911	(13,106)	(33,108)	(32,338)	(11,874)	33,872	116,634	209,556	313,164	428,001
Cash and Cash Equivalents, December 31	\$ 171,332	\$ 46,467	\$ 7,911	\$ (13,106)	\$ (33,108)	\$ (32,338)	\$ (11,874)	\$ 33,872	\$ 116,634	\$ 209,556	\$ 313,164	\$ 428,001	\$ 554,637
Target Cash Reserve	\$ 5,957	\$ 2,998	\$ 3,329	\$ 72,329	\$ 72,431	\$ 72,537	\$ 72,647	\$ 72,759	\$ 72,875	\$ 72,994	\$ 73,117	\$ 73,243	\$ 73,374
Cash in Excess of Reserve	\$ 165,376	\$ 43,470	\$ 4,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,759	\$ 136,563	\$ 240,047	\$ 354,758	\$ 481,264
Average Monthly Bill				\$ 2.00	\$ 4.00	\$ 5.60	\$ 7.00	\$ 8.75	\$ 10.94	\$ 11.27	\$ 11.60	\$ 11.95	\$ 12.31
Average Percentage Increase					100%	40%	25%	25%	25%	3%	3%	3%	3%
Average Monthly Dollar Increase				\$ 2.00	\$ 2.00	\$ 1.60	\$ 1.40	\$ 1.75	\$ 2.19	\$ 0.33	\$ 0.34	\$ 0.35	\$ 0.36
Average Annual Dollar Increase				\$ 24.00	\$ 24.00	\$ 19.20	\$ 16.80	\$ 21.00	\$ 26.25	\$ 3.94	\$ 4.06	\$ 4.18	\$ 4.30
Five Year Average Capital Expenses				\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900	\$ 68,900

City of Mayer, Minnesota
 Capital Improvement Plan - Water Fund
 Schedule of Planned Capital Outlay
 For the Year Ended December 31, 2019 (Actual) and 2020 to 2025 (Projected)

Department	Year	Year to Replace	Item	Cost	2019
Water		2020	Engineering related to projects	\$ 120,000	\$ -
Water		2020	Engineering related to water tower rehab	70,000	-
Water		2020	WTP and Well Improvements (table 1)	300,000	-
Water		2020	Well Improvements (table 2)	360,000	-
Water		2020	Water Tower Rehabilitation (table 3)	340,000	-
					<u>\$ -</u>

	2020	2021	2022	2023	2024	2025
\$	120,000	\$ -	\$ -	\$ -	\$ -	\$ -
	70,000	-	-	-	-	-
	300,000	-	-	-	-	-
	360,000	-	-	-	-	-
	340,000	-	-	-	-	-
\$	1,190,000	\$ -	\$ -	\$ -	\$ -	\$ -

City of Mayer, Minnesota
Water Fund
Schedule of Cash Flows - Rates Inflated 3%
For the Year Ended December 31, 2019 (Actual) and 2020 to 2025 (Projected)

	Actual 2019
Projected Rate Increase	3%
Usage Rates	3%
Fixed	3%
Cash Flows from Operating Activities	
Overall % Increase	6.26%
Receipts from Customers and Users	\$ 394,907
Other operating receipts	50,869
Payments to suppliers, contractors and other governments	(137,161)
Payments to employees	(68,594)
Net Cash from Operating Activities	240,021
Cash Flows from Noncapital Financing Activities	
Special assessments received	1,978
Transfers in	-
Transfers out	-
Net Cash from Noncapital Financing Activities	1,978
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	-
Intergovernmental receipts	-
Property taxes received	-
Connection fees collected	97,450
Developer area charges	-
Proceeds of bonds issued, net of issuance costs	-
Proceeds of refunding bonds issued	-
Payment on refunding bonds	-
Principal paid on debt issued after 2019	-
Interest paid on debt issued after 2019	-
Principal paid on long-term debt	(314,750)
Interest paid on long-term debt	(49,125)
Net Cash from Capital and Related Financing Activities	(266,425)
Cash Flows from Investing Activities	
Interest received on Investments	26,720
Net Increase (Decrease) in Cash and Cash Equivalents	2,294
Cash and Cash Equivalents, January 1	1,101,171
Cash and Cash Equivalents, December 31	\$ 1,103,465
Target Cash Reserve	\$ 574,023
Cash in Excess of Reserve	\$ 529,442

RATE STUDY PROJECTIONS

Estimated 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025
3%	3%	3%	3%	3%	3%
3%	3%	3%	3%	3%	3%
3%	3%	3%	3%	3%	3%
6.16%	6.07%	5.98%	5.89%	5.81%	5.74%
\$ 419,230	\$ 444,657	\$ 471,233	\$ 499,003	\$ 528,015	\$ 558,319
54,002	57,277	60,701	64,278	68,015	71,918
(141,276)	(141,276)	(141,276)	(141,276)	(141,276)	(141,276)
(69,280)	(69,280)	(69,280)	(69,280)	(69,280)	(69,280)
262,677	291,379	321,378	352,725	385,474	419,681
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,190,000)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115,875	123,064	126,778	130,491	134,469	138,447
14,959	15,407	15,870	16,346	16,836	17,341
800,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(67,789)	(69,145)	(70,528)	(71,938)
-	-	(13,211)	(11,855)	(10,472)	(9,062)
(309,550)	(297,350)	(254,450)	(254,750)	(261,800)	(173,000)
(41,226)	(33,255)	(25,846)	(19,701)	(13,526)	(7,167)
(609,943)	(192,133)	(218,648)	(208,615)	(205,021)	(105,378)
11,035	7,672	8,742	9,856	11,396	13,314
(336,231)	106,919	111,471	153,966	191,849	327,617
1,103,465	767,234	874,152	985,623	1,139,590	1,331,439
\$ 767,234	\$ 874,152	\$ 985,623	\$ 1,139,590	\$ 1,331,439	\$ 1,659,056
\$ 556,252	\$ 505,943	\$ 500,099	\$ 500,973	\$ 405,814	\$ 406,147
\$ 210,982	\$ 368,209	\$ 485,525	\$ 638,617	\$ 925,625	\$ 1,252,909

City of Mayer, Minnesota
 Capital Improvement Plan - Sewer Fund
 Schedule of Cash Flows - Rates Inflated 3%
 For the Year Ended December 31, 2019 (Actual) and 2020 to 2025 (Projected)

	Actual 2019
Projected Rate Increase	3%
Usage Rates	3%
Fixed	3%
Cash Flows from Operating Activities	
Overall % Increase	7.30%
Receipts from Customers and Users	\$ 484,485
Other operating receipts	103
Payments to suppliers, contractors and other governments	(296,294)
Payments to employees	(68,174)
Net Cash from Operating Activities	120,120
Cash Flows from Noncapital Financing Activities	
Special assessments received	1,957
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	(116,153)
Intergovernmental receipts	-
Property taxes received**	254,462
Connection fees collected	101,309
Developer area charges	-
Proceeds of bonds issued, net of issuance costs	-
Principal paid on debt issued after 2019	
Interest paid on debt issued after 2019	
Principal paid on long-term debt - existing	(353,250)
Interest paid on long-term debt - existing	(51,584)
Net Cash from Capital and Related Financing Activities	(165,216)
Cash Flows from Investing Activities	
Interest received on Investments	45,893
Net Increase (Decrease) in Cash and Cash Equivalents	2,754
Cash and Cash Equivalents, January 1	1,889,275
Cash and Cash Equivalents, December 31	\$ 1,892,029
Target Cash Reserve	\$ 1,138,773
Cash in Excess of Reserve	\$ 753,256

RATE STUDY PROJECTIONS

Estimated 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025
3%	3%	3%	3%	3%	3%
3%	3%	3%	3%	3%	3%
3%	3%	3%	3%	3%	3%
7.13%	6.97%	6.82%	6.69%	6.56%	6.44%
\$ 519,022	\$ 560,996	\$ 599,268	\$ 639,332	\$ 681,260	\$ 725,128
110	7,903	8,140	8,384	8,635	8,894
(305,183)	(305,183)	(305,183)	(305,183)	(305,183)	(305,183)
(70,219)	(70,219)	(70,219)	(70,219)	(70,219)	(70,219)
143,730	193,497	232,006	272,314	314,493	358,621
-	-	-	-	-	-
(87,000)	(437,000)	(412,000)	(3,000,000)	-	-
3,876	4,070	4,273	1,504,487	4,711	4,947
254,500	234,500	214,500	194,500	174,500	
115,875	123,064	126,778	130,491	134,469	138,447
14,959	15,407	15,870	16,346	16,836	17,341
-	-	-	1,000,000	-	-
-	-	-	(87,000)	(89,610)	(92,298)
-	-	-	(30,000)	(27,390)	(24,702)
(383,450)	(368,650)	(244,550)	(237,250)	(248,200)	-
(44,274)	(32,960)	(21,900)	(14,564)	(7,446)	-
(125,514)	(461,568)	(317,030)	(522,990)	(42,130)	43,735
17,174	17,844	16,480	12,767	10,994	9,306
35,390	(250,228)	(68,544)	(237,910)	283,357	411,662
1,717,444	1,784,362	1,534,134	1,465,590	1,227,680	1,511,038
\$ 1,752,835	\$ 1,534,134	\$ 1,465,590	\$ 1,227,680	\$ 1,511,038	\$ 1,922,700
\$ 1,118,126	\$ 982,966	\$ 968,330	\$ 972,162	\$ 716,516	\$ 716,516
\$ 634,709	\$ 551,168	\$ 497,260	\$ 255,518	\$ 794,521	\$ 1,206,184

City of Mayer, Minnesota
 Capital Improvement Plan - Storm Fund
 Schedule of Cash Flows - Scenario 2 - Increase Spread Over Several Periods to Achieve Target
 For the Year Ended December 31, 2019 (Actual) and 2020 to 2025 (Projected)

	Actual 2019
Projected Rate Increase	100%
Fixed	100%
Cash Flows from Operating Activities	
Overall % Increase	107.70%
Receipts from Customers and Users	\$ 40,810
Other operating receipts	-
Payments to suppliers, contractors and other governments	(16,747)
Payments to employees	-
Net Cash from Operating Activities	24,063
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	-
Intergovernmental receipts	20,000
Developer area charges	-
Net Cash from Capital and Related Financing Activities	20,000
Cash Flows from Investing Activities	
Interest received on Investments	780
Net Increase (Decrease) in Cash and Cash Equivalents	44,843
Cash and Cash Equivalents, January 1	17,476
Cash and Cash Equivalents, December 31	\$ 62,319
Target Cash Reserve	\$ 52,974
Cash in Excess of Reserve	\$ 9,346

RATE STUDY PROJECTIONS

Estimated 2020	Estimated 2021	Estimated 2022	Estimated 2023	Estimated 2024	Estimated 2025
40%	25%	25%	25%	3%	3%
40%	25%	25%	25%	3%	3%
45.19%	29.47%	29.31%	29.17%	6.33%	6.22%
\$ 59,252	\$ 76,713	\$ 99,201	\$ 128,139	\$ 136,245	\$ 144,721
367	378	389	401	413	425
(17,249)	(17,249)	(17,249)	(17,249)	(17,249)	(17,249)
-	-	-	-	-	-
42,369	59,841	82,341	111,290	119,408	127,897
(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)
-	-	-	-	-	-
16,868	17,374	17,896	18,432	18,985	19,555
(58,322)	(57,816)	(57,294)	(52,535)	(51,982)	(51,412)
935	(485)	(178)	508	1,750	3,143
771	20,463	45,746	82,762	92,923	103,607
(33,108)	(32,338)	(11,874)	33,872	116,634	209,556
\$ (32,338)	\$ (11,874)	\$ 33,872	\$ 116,634	\$ 209,556	\$ 313,164
\$ 53,225	\$ 53,225	\$ 53,225	\$ 53,225	\$ 53,225	\$ 53,225
\$ (85,562)	\$ (65,099)	\$ (19,353)	\$ 63,409	\$ 156,332	\$ 259,939