

**CITY OF MAYER
CITY COUNCIL WORKSHOP MEETING
CITY COUNCIL CHAMBERS
TUESDAY, NOVEMBER 12, 2019
AFTER REGULARLY SCHEDULED CITY COUNCIL MEETING**

1. Call Meeting to Order
2. 2020 Police Contract
3. Street Renaming and Property Readdressing – 62nd Street/7th Street
4. 2020 General Fund Budget
5. 2020 Enterprise Funds
6. 2020 Water and Sewer Rates Discussion
7. Adjournment



Council Memorandum – Workshop

Item: 2020 Contract for Police Services

Meeting Date: November 12, 2019

Presented By: Margaret McCallum, City Administrator

Recommendations/Council Action/Motion Requested:

To discuss the contract with the Carver County Sheriff's Department for 2020 Police Services.

Details:

Current Coverage:

The City of Mayer contracts with Carver County Sheriff's Department for its police services.

Each year both parties work through an agreement that will work for the City of Mayer and the Carver County Sheriff's Department.

The current 2019 contract is for a Full Time Equivalent (FTE) Deputy (2080 hours) at .67%. The City also receives 130 hours in Community Service Officer Hours.

Coverage Discussions and Changes

Over the past few months, the City Council has been researching and discussing the contract and desired changes. One of the desires was to have more of an evening presence in the community.

Based on the previous discussion at the September 23, 2019 City Council Workshop meeting, it was decided to draft a contract that would:

1. Increase from a .67 FTE to a full 1.0 FTE.
2. Change the hours from a standard day presence to a rotating 3p.m. – 1a.m. shift (Tuesday – Friday) and (Wednesday – Saturday).
3. Maintain the ability to purchase extra shifts as desired and needed.

Cost Changes – 1FTE Without collaboration with New Germany

The cost for 2020 would be \$137,440.00; an increase of \$49,515.00. This is mainly do to the shift from .67 to 1.0 FTE.

Cost Changes – 1FTE With collaboration with New Germany

The cost for 2020 would be \$121,620.00; an increase of \$33,695.00. The City would have a .88 FTE and New Germany a .12 FTE.

Personnel Cost	2017 (.67)	2018 (.67)	2019 (.67)	2020 (1.0)	2020 (.88)
Corporal	\$66,205.00	\$68,652.00	\$69,148.00	\$107,475.00	\$94,578.00
CSO 130 Hours	\$4,350.00	\$5,022.00	\$5,006.00	\$5,607.00	\$5,607.00
Vehicle Cost	\$21,093.00	\$13,896.00	\$13,771.00	\$24,358.00	\$21,435.00
Total	\$91,648.00	\$87,570.00	\$87,925.00	\$137,440.00	\$121,620.00

Additional Shifts Available For Purchase -

The current contract reads that if the city wants additional hours beyond the level of contracted services, hours would be billed at \$68.42 per hour.

Preliminary Budget -

The City has currently budgeted \$145,000.00 for the year 2020. In 2019, the City budgeted, \$100,000.00.

Final Budget –

Depending on the decision made to collaborate with New Germany or not, the City would be able to reduce from the \$145,000.00.

Attachments:

2020 Police Contract at .88 sharing with New Germany.

CONTRACT FOR POLICE SERVICES

Mayer

THIS AGREEMENT, made and entered into this day of , by and between the County of Carver, through its Sheriff's Office (hereinafter, "County"), and the City of Mayer (hereinafter, the "City"), and, collectively known as the "parties".

WHEREAS, the City desires to enter into a contract with the County whereby the County will provide police services within the boundaries of the City; and

WHEREAS, the County agrees to render such services upon the terms and conditions hereinafter set forth; and

WHEREAS, Minnesota Statutes Section 471.59 authorizes governmental units in the State of Minnesota to enter into agreements by resolution with any other governmental unit to perform on behalf of that unit any service or function which that unit would be authorized to provide for itself; and

WHEREAS, said contract is authorized by Minnesota Statute, Section 471.59, 436.05, and Minnesota Statute, Section 366 and 367;

NOW, THEREFORE, it is agreed between the parties as follows:

ARTICLE I

PURPOSE: The purpose of this Agreement is to secure police contracting services for the City. Minnesota Statutes, Section 471.59 authorizes two or more governmental units to jointly exercise any power common to the contracting parties. Minnesota Statutes, Section 436.05 allows municipalities to contract with other municipalities for police services.

ARTICLE II

1. POLICE SERVICES. The County agrees to provide police service within the corporate limits of the City to the extent and in the manner set forth below:
 - 1.1 Police services to be provided under this contract shall encompass those police duties and functions which are the type statutorily deemed to be the responsibility of the local communities;
 - 1.2 With input from the City, the County shall assign personnel as necessary;
 - 1.3 All matters incident to the performance of such service or the control of personnel employed to render such service shall be and remain in the control of the County;

- 1.4 In the event a dispute arises between the parties concerning the type of service to be rendered, or the manner in which such service is provided, the County shall retain sole discretion in determining a solution to said dispute (e.g., re-assignment of personnel, types of patrol, level of service available); and
- 1.5 The police services will be provided to the City for the selected number of contracted hours and/or full time equivalent (FTE) personnel. Such services shall not include situations in which, in the opinion of the County, a police emergency occurs which requires a different use of the personnel, patrol vehicle, equipment, or the performance of special details relating to police services. It shall also not include the enforcement of matters which are primarily administrative or regulatory in nature (e.g., zoning, building code violations).

ARTICLE III

SPECIAL EVENT OR ADDITIONAL SERVICES. If the City desires additional police services over and above the hours and/or FTE's contracted for in this Agreement, the City shall contact the Sheriff's Office contract manager or designee noted in this Agreement. The County will invoice the City for these additional services pursuant to Minnesota Statute, Section 471.425, Prompt payment of local government bills, Subdivision 2(a) For municipalities who have governing boards which have regularly scheduled meetings at least once a month, the standard payment period is defined as within 35 days of the date of receipt.

ARTICLE IV

COOPERATION AMONG PARTIES. It is hereby agreed that the parties and all of their officials, personnel, agents and employees shall render full cooperation and assistance to each other to facilitate the provision of the services selected herein.

ARTICLE V

1. PROVISION OF EQUIPMENT. It is agreed that the County shall provide all necessary labor, supervision, vehicle, equipment, and supplies to maintain and provide the police services selected herein.
2. OFFICE SPACE. If an FTE is requested, the City shall provide office and work space for the assigned personnel.
3. FINANCIAL LIABILITY. The City does not assume liability for the direct payment of any salaries, wages, or other compensation to personnel employed by the County to perform the selected services. It is agreed that all personnel shall be employees of the County and the County shall be responsible for providing worker's compensation insurance and all other benefits to which such personnel shall become entitled by reason of their employment with the County.

4. MUTUAL INDEMNIFICATION. Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its personnel and employees against any and all liability loss, costs, damages, expenses, claims or actions, including attorney's fees which its personnel and employees may hereafter sustain, incur or be required to pay, arising out of or by reason for any act or omission of the party, its agents, servants or employees, in the execution, performance, or failure to adequately perform its obligations pursuant to this contract. Liability of the County or other Minnesota political subdivisions shall be governed by the provisions of the Municipal Tort Claims Act, Minnesota Statutes, Chapter 466, and other applicable laws.

It is further understood that Minnesota 471.59, Subd. 1a applies to this Agreement. To the full extent permitted by law, actions by the parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minnesota Statutes Section 471.59, Subd. 1a(a); provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.

Each party agrees to promptly notify the other party if it knows or becomes aware of any facts or allegations reasonably giving rise to actual or potential liability, claims, causes of action, judgments, damages, losses, costs or expenses, including attorney's fees, involving or reasonably likely to involve the other party, and arising out of acts or omissions related to this Agreement.

5. LIABILITY

(a) It is understood and agreed that liability shall be limited by the provisions of Minnesota Statutes Chapter 466. This Agreement to indemnify and hold harmless does not constitute a waiver by any participant of limitations on liability provided under Minnesota Statutes Section 466.04. To the full extent permitted by law, actions by parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all set forth in Minnesota Statutes, Section 471.59, Subdivision 1a(a); provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.

(b) For purposes of determining total liability damages, the participating governmental units and the joint board, if one is established, are considered a single governmental unit and the total liability for the participating governmental units and the joint board, if established, shall not exceed the limits on governmental liability for a single governmental unit as specified in State Statute, Section 3.736 or Section 466.04, Subdivision 1, or as waived or extended by the joint board or all participating governmental units under State Statute, Section 3.736, Subdivision 8 or Section 471.981. The parties of this Agreement are not liable for the acts or omissions of the other participants to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other parties.

6. INSURANCE. The County agrees that all insurance required to adequately insure vehicles, personnel and equipment used by the County in the provision of the selected services will be provided by the County.

ARTICLE VI

1. TERM. The term of this contract shall be January 1, 2020 to December 31, 2020. The term of this Agreement may be extended for up to an additional sixty (60) days under the same terms and conditions, provided the parties are attempting in good faith to negotiate a new Agreement. This Agreement extension shall automatically terminate upon the parties' entering into a new written Agreement, or on the sixtieth (60th) day, whichever occurs first.
2. RATE. As contained in this contract.
3. NOTICE.
 - 3.1 If the County does not desire to enter into a contract for police service for 2021, the City shall be so notified in writing six (6) months prior to the expiration of the current contract.
 - 3.2 On or before August 15 of the current contract year, the County shall notify the City of the police contract rates for the following year.
 - 3.3 The City shall notify the County of its intention to contract for police services for the following year no later than October 15 of the current contract year.
 - 3.4 In the event the City shall fail to give notice as required above, the County shall presume the City does not desire to enter into an Agreement with the County for police services.
 - 3.5 Notice under the above provisions shall be sent to:

Commander Mike Wollin
Carver County Sheriff's Office
606 East 4th Street
Chaska, MN 55318
mwollin@co.carver.mn.us
Office: 952-361-1857
Cell: 952-220-7926

City of Mayer
Margaret McCallum, Administrator
413 Blue Jay Ave.
Mayer, MN 55360
Phone: 952-657-1502
Margaret.mccallum@cityofmayer.com

ARTICLE VII

MENU OF POLICE SERVICES

1. POLICE STAFFING OPTIONS

1.1 FULL TIME EQUIVALENT (FTE) PERSONNEL OPTION

1.1.1 FTE personnel are Full Time Employees dedicated to the contract community. The FTE deputies compensated time includes regular assignment duties, training, holidays, vacation, sick leave and other benefited time. The FTE deputy position is not automatically backfilled when the deputy is away from assignment for the above types of compensated time. The FTE deputy costs include: salary, benefits, supervision, administration, training, clerical support, insurance, and county overhead. The FTE costs do not include additional hours which are necessary for court or filling a shift for a compensated day off.

The first eighty (80) hours the deputy is gone from the community while on military leave will not be backfilled. The Sheriff's Office will backfill the position or credit back the time for military leave after the first 80 hours.

The first eighty (80) hours a deputy is gone from the community on FMLA leave will not be backfilled; it will be treated like sick leave. The Sheriff's Office will backfill the position or credit back the time for FMLA after the first 80 hours of FMLA is completed.

If the City requests coverage for compensated days off noted above, it is recommended the City set aside a contingency for additional hours. Additional hours for deputies will be billed at \$68.42.

The SouthWest Metro Drug Task Force will invoice \$2,100 separately.

Hours worked on a designated holiday will be billed at double the FTE's hourly pay rate per the collective bargaining agreement(s).

PERSONNEL COST

Deputy .88 (2080 FTE)	\$94,578
CSO – 130hours	\$5,607

VEHICLE COST

Patrol Vehicle – .88	<u>\$21,435</u>
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<u>TOTAL POLICE SERVICES</u>	\$121,620
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2. PAYMENT. The Sheriff shall invoice one half of the total amount of the current year police staffing option cost hereunder, or \$60,810.00 to be paid on or before June 30 of the current contract year. The Sheriff shall invoice the remaining half, or \$60,810.00 to be paid on or before November 30 of the current contract year.
3. MINNESOTA STATE POLICE AID. The County, upon receiving Minnesota State Police Aid, shall reimburse the City pursuant to Minnesota Statute, Section 69.011.

ARTICLE VIII

1. DATA. All data collected, created, received, maintained or disseminated in any form for any purposes by the activities of this Agreement is governed by the Minnesota Data Practices Act, Minnesota Statute Section 13, or the appropriate Rules of Court and shall only be shared pursuant to laws governing that particular data.
2. AUDIT. Pursuant to Minnesota Statute Section 16C.05, Subdivision 5, the parties agree that the State Auditor or any duly authorized representative at that time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc. which are pertinent to the accounting practices and procedures related to this Agreement. All such records shall be maintained for a period of six (6) years from the date of termination of this Agreement.
3. NONWAIVER, SEVERABILITY AND APPLICABLE LAWS. Nothing in this Agreement shall constitute a waiver by the parties of any statute of limitation or exceptions on liability. If any part of this Agreement is deemed invalid such shall not affect the remainder unless it shall substantially impair the value of the Agreement with respect to either party. The parties agree to substitute for the invalid provision a valid one that most closely approximates the intent of the Agreement.

The laws of the State of Minnesota apply to this Agreement.

4. MERGER AND MODIFICATION. It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement. Any alterations, variations, modifications, or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing as an amendment to this Agreement and signed by the parties hereto.

IN WITNESS THEREOF, the Municipality has caused this Agreement to be executed by its Mayor and by the authority of its governing body on this _____ day of _____, _____

SIGNED: _____ DATE: _____
Mayor

SIGNED: _____ DATE: _____
City Administrator

IN WITNESS THEREOF, the County of Carver has caused this Agreement to be executed by its Chair and attested by its Administrator pursuant to the authority of the Board of County Commissioners on this _____ day of _____, _____

COUNTY OF CARVER:

SIGNED: _____ DATE: _____
CHAIR, BOARD OF COMMISSIONERS

SIGNED: _____ DATE: _____
SHERIFF

Attest

SIGNED: _____ DATE: _____
COUNTY ADMINISTRATOR

CITY ATTORNEY STAFF REPORT

Date: November 8, 2019
To: City Council
From: Timothy A. Sullivan, City Attorney
Re: Street Renaming and Property Re-Addressing

Background

City residents have expressed concern with traffic enter the Mayer Lutheran High School property to attend athletic events from 5th Street, which borders the property to the south, despite the presence of an entrance from the north on 62nd Street/7th Street. 5th Street is not constructed as the type of street that would be expected to handle an influx of traffic that is occurring for these events. It appears that a significant amount of this traffic is coming from visitors, who may simply be following directions from Google Maps or similar applications to the High School's 5th Street address. In order to alleviate this concern, the property can be re-addressed so that visitors would be directed to the entrance on the north side of the property. A satellite photograph map of the area is attached for reference.

The section of road between the roundabout at the intersection of Mayer Boulevard/MN-25 and 7th Street/62nd Street and the intersection of 7th Street/62nd Street, Fieldstone Parkway, and Harvest Curve ("Road Section") is identified on the City's address map as 7th Street. However, the properties to the east of the school property have 62nd Street addresses, including 14025 62nd Street (the farm property accessed directly from the Road Section).

The High School property is on the north side of 5th Street and has an odd-numbered property address (305). That is consistent with the numbering convention in the rest of the City. If the Council were to adopt a Resolution re-addressing the property, that address would be on the south side of 7th Street. As a result, the City's numbering convention would suggest an even-numbered address. Since there are 200-series properties on the west side of Mayer Boulevard, a 300-series property number would be appropriate.

Similarly, if re-addressed, the property presently at 14025 62nd Street should be given an even-numbered address. In order to account for the properties that are directly adjacent to the High School, it would be helpful to skip the 400-series property numbers, so that this property would begin the 500-series numbers.

Authority and Discussion

The City has the authority “to name or rename the streets . . . and to number or renumber the lots and blocks of the city, or any part thereof.” Minn. Stat. § 412.221, subd. 18. While the City’s address map identifies the Road Section as 7th Street NE, the County Recorder refers to this as 62nd Street, so the beginning and end of that designation are uncertain. Because there is consideration of re-addressing the High School, it would likely be more effective to re-name or confirm the name of that Road Section as 7th Street at the same time.

Note that the properties directly to the east of the High School are accessed from the north-south road that extends from the Road Section. Those properties are addressed as being on 62nd Street, which suggests that this Township road name may be retained on part of the Road Section. Regardless, that north-south road is a private road and several of those properties are not within the City limits. As a result, barring some particular public safety reason for the City to seek to rename that private road and renumber those properties, those properties would not be affected by any change in the name of the Road Section.

The property further to the east, identified on the attached map as 14025 62nd Street, is accessed by a driveway that is just to the west of the curve towards the intersection at the east end of this Road Section. That property is comprised of two parcels, one of which is within the border of the City and one of which is outside that border. The City does not have the authority to re-address property that is not within the City borders, but the parcel with the home on it appears to be on the parcel that is within the City’s borders. Given that this parcel is owned by a development entity, there would likely be no objection to re-assigning the address for this property to be on 7th Street NE. Further, permitting this property to retain its 62nd Street address would likely perpetuate confusion about the name of the Road Section. However, if there is objection to re-addressing that property, this Resolution could be revised permit that property to retain its current address.

Options Available to the City

1. Pass the attached proposed Resolution;
2. Pass an amended version of the proposed Resolution;
3. Take no action.

Analysis

This may alleviate the concern regarding visitors using 5th Street to access the High School, without taking steps to actively control traffic at times adjacent to athletic or other events or installing physical impediments to access to the property from 5th Street. This therefore appears to be a cost-effective step towards addressing the issue.

Council Direction

A proposed Resolution for renaming the Road Section, and renumbering/re-addressing the High School and 14025 62nd Street is included in the meeting packet. The Council may approve or reject this proposal, or propose additional changes.

CITY OF MAYER
RESOLUTION ADOPTING AN ORDINANCE RELATING TO
STREET NAMES AND PROPERTY ADDRESSES

Member _____ introduced the following resolution and moved its adoption:

WHEREAS, the City has the authority, pursuant to Minnesota Statutes second 412.221, subdivision 18, to name or rename the streets and public places of the city and to number or renumber the lots and blocks of the city, or any part thereof;

WHEREAS, the section of this street between Ash Avenue North and Mayer Boulevard, which is immediately to the west of the section of the street herein renamed, is currently named 7th Street NE;

WHEREAS, the City finds that renaming the section of this street between Mayer Boulevard and the intersection of 62nd Street NE, Fieldstone Parkway, and Harvest Curve in the City of Mayer will promote public safety by maintaining consistency with the adjoining portion of the street and the system of other street names in the City;

WHEREAS, the City finds that redesignating the property presently identified as 305 5th Street NE to have an address on 7th Street NE will promote public safety by encouraging visitors to that property to access the property from roads designed for heavier use;

WHEREAS, the City finds that renaming the section of this road is consistent with the future development plans of the City; and

WHEREAS, the City finds that no election within the City will take place within 45 days of the passage of this Resolution.

NOW, THEREFORE, the City Council of the City of Mayer, Minnesota, enacts the following Ordinance:

CITY OF MAYER
ORDINANCE #

**AN ORDINANCE RENAMING STREETS IN THE CITY OF MAYER AND
AMENDING THE ADDRESS OF PROPERTY ON SUCH STREETS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MAYER THAT:

Section 1. AUTHORITY. The City of Mayer has the authority, pursuant to Minnesota Statutes second 412.221, subdivision 18, to rename streets and renumber lots within the City by Ordinance.

Section 2. 7TH STREET NE. The street between Mayer Boulevard and the intersection of 62nd Street NE, Fieldstone Parkway, and Harvest Curve in the City of Mayer shall be known as 7th Street NE.

Section 3. PROPERTY NUMBERS. In accordance with the convention in the City for property numbers, the property presently known by the address of 305 5th Street NE shall henceforth be known as 306 7th Street NE. The property presently known by the address of 14025 62nd Street shall henceforth be known as 502 7th Street NE.

Section 4. EFFECTIVE DATE. This Ordinance was passed and adopted by the City Council of the City of Mayer, Minnesota, on the _____ day of _____, 2019.

Section 5. ENACTMENT.

Subdivision 1. All ordinances and resolutions of the City previously enacted, and all plats the City previously approved, which refer the streets or properties herein renamed or redesignated are hereby amended by substituting the street name and property addresses identified herein.

Subdivision 2. The City Clerk shall cause a City Address Map to reflect the street name and property address changes made in this Ordinance.

Subdivision 3. The City Clerk shall forward this Ordinance to the Carver County Recorder with the request that they change all plat, county, and city mapping to reflect the street name and property address changes made herein.

Subdivision 4. The City Clerk shall cause this Ordinance to be transmitted to the Carver County Auditor's office, in compliance with Minnesota Statute, section 201.11, subdivision 2.

Subdivision 5. This Ordinance shall be applied as to all properties or parcels platted, subdivided, or otherwise issued addresses subsequent to the enactment of this Ordinance that are adjacent to the street renamed herein.

ADOPTED by the City Council of the City of Mayer, Carver County, Minnesota
this ____ day of _____, 2019.

Mike Dodge, Mayor

ATTEST:

Moved by:
Seconded by:

Margaret McCallum, City Administrator

Published:

RRM: #352002



Road Section

**Location of
14025 62nd
Street Fire
Number**

5th Street NE

5th St NE

62nd St

62nd St

62nd St

7th St

25

2020 General Fund Budget—Final -Draft

Margaret McCallum, City Administrator
October 18, 2019 - Workshop



Important Dates:

Preliminary 2020 Budget

- September 23, 2019 - Mayer City Council passes preliminary levy.
- September 30, 2019 - City preliminary levy certification due to Carver County.

Final 2020 Budget

- November 25, 2019 - Truth in Taxation Hearing meeting
- December 9, 2019 - Mayer City Council passes final levy
- December 31, 2019 - City final levy certification due to Carver County.

What is Truth in Taxation?

- It is a process that enhances public participation in Minnesota's property tax system.
- It educates the public on how property taxes are determined.
- It encourages the public to understand the local government's budget process.
- It encourages the public to become involved in helping local officials set spending priorities.

Property Valuation Questions

- That is not the focus of this meeting.
-
- The Board of Equalization meeting is held annually in April to answer those types of questions.

Valuation Questions & Concerns

Carver County Assessor's Office

Angela Johnson

Carver County Assessor

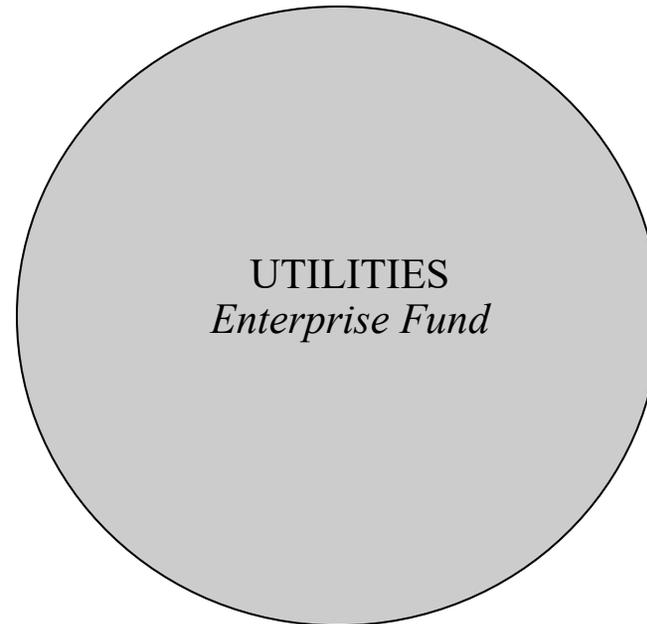
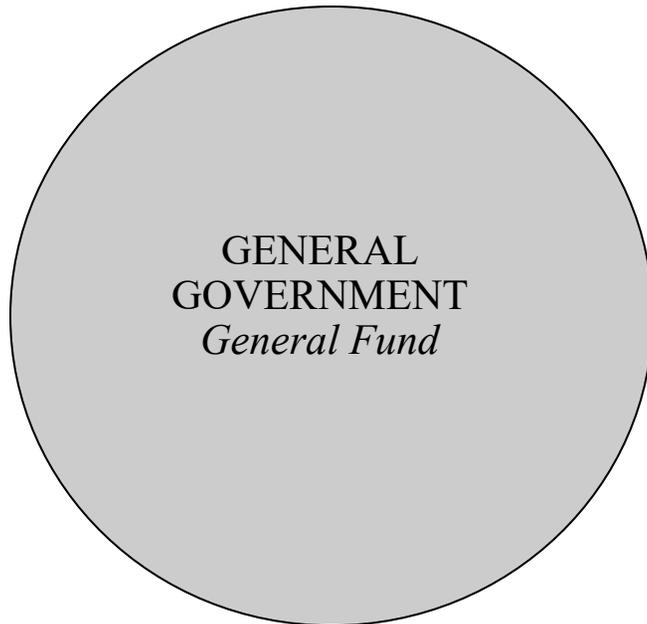
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ajohnson@co.carver.mn.us

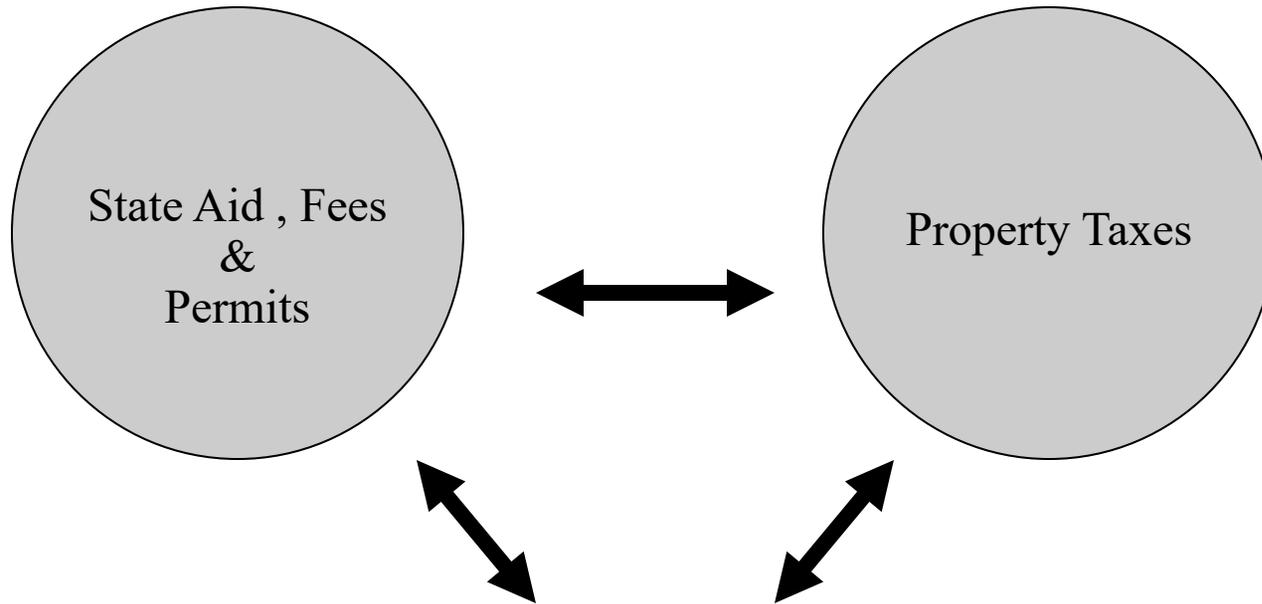
City Tax Rates

2011	59.47%
2012	65.62%
2013	68.83%
2014	67.78%
2015	59.57%
2016	58.91%
2017	51.5%
2018	50.6%
2019	49.1%
2020—Preliminary	52.00%
2020—Proposed Final	51.35%

Two Primary Business Functions



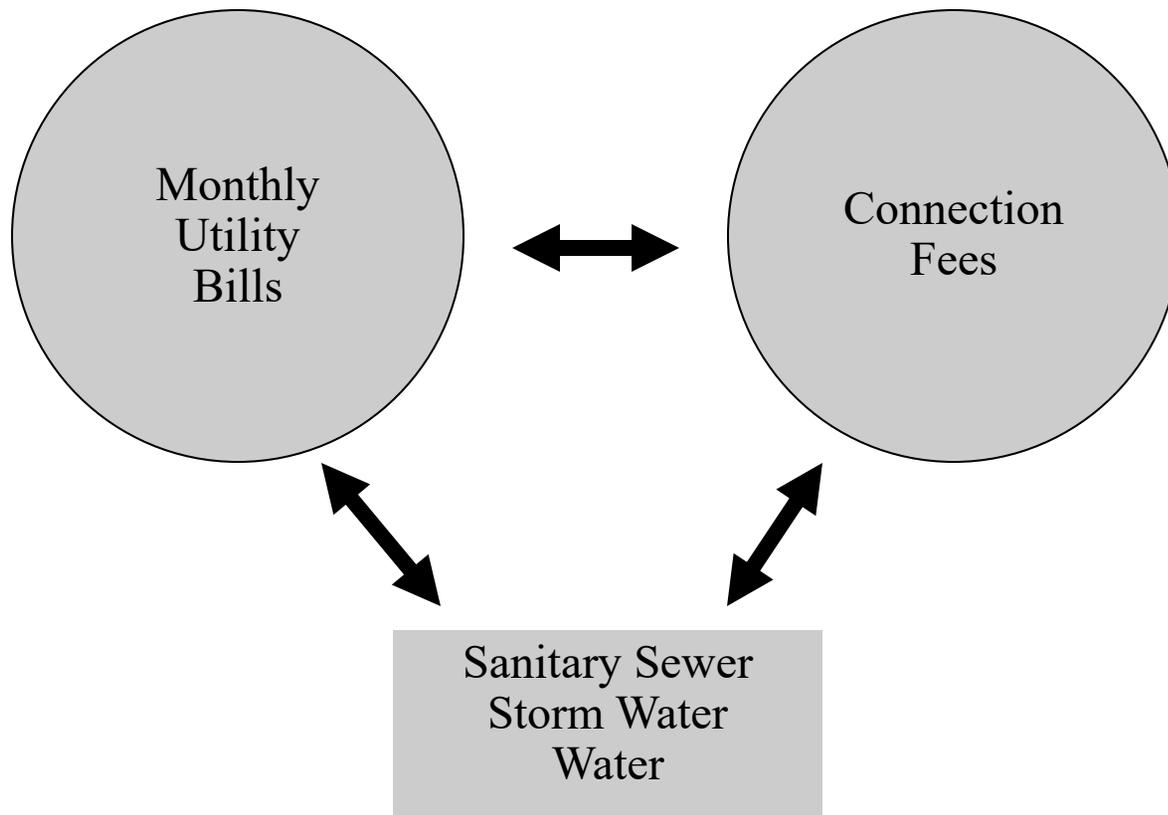
Anatomy of a Budget General Fund



Administration, Building Inspections, Debt Service, Elections, Engineering, Fire, Police, Planning, Legal, and Recreation Programming.

Buildings, Grounds, Parks and Street Maintenance.

Anatomy of a Budget Enterprise Funds



Budget Process

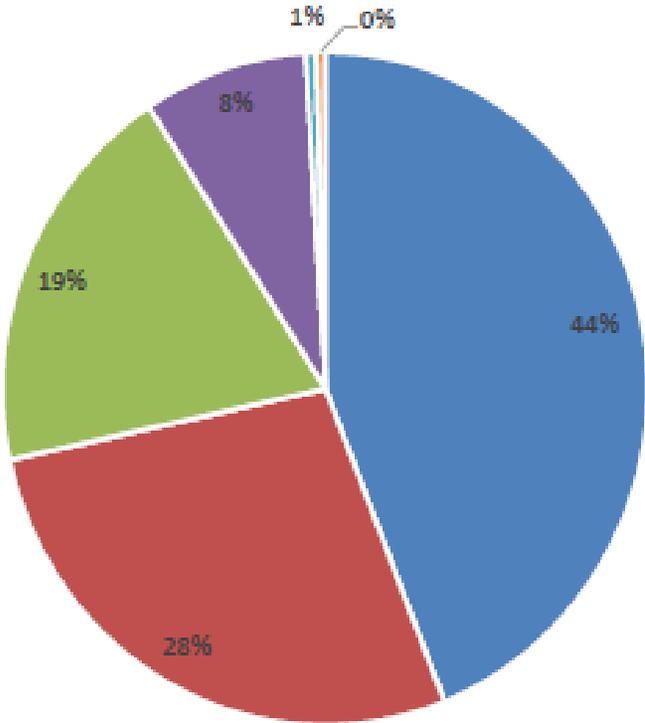
- Staff Prepares Proposed Budgets
- Proposed Budgets are reviewed
 - City Council and Staff Review
 - Occurs During Meetings that are open to the public
- Preliminary Tax Levy and Budget
 - Certified to Carver County - September 2019
- Additional Budget Review
- Truth in Taxation - Additional Public Input
- Final Budget Adoption - December 2019

Debt Tax Levies - 2020

Debt Service Levies	2018 Final	2019 Final	2020 Preliminary & Final
2015A (Roundabout)	\$48,221.00	\$47,100.00	\$46,961.00
2014A (Highway 25 2007A) (Water Tower)	\$150,664.00	\$153,079.00	\$218,079.00
Fire Station - Security Bank	\$8,308.00	\$3,320.00	\$0.00
Fire Truck	\$21,749.00	\$21,749.000	\$21,749.00
Debt Service (Sewer)	\$282,000.00	\$253,000.00	\$254,500.00
Total Debt Service Levy	\$510,942.00	\$477,978.00	\$541,289.00
Total Debt and Capital Levy	\$510,942.00	\$477,978.00	\$541,289.00

2020 General Fund Operating Expenditures - \$1,005,374.41

	Preliminary	Proposed—Final
General Government	\$446,640.41	\$461,650.00
Public Safety	\$270,374.00	\$266,174.00
Public Works	\$194,960.00	\$190,960.00
Park and Recreation	\$83,450.00	\$72,450.00
Compost	\$5,400.00	\$5,400.00
Operating EDA	\$4,550.00	\$4,550.00
	\$1,005,374.41	\$1,005,184.00



- General Government
- Public Safety
- Public Works
- Park and Recreation
- Compost
- Operating EDA

General Levy

	2019	2020—Preliminary	(\$ Change	2020 - Proposed Final	(\$ Change
General Government	\$353,331.78	\$446,640.41	\$93,308.63	\$461,650.00	\$108,318.22
Public Safety *	\$370,874.00	\$270,374.00	-\$100,500.00	\$266,174.00	-\$104,700.00
Public Works	\$223,823.00	\$194,960.00	-\$28,863.00	\$194,960.00	-\$28,863.00
Park and Recreation*	\$139,913.00	\$83,450.00	-\$56,463.00	\$72,450.00	-\$67,463.00
Streets*	\$100,000.00	\$0.00	-100,000.00	\$0.00	-\$100,000.00
Compost	\$5,390.00	\$5,400.00	\$10.00	\$5,400.00	\$10.00
Operating EDA	\$4,550.00	\$4,550.00	\$0.00	\$4,550.00	\$0.00
	\$1,197,881.78	\$1,005,374.41	-\$192,507.37	\$1,005,184.00	-\$192,697.78

**Preliminary -
16.04% decrease in
General Fund Levy**

***These funds have money shifting
into Capital Levy Funds**

**Proposed Final -
16.08% decrease in
General Fund Levy**

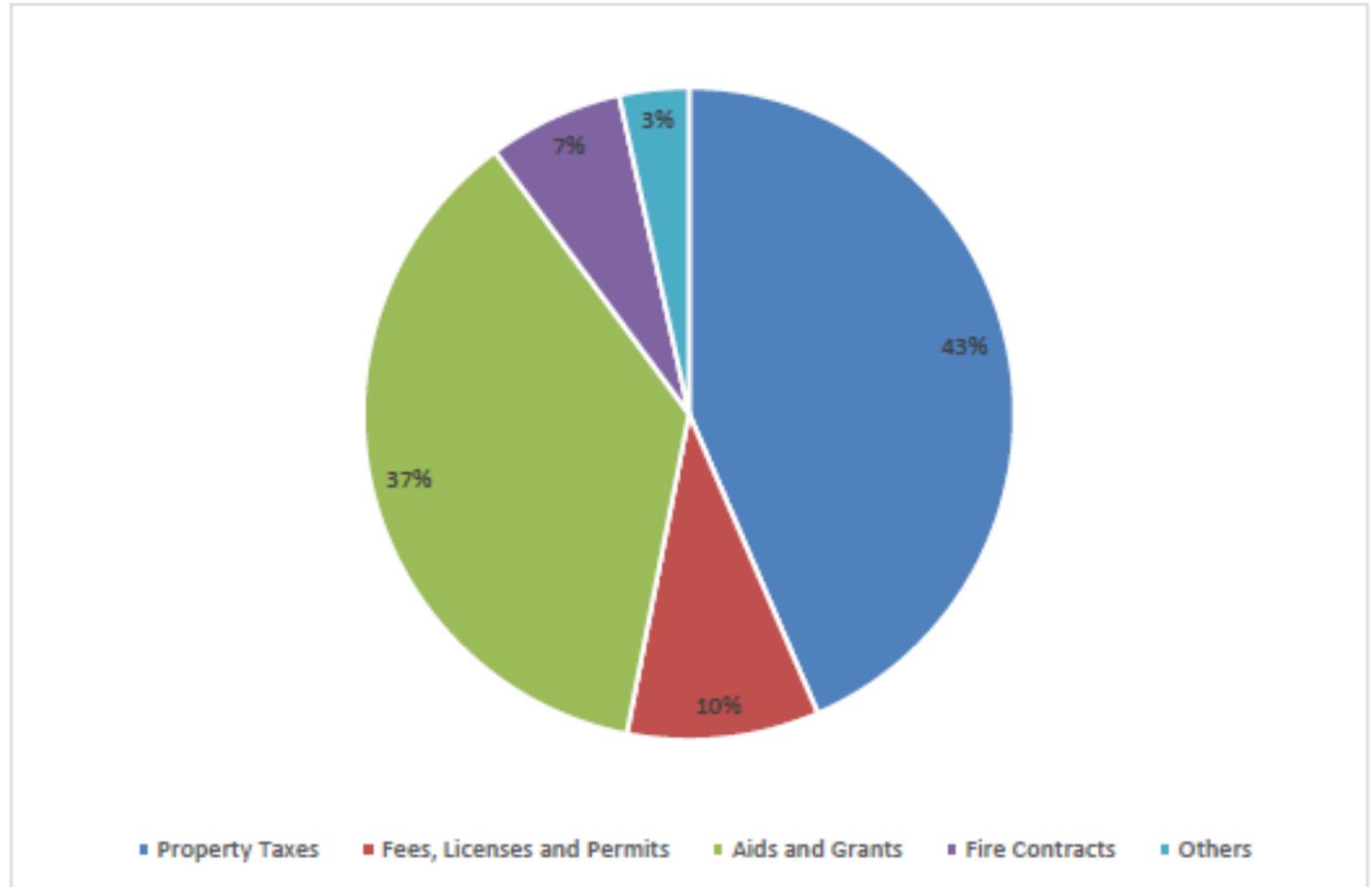
Revenue Overview

- Anticipating 25-30 housing starts in 2020.
- **Local Government Aid** will increase \$25,317 from \$313,058 to \$338,375

Years	Houses Built	Total at Year End	Years	LGA Amount
2012	15	610	2011	\$220,680.00
2013	12	622	2012	\$220,680.00
2014	20	642	2013	\$266,365.00
2015	26	668	2014	\$290,421.00
2016	31	698	2015	\$296,482.00
2017	34	732	2016	\$298,017.00
2018	34	766	2017	\$298,717.00
2019	17 (to date)	783	2018	\$312,296.00
2020	-		2019	\$313,058.00
			2020	\$338,375.00

2020 General Fund Revenues -

	Preliminary	Proposed Final
Property Taxes	\$431,921.27	\$431,730.86
Fees, Licenses and Permits	\$96,900.00	\$96,000.00
Aids and Grants	\$373,375.00	\$373,375.00
Fire Contracts	\$68,178.14	\$68,178.14
Others	\$35,000.00	\$35,000.00
	\$1,005,374.41	\$1,005,184.00



Capital Levy (New)

	2019	2020 - Preliminary	(\$) Change	2020 - Proposed Draft	(\$) Change
Fire Dept Capital Levy	\$100,000.00	\$100,000.00	\$0.00	\$100,000.00	\$0.00
Streets Fund Capital Levy	\$100,000.00	\$112,500.00	\$12,500.00	\$100,000.00	\$0.00
Park & Recreation Levy	\$70,000.00	\$100,000.00	\$30,000.00	\$100,000.00	\$30,000.00
	\$270,000.00	\$312,500.00	\$42,500.00	\$300,000.00	\$30,000.00

Staff is proposing a separate Capital Levy for these funds to keep them separate from the operating general funds.

This money will be placed in the capital funds to spend on projects that are needed in the future.

The projects are highlighted in more detail in the City's Long Term Capital Improvement Plan Document.

2020 - Preliminary 2020 - Proposed Draft

<u>TAXES LEVIED FOR GENERAL</u>	\$431,934.87	431,730.86
<u>TAXES LEVIED FOR CAPITAL FUNDS</u>		
Street Capital Fund	\$112,500.00	\$100,000.00
Fire Capital Fund	\$100,000.00	\$100,000.00
Parks Capital Fund	\$100,000.00	\$100,000.00
TOTAL CAPITAL	\$312,500.00	\$300,000.00
<u>TAXES LEVIED FOR DEBT</u>		
Fire Station	\$0.00	\$0.00
GO Improvement and Utility Refunding Bonds 2014A	\$218,079.00	\$218,079.00
Fire Truck	\$21,479.00	\$21,479.00
GO Bonds 2015A	\$46,961.00	\$46,961.00
GO Water & Sewer Refunding Bonds - 2007A	\$254,500.00	\$254,500.00
TOTAL DEBT	\$541,019.00	\$541,019.00
Total Levy (Gen +Capital+Debt)	\$1,285,453.87	\$1,272,749.86
- Fiscal Disparities	\$226,107.00	\$226,107.00
New Actual Levy	\$1,059,346.87	\$1,046,642.86
Actual (Projected) Tax Cap.	\$2,134,422.00	\$2,134,422.00
- FD Contribution	\$96,240.00	\$96,240.00
Adjusted Tax Capacity	2,038,182.00	\$2,038,182.00
Actual (Projected) Tax Rate (Actual Levy/Adj TC)	52.00%	51.35%

2020 Tax Levy - Factors

. Market Value

- Carver County is responsible for valuations
- Current Increasing Trends
 - * 2019 Assessment/2020 Payable ~9.76% Increase

. Tax Capacity

- Change is dependent on market value
- New Construction in 2019
 - 17 New Homes (to date)

. Tax Levy

- General Operating Fund Decrease of 16.04% - Preliminary and 16.08% - Proposed Final (shift of funds)
- Tax Levy Percentage increase of 2.75% - Preliminary and 2.25% - Proposed Final
 - * Growing City = Growing Needs
 - * Future Planning (Capital Reserves)
 - * Debt Service

. Other Districts

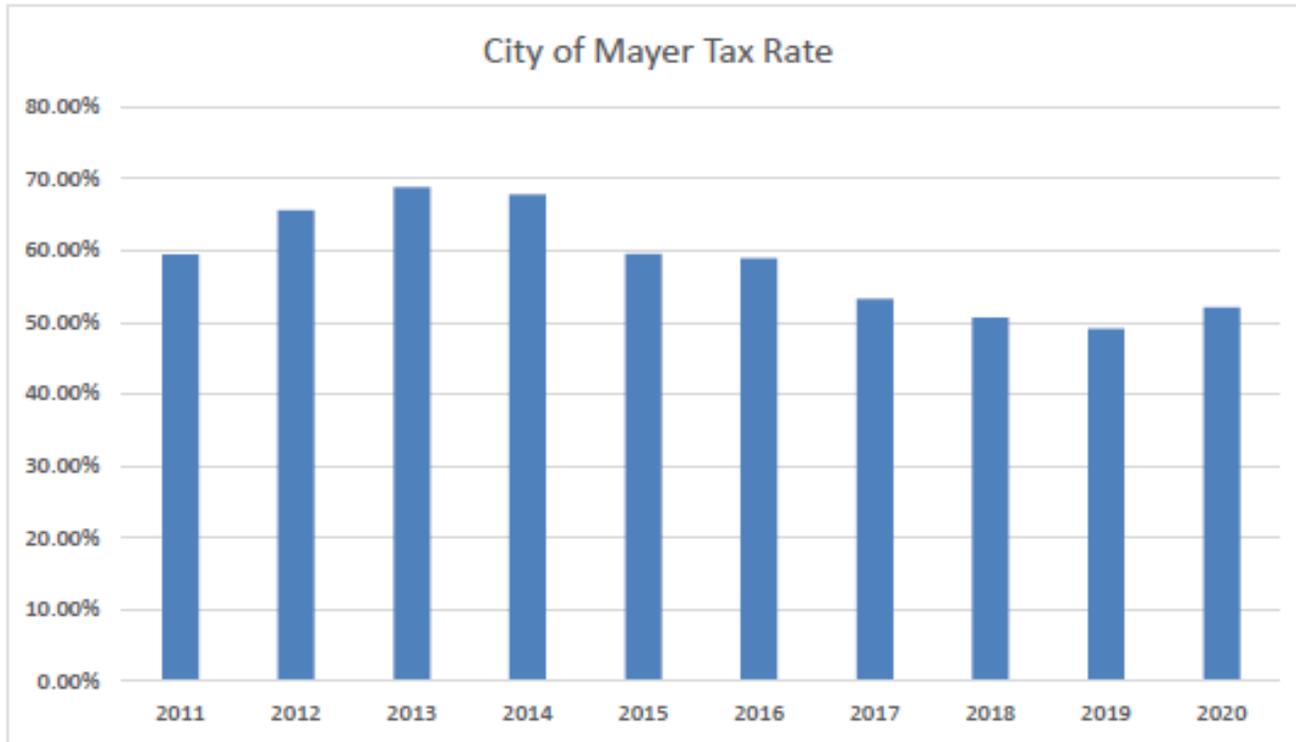
- Carver County
- School District (Watertown - Mayer)
- Other special taxing districts

Carver County Market Values

City of Mayer 2019 Assessment Summary

	Residential	Commercial/Industrial	Apartment	Ag	Total
2019 EMV	\$195,714,400	\$11,394,600	\$835,900	\$1,584,900	\$209,529,800
2018 EMV	\$178,446,900	\$10,307,100	\$756,600	\$1,384,800	\$190,895,400
Total Value Change	\$17,267,500	\$1,087,500	\$79,300	\$200,100	\$18,634,400
New Construction	\$8,838,900	\$0	\$0	\$0	\$8,838,900
Market Change	\$8,428,600	\$1,087,500	\$79,300	\$200,100	\$9,795,500
% New Construction	4.52%	0.00%	0.00%	0.00%	4.22%
% Market Change	4.72%	10.55%	10.48%	14.45%	5.13%
2018 Total % Increase	9.68%	10.55%	10.48%	14.45%	9.76%

The City of Mayer tax rate is determined by dividing the jurisdiction’s levy by the jurisdiction’s taxable net tax capacity.



YEAR	TAX RATE	STATUS
2012	65.66%	FINAL
2013	68.84%	FINAL
2014	67.78%	FINAL
2015	59.57%	FINAL
2016	58.91%	FINAL
2017	53.29%	FINAL
2018	50.61%	FINAL
2019	49.10%	FINAL
2020	52.00%	PRELIM
2020	51.35%	P-FINAL

TOTAL LEVY (Debt Levy + General Levy)

	2018 Final	2019	2020— Preliminary	2020— Proposed Final
General Levy	\$480,931.00	\$639,646.00	\$431,921.27	\$431,730.86
Debt Service Levy	\$510,942.00	\$477,978.00	\$541,289.00	\$541,019.00
Capital Levy			\$312,500.00	\$300,000.00
Total Levy	\$991,873.00	\$1,117,624.00	\$1,285,710.27	\$1,272,749.86
Percent Change	-	12.7%	15.1%	13.9%

Levy Information W/ Capital— Preliminary

\$1,285,710.27

Tax Capacity Based Levy Amount (After LGA)

- \$226,107

Fiscal Disparities Distribution Dollars

\$1,059,603.27

Local Levy for 2020

2020 Adjusted Tax Capacity—\$2,038,182.00

$\$1,059,603.27 / \$2,038,182 \times 100 = 52.00\%$

Each local taxing jurisdiction certifies a levy equal to the amount it intends to raise from property taxes in the upcoming year.

Levy Information W/ Capital— Proposed - Final

\$1,272,749.86

Tax Capacity Based Levy Amount (After LGA)

- \$226,107

Fiscal Disparities Distribution Dollars

\$1,046,642.86

Local Levy for 2020

2020 Adjusted Tax Capacity—\$2,038,182.00

$\$1,046,642.86 / \$2,038,182.00 \times 100 = 51.35\%$

Comparison to other Carver County Cities

CITY	2019 FINAL RATE
Chanhassen	21.10 %
Chaska	27.67%
Victoria	31.27%
Mayer	49.25%
Carver	50.59%
Waconia	52.50%
Watertown	56.47%
Cologne	62.41%
NYA	70.39%
New Germany	97.65%
Hamburg	122.13%

Example Calculation of Property Taxes



Estimated Market Value \$300,000
 Homestead Exclusion (\$10,200)
Taxable Market Value \$289,800

\$289,800	X	1%	=	\$2,898
Taxable Market Value	x	Residential Tax Class Rate	=	Tax Capacity
\$2,898	X	52.00%	=	\$1,503.96
Tax Capacity	x	City of Mayer Tax Rate	=	City of Mayer Property Taxes
\$289,800	X	1%	=	\$2,898
Taxable Market Value	x	Residential Tax Class Rate	=	Tax Capacity
\$2,898	X	51.35%	=	\$1,488.12
Tax Capacity	x	City of Mayer Tax Rate	=	City of Mayer Property Taxes

Property Taxes Represented as a monthly Bill for City Services

Preliminary - A home with an estimated Market Value of \$300,000 will pay an estimated \$1,503.96 per year in City of Mayer property taxes, or **\$125.58 per month.**

Proposed Final- A home with an estimated Market Value of \$300,000 will pay an estimated \$1,488.12 per year in City of Mayer property taxes, or **\$124.01 per month.**

<i>City of Mayer Monthly Services</i>	<i>Preliminary</i>	<i>P-Final</i>
<i>Street Repairs, Snow Plowing, Fleet Maintenance</i>	<i>\$12.23</i>	<i>\$12.23</i>
<i>Debt Payments</i>	<i>\$35.86</i>	<i>\$35.86</i>
<i>General Administration</i> <i>Including: Administration, Assessor, auditor, legal, elections, IT support, Supplies and projects</i> <i>Planning and Zoning, Engineering, Building Inspection.</i>	<i>\$32.30</i>	<i>\$32.30</i>
<i>Fire Protection</i>	<i>\$8.54</i>	<i>\$8.54</i>
<i>Police Protection</i>	<i>\$10.08</i>	<i>\$9.51</i>
<i>Park Recreation Facilities and Programming</i>	<i>\$5.78</i>	<i>\$5.78</i>
<i>Capital</i>	<i>\$20.10</i>	<i>\$19.10</i>
<i>Compost</i>	<i>\$0.37</i>	<i>\$0.37</i>
<i>Operating EDA</i>	<i>\$0.32</i>	<i>\$0.32</i>
<i>Total</i>	<i>\$125.58</i>	<i>\$124.01</i>



QUESTIONS?
COMMENTS?

CARVER COUNTY LEVY COMPARISONS

TOWNSHIPS	FINAL 2019 Levy	PROPOSED 2020 Levy	TOTAL LEVY % CHANGE
Benton	\$ 225,000	\$ 255,000	13.333%
Camden	\$ 240,000	\$ 240,000	0.000%
Proper	\$ 36,000	\$ 36,000	0.000%
New Germany Fire	\$ 19,000	\$ 21,000	10.526%
NYA Fire	\$ 18,000	\$ 18,000	0.000%
Mayer Fire	\$ 2,000	\$ 3,000	50.000%
Dahlgren	\$ 300,000	\$ 350,000	16.667%
Hancock	\$ 100,000	\$ 100,000	0.000%
Hollywood	\$ 320,000	\$ 330,000	3.125%
Laketown	\$ 510,000	\$ 510,000	0.000%
San Francisco	\$ 220,800	\$ 238,900	8.197%
Proper	\$ 62,000	\$ 62,000	0.000%
Carver Fire	\$ 21,000	\$ 26,000	23.810%
Belle Plaine Fire	\$ 272,000	\$ 317,000	16.544%
Waconia	\$ 373,000	\$ 373,000	0.000%
Watertown	\$ 200,000	\$ 200,000	0.000%
Young America	\$ 35,000	\$ 40,000	14.286%
Proper	\$ 2,000	\$ 3,000	50.000%
NYA Fire	\$ 30,000	\$ 30,000	0.000%
Plato Fire			
Hamburg Fire			
TOWNSHIP TOTAL	\$ 2,985,800	\$ 3,152,900	5.596%
CITIES	FINAL 2019 Levy	PROPOSED 2020 Levy	TOTAL LEVY % CHANGE
Carver	\$ 2,713,263	\$ 3,053,041	12.523%
Chanhassen	\$ 10,560,356	\$ 11,283,956	6.852%
Chanhassen EMV	\$ 459,512	\$ 457,412	-0.457%
Chaska	\$ 9,201,811	\$ 10,350,385	12.482%
Cologne	\$ 1,304,146	\$ 1,457,725	11.776%
Hamburg	\$ 501,530	\$ 551,683	10.000%
Mayer	\$ 1,117,624	\$ 1,285,454	15.017%
New Germany	\$ 421,421	\$ 425,741	1.025%
Norwood Young America	\$ 2,579,910	\$ 2,914,027	12.951%
Norwood Debt-EMV based	\$ 22,260	\$ 21,630	-2.830%
Victoria	\$ 5,027,000	\$ 5,708,000	13.547%
Waconia	\$ 8,398,680	\$ 8,615,964	2.587%
Watertown	\$ 2,444,910	\$ 2,560,000	4.707%
CITY TOTAL	\$ 44,752,423	\$ 48,685,018	8.787%
SCHOOLS	FINAL 2019 Levy	PROPOSED 2020 Levy	TOTAL LEVY % CHANGE
School 108	\$ 1,729,444	\$ 1,869,921	8.123%
- TC Based	\$ 831,481	\$ 540,654	-34.977%
- EMV Based	\$ 10,055,817	\$ 10,570,060	5.114%
School 110	\$ 5,498,453	\$ 5,763,771	4.825%
- TC Based	\$ 5,532,438	\$ 5,617,713	1.541%
- EMV Based	\$ 1,445,662	\$ 1,409,794	-2.481%
School 112	\$ 29,829,598	\$ 27,745,364	-6.987%
- TC Based	\$ 19,317,134	\$ 18,361,834	-4.945%
- EMV Based			
SCHOOL TOTAL	\$ 74,240,027	\$ 71,879,111	-3.180%
COUNTY	FINAL 2019 Levy	PROPOSED 2020 Levy	TOTAL LEVY % CHANGE
County	\$ 56,264,855	\$ 59,073,855	4.992%
Carver County CDA	\$ 2,503,130	\$ 2,679,432	7.043%
Carver County Rail Authority	\$ 162,000	\$ 170,084	4.990%
COUNTY TOTAL	\$ 58,929,985	\$ 61,923,371	5.080%
COUNTY WATERSHED DISTRICT	FINAL 2019 Levy	PROPOSED 2020 Levy	TOTAL LEVY % CHANGE
Carver County WMO	\$ 764,979	\$ 802,802	4.944%
COUNTY WS DISTRICT TOTAL	\$ 764,979	\$ 802,802	4.944%
MISC DISTRICTS	FINAL 2019 Levy	PROPOSED 2020 Levy	TOTAL LEVY % CHANGE
Met Council	\$ 1,024,015	\$ 995,820	-2.753%
Met Transit District	\$ 1,190,365	\$ 1,243,870	4.495%
Mosquito Control	\$ 653,288	\$ 664,487	1.714%
Chaska City EDA	\$ 498,843	\$ 165,747	-66.774%
NYA City EDA	\$ 51,272	\$ 55,916	9.058%
Victoria EDA	\$ 188,000	\$ 188,000	0.000%
Watertown EDA	\$ 55,294	\$ 58,575	5.934%
Lower MN WS #1	\$ 48,443	\$ 47,264	-2.434%
Riley Purg WS #2	\$ 838,911	\$ 864,204	3.015%
Minnehaha Crk WS #3	\$ 436,687	\$ 423,983	-2.909%
Buffalo Crk WS #4	\$ 1,975	\$ 2,580	30.633%
MISC DISTRICT TOTAL	\$ 4,987,093	\$ 4,710,446	-5.547%
GRAND TOTAL	\$ 186,660,307	\$ 191,153,648	2.407%

NOTE: Levies have been reduced by Local Government Aid.

CARVER COUNTY RATE COMPARISON

TOWNSHIPS		Final Pay 2018	Final Pay 2019	Proposed Pay 2020	2019/2020 % Change
Benton		13.19062950	12.80922124	14.13432251	10.34%
Camden	Proper	14.09007602	13.58017499	13.29150582	-2.13%
	NYA Fire Dist	3.23643541	3.50626049	3.73454099	6.51%
	New Germany Fire Dist	4.88826382	4.67714588	4.64188814	-0.75%
	Mayer Fire Dist	4.79654826	4.89616509	4.77540628	-2.47%
	Plato Fire Dist	2.29349600	2.27066088	3.30197844	45.42%
Dahlgren		10.95649334	10.47491468	11.97008286	14.27%
Hancock		14.24848462	13.80213298	13.12556288	-4.90%
Hollywood		17.57521942	16.97828109	16.90877370	-0.41%
Laketown		15.54583813	14.68423471	14.09810828	-3.99%
San Francisco	Proper	15.86760652	13.10844586	13.51718564	3.12%
	Carver fire/amb	5.37446328	5.76585554	5.51468249	-4.36%
	Belle Plaine fire/amb	3.44690741	3.44760774	4.04287995	17.27%
		11.54519477	10.70526414	11.71985023	9.48%
Waconia		11.54519477	10.70526414	11.71985023	9.48%
Watertown		14.75432022	14.16004784	13.81046706	-2.47%
Young America	Proper	12.32420596	12.14596780	11.98029458	-1.36%
	NYA Fire Dist	3.98800937	3.93012598	4.37616950	11.35%
	Hamburg Fire Dist	4.69397682	4.61149496	4.61443215	0.06%
	Plato Fire Dist	2.82814887	1.89515972	2.85063601	50.42%
CITIES		Final Pay 2018	Final Pay 2019	Proposed Pay 2020	2019/2020 % Change
Carver		47.70286754	50.59165406	49.59052208	-1.98%
Chanhassen	Rural	17.25454329	16.06607301	16.07457352	0.05%
	Urban	22.66614244	21.10455967	21.13281570	0.13%
	RMV Based	0.01113466	0.01026695	0.00955511	-6.93%
Chaska	Annex	27.23423503	0.00000000	0.00000000	0.00%
	Rural	24.51081153	27.67761339	0.00000000	-100.00%
	Urban	27.23423503	27.67761339	28.40458442	2.63%
Cologne		67.95190441	62.41482085	64.30493322	3.03%
Hamburg		103.20053000	122.13038650	117.00217229	-4.20%
Mayer	Rural	26.75858867	23.83866136	25.12817461	5.41%
	Urban	50.61197991	49.25198432	51.99226620	5.56%
New Germany	Rural	33.65368380	32.16406378	31.43764169	-2.26%
	Urban	98.75023906	97.65142070	96.40421187	-1.28%
Norwood Young America		71.83644297	70.39920067	73.65564455	4.63%
	Norwood Debt-RMV based	0.01568245	0.01850757	0.01707764	-7.73%
Victoria	Rural	16.08829661	16.02274220	15.32952002	-4.33%
	Urban	31.49540889	31.27120069	30.97567073	-0.95%
Waconia		52.83585366	52.50018253	47.20670438	-10.08%
Watertown	Rural	38.57437010	35.78244427	34.75025213	-2.88%
	Urban	59.54859733	56.47273912	55.09721590	-2.44%
SCHOOL DISTRICTS		Final Pay 2018	Final Pay 2019	Proposed Pay 2020	2019/2020 % Change
#108		17.96146138	15.01416985	15.66881706	4.36%
	RMV Based	0.11074651	0.09156511	0.05171436	-43.52%
#110		33.49291051	33.80027190	32.21841799	-4.68%
	RMV Based	0.11856463	0.20594870	0.18830801	-8.57%
#111		44.08530846	38.81329961	37.37334644	-3.71%
	RMV Based	0.12422166	0.11995872	0.10843251	-9.61%
#112		33.83738096	33.63114539	28.06357931	-16.55%
	RMV Based	0.23096398	0.22511890	0.19329216	-14.14%
#276		23.13300000	21.20900000	21.15000000	-0.28%
	RMV Based	0.30308000	0.34013000	0.33908000	-0.31%
#424		10.65000000	13.81300000	13.86300000	0.36%
	RMV Based	0.24522000	0.23459000	0.24464000	4.28%
#716		36.36239564	32.27401197	29.66245106	-8.09%
	RMV Based	0.11777622	0.08434441	0.09935722	17.80%
#2687		39.51600000	36.74700000	35.79500000	-2.59%
	RMV Based	0.11598000	0.13512000	0.14079000	4.20%
#2859		16.65700000	16.99200000	16.85100000	-0.83%
	RMV Based	0.14715000	0.12760000	0.11406000	-10.61%

CARVER COUNTY RATE COMPARISON

COUNTY RATES	Final Pay 2018	Final Pay 2019	Proposed Pay 2020	2019 / 2020 % Change
Carver County	37.43567297	36.48828974	35.12045009	-3.75%
Carver County CDA	1.63992538	1.62567858	1.59569345	-1.84%
Carver County Rail Authority	0.11416645	0.10446082	0.10117291	-3.15%
MISC DISTRICTS	Final Pay 2018	Final Pay 2019	Proposed Pay 2020	2019 / 2020 % Change
Met Council	0.82675038	0.65043052	0.58872049	-9.49%
Met Transit District- Chanhassen & Chaska	1.36626507	1.45375652	1.39403057	-4.11%
Mosquito Control	0.44605329	0.42258864	0.39390678	-6.79%
Chaska City EDA	1.50336664	1.49660027	0.31305763	-79.08%
Norwood Young America EDA	1.41334216	1.40350751	1.39871707	-0.34%
Victoria EDA	1.25537481	1.15816447	1.00653845	-13.09%
Watertown EDA	1.35019612	1.27435498	1.26319716	-0.88%
WS#1 Lower MN (060)	0.59357537	0.66825973	0.57831426	-13.46%
WS#2 Riley Purg (064)	2.25782667	2.21580141	2.11857234	-4.39%
WS#3 Minnehaha (062)	1.69342570	1.65195622	1.44752143	-12.38%
WS#4 Buffalo Creek (005)	1.93376827	1.21310847	1.59020369	31.09%
Carver County Watersheds:	Final Pay 2018	Final Pay 2019	Proposed Pay 2020	2019 / 2020 % Change
Carver County WMO (067)	0.96669315	0.92696656	0.89126406	-3.85%
Fiscal Disparity Rate	145.095	143.992	142.454	-1.07%
Ag. Preserve Rate	82.000	84.000	85.000	1.19%
State General Tax Rate (Commercial)	43.865	42.416	39.000	-8.05%
State General Tax Rate (Seasonal Rec)	20.779	19.962	19.000	-4.82%
(Applicable to regular tax capacity of Commercial, Industrial, Pub Utilities, Railroads, Personal Property, & *Seasonal Rec classifications) (*Non-commercial Seasonal Rec - .40% of 1st \$76,000 value used to determine tax capacity for State General Tax.)				
All rates are Tax Capacity based unless otherwise noted and are shown before reduction of DRA (Disparity Reduction Aid), if applicable.				
Residential Homestead Market Value Exclusion				
Residential Homestead Market Value Exclusion reduces the estimated market value of a property for tax calculation.				
Residential Homestead Taxable MV Exclusion (applicable to Res Homestead property & House-Garage-1 Ac of Res Ag & Comm Seasonal Rec Res property)		40% of 1st \$76,000 of Estimated Market Value Reduction to exclusion: 9% of Estimated Market Value over \$76,000		
Residential Homestead Market Value Exclusion Examples				
	Total Estimated Market Value	Homestead Market Value Exclusion		
	\$50,000	\$20,000		
	\$75,000	\$30,000		
	\$76,000	\$30,400		
	\$100,000	\$28,200		
	\$200,000	\$19,200		
	\$300,000	\$10,200		
	\$350,000	\$5,700		
	\$400,000	\$1,200		
	\$413,800	\$0		
	\$450,000	\$0		
Agricultural Homestead Market Value Credit				
AG Homestead Taxable MV Credit (Applies to Ag Homestead property & excludes House-Garage-1 Acre value)				
Ag Homestead Market Value Credit Examples				
.30% of Taxable Market Value up to \$115,000 .10% of Taxable Market Value over \$115,000 (Maximum of \$490)				
	Total Taxable Market Value	Credit Amount		
	\$50,000	\$150		
	\$75,000	\$225		
	\$100,000	\$300		
	\$115,000	\$345		
	\$150,000	\$380		
	\$200,000	\$430		
	\$345,000	\$490		
	\$600,000	\$490		
Credit Calculations:	Ag Homestead MV Credits reduce only TC based taxes. Credits in excess of TC based taxes cannot be used to reduce Referenda Market Value based taxes or state tax.			



Request for Council Action Memorandum - Workshop

Item: Enterprise Fund Budgets

Meeting Date: November 12, 2019

Presented By: Margaret McCallum, City Administrator

Recommendations/Council Action/Motion Requested:

To discuss the 2020 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 **\$668,752.00** in 2020. This is an increase from \$608,265.00 from 2019 of \$60,487.00.

The general thought is to increase and project an increase of 3% on operations each year.

The 2020 budget will be increasing mostly in the engineering section of the budget because of three facility projects that will be completed. The projected engineering for the water infrastructure improvements will be around \$121,500.00. This was approved by the Council in October 2019. Significant decreases in the fund for 2020 is seen in capital outlay. In 2019, this fund item had \$100,000.00 with a reduction to \$20,000.00.

Financing the projects –

The project cost for all three projects is estimated to be:

Water Tower Rehabilitation - \$350,000.00 - \$500,000.00.

New Production Well and Well Rehabilitation Improvements – \$400,000.00 - \$500,000.00.

Water Treatment Plant Improvements - \$375,000.00 - \$475,000.00

The total being between \$1,125,000.00 - \$1,475,000.00

The total engineering for the project is projected to be \$121,500.00.

These projects were taken into account for in the rate study that was completed in 2018. The projects were projected to be completed in 2021 and 2022. Nonetheless it shouldn't be an issue if they are moved forward to 2020.

Loan Program – Minnesota Drinking Water Revolving Fund

The New Production Well and Well Rehabilitation Improvement sand the Water Treatment Plant Improvements can be paid for through the Minnesota Drinking Water Revolving Fund Loan Program. This would be a loan amount of about 775,000.00 – 975,000.00.

Paying with Cash –

Staff has reviewed the current funds for the City's water utility fund and believes that the Water Tower Rehabilitation project can be paid for with cash. The cash amount would be between the amounts of \$350,000.00 - \$500,000.00.

The City currently has \$1,132,292.00 in cash reserves in the water fund.

The projected revenues (based on the 2018 rate study) is **\$753,359.00** for 2020. 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 **\$909,741.00** in 2020. This is an increase from **\$836,313.00** from 2019 of \$73,428.00.

The general thought is to increase and project an increase of 3% on operations each year.

The 2020 budget will be increasing in the engineering section of the budget because there is some expected reporting and changes that need to be made to operations at the wastewater facility. In addition, there will be some increases in maintenance costs due to some maintenance upgrades that need to be made.

The projected revenues (based on the 2018 rate study) is **\$1,008,699.00** for 2020. 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

	2018 Budget	2019 Budget	2020 Proposed Budget
<u>Debt Service</u>			
Debt Service Principal	\$258,250.00	\$296,100.00	\$313,600.00
Debt Service Interest	\$70,182.00	\$56,079.00	\$47,392.00
	\$328,432.00	\$352,179.00	\$360,992.00
<u>Water Treatment Facility</u>			
Chemicals and Chem Products	\$3,500.00	\$3,500.00	\$3,500.00
Telephone	\$1,100.00	\$1,500.00	\$2,000.00
Electric Utilities	\$21,000.00	\$21,000.00	\$21,000.00
Gas Utilities	\$625.00	\$800.00	\$800.00
Repairs and Maintenance	\$5,000.00	\$5,000.00	\$5,000.00
Capital Outlay	\$30,000.00	\$100,000.00	\$20,000.00
	\$61,225.00	\$131,800.00	\$52,300.00
<u>State Connection Fee</u>			
Miscellaneous	\$4,500.00	\$4,500.00	\$7,000.00
<u>Water Tower</u>			
Professional Services	\$1,000.00	\$1,000.00	\$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	\$3,000.00	\$2,000.00
<u>Well #2</u>			
Professional Services	\$1,000.00	\$1,000.00	\$0.00
Repairs and Maintenance	\$3,000.00	\$3,000.00	\$4,000.00
Capital Outlay	\$7,500.00	\$7,500.00	\$5,000.00
	\$11,500.00	\$11,500.00	\$9,000.00
<u>Water</u>			
Wages and Salaries	\$25,629.00	\$42,000.00	\$45,000.00

Employer Contribution Retirement	\$1,923.00	\$3,126.00	\$3,375.00
Employee Benefits	\$8,500.00	\$14,600.00	\$13,500.00
Employee Withholdings	\$1,961.00	\$3,200.00	\$3,450.00
Training and Instruction	\$1,000.00	\$1,000.00	\$1,000.00
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	\$2,000.00	\$3,000.00	\$3,000.00
Auditing and Accounting Services	\$2,835.00	\$2,835.00	\$2,835.00
Engineering Fees	\$0.00	\$0.00	\$121,500.00
Legal Fees	\$0.00	\$0.00	\$0.00
Software Support	\$2,400.00	\$2,400.00	\$2,400.00
ACH Processing Fees	\$75.00	\$75.00	\$200.00
Postage	\$1,500.00	\$1,500.00	\$2,000.00
Print/Binding	\$400.00	\$1,000.00	\$1,200.00
Gopher State Locates	\$400.00	\$400.00	\$400.00
Insurance	\$4,050.00	\$4,050.00	\$5,000.00
Repairs and Maintenance	\$5,000.00	\$5,000.00	\$6,500.00
Depreciation Expense	\$0.00	\$0.00	\$0.00
Misc	\$500.00	\$500.00	\$500.00
Dues and Subscriptions	\$250.00	\$250.00	\$250.00
Water Meters	\$10,000.00	\$15,000.00	\$20,000.00
	\$73,773.00	\$105,286.00	\$237,460.00
	\$482,430.00	\$608,265.00	\$668,752.00

Water - Revenue Sources	2020
Receipts from customers and users	\$515,562.00
Other Operating Receipts	\$57,099.00
Special Assessments	\$0.00
Connection Fees	\$167,298.00
Interest on Investments	\$13,400.00
	<hr/>
	\$753,359.00

Sewer Fund

	2018 Budget	2019 Budget	2020 Budget
<u>Debt Service</u>			
Debt Service Principal	\$314,750.00	\$356,900.00	\$394,400.00
Debt Service Interest	\$102,385.00	\$75,600.00	\$61,931.00
	\$417,135.00	\$432,500.00	\$456,331.00

Sewer Lift Stations

Telephone	\$185.00	\$185.00	\$500.00
Electric Utilities	\$5,250.00	\$5,250.00	\$5,250.00
Repairs and Maintenance	\$4,500.00	\$5,000.00	\$6,000.00
Capital Outlay	\$15,500.00	\$500.00	\$0.00
	\$25,435.00	\$10,935.00	\$11,750.00

Sewer Treatment Plant

Chemicals and Chem Products	\$15,100.00	\$21,100.00	\$26,215.00
Bio-Solids Disposal	\$37,330.00	\$37,330.00	\$45,340.00
Professional Services	\$24,925.00	\$24,925.00	\$20,000.00
Telephone	\$1,860.00	\$2,200.00	\$1,100.00
Electric Utilities	\$29,295.00	\$29,295.00	\$30,500.00
Gas Utilities	\$11,700.00	\$11,700.00	\$11,700.00
Testing and Lab Services	\$16,700.00	\$16,700.00	\$20,000.00
Repairs and Maintenance	\$21,650.00	\$21,650.00	\$21,650.00
Capital Outlay	\$86,305.00	\$55,517.00	\$60,970.00
	\$244,865.00	\$220,417.00	\$237,475.00

Sewer

Wages and Salaries	\$25,629.00	\$42,000.00	\$45,000.00
Employer Contribution Retirement	\$1,923.00	\$3,126.00	\$3,375.00
Employee Benefits	\$8,500.00	\$14,600.00	\$13,500.00
Employee Withholdings	\$1,961.00	\$3,200.00	\$3,450.00
Training and Instruction	\$1,000.00	\$1,000.00	\$1,000.00
Professional Services	\$2,000.00	\$3,000.00	\$3,000.00
Auditing and Accounting Services	\$2,835.00	\$2,835.00	\$2,835.00

Engineering Fees	\$5,000.00	\$0.00	\$10,000.00
Legal Fees	\$0.00	\$0.00	\$0.00
Software Support	\$1,400.00	\$1,400.00	\$1,400.00
ACH Processing Fees	\$75.00	\$75.00	\$200.00
Postage	\$1,500.00	\$1,500.00	\$2,000.00
Print/Binding	\$400.00	\$1,000.00	\$1,200.00
Gopher State Locates	\$400.00	\$400.00	\$400.00
Insurance	\$13,200.00	\$13,200.00	\$13,200.00
Repairs and Maintenance	\$25,000.00	\$25,000.00	\$43,500.00
Dues and Subscriptions	\$125.00	\$125.00	\$125.00
Inflow and Infiltration	\$60,000.00	\$60,000.00	\$60,000.00
	\$150,948.00	\$172,461.00	\$204,185.00
	\$838,383.00	\$836,313.00	\$909,741.00

Sewer - Revenue Sources	2020
Receipts from customers and users	\$573,548.00
Other Operating Receipts	\$7,672.00
Special Assessments	\$0.00
Property Tax Levy	\$243,000.00
Connection Fees	\$167,300.00
Interest on Investments	\$17,179.00
<hr/>	
	\$1,008,699.00

CITY OF MAYER
 2020 WASTEWATER TREATMENT FACILITY
 BUDGET NARRATIVE
 (DRAFT)

The following budget narrative has been prepared by Kluver Consulting for the Wastewater Treatment Facility portion of the 2020 Sewer Budget. Estimates have been prepared using 2019 to date actual costs, and anticipated inflation increases.

Please note that the following line items have not been completed based on pending circumstances:

- Professional Services
- Testing and Lab Services

<u>ACCOUNT NO.</u>	<u>ACCOUNT</u>	<u>RECOMMENDATION</u>
*640-49480-216	<u>Treatment Chemicals-</u>	\$ 26,215 – Increase due to increase in chemical use. This line item is for Phosphorous reduction; the new 5 Year NPDES permit is requiring the City to reduce final effluent limits, which requires more chemical. Also chemicals to promote Digester settling and control of filter flies in the clarifier and Tertiary Buildings are included in this line item. Miscellaneous cleaning chemicals are also purchased under this line item.
*640-49480-220	<u>Bio-Solids Removal-</u>	\$ 45,340- Increase due to an increase in Bio-Solid production created by a lower phosphorous limit in new 5 year NPDES Permit from the MPCA. 1. Hauling = 340,000 gallons @ .050 cents to Lester Prairie =\$17,000 Fuel surcharge= 76 loads @ \$ 15.00/load = 1,140 2. Disposal = 340,000 gallons @ .08cents to Lester Prairie = \$ 27,200
640-49480.300	<u>Professional Services-</u>	\$ Pending

*640.49480.321 Telephone- **\$1,100-** decrease of \$1,100. Cost includes the following –

- | | |
|----------------------------|-----|
| 1. Land Line thru Frontier | 600 |
| 2. Carver Link (Internet) | 500 |

*640-49480-381 Electric Utilities-**\$30,500-** Increase of \$1,205

*640-49480.320 Gas Utilities- **\$ 11,700-** No increase

640-49480.385 Testing and Lab Service-**\$ Pending new permit requirements**

*640-49480-404 Repairs, Supplies & Maintenance-**\$ 21,650.00-** No Increase
Expenditures to include the following:

- Air filters for blowers, Make up Air Units, Exhaust Louvers, Belts for blowers, Grease, Gear Oil. \$1,000
- Broad leaf control for lawn and ponds 800
- Annual inspection of 5 lift Stations 1,500
- Annual inspection and maintenance of generator 1,650
- Vac and clean Main Lift Station at WWTF 1,400
- Hutchinson Permit for Bio –Solids 100
- MPCA Annual Permit 1,450
- Flow meter calibration as required by MPCA (twice/yr) 1,700
- Fire extinguisher annual inspection 300
- Misc. repairs and service calls on items such as Pumps, HVAC systems, Process equipment, Automatic monitoring equipment. 4,500
- Electrical repair on lighting and Equipment 1,500
- Misc. supplies and repairs to equipment 5,750

640-49480.500 Capital Outlay –**\$ 60,970-** Original CIP identified \$69,660 for all items listed in 2020. Clarifier inspection has been completed.

Site and Other Miscellaneous Improvements

- Bituminous Surfacing (2500 SY) seal coat of Parking Lot (Carry over from 2018) \$5,540. The City is not doing any seal coating of streets in 2019, staff recommends

moving this item out to a year when street seal coating is taking place to realize a cost savings, may happen in 2021.

Pretreatment Building

- Exterior Block Sealant (amount identified in CIP) \$ 4,060

Aeration System

- VFD's for 3 blowers \$ 34,770
- Exhaust Fan (EF-4) \$ 5,100

Clarifier Building

- Exterior Block Sealant (amount identified in CIP) \$ 1,970

Tertiary Treatment Building

- Exterior Block Sealant (amount identified in CIP) \$ 4,060
- Chemical Feed Pump (amount identified in CIP) \$ 11,010



Request for Council Action Memorandum - Workshop

Item: 2020 Water, Sewer and Stormwater Utility Rates

Meeting Date: November 12, 2019

Presented By: Margaret McCallum, City Administrator

Recommendations/Council Action/Motion Requested:

To discuss the 2020 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 is proposing the following changes to the utility rates:

	2018	2019	2020
Water - Monthly			
Water = No Gallon Base	\$11.88	\$12.24	\$12.60
Water = 0 -6,000 gallons	\$5.25	\$5.41	\$5.57
6,001-15,000	\$6.08	\$6.26	\$6.45
15,001-20,000	\$7.15	\$7.36	\$7.59
20,001 and above	\$9.68	\$9.97	\$10.27

Sewer - Monthly			
Sewer = No Gallon Base	\$19.46	\$20.04	\$20.65
Sewer = per 1000 gallons	\$7.40	\$7.62	\$7.85

Storm Sewer - Monthly			
Residential	\$2.00	\$4.00	\$5.60
Commercial	\$6.00	\$12.00	\$16.80
School & Churches	\$2.00	\$4.00	\$5.60
Industrial	\$6.00	\$12.00	\$16.80
Multi-Family	\$4.00	\$8.00	\$11.20

Connection	Water (WAC)	\$4,500.00	\$4,640
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Chargers				\$4,780
	Sewer (SAC)	\$4,500.00	\$4,640	\$4,780

Attachments:

2018 Utility Rate Study.

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
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October 8, 2018

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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.

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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										

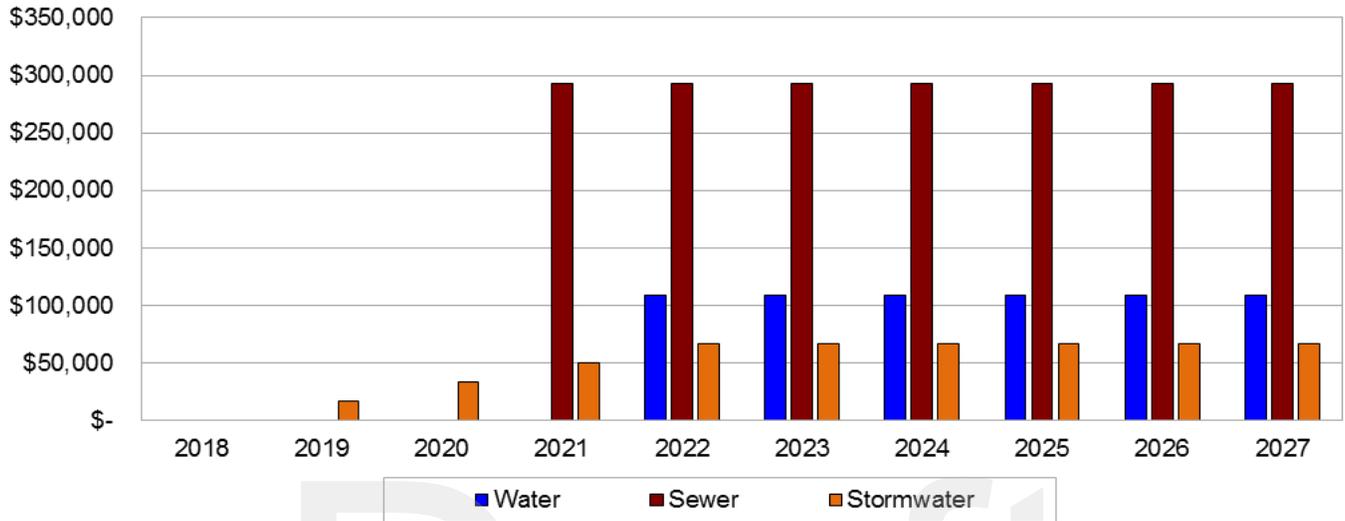
Sewer	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Annual budgeted amount	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ 87,000	\$ -	\$ -	\$ -	\$ -	\$ -
Slip Lining 2018	60,000	-	-	-	-	-	-	-	-	-
Slip Lining 2019	-	60,000	-	-	-	-	-	-	-	-
Enlargement of the Main	-	-	-	100,000	-	-	-	-	-	-
* WWTF -Expansion	-	-	-	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



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City of Mayer, Minnesota
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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
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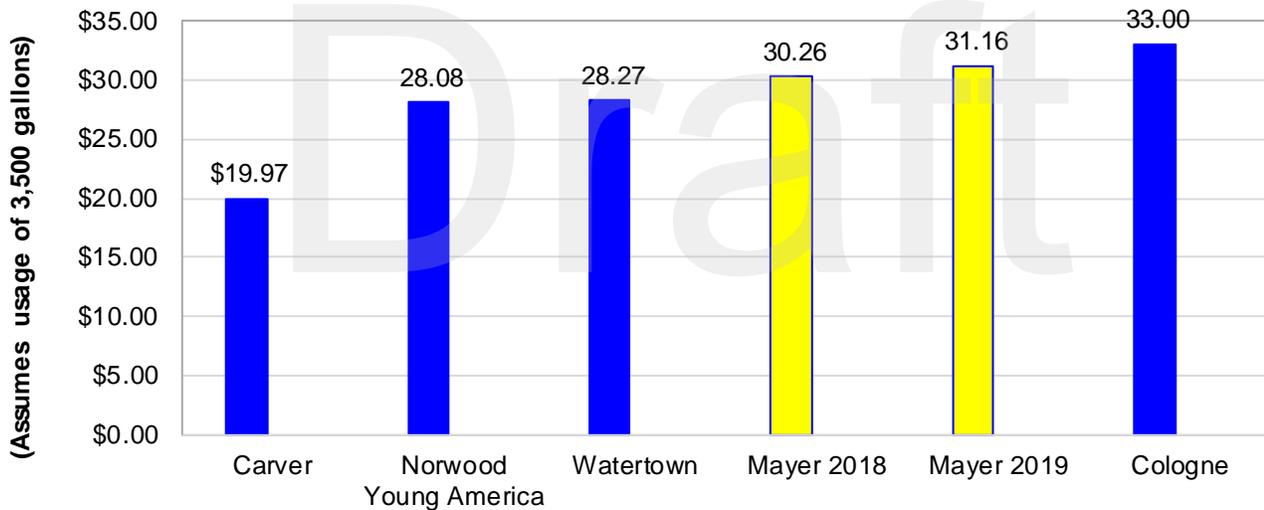
III. Water, Sewer and Stormwater Rate Study (Continued)

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



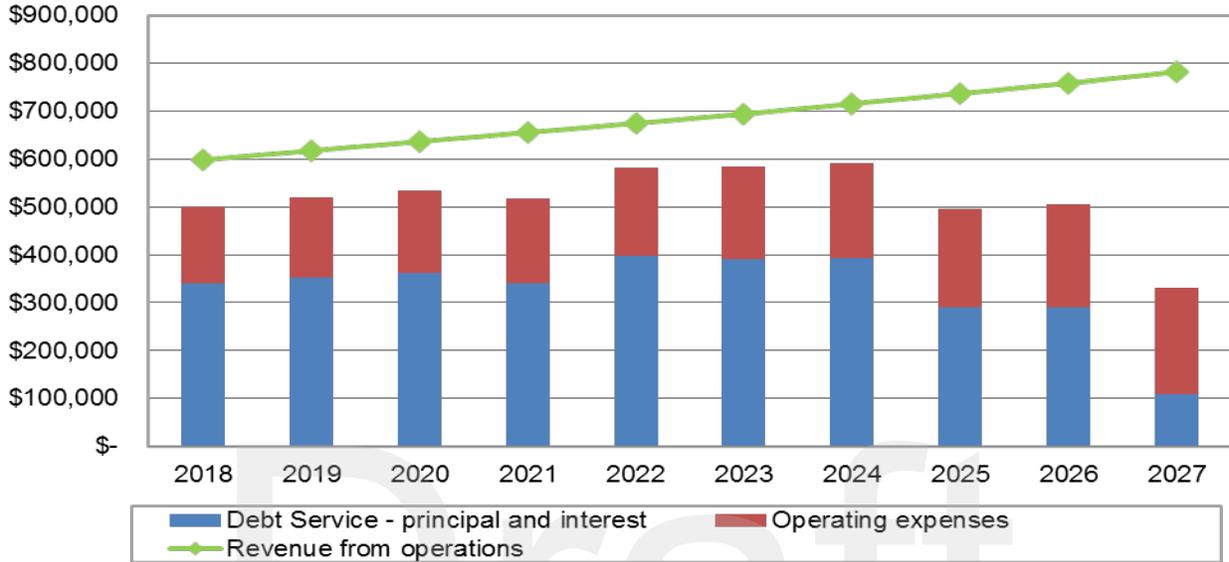
Average bill excluding Mayer is \$27.33

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

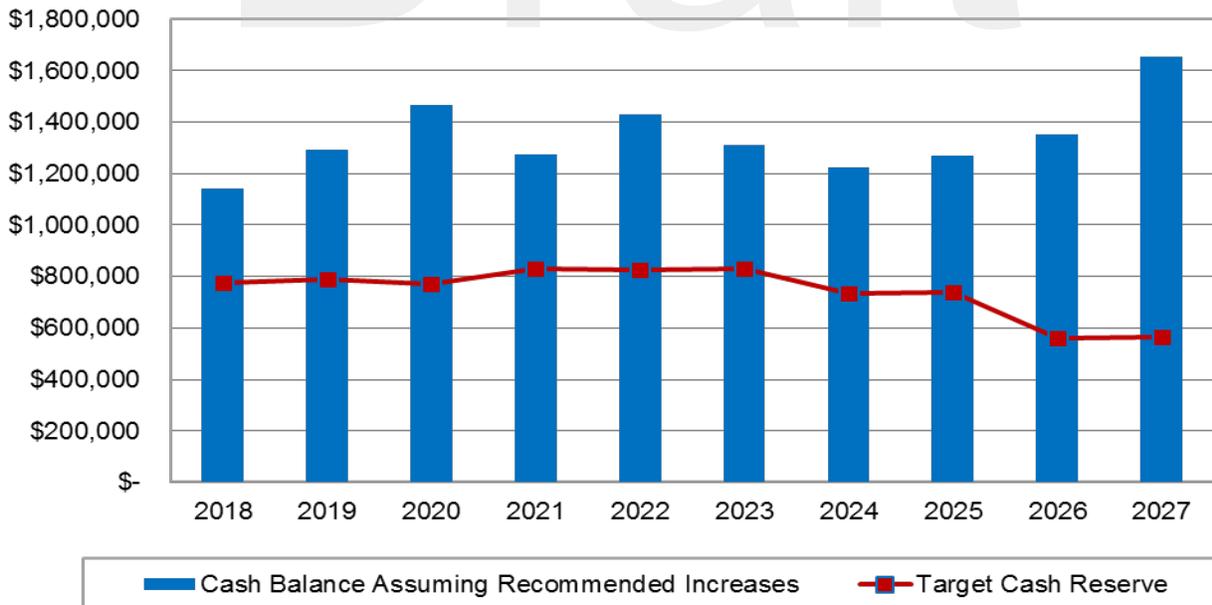
Water Utilities Operating Fund (Continued)

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
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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

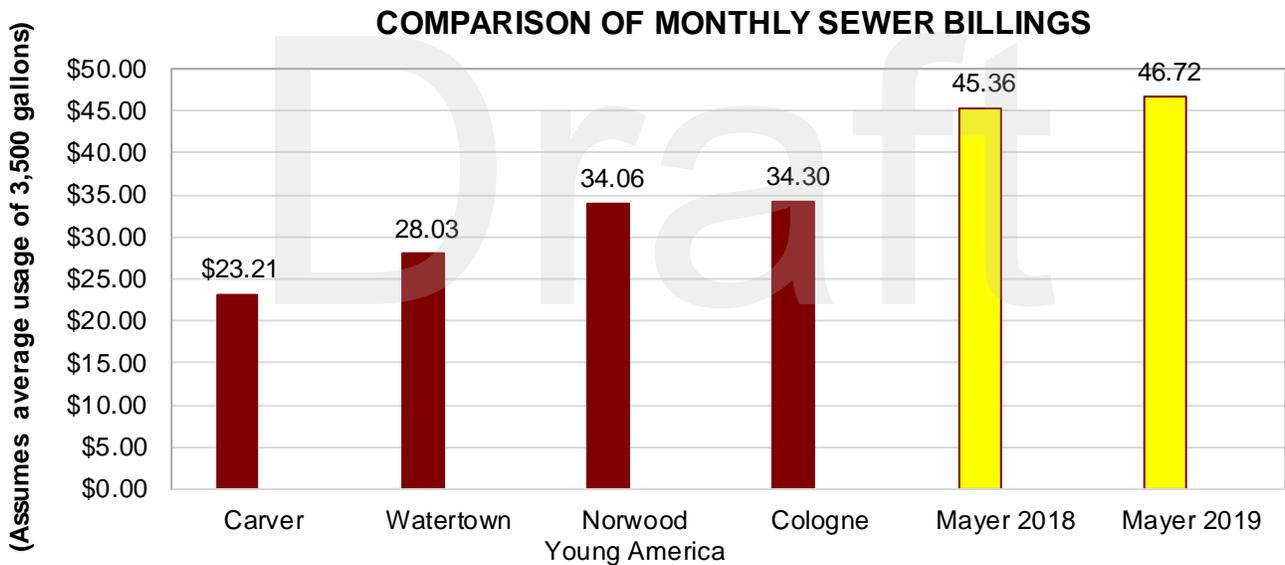
City of Mayer, Minnesota
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III. Water, Sewer and Stormwater Rate Study (Continued)

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)	 <u>\$ 29.90</u>



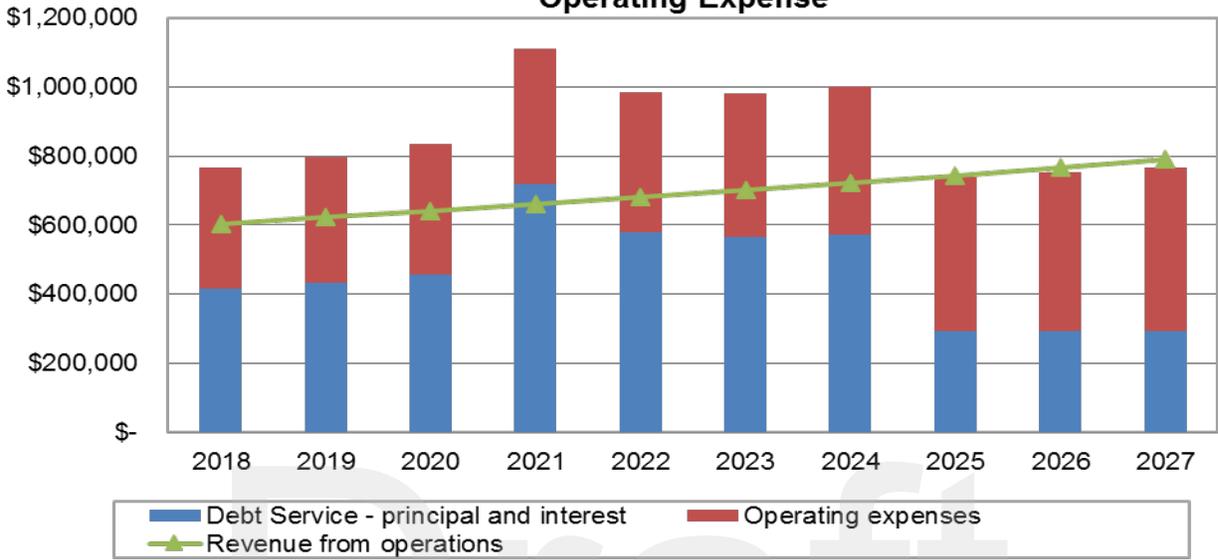
Average bill excluding Mayer is \$29.90

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

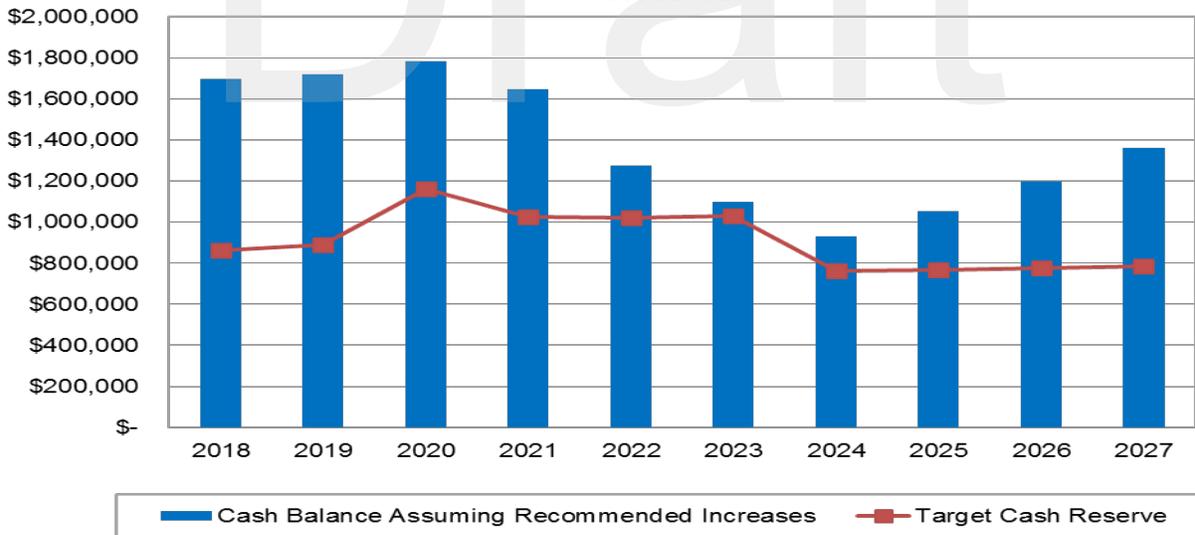
Sewer Utilities Operating Fund (Continued)

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
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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

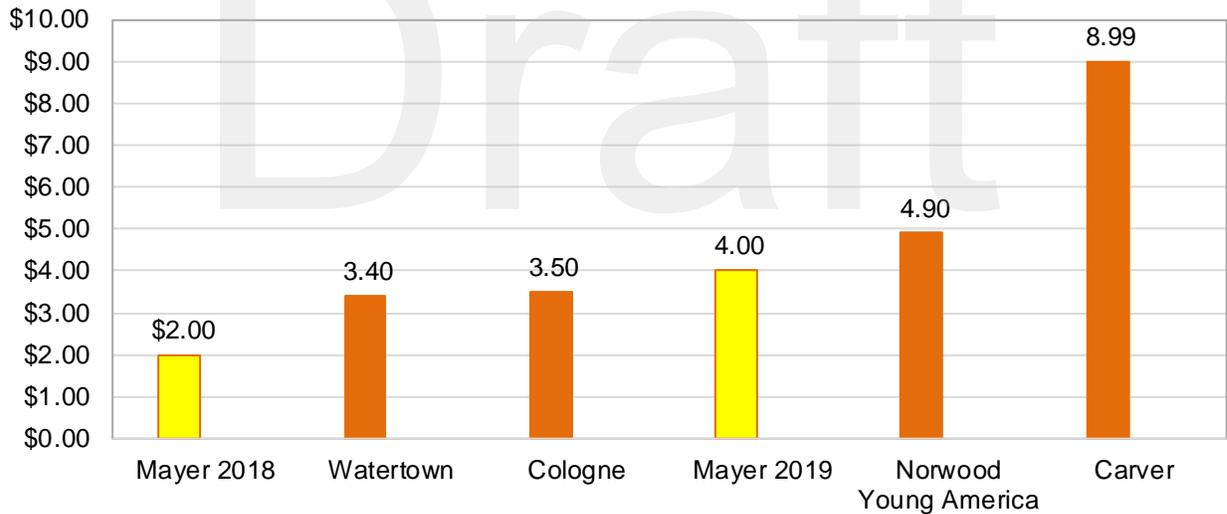
III. Water, Sewer and Stormwater Rate Study (Continued)

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><u>\$ 5.20</u></u>

COMPARISON OF MONTHLY STORMWATER BILLINGS

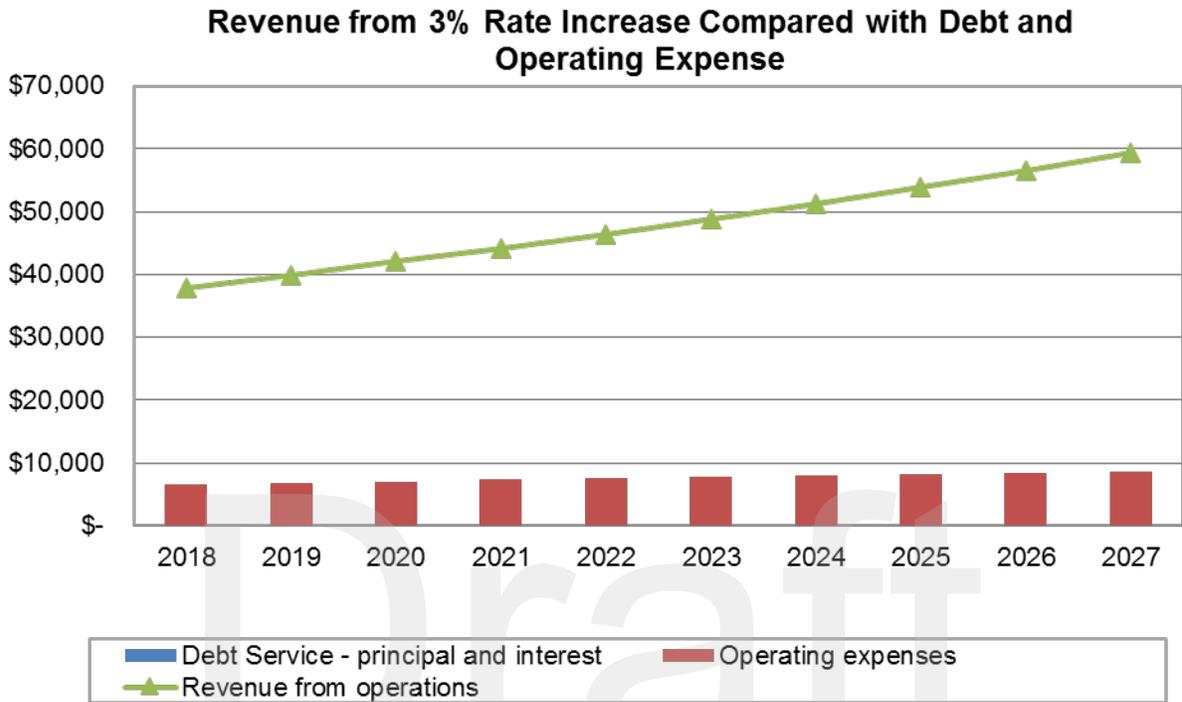


Average bill excluding Mayer is \$5.20

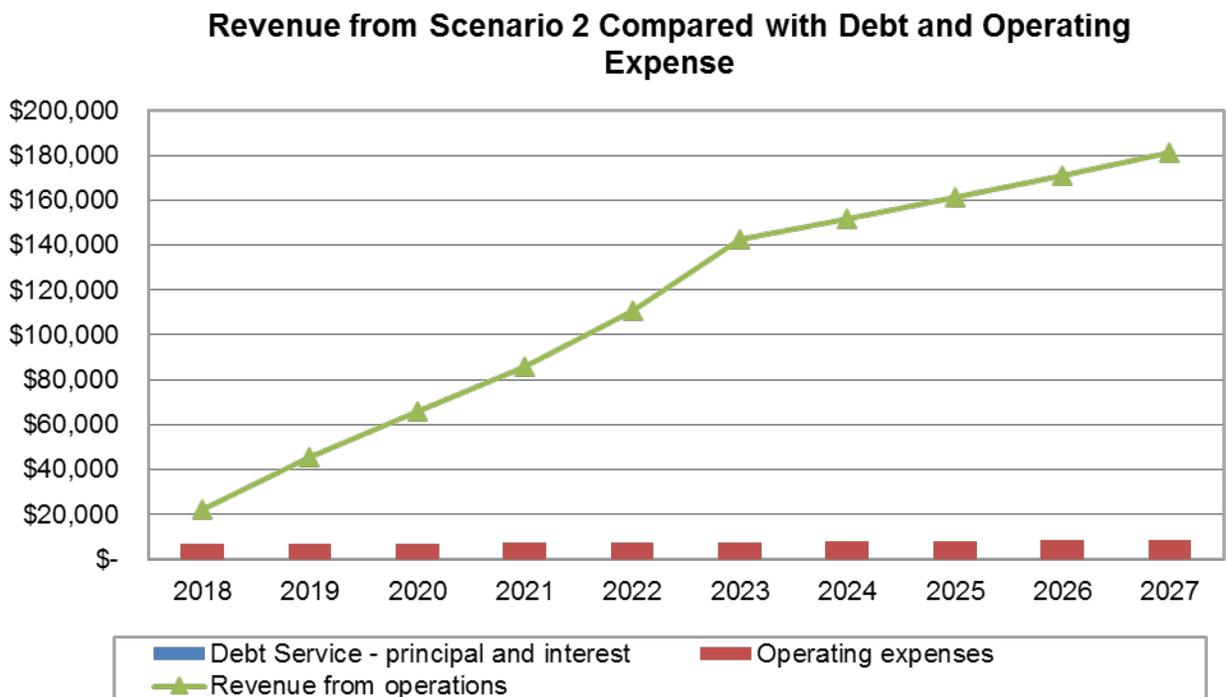
III. Water, Sewer and Stormwater Rate Study (Continued)

Stormwater Utilities Operating Fund (Continued)

Current rates inflated at 3% annually



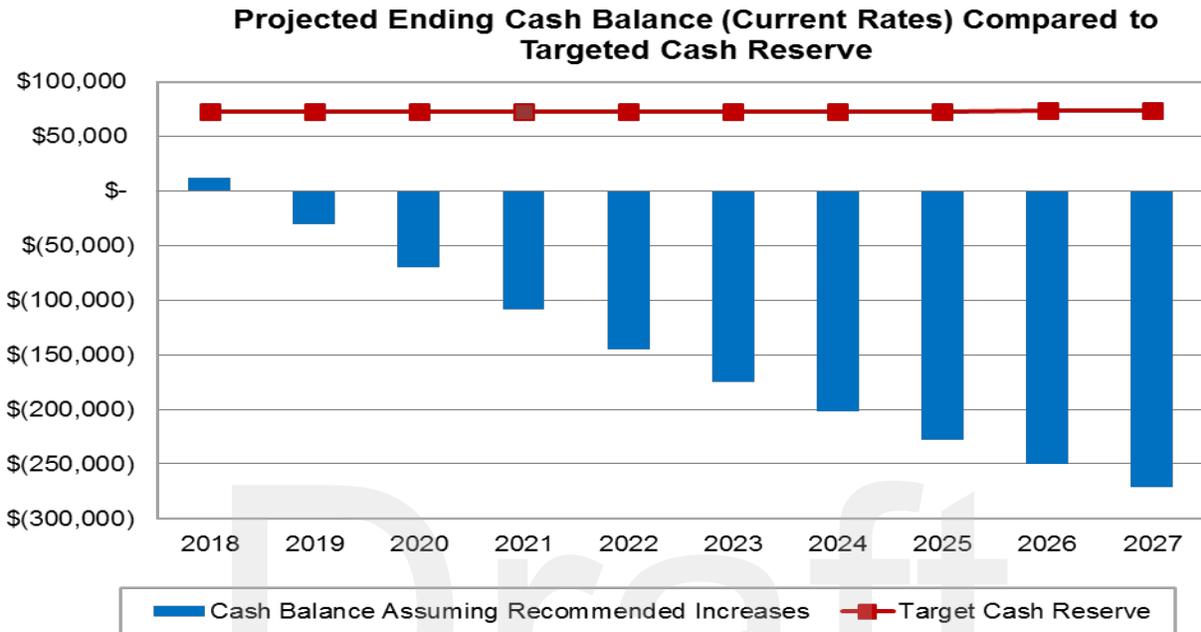
Scenario 2 - Increase in rates spread over several periods to achieve target



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

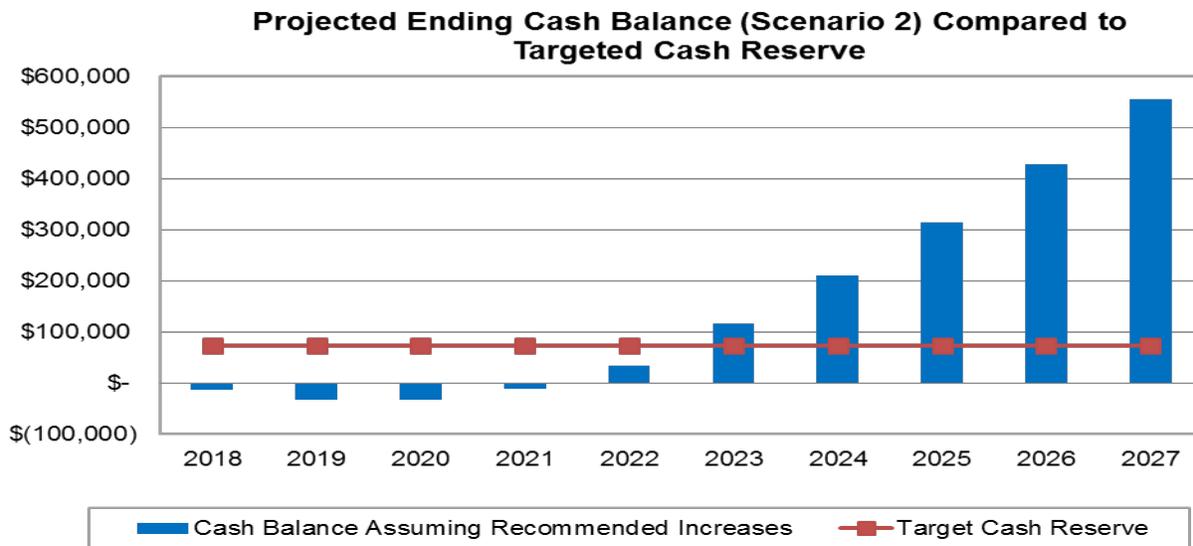
Stormwater Utilities Operating Fund (Continued)

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.

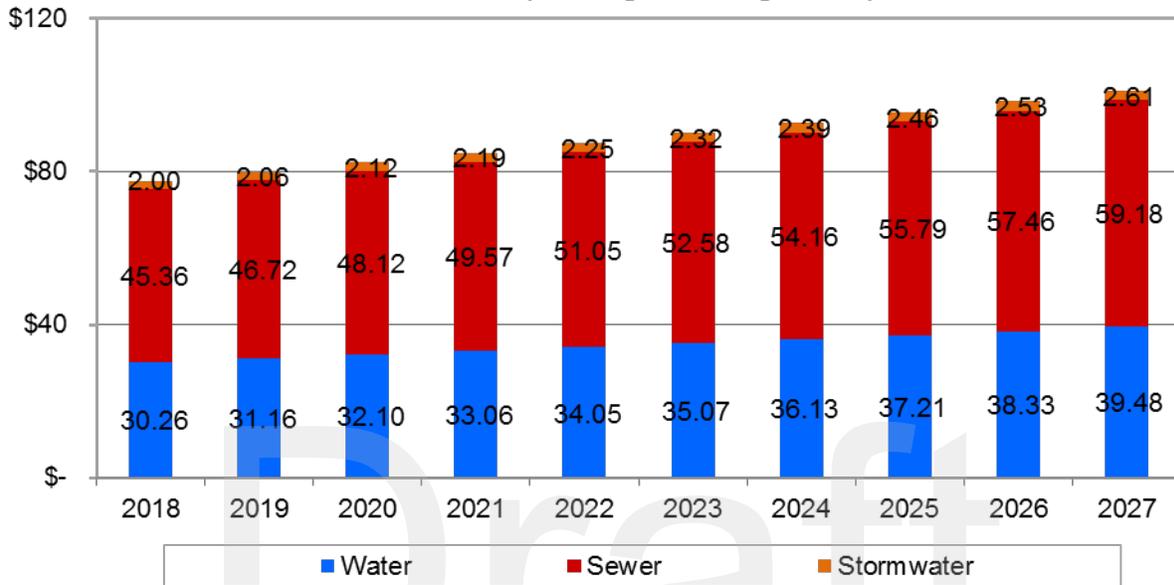
As evidenced by the graphs above, the City's Stormwater rates are insufficient to sustain the existing cash balance. Revenues are not sufficient to cover operating expenses, debt and capital. Scenario 2 rates achieve sufficient cash reserves over the life of the projection.

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

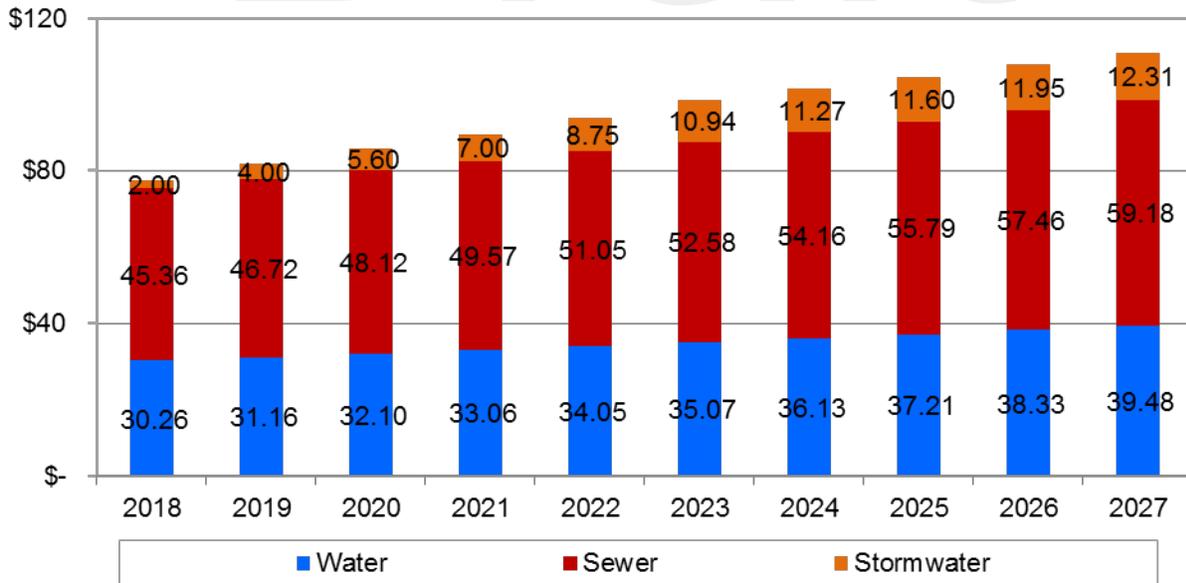
Summary

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

	RATE STUDY PROJECTIONS												
	Actual 2015	Actual 2016	Actual 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	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		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%	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%
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		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%
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