City Council Work Session
Tuesday, July 5, 2022 at 6:00 PM
Public Meeting Room

AGENDA

1. **Call to Order**
2. **Items for Discussion**
   A. Budget Work Session #2 - Review Long Term Financial Management Plan
   B. City of Medford Sanitary Sewer Connection
   C. Faribault PD - Lights On! Program
3. **Future Discussion**
4. **Adjournment**

(The Council may meet as a group for dinner)

Please contact the City Administrator’s Office if you need special accommodations while attending this meeting

Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Jeanne Day, Finance Director
MEETING DATE: July 5, 2022
SUBJECT: Budget Work Session #2 - Review Long Term Financial Management Plan

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Discussion:

The City's Long Term Financial Management Plan (LTFMP) was last updated and reviewed by the Council on June 29, 2021 with the 2020 audited financial information. The LTFMP has now been updated with the 2021 audited financial information as well as the Final 2022 Budget. The Plan is to be an ongoing tool to provide the Council with data to make informed strategic, long-term policy decisions for the tax levy supported funds, capital needs, and the utility rate supported funds. These types of decisions will be made in the current year's budget process but will have implications in years to come.

An overview of the document will be provided, as well as discussion of the goals and initiatives which are included within the LTFMP. A look at these items and the long-term financial impact should help foster the discussion on the implementation and financing of these initiatives as well as the sustainability of the overall operational activities of the City.

Attachments:

1. July 2022 Long Term Financial Management Plan
2. Budget Work Session #2 Long-Term Financial Management Plan Presentation

2022 Governmental Funds Projected through 2031

Table of Contents

INTRODUCTION AND SUMMARY

Introduction

The Long-Term Financial Management Plan (the "Plan") is intended to serve as a guide for the on-going financial management for the City of Faribault (the "City").

The Plan contains proposed strategies and identification of key factors and objectives to monitor with respect to the financial performance of the City's Governmental Funds and Enterprise Funds (the "Funds").

Information of projected property tax levy and fees and charges needed to fund planned city services, capital improvements, and debt service are included.

It does not reflect the revenues and expenditures with regards to the American Rescue Plan Act (ARPA) funding.

The Plan includes planned future capital improvements for years 2022-2031 (the "CIP"). Estimates were made by Management for capital improvement project costs and the timing of projects.

While the specific timing of future improvements is uncertain, awareness of the projects and the funding required for each project are important when considering tax levy, rates for fees and charges, and level of reserves. Future development of property within the City may provide increased revenue from taxes and charges for services. This may include an increase in revenue to the Utilities with revenue coming from both development fees and usage fees. Future development will provide additional property value and opportunity for additional property tax revenue for City services.

The rate of future development and addition of new tax-payers and utility customers is a significant variable for the Plan and the projections within. Management will continue to monitor actual development that occurs against the anticipated rate of development assumed in the Plan and adjust assumptions. The rate of development will impact the projected revenues included in the Plan. Information on projected housing units and commercial/industrial square footage is included in the Plan.

Revenue Sufficiency

The Plan determines the tax levy and other rates necessary in each year of the projection period to provide revenue sufficiency as well as evaluation of the sufficiency of revenues to meet current and projected financial requirements for the Funds over the next ten years.

Standard and Poor's Rating Service (S&P) reaffirmed its 'AA' long-term rating to the City's outstanding general obligation debt. The City issued MSA Bonds in 2021 and entered into a loan with the Minnesota Public Facilities Authority for utility improvements. The City also refunded several bond issues in 2021 to capture savings of approximately $251,000 with reduced interest rates. The rating agency recognized the City's credit strength and strong financial operations resulting in strong reserves. The City's bond rating is mentioned here because the maintenance and continued relative growth of reserves through revenue sufficiency is an important credit factor for the City's credit rating going forward.

The City continues to actively manage its funds to achieve its policy goals and to maintain sufficient balances within the Funds to meet City needs, including the need for reserves.

Fund Balance Policy for General Fund

The City has an adopted policy to maintain a minimum unrestricted balance in the General Fund equivalent to 35% of the next fiscal years budgeted expenditures. The goal of the Plan is to identify revenue sufficient to meet closer to 50% recognizing the need for the City to cash flow its expenditures for the period between the semi-annual tax disbursements it receives from the County, among other needs for cash balance.

Levy and Rate Calculations

The Study focused on projecting annual tax levy and the resulting tax rates for the City and reviewing the rates for the fees and charges of the Utilities.

The City budget process focuses on the City tax levy necessary to fund City services. The City tax rate is a factor of the annual tax levy certified by the City spread over the net tax capacity (valuation) of the City. The Rice County Assessor is responsible for certification of taxable market value and calculation of tax capacity for property within the City.

City Tax Rate

Future tax levy increases will be necessary to fund planned expenditures and to maintain adequate cash balances across the Funds.

A summary of projected annual City tax levy and tax rates are shown in Figure 1. The tax levy and tax rates are estimated based on assumptions in the Plan. The tax levy amounts in the Plan do not include additional operating costs for the viaduct park improvements proposed in 2023 and 2024, nor does it include operating costs for the new community center estimated for construction in 2027 in the Plan. City staff has identified approximately $1.5 million of additional operating costs for the community center. This would result in a 11.5% increase in tax levy in 2027, compared to what is currently estimated at 1.72% increase.

Figure 1.

Tax Year		Tax Levy in Millions	% Change in Tax Levy	Tax Rate	% Change in Tax Rate
2021		$10.16	4.20%	0.5257	-1.1%
2022		$10.56	3.90%	0.5233	-0.5%
2023		$11.27	6.77%	0.4895	-6.5%
2024		$11.90	5.57%	0.5001	2.2%
2025		$12.51	5.08%	0.5138	2.7%
2026		$13.29	6.27%	0.5351	4.1%
2027	*	$13.52	1.72%	0.5338	-0.2%
2028	*	$16.01	18.44%	0.6201	16.2%
2029		$16.88	5.40%	0.6397	3.2%
2030		$17.93	6.25%	0.6669	4.2%
2031		$18.87	5.21%	0.6885	3.2%

*Year 2027 includes an increase in levy for debt service on planned bonding for a community center. Year 2028 includes an increase in tax levy for 6.0 FTE positions for new firefighters. Other revenue sources, such as sales tax revenue, may be available to reduce or eliminate the need for tax levy.

For the calculated tax rates, certain assumptions were made with respect to growth in taxable market value of property in the City. The key assumptions used for this Plan that impact future tax levy and tax rates include the following:

- General fund tax levy is assumed to increase at amounts needed to support planned spending in the General Fund. Details on the specific items, which include staff positions, are included in the Finance Plan section for the General Fund.
- General fund non-tax revenue is estimated to increase by 1.0% with the exception for Franchise Fees which are assumed to remain constant at 2022 levels, and Local Government Aid also remains constant going forward. There are no major changes assumed for other non-tax revenue, including for Municipal State Aid funds, or other intergovernmental revenues.
- Non-personnel costs for materials and supplies, and other operating costs, including professional services, are estimated to increase by 5.0% annually.
- Personnel costs are estimated to increase by 4.0% annually, with the following exceptions:
    - Year 2028, 6.0 FTE Firefighters plus related operational costs added to General Fund ($709,490 on-going costs and $20,000 for start-up costs)
    - Operating costs for the viaduct park proposed improvements in 2023 and 2024 are not included as the plans are still developing.
    - Operating costs for the community center, estimated at $1.5 million, including $1.14 million for personnel, are not included in the financial plans. Operating costs will need to be added in the future when more information about the project scope is available.
- Taxable market value of property in the City is projected to increase 1.0% annually.
- Residential single-family growth is assumed at 20-25 new housing units annually between 2022-2031. For purposes of estimating market value of property, the average home price is $292,000 with growth in valuation of $4,000 annually.
- Multi-family apartment growth is assumed at 120 new housing units in 2022 and then 10-20 units thereafter. The average price per unit is estimated at $175,000.
- Commercial valuation growth is assumed at 10,000 SF added in 2022-2031, valued at $150/SF.
- Industrial valuation growth is assumed at 80,000 SF, valued at $100/SF, added in 2022 as well as 2023, and then 65,000 SF annually between 2024-2031.
- Two existing tax increment financing districts are assumed to be decertified: TIF 6-1 Housing in 2023, and TIF 8 River Ridge in 2028.
- Five existing tax abatements are estimated to expire: Mill City in 2022, Sage in 2025, Trystar, LLC in 2026, Daikin in 2027, and Stein Air in 2028.
- Bond issuance is assumed to finance a portion of the community center, fire station #2, public works roof, and sewer treatment plant to manage tax levy and cash balances in the capital funds.
- Debt service is planned to be paid from tax levy, and revenue from the utility funds, depending on the purpose of the issuance.

The tables and graphics that follow provide historical and projected tax levy and tax rates along with tax capacity (valuation). A breakdown of the debt service tax levy for existing and new planned debt is provided in Appendix C and also by bond series in Appendix D.

Organization of Plan

The Plan is organized into four sections:

1. Introduction and Summary provides information on the Study approach, revenue sufficiency, and tax levy and rate calculations.
2. Background provides historical and statistical context for the City including the municipal utilities operated by the City.
3. CIP and Debt provides information on the City's plans for equipment, facilities, streets, and maintaining and expanding the enterprise systems, among other projects. This includes estimates on project costs, timing, and sources of funds. The time horizon for the capital plan is years 2022-2031. Information on outstanding debt obligation of the City and debt services is included in this section.
4. Finance Plans provides the finance plans (pro forma) for all City Funds. The finance plans include historical, current, and projected revenues and expenses, and estimated ending cash balances, along with other balance sheet estimates. Finance plans consider capital improvement plans, both existing and planned debt issuance, and projected property tax revenue, among other sources and uses of funds.
5. Appendices provide additional data.

Table 1 Property Tax Levy, Tax Capacity, and Tax Rate

CITY OF FARIBAULT											
PROPERTY TAX LEVY, TAX CAPACITY, AND TAX RATE											
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
TAX LEVY											
General Fund (101)	8,502,335	8,687,755	9,393,764	10,146,649	10,932,440	11,751,848	12,606,300	14,226,779	15,161,390	16,155,909	17,192,735
Community Development Fund(240)	264,602	624,726	498,467	432,316	249,651	204,542	66,058	-	-	-	-
Airport Fund (225)	20,000	10,000	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	1,375,329	1,236,597	1,382,104	1,323,410	1,325,405	1,335,432	848,414	1,786,682	1,716,704	1,777,370	1,675,564
Tax Levy	**10,162,266**	**10,559,078**	**11,274,335**	**11,902,375**	**12,507,496**	**13,291,822**	**13,520,772**	**16,013,461**	**16,878,094**	**17,933,279**	**18,868,299**
Annual % Change	*4.20%*	*3.90%*	*6.77%*	*5.57%*	*5.08%*	*6.27%*	*1.72%*	*18.44%*	*5.40%*	*6.25%*	*5.21%*
TAX CAPACITY											
Tax Capacity before New Construction	*19,311,069*	*20,195,921*	*23,080,419*	*23,643,995*	*24,408,423*	*24,960,658*	*25,467,123*	*25,964,900*	*26,468,536*	*26,978,089*	*27,493,618*
Tax Capacity from New Construction	*227,088*	*235,919*	*329,477*	*522,760*	*305,100*	*254,315*	*240,699*	*241,571*	*242,443*	*243,315*	*244,187*
Total Tax Capacity	19,538,157	20,431,840	23,409,896	24,166,755	24,713,523	25,214,973	25,707,822	26,206,471	26,710,979	27,221,404	27,737,805
Less TIF Captured Tax Capacity	208,810	254,981	378,646	367,616	371,292	375,005	378,755	382,543	327,493	330,768	334,076
Net Tax Capacity (NTC)	**19,329,347**	**20,176,859**	**23,031,251**	**23,799,139**	**24,342,230**	**24,839,968**	**25,329,066**	**25,823,928**	**26,383,485**	**26,890,635**	**27,403,729**
Annual % Change		*4.38%*	*14.15%*	*3.33%*	*2.28%*	*2.04%*	*1.97%*	*1.95%*	*2.17%*	*1.92%*	*1.91%*
TAX CAPACITY TAX RATE	**52.574%**	**52.333%**	**48.952%**	**50.012%**	**51.382%**	**53.510%**	**53.380%**	**62.010%**	**63.972%**	**66.690%**	**68.853%**
Annual % Change	*-1.1%*	*-0.5%*	*-6.5%*	*2.2%*	*2.7%*	*4.1%*	*-0.2%*	*16.2%*	*3.2%*	*4.2%*	*3.2%*

Chart 1 Annual Change in Property Tax Levy and Rate

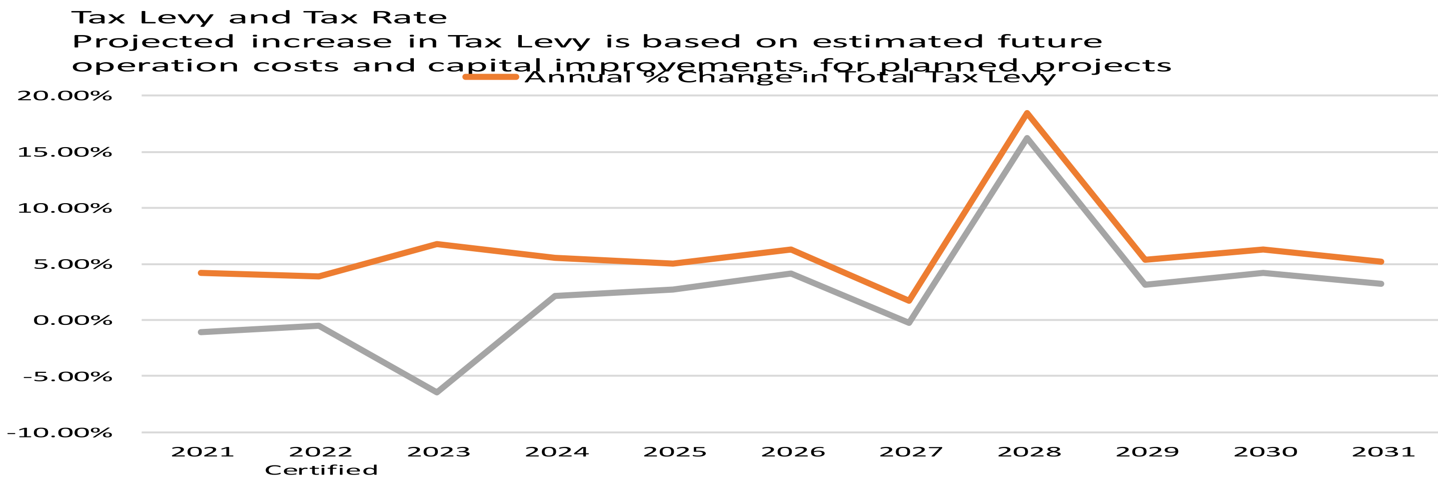
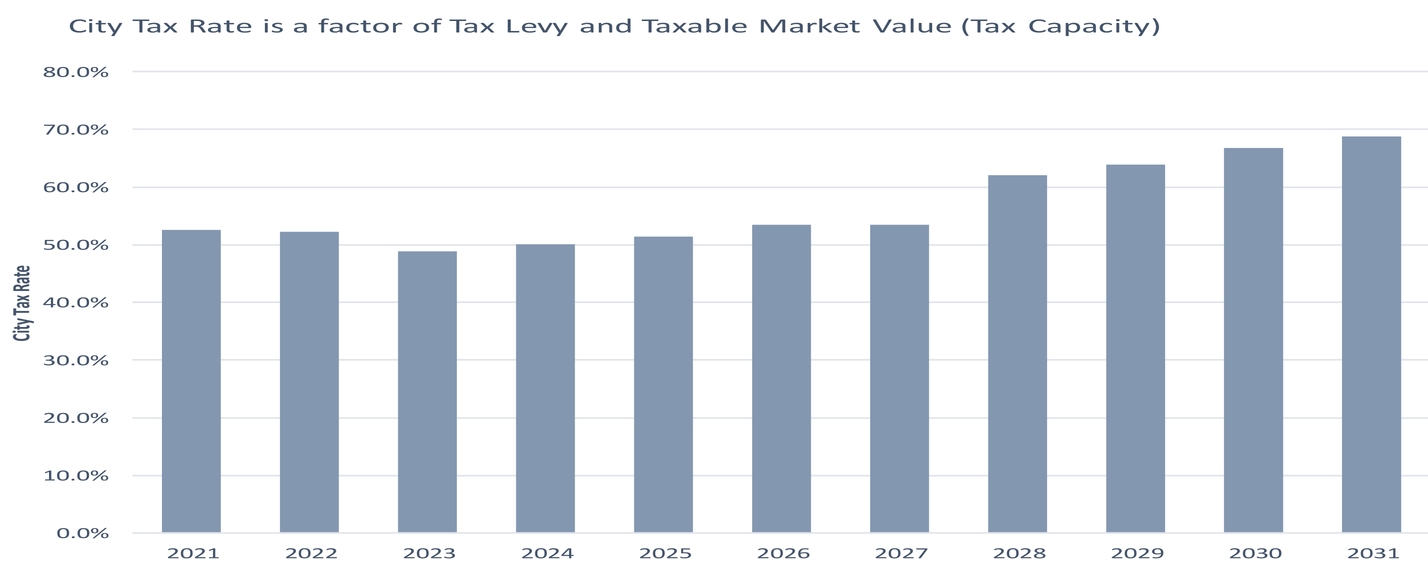


Chart 2 City Tax Rate



The projected increase in the tax levy and tax rate in 2027 is for the planned community center and an increase to pay debt service on bonds to be issued.

The Plan anticipates that 50% of the debt service on the bonds issued to finance the community center will be paid from tax levy and 50% will be paid from other revenue, including a potential sales tax that may be implemented or other revenue that may be secured. The assumptions for the community center project, as well as the viaduct park projects, will need to be refined as decisions are made concerning this potential project and sources of funding, including funding for the operating costs.

An additional increase in the tax levy and tax rate in 2028 is for Fire Station No. 2 and an increase to pay debt service on bonds to be issued. This project also includes additional staffing as well as capital investments for additional trucks and equipment and ongoing operational expenses.

Chart 3 Residential City Property Taxes

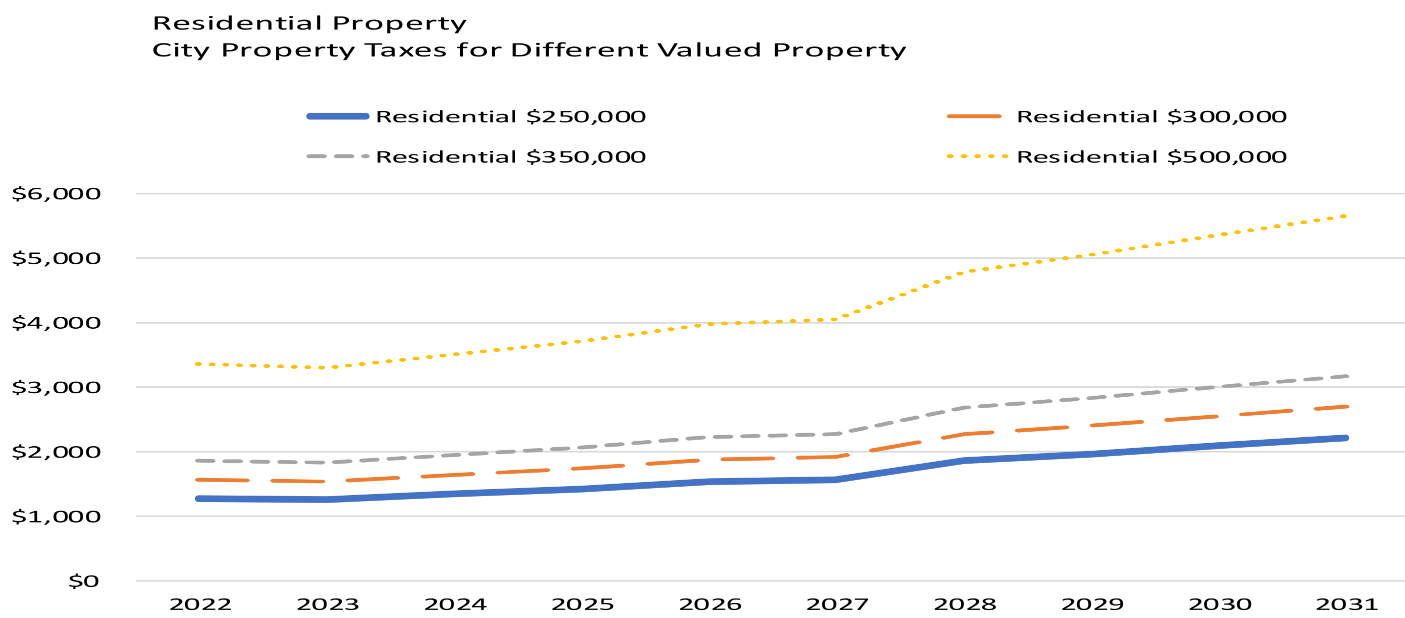
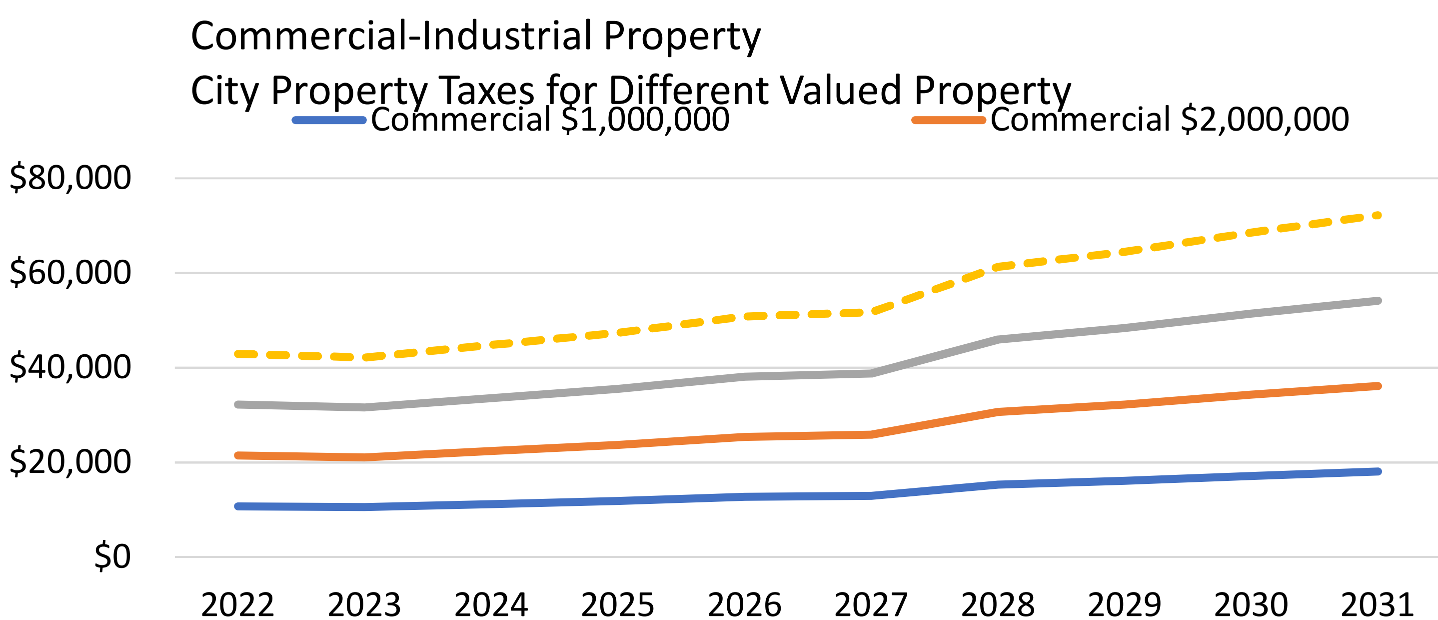


Chart 4 Commercial/Industrial City Property Taxes



The estimated City Property taxes for the example residential and commercial/industrial properties reflect the impact of projected changes in City tax levy and estimated taxable market value as included in the Plan.

Chart 5 Fund Balance

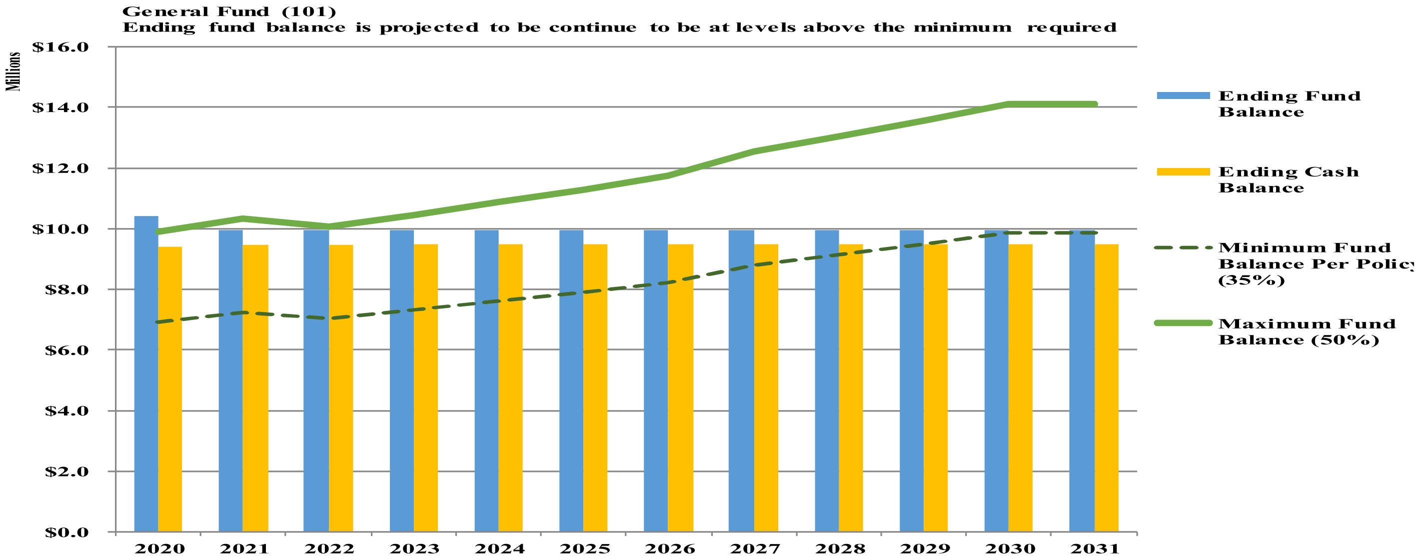
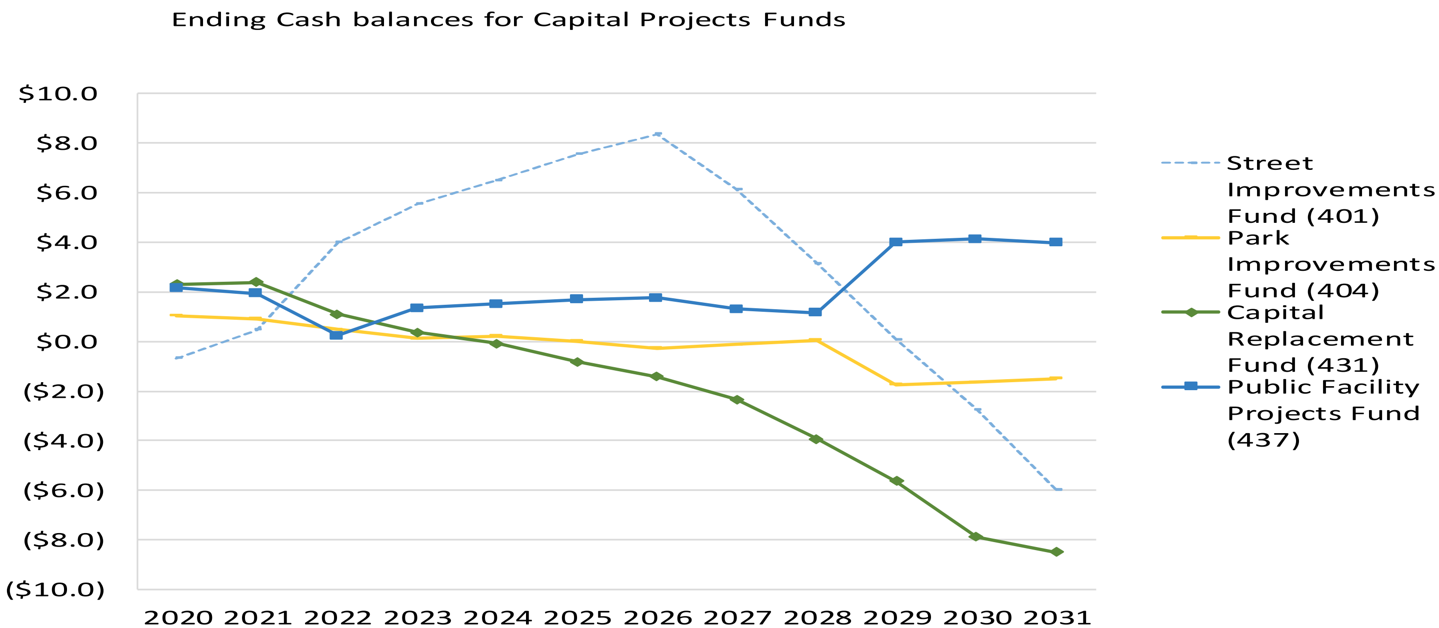


Chart 6 Capital Project Funds Cash Balances



The ending fund balance for the General Fund is projected to decline between 2022-2031 but remain at levels consistent with City policy. Future adjustments to tax levy or expenditures may be needed to ensure the fund balance stays within policy levels.

The cash balances within the Capital Project Funds vary from year to year based on timing of projects and other factors.

The Plan assumes franchise fee revenue for the capital projects funds remains constant at the amounts anticipated for 2022 franchise fees. Property tax revenue is no longer reflected within the capital projects funds.

The planned capital spending is projected to result in negative ending cash balances in certain years with expenditures exceeding revenues.

Future adjustments to revenue and/or spending will be needed to avoid future expenditures exceeding revenues.

Chart 7 Total City Tax Levy All Funds

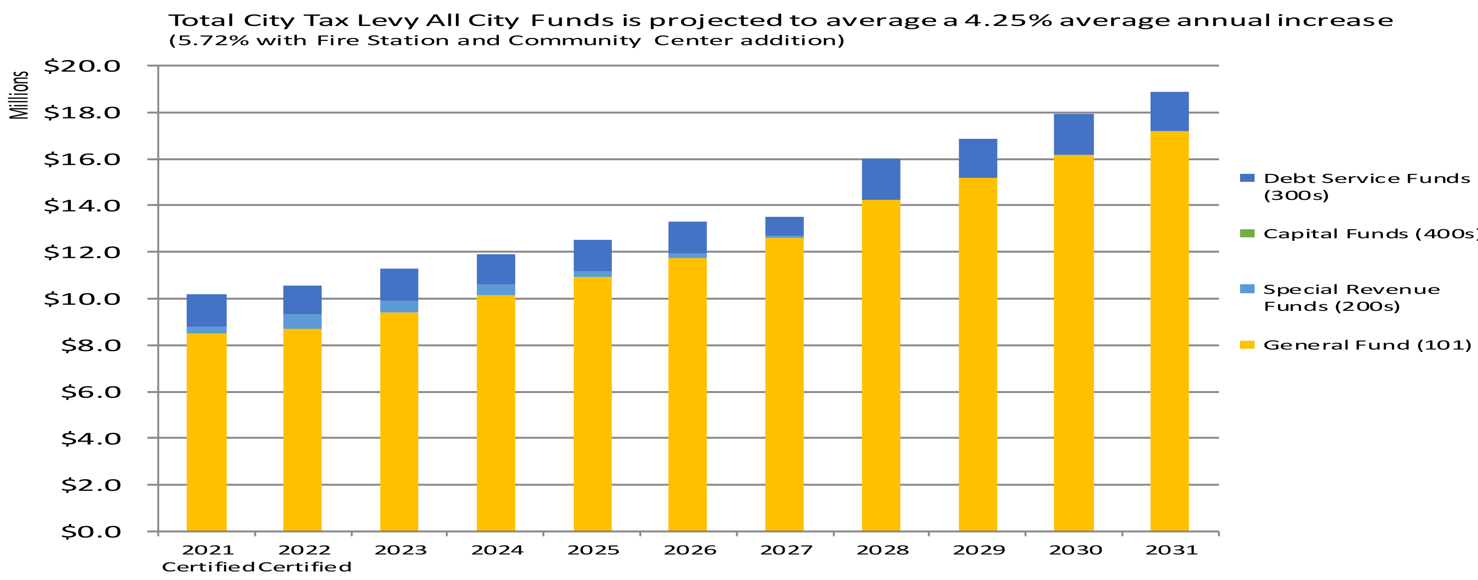
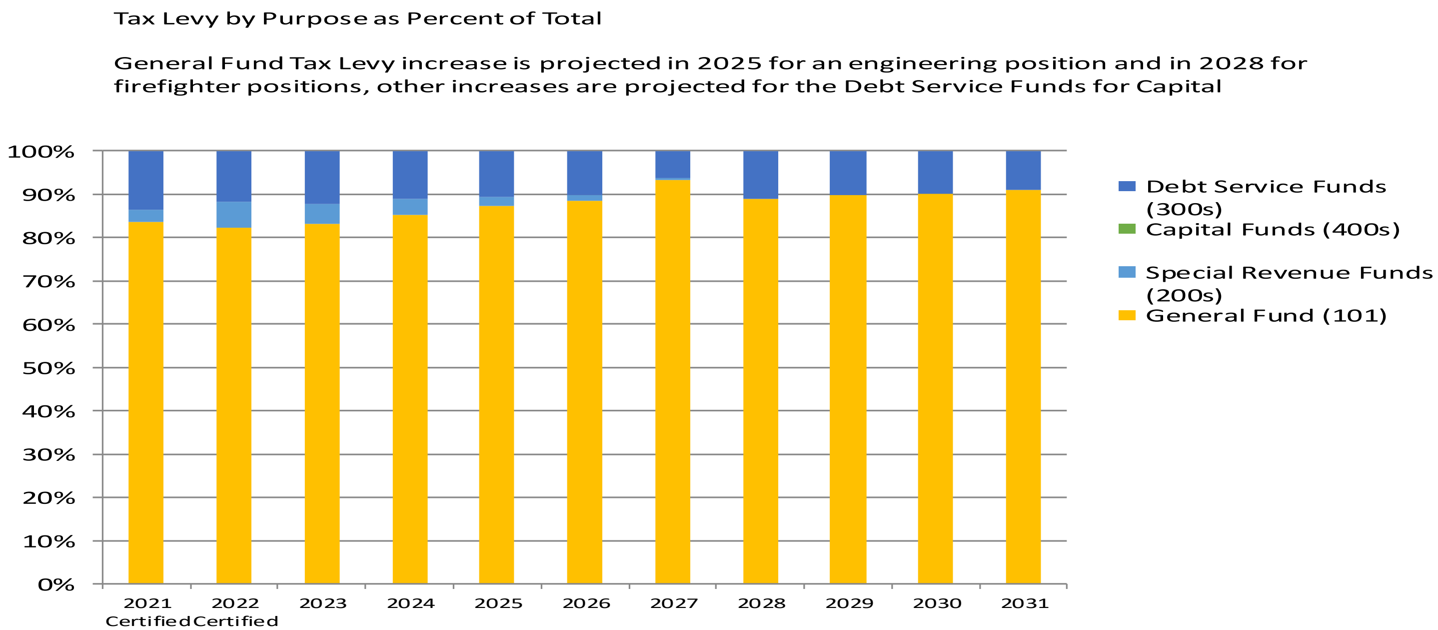


Chart 8 Tax Levy by Purpose as Percent of Total



The General Fund levy comprises the largest share of the City's total tax levy. Tax levy is projected to increase to pay for planned operations, and debt service, that are not planned to be supported by other sources of revenue. There are also changes in the property tax levy and franchise fees to reflect singular financing within the capital project funds. Property tax levy for 2021 had a use of fund balance to provide some general tax payer relief.

Tax abatement expenses are supported by the tax levy and in 2022 begin to be reflected in the Community Development fund instead of the General Fund.

Year 2028 has the addition of fire fighters to be funded from the tax levy.

Year 2027, 2028, and 2029 anticipate increases in tax levy for debt service to pay on bonds to be issued for a new community center, an additional fire station, and roof repairs to public facilities.

BACKGROUND

The City is the county seat of Rice County and is located approximately 50 miles south of Minneapolis/St. Paul on Interstate 35. The City encompasses an area of approximately 15.8 square miles and has a current estimated population of 23,912.

Governmental Services

The City provides a full range of municipal government services: police and fire protection; the construction and maintenance of highways, streets and other infrastructure; airport services; cultural and recreational activities; and general administrative services. There are two component units that operate within the City: the Faribault Housing and Redevelopment Authority and the Faribault Economic Development Authority.

CAPITAL IMPROVEMENT PLAN (CIP) AND DEBT

The City annually reviews its plans for capital acquisition and improvements and updates its multi-year plan. The capital outlay information included in the Plan provides a high-level summary of the total costs by general category and year, and the proposed funding sources.

For purposes of the Study and preparation of the Plan, the City prepared and provided estimated capital costs for years 2027-2031, which goes beyond the City's adopted five-year CIP (2022-2026).

The Plan provides information on current debt service on the outstanding debt obligations of the City and estimated future debt service for planned future debt issuance.

Airport

Anticipated improvements to the municipal airport are as follows:

- $155,000 in 2022 for replacement of tractor and mower
- $770,000 also in 2022 to upgrade airfield lights and electrical
- $50,000 in 2022 for airfield crack sealing and equipment replacement
- $1,057,500 between 2023 and 2024 for construction of an 8-unit public hangar
- $7,383,900 in 2025 and 2026 for costs related to preparing and construction of runway extension
- $75,000 in 2026 for replacement mower
- $1,546,000 in 2027 for master planning, fencing, and equipment
- $740,000 in 2028 and 2029 for mill and overlay projects
- $1,000,000 in 2029 and 2030 for design and construction of public T-hangar
- $575,000 in 2030 for airfield crack sealing, and design and construction of taxilane F
- $700,000 in 2031 to construct two 4-unit hangars

Aquatic Facility

Planned improvements to the facility are as follows:

- $40,000 in 2022 for pool boiler replacement
- $30,000 in 2023 for roof improvements
- $325,000 in 2027 for filter replacement

Municipal Buildings

City Hall

Planned improvements for City Hall include general major repairs, roof replacement, lighting upgrade in council chambers, and remodel of restroom facilities. For City Hall improvements, the CIP includes $338,000 of spending in 2022 and 2023.

Public Works

For Public Works, the CIP includes a major roof repair at an estimated cost of $2,000,000 in 2029 to be funded from the Public Facilities Fund (437).

Community Center

Planned improvements for the Community Center include flooring, roof repairs, and equipment acquisitions. The CIP includes $1,610,500 of spending between 2022-2031. Construction of a new community center in 2027 is planned along with other facility improvements and equipment purchases.

Increased operating expenses for the new community center will need to be considered by the City and added to the operating budget. The City has identified $1,478,000 of increased operating cost for the community center, the majority of the cost is for personnel ($1,142,000). Personnel will include new maintenance and custodial positions, full-time fitness position, recreation supervisors, receptionist, and a director.

Funding for Community Center projects are accounted for in the Capital Replacement Fund (431) and the Public Facilities Fund (437).

Engineering

The CIP provides for annual average spending of $4,533,291 on street improvements, including related utility improvements, between 2022-2026. The project spending is funded from a combination of franchise fees, municipal state aid, utility revenues, and tax levy. The street improvement cost is accounted for in the Street Improvement Fund (401) and the utilities portion of the street projects are accounted for in the Water Fund (601), Sanitary Sewer Fund (602), and the Storm Water Fund (603).

Between years 2027-2031, preliminary plans include average annual spending of $11,513,936 supported by the same combination of revenue sources as planned for years 2022-2026 based on the pavement management plan.

Fire

The CIP includes the following equipment acquisitions:

- $219,000 in 2022 for fire station cleaning, sealing of exterior, and replacement of pumper truck.
- $634,000 in 2023 for replacement of rescue apparatus, trailer, and civil defense sirens, as well as acquisition of low-pressure airbags.

- $62,500 in 2025 to replace the Fire Chief squad and acquire equipment.
- $25,000 in 2026 for replacement of UTV.

Between years 2027-2031, the Plan anticipates the following:

- $2,819,000 in vehicle and equipment replacement
- $8,000,000 for construction of Fire Station No. 2

The equipment acquisitions are planned to be paid from funds in the Capital Replacement Fund (431). The construction of Fire Station No. 2 is anticipated to be paid from bond proceeds within the Public Facility Fund (437).

Increased operating expense related to the new fire station are included in the General Fund operating budget. Details on the estimated costs are provided in the financial plan for the General Fund.

Other

There is currently no major spending included in the CIP for Information Technology or Community Development.

Library capital projects are planned at $95,000 between 2022-2026. Future year improvements between 2027-2031 are estimated at $870,000. Projects include exterior windows, lighting, and other equipment acquisitions. Library project costs are accounted for in the Capital Replacement Fund (431) and for facility related improvements in the Public Facility Fund (437).

Upgrade to the Washington Center air conditioning is planned for in 2024 at an estimated cost of $50,000. This cost is included in the Public Facility Fund (437).

Parks

Improvements within Parks is planned at $3,427,000 over the next five years. This includes improvements to restroom facilities, Prairie Park development, playground equipment, among other various park improvements. An additional estimate of $5,000,000 over 2023 and 2024 for improvements at the viaduct park are anticipated but not included.

For years 2027-2031, the Plan includes $4,660,000 of planned projects including shelter improvements, parking lots, playground replacements, trail sealcoating, splashpad, bandshell renovations, scoreboards, soccer complex, skatepark, among other park projects and replacement of vehicles and equipment.

Capital projects for Parks are accounted for in the Capital Replacement Fund (431) and the Public Facility Fund (437).

Police

Spending on capital within the Police Department between 2022-2026 is planned at $1,153,890 for vehicle, equipment, and building maintenance. For years 2027-2031, the Plan includes $772,377, which reflects an annual amount of $145,483 increasing 3% each year for squad replacements. The capital costs for these purchases are accounted for in the Capital Replacement Fund (431) and the Public Facility Funds (437).

A shift of these vehicles from Capital Replacement Fund (431) items to operating lease obligations in the General Fund (101). This change is not yet reflected within this model.

Streets

Spending on capital within the Streets Department between 2022-2026 is planned at $2,262,000 for vehicle and equipment replacement. For years 2027-2031, the Plan includes $2,035,000 for the replacements. The capital costs for these purchases are accounted for in the Capital Replacement Fund (431).

Water Fund (601)

Capital improvements for Water include the following for system improvements, equipment acquisitions, and utility improvements constructed as part of street improvement projects:

- $1,979,200 in 2022
- $1,130,750 in 2023
- $1,469,000 in 2024 (supported, in part, by $495,000 anticipated special assessments)
- $1,641,000 in 2025
- $748,750 in 2026

Between 2027-2031, the Plan includes $230,000 in spending on water utility improvements and another $1,520,296 annually for improvements related to street projects based on the pavement management plan.

Sanitary Sewer Fund (602)

Capital improvements for Sanitary Sewer, including Water Reclamation Facility, includes the following for system improvements, equipment acquisitions, and utility improvements constructed as part of street improvement projects:

- $1,158,200 in 2022
- $1,700,250 in 2023
- $663,000 in 2024
- $570,000 in 2025
- $595,250 in 2026

The Plan includes $10,000,000 for construction and financing costs for treatment facility upgrades in year 2029. The Plan anticipates bonding for the Project. The City may be able to secure low interest financing from the Minnesota Public Facilities Authority or other state grants. As planning the facility is undertaken, the assumptions in the Plan will need to be updated.

Other project spending between 2027-2031 on sanitary sewer improvements includes $2,431,000, along with an additional $1,520,296 annually for improvements related to street projects based on the pavement management plan.

Storm Water Fund (603)

Storm Water includes the following for system improvements, equipment acquisitions, and improvements constructed as part of street improvement projects:

- $1,059,700 in 2022 (supported, in part, by $150,000 of Municipal State Aid Revenue, and $505,000 through special assessments)
- $479,000 in 2023
- $619,000 in 2024
- $415,000 in 2025
- $720,000 in 2026

Other project spending between 2027-2031 on storm water improvements includes $150,000 annually for best management practice projects, along with an additional $1,552,320 annually for improvements related to street projects based on the pavement management plan.

Bond Issuance

The Plan anticipates the issuance of bonds to finance future capital improvements and acquisitions. The tables and graphics that follow provide a summary of existing and future estimated debt service payments and funding sources, along with a summary of debt outstanding by year.

The annual debt service for future bonds is included in the finance plans for the Debt Service Fund, the Water Fund, and the Sewer Fund. The estimates for future debt service are based on the following anticipated new bond issues:

- State low interest loan, in 2024, in the amount of $740,000 for Airport 8-unit T-hangar.
- G.O. Bonds, in 2027, $30,000,000 to finance a new community center, over a 25-year term payable from tax levy. The City may consider the use of other revenue, including sales tax revenue to support the project in lieu of tax levy. The ability to do so will require action to seek approval for this and other potential revenue sources for this project. The Plan does not include sales tax or other revenue as available to support the project at this time but does reflect only 50% repayment from tax levy.
- G.O. Bonds, in 2028, $8,000,000 to finance construction of Fire Station No. 2 and other facility improvements, over a 25-year term payable from tax levy.
- G.O. Bonds, in 2029, to finance facility improvements of $2,000,000 for a new roof for public works from the Public Facility Fund.
- G.O. Revenue Bonds, in year 2029, $10,000,000 to finance Water Reclamation Facility upgrades, over a 20-year term payable from revenues from the Sanitary Sewer Fund.

The final size (amount of bonds to be issued), structure, and interest rates for each planned bond issue will depend on project specifics and market conditions at time of each issuance.

The bonding amounts shown in the Plan are preliminary and for planning purposes only. The par amount of the bonds does not include issuance costs, and funds for capitalized interest. The debt service for the new bonds are based on the terms stated above and an estimated 3.0% interest rate on the bonds.

Bond Rating

The City's outstanding general obligation bonds are rated as 'AA' by S&P Global. The positive credit strengths supporting the City's rating include very strong management, with strong financial policies, and very strong budgetary flexibility and liquidity.

The rating agency also rated the City's debt and contingent liability position as strong. The rating of the City's economy, at the time of the most recent rating review in 2021, was found to be weak based on per capita effective buying income and market value per capita.

While the rating agency does review the City's financial performance and other information annually, a rating report is not produced outside of review process. There has been no change in the City's 'AA' S&P rating.

Table 2 Capital Improvement Plan by Category and Source of Funds

City of Faribault										
Capital Improvement Plan					Page 1 of 2					
Totals Capital Outlay by Category/Fund and Source of Funds										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CAPITAL OUTLAY										
Airport	155,000	895,000	317,500	740,000	1,861,900	5,447,000	1,546,000	300,000	740,000	1,275,000
Aquatic Facility	-	-	30,000	-	-	-	325,000	-	-	-
Community Center	351,000	395,000	627,000	10,000	18,500	10,000	30,010,000	10,000	10,000	75,000
Community Development	-	-	-	-	-	-	-	-	-	-
Engineering	4,330,526	3,375,000	4,693,225	2,618,280	2,283,000	6,921,024	6,961,024	6,981,024	6,921,024	6,961,024
Fire Department	10,000	193,000	569,000	250,000	62,500	25,000	124,000	8,800,000	10,000	1,700,000
Information Technology	-	-	-	-	-	-	-	-	-	-
Library	-	35,000	-	-	-	175,000	80,000	165,000	200,000	-
Municipal Buildings	-	133,000	40,000	-	30,000	-	150,000	150,000	2,150,000	150,000
Parks	840,000	626,000	2,886,000	2,905,000	1,067,000	666,000	371,000	363,000	4,342,000	180,000
Planning and Zoning	-	20,000	-	-	-	-	-	-	-	-
Police Department	141,120	130,500	133,500	136,500	139,500	142,500	145,500	148,500	151,500	154,500
Sewer	5,491,870	1,192,000	400,250	540,000	418,000	1,596,796	1,582,296	1,846,296	12,142,296	1,641,296
Storm Water	665,000	375,000	904,000	455,000	579,000	2,822,320	1,702,320	1,702,320	1,702,320	2,852,320
Street Department	250,000	647,000	80,000	340,000	610,000	540,000	650,000	535,000	185,000	350,000
Washington Center	-	-	-	50,000	-	-	-	-	-	-
Water	1,828,811	1,894,500	1,453,250	1,496,000	514,000	1,550,296	1,620,296	1,520,296	1,620,296	1,550,296
Grand Total	14,063,327	9,911,000	12,133,725	9,540,780	7,583,400	19,895,936	45,267,436	22,521,436	30,174,436	16,889,436
SOURCE OF FUNDS FOR CAPITAL OUTLAY										
Bond proceeds	-	-	-	-	-	-	30,750,000	8,200,000	12,300,000	-
Special assessments	452,764	-	-	495,000	-	-	-	-	-	-
Municipal state aid (construction)	1,443,583	912,960	865,897	1,146,152	190,948	1,486,993	1,486,993	1,486,993	1,486,993	1,486,993
Other revenue for capital	25,000	-	-	-	250,000	-	-	-	1,320,000	-
Intergovernmental for capital	3,780,146	1,697,500	1,579,000	-	1,768,400	5,102,300	1,451,200	285,000	550,000	892,500
Cash from Funds	10,283,181	8,213,500	10,554,725	9,540,780	5,815,000	14,793,636	43,816,236	22,236,436	29,624,436	15,996,936
Grand Total	14,063,327	9,911,000	12,133,725	9,540,780	7,583,400	19,895,936	45,267,436	22,521,436	30,174,436	16,889,436

City of Faribault

Capital Improvement Plan

Totals Capital Outlay by Category/Fund and Source of Funds

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CAPITAL OUTLAY BY FUND										
Airport Fund (225)	155,000	895,000	317,500	740,000	1,861,900	5,447,000	1,546,000	300,000	740,000	1,275,000
Street Improvement Fund (401)	4,330,526	3,375,000	4,653,225	2,578,280	2,273,000	6,921,024	6,921,024	6,921,024	6,921,024	6,921,024
Park Improvement Fund (404)	830,000	495,000	2,680,000	2,695,000	875,000	460,000	30,000	-	655,000	30,000
Capital Replacement Fund (431)	446,120	1,165,500	1,055,500	986,500	1,032,500	928,500	1,205,500	1,866,500	1,953,500	2,469,500
Public Facilities Fund (437)	316,000	519,000	670,000	50,000	30,000	170,000	30,660,000	8,365,000	4,440,000	150,000
Water Fund (601)	1,828,811	1,894,500	1,453,250	1,496,000	514,000	1,550,296	1,620,296	1,520,296	1,620,296	1,550,296
Sanitary Sewer Fund (602)	5,491,870	1,192,000	400,250	540,000	418,000	1,596,796	1,582,296	1,846,296	12,142,296	1,641,296
Storm Water Fund (603)	665,000	375,000	904,000	455,000	579,000	2,822,320	1,702,320	1,702,320	1,702,320	2,852,320
Grand Total	14,063,327	9,911,000	12,133,725	9,540,780	7,583,400	19,895,936	45,267,436	22,521,436	30,174,436	16,889,436

Source:

The capital outlay amounts come from the City Capital Improvement Plan, 2021-2025, and Management prepared preliminary plans for 2026-2030, as provided for the Study.

Table 3 Summary of Existing Debt

City of Faribault

Summary of Existing Debt

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Principal											
G.O. Bonds	1,240,000	5,510,000	300,000	305,000	310,000	320,000	325,000	155,000	160,000	160,000	160,000
G.O. Special Assessments Bonds	1,290,000	910,000	960,000	955,000	1,000,000	1,055,000	640,000	645,000	230,000	110,000	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	1,660,000	1,704,527	1,751,825	1,789,000	1,827,000	1,866,000	1,905,000	1,946,000	1,988,000	533,000	538,000
Lease / Loan Payable	61,500	61,500	61,500	10,250	-	-	-	-	-	-	-
Total Existing Debt	4,251,500	8,186,027	3,073,325	3,059,250	3,137,000	3,241,000	2,870,000	2,746,000	2,378,000	803,000	698,000
Annual Interest											
G.O. Bonds	145,285	101,643	42,043	34,443	28,343	22,143	15,318	8,380	5,280	3,680	1,920
G.O. Special Assessments Bonds	49,300	299,499	246,150	200,050	155,150	108,000	58,000	34,150	9,663	3,025	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	382,795	357,312	334,335	297,365	259,526	220,796	181,149	140,585	99,053	56,543	51,213
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	577,380	758,454	622,528	531,857	443,019	350,939	254,467	183,115	113,996	63,248	53,133
Annual Debt Service											
G.O. Bonds	1,385,285	5,611,643	342,043	339,443	338,343	342,143	340,318	163,380	165,280	163,680	161,920
G.O. Special Assessments Bonds	1,339,300	1,209,499	1,206,150	1,155,050	1,155,150	1,163,000	698,000	679,150	239,663	113,025	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	2,042,795	2,061,839	2,086,160	2,086,365	2,086,526	2,086,796	2,086,149	2,086,585	2,087,053	589,543	589,213
Lease / Loan Payable	61,500	61,500	61,500	10,250	-	-	-	-	-	-	-
Total Existing Debt	4,828,880	8,944,481	3,695,853	3,591,107	3,580,019	3,591,939	3,124,467	2,929,115	2,491,996	866,248	751,133
Bonds Outstanding at Year End											
G.O. Bonds	7,705,000	2,195,000	1,895,000	1,590,000	1,280,000	960,000	635,000	480,000	320,000	160,000	-
G.O. Special Assessments Bonds	6,505,000	5,595,000	4,635,000	3,680,000	2,680,000	1,625,000	985,000	340,000	110,000	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	20,431,652	18,727,125	16,975,300	15,186,300	13,359,300	11,493,300	9,588,300	7,642,300	5,654,300	5,121,300	4,583,300
Lease / Loan Payable	133,250	71,750	10,250	-	-	-	-	-	-	-	-
Total Existing Debt	34,774,902	26,588,875	23,515,550	20,456,300	17,319,300	14,078,300	11,208,300	8,462,300	6,084,300	5,281,300	4,583,300
Debt Subject to Statutory Debt Limit	7,705,000	2,195,000	1,895,000	1,590,000	1,280,000	960,000	635,000	480,000	320,000	160,000	-
% of Statutory Debt Limit Used	15%	4%	4%	3%	3%	2%	1%	1%	1%	0%	0%

Table 4 Summary of Planned Debt

City of Faribault
Summary of Planned New Debt

	2023	2024	2025	2026	2027	Community 2028	Fire Station #2 2029	PW Roof & Swr Treatment Plant 2030	2031
Annual Principal									
G.O. Bonds	-	-	-	-	-	840,000	1,090,000	1,300,000	1,345,000
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	420,000	430,000
Lease / Loan Payable	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	-	-	-	840,000	1,090,000	1,720,000	1,775,000
Annual Interest									
G.O. Bonds	-	-	-	-	-	1,342,750	1,255,367	1,200,117	1,133,100
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	298,389	196,600
Lease / Loan Payable	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	-	-	-	1,342,750	1,255,367	1,498,506	1,329,700
Annual Debt Service									
G.O. Bonds	-	-	-	-	-	2,182,750	2,345,367	2,500,117	2,478,100
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	-	718,389	626,600
Lease / Loan Payable	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	-	-	-	2,182,750	2,345,367	3,218,506	3,104,700
Bonds Outstanding at Year End									
G.O. Bonds	-	-	-	-	30,750,000	38,110,000	39,070,000	37,770,000	36,425,000
G.O. Special Assessments Bonds	-	-	-	-	-	-	-	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	-	-	-	-	-	-	10,250,000	9,830,000	9,400,000
Lease / Loan Payable	-	-	-	-	-	-	-	-	-
Total Existing Debt	-	-	-	-	30,750,000	38,110,000	49,320,000	47,600,000	45,825,000
Debt Subject to Statutory Debt Limit	-	-	-	-	-	8,200,000	7,975,000	7,745,000	7,505,000

Table 5 Summary of Existing and Planned Debt Combined

City of Faribault
Summary of Existing and Planned New Debt Combined

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Principal											
G.O. Bonds	1,240,000	5,510,000	300,000	305,000	310,000	320,000	325,000	995,000	1,250,000	1,460,000	1,505,000
G.O. Special Assessments Bonds	1,290,000	910,000	960,000	955,000	1,000,000	1,055,000	640,000	645,000	230,000	110,000	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	1,660,000	1,704,527	1,751,825	1,789,000	1,827,000	1,866,000	1,905,000	1,946,000	1,988,000	953,000	968,000
Lease / Loan Payable	61,500	61,500	61,500	10,250	-	-	-	-	-	-	-
Total Existing Debt	4,251,500	8,186,027	3,073,325	3,059,250	3,137,000	3,241,000	2,870,000	3,586,000	3,468,000	2,523,000	2,473,000
Annual Interest											
G.O. Bonds	145,285	101,643	42,043	34,443	28,343	22,143	15,318	1,351,130	1,260,647	1,203,797	1,135,020
G.O. Special Assessments Bonds	49,300	299,499	246,150	200,050	155,150	108,000	58,000	34,150	9,663	3,025	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	382,795	357,312	334,335	297,365	259,526	220,796	181,149	140,585	99,053	354,932	247,813
Lease / Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Total Existing Debt	577,380	758,454	622,528	531,857	443,019	350,939	254,467	1,525,865	1,369,362	1,561,754	1,382,833
Annual Debt Service											
G.O. Bonds	1,385,285	5,611,643	342,043	339,443	338,343	342,143	340,318	2,346,130	2,510,647	2,663,797	2,640,020
G.O. Special Assessments Bonds	1,339,300	1,209,499	1,206,150	1,155,050	1,155,150	1,163,000	698,000	679,150	239,663	113,025	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	2,042,795	2,061,839	2,086,160	2,086,365	2,086,526	2,086,796	2,086,149	2,086,585	2,087,053	1,307,932	1,215,813
Lease / Loan Payable	61,500	61,500	61,500	10,250	-	-	-	-	-	-	-
Total Existing Debt	4,828,880	8,944,481	3,695,853	3,591,107	3,580,019	3,591,939	3,124,467	5,111,865	4,837,362	4,084,754	3,855,833
Bonds Outstanding at Year End											
G.O. Bonds	7,705,000	2,195,000	1,895,000	1,590,000	1,280,000	960,000	31,385,000	38,590,000	39,390,000	37,930,000	36,425,000
G.O. Special Assessments Bonds	6,505,000	5,595,000	4,635,000	3,680,000	2,680,000	1,625,000	985,000	340,000	110,000	-	-
G.O. TIF Bonds	-	-	-	-	-	-	-	-	-	-	-
G.O. Revenue Bonds	20,431,652	18,727,125	16,975,300	15,186,300	13,359,300	11,493,300	9,588,300	7,642,300	15,904,300	14,951,300	13,983,300
Lease / Loan Payable	133,250	71,750	10,250	-	-	-	-	-	-	-	-
Total Existing Debt	34,774,902	26,588,875	23,515,550	20,456,300	17,319,300	14,078,300	41,958,300	46,572,300	55,404,300	52,881,300	50,408,300
Debt Subject to Statutory Debt Limit	7,705,000	2,195,000	1,895,000	1,590,000	1,280,000	960,000	635,000	8,680,000	8,295,000	7,905,000	7,505,000
% of Statutory Debt Limit Used	15%	4%	4%	3%	3%	2%	1%	17%	17%	16%	15%

Chart 9 CIP Use of Funds

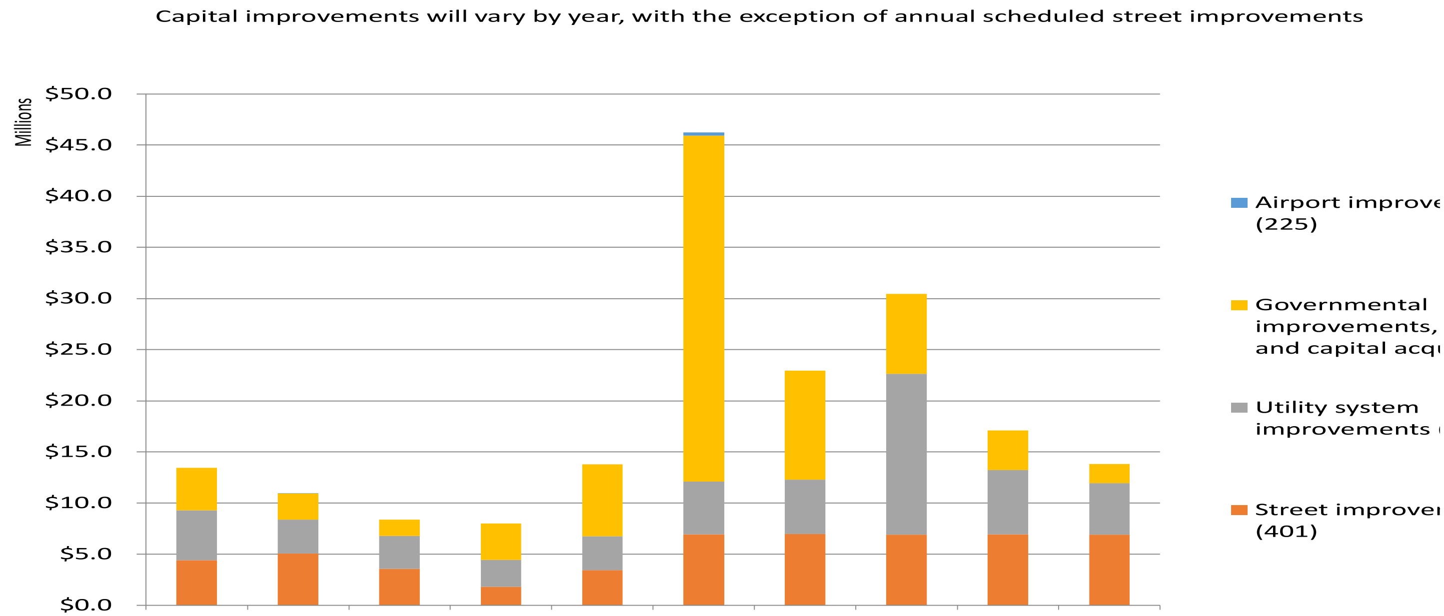
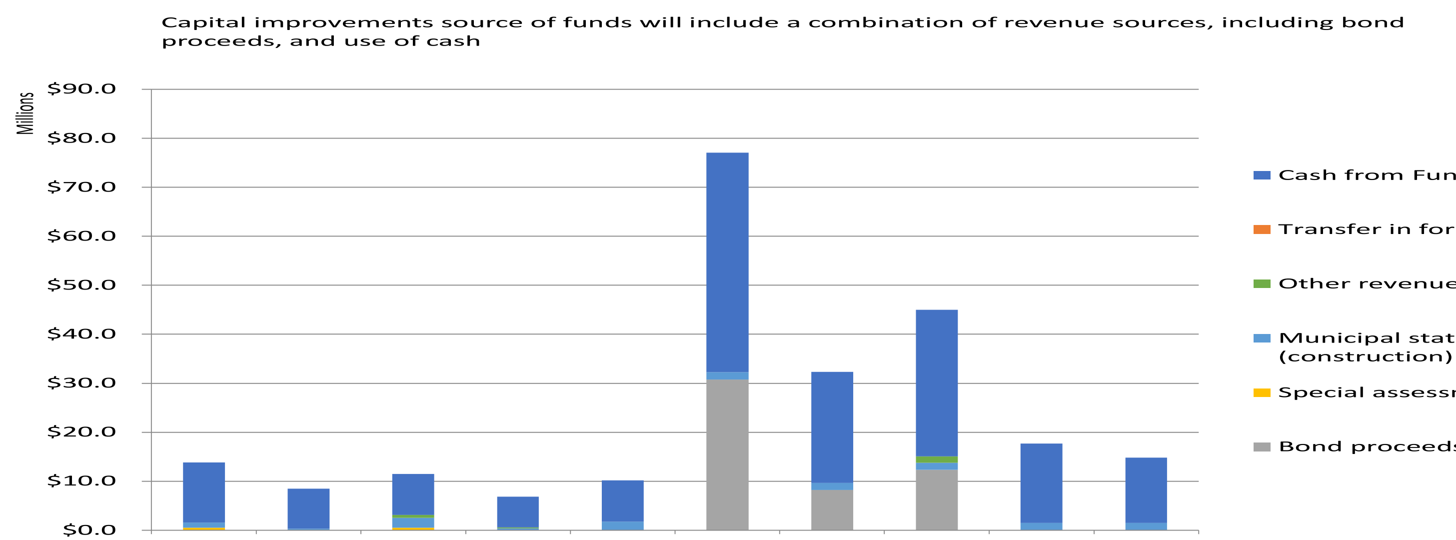


Chart 10 CIP Source of Funds



Annual capital improvements are projected to vary from year to year. Street improvements are planned for each year. The annual spending is projected in years 2027-2031 based on the pavement management model and not specific projects.

The source of funds to pay for the capital improvements is projected to come from a variety of sources, including the use of cash balance projected to be available for capital spending purposes.

Chart 11 Debt Service

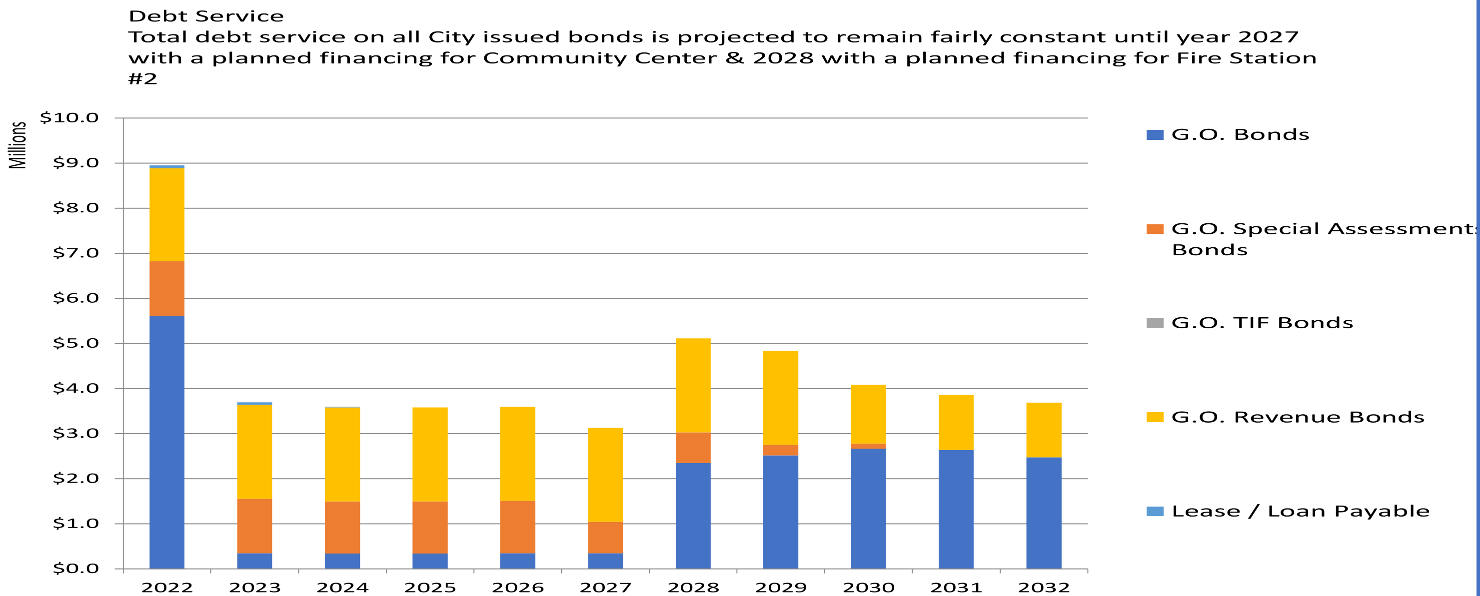
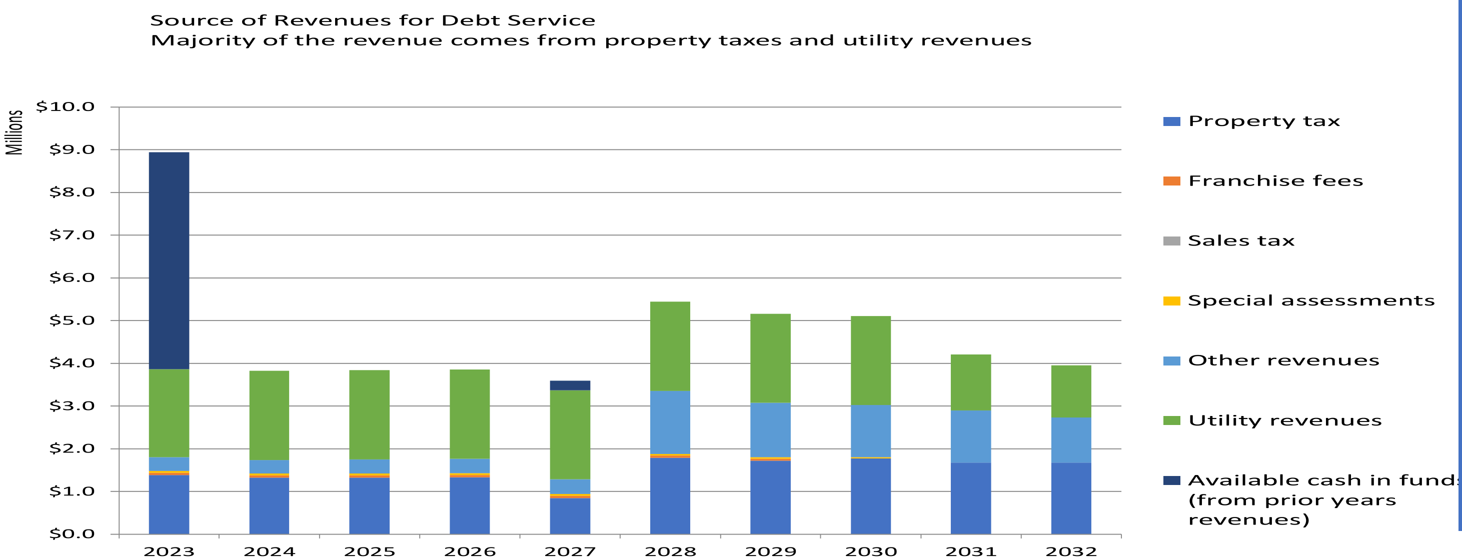


Chart 12 Debt Service Source of Revenues



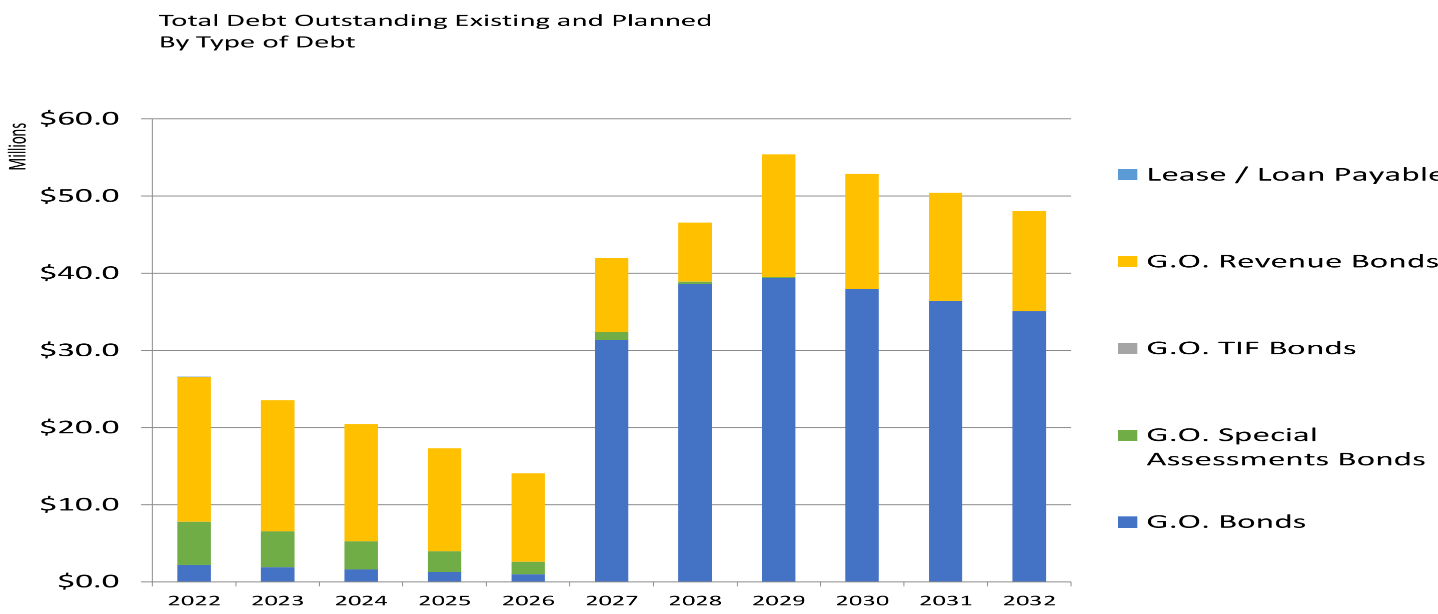
New debt service is planned to be issued for major projects including sewer treatment plant improvements, a new fire station, major roof repairs to public facilities, and a community center, among other project plans.

The major source of revenue to pay debt service is planned to come from tax levy and utility revenues.

Community Center financing is anticipated to be 50% from Other Sources.

Additional funding has not yet been determined for the viaduct park project.

Chart 13 Debt Outstanding



Total debt outstanding is projected to decrease between 2022-2026. The increase in debt outstanding beginning in 2027 comes from the planned issuance of debt to finance the major projects described in the Plan.

Chart 14 Debt Outstanding by Existing and Planned New Debt

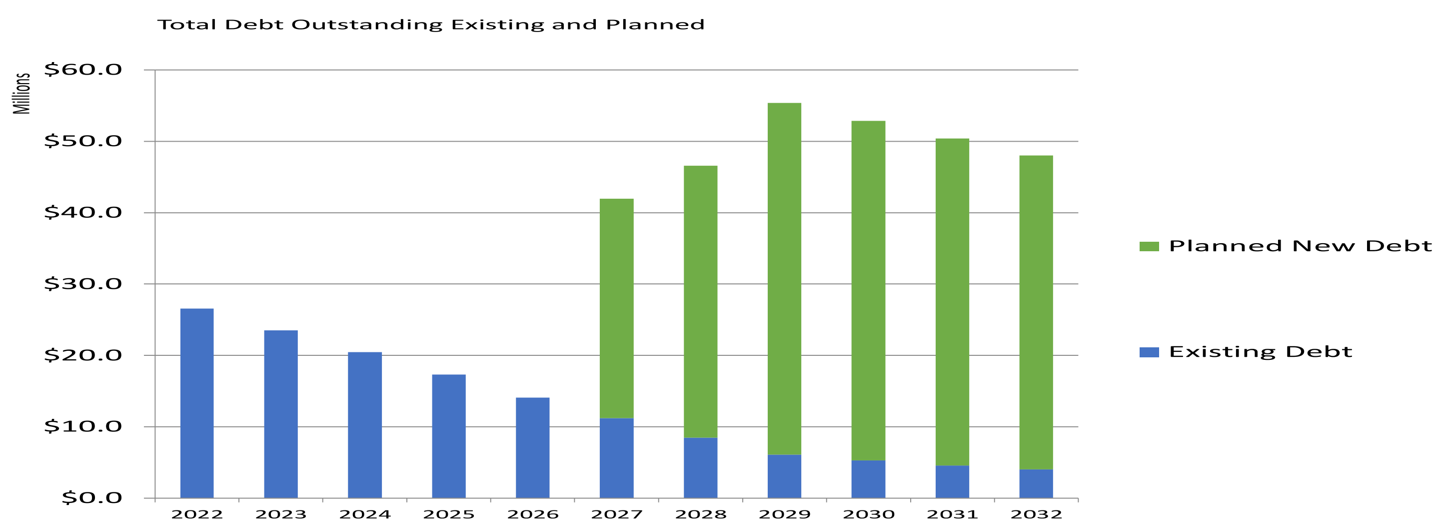


Chart 15 Amortization of Outstanding Debt

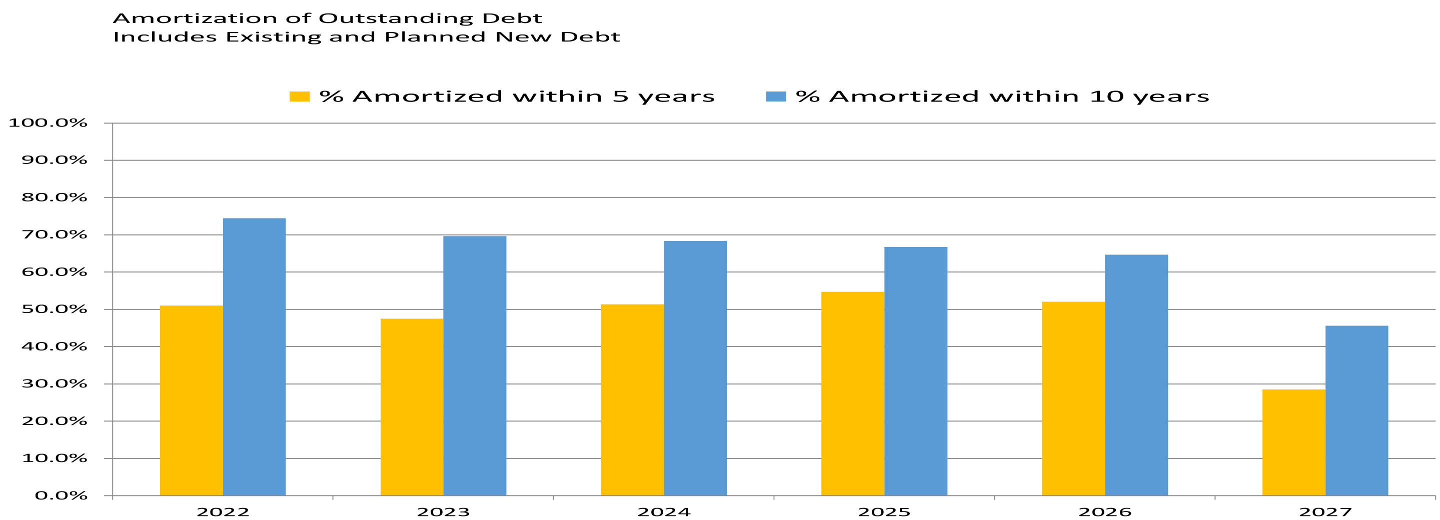
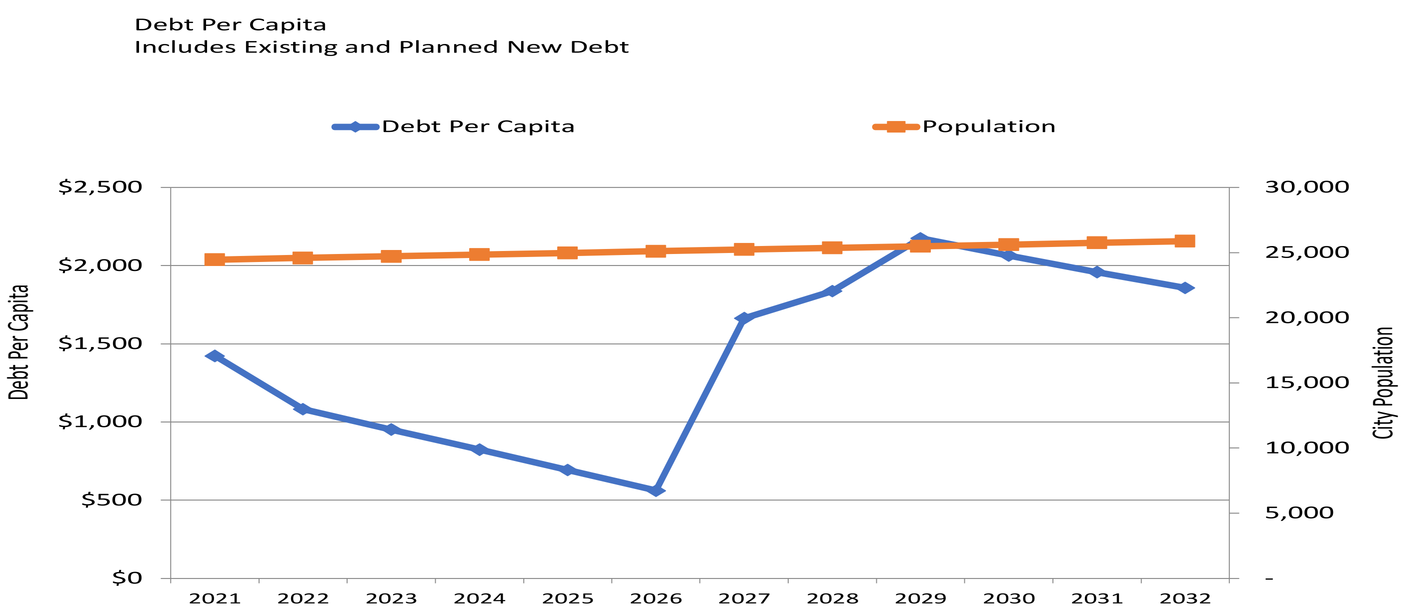


Chart 16 Debt Per Capita



It is projected that more than 70% of the City's outstanding debt will continue to be repaid within 10 years or less, this is inclusive of planned new debt issuance and terms for repayment.

Outstanding debt per capita is projected to decline until year 2027 with the issuance of new debt for major capital improvement projects as described in the Plan.

FINANCE PLANS

Background

Finance plans have been prepared for the Governmental Funds and the Enterprise Funds:

Governmental Funds are used to account for most typical municipal functions of the City. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities are accounted for through the Governmental Funds.

Enterprise Funds are used to account for the City's ongoing municipal utility operations that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are presented on an accrual basis. There is a recognition of expenses when incurred and the subsequent amortization of the deferred outflows. Revenues are recognized when earned. There is a capitalization of certain expenses and the subsequent depreciation of the capitalized costs. For the Enterprise Funds there are accruals of revenues earned and expenses incurred.

Assumptions for Planning

The general assumptions used to develop the finance plans, across all of the funds, including the Governmental Funds and the Enterprise Funds are as follows:

- Annual property tax revenues are projected to be at a level sufficient to fund cash flow requirements and to maintain sufficient fund balance levels per City Policy. For purpose of planning, the tax levy support for Community Development Administration is to reduce by 25% over four years (2022-2025) to remove operational dependence on levy support for the special revenue fund. Tax abatements will continue to be supported by the levy but will be reflected in the Community Development fund instead of the General Fund. The Capital Project Funds are supported by an allocation of Franchise Fees. The revenues in these funds are not projected to be sufficient to cover the planned spending. Future adjustments to revenue and/or spending will be needed to avoid future negative cash balances in these funds.
- Non-tax revenues are generally estimated to increase by 1.0% annually, with the exception of Franchise Fees and LGA which are projected to remain constant at the 2022 amounts.
- Annual investment income rate of 2.0%.
- Non-personnel costs for materials and supplies, and other operating costs including professional services are estimated to increase by 5.0% annually.
- Personnel costs are estimated to increase by 4.0% annually with the exception for new positions to be added. The increase in operating costs for the viaduct park and community center projects are not included in the financial plans. These will need to be added as information becomes available. The community center preliminary estimated increase in operating costs is $1.5 million, with the majority of this for personnel costs.

General Fund (101)

The General Fund is the primary fund used by the City. This fund is used to record all deferred resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the General Fund constitute the core administrative and operational tasks of the City.

Revenues

Annual sources of non-tax revenues have been stable and is projected to remain stable. Intergovernmental revenues, including Local Government Aid (LGA), municipal state aid for street maintenance, and other forms of state aid, provide the single largest source of non-tax revenue to the General Fund.

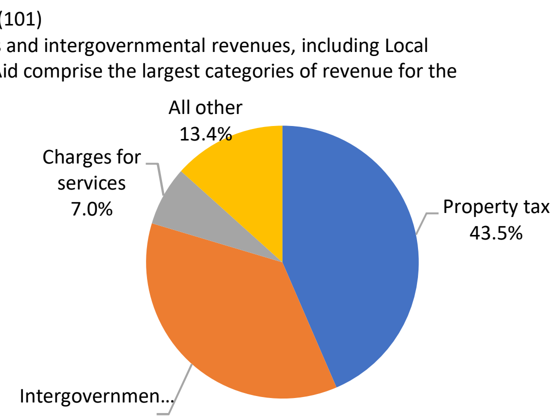


Figure 2.

Tax Year	Tax Levy	Tax Levy in Millions	% Change in Tax Levy
2022	$8,687,755	$8.69	2.2%
2023	$9,436,132	$9.44	8.6%
2024	$10,226,814	$10.23	8.4%
2025	$11,053,264	$11.05	8.1%
2026	$11,916,357	$11.92	7.8%
2027	$12,817,694	$12.82	7.6%
2028	$14,488,440	$14.49	13.0%
2029	$15,476,894	$15.48	6.8%
2030	$16,529,029	$16.53	6.8%
2031	$17,627,459	$17.63	6.6%

Property Tax

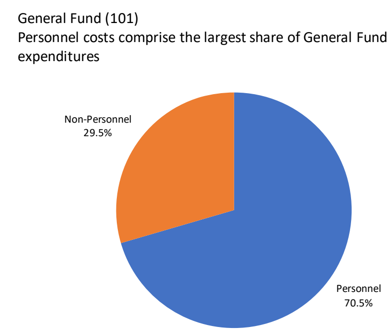
Property tax revenue is estimated to increase annually to fund general City operations in the General Fund. Total revenues and expenditures for the General Fund are projected to be balanced on an annual basis. Figure 2 provides the projected General Fund property tax levy by year, along with the annual percent increase. During 2022 Council has authorized several personnel changes which adjusted the General Fund expenditures as well as the increase to cover the intentional reduction of $137,000 to the 2022 levy.

Non-Tax Revenue

The financial plan for the General Fund is based on the following key assumptions for non-tax revenues:

- Non-tax revenues increase of 1.0% annually, with the exception of Franchise Fees and LGA which are projected to remain constant at the 2022 amount and then constant going forward.
- Annual investment income rate of 2.0%.

Expenditures



The General Fund is used to account for the expense of providing general government services for the City. The largest use of funds is for the cost of personnel, including wages and benefits. Other costs include operating materials and supplies, equipment, and other professional services. The financial plan is based on the following key assumptions:

- Non-personnel costs for materials and supplies, and other operating costs including professional services are estimated to increase by 5.0% annually.
- Personnel costs are estimated to increase by 4.0% annually with the following exceptions:
    - Year 2028, 6.0 FTE Fire Fighters plus related operational costs added to General Fund ($709,490 on-going costs plus $20,000 for start-up).

The financial plan does not include operating costs for the community center (construction in 2027). City Staff has identified $1.5 million increased costs for operation of the facility. Staffing for the operations of viaduct park are also not included. As plans are refined for these projects, the increase in operating costs will need to be added to the financial plan.

Transfers

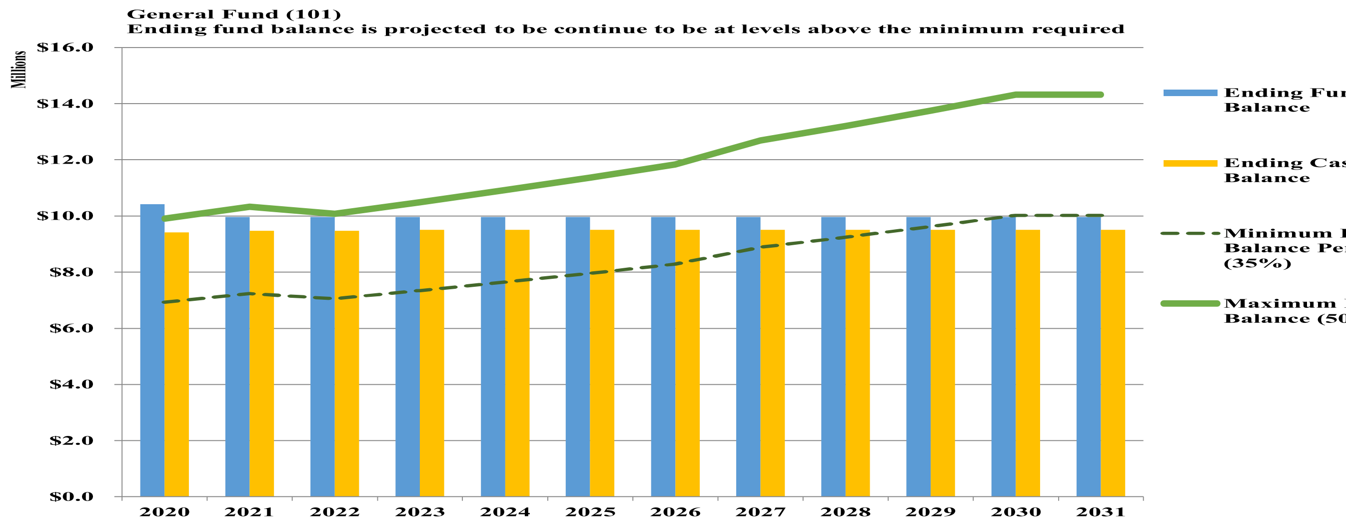
Transfers out do not occur on an annual basis to the Capital Project Funds pursuant to City policy as described below. For planning purposes, the Plan does not include any transfer out of funds from the General Fund to other funds. The fund balance in the General Fund is projected to average approximately 44.6% through 2026 and decline below 40% thereafter. Fund balance for the General Fund is calculated as percentage over subsequent expenditures.

Fund Balance

City adopted policy states that the City shall maintain a minimum unassigned fund balance in the General Fund not less than 35% and a maximum unassigned fund balance not more than 50% of the following year's General Fund budgeted expenditures to be used for (1) cash flow purposes, (2) unanticipated expenditures of a non-recurring nature, (3) to meet unexpected revenue shortfalls.

The excess of revenues over expenditures in the General Fund at year-end will be transferred to the Capital Project Funds on an annual basis, provided the maximum 50% unassigned fund balance has been met. The split of excess funds to the Capital Project Funds shall be at the discretion of the City Administrator and Finance Director.

Chart 17 Cash Balance and Fund Balance



City policy states that the City shall maintain a minimum unassigned fund balance in the General Fund not less that 35% and a maximum unassigned fund balance not more that 50% of the following year's General Fund budgeted expenditures to be used for (1) cash flow purposes, (2) unanticipated expenditures of a non-recurring nature, (3) unexpected revenue shortfalls.

Chart 18 Source and Use of Funds

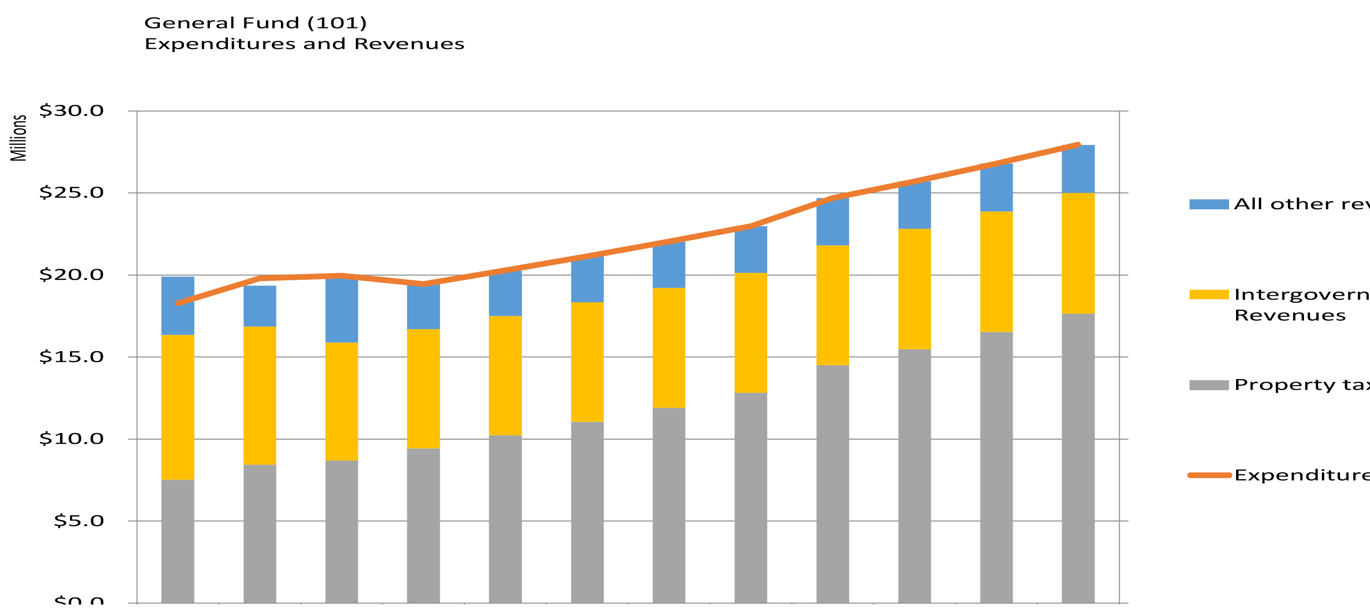


Table 6 Finance Plan

City of Faribault
Finance Plan
General Fund (101)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	7,525,103	8,441,755	8,687,755	9,436,132	10,226,814	11,053,264	11,916,357	12,817,694	14,488,440	15,476,894	16,529,029	17,627,459
Franchise fees	250,579	237,281	250,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Sales tax and lodging tax	-	-	-	-	-	-	-	-	-	-	-	-
Special assessments	15,162	3,342	5,100	-	-	-	-	-	-	-	-	-
Licenses and permits	546,332	489,278	478,700	483,487	488,322	493,205	498,137	503,119	508,150	513,231	518,364	523,547
Local governmant aid	5,911,564	5,988,340	6,029,788	6,029,788	6,029,788	6,029,788	6,029,788	6,029,788	6,029,788	6,029,788	6,029,788	6,029,788
Police and fire aid	477,873	489,666	440,000	475,200	479,952	484,752	489,599	494,495	499,440	504,434	509,479	514,574
Municipal state aid (maintenance)	253,838	227,285	199,220	223,126	225,358	227,611	229,887	232,186	234,508	236,853	239,222	241,614
Other intergovernmental	2,174,355	1,712,547	532,395	537,719	543,096	548,527	554,012	559,552	565,148	570,800	576,507	582,273
Charges for services	1,621,156	1,335,149	1,404,234	1,418,276	1,432,459	1,446,784	1,461,252	1,475,864	1,490,623	1,505,529	1,520,584	1,535,790
Fines and forfeitures	102,691	148,970	141,000	142,410	143,834	145,272	146,725	148,192	149,674	151,171	152,683	154,210
Investment income	201,722	(70,081)	94,000	203,513	204,175	204,175	204,175	204,175	204,175	204,175	204,175	204,175
Other miscellaneous	508,403	80,499	54,820	54,820	54,820	54,820	54,820	54,820	54,820	54,820	54,820	54,820
Proceeds from sale of assets	1	-	-	-	-	-	-	-	-	-	-	-
Transfer in other	212,313	-	-	-	-	-	-	-	-	-	-	-
Taxes other	90,800	260,126	205,250	207,303	209,376	211,469	213,584	215,720	217,877	220,056	222,256	224,479
Transfer in for capital	-	-	130,000	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	-	-	1,305,759	-	-	-	-	-	-	-	-	-
Other revenue for capital	-	-	-	-	-	-	-	-	-	-	-	-
Municipal state aid (construction)	-	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Special Assessments	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	19,891,892	19,344,157	19,958,021	19,451,775	20,277,993	21,139,667	22,038,336	22,975,606	24,682,643	25,707,750	26,796,907	27,932,727
Expenditures												
Personnel services - Union and Non Union	12,643,201	13,365,009	14,066,825	14,637,066	15,222,549	15,831,451	16,464,709	17,123,297	17,808,229	18,520,558	19,261,380	20,031,835
New FTE and operating costs	-	-	-	-	-	-	-	-	729,490	735,022	760,748	787,374
Materials and supplies	1,191,123	1,249,679	1,369,275	1,437,739	1,509,626	1,585,107	1,664,362	1,747,580	1,834,959	1,926,707	2,023,043	2,124,195
Other services and charges	3,473,016	3,471,937	3,216,162	3,376,970	3,545,819	3,723,110	3,909,265	4,104,728	4,309,965	4,525,463	4,751,736	4,989,323
Transfer out other	747,910	1,715,848	1,305,759	-	-	-	-	-	-	-	-	-
Capital outlay	224,859	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	18,280,109	19,802,473	19,958,021	19,451,775	20,277,993	21,139,667	22,038,336	22,975,606	24,682,643	25,707,750	26,796,907	27,932,727
Net Change in Fund Balances	1,611,783	(458,316)	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	10,422,055	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739	9,963,739

Airport Fund (225)

The Airport Fund is used to account for the operations and maintenance of the municipal airport.

Revenues

The major source of revenues for operation and maintenance of the Airport comes from federal and state revenues. The Plan had the annual property tax revenue for the Airport Fund which is now eliminated to remove the operational reliance on property tax revenues.

The projected revenues are not sufficient to cover projected expenditures, inclusive of capital outlay. There will need to be adjustments made to the planned capital outlay or the consideration of other revenue sources to fund the projects for the Airport as included in the CIP.

Expenditures

The majority of the expenditures are for capital outlay in order to maintain and improve the Airport. The majority of the revenue for the capital improvements comes from federal and state revenues. The City will need to consider how to address the projected shortfalls through reductions in planned expenditures and/or increases in revenues.

Transfers

The Airport Fund did have a transfer in of revenue from the General Fund (101) in 2020 for future events.

Table 7 Finance Plan

City of Faribault
Finance Plan
Airport Fund (225)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	29,967	19,856	10,000	-	-	-	-	-	-	-	-	-
Charges for services	117,942	119,048	129,932	137,555	141,682	145,933	150,311	154,820	159,464	164,248	169,176	174,251
Investment income	13,738	(231)	7,500	8,504	8,163	5,286	1,991	(6,909)	(10,610)	(12,864)	(18,745)	(28,681)
Other miscellaneous	-	3,426	-	-	-	-	-	-	-	-	-	-
Transfer in other	10,000	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	562,801	45,081	844,590	254,000	-	1,768,400	5,154,800	1,451,200	285,000	550,000	892,500	490,000
Other revenue for capital	1,571,007	-	-	-	592,000	-	-	-	-	-	-	-
Total Revenues	2,305,455	187,180	992,022	400,060	741,845	1,919,618	5,307,102	1,599,111	433,855	701,384	1,042,931	635,570
Expenditures												
Materials and supplies	5,314	7,528	7,750	8,138	8,544	8,972	9,420	9,891	10,386	10,905	11,450	12,023
Other services and charges	161,398	117,320	124,424	130,645	137,177	144,036	151,238	158,800	166,740	175,077	183,831	193,022
Principal payments	61,500	61,500	61,500	10,250	-	69,450	69,450	69,450	69,450	69,450	69,450	69,450
Capital outlay	1,810,900	42,356	975,000	317,500	740,000	1,861,900	5,522,000	1,546,000	300,000	740,000	1,275,000	700,000
Total Expenditures	2,039,112	228,704	1,168,674	466,533	885,722	2,084,358	5,752,108	1,784,141	546,576	995,432	1,539,731	974,495
Net Change in Fund Balances	266,343	(41,524)	(176,652)	(66,473)	(143,876)	(164,740)	(445,007)	(185,030)	(112,721)	(294,048)	(496,800)	(338,925)
Ending Fund Balance	692,816	651,292	474,640	408,167	264,290	99,551	(345,456)	(530,486)	(643,207)	(937,255)	(1,434,056)	(1,772,981)

Community Development Fund (240)

The Community Development Fund is used to account for the administrative costs for community and economic development activities of the City. There is $453,259 as restricted fund balance within this fund for Future EDA Projects. These restricted dollars will be transfer to EDA (290) in 2021 following Council authorization.

Revenues

Charges for services revenues that come from the HRA provide nearly half of the revenue to pay for community development activities. The other half comes from property tax revenue. The budgeted use of fund balance reduces the burden on the tax levy. Community Development will be reducing its operational dependency on property tax revenue over the next 4 years. The only property tax revenue will be to support the tax abatements authorized in prior years.

Expenditures

The majority of the expenditures are for personnel costs. Tax Abatements have been moved to Community Development from the General Fund (101) to report within the proper function of the City. This is the other significant expenditure within the Community Development Fund (240).

Transfers

The Community Development Fund transferred $200,000 to the EDA Fund in 2020 for the "Downtown Commercial Rehabilitation Program". There are no other projected transfers other than the restricted dollars referenced above.

Table 8 Finance Plan

City of Faribault
Finance Plan
Community Development Fund(240)

	2019 Actual	2020 Actual	2021 Budget Year	2022 Proj	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj
Revenues												
Property taxes (current ad valorem)	155,503	163,471	264,602	601,746	541,216	475,065	238,400	163,218	5,752	-	-	-
Franchise fees	50,477	-	-	-	-	-	-	-	-	-	-	-
Charges for services	384,791	285,659	281,132	283,943	286,783	289,651	292,547	295,473	298,427	301,412	304,426	307,470
Investment income	32,980	30,237	10,000	5,489	5,427	4,960	4,084	2,794	1,416	(52)	(1,615)	(3,275)
Other miscellaneous	846	101,124	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Proceeds from sale of assets	2,000	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	626,597	580,491	655,734	991,179	933,426	869,676	635,031	561,485	405,596	401,359	402,811	404,195
Expenditures												
Personnel services - Union and Non Union	481,788	531,171	541,399	557,641	574,370	591,601	609,349	627,630	646,459	665,852	685,828	706,403
Materials and supplies	4,052	6,135	7,450	7,599	7,751	7,906	8,064	8,225	8,390	8,558	8,729	8,903
Other services and charges	18,025	19,276	34,383	35,071	35,772	36,488	37,217	37,962	38,721	39,495	40,285	41,091
Transfer out other	200,000	-	-	-	-	-	-	-	-	-	-	-
Tax abatements	-	-	-	403,295	408,915	408,915	238,400	163,218	5,752	-	-	-
Capital outlay	24,587	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	728,452	556,582	583,232	1,003,606	1,026,808	1,044,910	893,031	837,035	699,321	713,905	734,842	756,397
Net Change in Fund Balances	(101,855)	23,909	72,502	(12,427)	(93,382)	(175,234)	(258,000)	(275,550)	(293,726)	(312,546)	(332,032)	(352,203)
Ending Fund Balance	1,001,436	1,025,345	1,097,847	1,085,420	992,038	816,803	558,804	283,254	(10,472)	(323,019)	(655,050)	(1,007,253)

Other Special Revenue Funds (Combined (200s))

For the purposes of the Plan, the following Special Revenue Funds are combined and reported here together: Charitable Gambling Fund, General Government Buildings, Public Safety Programs, Rental Housing Rehabilitation, Revolving Loan SCDP Fund.

Revenues

Revenues account for in these other special revenue funds, as listed above, are restricted for the purposes collected and not available for general City purposes.

Expenditures

The expenditures of revenues in these funds is restricted for the specific purposes.

Transfers

The Plan does not anticipate any transfers, neither to nor from other funds.

Table 9 Finance Plan

City of Faribault
Finance Plan
Other Special Revenue Fund(200)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Fines and forfeitures	1,743	24,683	2,700	2,727	2,754	2,782	2,810	2,838	2,866	2,895	2,924	2,953
Investment income	6,409	(1,608)	12,114	70,574	72,837	73,573	74,317	75,070	75,832	76,602	77,381	78,168
Other miscellaneous	12,533	2,713,289	12,900	13,029	13,159	13,291	13,424	13,558	13,694	13,831	13,969	28,077
Taxes other	29,423	51,437	32,000	-	-	-	-	-	-	-	-	-
Total Revenues	50,108	2,787,801	59,714	86,330	88,750	89,646	90,551	91,466	92,391	93,327	94,273	109,199
Expenditures												
Materials and supplies	-	-	500	525	551	579	608	638	670	704	739	776
Other services and charges	35,394	40,923	222,117	50,951	51,395	51,844	52,296	52,753	53,214	53,680	54,149	54,623
Capital outlay	-	54,534	-	-	-	-	-	-	-	-	-	-
Total Expenditures	35,394	95,457	222,617	51,476	51,946	52,423	52,904	53,391	53,884	54,384	54,888	55,399
Net Change in Fund Balances	14,714	2,692,344	(162,903)	34,854	36,804	37,223	37,647	38,075	38,507	38,944	39,386	53,800
Ending Fund Balance	1,077,543	3,769,887	3,606,984	3,641,838	3,678,642	3,715,865	3,753,512	3,791,586	3,830,094	3,869,037	3,908,423	3,962,223

Debt Service Funds (300s)

The Debt Service Fund includes the combined funds used to account for all of the City's governmental debt service. At the end of 2021, the reported total general obligation bonds payable was $15,020,000. Other debt obligations are accounted for in the Enterprise Funds and in the Airport Fund (for a lease payable).

The Water Fund and the Sewer Fund report debt outstanding which is accounted for separately as a liability of these funds. At the end of 2021, the reported total general obligation bonds payable in the Enterprise Funds was $19,650,795. This includes an increase of $10,205,719 for the G.O. Water Revenue Note, Series 2019 issued by the City through the Minnesota Public Facilities Authority (PFA). The Plan assumes that the entire balance of available funds from the PFA loan was drawn down in 2019. Also, a new G.O. Water Revenue Note, Series 2021 was issued for $481,352 in November 2021.

For general obligation bonds, the City is required to have funds available in the respective debt service funds equal to 105% of the debt service payments coming due. The year-end cash balance includes cash from collection of special assessments and tax levy in current year to pay the following February 1st debt payments. The City receives tax settlements from the County in June and December of each year. The first half tax settlement is available to cover the August debt payments and the second tax settlement is available to cover the February payments.

As bond issues are fully defeased, the fund is analyzed and any fund balance is to be transferred to a Capital Fund of like expenditures.

Revenues

The Debt Service Funds include the following source of revenue: special assessments, interest income, transfers in from other funds, franchise fees, property tax levy, designated state aid, and bond proceeds for any capitalized interest funds.

The Plan anticipates the issuance of general obligation bonds in 2027 for a new Community Center, in 2028 for Fire Station No. 2, and in 2029 for Public Works Roof replacement. Debt to be issued that is supported from utility revenues is accounted for in the Enterprise Funds and not within the Debt Service Funds of the City. The Plan does not anticipate any general obligation bonds for the viaduct park at this time.

Debt accounted for in the Debt Service Funds includes only debt to be supported by general governmental revenues, including property tax levy, tax abatement, and special assessments. Franchise fee revenue recorded in the Debt Service Funds is used to reduce the property tax levy that would otherwise be needed for debt service.

Expenditures

The use of funds is for the payment of debt, including principal and interest payments and other fees related to debt.

Transfers

Transfers include transfers between debt service funds, as debt is retired and remaining balance of funds is moved to other debt obligations and to other Governmental Funds and Enterprise Funds for specific purposes.

Chart 19 Cash Balance and Fund Balance

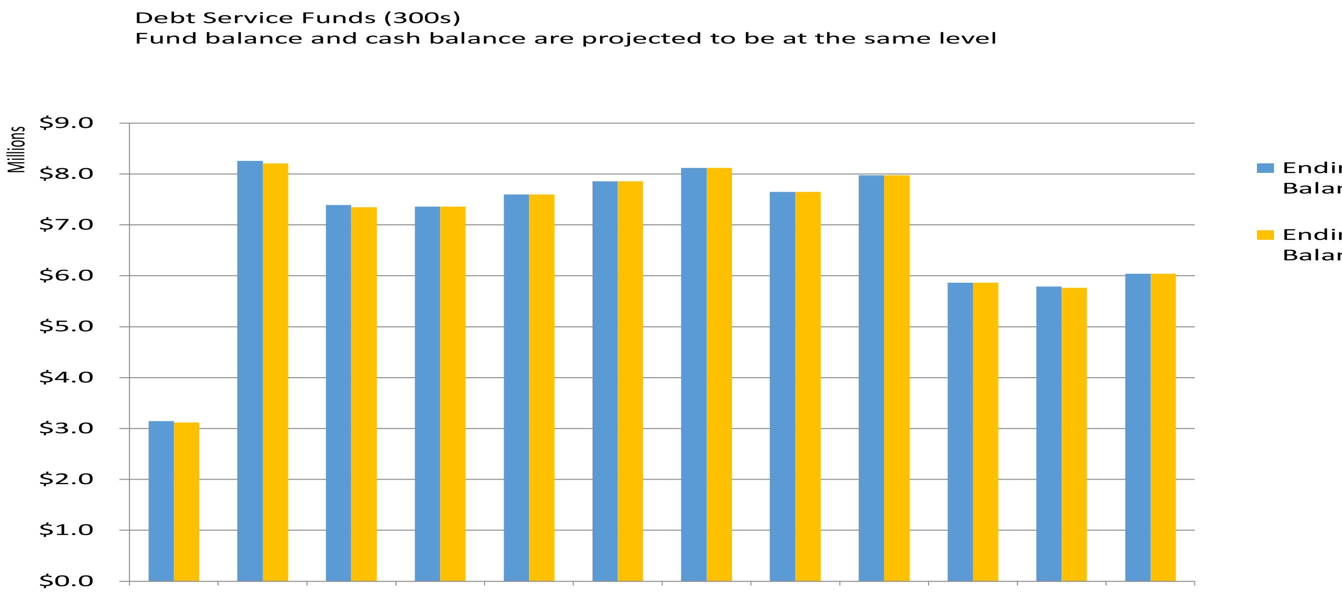
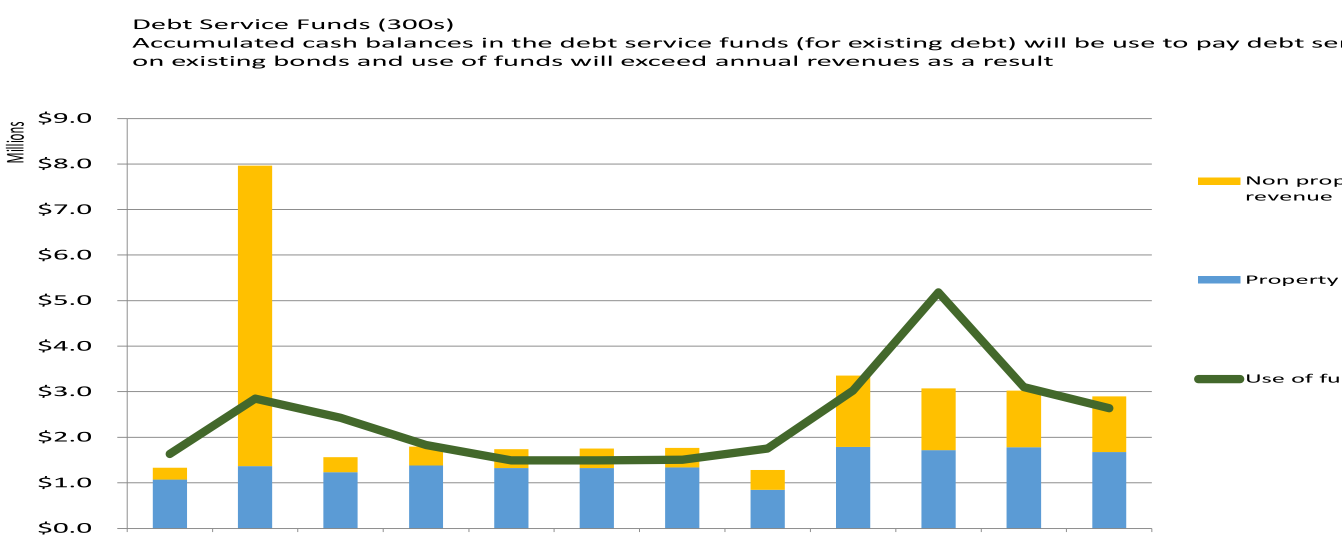


Chart 20 Source and Use of Funds



Use of funds to pay debt service is projected to come from a combination of property tax revenue, other non-property tax revenue, including special assessments, designated state aid, and interest on investments.

Beginning in 2027, the Plan assumes an increase in property tax revenue to support the bonds issued in 2027 to finance the community center project. For planning purposes, the other revenue to support bonds for the community center is anticipated to come from sales tax or other sources. Financing for the viaduct park is not included in the Plan. As planning for these projects is under taken in future years specific sources of revenue will need to be identified.

The total levy of 105% of debt service will be utilized to finance the debt.

Table 10 Finance Plan

City of Faribault
Finance Plan
Debt Service Funds (300s)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	1,068,080	1,365,530	1,236,597	1,382,104	1,323,410	1,325,405	1,335,432	848,414	1,786,682	1,716,704	1,777,370	1,675,564
Franchise fees	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	-	-
Special assessments	107,678	77,282	80,800	46,211	44,659	43,108	41,557	40,005	38,454	36,903	20,418	-
Municipal state aid (maintenance)	-	-	25,780	-	-	-	-	-	-	-	-	-
Other intergovernmental	-	-	140,000	-	-	-	-	-	-	-	-	-
Investment income	81,615	(13,353)	5,000	154,627	153,803	168,835	173,958	179,162	169,777	176,366	134,107	132,567
Other miscellaneous	-	1,531	-	163,480	165,680	162,780	164,880	161,880	1,309,824	1,090,988	1,088,889	1,088,861
Transfer in other	25,000	25,000	25,000	0	-	(0)	-	-	-	-	-	-
Taxes other	-	13,791	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	6,440,812	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,333,873	7,962,093	1,564,677	1,797,922	1,739,052	1,751,628	1,767,327	1,280,961	3,356,237	3,072,460	3,020,783	2,896,992
Expenditures												
Other services and charges	5,799	85,424	2,000	2,000	2,000	2,000	2,000	2,000	1,500	1,500	1,000	500
Transfer out other	-	-	-	280,450	-	-	-	709,887	-	2,433,613	319,973	-
Principal payments	1,375,000	2,530,000	2,015,000	1,260,000	1,260,000	1,310,000	1,375,000	965,000	1,640,000	1,480,000	1,570,000	1,505,000
Interest payments	250,975	234,434	412,470	288,193	234,493	183,493	130,143	73,318	1,385,280	1,270,309	1,206,822	1,135,020
Total Expenditures	1,631,774	2,849,858	2,429,470	1,830,643	1,496,493	1,495,493	1,507,143	1,750,205	3,026,780	5,185,422	3,097,795	2,640,520
Net Change in Fund Balances	(297,901)	5,112,235	(864,793)	(32,720)	242,560	256,135	260,184	(469,243)	329,457	(2,112,962)	(77,012)	256,472
Beginning Fund Balance	3,438,820	3,140,919	8,253,154	7,388,361	7,355,641	7,598,200	7,854,336	8,114,520	7,645,277	7,974,733	5,861,771	5,784,760
Ending Fund Balance	3,140,919	8,253,154	7,388,361	7,355,641	7,598,200	7,854,336	8,114,520	7,645,277	7,974,733	5,861,771	5,784,760	6,041,231
Assets												
Cash and investments	3,118,010	8,208,232	7,343,439	7,355,641	7,598,200	7,854,336	8,114,520	7,645,277	7,974,733	5,861,771	5,765,221	6,041,231
Taxes receivable	21,726	18,311	18,311	-	-	-	-	-	-	-	-	-
Special assessments receivable	440,462	377,489	377,489	260,846	226,373	191,901	157,428	122,956	88,483	54,011	19,539	-
All other receivables and prepaids	23,221	36,885	36,885	-	-	-	-	-	-	-	-	-
Total Assets	3,603,419	8,640,917	7,776,124	7,616,487	7,824,573	8,046,237	8,271,948	7,768,233	8,063,216	5,915,782	5,784,760	6,041,231
Liabilities												
All other payables	5,124	1,703	1,703	-	-	-	-	-	-	-	-	-
Deferred inflows of resources	457,376	386,060	386,060	260,846	226,373	191,901	157,428	122,956	88,483	54,011	-	-
Total Liabilities and deferred inflows	462,500	387,763	387,763	260,846	226,373	191,901	157,428	122,956	88,483	54,011	-	-
Fund Balance	3,140,919	8,253,154	7,388,361	7,355,641	7,598,200	7,854,336	8,114,520	7,645,277	7,974,733	5,861,771	5,784,760	6,041,231

Street Improvement Fund (401)

The Street Improvement Fund is used to account for the capital costs for improvement of streets, including utilities within the street right-of-way.

Revenues

The source of revenues comes from a combination of sources, including franchise fees, intergovernmental, special assessments levied against benefiting property, and transfer in from other funds, among other sources.

The property tax revenue has been removed in 2021 and equivalent Franchise Fee revenue has been increased.

In 2021, MSA bonding was issued at $1,505,000 for street improvements. The projected revenue is not sufficient to cover planned spending. Other revenues or additional bonding years may be necessary to support planned spending.

Expenditures

The expenditures of funds (capital outlay) includes engineering, construction, and all other costs related to street improvement projects. The capital outlay for 2022-2026 is based on specific projects and engineering estimates. The expenditures for capital outlay in 2027-2031 are estimates based on the pavement management model.

The respective portion of street improvements for utilities are paid directly from the Water Fund, Sanitary Sewer Fund, and Storm Water Fund and are not recorded as an expenditure of the Street Improvement Fund.

Transfers

Transfers in to the Street Improvement Fund come from other City funds. The Fund anticipates recurring transfers from the Water Fund and the Sanitary Sewer Fund in the annual amount of $250,000. Transfers are also anticipated in 2027, 2029, and 2030 from debt service funds after various bond issues are fully defeased.

Chart 21 Cash Balance and Fund Balance

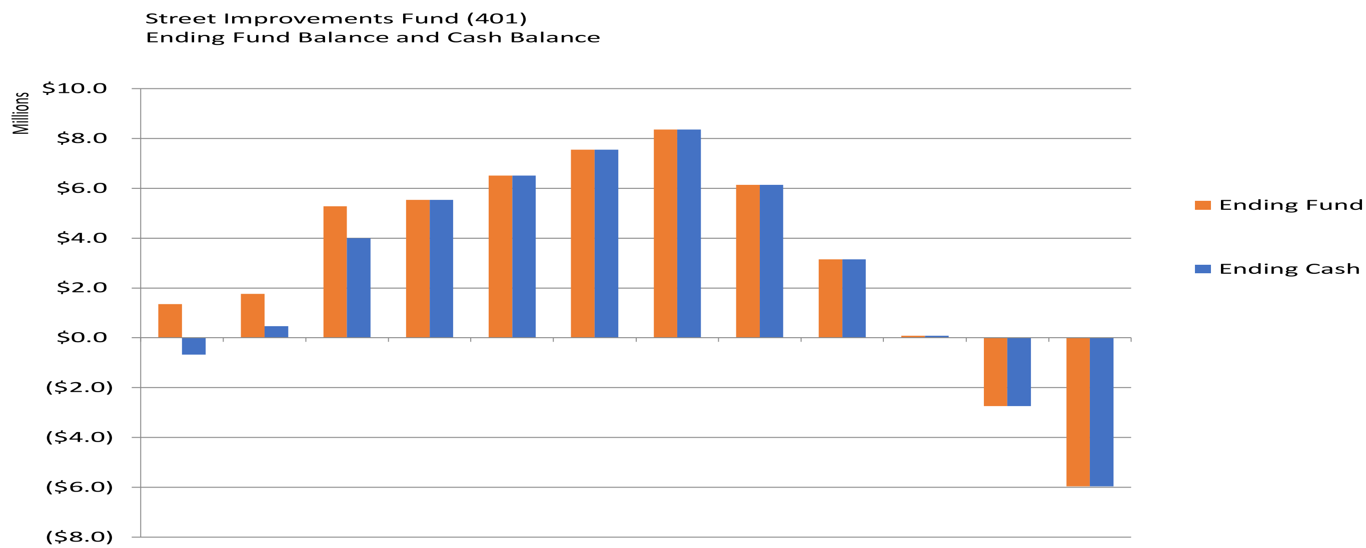
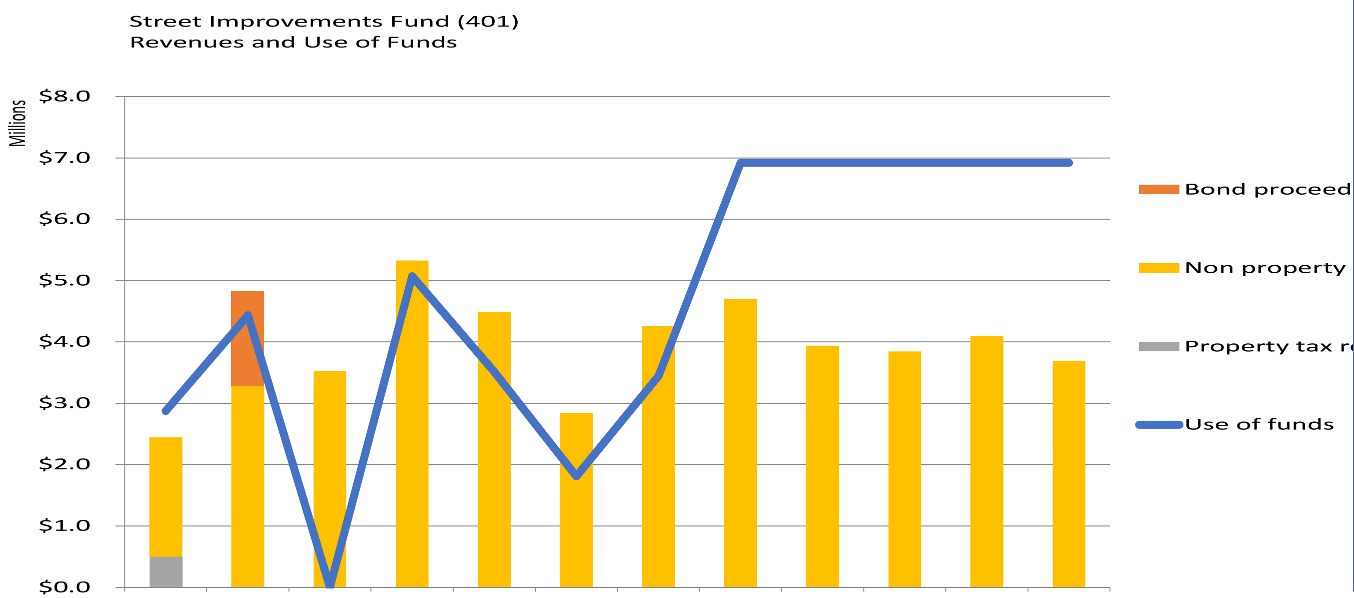


Chart 22 Source and Use of Funds



The financial plan for the Street Improvement Fund provides for an increase in cash balance over time to be used to pay for future projects not yet programmed in the CIP.

MSA Bonding of $1,505,000 was issued for street improvements in 2021.

The ending fund balance and cash balance are projected to decline with the use of funds for project expenditures. The Fund is projected to have negative ending balances beginning in 2029.

Table 11 Finance Plan

City of Faribault
Finance Plan
Street Improvement Fund (401)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	495,440	-	-	-	-	-	-	-	-	-	-	-
Franchise fees	75,000	400,000	1,900,000	1,880,000	1,880,000	1,880,000	1,880,000	1,880,000	1,880,000	1,880,000	1,880,000	1,880,000
Special assessments	198,875	520,287	-	265,567	257,719	249,870	242,021	234,173	226,324	197,693	189,802	161,925
Municipal state aid (maintenance)	100,000	100,000	74,220	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other intergovernmental	-	-	100,000	-	-	-	-	-	-	-	-	-
Investment income	56,182	5,095	24,000	79,828	110,787	130,163	150,898	167,136	122,662	63,001	1,531	(54,866)
Other miscellaneous	275,000	323,153	275,000	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	155,617	-	-	-	-	-	-	-	-	-	-	-
Taxes other	4,653	7,388	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	763,455	262,141	250,000	250,000	250,000	250,000	250,000	959,887	250,000	250,000	569,973	250,000
Intergovernmental for capital	-	1,662,108	-	2,565,000	-	-	-	-	-	-	-	-
Other revenue for capital	-	-	-	(152,465)	(128,800)	(131,250)	(128,550)	(130,850)	(128,000)	(130,150)	(127,150)	(129,150)
Municipal state aid (construction)	-	-	903,000	340,725	2,016,580	365,500	1,766,750	1,486,993	1,486,993	1,486,993	1,486,993	1,486,993
Bond proceeds	-	1,556,390	-	-	-	-	-	-	-	-	-	-
Prepaid Special Assessments	323,296	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	2,447,518	4,836,562	3,526,220	5,328,655	4,486,285	2,844,283	4,261,120	4,697,339	3,937,979	3,847,537	4,101,150	3,694,902
Expenditures												
Other services and charges	119,419	199,675	-	-	-	-	-	-	-	-	-	-
Encumbrance (budget amendment)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer out for capital	31,050	5,622	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,722,844	4,229,442	-	5,072,725	3,517,480	1,807,500	3,449,250	6,921,024	6,921,024	6,921,024	6,921,024	6,921,024
Total Expenditures	2,873,313	4,434,739	-	5,072,725	3,517,480	1,807,500	3,449,250	6,921,024	6,921,024	6,921,024	6,921,024	6,921,024
Net Change in Fund Balances	(425,795)	401,823	3,526,220	255,930	968,805	1,036,783	811,870	(2,223,685)	(2,983,045)	(3,073,487)	(2,819,874)	(3,226,122)
Ending Fund Balance	1,355,356	1,757,179	5,283,399	5,539,329	6,508,135	7,544,917	8,356,787	6,133,102	3,150,057	76,570	(2,743,304)	(5,969,426)

Park Improvement Fund (404)

The Park Improvement Fund is used to account for the capital improvement and equipment acquisition for City parks and related receipt of revenue.

Revenues

The majority of the revenues come from franchise fees. Property tax levy has been eliminated in 2021 with an increase in franchise fees to offset the difference. Other intergovernmental revenue comes from specific grants or dedicated funds for park improvements.

An additional $250,000 is anticipated in 2025 through fund raising for an inclusive playground.

Expenditures

The expenditures are for capital improvements to the City's parks. Additional expenditures for the viaduct park improvements are not included in the plan at this time. A funding source will be necessary to complete these improvements and has not yet been determined.

Transfers

In 2021, the Park Improvement Fund received a transfer in of $500,000 from the General Fund for future capital. The Fund does not anticipate any annual transfers, neither to nor from other funds.

Chart 23 Cash Balance and Fund Balance

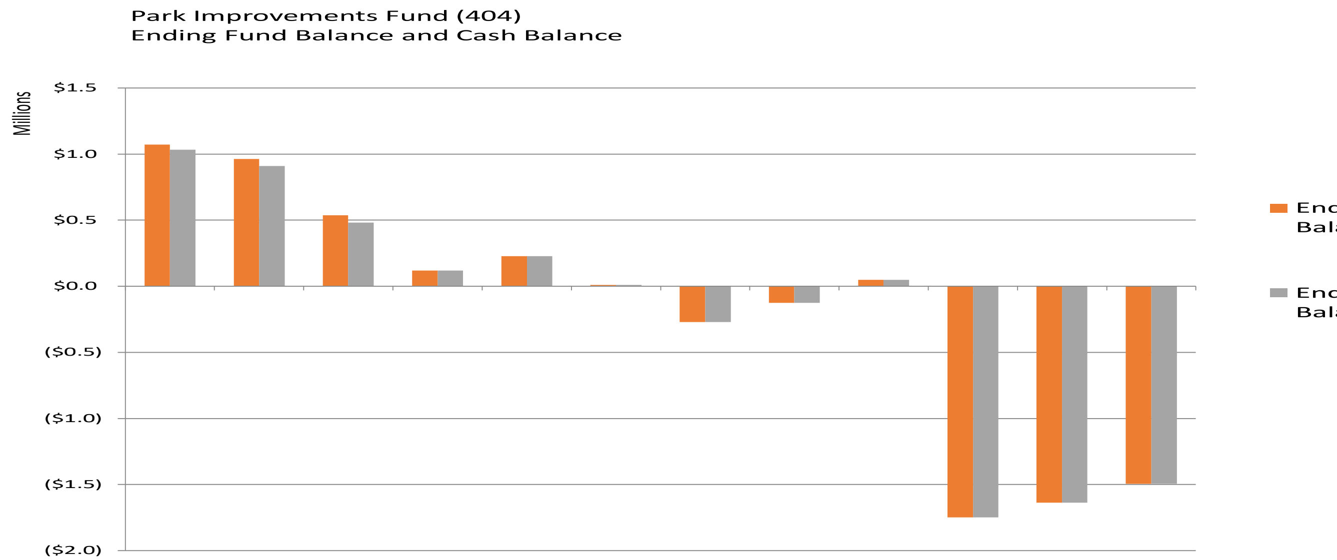
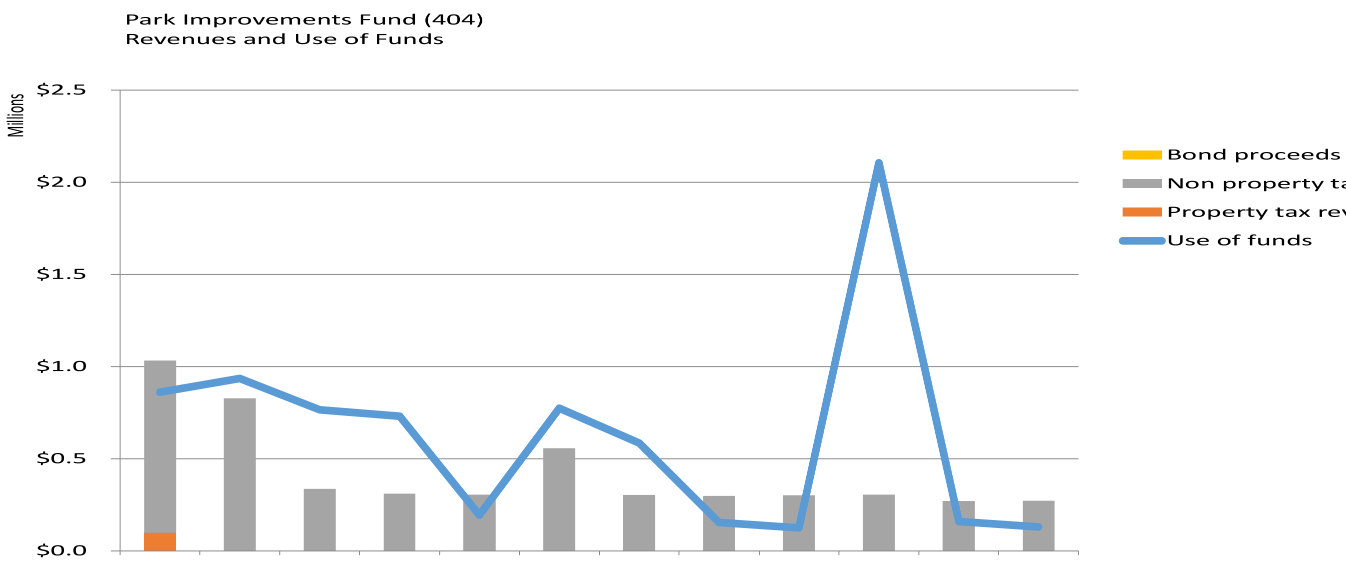


Chart 24 Source and Use of Funds



The Park Improvement Fund anticipates capital spending that varies from year to year, with the use of cash on hand in certain years to fund projects.

In addition to the CIP projects, funding will also need to be added in 2023 and 2024 for potential viaduct park improvements.

The negative cash results from planned capital expenditures in excess of projected available revenues. Management may need to consider changes to the planned capital spending or other revenue sources to fund these projects.

Table 12 Finance Plan

City of Faribault
Finance Plan
Park Improvement Fund (404)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	99,079	-	-	-	-	-	-	-	-	-	-	-
Franchise fees	231,858	207,650	251,500	251,500	251,500	251,500	251,500	251,500	251,500	251,500	251,500	251,500
Charges for services	-	50,000	50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684
Investment income	21,534	(2,442)	11,100	9,651	2,368	4,566	218	(5,408)	(2,535)	1,006	(34,972)	(32,758)
Other miscellaneous	726	34,183	25,000	-	-	250,000	-	-	-	-	-	-
Transfer in other	590,911	538,446	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	88,049	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,032,157	827,837	337,600	311,651	304,873	557,581	303,748	298,643	302,041	306,113	270,671	273,426
Expenditures												
Other services and charges	69,261	55,910	-	-	-	-	-	-	-	-	-	-
Encumbrance (budget amendment)	-	-	495,178	-	-	-	-	-	-	-	-	-
Capital outlay	791,040	880,062	270,000	730,000	195,000	775,000	585,000	155,000	125,000	2,105,000	160,000	130,000
Total Expenditures	860,301	935,972	765,178	730,000	195,000	775,000	585,000	155,000	125,000	2,105,000	160,000	130,000
Net Change in Fund Balances	171,856	(108,135)	(427,578)	(418,349)	109,873	(217,419)	(281,252)	143,643	177,041	(1,798,887)	110,671	143,426
Ending Fund Balance	1,072,483	964,348	536,770	118,421	228,294	10,875	(270,377)	(126,734)	50,307	(1,748,580)	(1,637,908)	(1,494,482)

Capital Replacement Fund (431)

The Capital Replacement Fund is used to account for equipment and vehicle acquisition and the receipt of revenue for this purpose.

Revenues

The source of revenue comes from franchise fees and investment income. Property tax revenues were eliminated in 2021 and offset by franchise fees going forward.

Intergovernmental revenue of $92,000 is anticipated in 2022 from the Rural Fire Association to pay for a portion of the costs of replacement of a fire pumper truck.

The Fund is not projected to have sufficient cash, based on projected revenues, to pay for the planned capital outlay without bonding or other revenue sources to fund these planned capital items.

Expenditures

The expenditure of funds is for the acquisition of equipment and vehicles. This includes police and fire vehicles and equipment.

Transfers

Transfers are also anticipated in 2023 from debt service funds after bond issues are fully defeased. The Fund does not anticipate any recurring transfers in.

Chart 25 Cash Balance and Fund Balance

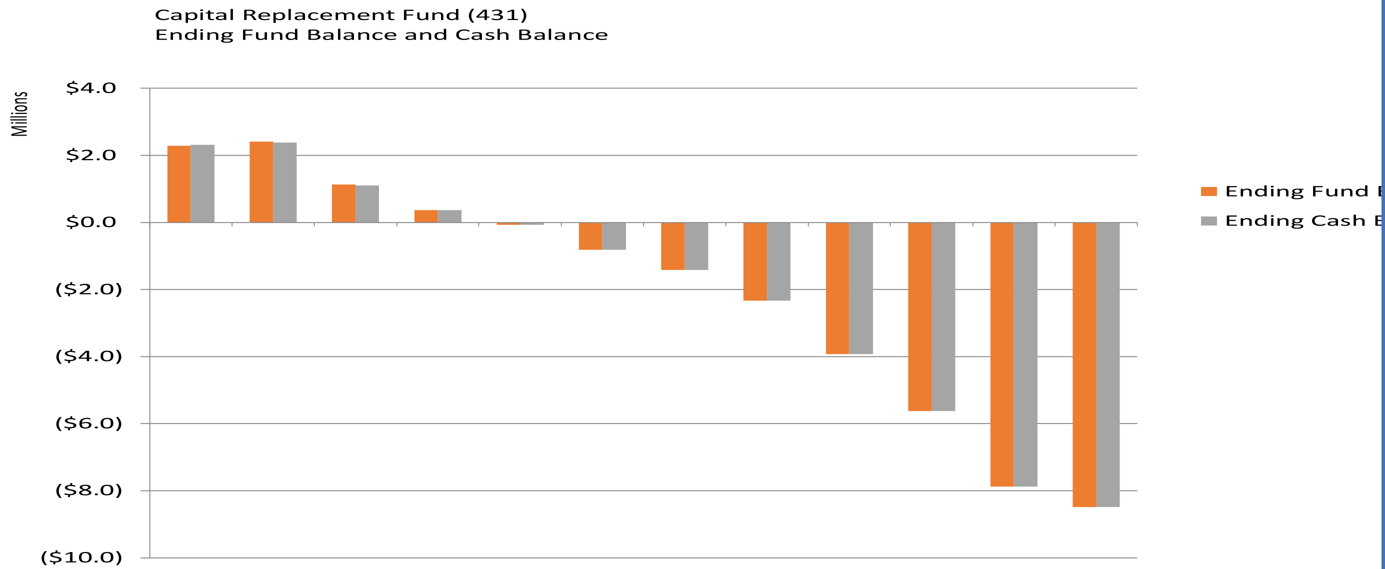
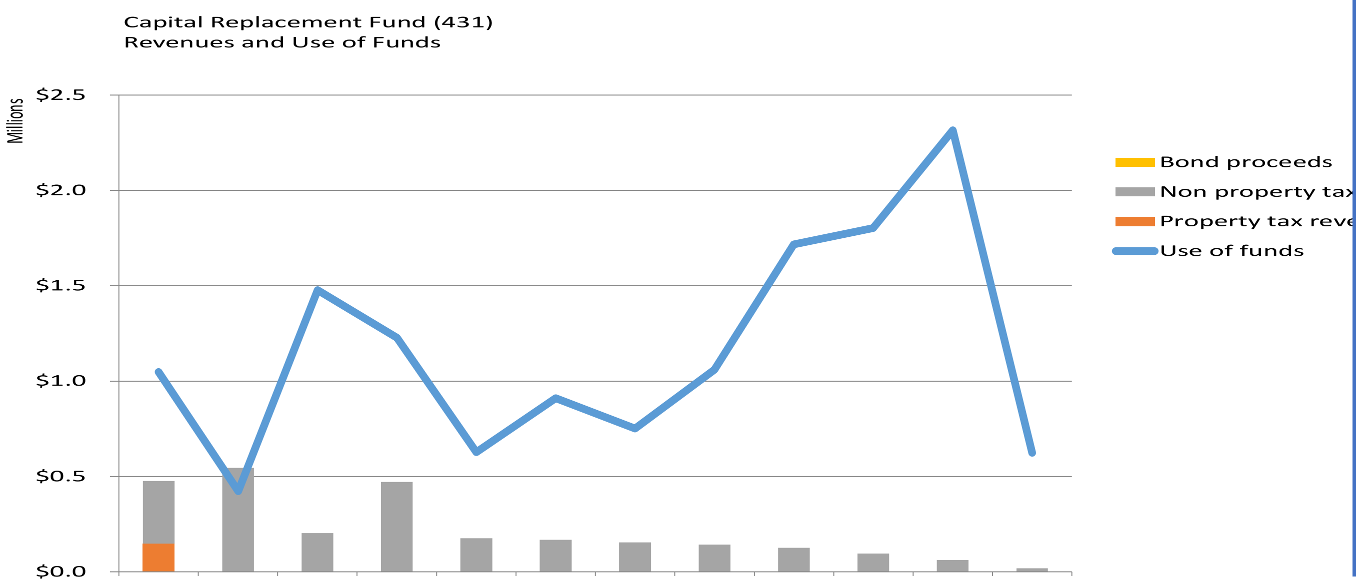


Chart 26 Source and Use of Funds



The Capital Replacement Fund anticipates capital spending that varies from year to year, with the use of cash on hand in certain years to fund projects.

The negative cash results from planned capital expenditures in excess of projected available revenues. Management may need to consider changes to the planned capital spending or other revenue sources to fund these projects.

Table 13 Finance Plan

City of Faribault
Finance Plan
Capital Replacement Fund (431)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	148,664	-	-	-	-	-	-	-	-	-	-	-
Franchise fees	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Investment income	76,264	(13,317)	36,000	22,177	7,523	(1,490)	(16,324)	(28,256)	(46,587)	(78,426)	(112,561)	(157,620)
Other miscellaneous	4,882	2,500	92,000	92,920	93,849	94,788	95,736	96,693	97,660	98,636	99,623	100,619
Proceeds from sale of assets	60,420	15,300	-	-	-	-	-	-	-	-	-	-
Transfer in other	185,000	463,707	-	280,450	-	-	-	-	-	-	-	-
Taxes other	939	1,944	-	-	-	-	-	-	-	-	-	-
Total Revenues	476,169	545,134	203,000	470,547	176,372	168,298	154,412	143,437	126,073	95,211	62,062	17,999
Expenditures												
Materials and supplies	65,111	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	7,900	1,291	-	-	-	-	-	-	-	-	-	-
Encumbrance (budget amendment)	-	-	65,360	-	-	-	-	-	-	-	-	-
Transfer out for capital	-	10,000	-	-	-	-	-	-	-	-	-	-
Capital outlay	974,122	410,806	1,412,362	1,227,739	627,000	910,000	751,000	1,060,000	1,718,000	1,802,000	2,315,000	624,000
Total Expenditures	1,047,133	422,097	1,477,722	1,227,739	627,000	910,000	751,000	1,060,000	1,718,000	1,802,000	2,315,000	624,000
Net Change in Fund Balances	(570,964)	123,037	(1,274,722)	(757,192)	(450,628)	(741,702)	(596,588)	(916,563)	(1,591,927)	(1,706,789)	(2,252,938)	(606,001)
Ending Fund Balance	2,285,010	2,408,047	1,133,325	376,133	(74,495)	(816,197)	(1,412,785)	(2,329,348)	(3,921,275)	(5,628,064)	(7,881,003)	(8,487,004)

Public Facilities Fund (437)

The Public Facilities Fund is used to account for capital improvements to municipal general government facilities and the receipt of revenue for this purpose.

Revenues

The source of revenue comes from franchise fees and investment income. Property tax revenues were eliminated in 2021 and offset by franchise fees going forward.

Bond proceeds are anticipated in future years to pay for major planned improvement projects, including a new community center, Fire Station No. 2, and roof repairs.

Expenditures

The expenditure of funds is for facility improvements.

Major projects are included in the following years, in addition to other annual project spending and financing costs:

- Year 2027 includes $30 million for construction costs of a new community center
- Year 2028 includes $8 million for construction of an additional fire station
- Year 2029 includes $2 million for roof replacement for the public works facility

Bonding is anticipated to finance these major projects. The debt service on the bonds will be accounted for in the Debt Service Fund. The Plan anticipates the increase in debt service on the bonds to be issued for these projects.

Transfers

Transfers in to the Public Facilities Fund come from other City funds, including the General Fund.

A recurring total transfer of $25,000 (internal franchise fee) is anticipated to come from the Water Fund and the Sanitary Sewer Fund.

Chart 27 Cash Balance and Fund Balance

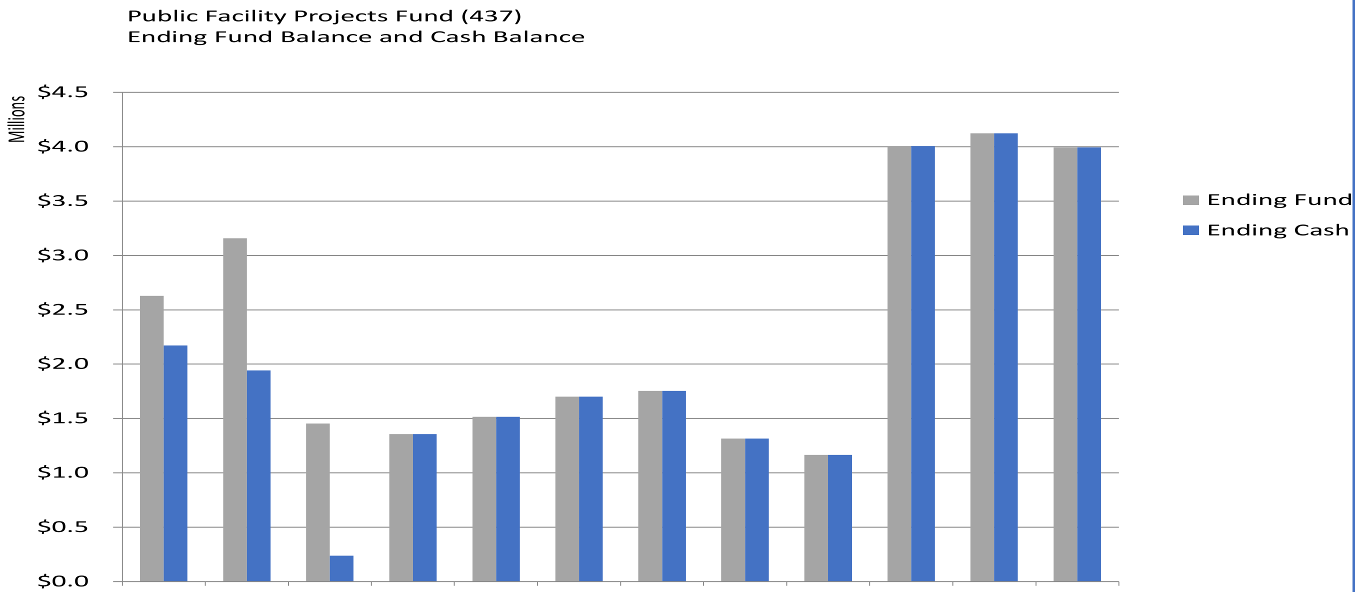
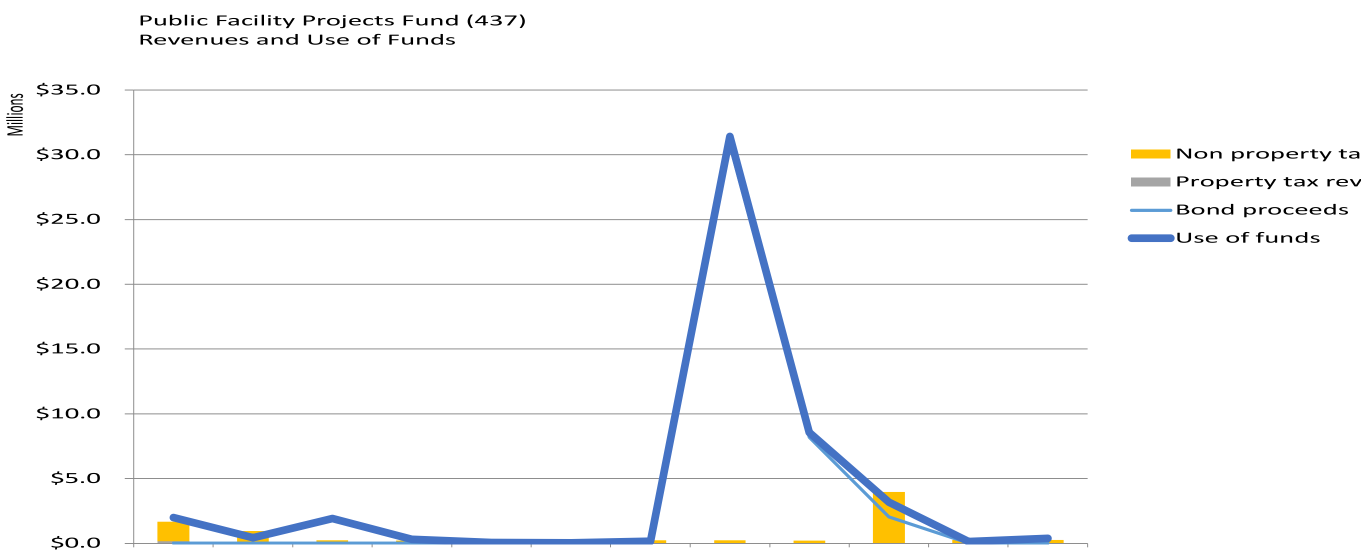


Chart 28 Source and Use of Funds



The projected franchise fee revenue of $162,000 annually for the Public Facilities Plan is not projected to be sufficient to pay for planned major facility improvements.

To support the planned capital spending, the Plan anticipates the issuance of bonds in 2027 for a new community center, in 2028 for an additional fire station, and in 2029 for major roof repairs to public works facility.

Table 14 Finance Plan

City of Faribault
Finance Plan
Public Facilities Fund (437)

	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	148,664	-	-	-	-	-	-	-	-	-	-	-
Franchise fees	87,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000
Other intergovernmental	556,240	-	-	-	-	-	-	-	-	-	-	-
Investment income	74,413	(10,255)	38,000	27,462	27,134	30,297	34,042	35,063	26,305	23,271	80,148	82,491
Other miscellaneous	20	24,566	-	-	-	-	-	-	-	1,320,000	-	-
Proceeds from sale of assets	515,568	-	-	-	-	-	-	-	-	-	-	-
Taxes other	412	1,387	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	284,875	775,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	2,458,613	25,000	25,000
Bond proceeds	-	-	-	-	-	-	-	30,750,000	8,200,000	2,050,000	-	-
Total Revenues	1,667,192	952,698	225,000	214,462	214,134	217,297	221,042	30,972,063	8,413,305	6,013,884	267,148	269,491
Expenditures												
Other services and charges	785,699	100,691	-	-	-	-	-	-	-	-	-	-
Transfer out for capital	379,137	32,824	-	-	-	-	-	-	-	-	-	-
Capital outlay	824,419	288,190	1,931,531	310,000	56,000	30,000	170,000	31,410,000	8,565,000	3,170,000	150,000	400,000
Total Expenditures	1,989,255	421,705	1,931,531	310,000	56,000	30,000	170,000	31,410,000	8,565,000	3,170,000	150,000	400,000
Net Change in Fund Balances	(322,063)	530,993	(1,706,531)	(95,538)	158,134	187,297	51,042	(437,937)	(151,695)	2,843,884	117,148	(130,509)
Ending Fund Balance	2,627,768	3,158,761	1,452,230	1,356,692	1,514,826	1,702,122	1,753,165	1,315,228	1,163,533	4,007,416	4,124,565	3,994,056

Appendix A Property Tax Projection Summary

PROPERTY TAX PROJECTION SUMMARY

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
TAX LEVY INCREASES (DECREASES)											
GENERAL FUND TAX LEVY CHANGE											
From Non Tax Revenue Changes											
Franchise fees	(245,000)	(5,000)	10,000	-	-	-	-	-	-	-	-
Sales tax and lodging tax	-	-	-	-	-	-	-	-	-	-	-
Special assessments	1,000	11,500	5,100	-	-	-	-	-	-	-	-
Licenses and permits	(5,855)	17,605	(4,787)	(4,835)	(4,883)	(4,932)	(4,981)	(5,031)	(5,081)	(5,132)	(5,184)
Local governmant aid	(88,053)	(41,448)	-	-	-	-	-	-	-	-	-
Police and fire aid	(28,150)	19,150	(35,200)	(4,752)	(4,800)	(4,848)	(4,896)	(4,945)	(4,994)	(5,044)	(5,095)
Municipal state aid (maintenance)	-	25,780	(23,906)	(2,231)	(2,254)	(2,276)	(2,299)	(2,322)	(2,345)	(2,369)	(2,392)
Other intergovernmental	(6,765)	(130,811)	(5,324)	(5,377)	(5,431)	(5,485)	(5,540)	(5,596)	(5,651)	(5,708)	(5,765)
Charges for services	640,550	26,750	(14,042)	(14,183)	(14,325)	(14,468)	(14,613)	(14,759)	(14,906)	(15,055)	(15,206)
Fines and forfeitures	(9,000)	4,000	(1,410)	(1,424)	(1,438)	(1,453)	(1,467)	(1,482)	(1,497)	(1,512)	(1,527)
Investment income	800	(23,500)	(109,513)	(661)	-	-	-	-	-	-	-
Other miscellaneous	(317,071)	297,851	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Transfer in other	200,000	-	-	-	-	-	-	-	-	-	-
Taxes other	-	(126,750)	(2,053)	(2,073)	(2,094)	(2,115)	(2,136)	(2,157)	(2,179)	(2,201)	(2,223)
Transfer in for capital	-	(130,000)	130,000	-	-	-	-	-	-	-	-
Intergovernmental for capital	-	(1,305,759)	1,305,759	-	-	-	-	-	-	-	-
Other revenue for capital	-	-	-	-	-	-	-	-	-	-	-
Municipal state aid (construction)	-	-	-	-	-	-	-	-	-	-	-
Subtotal	142,456	(1,360,632)	1,254,623	(35,537)	(35,224)	(35,576)	(35,932)	(36,291)	(36,654)	(37,021)	(37,391)
From Expense Changes											
Personnel	636,969	425,955	570,241	585,483	608,902	633,258	658,588	1,414,422	717,861	766,548	797,081
Other Current Expenditures	133,861	(185,662)	229,272	240,735	252,772	265,411	278,681	292,615	307,246	322,609	338,739
Capital	-	-	-	-	-	-	-	-	-	-	-
Nonoperating expenses	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	1,305,759	(1,305,759)	-	-	-	-	-	-	-	-
Subtotal	770,830	1,546,052	(506,246)	826,218	861,674	898,669	937,270	1,707,037	1,025,108	1,089,157	1,135,820
Impact of Change to Budgeted (Use) of Fund Balance Reserves	1,000	-	-	-	-	-	-	-	-	-	-
GENERAL FUND TAX LEVY CHANGE	914,286	185,420	748,377	790,682	826,450	863,093	901,338	1,670,746	988,453	1,052,136	1,098,429
OTHER FUNDS TAX LEVY CHANGE											
Community Development Fund(240)	100,000	360,124	(90,449)	(66,151)	(217,854)	(81,428)	(157,237)	(11,608)	-	-	-
Library Fund (224)	-	-	-	-	-	-	-	-	-	-	-
Airport Fund (225)	(10,000)	(10,000)	(10,000)	-	-	-	-	-	-	-	-
Street Improvement Fund (401)	(500,000)	-	-	-	-	-	-	-	-	-	-
Park Improvement Fund (404)	(100,000)	-	-	-	-	-	-	-	-	-	-
Capital Replacement Fund (431)	(150,000)	-	-	-	-	-	-	-	-	-	-
Public Facilities Fund (437)	(150,000)	-	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	305,329	(138,732)	145,507	(58,694)	1,995	10,027	(487,018)	938,268	(69,978)	60,666	(101,806)
OTHER FUNDS TAX LEVY CHANGE	(504,671)	211,392	45,058	(124,845)	(215,859)	(71,401)	(644,255)	926,660	(69,978)	60,666	(101,806)
TOTAL TAX LEVY CHANGE	409,615	396,812	793,435	665,837	610,592	791,692	257,083	2,597,406	918,475	1,112,802	996,623
TAX LEVY											
General Fund (101)	8,502,335	8,687,755	9,436,132	10,226,814	11,053,264	11,916,357	12,817,694	14,488,440	15,476,894	16,529,029	17,627,459
Community Development Fund(240)	264,602	624,726	534,277	468,127	250,273	168,845	11,608	-	-	-	-
Library Fund (224)	-	-	-	-	-	-	-	-	-	-	-
Airport Fund (225)	20,000	10,000	-	-	-	-	-	-	-	-	-
Street Improvement Fund (401)	-	-	-	-	-	-	-	-	-	-	-
Park Improvement Fund (404)	-	-	-	-	-	-	-	-	-	-	-
Capital Replacement Fund (431)	-	-	-	-	-	-	-	-	-	-	-
Public Facilities Fund (437)	-	-	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	1,375,329	1,236,597	1,382,104	1,323,410	1,325,405	1,335,432	848,414	1,786,682	1,716,704	1,777,370	1,675,564
TOTAL TAX LEVY	**10,162,266**	**10,559,078**	**11,352,513**	**12,018,350**	**12,628,942**	**13,420,634**	**13,677,716**	**16,275,122**	**17,193,597**	**18,306,399**	**19,303,023**

Appendix B City Taxes Payable by Example Properties

City of Faribault

City Property Taxes Payable by Example Properties

			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Estimated Annual Change in Market Value of Example Properties:		3%	5%	4%	3%	3%	2%	2%	2%	2%	2%
Valuation	Residential	$250,000	$256,250	$269,063	$279,825	$288,220	$296,866	$302,804	$308,860	$315,037	$321,338	$327,764
	Residential	$300,000	$307,500	$322,875	$335,790	$345,864	$356,240	$363,364	$370,632	$378,044	$385,605	$393,317
	Residential	$350,000	$358,750	$376,688	$391,755	$403,508	$415,613	$423,925	$432,404	$441,052	$449,873	$458,870
	Residential	$500,000	$512,500	$538,125	$559,650	$576,440	$593,733	$605,607	$617,719	$630,074	$642,675	$655,529
	Commercial	$1,000,000	$1,025,000	$1,076,250	$1,119,300	$1,152,879	$1,187,465	$1,211,215	$1,235,439	$1,260,148	$1,285,351	$1,311,058
	Commercial	$2,000,000	$2,050,000	$2,152,500	$2,238,600	$2,305,758	$2,374,931	$2,422,429	$2,470,878	$2,520,296	$2,570,701	$2,622,115
	Commercial	$3,000,000	$3,075,000	$3,228,750	$3,357,900	$3,458,637	$3,562,396	$3,633,644	$3,706,317	$3,780,443	$3,856,052	$3,933,173
	Commercial	$4,000,000	$4,100,000	$4,305,000	$4,477,200	$4,611,516	$4,749,861	$4,844,859	$4,941,756	$5,040,591	$5,141,403	$5,244,231
Tax Capacity Taxes	Residential $250,000	$1,237	$1,267	$1,262	$1,352	$1,437	$1,547	$1,581	$1,887	$1,995	$2,131	$2,254
	Residential $300,000	$1,523	$1,559	$1,551	$1,660	$1,763	$1,897	$1,938	$2,311	$2,443	$2,608	$2,758
	Residential $350,000	$1,810	$1,852	$1,840	$1,968	$2,089	$2,245	$2,289	$2,725	$2,874	$3,063	$3,232
	Residential $500,000	$3,286	$3,353	$3,316	$3,533	$3,738	$4,010	$4,088	$4,866	$5,133	$5,469	$5,772
	Commercial $1,000,000	$10,515	$10,728	$10,610	$11,305	$11,962	$12,831	$13,081	$15,572	$16,424	$17,501	$18,470
	Commercial $2,000,000	$21,030	$21,456	$21,220	$22,609	$23,925	$25,663	$26,162	$31,145	$32,849	$35,001	$36,940
	Commercial $3,000,000	$31,545	$32,185	$31,830	$33,914	$35,887	$38,494	$39,243	$46,717	$49,273	$52,502	$55,410
	Commercial $4,000,000	$42,059	$42,913	$42,440	$45,219	$47,850	$51,325	$52,325	$62,289	$65,697	$70,002	$73,880
Annual % Change in Total Taxes	Residential $250,000		2.4%	-0.4%	7.1%	6.2%	7.7%	2.2%	19.3%	5.7%	6.8%	5.8%
	Residential $300,000		2.3%	-0.5%	7.0%	6.2%	7.6%	2.2%	19.3%	5.7%	6.8%	5.7%
	Residential $350,000		2.3%	-0.6%	7.0%	6.1%	7.5%	1.9%	19.0%	5.5%	6.6%	5.5%
	Residential $500,000		2.0%	-1.1%	6.5%	5.8%	7.3%	1.9%	19.0%	5.5%	6.6%	5.5%
	Commercial $1,000,000		2.0%	-1.1%	6.5%	5.8%	7.3%	1.9%	19.0%	5.5%	6.6%	5.5%
	Commercial $2,000,000		2.0%	-1.1%	6.5%	5.8%	7.3%	1.9%	19.0%	5.5%	6.6%	5.5%
	Commercial $3,000,000		2.0%	-1.1%	6.5%	5.8%	7.3%	1.9%	19.0%	5.5%	6.6%	5.5%
	Commercial $4,000,000		2.0%	-1.1%	6.5%	5.8%	7.3%	1.9%	19.0%	5.5%	6.6%	5.5%
Annual $ Change in Total Taxes	Residential $250,000		30	(5)	90	84	110	34	306	108	136	123
	Residential $300,000		36	(8)	109	102	134	41	374	131	165	150
	Residential $350,000		42	(11)	128	120	157	44	436	149	188	170
	Residential $500,000		67	(37)	217	206	272	78	778	266	336	303
	Commercial $1,000,000		213	(118)	695	658	869	250	2,491	852	1,076	969
	Commercial $2,000,000		427	(236)	1,389	1,315	1,738	500	4,982	1,704	2,153	1,939
	Commercial $3,000,000		640	(354)	2,084	1,973	2,607	749	7,474	2,556	3,229	2,908
	Commercial $4,000,000		853	(473)	2,779	2,631	3,476	999	9,965	3,408	4,305	3,878

Appendix C Property Tax Levy for Debt Service

City of Faribault
Debt Service Tax Levy by Fund and Series (Includes Existing and Planned New Debt Issuance)*

Year	Total Tax Levy for Debt Service	Tax Levy for Existing Debt	Tax Levy for Planned New Debt
2021	1,378,286	1,378,286	0
2022	1,236,597	1,236,597	0
2023	1,382,104	1,382,104	0
2024	1,323,410	1,323,410	0
2025	1,325,405	1,325,405	0
2026	1,335,432	1,335,432	0
2027	848,414	848,414	0
2028	1,786,682	640,738	1,145,944
2029	1,716,704	179,276	1,537,428
2030	1,777,370	76,956	1,700,414
2031	1,675,564	0	1,675,564
2032	1,671,311	0	1,671,311
2033	1,668,975	0	1,668,975
2034	1,671,101	0	1,671,101
2035	1,677,533	0	1,677,533
2036	1,672,361	0	1,672,361
2037	1,674,278	0	1,674,278
2038	1,675,170	0	1,675,170
2039	1,667,164	0	1,667,164
2040	1,422,120	0	1,422,120
2041	1,422,251	0	1,422,251
2042	1,421,516	0	1,421,516
2043	1,422,540	0	1,422,540
2044	1,422,619	0	1,422,619
2045	1,421,753	0	1,421,753
2046	1,422,566	0	1,422,566

Appendix D Property Tax Levy by Bond Series

City of Faribault

Tax Levies by Year by Fund*

	Series	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total All Funds		**1,378,286**	**1,236,597**	**1,382,104**	**1,323,410**	**1,325,405**	**1,335,432**	**848,414**	**1,786,682**	**1,716,704**	**1,777,370**	**1,675,564**
344	2012A	981,130	-	-	-	-	-	-	-	-	-	-
345	2014A Improv	96,944	94,109	-	-	-	-	-	-	-	-	-
346	2015A Improv	73,990	76,563	78,977	75,985	73,990	77,245	74,882	77,770	74,738	76,956	-
347	2015A Refund	187,123	187,648	188,016	182,976	184,866	186,651	187,884	-	-	-	-
349	2021A.3	-	845,438	1,115,111	1,064,449	1,066,549	1,071,536	585,648	562,968	104,538	-	-
360.1	2011A	-	-	-	-	-	-	-	-	-	-	-
360.2	2014A Equip	39,099	32,839	-	-	-	-	-	-	-	-	-
F_Project4	Project4	-	-	-	-	-	-	-	-	612,220	492,713	495,968
F_Project5	Project5	-	-	-	-	-	-	-	1,145,944	925,208	924,709	926,441
F_Project6	Project6	-	-	-	-	-	-	-	-	-	282,993	253,155

Appendix E Bond Series

Series	Year Issued	Purpose	Issuance Amount	Maturity Year
2011A	2011	Equipment Certificates	$ 1,885,000	2021
2014A	2014	Equipment Certificates	$ 305,000	2024
2012A	2012	Refunding 2006A-Public Works Facility	$ 5,595,000	2027
2007A	2007	Street Improvements	$ 1,990,000	2028
2012A	2012	Refunding 2008A-Police & Public Safety Bldg	$ 4,315,000	2029
PFA 2009	2009	Sanitary Sewer PFA Revenue Note	$ 21,268,552	2029
2014A	2014	Street Improvements	$ 1,550,000	2029
2015A	2007	Street Improvements	$ 1,685,000	2030
2015A	2015	Street Improvements	$ 1,375,000	2030
2021A	2021	Street Improvements	$ 1,505,000	2031
PFA 2019	2019	Water Treatment Plant PFA Revenue Note	$ 10,205,719	2039
	2013	Airport Loan	$ 615,000	2023

Appendix F Special Assessments

City of Faribault

Special Assessments

Includes Projections for Future Special Assessments to be Certified for Improvement Projects

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Principal to be Collected (Projected)										
Debt Service Fund 101	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 346	34,472	34,472	34,472	34,472	34,472	34,472	34,472	34,472	19,539	-
Debt Service Fund 347	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	204,071	198,767	188,705	188,705	188,705	188,705	188,705	188,705	167,923	166,945
Debt Service Fund 601	8,947	5,979	37,088	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Debt Service Fund 602	2,479	2,479	2,479	1,063	1,063	1,063	1,063	1,063	-	-
Debt Service Fund 603	-	-	-	-	-	-	-	-	-	-
Interest to be Collected (Projected)										
Debt Service Fund 101	646	-	-	-	-	-	-	-	-	-
Debt Service Fund 346	13,289	11,738	10,187	8,636	7,084	5,533	3,982	2,430	879	-
Debt Service Fund 347	1,527	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	93,941	85,303	76,862	69,013	61,165	53,316	45,468	37,619	29,770	22,857
Debt Service Fund 601	1,916	599	15,816	14,553	13,514	12,474	11,435	10,395	9,356	8,316
Debt Service Fund 602	1,472	561	400	239	191	143	96	48	-	-
Debt Service Fund 603	-	-	-	-	-	-	-	-	-	-
Balances Outstanding to be Collected (Projected)										
Debt Service Fund 101	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 346	295,318	260,846	226,373	191,901	157,428	122,956	88,483	54,011	19,539	-
Debt Service Fund 347	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	2,288,729	2,084,659	1,885,892	1,697,187	1,508,482	1,319,776	1,131,071	942,366	753,661	585,738
Debt Service Fund 601	19,014	10,067	499,088	462,000	429,000	396,000	363,000	330,000	297,000	264,000
Debt Service Fund 602	12,750	10,271	7,792	5,313	4,250	3,188	2,125	1,063	-	-
Debt Service Fund 603	-	-	-	-	-	-	-	-	-	-

City Of Faribault

Council Work Session

Tuesday, July 5, 2022

Long-Term Financial Management Plan

Budget Work Session #2

The Plan is intended to serve as a guide for the long-term financial management of City Funds

Revenue Sufficiency

Levy & Rate Calculations

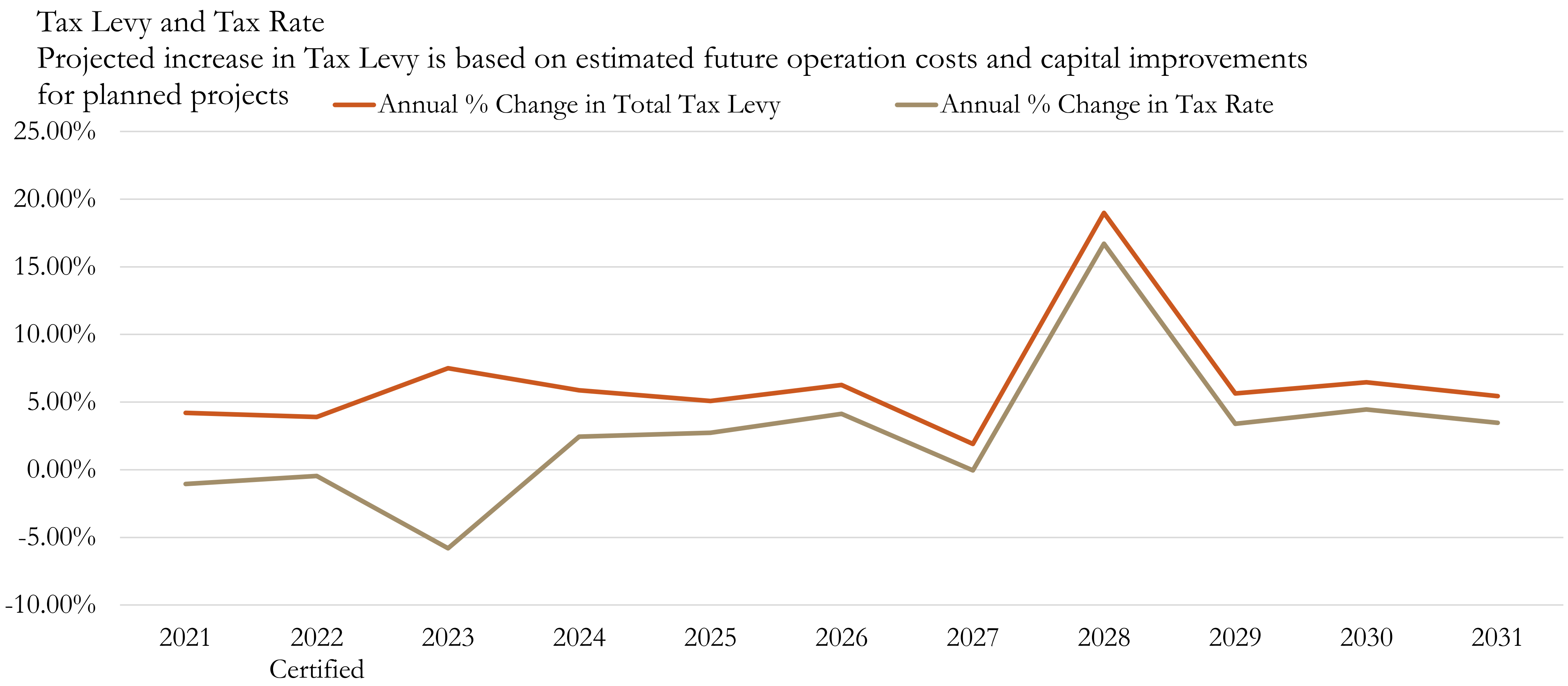
Revenue Sufficiency

- Revenue to meet current and future obligations
- Meet City fund balance policy for General Fund
  - 35% - 50% of annual expenditures
  - Goal of the Plan closer to 50%
- Maintain Reserves for future capital needs

Levy & Rate Calculations

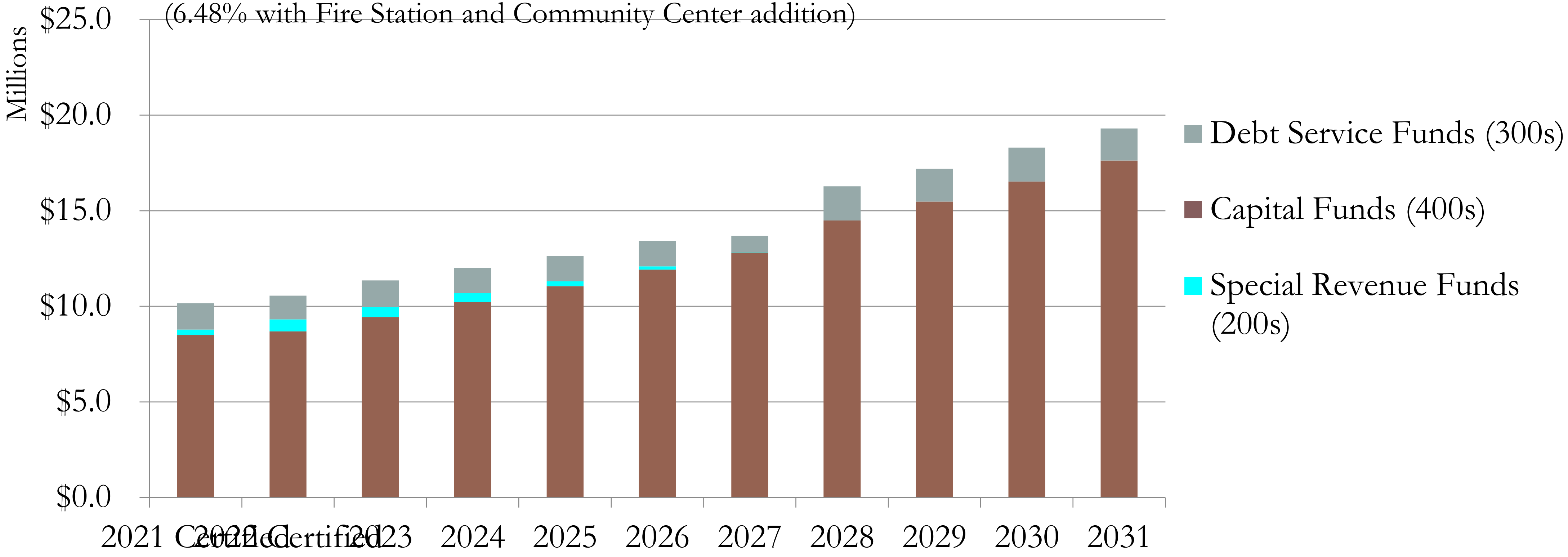
- City Council certifies annual property tax levy
- Tax rate is calculated by the County

City Tax Levy and Tax Rate



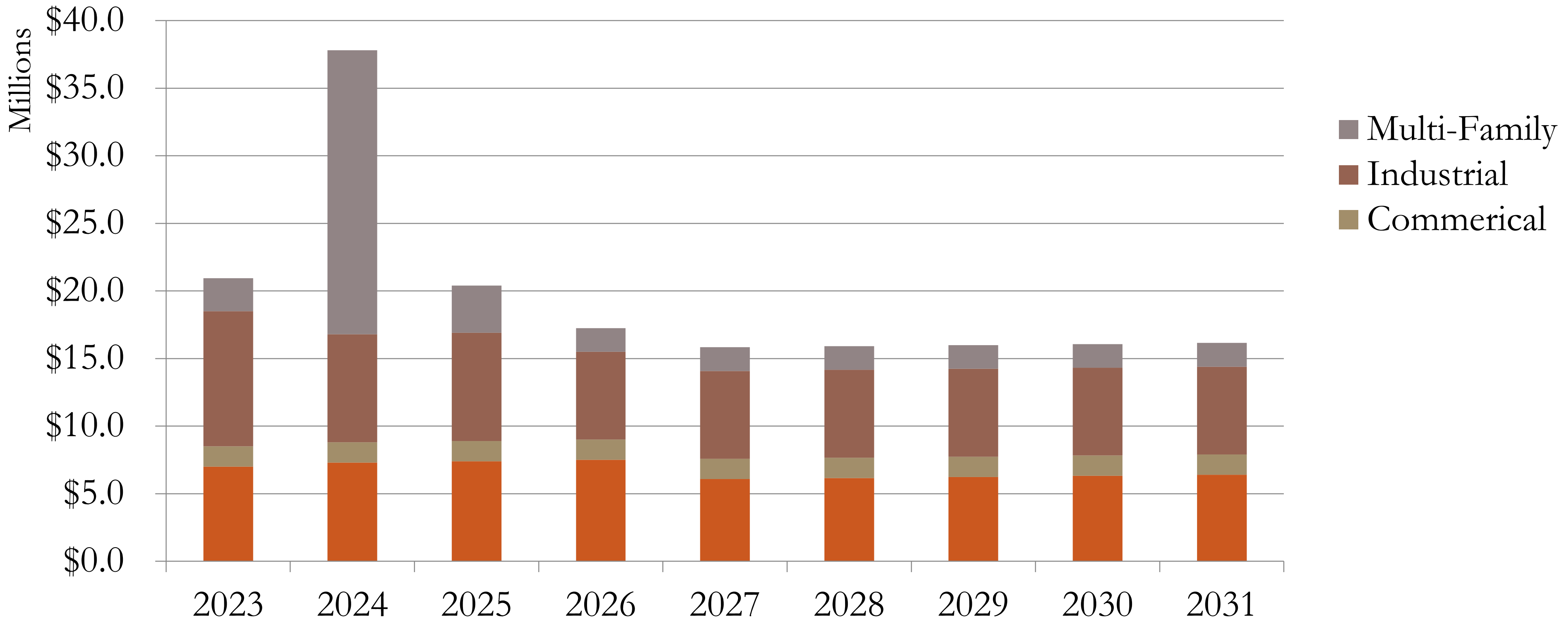
City Tax Levy

Total City Tax Levy All City Funds is projected to average a 5.23% average annual increase (6.48% with Fire Station and Community Center addition)

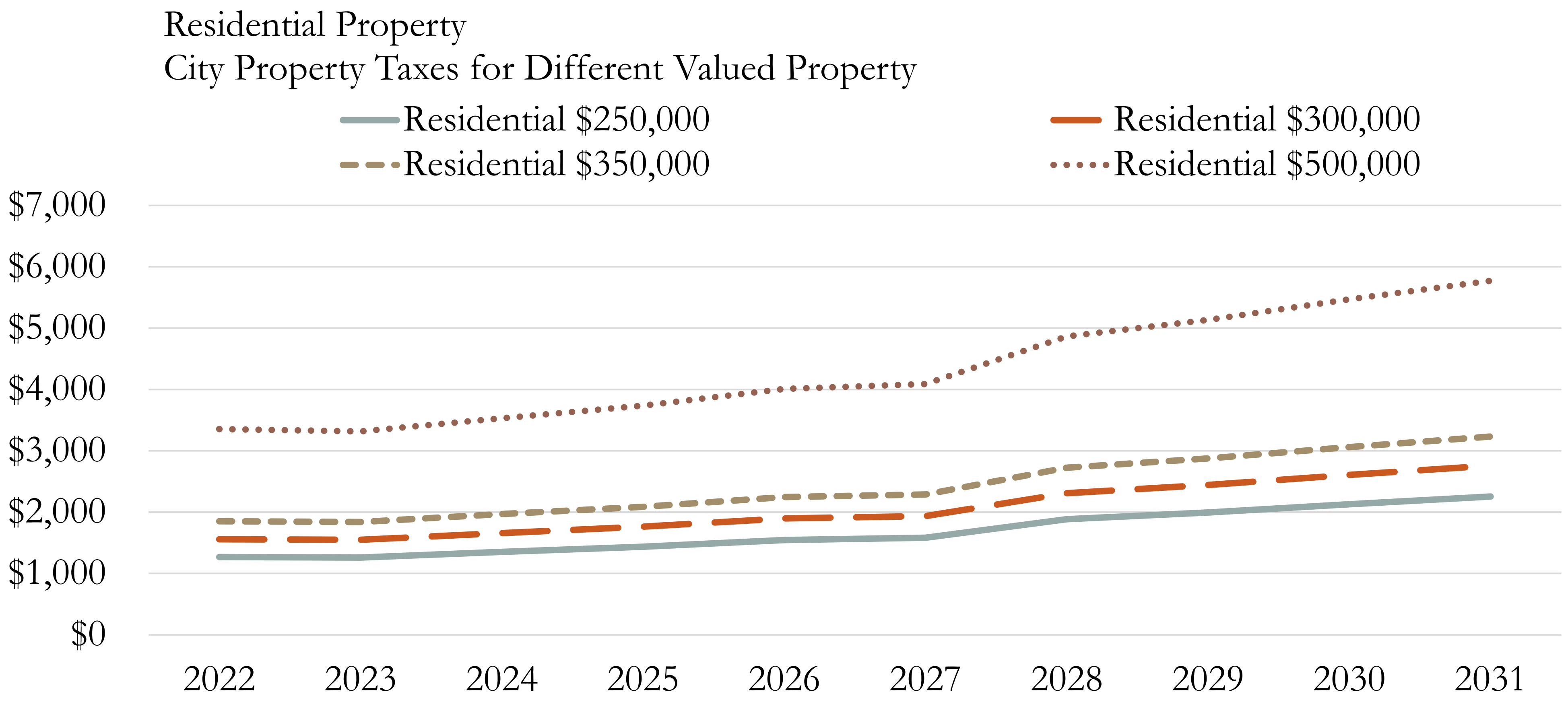


Taxable Market Value from New Construction

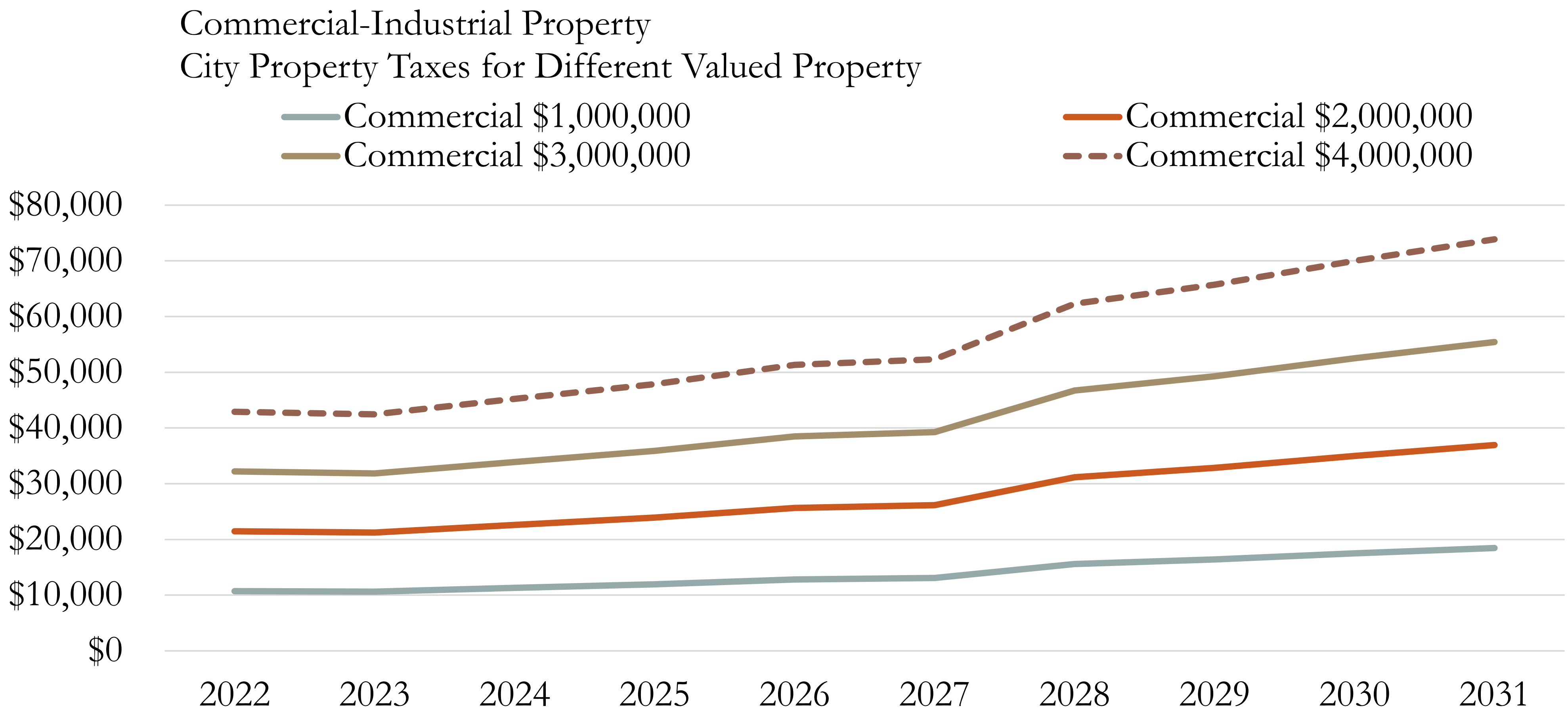
Construction of new property is projected to provide an increase in taxable market value



Projected Property Taxes



Projected Property Taxes

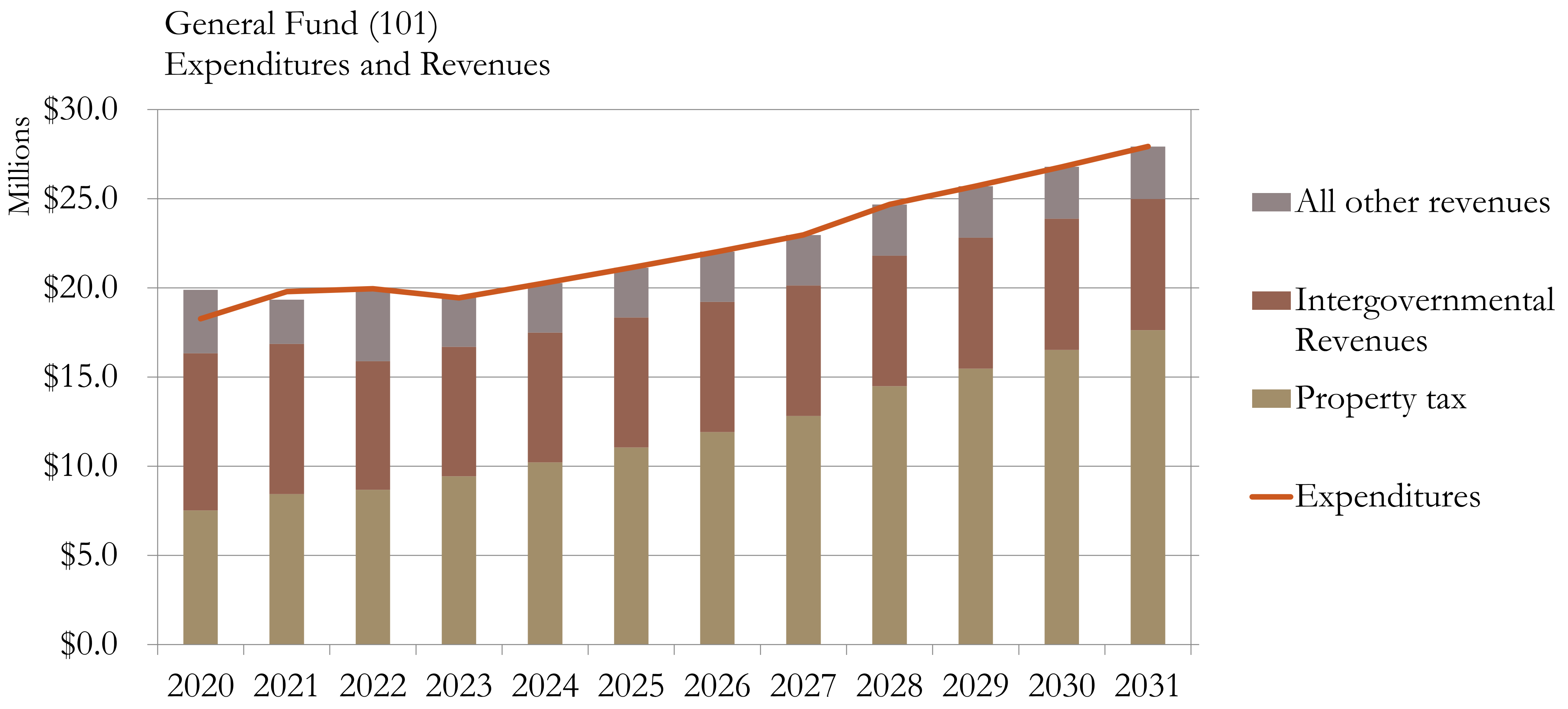


Tax Levy Summary

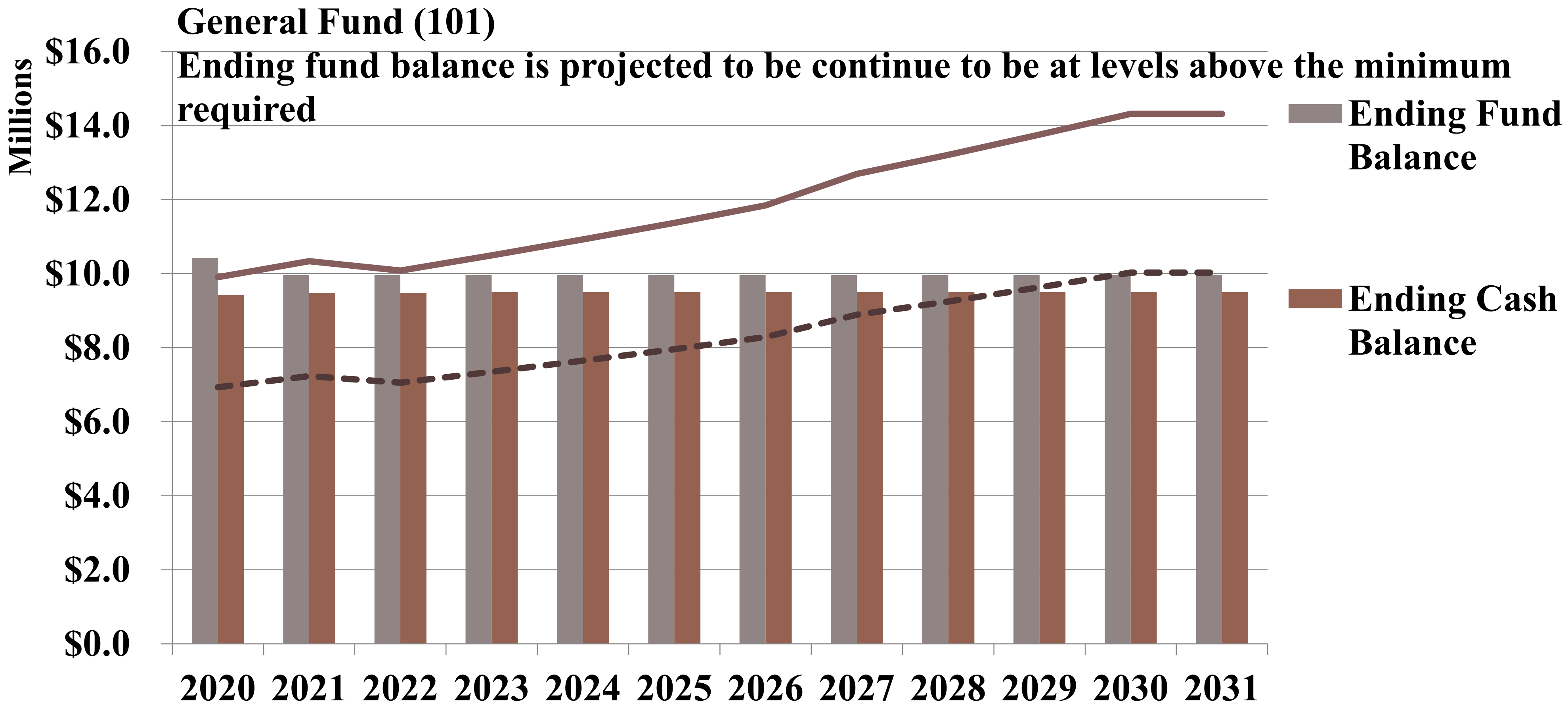
Funds Supported by Tax Levy

- General Fund (101)
- Special Revenue Fund
  - Community Development Administration (240)
- Debt Services (300's)
- Miscellaneous Levies
  - Special PERA/Tax Abatements

General Fund



Fund Balance



Airport Fund

Airport Fund (225)												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	29,967	19,856	10,000	-	-	-	-	-	-	-	-	-
Charges for services	117,942	119,048	129,932	137,555	141,682	145,933	150,311	154,820	159,464	164,248	169,176	174,251
Investment income	13,738	(231)	7,500	8,504	8,163	5,286	1,991	(6,909)	(10,610)	(12,864)	(18,745)	(28,681)
Other miscellaneous	-	3,426	-	-	-	-	-	-	-	-	-	-
Transfer in other	10,000	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	562,801	45,081	844,590	254,000	-	1,768,400	5,154,800	1,451,200	285,000	550,000	892,500	490,000
Other revenue for capital	1,571,007	-	-	-	592,000	-	-	-	-	-	-	-
Total Revenues	2,305,455	187,180	992,022	400,060	741,845	1,919,618	5,307,102	1,599,111	433,855	701,384	1,042,931	635,570
Expenditures												
Materials and supplies	5,314	7,528	7,750	8,138	8,544	8,972	9,420	9,891	10,386	10,905	11,450	12,023
Other services and charges	161,398	117,320	124,424	130,645	137,177	144,036	151,238	158,800	166,740	175,077	183,831	193,022
Principal payments	61,500	61,500	61,500	10,250	-	69,450	69,450	69,450	69,450	69,450	69,450	69,450
Capital outlay	1,810,900	42,356	975,000	317,500	740,000	1,861,900	5,522,000	1,546,000	300,000	740,000	1,275,000	700,000
Total Expenditures	2,039,112	228,704	1,168,674	466,533	885,722	2,084,358	5,752,108	1,784,141	546,576	995,432	1,539,731	974,495
Net Change in Fund Balances	266,343	(41,524)	(176,652)	(66,473)	(143,876)	(164,740)	(445,007)	(185,030)	(112,721)	(294,048)	(496,800)	(338,925)
Ending Fund Balance	692,816	651,292	474,640	408,167	264,290	99,551	(345,456)	(530,486)	(643,207)	(937,255)	(1,434,056)	(1,772,981)

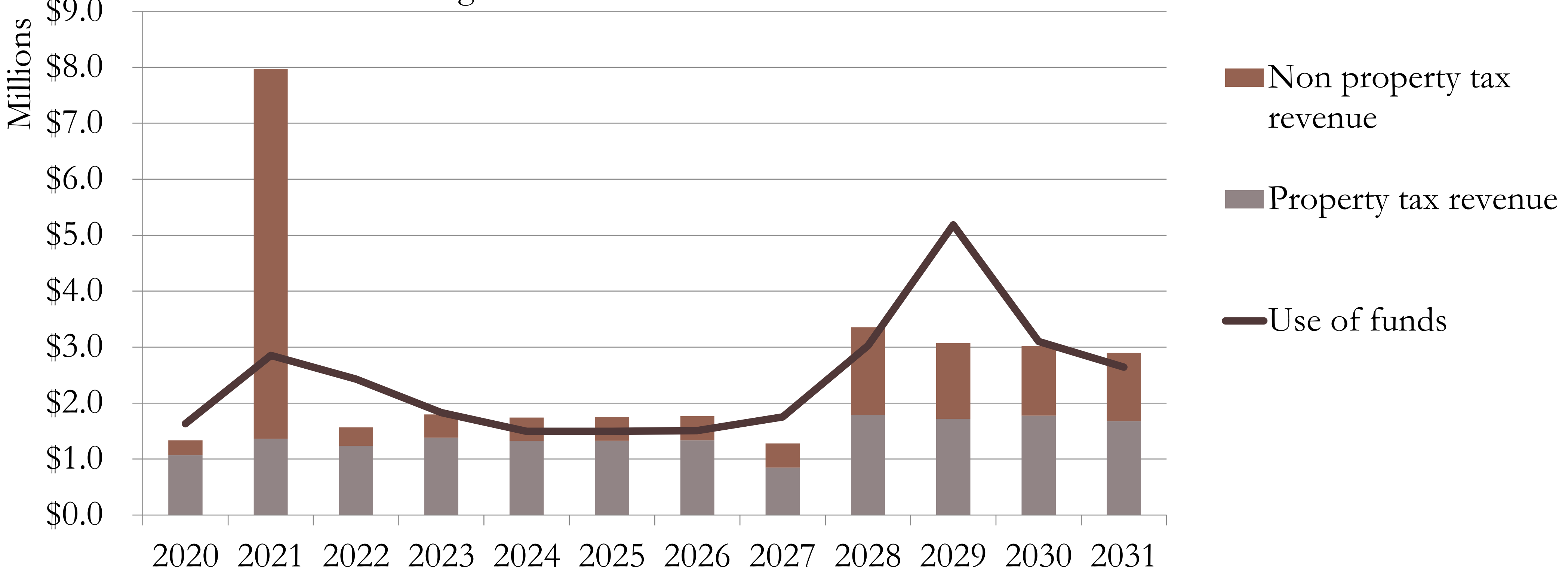
Community Development Administration Fund

Community Development Fund(240)

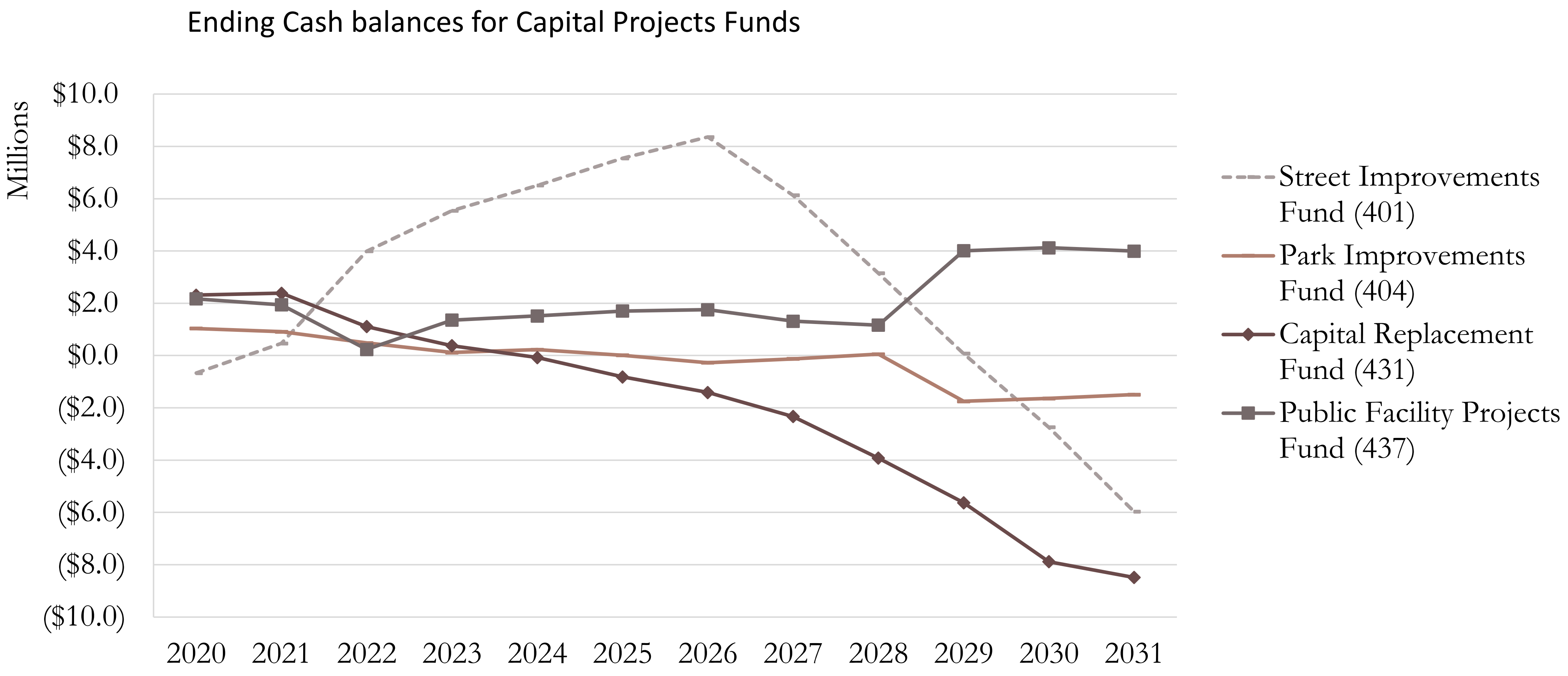
	2020 Actual	2021 Actual	2022 Budget Year	2023 Proj	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj
Revenues												
Property taxes (current ad valorem)	162,726	262,718	624,726	534,277	468,127	250,273	168,845	11,608	-	-	-	-
Charges for services	385,659	290,263	310,143	294,636	297,582	300,558	303,564	306,599	309,665	312,762	315,890	319,048
Investment income	30,237	(5,978)	10,000	14,796	12,323	7,949	1,659	(5,285)	(12,917)	(21,278)	(30,406)	(40,344)
Other miscellaneous	1,869	1,717	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Revenues	580,491	548,720	944,869	943,709	878,032	658,780	574,067	412,923	396,748	391,484	385,483	378,704
Expenditures												
Personnel services - Union and Non Union	531,171	521,695	555,316	626,285	651,337	677,390	704,486	732,665	761,972	792,451	824,149	857,115
Materials and supplies	6,135	7,179	4,950	5,198	5,457	5,730	6,017	6,318	6,633	6,965	7,313	7,679
Other services and charges	19,276	34,653	34,457	36,180	37,989	39,888	41,883	43,977	46,176	48,484	50,909	53,454
Transfer out other	-	192,314	-	-	-	-	-	-	-	-	-	-
Tax abatements	-	-	426,275	401,976	401,976	250,273	168,845	11,608	-	-	-	-
Total Expenditures	556,582	755,841	1,020,998	1,069,639	1,096,759	973,282	921,230	794,568	814,781	847,900	882,371	918,248
Net Change in Fund Balances	23,909	(207,121)	(76,129)	(125,930)	(218,727)	(314,502)	(347,163)	(381,645)	(418,033)	(456,417)	(496,888)	(539,544)
Ending Fund Balance	1,025,345	818,224	742,095	616,165	397,438	82,936	(264,227)	(645,872)	(1,063,905)	(1,520,322)	(2,017,210)	(2,556,754)

Debt Service Funds

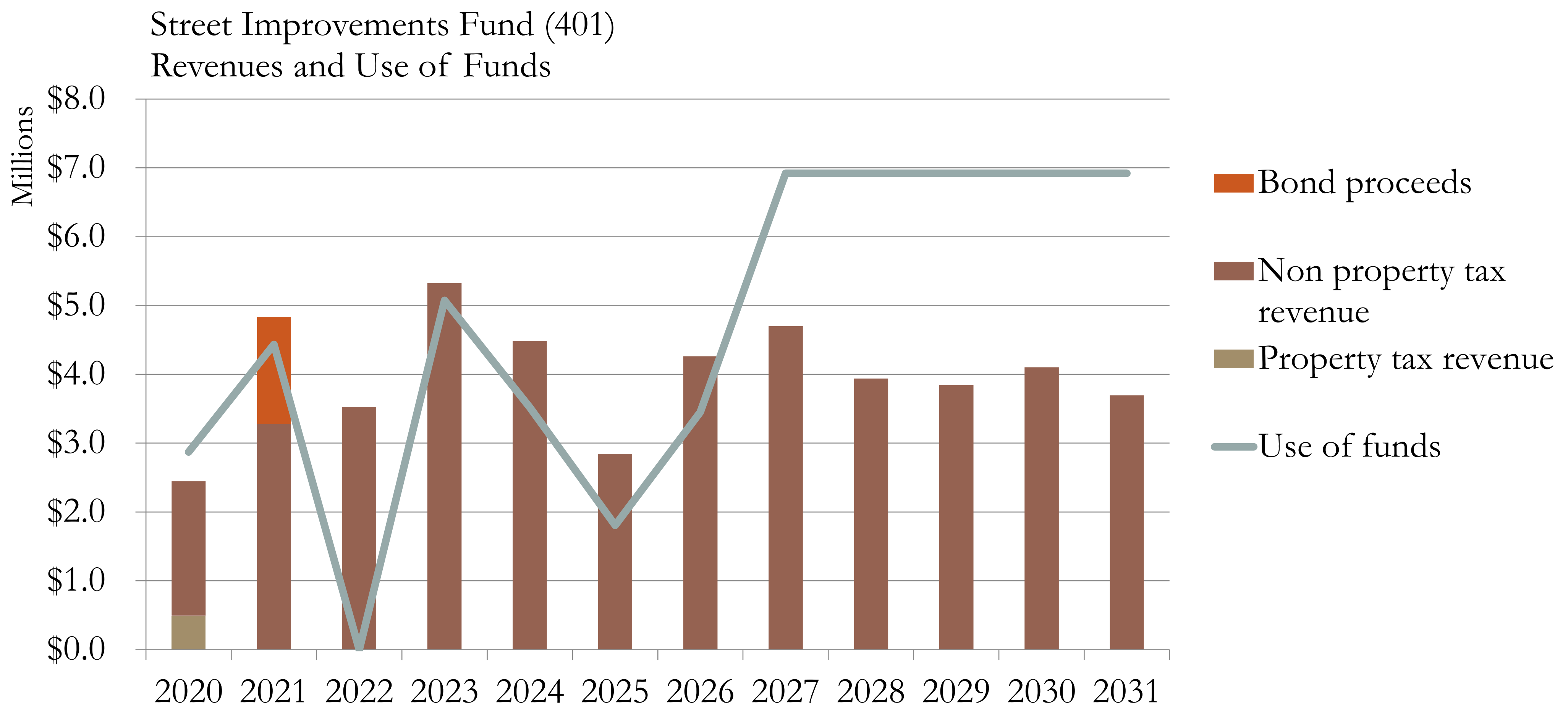
Debt Service Funds (300s)
Accumulated cash balances in the debt service funds (for existing debt) will be use to pay debt service on existing bonds and use of funds will exceed annual revenues as a result



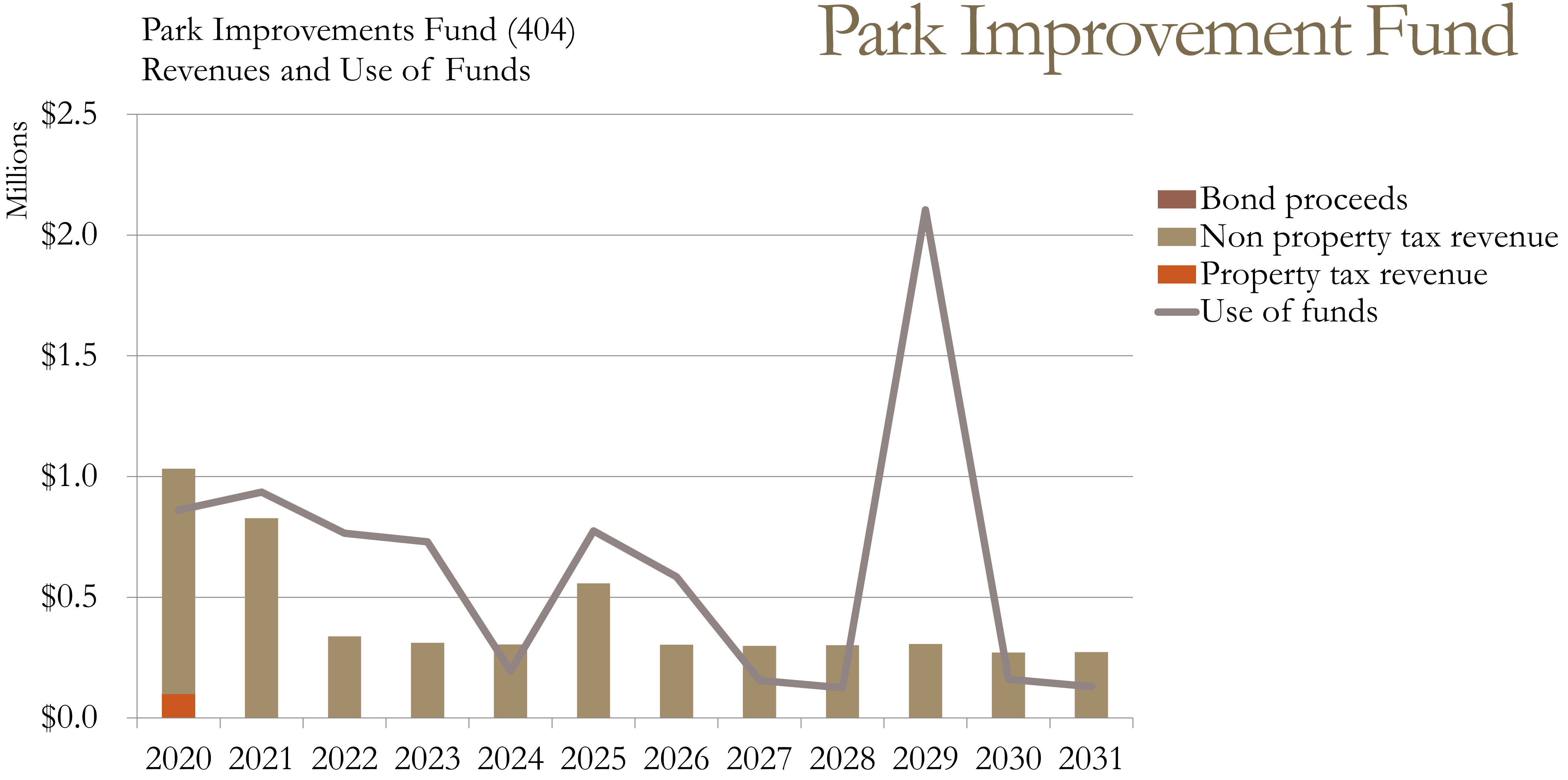
Capital Project Funds Cash Balances



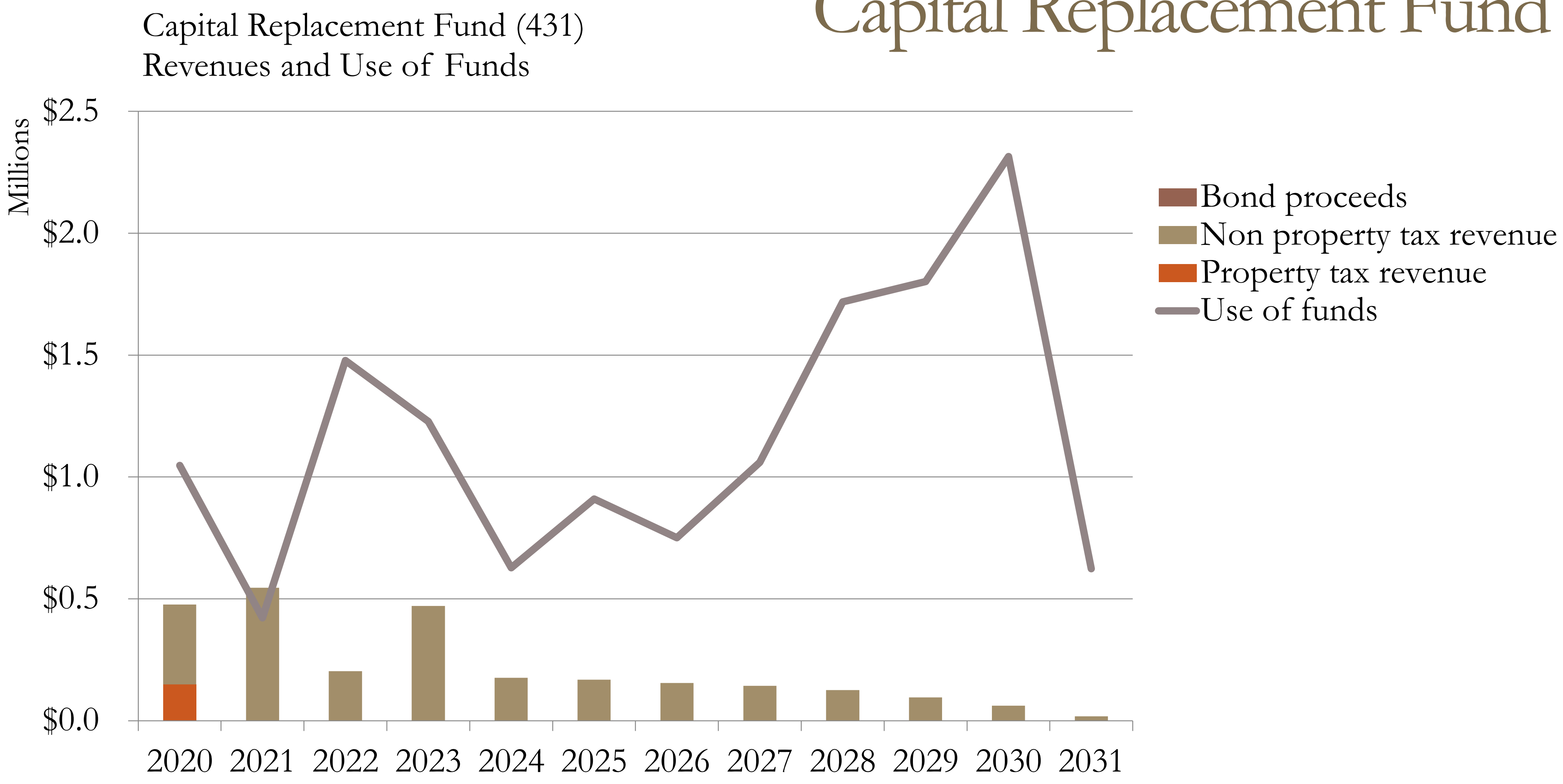
Street Improvement Fund



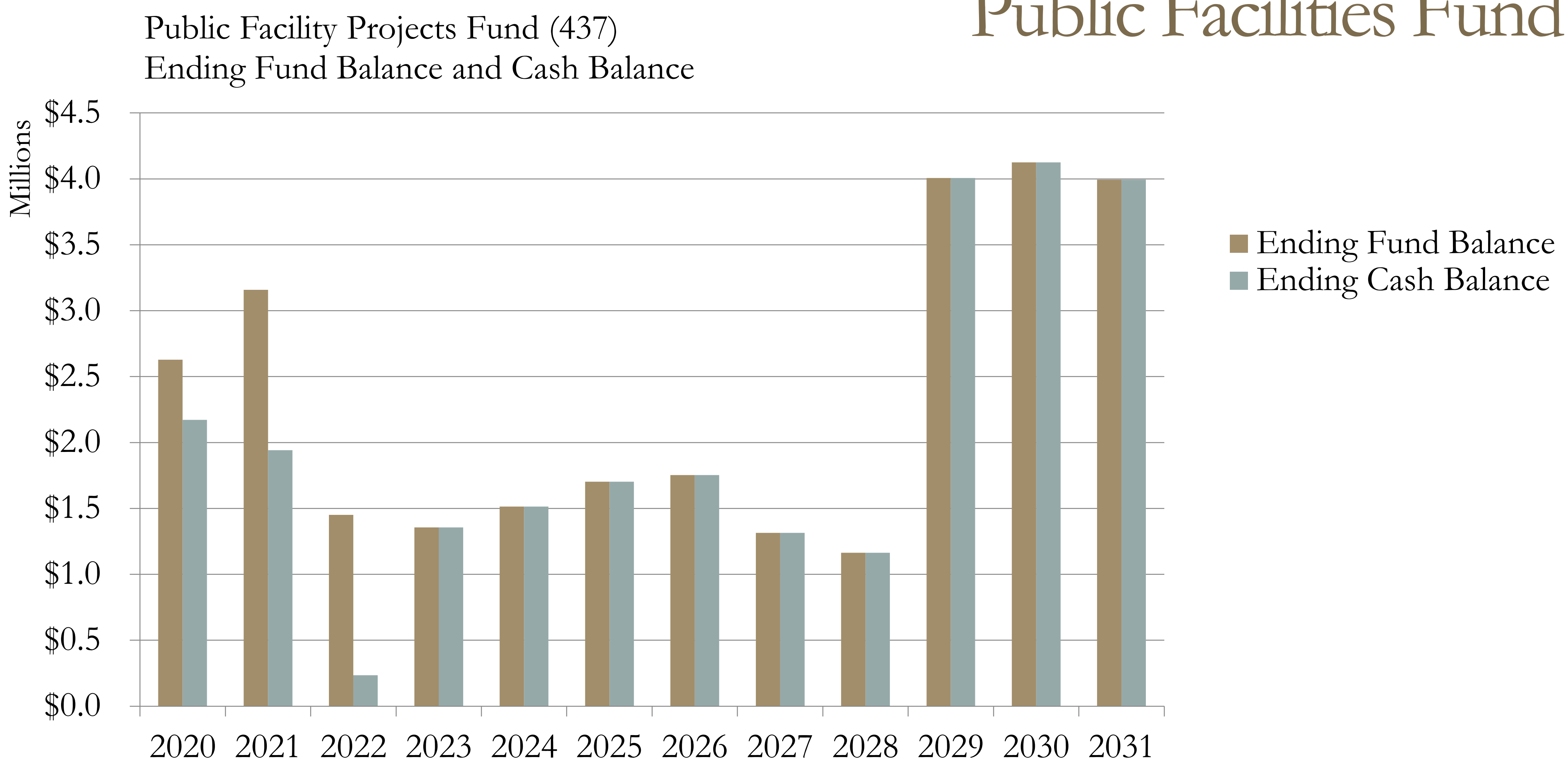
Park Improvement Fund



Capital Replacement Fund



Public Facilities Fund



2023 Budget Schedule

July 19
- Personnel
- Fee Schedule
- Franchise Fees

August 16
- Civic/Non-Profits
- General Fund
- Levies & Tax Impact

September 6
- Special Revenue
- Enterprise Funds

September 13 Council Mtg
- Preliminary Levy
- Set Budget Hearing Date

Questions?

Long-Term Financial Management Plan

Budget Work Session #2

Council Work Session Memorandum

TO:	Mayor and City Council
THROUGH:	Tim Murray, City Administrator
FROM:	Travis Block, Public Works Director
MEETING DATE:	July 5, 2022
SUBJECT:	City of Medford Sanitary Sewer Connection

Discussion:

The City of Medford previously approached the City in 2018 to request connecting to the sanitary sewer system as an alternative to making improvements to their aging waste water treatment plant. The Council last discussed the matter on May 21, 2019, which at the time, was open to the possibility of the connection.

The City of Medford has recently expressed a renewed interest in pursuing a connection to either Faribault or Owatonna’s sanitary system per the attached email from Medford staff. The City of Owatonna has indicated that they are not open to allowing Medford to connect to their system per the attached email from their staff.

Staff does not recommend allowing the City of Medford to connect to the sanitary system for the following reasons:

- Medford’s projected 20-year discharge would be approximately 13% of the Water Reclamation Facility’s current "available" capacity. It would be in the best interest of the City to reserve available capacity for future development within the City limits.
- The MPCA recently lowered the seasonal phosphorus discharge limit. The Water Reclamation Facility has not seen an upgrade since 2010. These two factors, along with the need for future treatment alternatives yet to be identified, pose an unknown risk to allowing the Medford connection.
- From a regionalization perspective, it makes the most geographic sense for Medford to connect to Owatonna versus pumping the waste the approximate seven miles to connect to the City’s system.

Staff is looking for the Council’s level of interest in allowing the City of Medford to connect to the sanitary sewer system.

Attachments:

1. City of Medford Email
2. CIty of Owatonna Email
3. Medford Sanitary Sewer Connection Option - 2018
4. Medford Sanitary Sewer Connection Update - 2019
5. 2019-05-21 Joint Committee Meeting Notes

Travis Block

From: medford@medfordminnesota.com
Sent: Wednesday, June 22, 2022 3:12 PM
To: Tim Murray; krisbusse@ci.oatonna.mn.us; 'Brandon Theobald'; Travis Block; Kyle Skov
Subject: City of Medford WWTP

To *City Administrators*

As discussed in previous meetings with the City of Medford we would like to sit down with you and discuss options for Medford to regionalize with your City Wastewater Treatment Facilities. The City of Medford is currently reaching the useful life of their WWTP and they are reaching their design capacity with little room for growth. We would like to discuss the following:

- If your City would be willing to discuss the options of Medford pumping to your collection system.
- Capacity your City has available to Medford.
- Capacity that Medford would be looking to add to their current capacity.
- Funding options.
- Connection point options.
- User agreement and potential rate structure

If this is amenable, please give some dates and times that would work for you. We will prepare an agenda for the meeting and come to your office to discuss

Thank you in advance for your consideration.

Jed Petersen
Administrative Director of Operations
City of Medford, MN
408 2nd Ave SE
Medford, MN 55049
(507) 455-2866

Travis Block

Subject: FW: City of Medford WWTP

From: Kyle A. Skov <Kyle.Skov@ci.owatonna.mn.us>
Sent: Thursday, June 23, 2022 10:06 AM
To: medford@medfordminnesota.com; Tim Murray <tmurray@ci.faribault.mn.us>; krisbusse@ci.oatonna.mn.us; 'Brandon Theobald' <BTheobald@Whks.com>; Travis Block <tblock@ci.faribault.mn.us>
Subject: RE: City of Medford WWTP

Jed,

The City of Owatonna has bid the upgrades to the wastewater treatment facility with construction planned to start July 5th. The design capacity is currently at 5.0 million gallons per day (MGD) and the upgrade will be increasing to 9.1 MGD. With construction costs of $56.7 million, design and observation costs of approximately $8 million and unknown material cost escalations potentially $4-6 million we expect the total cost of the upgrade to be over $65 million. In general terms, 200,000 gallons of capacity is costing at least $3.17 million to construct. Construction is going to cost approximately 20% or $10-12 million dollars more than estimated only a few years ago.

In 2019 the City of Owatonna estimated 9.1 MGD as our needs going into the future. In order to accommodate Medford, the plan was to increase the capacity of the facility to 9.3 MGD. At that time Medford declined to participate and the City of Owatonna proceeded with design based on our needs only. The development of the project has been 5 years in the making and we don't have the ability to increase the design capacity at this time. We do not have additional capacity to serve Medford without impacting our future growth potential.

With the State of Minnesota not passing a bonding bill this year, the Point Source Implementation Grant and Green Project reserve Grant administered through the PFA were not funded, resulting in a funding shortfall for the city of $8 million. Our rate study completed in 2021 did not produce the anticipated rate collection, resulting in a shortfall. The revenue shortfall along with unknown grant funding and extreme inflation in the construction market are going to result in a necessary rate increase of 8-10% for the foreseeable future. Currently the City does not compensate Owatonna Public Utilities (OPU) for electricity and gas. This isn't a free service, the customers of the public utility cover the cost. The wastewater rates we provide to our citizens are subsidized through electric and gas customers.

Unfortunately I believe we are too late in our project development to create a regional treatment facility.

City Of Faribault

Council Committee Memorandum

TO:	Joint Council Committee
THROUGH:	Tim Murray, City Administrator
FROM:	Travis Block, Public Works Director
MEETING DATE:	February 20, 2018
SUBJECT:	Medford Sanitary Sewer Connection Option

Discussion:

The City operates a Class A Water Reclamation Facility (WRF), which is regulated by the Minnesota Pollution Control Agency (MPCA). The facility treats approximately 4.5 million gallons of wastewater per day (MGD). The plant has a wet weather flow capacity of 7 MGD.

The City has been approached by the City of Medford to consider the possibility of connecting their community to the City's sanitary sewer system. The request is a result of two conditions that the City of Medford is facing. The first being that a 165-unit mobile home community has requested connecting to their wastewater facility. This would require a significant upgrade to Medford's facility. The second is the increasing difficulty in attracting and retaining certified operators for their facility.

Medford has recently conducted a feasibility study to identify current and 20-year projected flows for the City and the mobile home community. The current combined flow is 155,700 GPD, which is 1.7% of the WRF's capacity and the projected 20-year flow is 187,000 GPD or 2.7% of plant capacity. The discharge is a medium strength waste, typical of domestic wastewater. As a comparison, Roberds Lake's discharge of 28,532 GPD is 0.4% of plant capacity with a maximum of 120,000 GPD or 1.7% of plant capacity.

The plant currently has the capacity to treat the additional discharge. A point of consideration is the impact that Medford's discharge would have on our current MPCA discharge permit limits. The transferring of Medford's permit limits to the City is a possibility. Preliminary discussion between the City of Medford's Consulting Engineer and the MPCA indicate that a transfer of the limits is possible.

The following concerns have been forwarded by Medford for Council's consideration to allow a system connection:

- *The City of Medford is willing to pay its fair share of operations, maintenance, etc. The City would appreciate knowing the rate charged for treating its wastewater as soon as possible.*

- *Medford will continue to grow. A wastewater agreement that would restrict growth, whether it be commercial, industrial, and residential, etc. would result in the City not moving forward with a feasibility report.*

- *The City of Medford has not made a decision as to whether to allow the Lazy U to connect to the City's sewer or water services. Medford would like to know up front whether allowing the Lazy U to connect to the City would result in you not allowing the City of Medford to connect to your wastewater system.*

Staff is looking for direction on Council's interest in considering connecting the City of Medford to the City's sanitary sewer system. Should a connection occur it would likely be on Albers Ave. (Willow St.) near Divine Mercy Church.

City Of Faribault

Council Committee Memorandum

TO:	Joint Council Committee
THROUGH:	Tim Murray, City Administrator
FROM:	Travis Block, Public Works Director
MEETING DATE:	March 19, 2019
SUBJECT:	Medford Sanitary Sewer Connection Update

Discussion:

The potential for the City of Medford connecting to the City's sanitary sewer system was previously discussed at the February 20 and July 31, 2018 Committee meetings. In December of 2018, the City of Medford completed a regionalization report to further explore the options of building a new facility or connecting to either Faribault or Owatonna's system. The regionalization report updated the 20-year projected flows and loadings for the community to include a couple of near term development prospects that Medford is working with.

Medford's current average flow is 86,000 gallons per day (GPD). Their average wet weather flow is 124,000 GPD. The previous twenty-year average flow prediction was 187,000 GPD, the new flow is 250,000 GPD. Medford staff believes that their flows will reach the 190,000 GPD range in approximately ten years and reach 250,000 GPD in twenty years.

The City of Medford is proceeding with an engineering analysis to connect to Faribault's sanitary system. Should a connection occur, it would likely be on Albers Ave. (Willow St.) near Divine Mercy Church. The Minnesota Pollution Control Agency (MPCA) has indicated that transferring Medford's phosphorus load allocation to the City is possible.

The City's Water Reclamation Facility (WRF) treats approximately 4.5 million gallons per day (MGD) with a peak flow of 5.1 MGD. The plant has a wet weather flow capacity of 7 MGD.

Medford's twenty-year flow of 250,000 GPD is approximately 16% of the WRF's available capacity. The discharge is a medium strength waste, typical of domestic wastewater. As a comparison, Roberds Lake's discharge of 28,532 GPD is 0.4% of plant capacity.

The plant currently has the capacity to treat Medford's discharge. However, adding Medford's flow along with the potential flow from the Wolf Creek Project (111,000 GPD) would consume approximately 19% of the plants available capacity in ten years and 25% in twenty years.

A facility plan is scheduled for 2022 to examine the WRF's treatment performance and identify future improvements necessary to meet demand and maintain permit compliance. A user agreement similar to that currently in place with Roberds Lake Sanitary District would be executed should a connection be allowed.

Staff is looking for the Council's level of interest in allowing Medford to make a connection.

Attachments:

- None

City Council Joint Committee
Tuesday, May 21, 2019 at 6:00pm
City Hall – Public Meeting Room

Notes

Call to Order

Mayor Voracek called the Joint Committee to order at 6:50 pm. Councilors Elizabeth Cap, Royal Ross, Peter van Sluis, Tom Spooner, and Jon Wood were in attendance. Also in attendance were City Administrator Tim Murray, Assistant to the City Administrator Heather Slechta, Public Works Director Travis Block Community Development Coordinator Kim Clausen, and City Planning Coordinator Peter Waldock.

Municipal Utility Service outside City Limits

Public Works Director Travis Block explained that the Council recently discussed the potential of allowing properties outside of the corporate City limits to connect to the sanitary sewer system, specifically the proposed Wolf Creek Motorsports Project and the city of Medford. Flow Charges

Staff has recently researched this topic, to include looking at policies/practices of surrounding communities, and based on this has developed some recommendations for Council to consider.

Block explained that the development of the property for the Wolf Creek project will provide increased property tax base/collection of property taxes for Forest Township and Rice County, whereby the City of Faribault will not receive any of this benefit. The inability to collect property tax revenues should be considered when determining policies on the rates and fees for flow and connection charges. There could be a time in the future when, if there is insufficient excess capacity remaining at the City's water Reclamation Facility (WRF), that a potential new or expanded business opportunity that would be located on property in the city limits for which the City receives property taxes would not be allowed due to its sanitary sewer discharge/treatment needs.

Block also discussed with the Joint Committee that due to the WRF having a finite capacity, the service boundaries need to be clearly established prior to the connection of any services to help keep the allowed flow/discharge under established limits. In the Wolf Creek example, the number of connections should be identified as part of the development process and become incorporated into an agreement with Rice County for the Wolf Creek project area, the same way sanitary sewer service connections were allowed in the Roberd's Lake Sanitary Sewer District (RLSSD) . The number of connections would be fixed at the time of executing the agreement. Should they wish to make a request to increase the number of connections in the future, City review and approval would be required. The cities of Albert Lea, Mankato and Northfield follow this model. In the Medford example, as the community expands, any additional connections would require City approval prior to connecting.

Block also recommended that the system be owned and operated by Rice County as is the case with the existing RLSSD system for developments allowed in one of the area townships, or with the connecting community in the case of a separate city being connected. The ownership of the system should be up to and including the connection point, including the metering/sampling station. All operating and maintenance costs of the system and the connection point shall be the responsibility of Rice County or the connecting community. The cities of Albert Lea, Mankato, Northfield and Waseca use this model.

Maximum flows and loadings from a connecting entity are typically calculated using a wet weather flow maximum. In the Wolf Creek example, there is no wet weather flow due to the system being a new sealed system. In this case, it would be recommended to use their projected average summer flow of 111,000 gallons x 1.15= 127,650 gallons per day. The 15% is a contingency factor used in lieu of an actual wet weather flow value. The loadings should be typical residential strength with a daily limit for BOD of 255 lbs./day, using the maximum daily flow.

For Medford, the maximum flow should use the average wet weather flow as an initial daily maximum flow. This number would be revised as the community wishes to expand towards their long-range projections. The flows and loading strengths should be of residential concentration with surcharges for anything above, similar to our other Significant Industrial Users (SIU's). The agreement should contain language to identify penalties for any flow exceedances and Inflow/Infiltration (I/I) related incidents.

For Wolf Creek and Medford, revenues from Sewer Availability Charge (SAC) units would be the source of funding for system improvements. SAC fees collected at the time of connection would provide funding for any current improvements and a certain amount of future system improvements. It would be recommended to charge the standard SAC rate for any existing development, such as Medford. It would be recommended to charge currently un- or under-developed property such as the Wolf Creek Project a SAC charge of 1.5 times the standard rate or $2,250/unit currently. This would be viewed as an offset to the inability to collect property tax revenues from the improved property being afforded by the connection to the City system.

For the proposed Wolf Creek project, following is a comparison of the calculated connection charges for the standard SAC unit charge ($1,500/unit) and the proposed surcharged rate ($2,250):

642 SAC Units x $1,500/SAC Unit = $ 963,000

642 SAC Units x $2,250/SAC Unit = **$1,444,500**

With the City of Medford, using an estimated 500 SAC units and the standard SAC rate would yield approximately **$750,000** in connection charges.

When looking at flow charges Staff recommended to charge all connecting properties outside the City limits a rate of 1.5 times the residential rate ($0.005415/gallon as compared to the standard rate of $0.003610/gallon). The following calculations are based on flow only—any elevated discharge (above residential strengths) could be subject to additional load charges under an SIU contract.

In the example of Wolf Creek, the estimated charges at full development would be as follows:

127,650 gallons/day x $0.005415/gallon = $691/day
$691/day x 30.4 days/month = $21,013/month
$21,013/month x 12 months/year = **$252,159/year**
($168,106 if no multiplier applied)

User rates for the City of Medford would be as follows:

86,000 gallons/day x $0.005415/gallon = $465/day
$465/day x 30.4 = $14,157/month
$14,157/month x 12 months/year = **$169,883/year**
($113,255/year if no multiplier applied)

The Joint Committee discussed this in great length it was the consensus of the Joint Committee to charge 200% on un- or under developed and 150% of the standard rates for developed.

Adjourn

The Joint Committee Adjourned at 7:26 pm.

Respectfully Submitted,

Heather J. Slechta
Assistant to the City Administrator

Please contact the City Administrator’s Office if you need special accommodations while attending this meeting

Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: John Sherwin, Chief of Police
MEETING DATE: July 5, 2022
SUBJECT: Faribault PD - Lights On! Program

Discussion:
The Faribault Police Department has recently entered into a partnership with Lights On!, a program run by the Minneapolis-based non-profit organization MicroGrants. Lights On! is a community-driven program with a focus on traffic and road safety, improving police/community relations, and creating positive outcomes for lower-income drivers who may be unable to afford costly vehicle repairs associated with safety equipment violations. Vouchers issued by officers through Lights On! may be redeemed at participating auto repair shops here in Faribault. The program is fully funded through MicoGrants, including the printing of vouchers with Faribault PD ensignia.

The attached presentation is for Council information only and no action is requested.

Attachments:
1. Lights On! Presentation

LIGHTS ON!

A Faribault PD Partnership

JULY 5, 2022

What is "Lights On!"?

- Officers hand out vouchers to drivers stopped for burned out headlights, taillights, brake lights, or turn signals.
- Driver's redeem vouchers at partnering auto shops within Faribault.
- The problem is fixed <u>free</u> of charge and Lights On! reimburses the auto shop for their costs

LIGHTS ON!
A PROGRAM OF MICROGRANTS

POLICE
City Of Faribault
MINNESOTA

Why "Lights On!"?

- Increase road/vehicle safety.
- Provide alternatives for low-income drivers who may not be able to afford costly vehicle repairs.
- Turn a negative (Traffic Stop) into a positive interaction.
- Helps prioritize police resources.
- There is no cost to the city and voucher money is directed to local participating businesses.

Local Program

- Sgt. Matt Knutson did the leg work in establishing our program.
- The program launched on July 1st, 2022.
- Not a "soft on crime" measure, but instead provides an alternative to enforcement in tough economic times.
- Voucher booklets are available to officers in each squad car.
- Participating businesses include:
  - Glenn's Towing
  - Community Co-Op
  - Faribault Tire and Auto

LIGHTS ON!

Questions???