



City Council Work Session
Wednesday, July 5, 2023 at 6:00 PM
Public Meeting Room

AGENDA

1. Call to Order

2. Items for Discussion

- A. Budget Work Session #2 - Long Term Financial Management Plan
- B. Review Proposed City Hall Improvements
- C. Canvus Donation
- D. Upper Cannon River Watershed Flood Risk Reduction Study
- E. Review of Charter Commission Recommendations

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 Schmuck, Finance Director
MEETING DATE: July 5, 2023
SUBJECT: Budget Work Session #2 - Long Term Financial Management Plan

Discussion:

This plan was last updated and reviewed by Council on July 5, 2022 with the 2021 audited financial information. This has now been updated with the actual 2022 audited financial information as well as the Final 2023 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. The portion of the Plan includes the City governmental funds. Enterprise funds will be reviewed during budget work session #5.

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. Financial Management Plan July 2023
2. 2024 Budget Presentation #2 - LTFMP



2023 Governmental Funds Projected through 2032

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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 estimated \$1,063,259 State Public Safety Aid for Cities, but it does include the \$869,384 projected increase in local government aid (LGA).

The Plan includes planned future capital improvements for years 2023-2032 (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. Future years reflect budgeting/levying to meet these standards.

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 downtown (viaduct area) park improvements in 2023 but does include projected personnel, nor does it include personnel or 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 1.85% increase.

Figure 1.

Tax Year	Tax Levy in Millions	% Change in Tax Levy	Tax Rate	% Change in Tax Rate
2022	\$10.56	3.90%	0.5168	-1.7%
2023	\$11.18	5.92%	0.4744	-8.2%
2024	\$13.18	17.84%	0.5471	15.3%
2025	\$12.73	-3.44%	0.5195	-5.0%
2026	\$13.96	9.66%	0.5589	7.6%
2027 *	\$15.11	8.24%	0.5945	6.4%
2028 *	\$18.64	23.40%	0.7207	21.2%
2029	\$21.00	12.64%	0.7994	10.9%
2030	\$22.22	5.82%	0.8336	4.3%
2031	\$23.91	7.62%	0.8841	6.1%
2032	\$25.84	8.07%	0.9415	6.5%

*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 2023 levels, and LGA also remains constant going forward following the legislative increase for 2024. 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 6.0% annually, with the following exceptions:
 - Year 2024 includes a proposed additional \$1/hour for Library Pages and Aides, and an additional Full Time Fire Fighter.
 - A Recreation Coordinator, transitioning a Part Time Park Maintenance to Full Time, and additional seasonal staff are included beginning fourth quarter of 2024 for the opening of the downtown (viaduct area) park. Other operating costs for the downtown (viaduct area) park improvements in 2024 are not included as the plans are still developing.
 - Community and Economic Development staff levels have been changed in 2024 to reflect the transition to an external management firm for Public Housing. This is projected to be a zero-dollar impact between personnel and contractual services. This will be further analyzed throughout the 2024 Budget process.
 - Beginning in 2026 an additional 0.35% has been added as a cost share with employees for the new paid family and medical leave.
 - Year 2028, 6.0 FTE Firefighters plus related operational costs added to General Fund (\$832,645 on-going costs and \$20,000 for start-up costs)
 - 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 20-26 new housing units annually between 2024-2032. For purposes of estimating market value of property, the average home price is \$350,000 with growth in valuation of \$2,500 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 \$135,000.
- Commercial valuation growth is assumed at 5,000-10,000 SF added in 2022-2032, valued at \$150/SF.

- Industrial valuation growth is assumed at 70,000 SF added in 2024, 50,000 SF in 2025, and then 20,000 SF annually between 2026-2032, all valued at \$55/SF.
- 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: Sage and Trystar, LLC in 2025, Daikin and Stein Air in 2027, and Tru Vue in 2034. Additional tax abatements for Vetrotech, a division of Saint Gobain, and Midwest Recovery have been requested, public hearings will be held in July and are not included in these projections.
- 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. Additional revenue sources are being sought.

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 five 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 2024-2032. 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

PROPERTY TAX LEVY, TAX CAPACITY, AND TAX RATE											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
TAX LEVY											
General Fund (101)	8,687,755	9,267,952	11,386,555	11,101,898	12,406,073	14,197,656	16,069,851	17,670,970	19,387,415	21,210,385	23,139,767
Community Development Fund(240)	624,726	534,276	470,144	298,964	213,672	59,007	44,445	444,445	42,223	37,778	33,334
Airport Fund (225)	10,000	-	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	1,236,597	1,382,104	1,323,410	1,325,405	1,335,432	848,414	2,524,905	2,880,022	2,786,685	2,661,488	2,665,425
Tax Levy	10,559,078	11,184,332	13,180,109	12,726,267	13,955,177	15,105,077	18,639,201	20,995,437	22,216,323	23,909,650	25,838,526
Annual % Change	3.90%	5.92%	17.84%	-3.44%	9.66%	8.24%	23.40%	12.64%	5.82%	7.62%	8.07%
TAX CAPACITY											
Tax Capacity before New Construction	20,450,901	23,579,589	24,118,269	24,757,172	25,248,326	25,802,050	26,253,461	26,711,047	27,122,249	27,598,438	28,001,995
Tax Capacity from New Construction	235,919	299,885	393,782	241,171	298,258	191,476	193,120	142,665	202,938	126,310	127,167
Total Tax Capacity	20,686,820	23,879,474	24,512,051	24,998,343	25,546,584	25,993,525	26,446,581	26,853,712	27,325,186	27,724,748	28,129,162
Less TIF Captured Tax Capacity	254,980	305,930	422,933	503,400	579,721	585,518	583,947	589,786	672,857	679,586	686,382
Net Tax Capacity (NTC)	20,431,840	23,573,544	24,089,119	24,494,943	24,966,863	25,408,007	25,862,634	26,263,925	26,652,329	27,045,162	27,442,780
Annual % Change		15.38%	2.19%	1.68%	1.93%	1.77%	1.79%	1.55%	1.48%	1.47%	1.47%
TAX CAPACITY TAX RATE											
Tax Capacity Tax Rate	51.680%	47.444%	54.714%	51.955%	55.895%	59.450%	72.070%	79.940%	83.356%	88.406%	94.154%
Annual % Change	-1.7%	-8.2%	15.3%	-5.0%	7.6%	6.4%	21.2%	10.9%	4.3%	6.1%	6.5%

Chart 1 Annual Change in Property Tax Levy and Rate

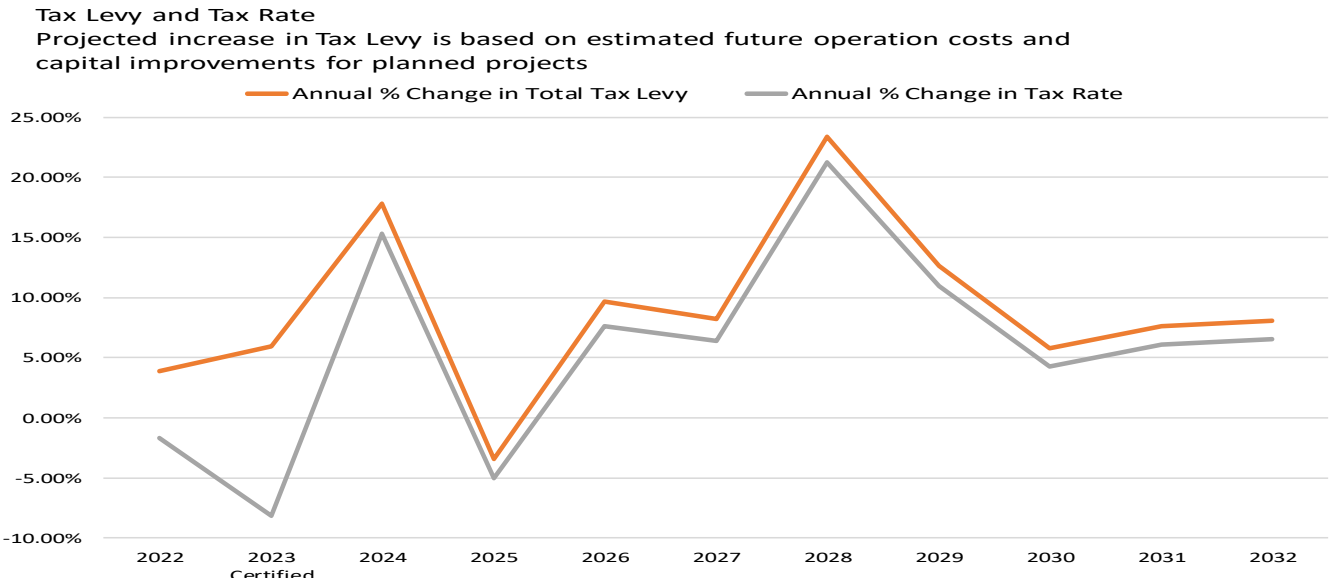
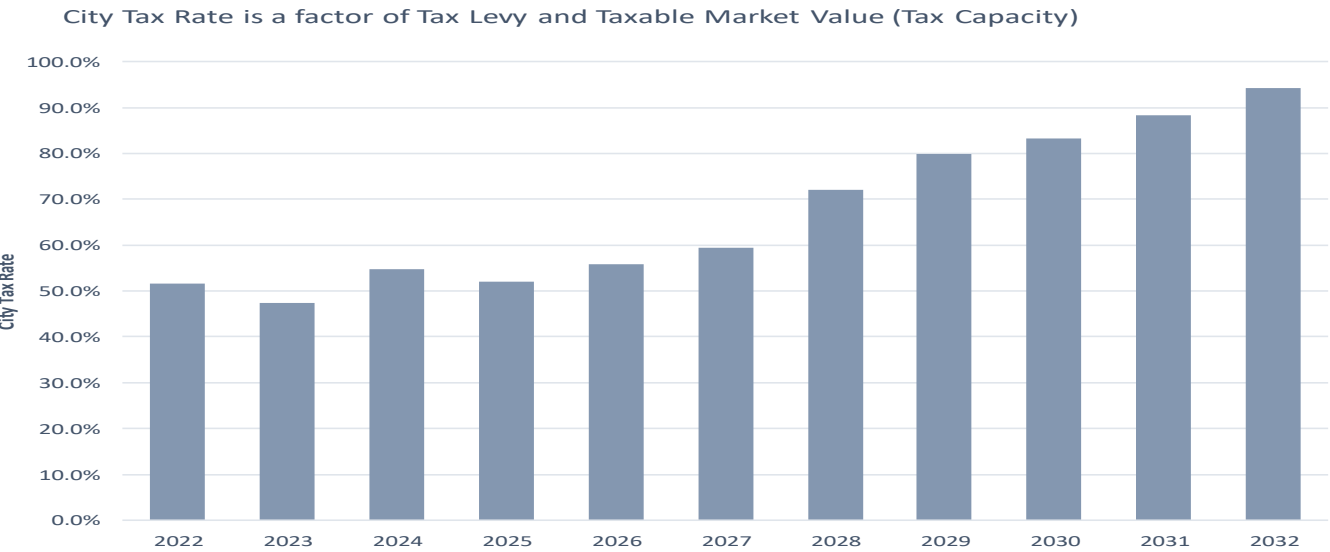


Chart 2 City Tax Rate

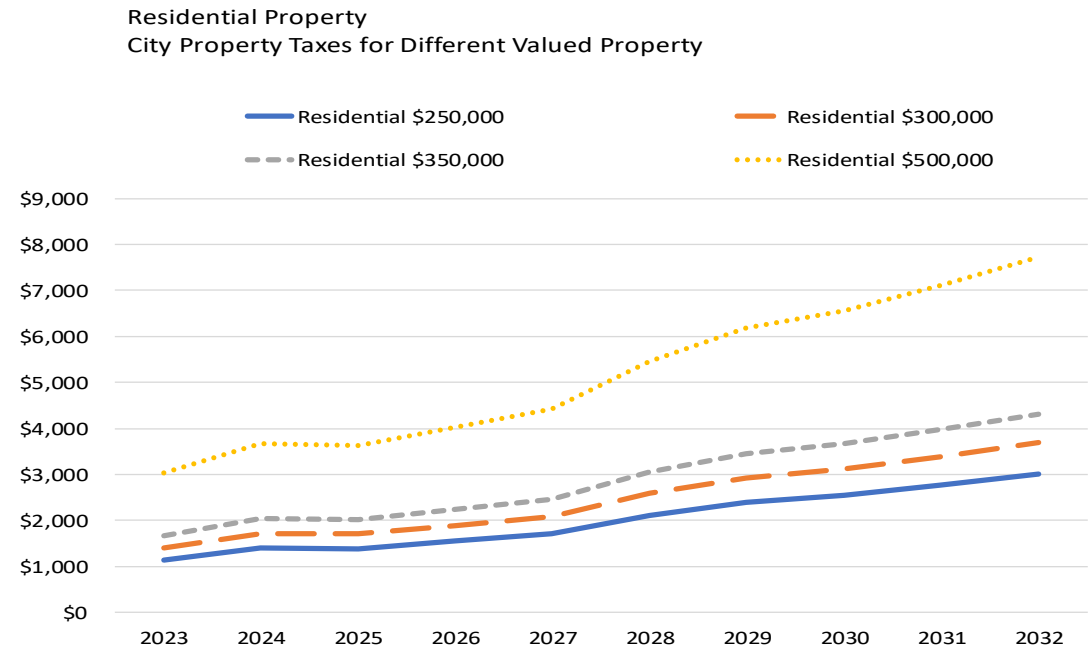


The projected increase in the tax levy and tax rate in 2027 is for the planned community center and an increase to pay debt service on bonds to be issued.

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 downtown (viaduct area) park projects, will need to be refined as decisions are made concerning the potential projects 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 will be needed.

Chart 3 Residential 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 4 Commercial/Industrial City Property Taxes

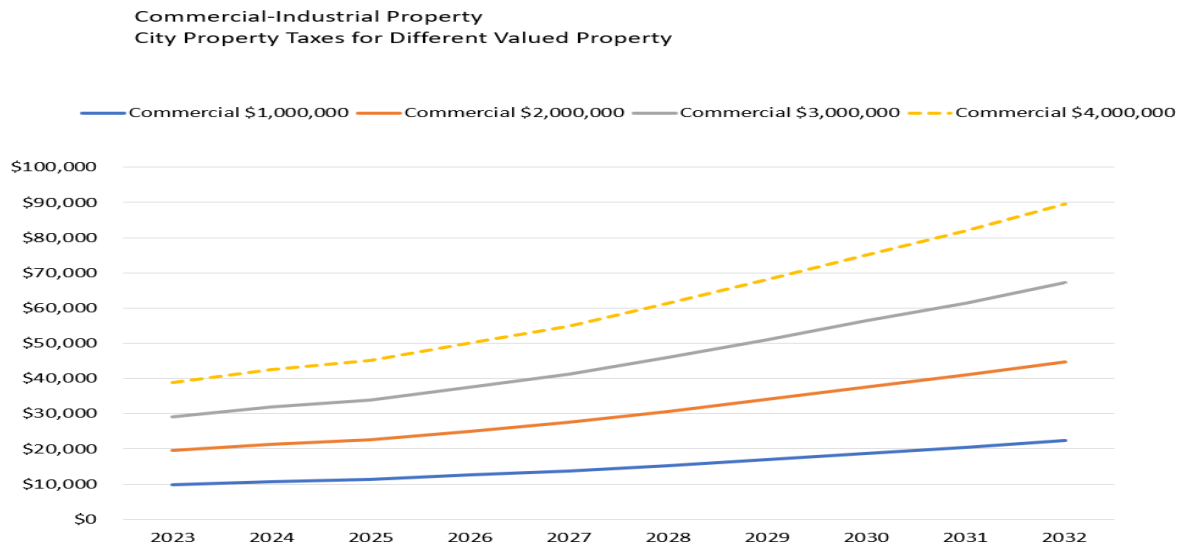


Chart 5 Fund Balance

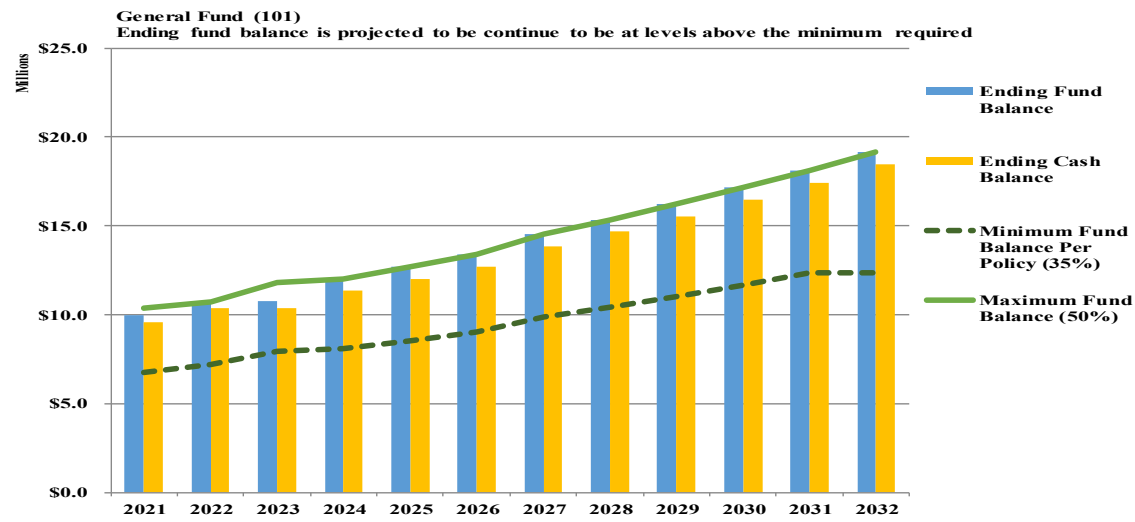
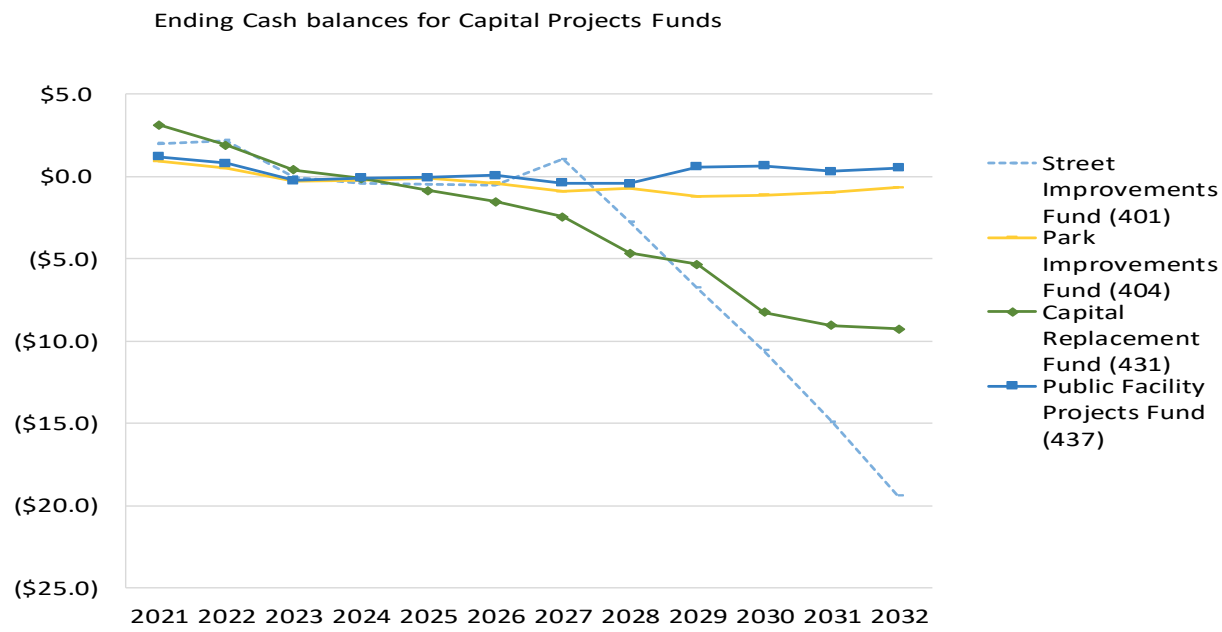


Chart 6 Capital Project Funds Cash Balances



The ending fund balance for the General Fund is projected to decline between 2023-2032 but remain at levels consistent with City policy through 2028. Future adjustments to tax levy have been included 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 2023 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

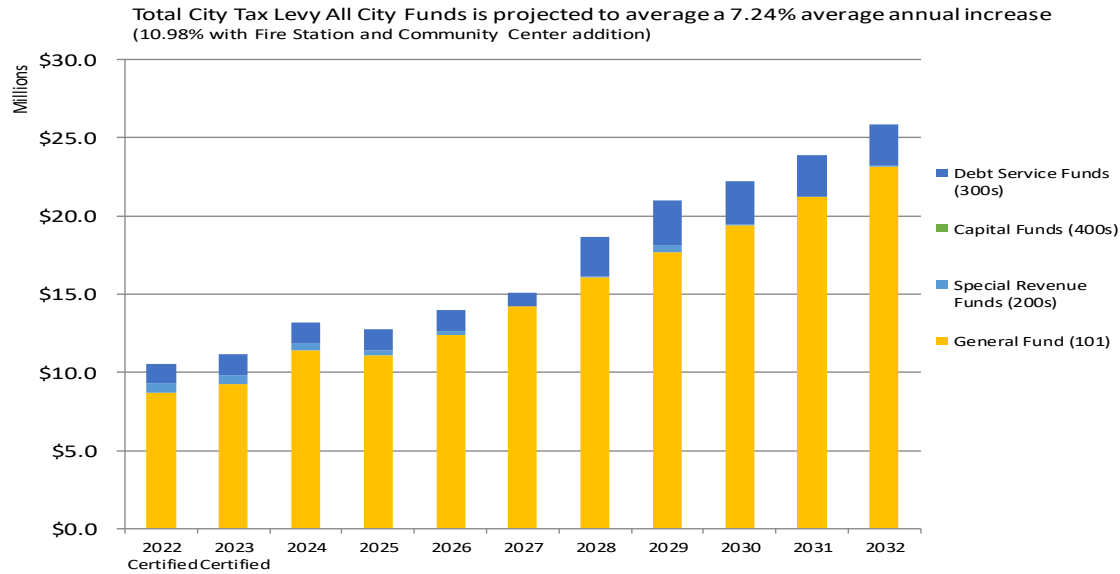
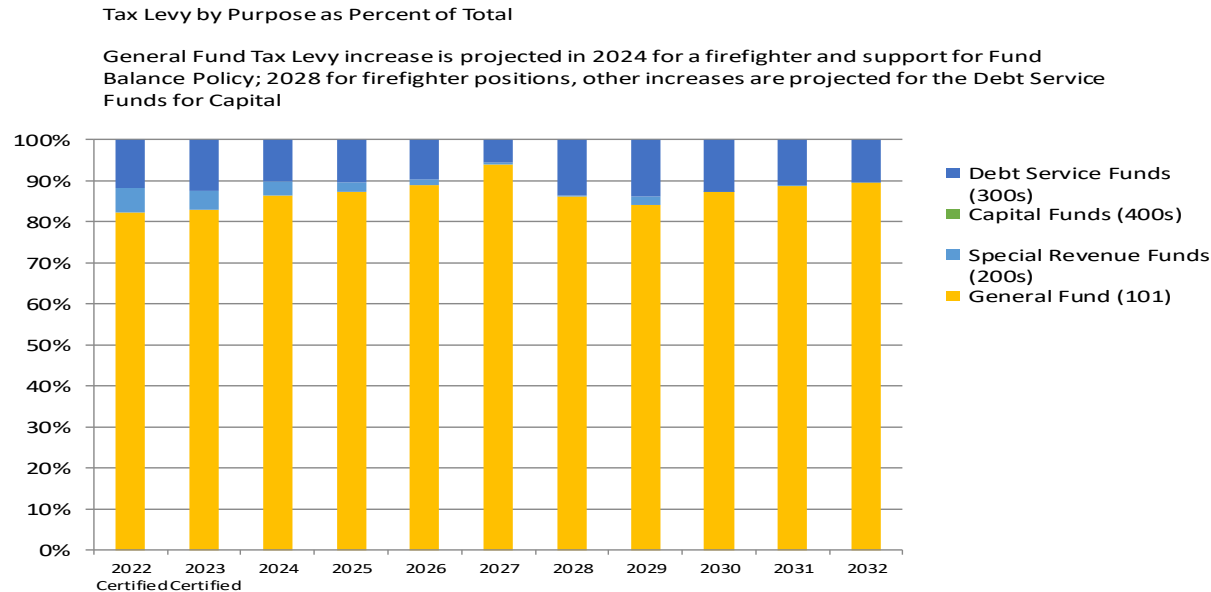


Chart 8 Tax Levy by Purpose as Percent of Total



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.

Tax abatement expenses are supported by the tax levy and are reflected in the Community and Economic Development Fund.

Additional operating revenues and expenses will need to be added for the downtown (viaduct area) park and the community center in future years.

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 15.882 square miles and has a current estimated population of 24,679.

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 (HRA) and the Faribault Economic Development Authority (EDA). Community and Economic Development provides administrative support and is liaison with the City.

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 2028-2032, which goes beyond the City's adopted five-year CIP (2023-2027).

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:

- \$325,000 in 2024 to replace automated weather operating system
- \$225,000 in 2025 for crack sealing and replacement of tractor and mower
- \$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 two 4-unit public t-hangars
- \$575,000 in 2030 for airfield crack sealing, and design and construction of taxiway F
- \$550,000 for commercial taxiway drainage improvements
- \$1,549,500 in 2031 for crack sealing and to construct an 8-unit t-hangar and large aircraft hangar
- \$1,861,900 also in 2031 for runway extension land acquisition, design, and environmental assessment
- \$5,447,000 in 2032 for runway 12/30 extension construction

Aquatic Facility

Planned improvements to the facility are as follows:

- \$83,000 in 2023 for replacement of pool boiler, freezer, and roof
- \$325,000 in 2027 for filter replacement

Municipal Buildings

Overall

An overall facilities maintenance study is being conducted in 2023 for \$13,000. This will provide a much more accurate projection of future projects in this area.

City Hall

Planned improvements for City Hall include general major repairs, carpet replacement, remodel of council chambers, remodel third floor meeting room, and remodel of restroom facilities, as well as parking lot and site improvements. For City Hall improvements, the CIP includes \$700,000 of spending in 2023 and an additional \$40,000 in 2027 for roof replacement.

Public Works

For Public Works, the CIP includes \$110,000 for carpeting and salt shed roof replacement in 2025. Beginning in 2027 5-year total of \$800,000 for HVAC replacements, and a major roof repair at an estimated cost of \$2,000,000 in 2029 to be funded from the Public Facilities Fund (437) and bonding.

Community Center

Planned improvements for the Community Center include facility improvements and equipment acquisitions. The CIP includes \$270,500 of spending between 2023-2032. Construction of a new community center in 2027 for \$40,000,000 is also planned.

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. These are not included in the Plan.

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 \$1,097,558 on street improvements, including related utility improvements, between 2023-2027. The project spending is funded from a combination of franchise fees, municipal state aid, and utility revenues. 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 2028-2032, preliminary plans include average annual spending of \$11,513,936 supported by the same combination of revenue sources as planned for years 2023-2027 based on the pavement management plan.

There is also \$240,000 for equipment replacements in 2024 - 2030 in the Capital Replacement Fund (431).

Fire

The CIP includes the following equipment acquisitions:

- \$1,174,250 in 2023 for replacement of rescue apparatus, pumper truck, trailer, and civil defense sirens, as well as acquisition of low-pressure airbags, and \$40,000 for exterior building maintenance
- \$85,000 in 2024 and 2025 to replace the Fire Chief squad and acquire equipment
- \$30,000 in 2026 for replacement of UTV
- \$80,000 in 2027 for replacement of F350 crew cab and \$50,000 for boiler replacement

Between years 2028-2032, the Plan anticipates the following:

- \$3,734,000 in vehicle and equipment replacement
- \$13,000,000 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), building maintenance is also funded from 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 Community and Economic Development.

Information Technology has \$160,000 in 2023 for City Hall cameras and Council Chambers audio and video equipment upgrades.

Library capital projects are planned at \$365,000 between 2023-2027. Future year improvements between 2028-2032 are estimated at \$790,000. Projects include exterior cleaning seal and repair, 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 2025 at an estimated cost of \$50,000. This cost is included in the Public Facility Fund (437).

Parks

Improvements within Parks is planned at \$2,375,000 over the next five years. This includes improvements to restroom facilities, park development, playground equipment, bandshell renovations, restrooms, among other various park improvements funded with the Park Improvement Fund (404). An additional estimate of \$7,300,000 in 2024 for improvements at the downtown (viaduct area) park are anticipated. Parks also has equipment replacements of \$1,739,500 and facility upgrades of \$2,305,000. Capital projects for parks are accounted for in the Capital Replacement Fund (431) and the Public Facility Fund (437).

For years 2028-2032, the Plan includes \$1,200,000 of planned projects including shelter improvements, parking lots, playground replacements, trail sealcoating, splashpad, scoreboards, soccer complex, skatepark, among

other park projects and replacement of vehicles and equipment.

Police

Spending on capital within the Police Department between 2023-2027 is planned at \$96,000 for building maintenance. The capital costs for these purchases are accounted for in the Public Facility Funds (437).

In 2023 began a shift of police vehicles from Capital Replacement Fund (431) items to operating lease obligations in the General Fund (101). This change is now reflected within this model.

Streets

Spending on capital within the Streets Department between 2023-2027 is planned at \$2,390,000 for vehicle and equipment replacement. For years 2028-2032, the Plan includes \$1,800,000 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:

- \$2,643,000 in 2023
- \$1,906,000 in 2024 (supported, in part, by \$495,000 anticipated special assessments)
- \$1,431,000 in 2025
- \$560,000 in 2026
- \$3,267,000 in 2027

Between 2028-2032, the Plan includes \$435,000 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:

- \$3,229,000 in 2023
- \$575,000 in 2024
- \$375,000 in 2025
- \$326,500 in 2026
- \$312,000 in 2027

The Plan includes \$25,000,000 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 2028-2032 on sanitary sewer improvements includes \$2,419,000, 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:

- \$2,761,200 in 2023, with \$855,700 of special assessment revenue
- \$650,000 in 2024, with \$310,000 of special assessment revenue
- \$1,240,000 in 2025, with support of \$556,000 of MSA funds
- \$4,026,000 in 2026
- \$789,000 in 2027

Other project spending between 2028-2032 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:

- G.O. Bonds, in 2027, \$40,000,000 to finance a new community center, over a 30-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, \$13,000,000 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, \$25,000,000 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 5.0% 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

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
CAPITAL OUTLAY										
Airport	-	325,000	225,000	75,000	1,546,000	300,000	740,000	1,275,000	3,961,400	5,447,000
Aquatic Facility	83,000	-	-	-	325,000	-	-	-	-	-
City Hall & Facility Study	713,000	-	-	-	40,000	-	-	-	-	-
Community Center	47,000	25,500	36,500	11,500	41,012,000	12,500	13,000	88,500	24,000	-
Engineering	8,992,600	5,649,480	2,865,000	4,057,750	3,809,000	11,573,936	11,513,936	11,563,936	11,513,936	11,513,936
Fire Department	1,214,250	65,000	20,000	30,000	130,000	14,500,000	10,000	2,200,000	185,000	39,000
Information Technology	160,000	-	-	-	-	-	-	-	-	-
Library	85,000	40,000	-	175,000	65,000	165,000	200,000	-	425,000	-
Municipal Buildings	-	-	110,000	-	150,000	150,000	2,200,000	150,000	150,000	-
Parks	836,500	7,717,000	660,000	716,000	826,000	488,000	3,152,000	310,000	214,000	-
Police Department	80,000	16,000	-	-	-	-	-	-	-	-
Sewer	3,229,000	575,000	375,000	326,500	312,000	576,000	26,497,000	371,000	300,000	300,000
Storm Water	2,761,200	650,000	1,240,000	4,026,000	789,000	150,000	150,000	1,300,000	150,000	150,000
Street Department	80,000	370,000	650,000	640,000	650,000	635,000	380,000	410,000	375,000	-
Washington Center	-	-	50,000	-	-	-	-	-	-	-
Water	2,643,000	1,906,000	1,431,000	560,000	3,267,000	10,000	110,000	155,000	10,000	150,000
Total Capital Outlay	20,924,550	17,338,980	7,662,500	10,617,750	52,921,000	28,560,436	44,965,936	17,823,436	17,308,336	17,599,936

SOURCE OF FUNDS FOR CAPITAL OUTLAY

Bond proceeds	-	7,485,000	-	-	41,000,000	13,325,000	27,675,000	-	-	-
Special assessments	855,700	310,000	495,000	-	-	-	-	-	-	-
Municipal state aid (construction)	556,500	2,056,280	563,000	1,840,250	1,988,000	1,486,993	1,486,993	1,486,993	1,486,993	1,486,993
Other revenue for capital	-	50,000	-	350,000	-	-	1,320,000	-	-	-
Intergovernmental for capital	3,159,500	227,500	713,500	52,500	1,451,200	285,000	550,000	892,500	3,220,400	5,102,300
Grand Total	4,571,700	10,128,780	1,771,500	2,242,750	44,439,200	15,096,993	31,031,993	2,379,493	4,707,393	6,589,293
Cash from Funds	16,352,850	7,210,200	5,891,000	8,375,000	8,481,800	13,463,443	13,933,943	15,443,943	12,600,943	11,010,643
Total Source of Funds for Capital Outlay	20,924,550	17,338,980	7,662,500	10,617,750	52,921,000	28,560,436	44,965,936	17,823,436	17,308,336	17,599,936

City of Faribault**Capital Improvement Plan**

Page 2 of 2

Totals Capital Outlay by Category/Fund and Source of Funds

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
CAPITAL OUTLAY BY FUND										
Airport Fund (225)	-	325,000	225,000	75,000	1,546,000	300,000	740,000	1,275,000	3,961,400	5,447,000
Capital Replacement Fund (431)	1,733,750	722,500	926,500	837,500	1,043,000	2,320,500	680,000	2,898,500	668,000	39,000
Sanitary Sewer Fund (602)	3,770,100	893,000	570,000	600,250	635,000	2,096,296	28,017,296	1,891,296	1,820,296	1,820,296
Storm Water Fund (603)	3,116,200	1,079,000	1,505,000	4,076,000	924,000	1,702,320	1,702,320	2,852,320	1,702,320	1,702,320
Water Fund (601)	3,450,800	2,459,000	1,621,000	833,750	3,590,000	1,530,296	1,630,296	1,675,296	1,530,296	1,670,296
Public Facilities Fund (437)	970,000	56,000	185,000	100,000	41,710,000	13,565,000	4,490,000	150,000	575,000	-
Park Improvement Fund (404)	995,000	7,740,000	425,000	635,000	805,000	125,000	785,000	160,000	130,000	-
Street Improvement Fund (401)	6,888,700	4,064,480	2,205,000	3,460,250	2,668,000	6,921,024	6,921,024	6,921,024	6,921,024	6,921,024
Total Capital Outlay by Fund	20,924,550	17,338,980	7,662,500	10,617,750	52,921,000	28,560,436	44,965,936	17,823,436	17,308,336	17,599,936

Source:

The capital outlay amounts come from the City Capital Improvement Plan, 2023-2027, and Management prepared preliminary plans for 2028-2032, as provided for the 2023 Budget.

Table 3 Summary of Existing Debt

City of Faribault

Summary of Existing Debt

	Actual										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Principal											
G.O. Bonds	5,370,000	300,000	300,000	310,000	315,000	325,000	150,000	155,000	160,000	160,000	160,000
G.O. Special Assessments Bonds	910,000	960,000	955,000	1,000,000	1,055,000	640,000	645,000	230,000	110,000	-	-
G.O. Revenue Bonds	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	543,000
Lease / Loan Payable	61,500	61,500	10,250	-	-	-	-	-	-	-	-
Total Existing Debt	8,046,027	3,073,325	3,054,250	3,137,000	3,236,000	2,870,000	2,741,000	2,373,000	803,000	698,000	703,000
Annual Interest											
G.O. Bonds	87,178	41,693	34,093	28,093	21,893	15,168	8,230	5,230	3,680	1,920	-
G.O. Special Assessments Bonds	299,499	246,150	200,050	155,150	108,000	58,000	34,150	9,663	3,025	-	-
G.O. Revenue Bonds	360,869	334,335	297,365	259,526	220,796	181,149	140,585	99,053	56,543	51,213	45,833
Total Existing Debt	747,545	622,178	531,507	442,769	350,689	254,317	182,965	113,946	63,248	53,133	45,833
Annual Debt Service											
G.O. Bonds	5,457,178	341,693	334,093	338,093	336,893	340,168	158,230	160,230	163,680	161,920	160,000
G.O. Special Assessments Bonds	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. Revenue Bonds	2,065,396	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	588,833
Lease / Loan Payable	61,500	61,500	10,250	-	-	-	-	-	-	-	-
Total Existing Debt	8,793,572	3,695,503	3,585,757	3,579,769	3,586,689	3,124,317	2,923,965	2,486,946	866,248	751,133	748,833
Bonds Outstanding at Year End											
G.O. Bonds	2,335,000	2,035,000	1,735,000	1,425,000	1,110,000	785,000	635,000	480,000	320,000	160,000	-
G.O. Special Assessments Bonds	5,595,000	4,635,000	3,680,000	2,680,000	1,625,000	985,000	340,000	110,000	-	-	-
G.O. Revenue Bonds	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	4,040,300
Lease / Loan Payable	71,750	10,250	-	-	-	-	-	-	-	-	-
Total Existing Debt	26,728,875	23,655,550	20,601,300	17,464,300	14,228,300	11,358,300	8,617,300	6,244,300	5,441,300	4,743,300	4,040,300
Debt Subject to Statutory Debt Limit	2,335,000	2,035,000	1,735,000	1,425,000	1,110,000	785,000	635,000	480,000	320,000	160,000	-
% of Statutory Debt Limit Used	5%	4%	3%	3%	2%	2%	1%	1%	1%	0%	0%
Statutory Debt Limit (EMV * 3.0%)	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122	49,831,122
Estimated Legal Debt Margin (Unused Limit)	47,496,122	47,796,122	48,096,122	48,406,122	48,721,122	49,046,122	49,196,122	49,351,122	49,511,122	49,671,122	49,831,122

Table 4 Summary of Planned Debt

City of Faribault

Summary of Planned New Debt

		Downtown Park			Community Center	Fire Station #2	PW Roof & Swr Treatment Plant		
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Principal									
G.O. Bonds	-	345,000	360,000	380,000	1,005,000	1,330,000	1,560,000	1,640,000	1,730,000
G.O. Revenue Bonds	-	-	-	-	-	-	765,000	805,000	845,000
Total Existing Debt	-	345,000	360,000	380,000	1,005,000	1,330,000	2,325,000	2,445,000	2,575,000
Annual Interest									
G.O. Bonds	-	544,742	357,000	339,000	3,303,889	3,289,514	3,068,694	2,944,000	2,862,000
G.O. Revenue Bonds	-	-	-	-	-	-	1,864,931	1,243,000	1,202,750
Total Existing Debt	-	544,742	357,000	339,000	3,303,889	3,289,514	4,933,625	4,187,000	4,064,750
Annual Debt Service									
G.O. Bonds	-	889,742	717,000	719,000	4,308,889	4,619,514	4,628,694	4,584,000	4,592,000
G.O. Revenue Bonds	-	-	-	-	-	-	2,629,931	2,048,000	2,047,750
Total Existing Debt	-	889,742	717,000	719,000	4,308,889	4,619,514	7,258,625	6,632,000	6,639,750
Bonds Outstanding at Year End									
G.O. Bonds	7,485,000	7,140,000	6,780,000	47,400,000	59,720,000	60,440,000	58,880,000	57,240,000	55,510,000
G.O. Revenue Bonds	-	-	-	-	-	25,625,000	24,860,000	24,055,000	23,210,000
Total Existing Debt	7,485,000	7,140,000	6,780,000	47,400,000	59,720,000	86,065,000	83,740,000	81,295,000	78,720,000
Debt Subject to Statutory Debt Limit	7,485,000	7,140,000	6,780,000	6,400,000	19,325,000	18,630,000	17,900,000	17,130,000	16,320,000

Table 5 Summary of Existing and Planned Debt Combined

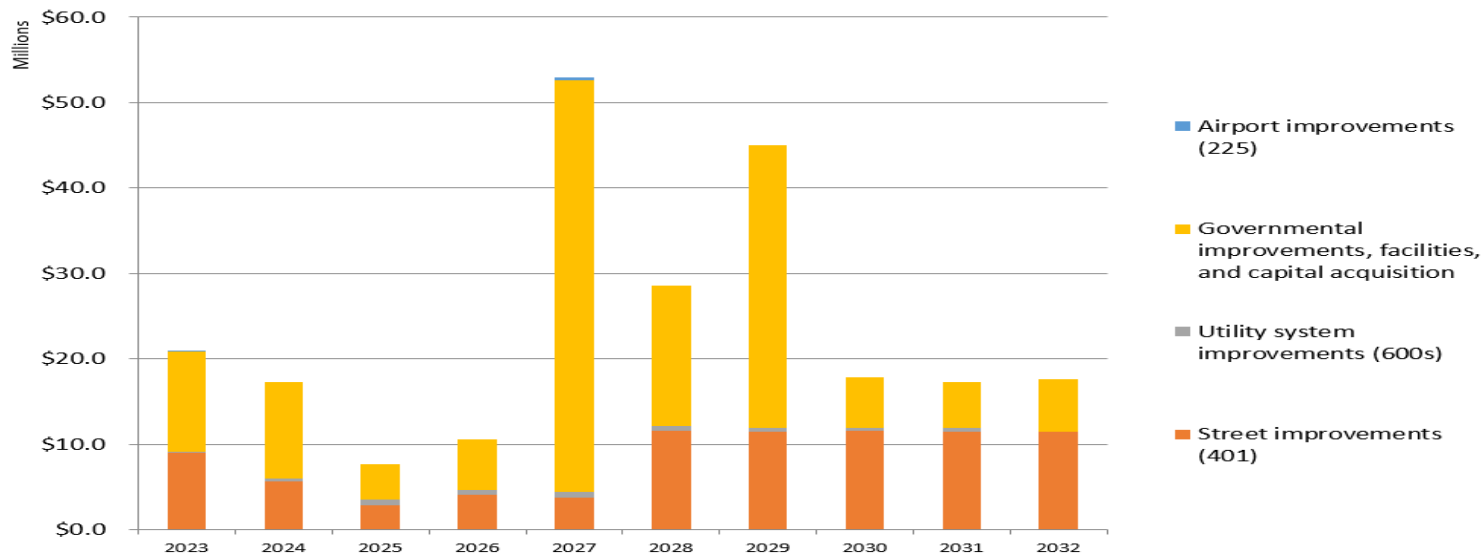
City of Faribault

Summary of Existing and Planned New Debt Combined

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Annual Principal											
G.O. Bonds	5,370,000	300,000	300,000	655,000	675,000	705,000	1,155,000	1,485,000	1,720,000	1,800,000	1,890,000
G.O. Special Assessments Bonds	910,000	960,000	955,000	1,000,000	1,055,000	640,000	645,000	230,000	110,000	-	-
G.O. Revenue Bonds	1,704,527	1,751,825	1,789,000	1,827,000	1,866,000	1,905,000	1,946,000	1,988,000	1,298,000	1,343,000	1,388,000
Lease / Loan Payable	61,500	61,500	10,250	-	-	-	-	-	-	-	-
Total Existing Debt	8,046,027	3,073,325	3,054,250	3,482,000	3,596,000	3,250,000	3,746,000	3,703,000	3,128,000	3,143,000	3,278,000
Annual Interest											
G.O. Bonds	87,178	41,693	34,093	572,834	378,893	354,168	3,312,119	3,294,744	3,072,374	2,945,920	2,862,000
G.O. Special Assessments Bonds	299,499	246,150	200,050	155,150	108,000	58,000	34,150	9,663	3,025	-	-
G.O. Revenue Bonds	360,869	334,335	297,365	259,526	220,796	181,149	140,585	99,053	1,921,474	1,294,213	1,248,583
Total Existing Debt	747,545	622,178	531,507	987,510	707,689	593,317	3,486,854	3,403,459	4,996,873	4,240,133	4,110,583
Annual Debt Service											
G.O. Bonds	5,457,178	341,693	334,093	1,227,834	1,053,893	1,059,168	4,467,119	4,779,744	4,792,374	4,745,920	4,752,000
G.O. Special Assessments Bonds	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. Revenue Bonds	2,065,396	2,086,160	2,086,365	2,086,526	2,086,796	2,086,149	2,086,585	2,087,053	3,219,474	2,637,213	2,636,583
Lease / Loan Payable	61,500	61,500	10,250	-	-	-	-	-	-	-	-
Total Existing Debt	8,793,572	3,695,503	3,585,757	4,469,510	4,303,689	3,843,317	7,232,854	7,106,459	8,124,873	7,383,133	7,388,583
Bonds Outstanding at Year End											
G.O. Bonds	2,335,000	2,035,000	9,220,000	8,565,000	7,890,000	48,185,000	60,355,000	60,920,000	59,200,000	57,400,000	55,510,000
G.O. Special Assessments Bonds	5,595,000	4,635,000	3,680,000	2,680,000	1,625,000	985,000	340,000	110,000	-	-	-
G.O. Revenue Bonds	18,727,125	16,975,300	15,186,300	13,359,300	11,493,300	9,588,300	7,642,300	31,279,300	29,981,300	28,638,300	27,250,300
Lease / Loan Payable	71,750	10,250	-	-	-	-	-	-	-	-	-
Total Existing Debt	26,728,875	23,655,550	28,086,300	24,604,300	21,008,300	58,758,300	68,337,300	92,309,300	89,181,300	86,038,300	82,760,300
Debt Subject to Statutory Debt Limit	2,335,000	2,035,000	9,220,000	8,565,000	7,890,000	7,185,000	19,960,000	19,110,000	18,220,000	17,290,000	16,320,000
% of Statutory Debt Limit Used	5%	4%	19%	17%	16%	14%	40%	38%	37%	35%	33%

Chart 9 CIP Use of Funds

Capital improvements will vary by year, with the exception of annual scheduled street improvements



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 2028-2032 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 10 CIP Source of Funds

Capital improvements source of funds will include a combination of revenue sources, including bond proceeds, and use of cash

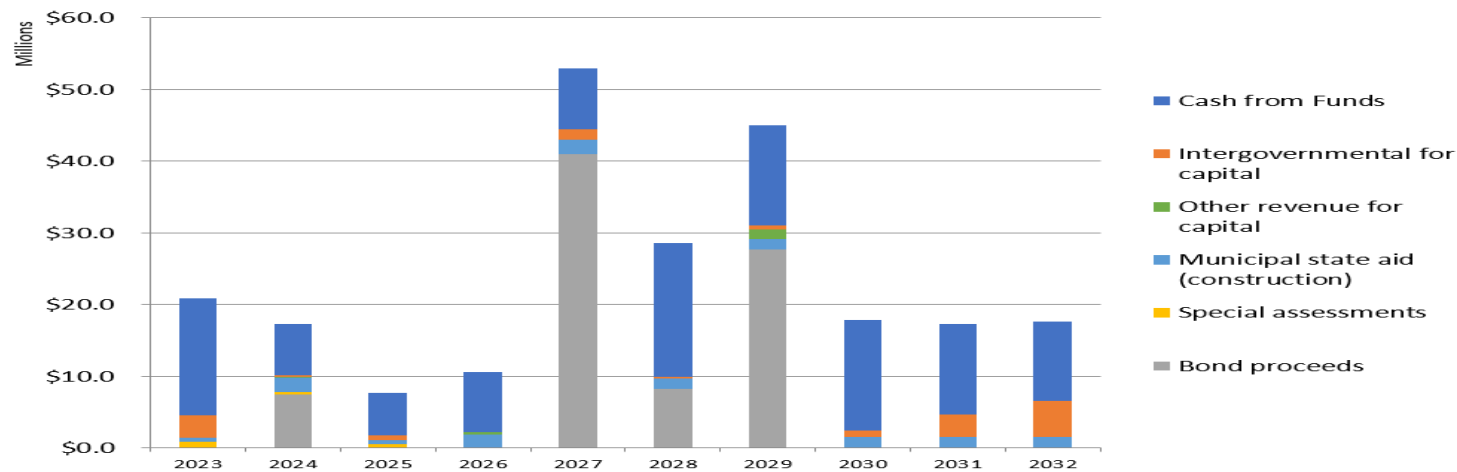


Chart 11 Debt Service

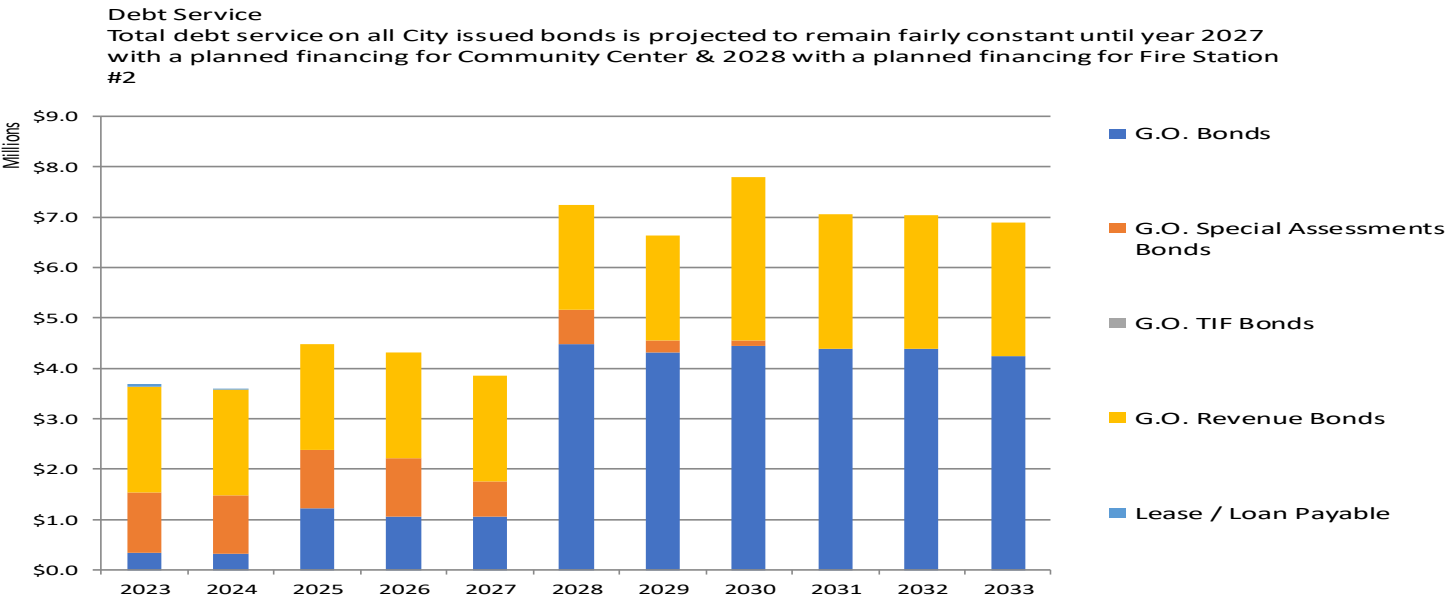
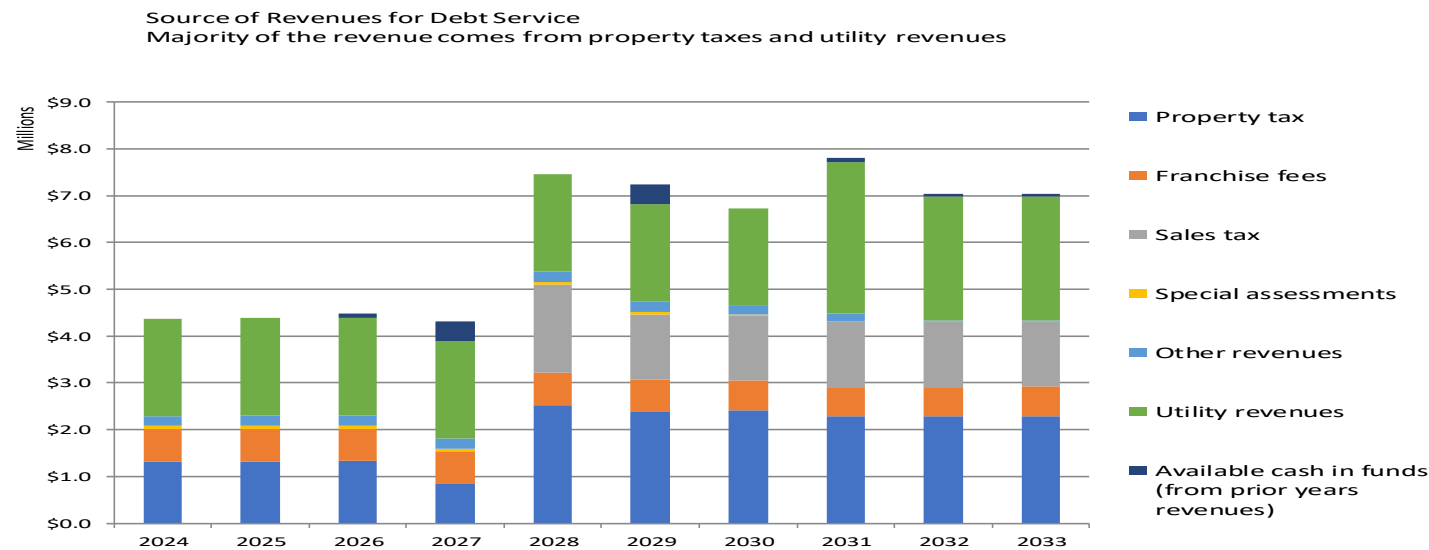


Chart 12 Debt Service Source of Revenues



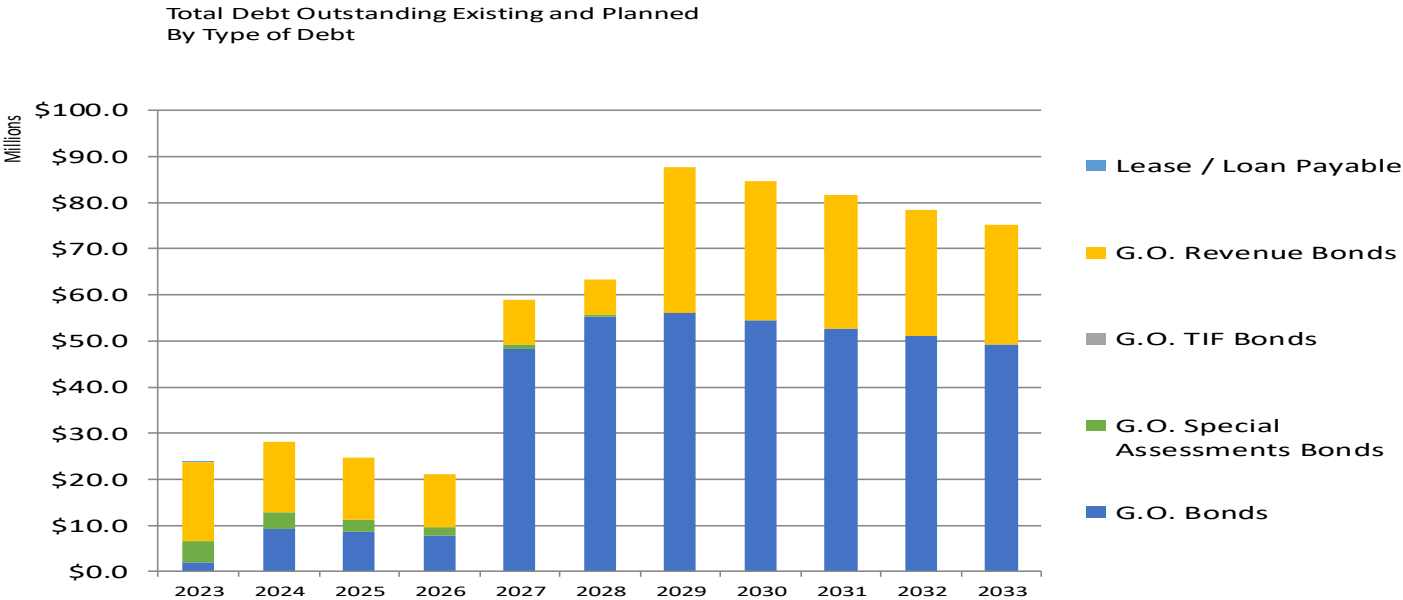
New debt service is planned to be issued for major projects including sewer treatment plant improvements, a new fire station, major roof repairs to public facilities, and a community center, among other project plans.

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 downtown (viaduct area) park project.

Chart 13 Debt Outstanding



Total debt outstanding is projected to decrease between 2023-2026. 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

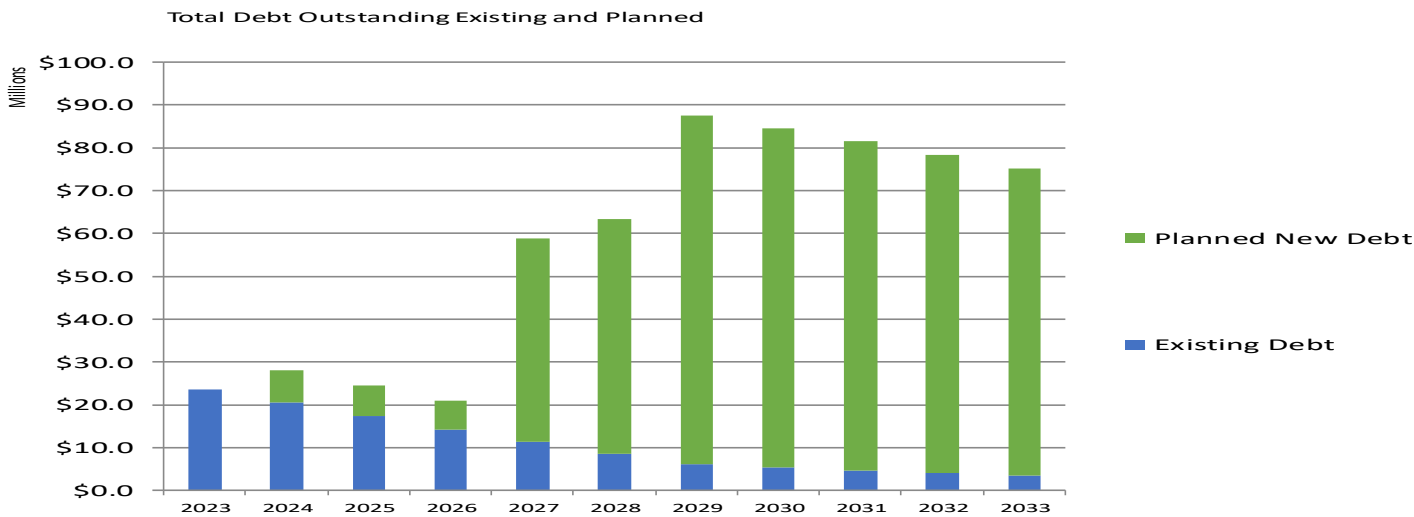


Chart 15 Amortization of Outstanding Debt

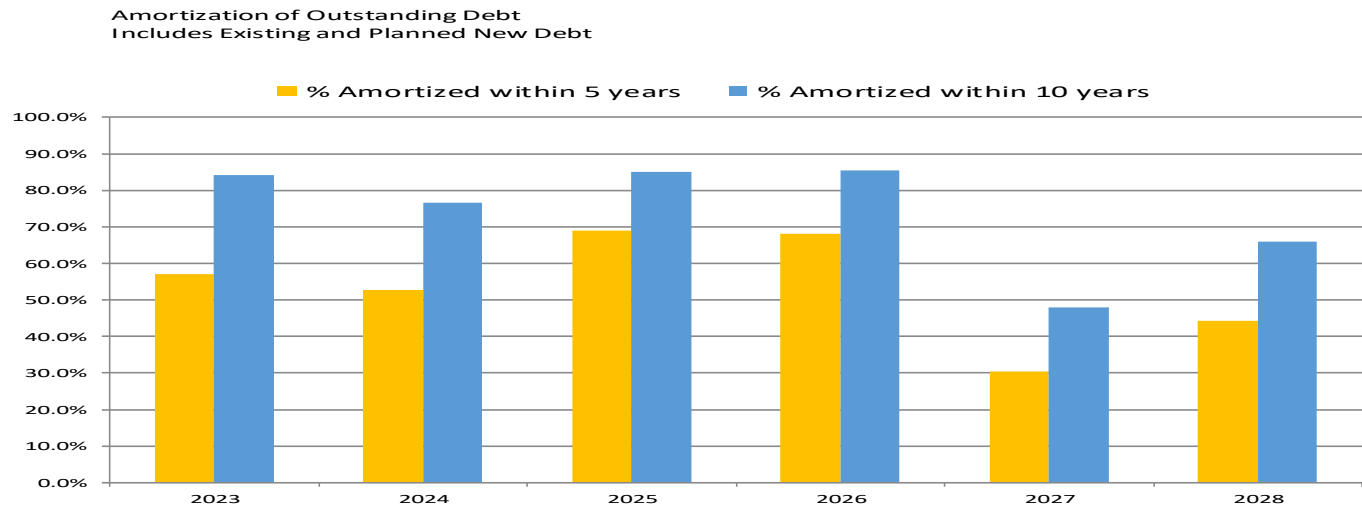
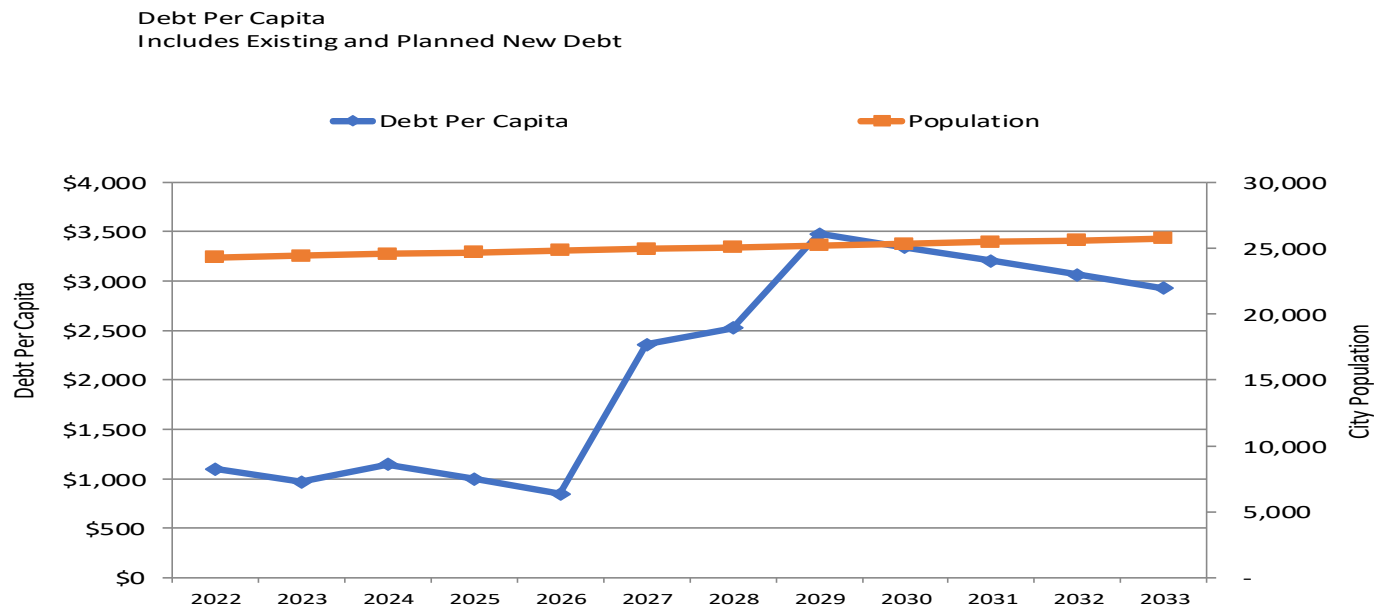


Chart 16 Debt Per Capita



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. These will be part of the Enterprise Fund budget discussions.

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 and Economic 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 and Economic 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 which are projected to remain constant at the 2023 amounts.
- Annual investment income rate of 4.0%.
- 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 6.0% annually with the exception for new positions to be added. The increase in operating costs for the downtown (viaduct area) park has projections beginning fourth quarter 2024 and community center project is not included in the financial plans. These will need to be added and/or modified 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 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.

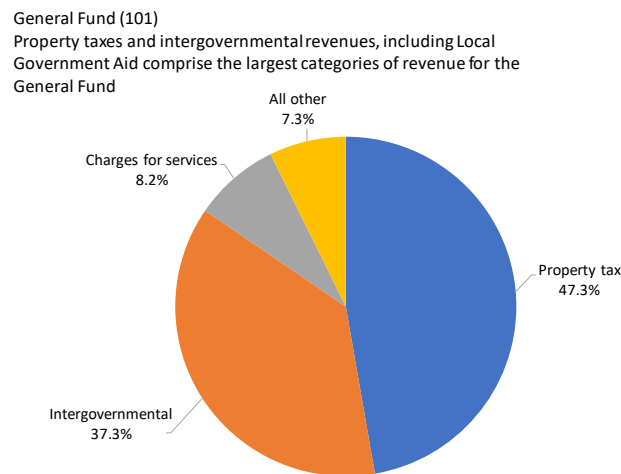


Figure 2.

Tax Year	Tax Levy	Tax Levy in Millions	% Change in Tax Levy
2023	\$9,267,952	\$9.27	6.7%
2024	\$11,386,555	\$11.39	22.9%
2025	\$11,101,898	\$11.10	-2.5%
2026	\$12,406,073	\$12.41	11.7%
2027	\$14,197,656	\$14.20	14.4%
2028	\$16,069,851	\$16.07	13.2%
2029	\$17,670,970	\$17.67	10.0%
2030	\$19,387,415	\$19.39	9.7%
2031	\$21,210,385	\$21.21	9.4%
2032	\$23,139,767	\$23.14	9.1%

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 2023, Council has authorized several personnel changes which adjusted the General Fund expenditures as well as the 2024 levy projections.

Non-Tax Revenue

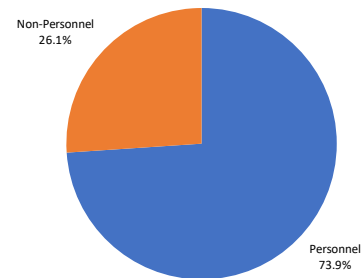
- The financial plan for the General Fund is based on the following key assumptions for non-tax revenues:
- Non-tax revenues increase of 1.0% annually, with the exception of Franchise Fees which are projected to remain constant at the 2023 amount and then constant going forward.
 - Annual investment income rate of 4.0%.

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 6.0% annually with the following exceptions:
 - Year 2024 includes the Staff requests of one full time fire fighter, and an increase to library pages and aides pay by \$1/hour.
 - Also included in year 2024 are the estimates of one new recreation coordinator and a part-time park maintenance to full-time, as well as additional temporary staffing for the downtown (viaduct area) park beginning 4th quarter.
 - Year 2028 includes 6.0 FTE Fire Fighters plus related operational costs added to General Fund (\$812,645 on-going costs plus \$20,000 for start-up).

General Fund (101)
Personnel costs comprise the largest share of General Fund expenditures



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 downtown (viaduct area) park are included beginning 4th quarter of 2024. As plans are refined for these projects, the increase in operating costs will need to be added to the financial plan.

Transfers

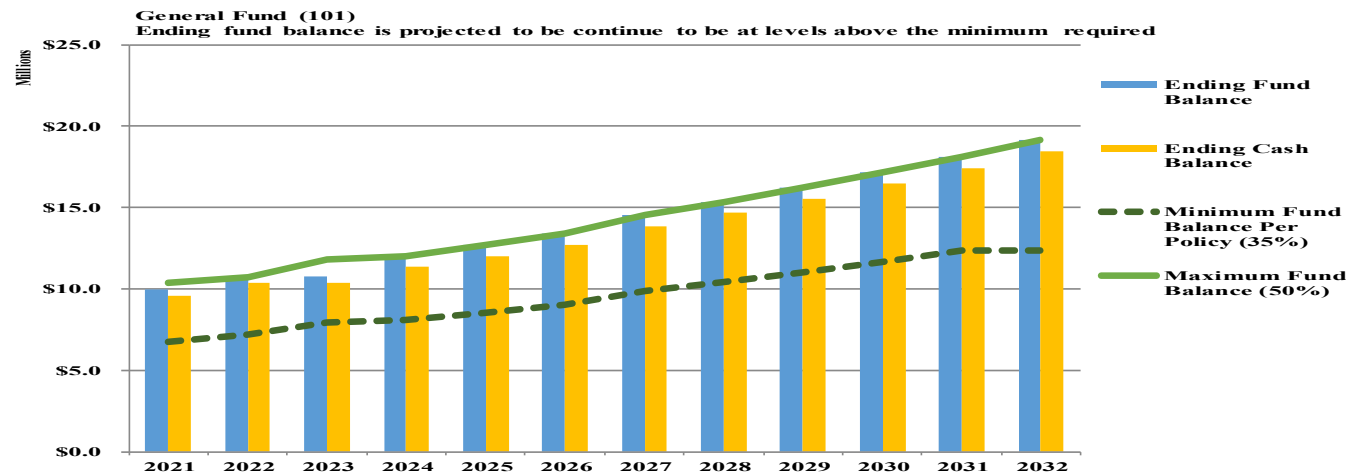
Transfers out do not occur on an annual basis to the Capital Project Funds pursuant to City policy as described below. For planning purposes, the Plan does not include any transfer out of funds from the General Fund to other funds. The fund balance in the General Fund is projected to average approximately 40.4% through 2028 and declines below fund balance policy to 34% down to 26.9% in 2032. Fund balance for the General Fund is calculated as percentage over subsequent expenditures. This projection includes a levy to maintain the 50% City practice.

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 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) unexpected revenue shortfalls.

Chart 18 Source and Use of Funds

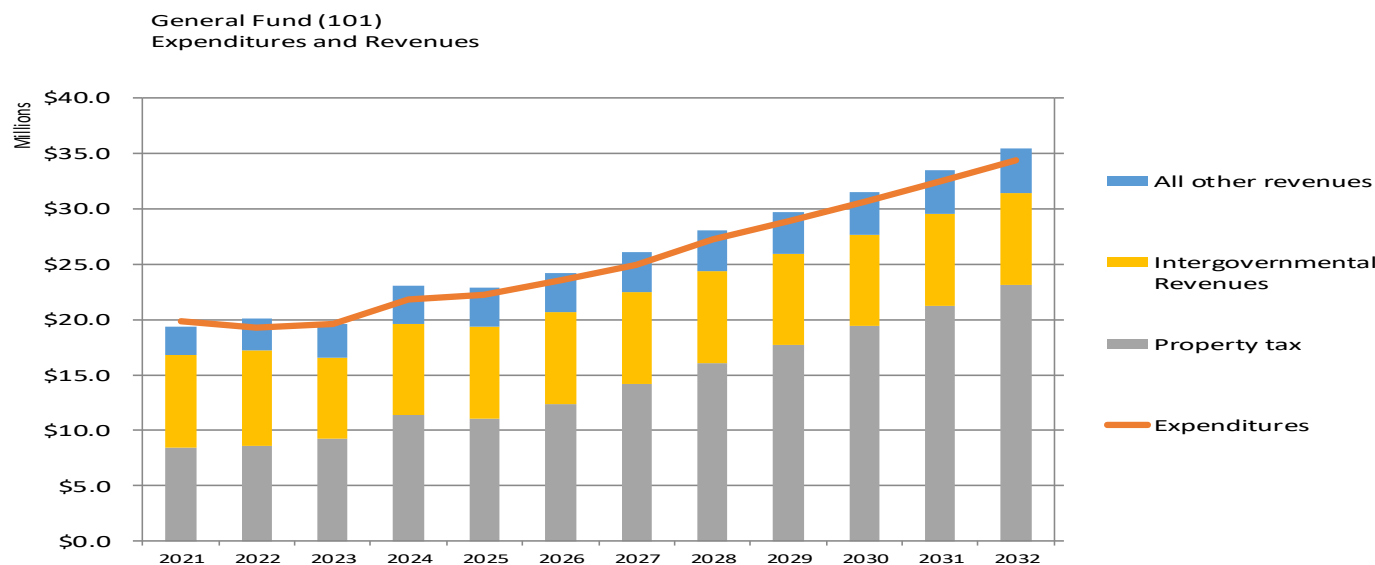


Table 6 Finance Plan

General Fund (101)												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	8,441,755	8,632,730	9,267,952	11,386,555	11,101,898	12,406,073	14,197,656	16,069,851	17,670,970	19,387,415	21,210,385	23,139,767
Franchise fees	237,281	239,270	225,000	305,000	305,000	305,000	305,000	305,000	305,000	305,000	305,000	305,000
Special assessments	3,342	1,084	3,700	-	-	-	-	-	-	-	-	-
Licenses and permits	489,278	694,627	730,281	737,584	744,960	752,409	759,933	767,533	775,208	782,960	790,790	798,698
Local government aid	5,988,340	6,029,788	6,102,837	6,972,221	6,972,221	6,972,221	6,972,221	6,972,221	6,972,221	6,972,221	6,972,221	6,972,221
Police and fire aid	489,666	523,999	485,000	489,850	494,749	499,696	504,693	509,740	514,837	519,986	525,186	530,437
Municipal state aid (maintenance)	227,285	297,804	297,804	300,782	303,790	306,828	309,896	312,995	316,125	319,286	322,479	325,704
Other intergovernmental	1,661,022	1,725,290	426,121	430,382	434,686	439,033	443,423	447,857	452,336	456,859	461,428	466,042
Charges for services	1,335,149	1,731,065	1,601,335	1,617,348	1,633,522	1,649,857	1,666,356	1,683,019	1,699,849	1,716,848	1,734,016	1,751,357
Fines and forfeitures	148,970	130,997	128,000	129,280	130,573	131,879	133,197	134,529	135,875	137,233	138,606	139,992
Investment income	(70,081)	(486,617)	104,470	451,827	490,647	517,238	545,441	591,609	623,771	658,551	695,447	734,589
Other miscellaneous	132,024	284,360	71,120	71,120	71,120	71,120	71,120	71,120	71,120	71,120	71,120	71,120
Taxes other	260,126	278,827	163,600	165,236	166,888	168,557	170,243	171,945	173,665	175,401	177,155	178,927
Total Revenues	19,344,157	20,083,224	19,607,220	23,057,186	22,850,053	24,219,911	26,079,179	28,037,420	29,710,977	31,502,880	33,403,832	35,413,853
Expenditures												
Personnel services - Union and Non Union	13,365,009	13,725,205	14,497,990	15,367,869	16,289,942	17,324,353	18,424,449	19,594,402	20,838,646	22,161,900	23,569,181	25,065,824
New FTE and operating costs	-	-	-	-	-	-	-	812,645	884,248	940,398	1,000,113	1,063,620
New Union FTE added	-	-	-	200,389	212,412	225,901	240,245	255,501	271,725	288,980	307,330	326,845
Materials and supplies	1,249,679	1,441,443	1,449,710	1,522,196	1,598,305	1,678,221	1,762,132	1,850,238	1,942,750	2,039,888	2,141,882	2,248,976
Other services and charges	3,471,937	3,336,339	3,659,520	3,842,496	4,034,621	4,236,352	4,448,169	4,670,578	4,904,107	5,149,312	5,406,778	5,677,117
Transfer out other	1,715,848	748,159	-	850,000	50,000	50,000	50,000	50,000	-	-	-	-
Capital outlay	-	48,879	-	-	-	-	-	-	-	-	-	-
Total Expenditures	19,802,473	19,300,025	19,607,220	21,782,950	22,185,280	23,514,826	24,924,995	27,233,364	28,841,476	30,580,477	32,425,283	34,382,382
Net Change in Fund Balances	(458,316)	783,199	-	1,274,236	664,773	705,085	1,154,184	804,056	869,501	922,403	978,549	1,031,471
Ending Fund Balance	9,963,739	10,746,938	10,746,938	12,021,174	12,685,947	13,391,032	14,545,216	15,349,272	16,218,773	17,141,176	18,119,725	19,151,196

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. There is a projected 5% annual increase in Charges for Services to ensure funds are available for operations and matching funds for future capital outlay. 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 for the later years.

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 \$10,000 in revenue from the General Fund (101) in 2020 for future events.

Table 7 Finance Plan

Airport Fund (225)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	19,856	9,937	-	-	-	-	-	-	-	-	-	-
Charges for services	119,048	137,298	132,739	139,376	146,345	153,662	161,345	169,412	177,883	186,777	196,116	205,922
Investment income	(231)	(33,789)	5,800	21,114	18,639	17,294	17,726	15,315	16,033	9,816	(4,314)	(33,309)
Other miscellaneous	3,426	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	45,081	336,585	31,590	227,500	157,500	52,500	1,451,200	285,000	550,000	892,500	3,220,400	5,102,300
Total Revenues	187,180	450,031	170,129	387,990	322,484	223,456	1,630,271	469,728	743,916	1,089,093	3,412,202	5,274,912
Expenditures												
Materials and supplies	7,528	5,621	5,500	5,775	6,064	6,367	6,685	7,020	7,371	7,739	8,126	8,532
Other services and charges	117,321	117,909	113,417	119,088	125,042	131,294	137,859	144,752	151,990	159,589	167,569	175,947
Principal payments	61,500	61,500	10,250	-	-	-	-	-	-	-	-	-
Capital outlay	42,356	315,841	113,560	325,000	225,000	75,000	1,546,000	300,000	740,000	1,275,000	3,961,400	5,447,000
Total Expenditures	228,705	500,871	242,727	449,863	356,106	212,661	1,690,544	451,772	899,360	1,442,328	4,137,095	5,631,479
Net Change in Fund Balances	(41,525)	(50,840)	(72,598)	(61,873)	(33,622)	10,795	(60,273)	17,956	(155,444)	(353,235)	(724,892)	(356,567)
Beginning Fund Balance	692,817	651,292	600,452	527,854	465,981	432,359	443,154	382,881	400,837	245,394	(107,842)	(832,734)
Ending Fund Balance	651,292	600,452	527,854	465,981	432,359	443,154	382,881	400,837	245,394	(107,842)	(832,734)	(1,189,301)

Community and Economic Development Fund (240)

The Community and Economic Development Fund is used to account for the administrative costs for community and economic development activities of the City.

Revenues

Charges for services revenues that come from the HRA provide some of the revenue to pay for community and economic development activities. The other half comes from property tax revenue. The budgeted use of fund balance reduces the burden on the tax levy. Community and Economic Development will be reducing its operational dependency on property tax revenue over 4 years (2022-2025). The only property tax revenue thereafter will be to support the tax abatements authorized. Mid-year 2023 the charges for services revenue from the HRA has changed from an indirect cost allocation plan to direct charges as the public housing activities are now being outsourced.

Expenditures

The majority of the expenditures are for personnel costs. Mid-year 2023 personnel costs for the public housing activities have been removed in 2024 as these duties are now being outsourced. Tax Abatements have been moved to Community and Economic Development from the General Fund (101) in 2022 to report activity within the proper function of the City. This is the other significant expenditure within the Community and Economic Development Fund (240).

Transfers

The Community and Economic Development Fund was holding \$466,660 as restricted cash for the EDA Fund for the “Downtown Commercial Rehabilitation Program”. These funds were transferred to the EDA in 2022. There are no other projected transfers.

Table 8 Finance Plan

Community Development Fund(240)												
	2021 Actual	2022 Actual	2023 Budget Year	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Revenues												
Property taxes (current ad valorem)	262,718	622,458	534,276	470,144	298,964	213,672	59,007	44,445	444,445	42,223	37,778	33,334
Other intergovernmental	-	258,280	-	-	-	-	-	-	-	-	-	-
Charges for services	290,263	296,377	386,113	31,140	33,008	35,104	37,334	39,704	42,225	44,907	47,758	50,791
Investment income	(5,978)	(17,534)	11,970	5,116	(5,949)	(20,923)	(37,361)	(55,372)	(75,074)	(96,590)	(120,053)	(145,606)
Other miscellaneous	100	1,127	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	1,600	-	-	-	-	-	-	-	-	-	-
Taxes other	1,617	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	548,720	1,162,308	932,359	506,400	326,023	227,853	58,979	28,777	411,597	(9,460)	(34,517)	(61,481)
Expenditures												
Personnel services - Union and Non Union	521,696	507,940	645,346	342,838	363,408	385,225	408,353	432,868	458,855	486,403	515,604	546,558
Materials and supplies	7,180	25,558	5,900	6,195	6,505	6,830	7,171	7,530	7,907	8,302	8,717	9,153
Other services and charges	226,966	291,560	29,134	30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	44,324
Transfer out other	-	466,660	-	-	-	-	-	-	-	-	-	-
Tax abatements	-	410,914	401,976	403,995	298,964	213,672	59,007	44,445	444,445	42,223	37,778	33,334
Total Expenditures	755,842	1,702,632	1,082,356	783,028	700,377	638,802	509,260	521,308	949,495	577,130	604,312	633,368
Net Change in Fund Balances	(207,122)	(540,324)	(149,997)	(276,628)	(374,354)	(410,949)	(450,280)	(492,531)	(537,898)	(586,590)	(638,829)	(694,850)
Beginning Fund Balance	1,025,345	818,223	277,899	127,902	(148,726)	(523,080)	(934,029)	(1,384,309)	(1,876,840)	(2,414,739)	(3,001,329)	(3,640,157)
Ending Fund Balance	818,223	277,899	127,902	(148,726)	(523,080)	(934,029)	(1,384,309)	(1,876,840)	(2,414,739)	(3,001,329)	(3,640,157)	(4,335,007)

Library Donation Fund (217)

The Library Donation Fund was created in 2021 with the receipt of a significant donation to the Buckham Memorial Library from the Crandall Estate. A budget for this fund was not established in 2023 for this fund as a spending policy was being drafted. The purpose of the policy is to establish guidelines for the spending in a manner that allows the funds to be used to support the Library's values, mission, and vision.

Revenues

Revenues consist of donations specific to the Buckham Memorial Library, and any investment earnings.

Expenditures

The Crandall Estate donation will be split evenly to establish three allocations: 1) Permanent Endowment Allocation to benefit present and future library users, 2) Library Upgrade Allocation for exceptional upgrades of the current library space, 3) Makerspace Incubator Allocation to equip but not construct. Any future donations and investment earnings can be made in accordance with the City Public Purpose and Expenditure Policy.

Transfers

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

Table 8 Finance Plan

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Investment income	-	11,272	-	118,088	122,811	127,724	132,833	138,146	143,672	149,419	155,396	161,612
Other miscellaneous	2,700,000	240,927	-	-	-	-	-	-	-	-	-	-
Total Revenues	2,700,000	252,199	-	118,088	122,811	127,724	132,833	138,146	143,672	149,419	155,396	161,612
Expenditures												
Materials and supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	2,700,000	252,199	-	118,088	122,811	127,724	132,833	138,146	143,672	149,419	155,396	161,612
Beginning Fund Balance	-	2,700,000	2,952,199	2,952,199	3,070,287	3,193,098	3,320,822	3,453,655	3,591,801	3,735,474	3,884,892	4,040,288
Ending Fund Balance	2,700,000	2,952,199	2,952,199	3,070,287	3,193,098	3,320,822	3,453,655	3,591,801	3,735,474	3,884,892	4,040,288	4,201,900

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 Fund, Public Safety Programs Fund, Rental Housing Rehabilitation Fund, and 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

Other Special Revenue Fund(200)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Charges for services	-	32,899	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	24,683	60	2,700	2,727	2,754	2,782	2,810	2,838	2,866	2,895	2,924	2,953
Investment income	(1,608)	(39,358)	-	25,052	52,284	77,637	104,165	131,915	160,935	191,273	222,982	284,639
Other miscellaneous	13,289	1,943	665,150	671,802	678,520	685,305	692,158	699,079	706,070	713,131	1,433,393	2,881,120
Taxes other	51,437	42,791	34,000	-	-	-	-	-	-	-	-	-
Total Revenues	87,801	38,335	701,850	699,580	733,558	765,724	799,133	833,832	869,871	907,299	1,659,298	3,168,712
Expenditures												
Materials and supplies	-	4,357	23,500	24,675	25,909	27,204	28,564	29,993	31,492	33,067	34,720	36,456
Other services and charges	40,923	68,030	754,975	72,387	73,835	75,311	76,818	78,354	79,921	81,520	83,150	84,813
Capital outlay	54,534	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	95,457	72,387	778,475	97,062	99,743	102,516	105,382	108,347	111,413	114,586	117,870	121,269
Net Change in Fund Balances	(7,656)	(34,052)	(76,625)	602,518	633,815	663,208	693,751	725,486	758,458	792,712	1,541,428	3,047,442
Beginning Fund Balance	822,926	815,270	781,218	704,593	1,307,111	1,940,926	2,604,134	3,297,885	4,023,371	4,781,828	5,574,541	7,115,969
Ending Fund Balance	815,270	781,218	704,593	1,307,111	1,940,926	2,604,134	3,297,885	4,023,371	4,781,828	5,574,541	7,115,969	10,163,411

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 2022, the reported total general obligation bonds payable was \$7,790,000. Other debt obligations are accounted for in the Enterprise Funds and in the Airport Fund.

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 2022, the reported total general obligation bonds payable in the Enterprise Funds was \$17,946,269.

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 the 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 anticipate the issuance of general obligation bonds for the downtown (viaduct area) park to be issued in 2024.

Debt accounted for in the Debt Service Funds includes only debt to be supported by general governmental revenues, including property tax levy, tax abatement, franchise fees, 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.

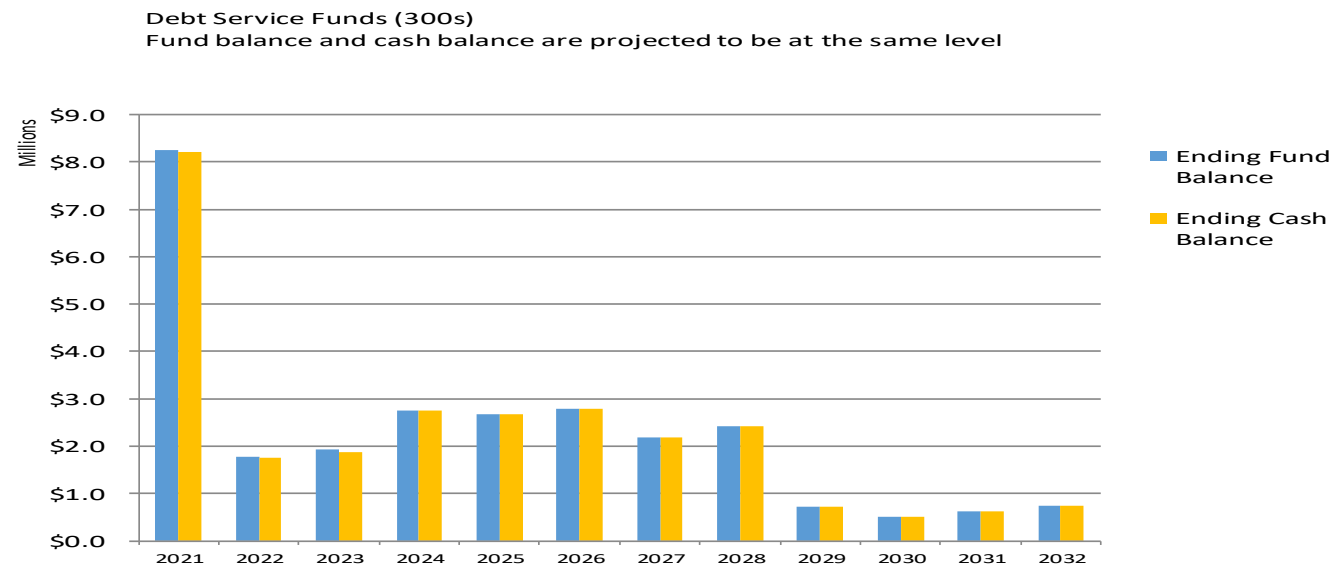
Expenditures

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



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, franchise fees, 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 and in 2028 to finance fire station #2. 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 downtown (viaduct area) park is in the Plan for 2024 issuance. 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.

Chart 20 Source and Use of Funds

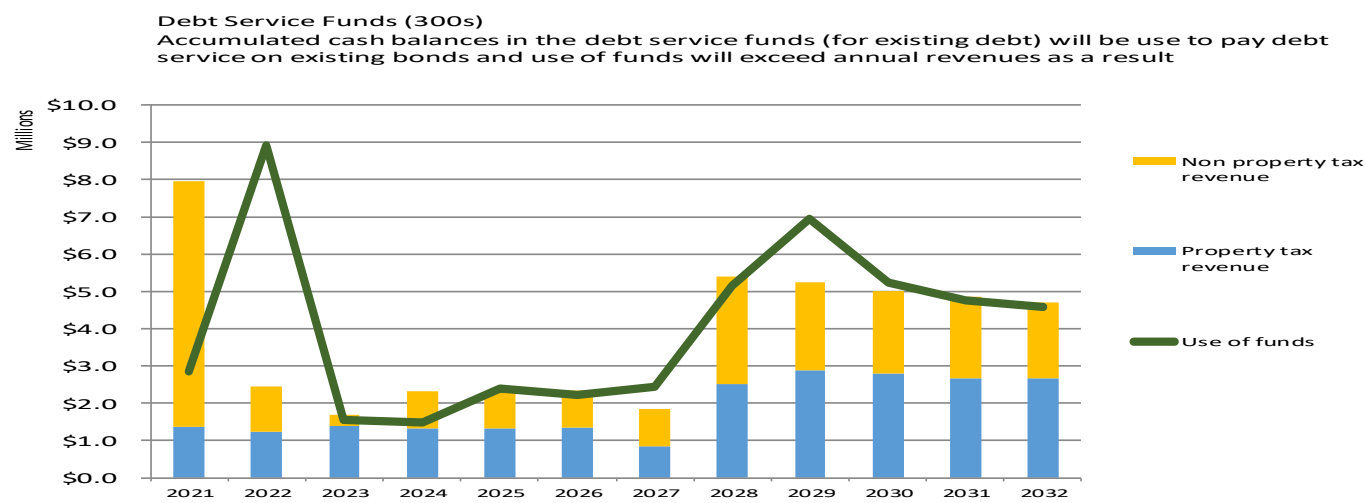


Table 10 Finance Plan

Debt Service Funds (300s)												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Property taxes (current ad valorem)	1,365,530	1,237,093	1,382,104	1,323,410	1,325,405	1,335,432	848,414	2,524,905	2,880,022	2,786,685	2,661,488	2,665,425
Franchise fees	51,500	51,500	51,500	681,500	681,500	681,500	681,500	681,500	681,500	630,000	630,000	630,000
Sales tax and lodging tax	-	-	-	-	-	-	-	1,884,167	1,393,744	1,395,450	1,393,613	1,396,238
Special assessments	77,282	70,441	58,000	78,949	76,125	73,301	68,311	65,642	62,973	22,970	-	-
Municipal state aid (maintenance)	-	-	162,980	-	-	-	-	-	-	-	-	-
Other intergovernmental	-	166,205	-	-	-	-	-	-	-	-	-	-
Investment income	(13,353)	(148,967)	11,800	38,514	54,846	53,644	55,826	43,689	48,386	14,617	11,560	15,623
Other miscellaneous	1,531	-	-	165,180	162,280	164,380	161,380	163,380	165,280	163,680	161,920	-
Transfer in other	25,000	1,076,897	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-	-	-
Taxes other	13,791	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds	6,440,812	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	7,962,093	2,453,169	1,691,384	2,312,554	2,325,156	2,333,256	1,840,432	5,388,282	5,256,905	5,013,402	4,858,580	4,707,286
Expenditures												
Other services and charges	85,424	-	1,500	1,500	2,000	2,000	2,000	2,000	2,500	2,500	2,000	2,000
Transfer out for capital	-	1,278,959	-	-	-	-	-	-	-	-	-	-
Transfer out other	-	-	-	-	-	-	687,985	-	1,918,416	323,812	-	-
Principal payments	2,530,000	7,230,000	1,260,000	1,260,000	1,655,000	1,735,000	1,345,000	1,805,000	1,720,000	1,830,000	1,800,000	1,730,000
Interest payments	234,434	413,340	288,195	234,493	728,234	487,143	412,318	3,346,419	3,304,456	3,075,399	2,945,920	2,862,000
Total Expenditures	2,849,858	8,922,299	1,549,695	1,495,993	2,385,234	2,224,143	2,447,303	5,153,419	6,945,372	5,231,711	4,747,920	4,594,000
Net Change in Fund Balances	5,112,235	(6,469,130)	141,689	816,562	(60,079)	109,114	(606,871)	234,863	(1,688,468)	(218,309)	110,660	113,286
Beginning Fund Balance	3,140,923	8,253,158	1,784,028	1,925,717	2,742,279	2,682,200	2,791,314	2,184,443	2,419,306	730,839	512,529	623,189
Ending Fund Balance	8,253,158	1,784,028	1,925,717	2,742,279	2,682,200	2,791,314	2,184,443	2,419,306	730,839	512,529	623,189	736,475

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. If the projected revenue is not sufficient to cover planned spending, other revenues or additional bonding years may be necessary to support planned spending.

Expenditures

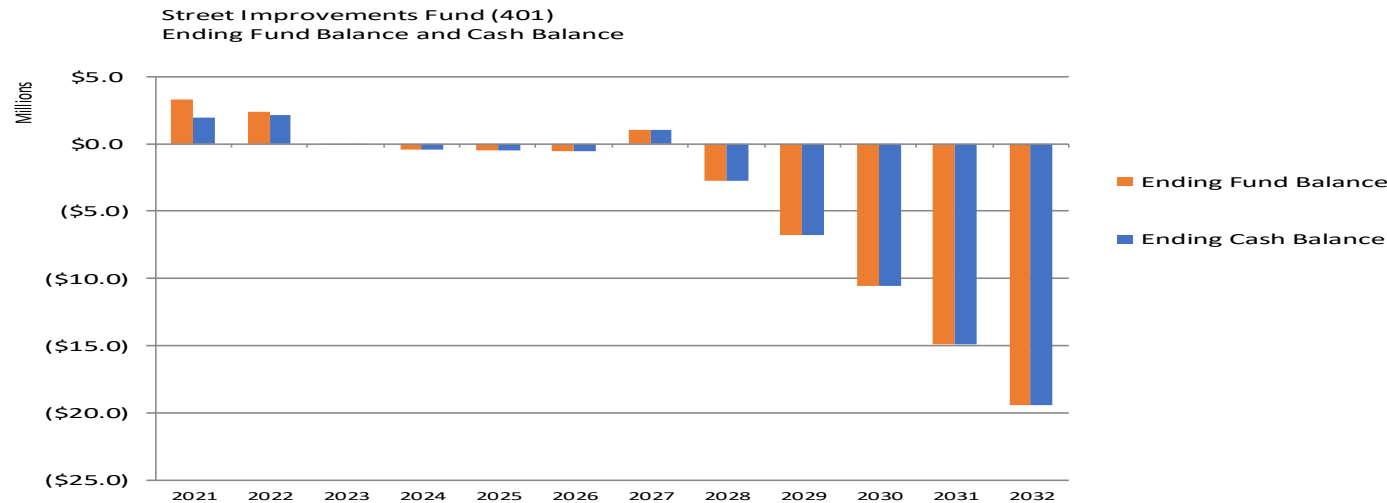
The expenditures of funds (capital outlay) includes engineering, construction, and all other costs related to street improvement projects. The capital outlay for 2023-2027 is based on specific projects and engineering estimates. The expenditures for capital outlay in 2028-20321 are estimates based on 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 and 2030 from debt service funds after various bond issues are fully defeased.

Chart 21 Cash Balance and Fund Balance



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 2028.

Chart 22 Source and Use of Funds

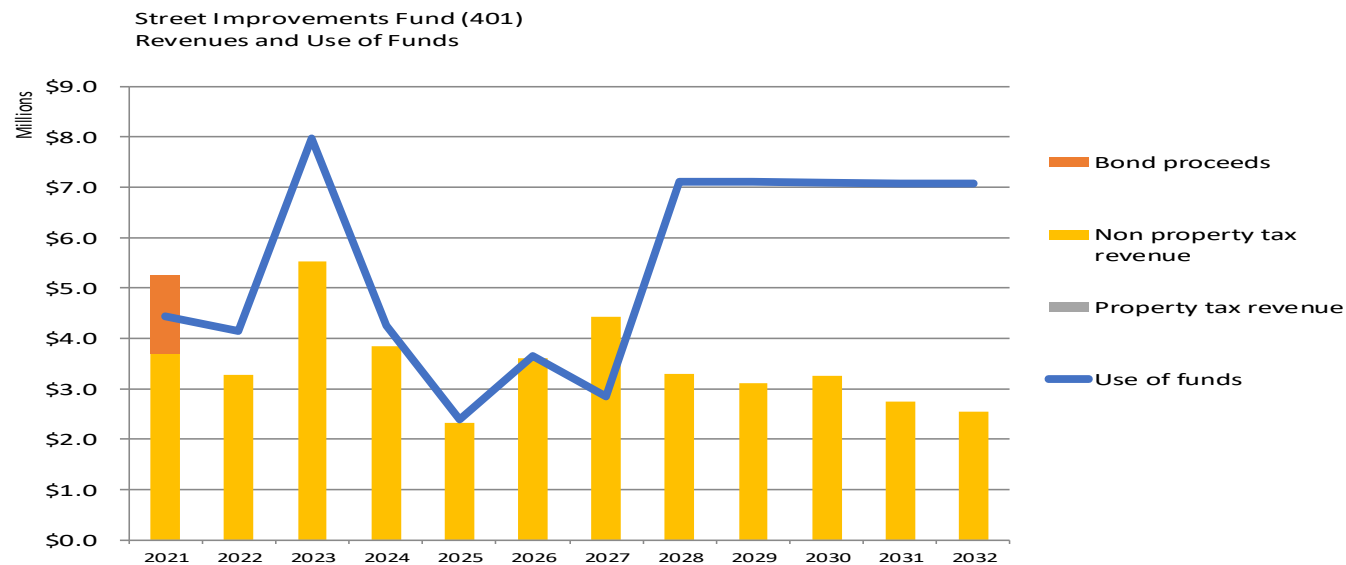


Table 11 Finance Plan

Street Improvement Fund (401)												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Franchise fees	400,000	1,470,134	1,700,000	1,542,100	1,542,100	1,542,100	1,542,100	1,542,100	1,542,100	1,542,100	1,542,100	1,542,100
Special assessments	524,244	341,430	265,567	281,924	273,319	264,714	256,110	247,505	215,148	206,513	175,685	141,112
Municipal state aid (maintenance)	100,000	-	77,020	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Investment income	5,139	(153,444)	26,000	(821)	(16,764)	(19,138)	(20,964)	41,820	(110,795)	(270,895)	(423,673)	(596,251)
Other miscellaneous	329,197	309,014	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	250,000	-	-	-	-	-	-	-	-	-	-
Taxes other	7,388	715	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	262,141	-	-	-	-	-	687,985	-	-	323,812	-	-
Intergovernmental for capital	-	-	3,047,000	-	-	-	-	-	-	-	-	-
Other revenue for capital	-	-	-	(128,800)	(131,250)	(128,550)	(130,850)	(128,000)	(130,150)	(127,150)	(129,150)	(129,150)
Municipal state aid (construction)	2,074,600	1,055,328	416,500	2,056,280	563,000	1,840,250	1,988,000	1,486,993	1,486,993	1,486,993	1,486,993	1,486,993
Bond proceeds	1,556,390	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	5,259,099	3,273,177	5,532,087	3,850,683	2,330,405	3,599,376	4,422,380	3,290,418	3,103,297	3,261,373	2,751,955	2,544,804
Expenditures												
Other services and charges	199,675	145,458	248,836	184,770	184,770	184,770	184,770	184,770	184,770	159,808	145,376	145,376
Transfer out for capital	5,622	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	4,229,442	4,003,193	7,711,290	4,064,480	2,205,000	3,460,250	2,668,000	6,921,024	6,921,024	6,921,024	6,921,024	6,921,024
Total Expenditures	4,434,739	4,148,651	7,960,126	4,249,250	2,389,770	3,645,020	2,852,770	7,105,794	7,105,794	7,080,832	7,066,400	7,066,400
Net Change in Fund Balances												
	824,360	(875,474)	(2,428,039)	(398,567)	(59,365)	(45,644)	1,569,610	(3,815,376)	(4,002,497)	(3,819,459)	(4,314,445)	(4,521,596)
Beginning Fund Balance												
	2,458,625	3,282,985	2,407,511	(20,528)	(419,095)	(478,460)	(524,104)	1,045,507	(2,769,869)	(6,772,367)	(10,591,826)	(14,906,271)
Ending Fund Balance												
	3,282,985	2,407,511	(20,528)	(419,095)	(478,460)	(524,104)	1,045,507	(2,769,869)	(6,772,367)	(10,591,826)	(14,906,271)	(19,427,867)

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.

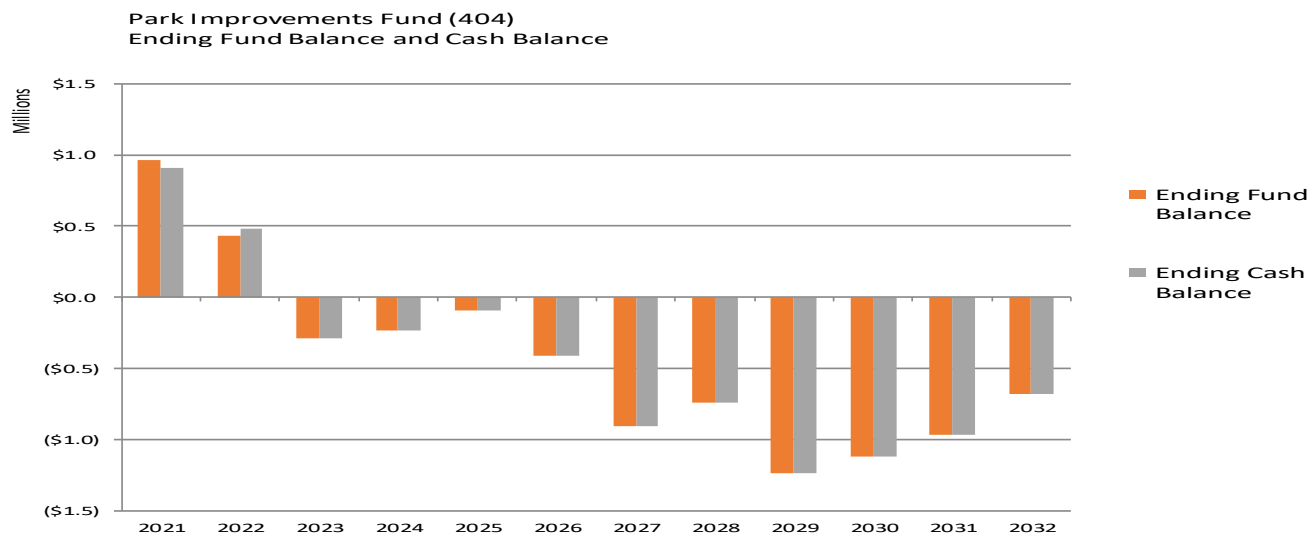
Expenditures

The expenditures are for capital improvements to the City's parks. Additional expenditures for the downtown (viaduct area) 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



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 2024 for the downtown (viaduct area) 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.

Chart 24 Source and Use of Funds

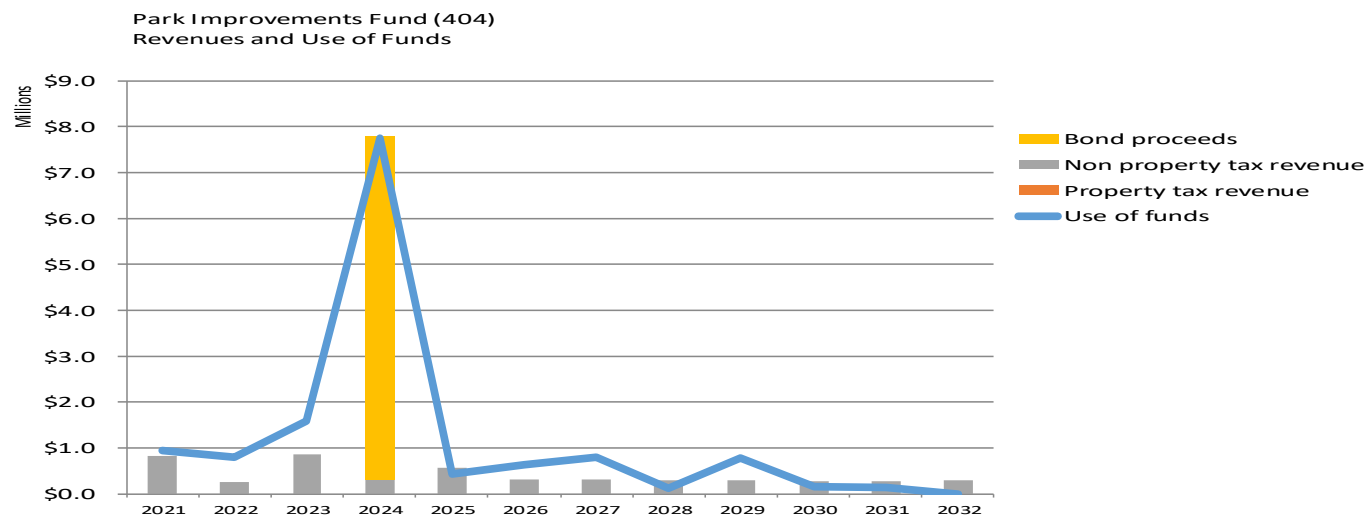


Table 12 Finance Plan

Park Improvement Fund (404)												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Franchise fees	207,650	251,500	801,500	271,500	271,500	271,500	271,500	271,500	271,500	271,500	271,500	271,500
Charges for services	50,000	10,453	50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684
Investment income	(2,442)	(29,295)	9,900	(11,503)	(9,283)	(3,754)	(16,384)	(36,298)	(29,788)	(49,396)	(44,768)	(38,733)
Other miscellaneous	34,183	30,000	-	-	250,000	-	-	-	-	-	-	-
Transfer in other	538,446	-	-	-	-	-	-	-	-	-	-	-
Taxes other	-	71	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	7,485,000	-	-	-	-	-	-	-	-
Total Revenues	827,837	262,729	861,400	7,795,497	563,222	319,261	307,146	287,753	294,788	275,710	280,875	287,451
Expenditures												
Other services and charges	55,909	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	880,062	791,998	1,584,055	7,740,000	425,000	635,000	805,000	125,000	785,000	160,000	130,000	-
Total Expenditures	935,971	791,998	1,584,055	7,740,000	425,000	635,000	805,000	125,000	785,000	160,000	130,000	-
Net Change in Fund Balances	(108,134)	(529,269)	(722,655)	55,497	138,222	(315,739)	(497,854)	162,753	(490,212)	115,710	150,875	287,451
Beginning Fund Balance	1,072,484	964,350	435,081	(287,574)	(232,077)	(93,855)	(409,594)	(907,448)	(744,695)	(1,234,907)	(1,119,196)	(968,321)
Ending Fund Balance	964,350	435,081	(287,574)	(232,077)	(93,855)	(409,594)	(907,448)	(744,695)	(1,234,907)	(1,119,196)	(968,321)	(680,870)

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. Any proceeds from sale of capital assets will be reflected here but are not budgeted.

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.

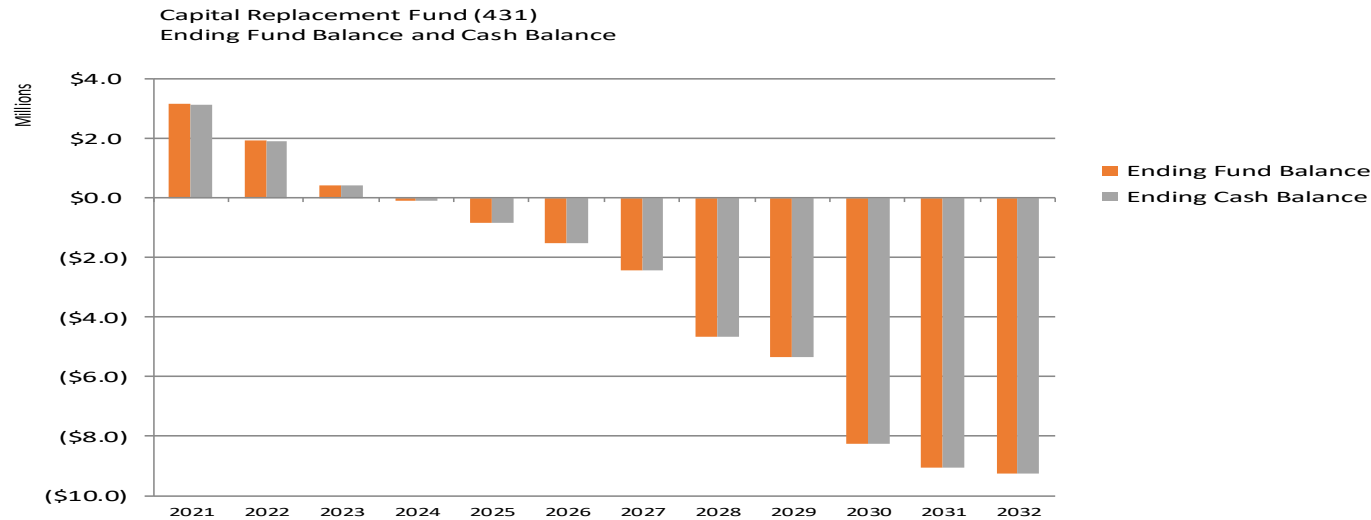
Expenditures

The expenditure of funds is for the acquisition of equipment and vehicles. This includes fire vehicles and equipment. Police vehicles are now being leased and the expenses are being reflected in the General Fund.

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



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.

Chart 26 Source and Use of Funds

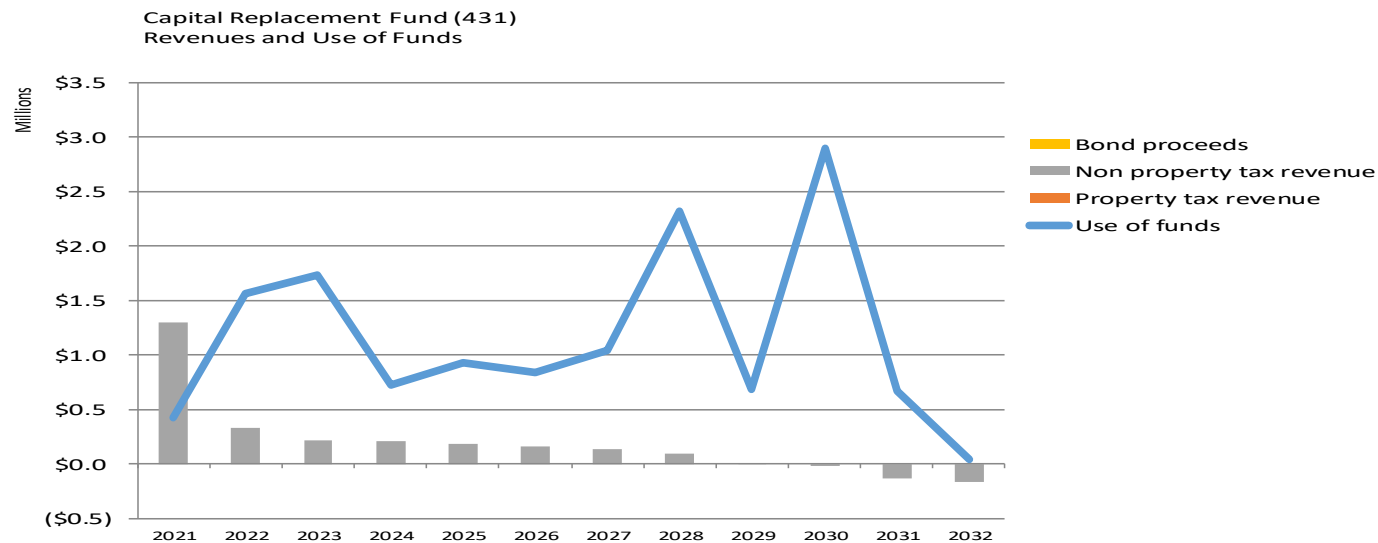


Table 13 Finance Plan

Capital Replacement Fund (431)												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Franchise fees	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Investment income	(13,318)	(97,884)	30,900	16,399	(4,300)	(33,941)	(61,162)	(97,646)	(186,643)	(213,531)	(330,188)	(362,243)
Other miscellaneous	2,500	-	112,500	113,625	114,761	115,909	117,068	118,239	119,421	120,615	121,821	123,040
Proceeds from sale of assets	15,300	49,700	-	-	-	-	-	-	-	-	-	-
Transfer in other	1,213,707	-	-	-	-	-	-	-	-	-	-	-
Taxes other	1,944	97	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	-	234,031	-	-	-	-	-	-	-	-	-	-
Other revenue for capital	-	65,360	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,295,133	326,304	218,400	205,024	185,462	156,968	130,906	95,592	7,778	(17,916)	(133,367)	(164,203)
Expenditures												
Other services and charges	1,290	-	-	-	-	-	-	-	-	-	-	-
Transfer out for capital	10,000	750,000	-	-	-	-	-	-	-	-	-	-
Capital outlay	410,806	809,016	1,733,750	722,500	926,500	837,500	1,043,000	2,320,500	680,000	2,898,500	668,000	39,000
Total Expenditures	422,096	1,559,016	1,733,750	722,500	926,500	837,500	1,043,000	2,320,500	680,000	2,898,500	668,000	39,000
Net Change in Fund Balances	873,037	(1,232,712)	(1,515,350)	(517,476)	(741,038)	(680,532)	(912,094)	(2,224,908)	(672,222)	(2,916,416)	(801,367)	(203,203)
Beginning Fund Balance	2,285,010	3,158,047	1,925,335	409,985	(107,491)	(848,529)	(1,529,061)	(2,441,156)	(4,666,063)	(5,338,285)	(8,254,701)	(9,056,068)
Ending Fund Balance	3,158,047	1,925,335	409,985	(107,491)	(848,529)	(1,529,061)	(2,441,156)	(4,666,063)	(5,338,285)	(8,254,701)	(9,056,068)	(9,259,271)

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 \$40 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

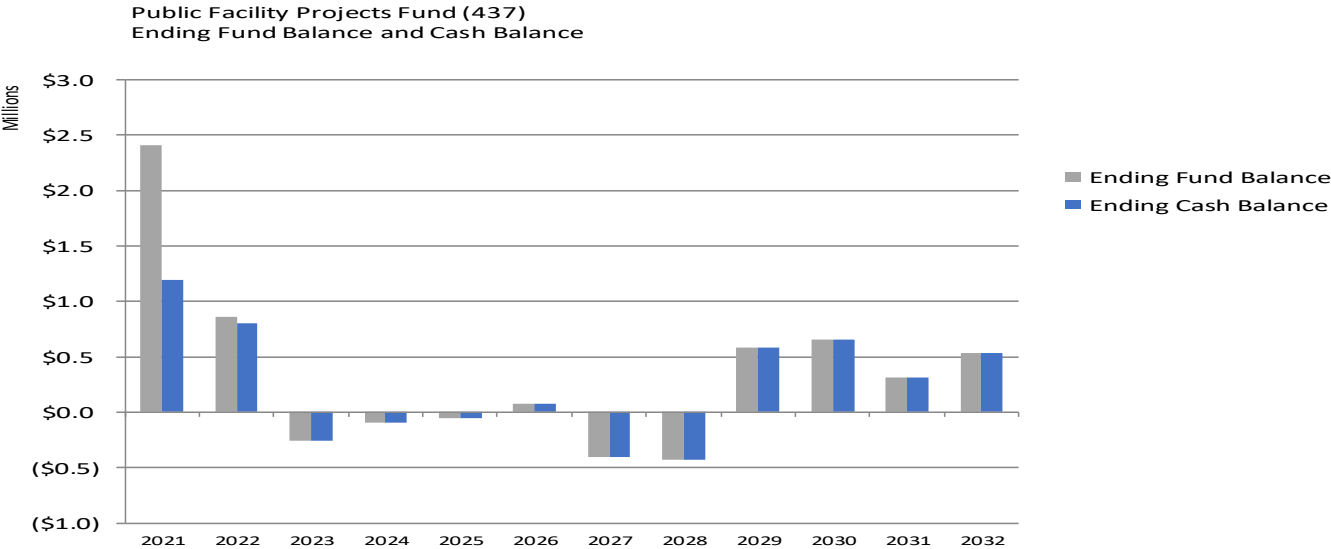
Bonding is anticipated to finance these major projects. The debt service on the bonds will be accounted for in the Debt Service Fund. The Plan anticipates the increase in debt service on the bonds to be issued for these projects.

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



The projected franchise fee revenue 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.

Chart 28 Source and Use of Funds

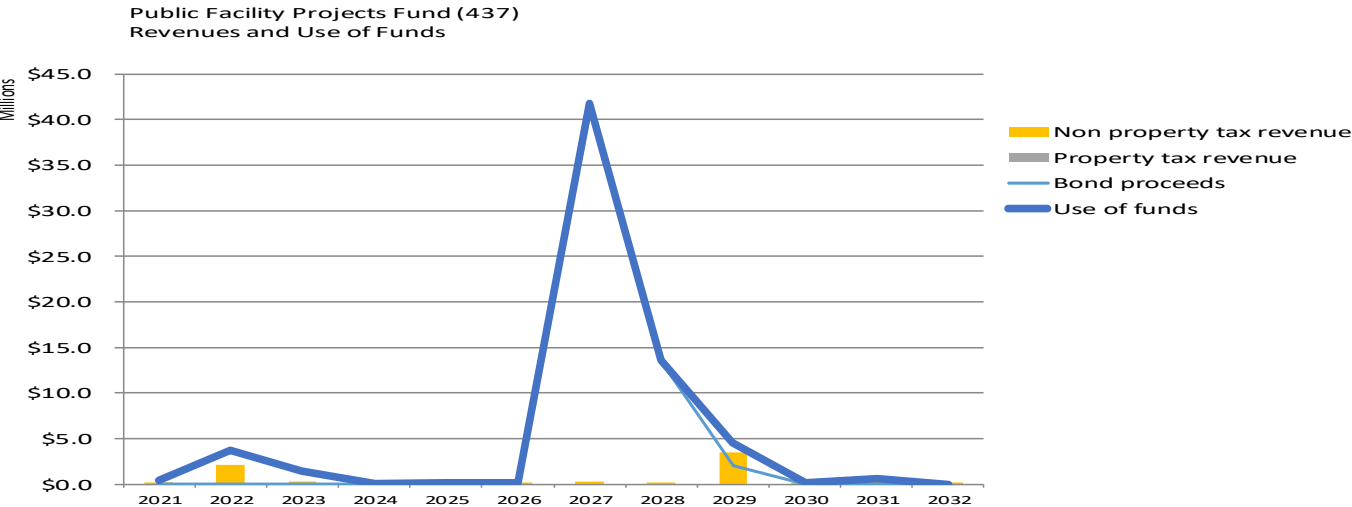


Table 14 Finance Plan

Public Facilities Fund (437)												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Actual	Actual	Budget Year	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Revenues												
Franchise fees	162,000	162,000	262,000	204,638	204,638	204,638	204,638	204,638	204,638	204,638	204,638	204,638
Investment income	(10,255)	(32,271)	25,500	(10,316)	(3,783)	(2,149)	2,951	(16,146)	(17,206)	23,228	26,342	12,582
Other miscellaneous	24,566	55,771	-	-	-	-	-	-	1,320,000	-	-	-
Proceeds from sale of assets	-	225,677	-	-	-	-	-	-	-	-	-	-
Taxes other	1,387	69	-	-	-	-	-	-	-	-	-	-
Transfer in for capital	25,000	1,516,190	25,000	25,000	25,000	25,000	25,000	25,000	1,943,416	-	-	-
Intergovernmental for capital	-	210,669	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	41,000,000	13,325,000	2,050,000	-	-	-
Total Revenues	202,698	2,138,105	312,500	219,322	225,855	227,489	41,232,589	13,538,492	5,500,848	227,866	230,980	217,220
Expenditures												
Other services and charges	100,691	336,924	16,777	-	-	-	-	-	-	-	-	-
Transfer out for capital	32,824	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	288,189	3,352,855	1,410,710	56,000	185,000	100,000	41,710,000	13,565,000	4,490,000	150,000	575,000	-
Total Expenditures	421,704	3,689,779	1,427,487	56,000	185,000	100,000	41,710,000	13,565,000	4,490,000	150,000	575,000	-
Net Change in Fund Balances	(219,006)	(1,551,674)	(1,114,987)	163,322	40,855	127,489	(477,411)	(26,508)	1,010,848	77,866	(344,020)	217,220
Beginning Fund Balance	2,627,768	2,408,762	857,088	(257,899)	(94,577)	(53,722)	73,767	(403,644)	(430,152)	580,696	658,562	314,542
Ending Fund Balance	2,408,762	857,088	(257,899)	(94,577)	(53,722)	73,767	(403,644)	(430,152)	580,696	658,562	314,542	531,762

Appendix A Property Tax Projection Summary

PROPERTY TAX PROJECTION SUMMARY											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
TAX LEVY INCREASES (DECREASES)											
GENERAL FUND TAX LEVY CHANGE											
From Non Tax Revenue Changes											
Franchise fees	(5,000)	25,000	(80,000)	-	-	-	-	-	-	-	-
Sales tax and lodging tax	-	-	-	-	-	-	-	-	-	-	-
Special assessments	11,500	1,400	3,700	-	-	-	-	-	-	-	-
Licenses and permits	17,605	(251,581)	(7,303)	(7,376)	(7,450)	(7,524)	(7,599)	(7,675)	(7,752)	(7,830)	(7,908)
Local government aid	(41,448)	(73,049)	(869,384)	-	-	-	-	-	-	-	-
Police and fire aid	(13,850)	(12,000)	(4,850)	(4,899)	(4,947)	(4,997)	(5,047)	(5,097)	(5,148)	(5,200)	(5,252)
Municipal state aid (maintenance)	25,780	(98,584)	(2,978)	(3,008)	(3,038)	(3,068)	(3,099)	(3,130)	(3,161)	(3,193)	(3,225)
Other intergovernmental	(3,223)	73,274	(4,261)	(4,304)	(4,347)	(4,390)	(4,434)	(4,479)	(4,523)	(4,569)	(4,614)
Charges for services	(108,808)	(197,101)	(16,013)	(16,173)	(16,335)	(16,499)	(16,664)	(16,830)	(16,998)	(17,168)	(17,340)
Fines and forfeitures	4,000	13,000	(1,280)	(1,293)	(1,306)	(1,319)	(1,332)	(1,345)	(1,359)	(1,372)	(1,386)
Investment income	(23,500)	(10,470)	(347,357)	(38,820)	(26,591)	(28,203)	(46,167)	(32,162)	(34,780)	(36,896)	(39,142)
Other miscellaneous	1,100	(16,300)	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Transfer in other	-	-	-	-	-	-	-	-	-	-	-
Taxes other	(126,750)	41,650	(1,636)	(1,652)	(1,669)	(1,686)	(1,702)	(1,719)	(1,737)	(1,754)	(1,772)
Transfer in for capital	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	-	-	-	-	-	-	-	-	-	-	-
Other revenue for capital	-	-	-	-	-	-	-	-	-	-	-
Municipal state aid (construction)	-	-	-	-	-	-	-	-	-	-	-
Subtotal	(262,594)	(504,761)	(1,331,363)	(77,524)	(65,683)	(67,686)	(86,045)	(72,438)	(75,459)	(77,982)	(80,639)
From Expense Changes											
Personnel	396,629	460,491	1,070,268	934,096	1,047,899	1,114,441	1,997,853	1,332,072	1,396,658	1,485,346	1,579,666
Other Current Expenditures	68,603	624,467	255,462	268,235	281,646	295,729	310,515	326,041	342,343	359,460	377,433
Capital	-	-	-	-	-	-	-	-	-	-	-
Nonoperating expenses	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	850,000	(800,000)	-	-	-	(50,000)	-	-	-
Subtotal	465,232	1,084,958	2,175,730	402,330	1,329,546	1,410,170	2,308,368	1,608,113	1,739,001	1,844,806	1,957,099
Impact of Change to Budgeted (Use) of Fund Balance Reserves	337,721	-	1,274,236	(609,463)	40,312	449,099	(350,128)	65,445	52,902	56,146	52,922
GENERAL FUND TAX LEVY CHANGE	540,359	580,197	2,118,603	(284,657)	1,304,175	1,791,583	1,872,195	1,601,119	1,716,444	1,822,970	1,929,382
OTHER FUNDS TAX LEVY CHANGE											
Community Development Fund(240)	5,185	(90,450)	(64,132)	(171,180)	(85,292)	(154,665)	(14,562)	400,000	(402,222)	(4,445)	(4,444)
Airport Fund (225)	(10,000)	(10,000)	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	(138,732)	145,507	(58,694)	1,995	10,027	(487,018)	1,676,491	355,117	(93,337)	(125,198)	3,938
OTHER FUNDS TAX LEVY CHANGE	(143,547)	45,057	(122,826)	(169,185)	(75,265)	(641,683)	1,661,929	755,117	(495,559)	(129,643)	(507)
TOTAL TAX LEVY CHANGE	396,812	625,254	1,995,777	(453,842)	1,228,910	1,149,900	3,534,124	2,356,236	1,220,886	1,693,328	1,928,876
TAX LEVY											
General Fund (101)	8,687,755	9,267,952	11,386,555	11,101,898	12,406,073	14,197,656	16,069,851	17,670,970	19,387,415	21,210,385	23,139,767
Community Development Fund(240)	624,726	534,276	470,144	298,964	213,672	59,007	44,445	444,445	42,223	37,778	33,334
Airport Fund (225)	10,000	-	-	-	-	-	-	-	-	-	-
Debt Service Funds (300s)	1,236,597	1,382,104	1,323,410	1,325,405	1,335,432	848,414	2,524,905	2,880,022	2,786,685	2,661,488	2,665,425
TOTAL TAX LEVY	10,559,078	11,184,332	13,180,109	12,726,267	13,955,177	15,105,077	18,639,201	20,995,437	22,216,323	23,909,650	25,838,526

Appendix B City Taxes Payable by Example Properties

City Property Taxes Payable by Example Properties												
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	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	\$1,216	\$1,148	\$1,401	\$1,391	\$1,548	\$1,702	\$2,110	\$2,394	\$2,552	\$2,767	\$3,013
	Residential \$300,000	\$1,497	\$1,414	\$1,722	\$1,708	\$1,899	\$2,087	\$2,586	\$2,932	\$3,124	\$3,387	\$3,686
	Residential \$350,000	\$1,779	\$1,679	\$2,043	\$2,025	\$2,250	\$2,471	\$3,055	\$3,457	\$3,676	\$3,977	\$4,320
	Residential \$500,000	\$3,230	\$3,039	\$3,680	\$3,635	\$4,027	\$4,412	\$5,456	\$6,173	\$6,565	\$7,102	\$7,715
	Commercial \$1,000,000	\$10,336	\$9,726	\$11,777	\$11,631	\$12,888	\$14,119	\$17,458	\$19,752	\$21,008	\$22,727	\$24,688
	Commercial \$2,000,000	\$20,672	\$19,452	\$23,554	\$23,261	\$25,776	\$28,238	\$34,917	\$39,505	\$42,016	\$45,453	\$49,377
	Commercial \$3,000,000	\$31,008	\$29,178	\$35,332	\$34,892	\$38,664	\$42,357	\$52,375	\$59,257	\$63,025	\$68,180	\$74,065
	Commercial \$4,000,000	\$41,344	\$38,904	\$47,109	\$46,522	\$51,552	\$56,476	\$69,834	\$79,009	\$84,033	\$90,907	\$98,753
Annual % Change in Total Taxes	Residential \$250,000		-5.5%	22.0%	-0.7%	11.3%	10.0%	24.0%	13.4%	6.6%	8.4%	8.9%
	Residential \$300,000		-5.6%	21.8%	-0.8%	11.2%	9.9%	23.9%	13.4%	6.6%	8.4%	8.8%
	Residential \$350,000		-5.7%	21.7%	-0.9%	11.1%	9.8%	23.7%	13.1%	6.4%	8.2%	8.6%
	Residential \$500,000		-5.9%	21.1%	-1.2%	10.8%	9.6%	23.7%	13.1%	6.4%	8.2%	8.6%
	Commercial \$1,000,000		-5.9%	21.1%	-1.2%	10.8%	9.6%	23.7%	13.1%	6.4%	8.2%	8.6%
	Commercial \$2,000,000		-5.9%	21.1%	-1.2%	10.8%	9.6%	23.7%	13.1%	6.4%	8.2%	8.6%
	Commercial \$3,000,000		-5.9%	21.1%	-1.2%	10.8%	9.6%	23.7%	13.1%	6.4%	8.2%	8.6%
	Commercial \$4,000,000		-5.9%	21.1%	-1.2%	10.8%	9.6%	23.7%	13.1%	6.4%	8.2%	8.6%
Annual \$ Change in Total Taxes	Residential \$250,000		(67)	252	(10)	157	154	408	283	158	215	246
	Residential \$300,000		(84)	308	(14)	191	188	499	346	193	262	299
	Residential \$350,000		(101)	364	(18)	225	221	584	401	220	301	343
	Residential \$500,000		(191)	641	(46)	393	385	1,044	717	392	537	613
	Commercial \$1,000,000		(610)	2,051	(147)	1,257	1,231	3,339	2,294	1,256	1,718	1,962
	Commercial \$2,000,000		(1,220)	4,102	(293)	2,515	2,462	6,679	4,588	2,512	3,437	3,923
	Commercial \$3,000,000		(1,829)	6,153	(440)	3,772	3,693	10,018	6,881	3,768	5,155	5,885
	Commercial \$4,000,000		(2,439)	8,204	(586)	5,030	4,924	13,358	9,175	5,024	6,874	7,847

Appendix C Property Tax Levy for Debt Service

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
2022	1,237,093	1,237,093	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	2,528,152	640,738	1,887,414
2029	2,382,660	179,276	2,203,384
2030	2,417,838	76,956	2,340,882
2031	2,284,669	0	2,284,669
2032	2,286,900	0	2,286,900
2033	2,287,163	0	2,287,163
2034	2,293,331	0	2,293,331
2035	2,294,513	0	2,294,513
2036	2,293,463	0	2,293,463
2037	2,300,681	0	2,300,681
2038	2,297,269	0	2,297,269
2039	2,291,494	0	2,291,494
2040	2,018,231	0	2,018,231
2041	2,018,363	0	2,018,363
2042	2,018,888	0	2,018,888
2043	2,019,675	0	2,019,675
2044	2,023,219	0	2,023,219
2045	2,026,631	0	2,026,631
2046	2,021,906	0	2,021,906
2047	2,027,681	0	2,027,681

*Tax Levy as shown is the amount collected in prior years and amount planned to be collected in future years.

Appendix D Property Tax Levy by Bond Series

Tax Levies by Year by Fund*

	Series	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total All Funds		1,237,093	1,382,104	1,323,410	1,325,405	1,335,432	848,414	2,528,152	2,382,660	2,417,838	2,284,669	2,286,900
346	2015A Improv	76,576	78,977	75,985	73,990	77,245	74,882	77,770	74,738	76,956	-	-
347	2015A Refund	187,542	188,016	182,976	184,866	186,651	187,884	-	-	-	-	-
349	2021A.3	972,975	1,115,111	1,064,449	1,066,549	1,071,536	585,648	562,968	104,538	-	-	-
F_Project4	Project4	-	-	-	-	-	-	-	807,409	612,150	607,950	608,738
F_Project5	Project5	-	-	-	-	-	-	1,887,414	1,395,975	1,397,681	1,398,469	1,398,338
F_Project6	Project6	-	-	-	-	-	-	-	-	331,050	278,250	279,825

Appendix E Bond Series

BONDS OUTSTANDING AT DECEMBER 31, 2022

BOND ISSUE	PRINCIPAL BALANCE	INTEREST RATE	MATURITY
<u>G.O. Bonds</u>			
G.O. Crossover Refunding Bonds, Series 2015A (2007A)	\$ 830,000	2.75 - 3.00%	12/15/2027
G.O. State Aid Bonds, Series 2021A	\$ 1,365,000	1.20 - 2.00%	12/15/2031
G.O. Refunding Bonds, Series 2021B (2012A, 2006B, 2008A)	\$ 3,925,000	3.00 - 5.00%	12/15/2029
<u>G.O. Equipment Certificates</u>			
G.O. Refunding Bonds, Series 2021B (2014A)	\$ 30,000	3.00 - 5.00%	12/15/2029
<u>G.O. Improvement Bonds</u>			
G.O. Special Assessment Improvement Bonds, Series 2015A	\$ 805,000	2.75 - 3.00%	12/15/2030
G.O. Refunding Bonds, Series 2021B (2014A)	\$ 835,000	3.00 - 5.00%	12/15/2029
<u>G.O. Revenue Notes</u>			
G.O. Water Revenue PFA Notes, 2019	\$ 7,986,443	1.00%	8/20/2039
G.O. Water Revenue PFA Notes, 2021	\$ 471,825	1.00%	8/20/2042
G.O. Sewer Revenue PFA Notes, 2009	\$ 9,488,000	2.55%	8/20/2029
Total Principal Outstanding	<u>\$ 25,736,268</u>		

Appendix F Special Assessments

Special Assessments

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Principal to be Collected (Projected)											
Debt Service Fund 346	39,048	39,048	39,048	39,048	39,048	39,048	39,048	21,981	-	-	-
Debt Service Fund 401	226,697	206,574	206,574	206,574	206,574	206,574	206,574	182,823	181,723	158,381	130,245
Debt Service Fund 601	9,913	39,133	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Debt Service Fund 602	3,339	3,339	1,214	1,214	1,214	1,214	1,214	-	-	-	-
Debt Service Fund 349	22,432	22,432	22,432	22,432	20,266	20,266	20,266	-	-	-	-
Total	301,430	310,526	302,269	302,269	300,103	300,103	300,103	237,804	214,723	191,381	163,245
Interest to be Collected (Projected)											
Debt Service Fund 101	646	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 346	13,289	11,532	9,775	8,018	6,261	4,503	2,746	989	-	-	-
Debt Service Fund 347	1,527	-	-	-	-	-	-	-	-	-	-
Debt Service Fund 401	93,941	83,954	75,350	66,745	58,140	49,535	40,930	32,326	24,790	17,303	10,867
Debt Service Fund 601	1,916	15,928	14,553	13,514	12,474	11,435	10,395	9,356	8,316	7,277	6,237
Debt Service Fund 602	1,472	498	273	219	164	109	55	-	-	-	-
Debt Service Fund 349	8,781	5,937	4,870	3,803	2,736	1,824	912	-	-	-	-
Total	121,573	117,850	104,821	92,298	79,775	67,406	55,038	42,670	33,106	24,580	17,104
Balances Outstanding to be Collected (Projected)											
Debt Service Fund 346	295,318	256,270	217,222	178,174	139,125	100,077	61,029	21,981	-	-	-
Debt Service Fund 401	2,283,425	2,056,728	1,850,154	1,643,580	1,437,005	1,230,431	1,023,856	817,282	634,459	452,736	294,355
Debt Service Fund 601	16,046	501,133	462,000	429,000	396,000	363,000	330,000	297,000	264,000	231,000	198,000
Debt Service Fund 602	12,750	9,411	6,071	4,857	3,643	2,429	1,214	-	-	-	-
Debt Service Fund 349	150,526	128,094	105,663	83,231	60,799	40,533	20,266	-	-	-	-
Total	2,758,066	2,951,636	2,641,110	2,338,841	2,036,573	1,736,469	1,436,366	1,136,263	898,459	683,736	492,355

2024 Budget Work Session #2

LONG-TERM FINANCIAL MANAGEMENT PLAN



JULY 5, 2023

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

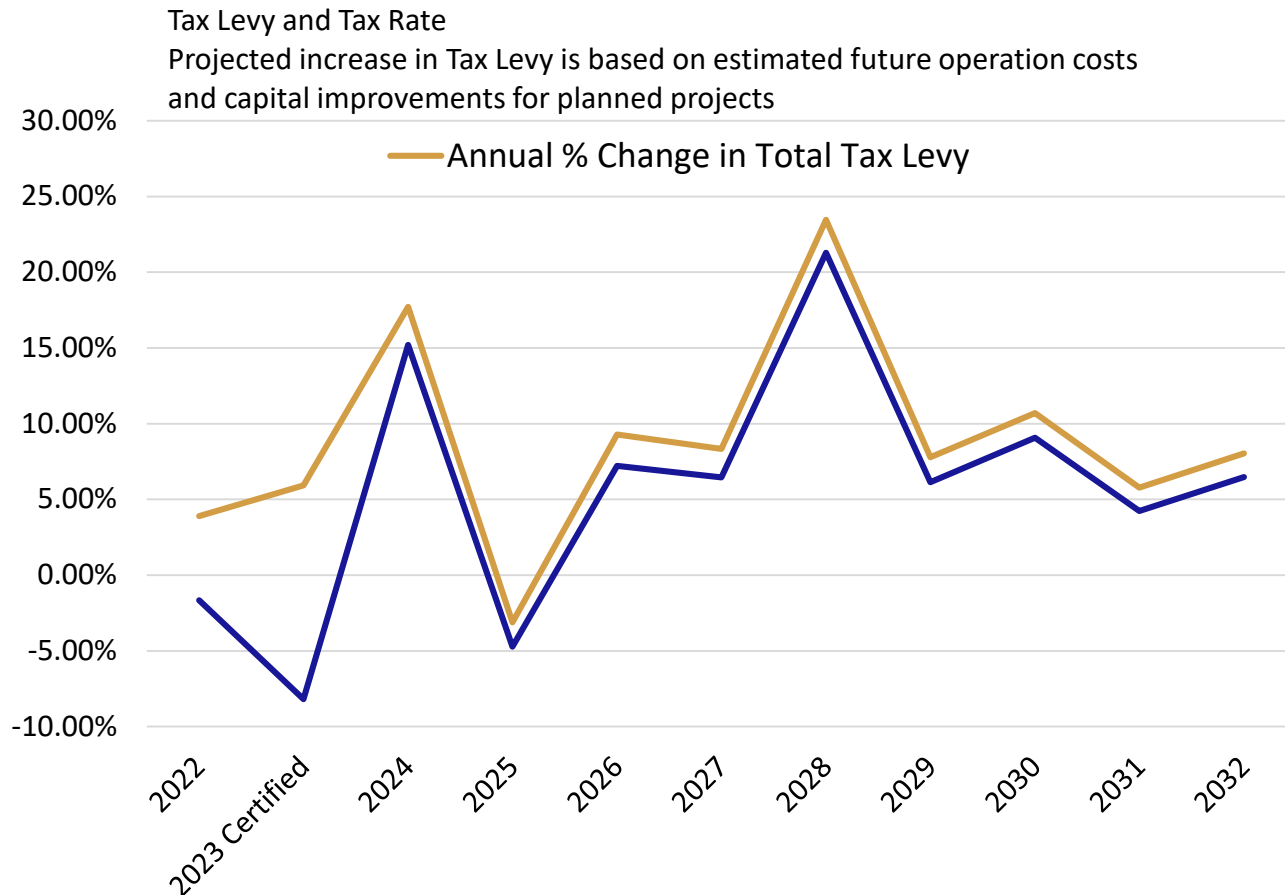
- Revenue to meet current and future obligations
- Meet City fund balance policy for General Fund
 - 35% - 50% of annual expenditures
 - Goal of the Plan closer to 50%
- Maintain Reserves for future capital needs

LEVY & RATE CALCULATION

- City Council
 - Property tax levy

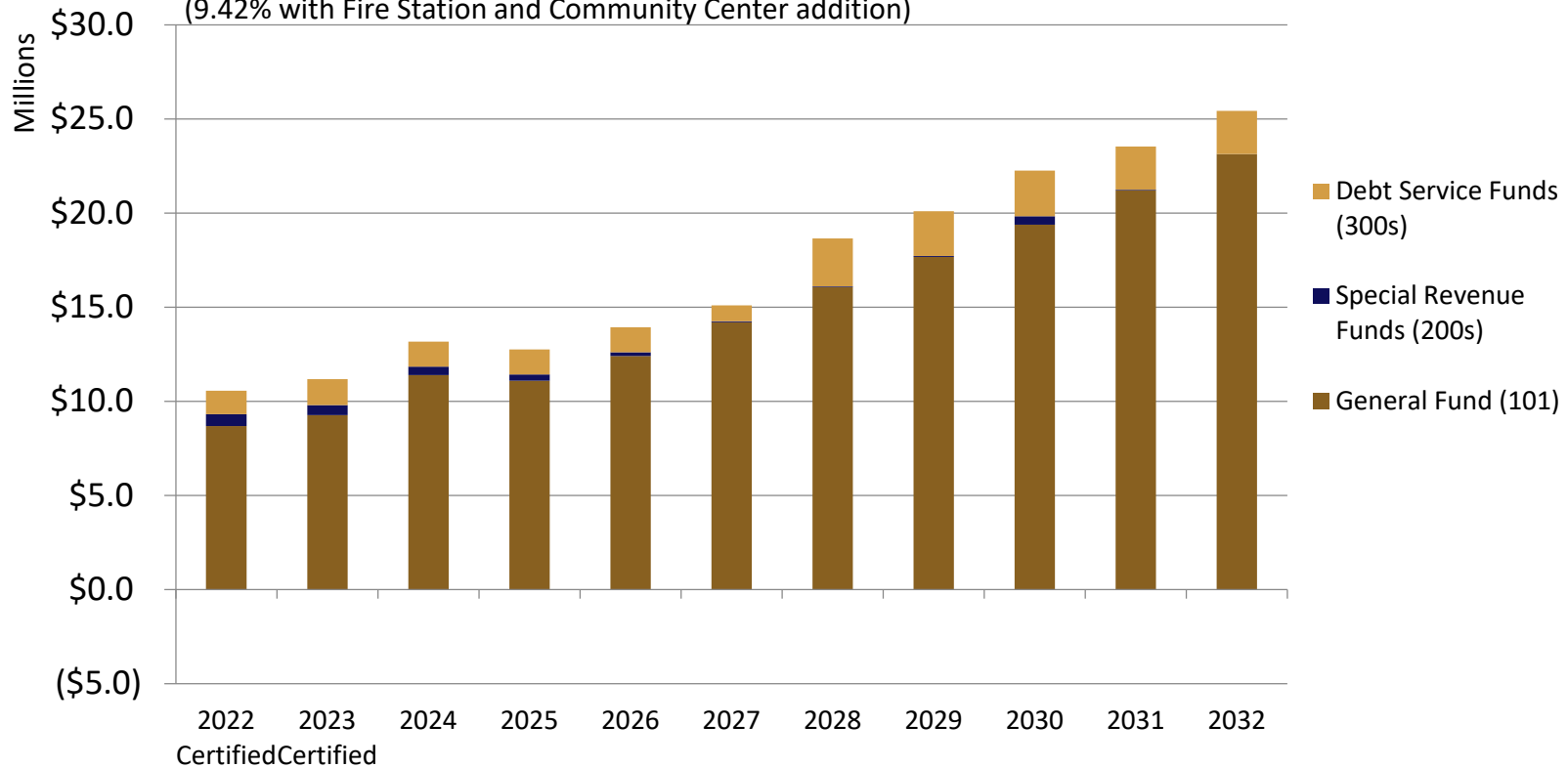
- County
 - Tax rate

CITY TAX LEVY & TAX RATE



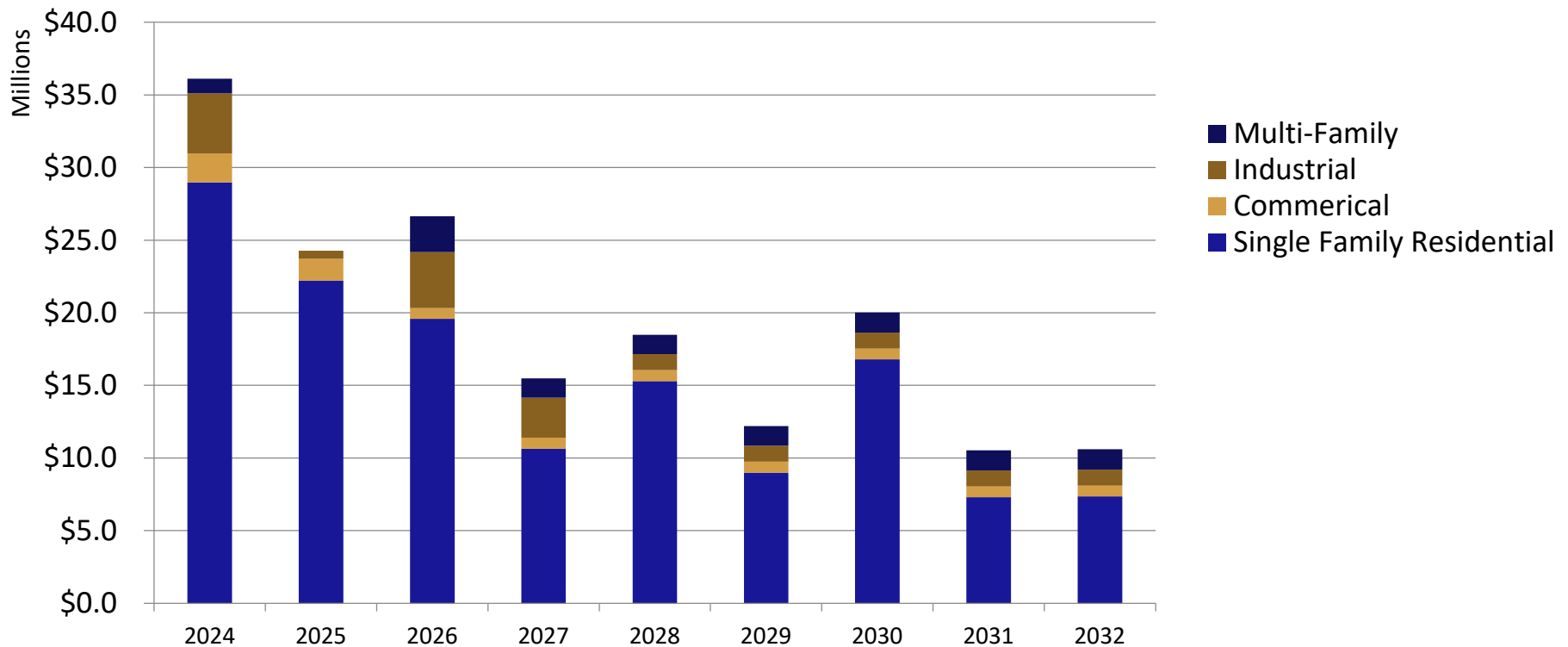
CITY TAX LEVY

Total City Tax Levy All City Funds is projected to average a 6.67% average annual increase
(9.42% with Fire Station and Community Center addition)



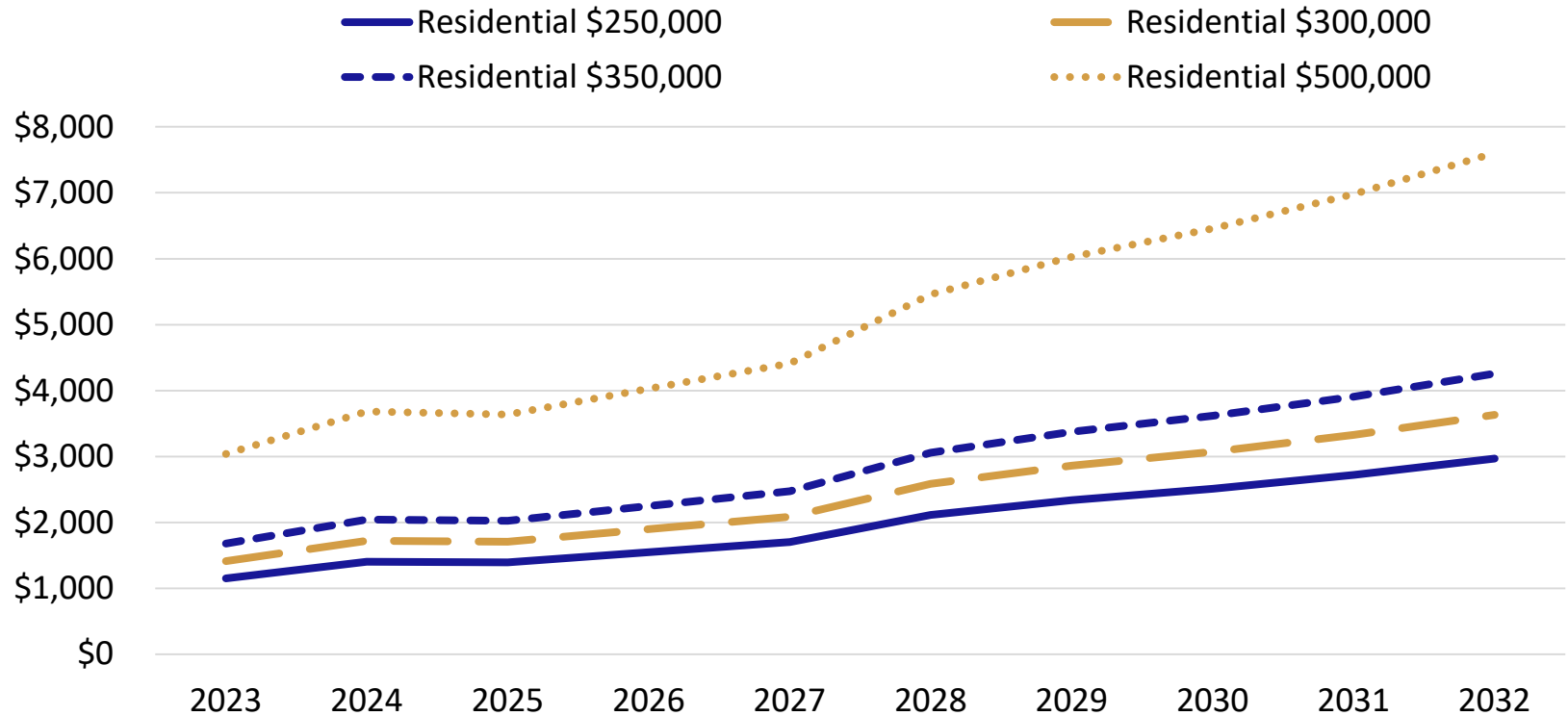
TAXABLE MARKET VALUE FROM NEW CONSTRUCTION

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



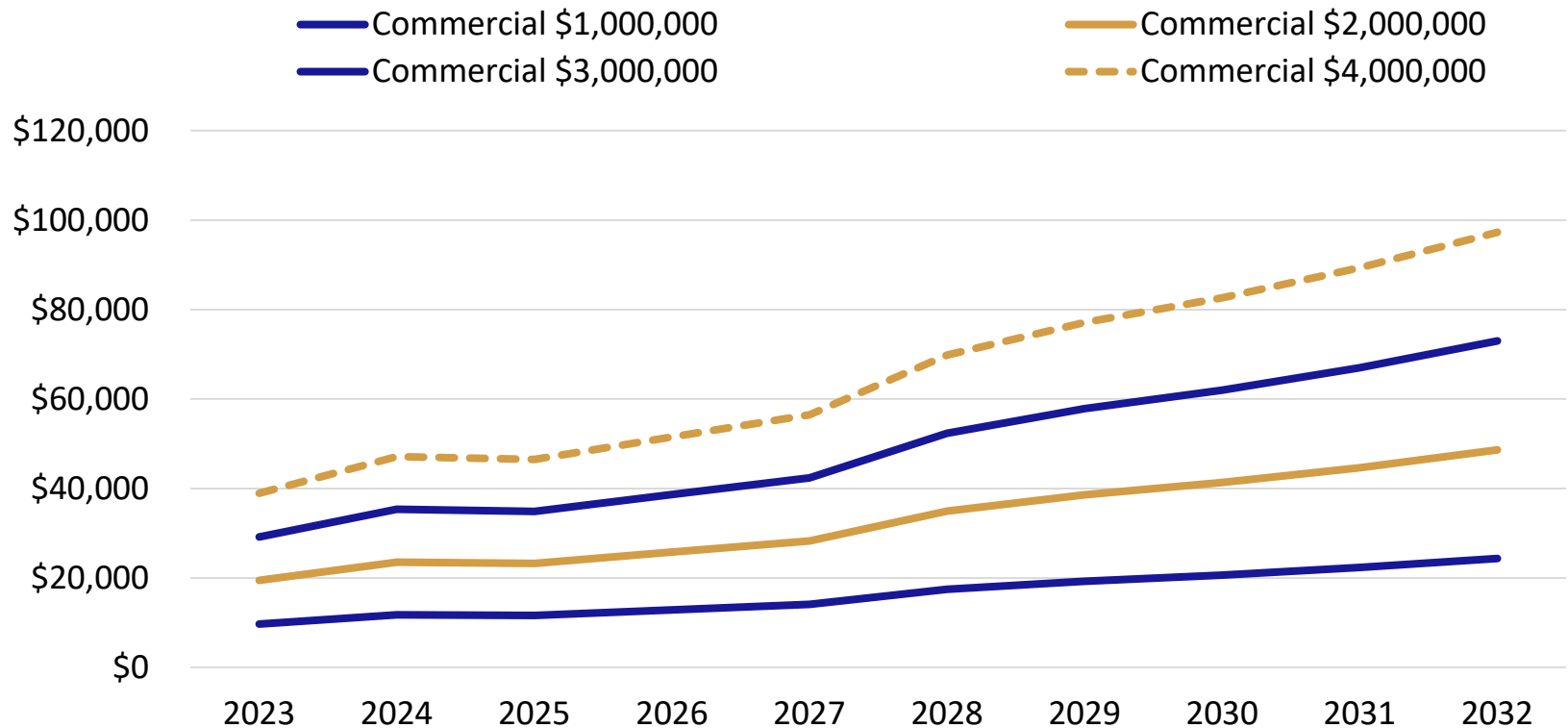
PROJECTED PROPERTY TAXES

Residential Property City Property Taxes for Different Valued Property



PROJECTED PROPERTY TAXES

Commercial-Industrial Property City Property Taxes for Different Valued Property



TAX LEVY SUMMARY

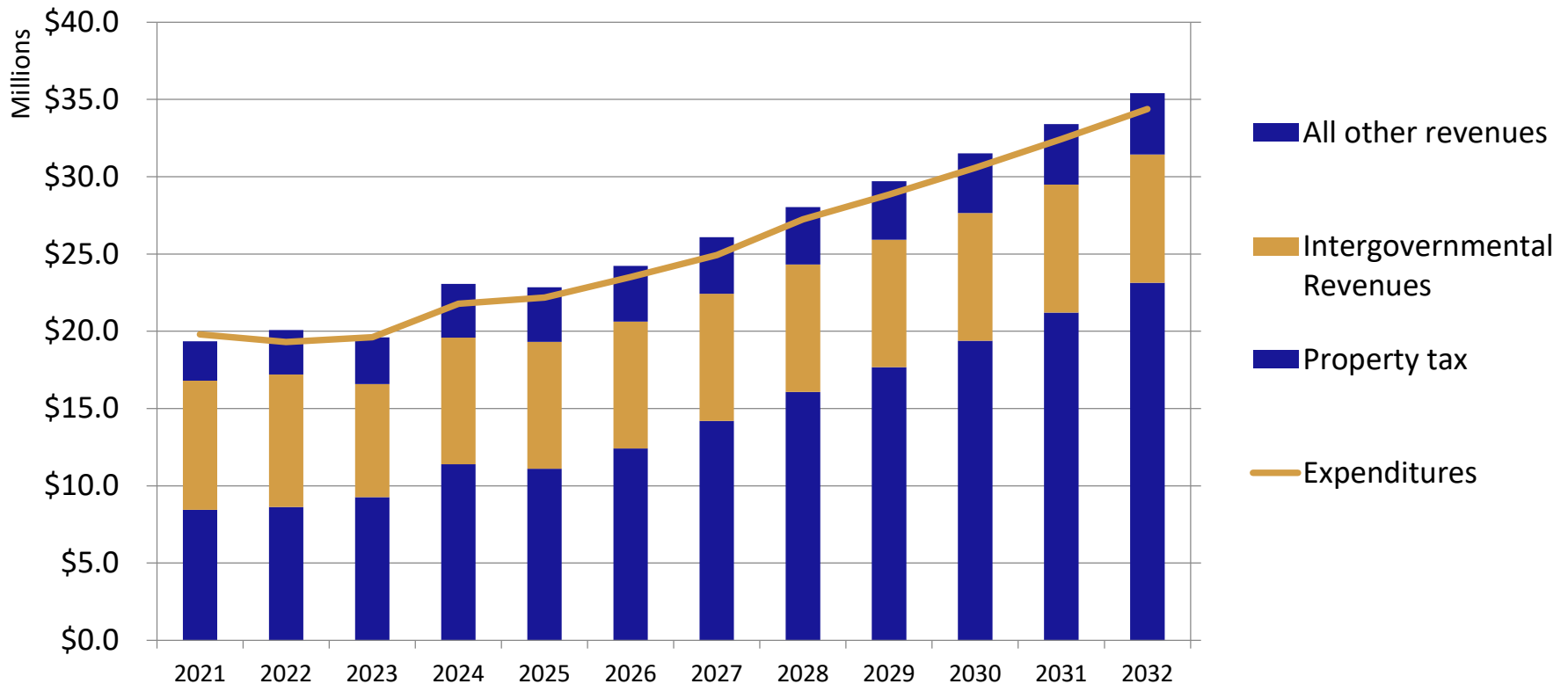
- General Fund(101)
 - Special PERA

- Community Development Administration (240)
 - Tax Abatements

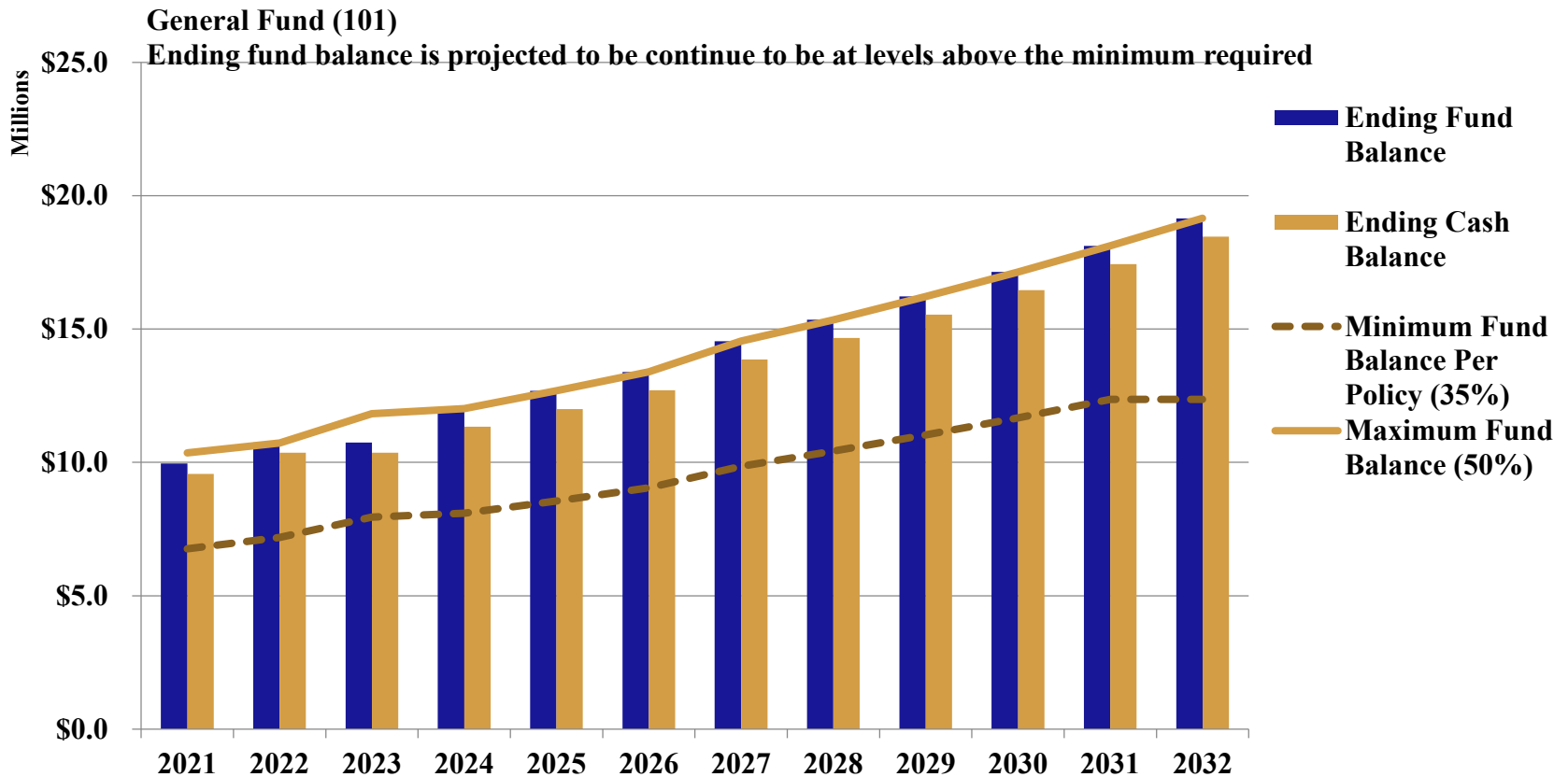
- Debt Services (300's)

GENERAL FUND

General Fund (101)
Expenditures and Revenues



FUND BALANCE



AIRPORT FUND

Airport Fund (225)

	2021 Actual	2022 Actual	2023 Budget Year	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Revenues												
Property taxes (current ad valorem)	19,856	9,937	-	-	-	-	-	-	-	-	-	-
Charges for services	119,048	137,298	132,739	139,376	146,345	153,662	161,345	169,412	177,883	186,777	196,116	205,922
Investment income	(231)	(33,789)	5,800	21,114	18,639	17,294	17,726	15,315	16,033	9,816	(4,314)	(33,309)
Other miscellaneous	3,426	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental for capital	45,081	336,585	31,590	227,500	157,500	52,500	1,451,200	285,000	550,000	892,500	3,220,400	5,102,300
Total Revenues	187,180	450,031	170,129	387,990	322,484	223,456	1,630,271	469,728	743,916	1,089,093	3,412,202	5,274,912
Expenditures												
Materials and supplies	7,528	5,621	5,500	5,775	6,064	6,367	6,685	7,020	7,371	7,739	8,126	8,532
Other services and charges	117,321	117,909	113,417	119,088	125,042	131,294	137,859	144,752	151,990	159,589	167,569	175,947
Principal payments	61,500	61,500	10,250	-	-	-	-	-	-	-	-	-
Capital outlay	42,356	315,841	113,560	325,000	225,000	75,000	1,546,000	300,000	740,000	1,275,000	3,961,400	5,447,000
Total Expenditures	228,705	500,871	242,727	449,863	356,106	212,661	1,690,544	451,772	899,360	1,442,328	4,137,095	5,631,479
Net Change in Fund Balances	(41,525)	(50,840)	(72,598)	(61,873)	(33,622)	10,795	(60,273)	17,956	(155,444)	(353,235)	(724,892)	(356,567)
Beginning Fund Balance	692,817	651,292	600,452	527,854	465,981	432,359	443,154	382,881	400,837	245,394	(107,842)	(832,734)
Ending Fund Balance	651,292	600,452	527,854	465,981	432,359	443,154	382,881	400,837	245,394	(107,842)	(832,734)	(1,189,301)

COMMUNITY DEVELOPMENT ADMINISTRATION FUND

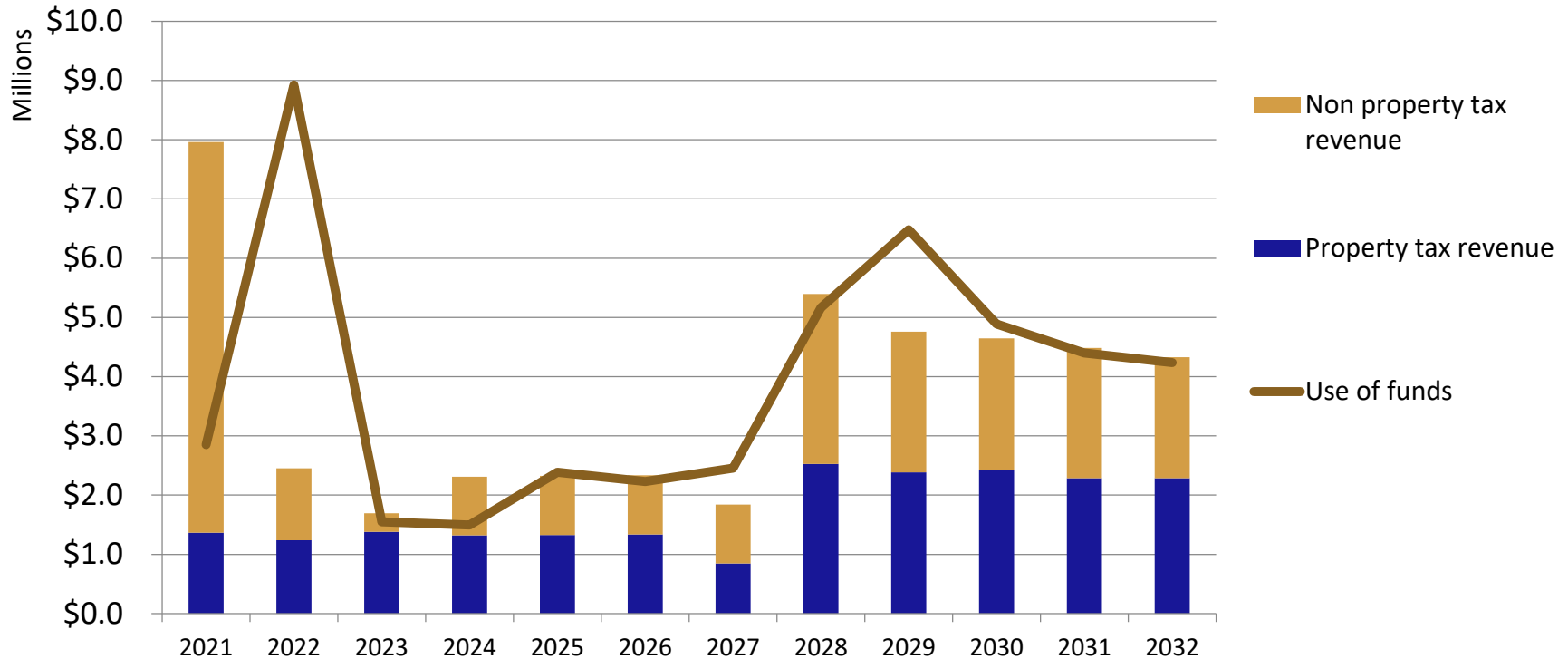
Community Development Fund(240)

	2021 Actual	2022 Actual	2023 Budget Year	2024 Proj	2025 Proj	2026 Proj	2027 Proj	2028 Proj	2029 Proj	2030 Proj	2031 Proj	2032 Proj
Revenues												
Property taxes (current ad valorem)	262,718	622,458	534,276	470,144	298,964	213,672	59,007	44,445	444,445	42,223	37,778	33,334
Other intergovernmental	-	258,280	-	-	-	-	-	-	-	-	-	-
Charges for services	290,263	296,377	386,113	31,140	33,008	35,104	37,334	39,704	42,225	44,907	47,758	50,791
Investment income	(5,978)	(17,534)	11,970	5,116	(5,949)	(20,923)	(37,361)	(55,372)	(75,074)	(96,590)	(120,053)	(145,606)
Other miscellaneous	100	1,127	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	1,600	-	-	-	-	-	-	-	-	-	-
Taxes other	1,617	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	548,720	1,162,308	932,359	506,400	326,023	227,853	58,979	28,777	411,597	(9,460)	(34,517)	(61,481)
Expenditures												
Personnel services - Union and Non Union	521,696	507,940	645,346	342,838	363,408	385,225	408,353	432,868	458,855	486,403	515,604	546,558
Materials and supplies	7,180	25,558	5,900	6,195	6,505	6,830	7,171	7,530	7,907	8,302	8,717	9,153
Other services and charges	226,966	291,560	29,134	30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	44,324
Transfer out other	-	466,660	-	-	-	-	-	-	-	-	-	-
Tax abatements	-	410,914	401,976	403,995	298,964	213,672	59,007	44,445	444,445	42,223	37,778	33,334
Total Expenditures	755,842	1,702,632	1,082,356	783,028	700,377	638,802	509,260	521,308	949,495	577,130	604,312	633,368
Net Change in Fund Balances	(207,122)	(540,324)	(149,997)	(276,628)	(374,354)	(410,949)	(450,280)	(492,531)	(537,898)	(586,590)	(638,829)	(694,850)
Beginning Fund Balance	1,025,345	818,223	277,899	127,902	(148,726)	(523,080)	(934,029)	(1,384,309)	(1,876,840)	(2,414,739)	(3,001,329)	(3,640,157)
Ending Fund Balance	818,223	277,899	127,902	(148,726)	(523,080)	(934,029)	(1,384,309)	(1,876,840)	(2,414,739)	(3,001,329)	(3,640,157)	(4,335,007)

DEBT SERVICE FUNDS

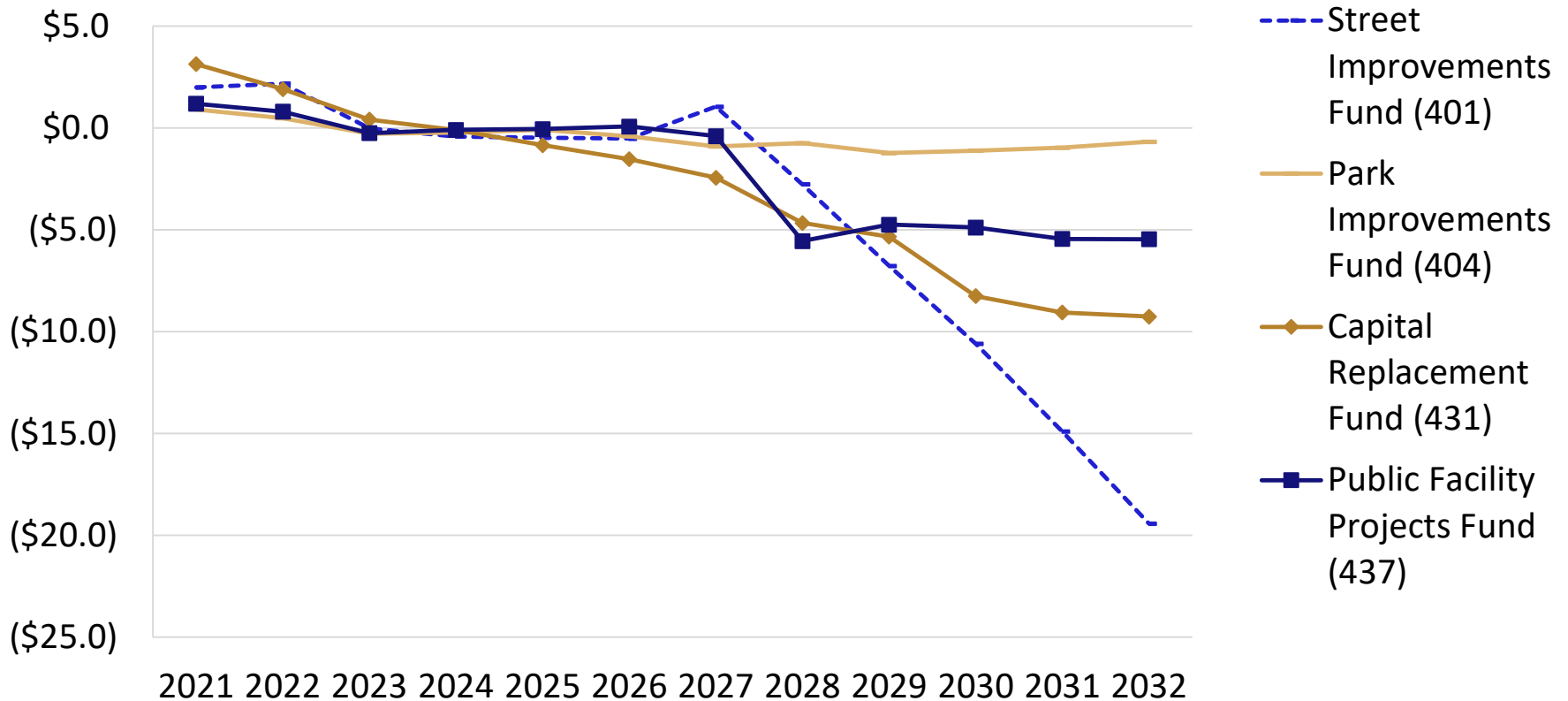
Debt Service Funds (300s)

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



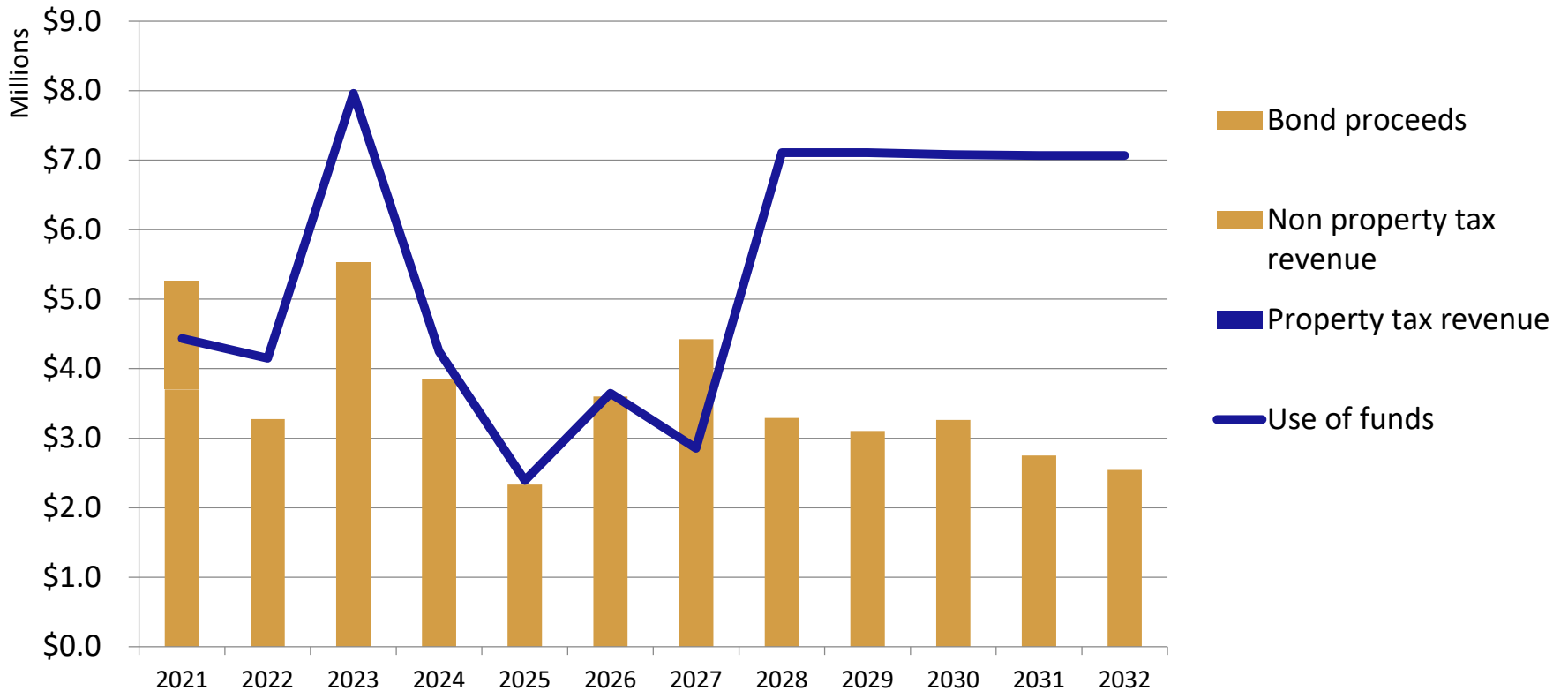
CAPITAL PROJECT FUNDS

Ending Cash balances for Capital Projects Funds



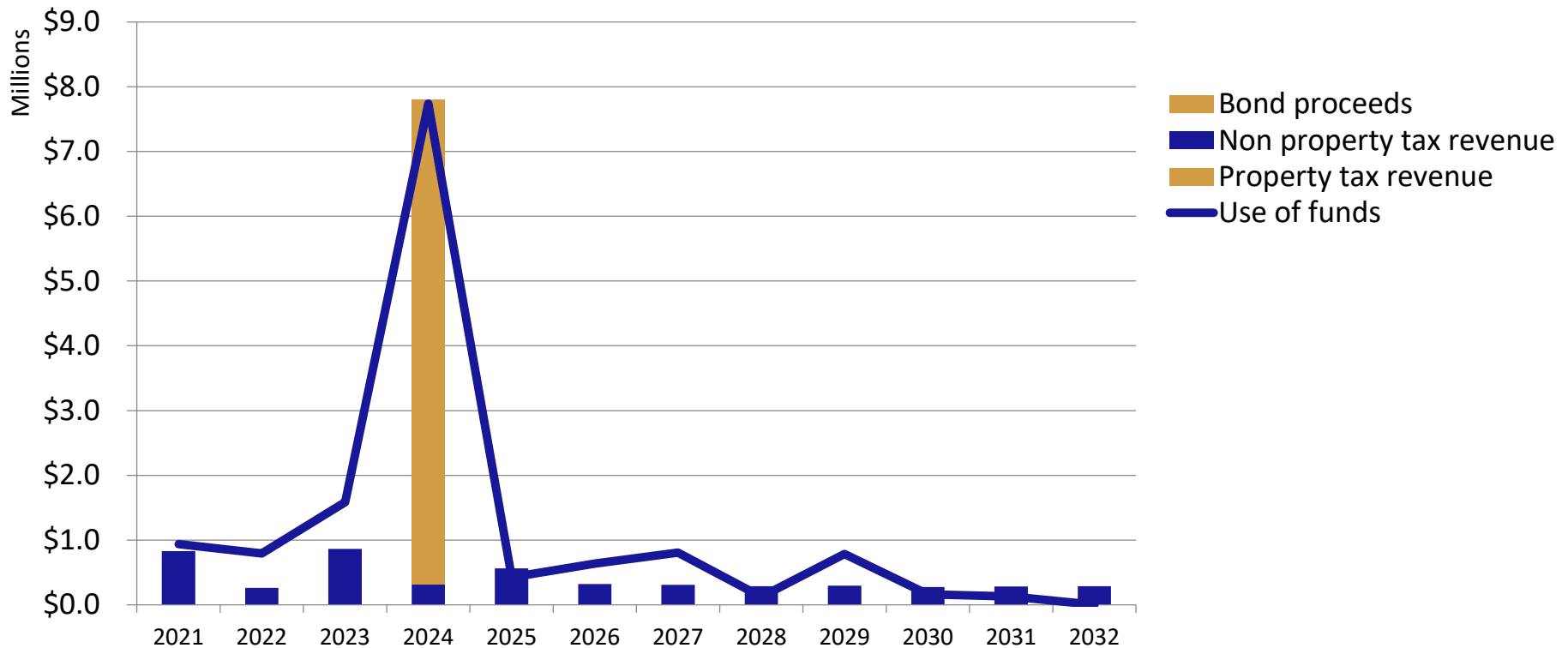
STREET IMPROVEMENT FUND

Street Improvements Fund (401)
Revenues and Use of Funds



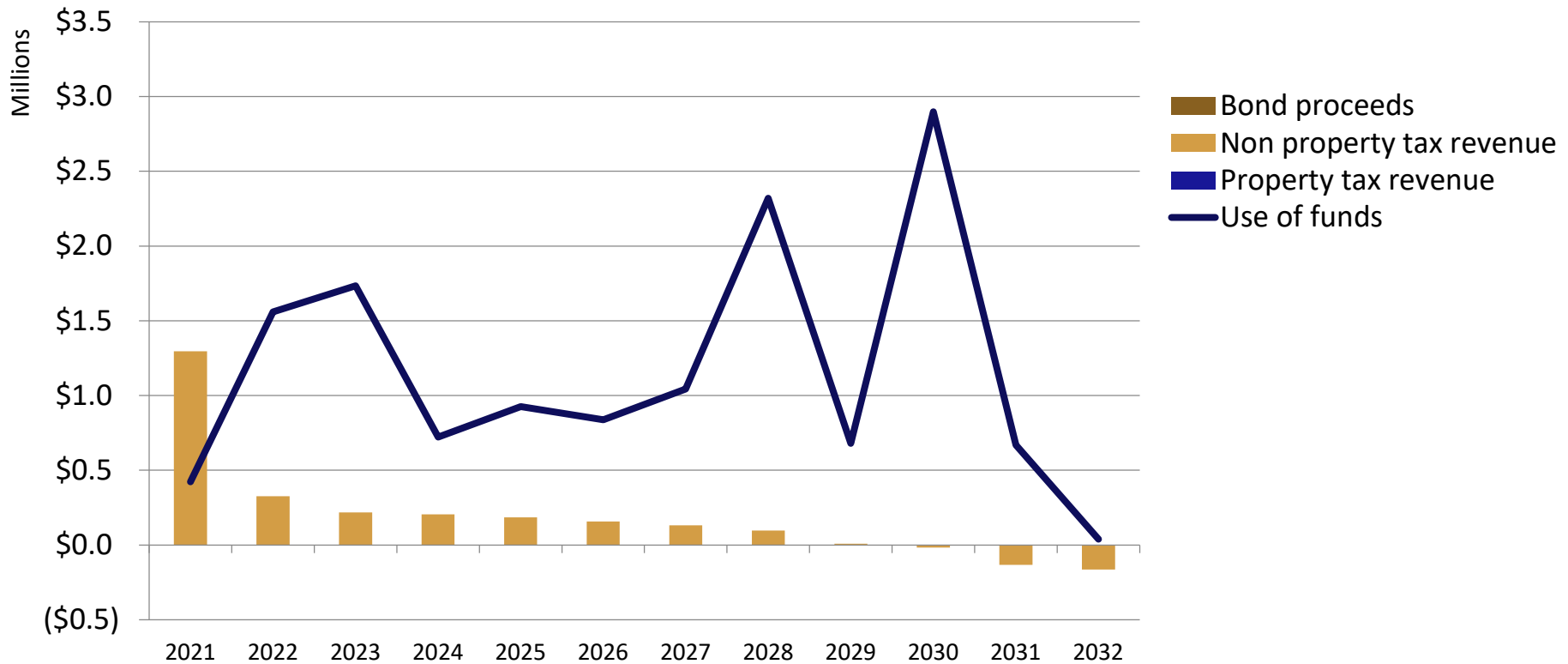
PARK IMPROVEMENT FUND

Park Improvements Fund (404)
Revenues and Use of Funds



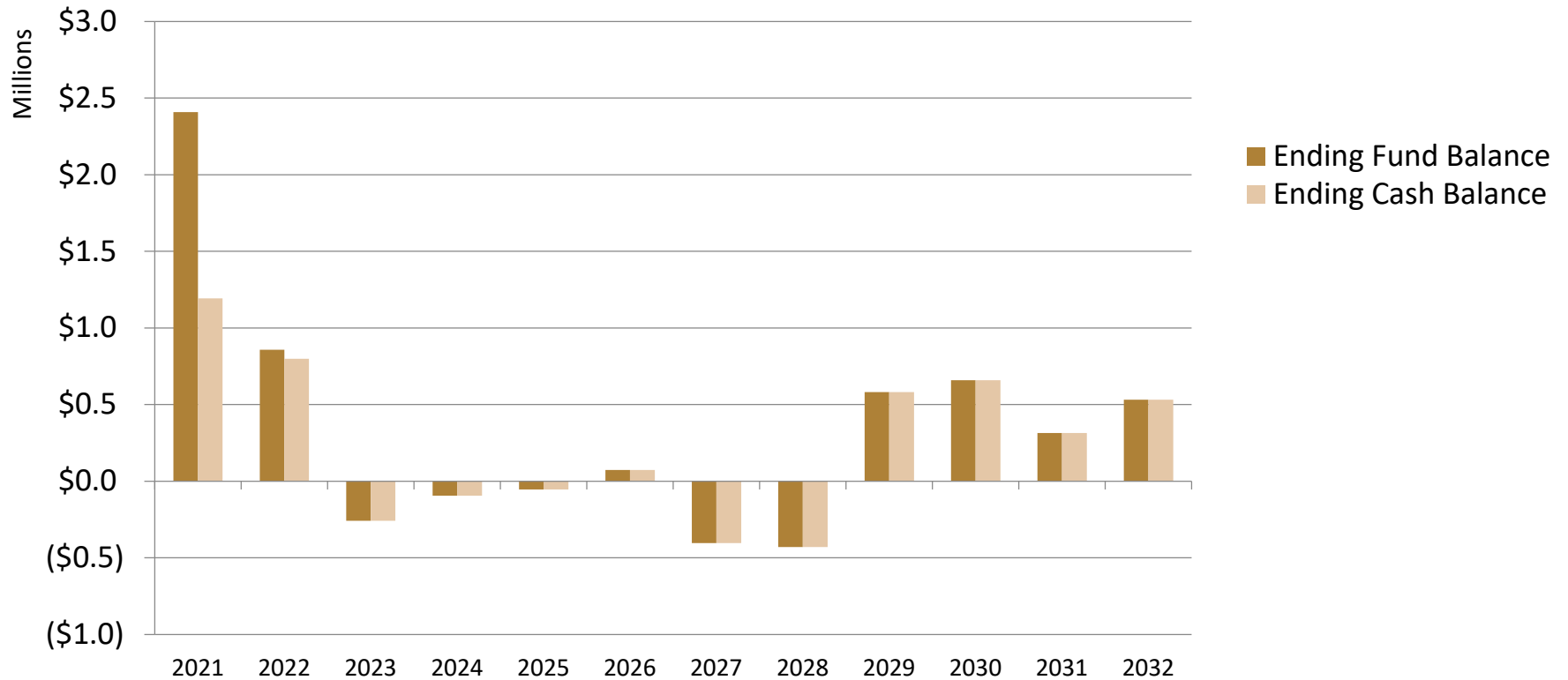
CAPITAL REPLACEMENT FUND

Capital Replacement Fund (431)
Revenues and Use of Funds

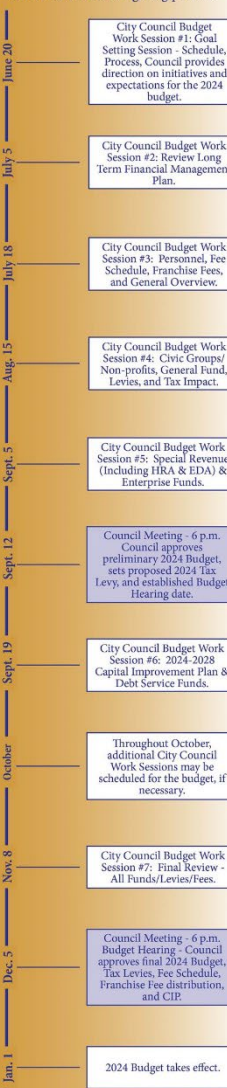


PUBLIC FACILITIES FUND

Public Facility Projects Fund (437)
Ending Fund Balance and Cash Balance



The City of Faribault will begin its 2024 budgeting process internally in early May and will begin presenting to the City Council and public on June 20. See below the proposed schedule for the budgeting process.



2024 BUDGET SCHEDULE

July 18

Personnel
Fee Schedule
Franchise Fees

August 15

Civic/Non-Profits
General Fund
Levies & Tax Impact

September 5

Special Revenue
Enterprise Funds

**September 12
Council Mtg**

Preliminary Levy
Set Budget Hearing

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: Paul J. Peanasky, Parks and Recreation Director
MEETING DATE: July 5, 2023
SUBJECT: Review Proposed City Hall Improvements

Discussion:

As we are getting closer to bidding for the improvements at City Hall, this is an opportunity to review the documents before we ask to go out to bid on July 11, 2023.

Upgrades will be as follows:

- Council Chambers will be made ADA accessible around the dais. Upgrades to technology will also be made. The location of a monitor or monitors needs to be determined.
- Restrooms on the first floor will be made ADA accessible and we will add a wellness room. The layout has changed slightly since you last saw the layout, but it has the same number of fixtures.
- On the third floor, the Community and Economic Development Conference Room will be as you have seen in the past. We will move a wall, remove two closets and update the technology.
- A new addition will be the removal of an office wall on the third floor to make the office for the Community and Economic Development Director larger.
- Lastly, all carpet, with the exception of the basement, will be replaced.

Attachments:

1. Room Layouts
2. Carpet Colors
3. Bidding and Construction Schedule

PRELIMINARY NOT FOR CONSTRUCTION



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PROJECT
**CITY OF FARIBAUT
CITY HALL
RENOVATION**

FARIBAUT MINNESOTA

REVISION SCHEDULE		
DATE	DESCRIPTION	BY

PROJECT NO.	22-27668
FILE NAME	27668 Arch R22.rvt
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	MM/DD/YYYY
CLIENT PROJECT NO.	

TITLE	FIRST FLOOR PLAN
SHEET	A1-21

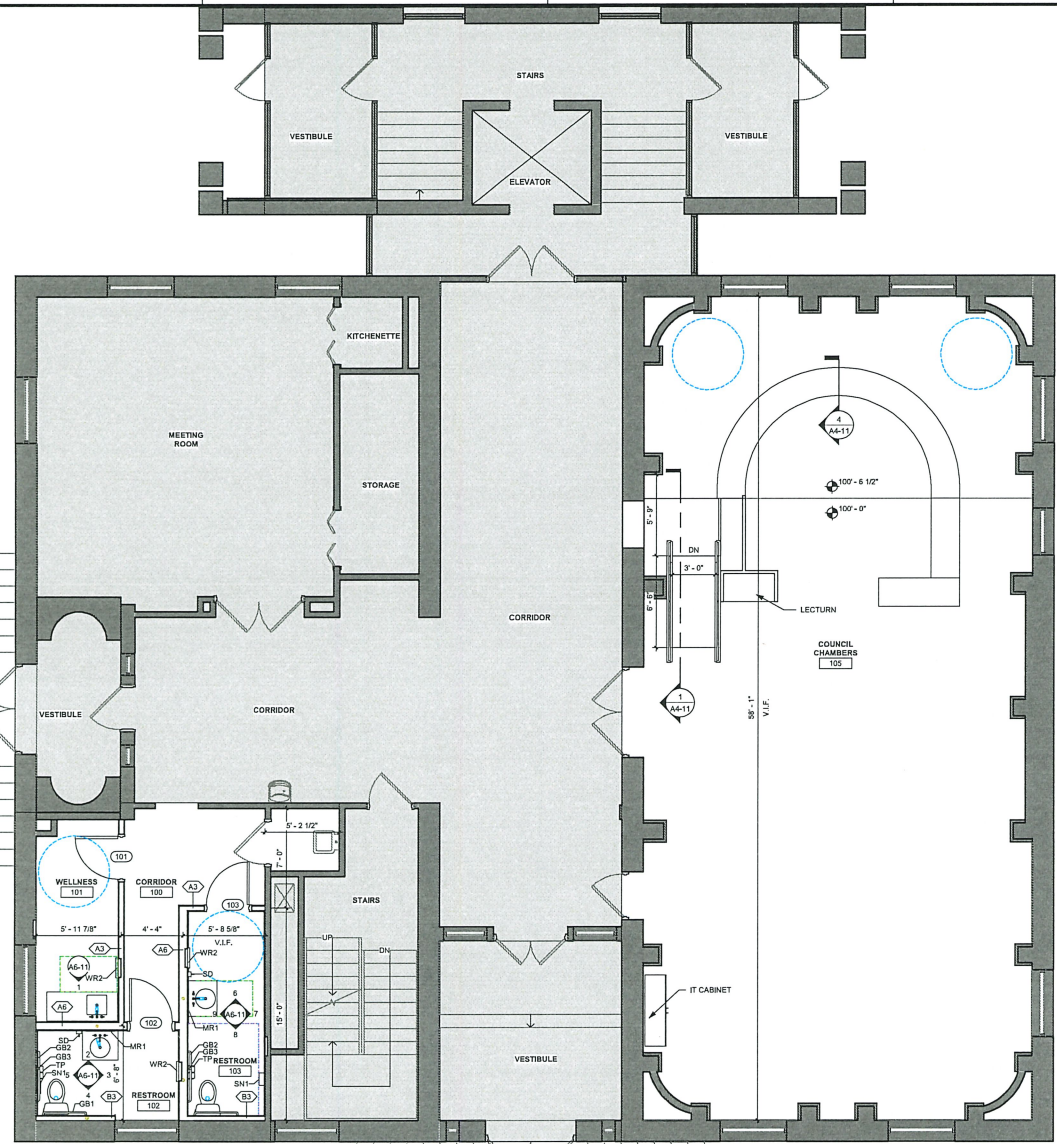
WALL LEGEND
EXISTING CONSTRUCTION TO REMAIN
NEW CONSTRUCTION

FLOOR PLAN SHADING
INDICATED APPROXIMATE AREA NOT IN CONTRACT

SHEET NOTES
A. NO NEW CONSTRUCTION TO TAKE PLACE ON LOWER LEVEL AND SECOND FLOOR.

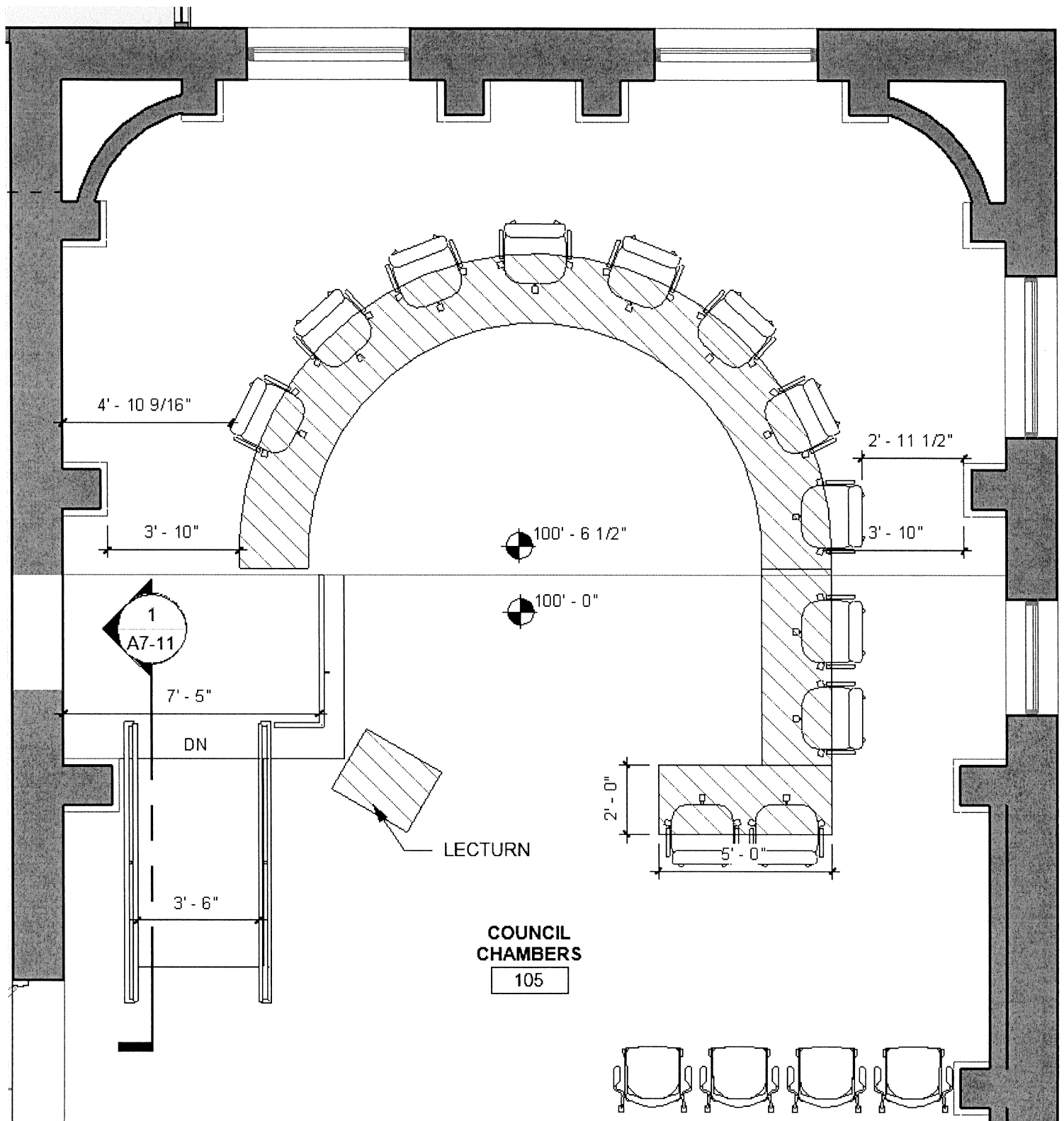
KEYNOTE LEGEND

RESTROOM ACCESSORY SCHEDULE				
MAR	K	DESCRIPTION	COMMENTS	PROVIDED BY
CH		COAT HOOK		
GB1		36" HORIZONTAL GRAB BAR		
GB2		42" HORIZONTAL GRAB BAR		
GB3		18" VERTICAL GRAB BAR		
MR1		MIRROR, 2'-0" W X 3'-0" H		
SD		SOAP DISPENSER		
SN1		SANITARY NAPKIN DISPOSAL - SURFACE MOUNTED		
TP		TOILET TISSUE DISPENSER - DOUBLE		
WR2		PAPER TOWEL / WASTE - SEMI-RECESS MOUNTED		



1 FIRST FLOOR PLAN
1/4" = 1'-0"







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PROJECT

**CITY OF
FARIBAULT
CITY HALL
RENOVATION**

FARIBAULT MINNESOTA

REVISION SCHEDULE		
DATE	DESCRIPTION	BY

PROJECT NO.	22-27668
FILE NAME	27668 Elec R22.rvt
DRAWN BY	JBW
DESIGNED BY	JBW
REVIEWED BY	CGL
ORIGINAL ISSUE DATE	MM/DD/YYYY
CLIENT PROJECT NO.	

TITLE

**COUNCIL
CHAMBER POWER
PLAN**

SHEET

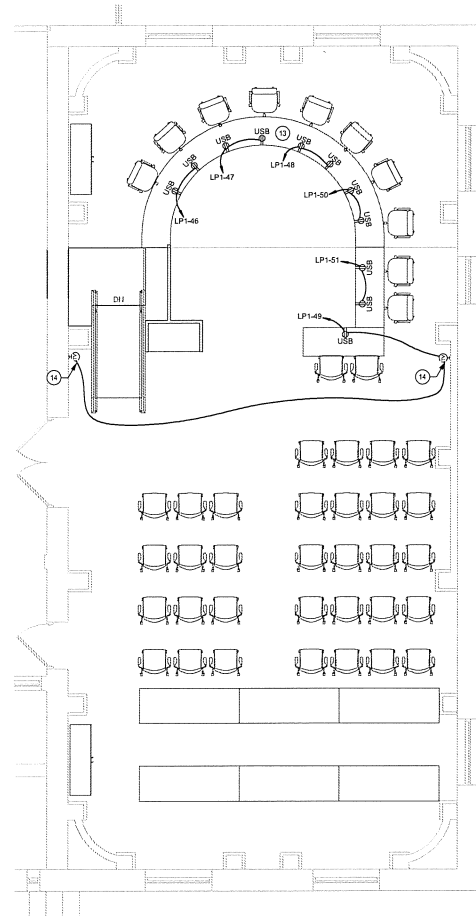
E2-11B

SHEET NOTES

1. ALL EXISTING ELECTRICAL EQUIPMENT INDICATED ON PLANS ARE BASED ON INFORMATION FROM CONSTRUCTION DOCUMENTS AND FIELD OBSERVATION OF THE EXISTING BUILDING.
2. RECEPTACLES AND LOW VOLTAGE DEVICES SHALL BE FLUSH MOUNTED IN PRECAST AND MASONRY WALLS AT ALL PUBLIC SPACES.
3. RACEWAYS SHALL BE CONCEALED IN PRECAST AND MASONRY WALLS. COORDINATE WITH PRECAST WALL SUPPLIER. INCLUDE RACEWAYS FROM TECHNOLOGY PLANS.
4. MAINTAIN FIRE RATING OF ALL WALLS AND FLOORS. PROVIDE FIRE PROOFING FOR ALL WALL AND FLOOR PENETRATIONS PER CODE.
5. COORDINATE WORK WITH OTHER TRADES. COORDINATE FURNITURE BRACKETS WITH RECEPTACLE LOCATIONS.
6. MAINTAIN FIRE RATING OF ALL WALLS AND FLOORS. PROVIDE FIRE PROOFING FOR ALL WALL AND FLOOR PENETRATIONS PER CODE.
7. COORDINATE WORK WITH OTHER TRADES.
8. CIRCUIT NUMBERS ARE USED FOR DESIGN INTENT TO EXISTING PANELBOARDS. ELECTRICAL CONTRACTOR SHALL VERIFY EXACT CIRCUIT NUMBERS IN THE FIELD.

ELECTRICAL KEYNOTE LEGEND

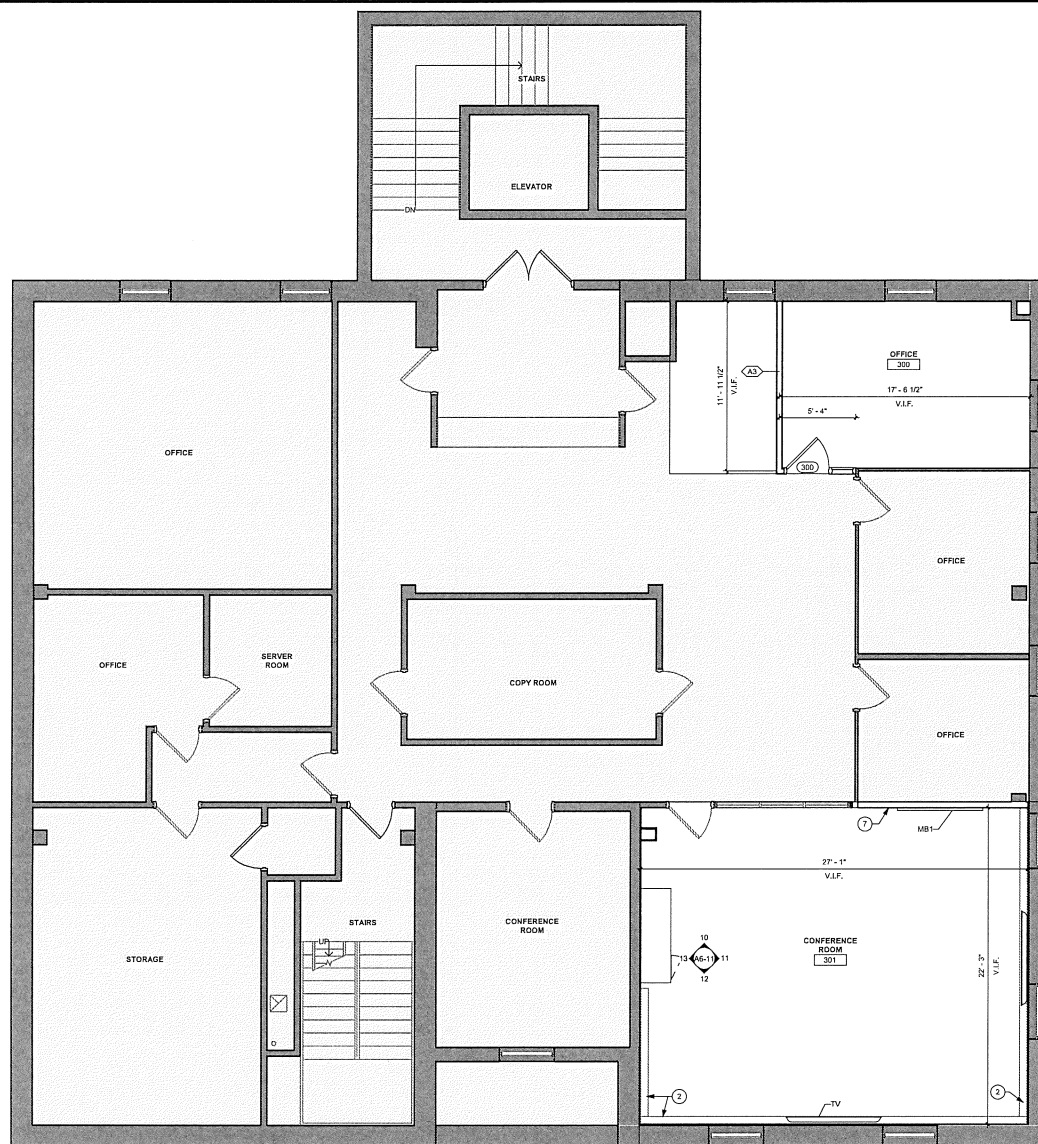
- 13 PROVIDE CRESTION POP-UP ENCLOSURE FT3-352-PTL OR APPROVED EQUAL AT EACH WORKING STATION AT DESK. (2) DUPLEX RECEPTACLES, (2) DATA CONNECTIONS, (1) USB-A CONNECTION, AND (1) USB-C CONNECTION PER INSTANCE. COORDINATE WORK WITH OTHER TRADES. ELECTRICAL CONTRACTOR TO ROUTE AND MAKE PROPER CONNECTIONS.
- 14 PROVIDE 1 1/2" CONDUIT FROM TV LOCATION TO ABOVE CEILING FOR DATA CONNECTIONS.



1 COUNCIL CHAMBER POWER PLAN
1/4" = 1'-0"



6/28/2022 10:34:03 AM



WALL LEGEND	
	EXISTING CONSTRUCTION TO REMAIN
	NEW CONSTRUCTION

FLOOR PLAN SHADING	
	INDICATED APPROXIMATE AREA NOT IN CONTRACT

SHEET NOTES	
A. NO NEW CONSTRUCTION TO TAKE PLACE ON LOWER LEVEL AND SECOND FLOOR.	

KEYNOTE LEGEND	
2	PAINT/TOUCH UP BASEBOARD HEAT TO BE UNIFORM
7	SALVAGED DEMOUNTABLE WALL TO BE FLUSH WITH EXISTING WALL



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PROJECT

CITY OF FARIBAULT CITY HALL RENOVATION

FARIBAULT MINNESOTA

REVISION SCHEDULE		
DATE	DESCRIPTION	BY

PROJECT NO.	22-27668
FILE NAME	27668 Arch R22.rvt
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	MM/DD/YYYY
CLIENT PROJECT NO.	

TITLE

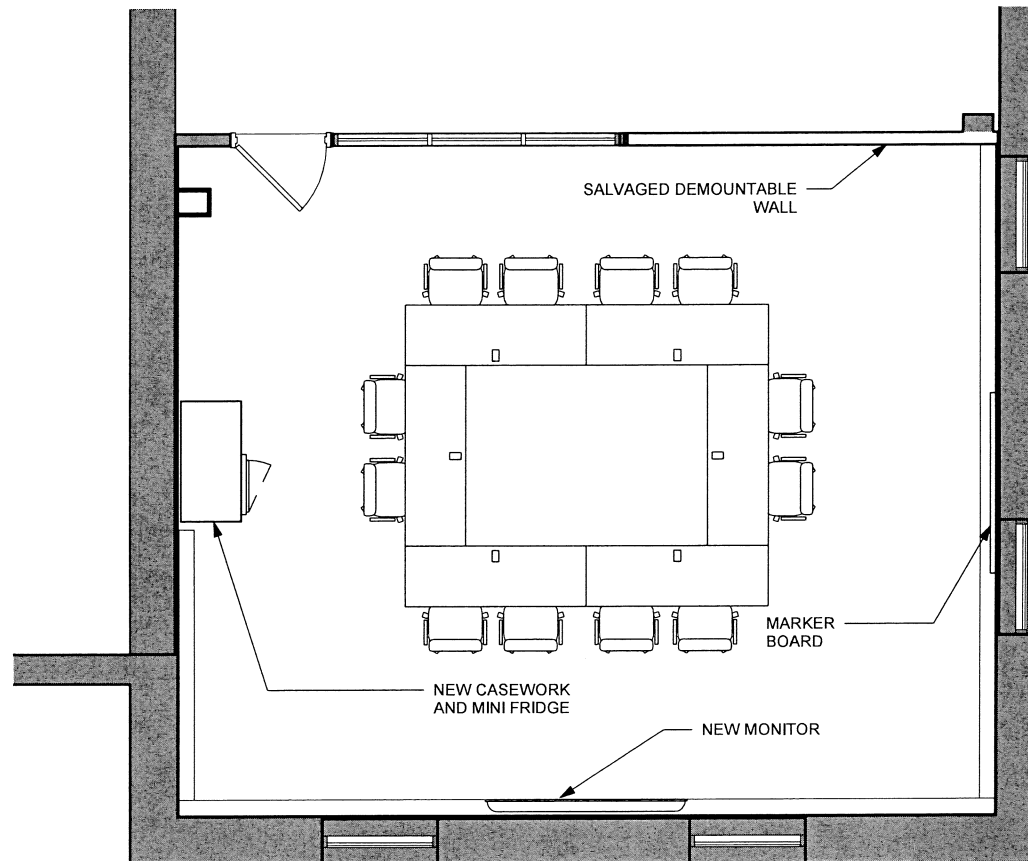
THIRD FLOOR PLAN

SHEET

A1-23

1 THIRD FLOOR CONFERENCE ROOM
1/4" = 1'-0"





1 THIRD FLOOR CONFERENCE ROOM
1/4" = 1'-0"

CONFERENCE ROOM RENOVATION



Architecture + Engineering + Environmental + Planning

FARIBAULT CITY HALL RENOVATION

FARIBAULT, MINNESOTA - 02/09/23
ISG PROJECT NO. 22-27668



ISGInc.com



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PROJECT

**CITY OF
FARIBAULT
CITY HALL
RENOVATION**

FARIBAULT MINNESOTA

REVISION SCHEDULE		
DATE	DESCRIPTION	BY

PROJECT NO.	22-27668
FILE NAME	
DRAWN BY	Author
DESIGNED BY	Designer
REVIEWED BY	Checker
ORIGINAL ISSUE DATE	MMDDYY
CLIENT PROJECT NO.	

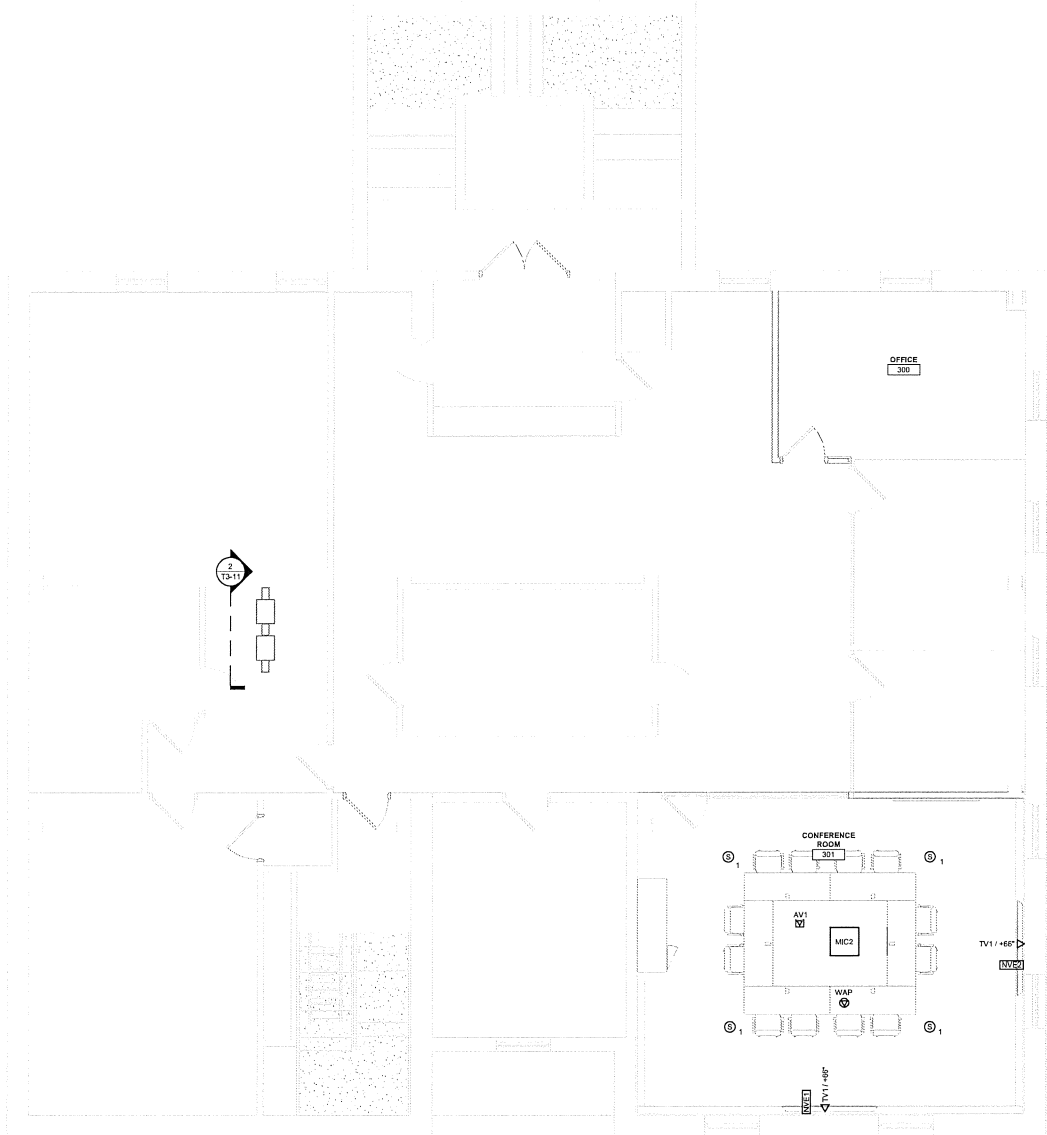
**THIRD FLOOR
TECHNOLOGY
PLAN**

SHEET
T2-13

SHEET NOTES

-
-
-
-
-

TECH KEYNOTE LEGEND



① **THIRD FLOOR TECHNOLOGY PLAN**
1/4" = 1'-0"



6/28/2023 11:00:46 AM

COUNCIL CHAMBERS

PUBLIC MEETING ROOM



SECOND FLOOR



THIRD FLOOR



**SECTION 00 3113
BIDDING AND CONSTRUCTION SCHEDULE**

**CITY OF FARIBAULT CITY HALL
RENOVATION
FARIBAULT, MINNESOTA
ISG NO. 22-27668**

Wednesday, July 12, 2023	Send out Advertisement for Bids
Friday, July 21, 2023	Pre-bid meeting. 10:00 a.m.
Thursday, August 03, 2023	Receive Bids before 2:00 p.m.
Tuesday, August 08, 2023	Estimated date to issue Notice of Award.
Monday, August 14, 2023	Estimated date to execute contract and issue Notice to Proceed
Friday, August 25, 2023	Estimated pre-construction meeting date.
Tuesday, September 05, 2023	Estimated commence construction date.
Thursday, October 12, 2023 Conference Room and Office	Substantial completion, perform final walk through and inspection with Owner and Architect. Owner can occupy.
Wednesday, November 22, 2023 Restrooms	Substantial completion, perform final walk through and inspection with Owner and Architect. Owner can occupy.
Friday, December 22, 2023 Council Chambers	Substantial completion, perform final walk through and inspection with Owner and Architect. Owner can occupy.
Friday, December 29, 2023	Final Completion.

END OF SECTION



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Paul J. Peanasky, Parks and Recreation Director
MEETING DATE: July 5, 2023
SUBJECT: Canvus Donation

Discussion:

Canvus is a company that acquires used wind turbine blades and reuses as much of the blade as possible. Once acquired, the firm then looks for places for the recycled blades to be used. Canvus offers one of their many collections of products to different businesses or organizations and Canvus will solicit donations to pay for these amenities. There are many different options for what can be made from these blades; such as benches, planters and picnic tables. Canvus reaches out primarily to organizations that are sustainable in nature. If possible, Canvus would like organizations to then place orders with them in the future, however, that is not a requirement to receive the collection.

Canvus has reached out to the City of Faribault to receive a donation of products made from these reused turbine blades. The original offer is for the Placemaking Collection, but if we desire another collection they will attempt to accommodate us. Attached is a list of collections that they offer.

Attachments:

1. Canvus PowerPoint
2. Canvus Collections



+

canvus

Who We Are



manufacturer of products made from
retired wind turbine blades

120 – 200 ft long 15,000-40,000 lbs

5,000–8,000

Blades reach
the end of their
life each year

Their size
and durable
material make
them **difficult
to recycle**

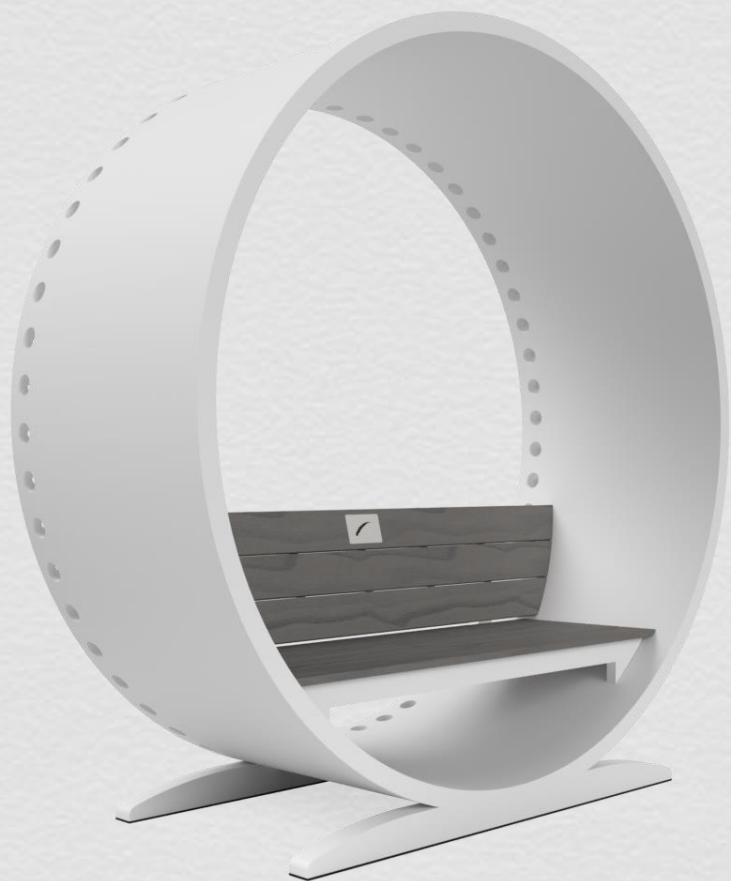
For years, Canvus has been working with the renewable energy industry to find a long-term, scalable solution.

Each blade can be reimagedined into 45-50 products, extending their lifespan by 20-40 years.

Our Mission

Inspiring communities around "**sustainability in motion**" by uniting retired materials to create exceptional products.

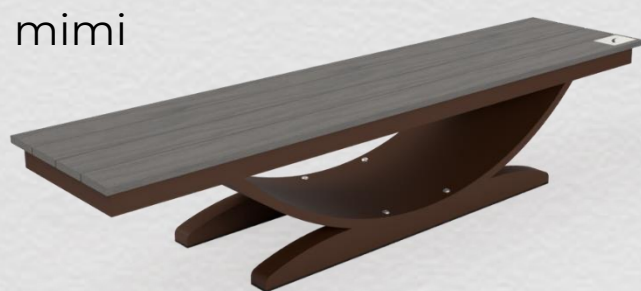




deborah



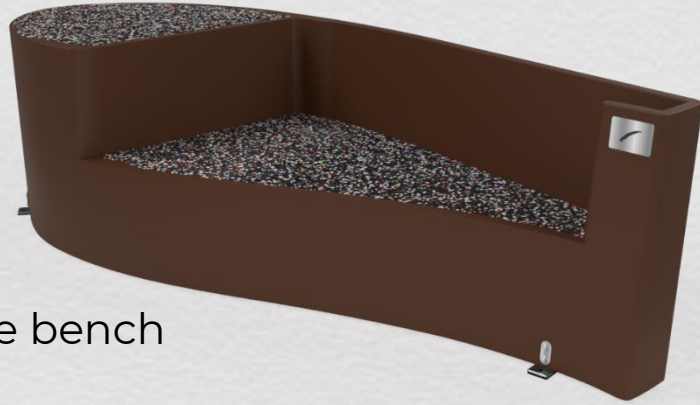
belle



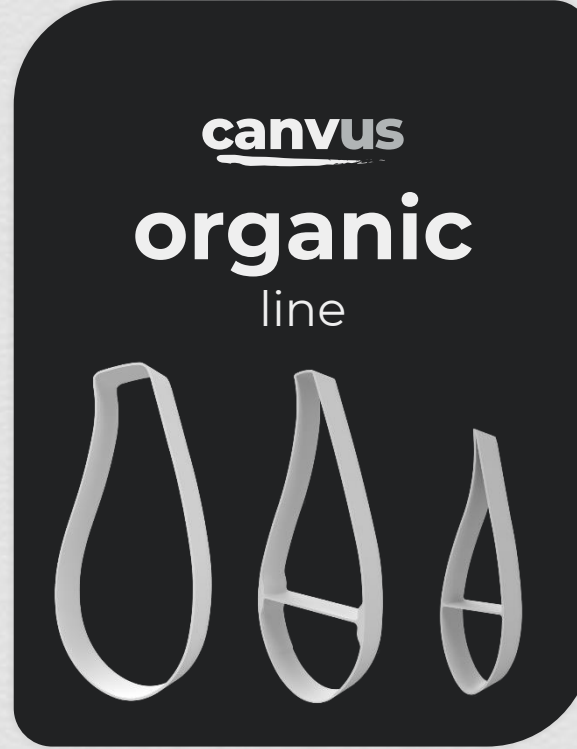
mimi



carole



faye bench



fincher bench



beacon planter



rose hybrid



Product Makeup

Retired Materials



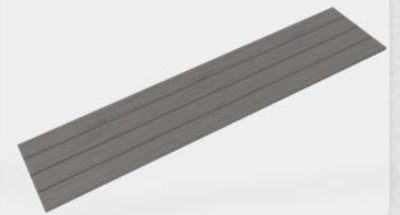
rubber

Recycled material made from post-industrial and post-consumer sources like tires and shoes.



composite lumber

Recycled material made from plastic shrink-wrap and sawdust from wood milling operations.



mixed plastics

Recycled material made from post-consumer and post-industrial packaging like milk jugs, containers, and bottles.



textiles

Surplus and unused textiles like carpeting, clothing, and PET bottles.



Product Makeup **Finishes**

brilliant white

Designed with history in mind, the Brilliant White color pays homage to the original finish of the turbine blade.



cracked pepper

Born at the intersection of art and function, this sleek Cracked Pepper gray stands out in the modern world.



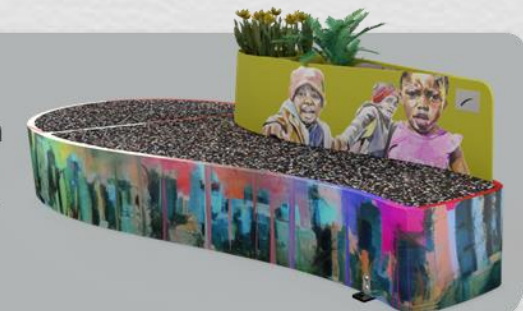
dark walnut

Designed for Parks, Dark Walnut praises and emulates the beauty of nature, and our environment.



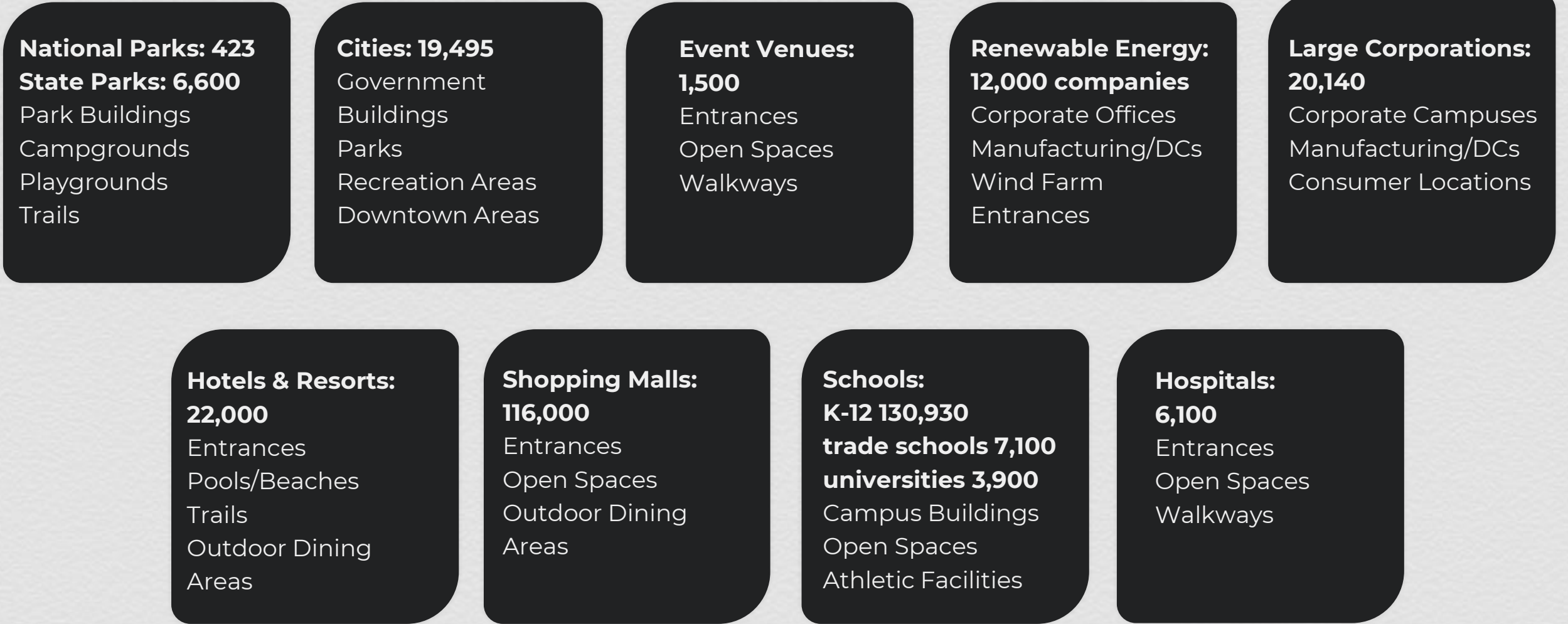
PAR (Primed + Ready)

Primed and Ready is a special coating we apply to the products allowing them to be painted. Engage with your local artists, students, and citizens to use our products as a canvas.





Marketplaces



How to Buy

Traditional Purchasing

- Grants
- Federal funds
- Budget



Donations

- Canvas Donors

Who are Recipients:

- ✓ Sustainability
- ✓ Reimagination
- ✓ Inspiration

- parks
- cities
- schools
- universities

Who is a Donor:

Canvas Donors

- renewable energy companies
- technology companies
- retailers
- consumer goods mfg.
- foundations

Share and Connect

meet **belle**

made from a wind turbine blade

to: **Our Citizens and Visitors**

We hope that this bench provides inspiration to our wonderful citizens and visitors. Elston City is committed to building a more sustainable future.

from: **Your Mayor, Ellen Smith**



by **canvus**
MI-2819

Product Stamp



[Read the Story](#)

Our Brand's Purpose

products

**delivering excellent
products**

- Uniting Retired Materials
- Beautiful Finish Options
- Organic and Durable Designs

collaborations

a canvas for all of us

- Retired Materials
- Nationally Known Artists
- Manufacturing Excellence

experiences

inspiring communities

- Messages of Kindness
- Involving Artists (PAR)
- Donor + Recipient Experience
- Community Events

canvus
a canvas for all of us

collections pricing sheet | May 2023

Our functional art is available in the following collections, each offering a curated selection of products designed with a specific function in mind.

placemaking collection

Make any space the place to be.

 2x fincher planter

 1x deborah



big smile collection

Bring comfort and joy to your community.

 5x belle bench

 5x mimi bench



welcome collection

Provide a range of everyday function.

 1x gus
bench | hybrid

 1x rose
bench | hybrid

 1x beacon planter

 2x faye
bench | hybrid

 3x fincher
bench | hybrid



collections pricing cont.

trailblazer collection

Make any journey feel like a destination.

 4x faye bench

 6x fincher bench



hybrid collection

Elevate your space with harmonious design.

 2x gus hybrid

 2x rose hybrid

 2x faye hybrid



green thumb collection

Add a touch of nature to any environment.

 2x gus planter

 3x faye planter

 4x fincher planter



collections pricing cont.

trendseater collection

Provide comfort with style.

 3x gus bench

 6x fincher bench



picnic collection

Create a magical space for meeting or eating.

 5x carole table

 10x mimi bench



destination collection

Celebrate and highlight the places that matter.

 6x beacon planter





Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Travis Block, Public Works Director
MEETING DATE: July 5, 2023
SUBJECT: Upper Cannon River Watershed Flood Risk Reduction Study

Discussion:

Le Sueur County has retained engineering firm, Bolton & Menk to complete an Upper Cannon River Watershed Flood Risk Reduction Study. The study consists of two phases with phase one being completed in 2021-2022. During phase one, watershed modeling and calibration tasks were completed, resulting in a hydrology report being generated and submitted to the Minnesota Department of Natural Resources (DNR).

Phase two of the study will focus on the following:

1. Develop, calibrate, and finalize a detailed existing condition watershed model of the 332 square mile Upper Cannon River watershed, including 18 jurisdictional dams, numerous non-jurisdictional dam/lake outlets, roadway and drainage infrastructure and bridges.
2. Identify current flood capacity, lake flood levels, flood prone areas, and anticipated discharge estimates throughout the watershed and along the Upper Cannon River.
3. Update available approximate FEMA floodplain modeling (Zone A) studies to reflect calibrated watershed modeling and survey data to identify existing flood risk more accurately along the 33 miles of the Cannon River from Shields Lake to Faribault, impacting portions of both Le Sueur County and Rice County Minnesota.
4. Install a flood warning gage upstream of Waterville, Minnesota and initiate river data reporting. Once installed, ongoing monitoring and reporting of gage measurements will be provided by the National Weather Service and the Minnesota DNR.
5. Coordinate with watershed-wide stakeholders including State, County, City and township governments, Soil and Water Conservation Districts, and the Cannon River Watershed Partnership/Clean River Partners to identify comprehensive strategies to improve watershed health and flood resiliency by better

- managing regional water resources, lake and dam operation, reducing runoff, and improving flood warning and response.
6. Analyze identified flood risk reduction strategies and infrastructure enhancements to quantify implementation costs, flood risk reduction benefits, and resiliency enhancement. Analysis will include updated hydrologic and hydraulic modeling, concept level design exhibits, and construction cost estimates to aid in obtaining funding and resources for future implementation.

Currently, phase two of the study has been put on hold due to a lack of funding. Le Sueur County is submitting a grant application to the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program in an attempt to bridge the funding gap and keep the study progressing. The grant requires a 25% local match consisting of staff time and monetary contributions, of the total cost of the study. The match amount is \$99,965.50 with a total cost of \$399,862.00.

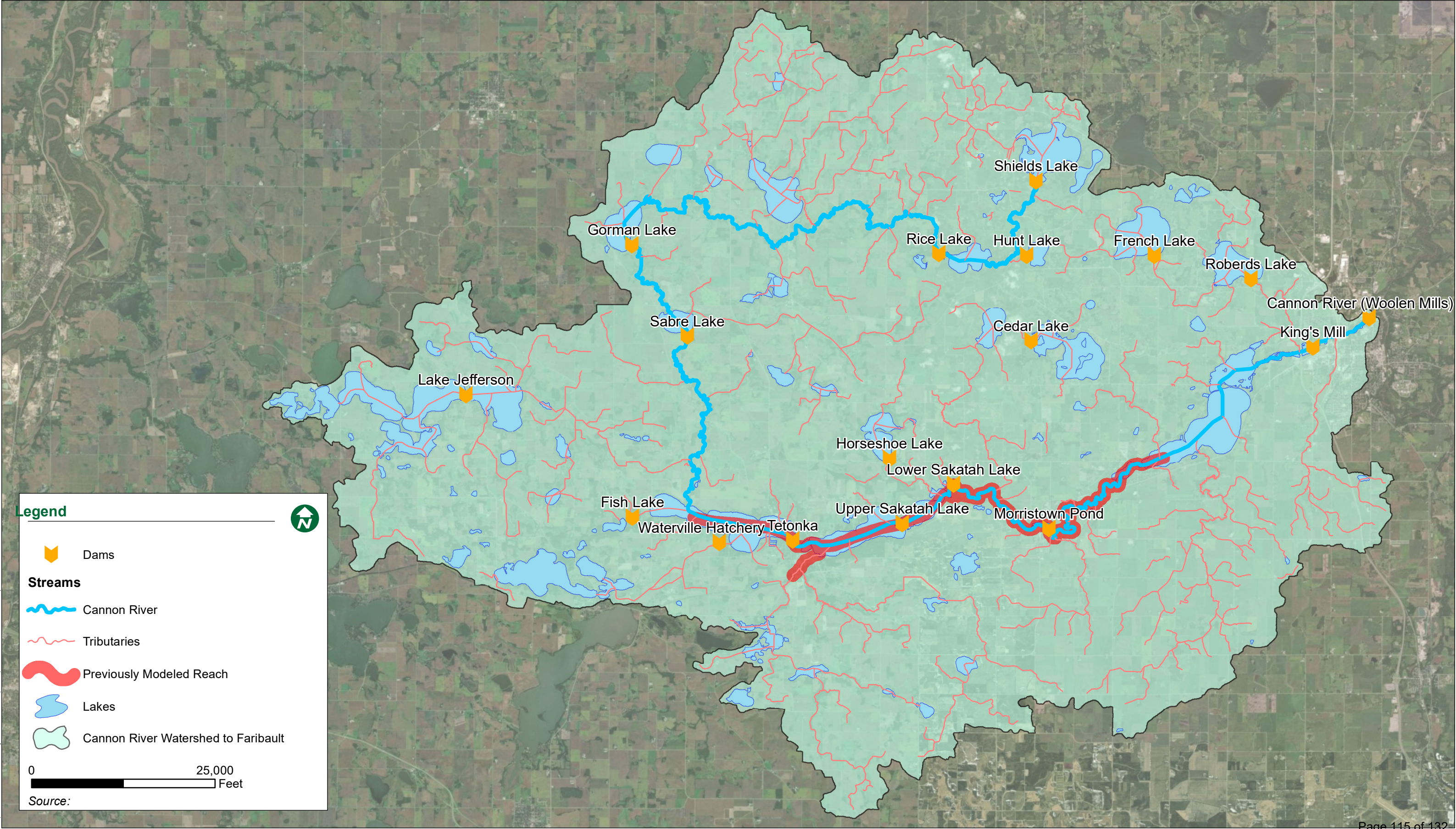
Le Sueur County is seeking support for the match from stakeholders within the watershed including Rice, Steele and Waseca Counties, the Cities of Faribault, Elysian, Morristown and Waterville and Rice, Steele and Waseca County Soil & Water Conservation Districts. The support is being requested in the form of a letter of support for the study.

It should be noted that in 2021 the City completed a \$3M flood mitigation project and bank stabilization project along the Straight River, adjacent to the Water Reclamation Facility (WRF). \$1.5M (50%) of the project costs were funded by the City's Sanitary Sewer Fund (602) and \$1.5M (50%) by the DNR. The project consisted of constructing a sheet pile flood wall and river bank stabilization measures to protect the WRF from flooding.

Staff is looking for Council direction on supporting the study. Should the Council be in support of the study, a letter of support including staff time allotted and any monetary contribution would be brought forward to Council for approval at the July 11th Council Meeting.

Attachments:

1. Cannon River Watershed Map
2. HMA_AdAsst_Application Form Narrative, Budget, & Workplan2



Upper Cannon River Watershed Flood Risk Reduction Study

Project Narrative

This project proposes the second phase of a watershed study that will develop and calibrate updated hydrologic and hydraulic models of the Cannon River from the headwaters near Shields Lake to the confluence with the Straight River in Faribault, Minnesota. The phase one study was prepared in 2021-2022 to initiate existing conditions watershed modeling and assessment of flood risk. The 2022 study leveraged previous studies prepared by the USACE and regional 1W1P for the larger Cannon River. This Upper Cannon River Watershed study is focused on the characteristics that are unique to this portion of the river as compared to the larger watershed. It focuses on a regional approach to understanding and communicating current flood risk, improving watershed flood resiliency, and reducing future flood risk for communities and residents within the watershed.

Additional funding resources are required to expand this project to assess the watershed characteristics and achieve the following watershed goals:

1. Develop, calibrate, and finalize a detailed existing condition watershed model of the 332 square mile Upper Cannon River watershed, including 18 jurisdictional dams, numerous non-jurisdictional dam/lake outlets, roadway and drainage infrastructure and bridges.
2. Identify current flood capacity, lake flood levels, flood prone areas, and anticipated discharge estimates throughout the watershed and along the Upper Cannon River.
3. Update available approximate FEMA floodplain modeling (Zone A) studies to reflect calibrated watershed modeling and survey data to identify existing flood risk more accurately along the 33 miles of the Cannon River from Shields Lake to Faribault, impacting portions of both Le Sueur County and Rice County Minnesota.
4. Install a flood warning gage upstream of Waterville, Minnesota and initiate river data reporting. Once installed, ongoing monitoring and reporting of gage measurements will be provided by the National Weather Service and the Minnesota DNR.
5. Coordinate with watershed-wide stakeholders including State, County, City and township governments, Soil and Water Conservation Districts, and the Cannon River Watershed Partnership/Clean River Partners to identify comprehensive strategies to improve watershed health and flood resiliency by better managing regional water resources, lake and dam operation, reducing runoff, and improving flood warning and response.
6. Analyze identified flood risk reduction strategies and infrastructure enhancements to quantify implementation costs, flood risk reduction benefits, and resiliency enhancement. Analysis will include updated hydrologic and hydraulic modeling, concept level design exhibits, and construction cost estimates to aid in obtaining funding and resources for future implementation.

Working in partnership with numerous agencies and governmental bodies throughout the watershed will ensure that strategies developed under this study and ultimately implemented throughout the watershed will work together to maximize the benefits to the watershed, reduce flood risk in the region, and work collaboratively across numerous jurisdictional boundaries.

Work Plan:

Task 1: Data Collection & Field Surveys

Data Collection

- Collect updated rainfall record data from the MNDNR Climatology Office.
- Collect and compile updated gage records and lake level data.
- Collect updated GIS base data including topography, parcel data, wetland, public waters, floodplain, and base mapping information for the watershed.

Additional Field Surveys

- Obtain additional field surveys where needed to obtain channel bathymetry significant in the modeling or at the final flood prediction gage location.
- Incorporate field survey data into CAD base mapping information.

Deliverables:

- CAD and GIS files/databases of elevation and drainage infrastructure characteristics.

Task 2: Existing Conditions Watershed Modeling & Calibration

Hydrologic Modeling

- Revise any watershed or flood routing data in the HEC-HMS modeling to reflect updated survey information or watershed data.
- Assess existing stream gage data at Morristown Dam as well as lake level measurements throughout the watershed since the draft study was completed in 2022.
- Update the HEC-HMS modeling to reflect the gage data and assess opportunities for additional calibration and validation of the model.
- Develop 10-year, 50-year, 100-year, and 500-year discharge data for the Upper Cannon River Watershed.
- Finalize the Hydrology Report based on the draft report dated June 2022 to incorporate comments and data obtained since the initial draft was completed.

Deliverables:

- Existing Condition Hydrology Study Report (Final)
- Digital HEC-HMS Files

Task 3: Existing Conditions Floodplain Modeling

Hydraulic Modeling

- Update effective FEMA floodplain models along the Cannon River within the study area to reflect additional site topography and finalized discharge data from the Hydrologic Modeling (Task 2).
- Create updated preliminary floodplain maps reflecting 100-year floodplain boundaries. The 10-year, 50-year, and 500-year floodplain data can also be generated.
- Finalize the Existing Condition Hydraulic Memo based on the draft memo dated June 2022 by incorporating comments, hydrology changes, and data since the draft was completed.

Deliverables:

- Existing Condition Hydraulic Study Memorandum (Final)
- Existing Condition Floodplain Delineation Mapping (Hardcopy and GIS data)
- Digital HEC-RAS Files

Task 4: Flood Warning Gage Coordination

Gage Installation and analysis

- Coordinate with the MNDNR and NWS to develop flood warning gage rating curve data and flood level characteristics for monitoring and reporting by the NWS.
- Coordinate with the DNR regarding installation of the flood gage & begin monitoring for flood prediction based on the calibrated HEC-HMS model.
- Fee excludes cost of actual gage equipment and installation.

Deliverables:

- Discharge, survey, and watershed data needed for developing NWS flood prediction models.

Task 5: Proposed Mitigation Alternatives Development and Analysis

Design Charette to identify Additional Concept Alternatives

- Host a design charette to discuss potential conceptual flood reduction alternatives, brainstorm approaches, and define goals and thresholds for comparing alternatives.
- Compile a summary of the recommendations, concepts, and alternatives presented.
- Summarize in a memo to the stakeholder group.

Hydrologic & Hydraulic Modeling

- Select up to 6 alternatives for initial modeling and assessment based on feedback from the design charette.
- Modeling is anticipated to include design alternatives for flood reduction strategies that may include concepts such as:
 - Enhancing upstream storage opportunities.
 - Reducing lake outflow discharges.
 - Active lake level management such as pre-storm drawdown or gate operational changes.
 - Channel modifications to improve floodplain storage and attenuation.
 - Diversion/rerouting of runoff.
 - Modified land use strategies.
- Prepare concept level modeling of the 6 proposed alternatives and identify preliminary flood reduction benefits of each alternative in the 10, 50, and 100-year flood event for review by project stakeholder group.
- Incorporate recommendations from stakeholder review and prepare final modeling of the 6 proposed alternatives and corresponding flood reduction benefits of each alternative in the 10, 50, and 100-year flood event.
- Identify locations of existing structures benefited or impacted by the results of the modeling for each alternative, reflecting either increased or decreased risk of flooding.

Deliverables:

- Summary memo of design charette recommendations.
- Preliminary flood reduction assessment and exhibits.
- Final flood reduction assessment, recommendations, and exhibits.
- Digital HEC-HMS and HEC-RAS Models

Task 6: Concept Exhibits & Cost Estimates

Cost Estimates and Concept Exhibits

- Prepare concept project exhibits for final flood reduction alternatives and recommendations.
- Prepare construction cost estimates for each of the final recommended alternatives.

Deliverables:

- PDF exhibits showing recommended improvements and flood reduction benefit.
- CAD or GIS files of proposed alternatives.
- PDF and Excel files of cost estimates.

Task 7: Upper Cannon River Flood Risk Reduction Report

Report Development

- Create a draft alternatives report that summarizes the findings of the existing condition modeling and discusses the six proposed concept flood reduction alternatives.
- Submit the draft report to the stakeholders for review and comment.
- Incorporate stakeholder comments and finalize the alternatives report.

Deliverables:

- PDF of draft Upper Cannon River Flood Risk Reduction Report
- PDF of final Upper Cannon River Flood Risk Reduction Report

Task 8: Meetings & Coordination

Meetings and Coordination

- Attend 1 kickoff meeting with stakeholders to review draft studies previously completed, review comments from initial reviews in 2022, and request any additional feedback on draft data.
- Attend 10 bi-monthly status meetings with stakeholders, to review project progress.
- 80 hours additional as needed coordination with various agency staff.
- Provide 24 monthly written status reports on project progress.
- Provide 1 presentation to project stakeholders on final project findings.
- Monthly Grant Coordination and documentation.

Deliverables:

- Monthly status reports
- Bi-monthly stakeholder meeting agendas and minutes

Exclusions:

The following items are specifically excluded from the above scope of work options.

- Structural or geotechnical analysis of existing dam structures.
- Wetland delineations or permitting
- FEMA LOMR or PMR submittal
- Floodway modeling or floodway determination(s)
- Water quality modeling or pollutant loading calculations
- Construction drawings
- Flood Warning Gage purchase, installation, monitoring, or ongoing maintenance.

Project Fee:

TASK NO.	WORK TASK DESCRIPTION	Total Cost
1.0	Data Collection & Field Surveys	\$32,784
2.0	Existing Condition Watershed Modeling and Calibration	\$64,124
3.0	Existing Condition Floodplain Modeling	\$41,148
4.0	Flood Warning Gage Coordination	\$14,116
5.0	Proposed Mitigation Alternatives Development & Analysis	\$128,044
6.0	Concept Exhibits & Cost Estimates	\$38,652
7.0	Upper Cannon River Flood Risk Reduction Report	\$38,972
8.0	Meetings & Coordination	\$42,022
Total =		\$399,862

Schedule:

	Q1			Q2			Q3			Q4			Q5			Q6			Q7			Q8		
Task	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17	M 18	M 19	M 20	M 21	M 22	M 23	M 24
Meetings & Coordination																								
Kickoff Meeting																								
bi-monthly status meetings (assumes 10)																								
1 presentation to project stakeholders																								
Data Collection																								
Collect updated rainfall data																								
Collect gage data																								
Updated GIS Basemapping																								
Field Surveys and Bathymetric Surveys																								
Compile to a GIS or CAD format																								
Existing Condition Watershed Modeling and Calibration																								
Revise Existing HMS modeling																								
Compile gage records for comparison																								
Calibration Validation Modeling Updates with gridded rainfall and gage records																								
Develop 10-year, 50-year, 100-year, 500-year discharges																								
Incorporate draft comments and finalize Hydrology report																								
compile final deliverables																								
Existing Condition Floodplain Modeling																								
Update geometry with lidar/survey data																								
Update flow rates with HMS results for 10, 50, 100, and 500-year flows.																								
Create Flood Boundaries for each storm event.																								
Final Floodplain report memo for submittal to DNR/USACE/etc.																								
compile final deliverables																								

Meeting

BMI Work Progress

External Review Period

M

Milestone

	Q1			Q2			Q3			Q4			Q5			Q6			Q7			Q8		
Task	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17	M 18	M 19	M 20	M 21	M 22	M 23	M 24
Flood Warning Gage Coordination																								
Coordinate with DNR & NWS																								
Proposed Mitigation Alternatives Development & Analysis																								
Design Charette & summary memo																								
Preliminary Modeling (6 alternatives)																								
Final Modeling (6 alternatives - modified)																								
Generate updated floodplain models (6 alts)																								
Assess benefits (6 alternatives)																								
compile final deliverables																								
Concept Exhibits & Cost Estimates																								
Concept project Exhibits (6 alternatives)																								
Construction cost estimates (6 alternatives)																								
compile final deliverables																								
Upper Cannon River Flood Risk Reduction Report																								
Draft Alternatives report																								
incorporate stakeholder comments																								
finalize alternatives report.																								
compile final deliverables																								

 Meeting
 BMI Work Progress
 External Review Period
 Milestone



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH:
FROM: Tim Murray, City Administrator
MEETING DATE: July 5, 2023
SUBJECT: Review of Charter Commission Recommendations

Discussion:

The Charter Commission met on Tuesday, June 27, 2023. Recommended changes to the City Charter were presented for consideration and action on the following three matters:

- Oath of Office
- Sale of Real Property
- Administrative Offenses (new section)

A. Oath of Office (Section 12.02)

The Charter requires all elected and appointed officials to take an oath prior to assuming their office, with the oath given in Section 12.02. The language proposed to be modified is highlighted.

Section 12.02. - Oath of office. Every elected or appointed officer of the City shall, before entering upon the duties of **his** office, take and subscribe an oath of office in substantially the following form: "I do solemnly swear (or affirm) to support the Constitution of the United States and of the State of Minnesota, and that I will faithfully discharge the duties of the office of _____ (title of office) of the City of Faribault, Minnesota, to the best of my judgment and ability, **and this I do under the penalties of perjury.**"

The Commission supported removal of the phrase "... and this I do under the penalties of perjury." and revising "his" to "the". A draft ordinance that reflects these changes is attached.

B. Sale of Real Property (Section 12.04)

The Charter currently requires the sale of real property owned by the City be approved by ordinance, by at least five members of the Council. The proposed change to this section would be to approve the sale by resolution.

This is much more standard across the state, would decrease the timeframe required for approval, and could be considered in many cases to be more "business friendly", as often the sale of a City-owned property is to a business or developer.

Section 12.04. Sale of real property.

No real property of the City shall be disposed of except by ordinance approved by at least five members of the council. The net cash proceeds of any sale of the property shall be used to retire any outstanding indebtedness incurred by the City in the acquisition or improvement of the property. Any remaining net proceeds shall be used to finance other improvements in the capital improvement budget or to retire any other bonded indebtedness.

The current language also includes specific direction on the use of the net proceeds from the sales. While not specific, the proposed changes require that the resolution approving the sale would identify the initial disposition of the proceeds.

C. Administrative Offenses (Section 12.09 – New section)

The use of Administrative Offense citations is recommended as a means to increase compliance with the City Code in a more timely and efficient manner, prior to criminal/civil prosecution. This would address minor violations on zoning matters, property maintenance, etc. The City Attorney recommends that this authority be clearly established in the City Charter. The attached ordinance adds a new section to the Charter (12.09) authorizing the City to impose civil penalties (known as administrative offenses).

In conjunction with the adoption of the new Section 12.09, a second ordinance has been prepared to authorize the assessment of unpaid penalties against the property (inserting a new Section 8.03, with the existing Section 8.03 renumbered as 8.04). Administrative offense charges will be established as part of the annual fee schedule.

The Charter Commission unanimously recommended making all of these changes to the City Charter. As a reminder, the approval of an ordinance amending the City Charter requires a unanimous vote of the City Council, and they do not become effective until 90 days after publication.

Attachments:

1. Ordinance 2023-xx Amending Section 12.02 - Oath of office
2. Ordinance 2023-xx Amending Section 12.04 - Sale of real property
3. Ordinance 2023-xx Adding Section 12.09 - Fines and civil penalties

4. Ordinance 2023-xx Amending CHAPTER 8. PUBLIC IMPROVEMENTS
AND SPECIAL ASSESSMENTS
5. Email from City Attorney - 2022-10-29

**CITY OF FARIBAULT
ORDINANCE No. 2023-xx**

**AMENDING SECTION 12.02 – OATH OF OFFICE. OF THE
FARIBAULT CITY CHARTER**

THE CITY OF FARIBAULT ORDAINS:

Section 1. The City Council of the City of Faribault, pursuant to the recommendation of the City of Faribault Charter Commission, has hereby determined that Chapter 12 of the City Charter be amended by the addition of the underlined language and by the deletion of the ~~stricken~~ language in Section 12.02 as follows:

Section 12.02. - Oath of office.

Every elected or appointed officer of the City shall, before entering upon the duties of ~~his~~the office, take and subscribe an oath of office in substantially the following form: "I _____ (insert name) do solemnly swear (or affirm) to support the Constitution of the United States and of the State of Minnesota, and that I will faithfully discharge the duties of the office of _____ (title of office) of the City of Faribault, Minnesota, to the best of my judgment and ability, ~~and this I do under the penalties of perjury.~~"

Section 2. This ordinance shall take effect ninety days after the date of its publication.

First Reading:

Second Reading:

Publication Date:

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator

**CITY OF FARIBAULT
ORDINANCE No. 2023-xx**

**AMENDING SECTION 12.04 – SALE OF REAL PROPERTY. OF THE
FARIBAULT CITY CHARTER**

THE CITY OF FARIBAULT ORDAINS:

Section 1. The City Council of the City of Faribault, pursuant to the recommendation of the City of Faribault Charter Commission, has hereby determined that Chapter 12 of the City Charter be amended by the addition of the underlined language and by the deletion of the ~~stricken~~ language in Section 12.04 as follows:

Section 12.04. – Sale of real property.

No real property of the City shall be disposed of except by ~~ordinance~~resolution approved by ~~at least five members of~~ the council. The initial disposition of the net cash proceeds of any sale of the property shall be specified in the approving resolution~~used to retire any outstanding indebtedness incurred by the City in the acquisition or improvement of the property. Any remaining net proceeds shall be used to finance other improvements in the capital improvement budget or to retire any other bonded indebtedness.~~

Section 2. This ordinance shall take effect ninety days after the date of its publication.

First Reading:

Second Reading:

Publication Date:

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator

**CITY OF FARIBAULT
ORDINANCE No. 2023-xx**

**ADDING SECTION 12.09 – FINES AND CIVIL PENALTIES. TO THE
FARIBAULT CITY CHARTER**

THE CITY OF FARIBAULT ORDAINS:

Section 1. The City Council of the City of Faribault, pursuant to the recommendation of the City of Faribault Charter Commission, has hereby determined that Chapter 12 of the City Charter be amended by adding the following section in its entirety:

Section 12.09. – Fines and civil penalties.

The Council may provide by ordinance that a violation of a City ordinance is either a misdemeanor or a petty misdemeanor, punishable in accordance with State law. The Council shall establish by ordinance a procedure for imposing a civil penalty known as an administrative offense as defined in City Code.

Section 2. This ordinance shall take effect ninety days after the date of its publication.

First Reading:

Second Reading:

Publication Date:

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator

CITY OF FARIBAULT
ORDINANCE No. 2023-xx

**AMENDING CHAPTER 8. - PUBLIC IMPROVEMENTS AND SPECIAL
ASSESSMENTS OF THE FARIBAULT CITY CHARTER**

THE CITY OF FARIBAULT ORDAINS:

Section 1. The City Council of the City of Faribault, pursuant to the recommendation of the City of Faribault Charter Commission, has hereby determined that Chapter 8 of the City Charter be amended by the addition of the underlined language and by the deletion of the ~~stricken~~ language in Chapter 8 as follows:

Section 8.03. - Certification of Administrative Offense Penalties.

The City may certify unpaid property-based Administrative Offense penalties by certification to property taxes. Collection of Administrative Offense penalties shall proceed only in accordance with an ordinance adopted by the Council that must require at least the following:

The City must give notice to the property owner listed on the official tax records at least 30 days prior to imposing the certification.

The City must attempt to obtain voluntary payment of the fees and penalties and allow the property owner the opportunity to request certification to the property taxes as a method of payment. The City must provide an opportunity for a hearing regarding the certification before either the City Council or a neutral third party as specified in City Code.

Administrative Offense penalties and charges must be directly related to the property being assessed according to City Code and as published in the City's fee schedule. Certifications under this ordinance shall be imposed pursuant to Minnesota State Statutes including 366.011, 366.012, 415.01, and 429.101, as amended and as specified in City Code.

Section 8.0~~3~~4. - Local improvement procedure.

When the City undertakes any local improvement subject to Minnesota law, it shall comply with the provisions of that law. The council may by resolution prescribe the procedure to be followed in making any other local improvement and levying assessments therefor.

Section 2. This ordinance shall take effect ninety days after the date of its publication.

First Reading:

Second Reading:

Publication Date:

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator

From: [Riggs, Scott J.](#)
To: [Tim Murray](#)
Cc: [Riggs, Scott J.](#); [Short, Jean M.](#)
Subject: FA105-451: Work Session agenda packet is enclosed.
Date: Saturday, October 29, 2022 12:43:55 PM
Attachments: [r-s Work Session agenda packet for 11.1.2022.pdf](#)

Tim:

One clarification that we should discuss on Monday regarding the proposals relative to the Charter Commission and the work session packet – I do think if we desire to pursue administrative penalties, we should adopt appropriate charter provisions.

The League of Minnesota Cities and district courts in Minnesota have generally noted that statutory cities cannot impose administrative penalties; however, charter cities maybe can, with appropriate charter language.

Some charter cities (see below -- **Mounds View** (the sections noted below were adopted in direct response to authority questions raised by the Ramsay County District Court), **Minnetonka** (the language in Minnetonka's charter was referred to by many in the discussions on administrative penalties that percolated in the late 1990's though the 2000's)) have based such administrative penalty provisions on Charter authority. We do not have similar language in the Faribault Charter. This is the issue that Kay raised in the past, particularly the language that Mounds View adopted.

As I noted in our discussions at the charter commission meeting, courts have pushed back as to cities exercising administrative citation authority outside of the court system – not sure how Rice County District Court would look at this situation.

Please let me know if you are available to discuss on Monday.

Thanks.

Scott J. Riggs
Kennedy & Graven, Chartered

A. Mounds View Charter sections.

Section 12.14. Fines and Civil Penalties. The Council may provide by ordinance that a violation of a City ordinance is either a misdemeanor or a petty misdemeanor, punishable in accordance with State law. The Council shall establish by ordinance a procedure for imposing a civil penalty known as an administrative offense as defined in City Code. (Amended by Ord. 810, adopted July 28, 2008.)

Section 8.06. Certification of Administrative Offense Penalties. Authority is granted to the City of Mounds View to certify unpaid property-based Administrative Offense penalties by certification to property taxes. Collection of Administrative Offense penalties shall proceed only in accordance with an ordinance adopted by the Council that must require at least the following:

The City must give notice to the property owner listed on the official tax records at least 30 days prior to imposing the certification.

The City must attempt to obtain voluntary payment of the fees and penalties and allow the property owner the opportunity to request certification to the property taxes as a method of payment. The City must provide an opportunity for a hearing regarding the certification before either the City Council or a neutral third party as specified in City Code.

Administrative Offense penalties and charges must be directly related to the property being assessed according to City Code and as published in the fee schedule. Certifications under this ordinance shall be imposed pursuant to Minnesota State Statutes including 366.011, 366.012, 415.01, and 429.101, as amended and as specified in City Code. (Amended by Ord. 810, adopted 28, 2008.)

B. Minnetonka Charter sections:

Section 12.12. Fines and Penalties.

The council may provide by ordinance that a violation of a city ordinance is either a misdemeanor or a petty misdemeanor, punishable in accordance with state law. In addition, the council may establish by ordinance a procedure for imposing a civil penalty not exceeding \$2,000 for each ordinance violation. This procedure must provide an opportunity for a hearing before a neutral party, which may be the council.

Section 8.03. Fees and Civil Penalties.

The council may provide by ordinance that fees, civil penalties, and late payment penalties imposed by the city may be assessed against (a) property that was the subject matter, or related to the subject matter, of the fees and penalties, or (b) property that was the location of an activity, proposed use, city service, or other circumstance that resulted in the fees and penalties. The ordinance must require the city to attempt to obtain voluntary payment of the fees and penalties before imposing the assessments. The ordinance must require the city to give notice and an opportunity to be heard to the property owner listed on the official tax records before imposing the assessments. The assessments will be collected like special assessments.